



DRAFT
TOWN COUNCIL
Public Hearing & Regular Meeting
Cape Charles Civic Center, 500 Tazewell Avenue
May 21, 2026, 6:00 p.m.

CALL TO ORDER

Mayor Charney called the Public Hearing and Regular Meeting of the Cape Charles Town Council to order at 6:00 p.m.

ROLL CALL

Council Members in attendance: Mayor Charney, Vice Mayor Buchholz, Councilmen Butta, Grossman and Newman, and Councilwomen Ashworth and Holloway. A quorum was established.

Staff in attendance: Town Manager Rick Keuroglian, Project Manager Bob Panek, Treasurer Marion Sofield, Planning & Zoning Administrative Assistant Jack Steinmayer, Police Chief Jim Pruitt, Assistant to the Town Manager Pam Endlein, Town Clerk Libby Hume

Others in attendance: Sam Riggs from Coastal Seaplanes, Charles Piekanski, Matt Elliott and Anna Kazasi from Virginia American Water, and Taylor Stover from Robinson, Farmers, Cox Associates, PLLC.

There were three (3) members of the public in attendance.

MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE

Council and attendees observed a moment of silence followed by the Pledge of Allegiance.

PUBLIC HEARING

A. Zoning Text Amendment 2026-02 – Historic District Overlay Guidelines & Appendix G

Mayor Charney opened the Public Hearing on Zoning Text Amendment 2026-02 regarding amendments to the Historic District Overlay, Appendix A (Definitions), and the addition of Appendix G to the Historic District Guidelines.

There were no comments to be heard, nor any submitted in writing prior to the meeting.

Motion made by Councilman Grossman, seconded by Councilman Butta, to close the public hearing. The motion was approved by unanimous vote.

RECOGNITION OF VISITORS / PRESENTATIONS / RECOGNITIONS

A. Coastal Seaplanes Presentation – Sam Riggs

Sam Riggs of Coastal Seaplanes provided Council with an update on the company's operations in Cape Charles and outlined plans for future expansion. Mr. Riggs reported that the seaplane dock installed adjacent to the harbor riprap had been highly successful and enabled Coastal Seaplanes to provide consistent service into Cape Charles throughout the year. He noted that the company recently expanded aircraft capacity from three to four passengers and is planning for the addition of a second aircraft, which would allow more frequent service and improved operational flexibility. He went on to explain that Coastal Seaplanes had evolved beyond tourism flights and was increasingly serving as a transportation and logistics provider throughout the Chesapeake Bay region. In addition to charter flights, the company had partnered with organizations including the Chesapeake Bay Foundation and the Virginia Institute of Marine Science to support environmental and conservation initiatives. He described upcoming efforts to assist with menhaden research and fish-spotting operations and emphasized the company's commitment to supporting marine conservation projects. A significant portion of the presentation focused on the area adjacent to the existing seaplane dock. Mr. Riggs described deteriorated concrete pilings and exposed rebar located within the riprap area as both a navigation hazard and an aesthetic

concern. He explained that aircraft currently docked nose-first toward the shoreline and that the submerged debris created safety concerns for pilots and passengers. He also noted that the debris limited available docking space and complicated coordination with larger visiting vessels, including yachts utilizing the harbor. Mr. Riggs presented conceptual plans to expand the existing dock through construction of an L-shaped extension. The proposed design would improve aircraft maneuverability, reduce conflicts with vessel traffic, and allow future accommodation for multiple aircraft. He explained that the design would utilize existing infrastructure where possible and would minimize additional impacts to the harbor. Future phases could include shoreline restoration, improved public viewing areas, and a small office and gift shop associated with Coastal Seaplanes operations. He stated that his immediate goal was to remove the concrete debris and hazardous pilings through grant funding and partnerships. He estimated that the work could be accomplished through the use of a barge and excavator and suggested that removed material could potentially be repurposed as reef material. Following debris removal, the company hoped to complete dock expansion during the fall of 2026 and pursue additional improvements through 2027.

Council engaged in extensive discussion with Mr. Riggs regarding fuel availability, docking operations, visitor impacts, and future business opportunities. Councilman Newman inquired about the percentage of flights serving visitors versus local residents. Mr. Riggs estimated that approximately half of the company's flights involved visitors traveling to Cape Charles and the Eastern Shore for overnight stays, day trips, dining, golf, and tourism activities. He noted that many passengers utilized local lodging establishments, restaurants, and recreational amenities.

Councilwoman Holloway encouraged Coastal Seaplanes to obtain a Cape Charles business license and local business address, noting that doing so would open opportunities for tourism, infrastructure, and economic development grants. She discussed possible eligibility for Eastern Shore tourism grants, Northampton County infrastructure funding opportunities, and participation through Cape Charles Main Street programs. Council members discussed potential solutions for establishing a local business address associated with the dock facilities.

Councilman Grossman encouraged Coastal Seaplanes to participate in the Town's Harbor and Railroad Master Plan process, noting that long-range planning efforts could complement future harbor improvements. Mr. Riggs expressed enthusiasm for participating in those efforts and reiterated his belief that Cape Charles was uniquely positioned to become a premier seaplane destination within the Chesapeake Bay region.

Council thanked Mr. Riggs for his presentation and expressed appreciation for the company's investment in the community.

B. *Virginia American Water Presentation*

Charlie Piekanski, Matt Elliott, and Anna Kazasi from Virginia American Water provided Council with a comprehensive update regarding operations, capital investments, and long-range planning efforts associated with the Town's water and wastewater systems.

Mr. Piekanski began by providing an overview of Virginia American Water and its parent company, American Water, the nation's largest publicly traded water and wastewater utility company. He reviewed the history of the Town's utility acquisition process, noting that Virginia American Water officially assumed ownership of the systems in April 2024 following several years of evaluation and planning. He emphasized the company's commitment to reliability, resiliency, water quality, and long-term investment in the Cape Charles community. Mr. Piekanski reported that Virginia American Water had already invested approximately \$4 million in capital improvements during its first two years of ownership and anticipated exceeding the capital investment commitments established in the acquisition agreement. He explained that the company utilized a combination of operational funding, recurring capital projects, and comprehensive planning studies to identify and prioritize future infrastructure investments.

Matt Elliott reviewed completed and ongoing projects throughout the water and wastewater systems including upgrades at the wastewater treatment plant, membrane rehabilitation, ultraviolet disinfection improvements, electrical and safety enhancements, HVAC improvements, generator replacements, lift station upgrades, inflow and infiltration investigations, and collection system improvements. He also highlighted numerous water system projects, including treatment plant upgrades, filter media replacement, roof replacement, security improvements, SCADA and automation upgrades, water meter replacement programs, valve replacements, leak detection efforts, and distribution system improvements. He noted that advanced metering technologies had improved their ability to identify leaks and notify customers of unusual water consumption patterns.

Council discussed water quality concerns, including hardness, taste, total dissolved solids, and future regulatory requirements. Representatives reported that testing continued to demonstrate excellent water quality and confirmed that PFAS (polyfluoroalkyl substances) compounds have not been detected within the Town's water supply. Council members asked questions regarding future growth, system capacity, peak seasonal demands, and long-term resiliency planning.

Anna Kazasi presented the findings of Virginia American Water's Comprehensive Planning Studies for both the water and wastewater systems. She explained that the studies evaluated treatment capacity, source water availability, storage, pumping systems, collection infrastructure, distribution networks, regulatory requirements, and projected customer growth over a 20-year planning horizon. The studies identified a series of prioritized projects intended to support future development while maintaining reliability and water quality. Recommendations included continued well rehabilitation, source water expansion, treatment facility upgrades, storage improvements, collection system enhancements, and wastewater treatment improvements. Ms. Kazasi explained that project priorities were determined through a risk-based analysis considering system condition, operational requirements, growth projections, and regulatory obligations.

Council discussed the Keck Well project, future source water needs, treatment capacity, cybersecurity protections, and opportunities for water reuse. During public discussion following the presentation, resident Brian Murray referenced prior planning recommendations involving potential reuse of treated effluent for irrigation purposes at Bay Creek. Virginia American Water representatives confirmed that preliminary discussions had occurred and that additional evaluation would be required due to permitting and regulatory considerations.

Council thanked the Virginia American Water representatives for their presentation and acknowledged the substantial investment being made in the Town's utility infrastructure.

C. *Presentation of FY 2025 Annual Financial Report – Taylor Stover of Robinson, Farmers, Cox Associates, PLLC*

Taylor Stover, from Robinson, Farmer, Cox Associates, PLLC, presented the Town's Fiscal Year (FY) 2025 Annual Financial Report and reviewed the results of the annual independent audit. Mr. Stover explained that the audit was conducted in accordance with Generally Accepted Auditing Standards and Government Auditing Standards. He noted that the Town was not required to undergo a federal single audit because federal expenditures remained below the applicable threshold. He reported that the Town received an unmodified opinion on its financial statements, commonly referred to as a clean audit opinion. He explained that these opinions represented the highest level of assurance that auditors could provide and indicated that the Town's financial statements fairly presented its financial position in accordance with applicable accounting standards. A management letter was issued containing one recommendation related to controls over journal entries. Mr. Stover explained that journal entries should be reviewed by someone other than the preparer and that documentation supporting entries should be maintained. He emphasized that the recommendation did not rise to the level of a significant deficiency or material weakness. Mr. Stover reviewed the Town's governmental fund balances and proprietary

fund net positions. He reported that the Town's government-wide net position now exceeded \$27 million. He noted that governmental fund balances increased by approximately \$600,000 and that the majority of unrestricted funds remained associated with proceeds from the Virginia American Water transaction. Mr. Stover also discussed implementation of GASB (Government Accounting Standards Board) Statement No. 101 relating to compensated absences, which resulted in a required restatement of approximately \$60,000. Looking ahead, he reviewed upcoming implementation of GASB Statement No. 103, which would require additional explanations regarding significant budget variances and management discussion and analysis sections within future financial reports.

Councilman Grossman asked questions regarding the Town's recent soft-close accounting process and whether preliminary financial information used during budget preparation closely aligned with final audited figures. Treasurer Marion Sofield indicated that the information appeared to be reasonably comparable but agreed additional review would be beneficial. Councilman Grossman expressed his preference for the audit to be completed earlier so results could be available for budget preparation. Mr. Stover noted that the Town's population size currently allowed audits to occur under a later filing schedule and explained that earlier audit completion would increase costs due to scheduling and staffing constraints.

Marion Sofield reported that the Finance Department had already implemented revised journal entry review procedures based upon the auditors' recommendation. Mr. Stover commended Town staff for their cooperation throughout the audit process and thanked employees for their responsiveness to audit requests.

Council thanked Mr. Stover and Town staff for their work and expressed appreciation for another successful audit.

PUBLIC COMMENTS

There were no comments to be heard, nor any submitted in writing prior to the meeting.

CONSENT AGENDA

A. *Approval of Agenda Format*

B. *Approval of Minutes*

- April 2, 2026 Town Council Budget Work Session
- April 9, 2026 Town Council Executive Session
- April 9, 2026 Town Council Work Session
- April 16, 2026 Town Council Public Hearing & Regular Meeting
- April 16, 2026 Town Council Budget Work Session
- April 23, 2026 Town Council Executive Session
- April 30, 2026 Town Council Special Meeting
- May 7, 2026 Town Council Executive Session
- May 7, 2026 Town Council Emergency Special Meeting
- May 7, 2026 Town Council Budget Work Session

C. *Approval of March 2026 Financial Report*

Motion made by Councilman Grossman, seconded by Vice Mayor Buchholz, to approve the Consent Agenda as presented. The motion was approved by unanimous vote.

UNFINISHED BUSINESS

A. *Zoning Text Amendment 2026-02 – Town Code Chapter 32, Section VIII (Historic District Overlay), Appendix A (Definitions), and Historic District Guidelines addition of new Appendix G*

Town Manager Rick Keuroglan advised Council that the proposed amendments had been presented and discussed extensively during previous Planning Commission meetings, work sessions, public hearings, and Council meetings. Staff was in attendance to answer any remaining questions.

Motion made by Councilman Grossman, seconded by Councilwoman Ashworth, to adopt Ordinance 2026-05-21 amending the Historic District Overlay Ordinance: Town Code Chapter 32-Zoning Ordinance, Article VIII-Historic District Overlay, Appendix A-Definitions, and addition of New Appendix G to the Historic District Guidelines. The motion was approved by unanimous vote. Roll call vote: Ashworth, yes; Buchholz, yes; Butta, yes; Grossman, yes; Holloway, yes; Newman, yes.

NEW BUSINESS

A. New Classification for Current FY 2026 and Proposed FY 2027 Budgets

Treasurer Marion Sofield presented a request to establish new budget classifications associated with the Town's Railroad & Harbor Area Ideas Competition initiative. Entry fees and donations would be collected and revenue generated through the submissions or donations would be recorded under "Miscellaneous Revenue – General Fund" in the new line item 100-3200-1655 - IDEAS Competition. Information materials promoting the competition were included in the agenda packet. She encouraged Council members to share the information with individuals who might be interested in participating.

Councilman Grossman used the opportunity to discuss information contained within the competition materials and raised concerns regarding references to development opportunities along the railroad corridor. He noted that recent information regarding railroad easement restrictions had significantly affected development potential within portions of the project area and stated that materials distributed to prospective participants should accurately reflect those limitations. Specifically, he expressed concern that references suggesting removal of the railroad hump or unrestricted development opportunities could create unrealistic expectations for competition participants.

Council members discussed the railroad easement, including the existence of utility and dredging pipeline easements associated with the corridor. Councilman Newman referenced previous discussions with representatives of The Berkley Group and sought clarification regarding the nature of the easements and whether they could be modified in the future. Project Manager Bob Panek explained that a United States Army Corps of Engineers easement existed for the harbor dredging pipeline and noted that portions of the corridor remained necessary for utility and dredging operations.

Council discussed the importance of accurately identifying the location and dimensions of existing easements before final competition materials were distributed. Staff agreed to verify the dimensions and locations of the easements and coordinate revisions with the organizers of the competition to ensure prospective participants received accurate information.

Returning to the budget request, Marion Sofield explained that staff wished to establish revenue and expenditure line items to properly account for donations received in support of the Ideas Competition. She noted that there would be a minimum of \$10,000 of Town expenses for awards of monetary prizes for Stage 1 finalists, Stage 2 finalists would share an undetermined prize amount in addition to the five finalists who would be awarded money and the honor of moving to Stage 3. Depending on the number of registrants, it was likely that as much as \$20,000 might be awarded to competitors at various stages. For this reason, she recommended allocating \$20,000 into the FY 2027 budget for this project.

Motion made by Councilwoman Holloway, seconded by Councilman Butta, to approve the requested budget classifications and expenditures associated with the Ideas Competition. The motion was approved by unanimous vote.

B. Mobile Food and/or Beverage Vending Unit Ordinance

Planning & Zoning Administrative Assistant Jack Steinmayer staff presented a revised draft Mobile Food and/or Beverage Vending Unit Ordinance incorporating comments and revisions

previously requested by Council during its April 9, 2026 meeting. He reviewed the revisions section-by-section.

Council engaged in extensive discussion regarding the proposed language. Councilwoman Ashworth questioned whether the requirement that all food and beverage preparation occur within the unit could unintentionally affect certain vendors, such as ice cream vendors or operators who provided limited preparation within the vehicle. Council members discussed the distinction between preparation, service, and display activities and expressed concern that overly restrictive language could create unintended barriers for certain business models. Discussion continued regarding signage, customer service areas, temporary equipment, outdoor displays, generator standards, operational flexibility, and practical enforcement considerations. Council members emphasized the importance of creating regulations that preserved public safety and community character while remaining workable for small businesses and seasonal vendors. Council also discussed propane tank placement, setback requirements, and conditional approvals.

Councilman Grossman expressed his thoughts that the ordinance would be more appropriate in Article IV which dealt with all districts rather than Article III.

Motion made by Councilman Grossman, seconded by Councilwoman Ashworth, to adopt Resolution of Intent 20260521 referring the revised Mobile Food and/or Beverage Vending Unit Ordinance, as discussed, to the Planning Commission for review and recommendation. The motion was approved by unanimous vote. Roll call vote: Ashworth, yes; Buchholz, yes; Butta, yes; Grossman, yes; Holloway, yes; Newman, yes.

TOWN MANAGER COMMENTS

Rick Keuroglan commented as follows:

- i) He had been meeting with Jack Steinmayer and Tracy Outten in the Planning & Zoning Department, and they were both doing a fantastic job. Casey Quilter was also doing a great job with short-term rentals (STRs). We have had 314 applications submitted and as of today, 100 had been certified. Within the last two days, 32 had been released. He hoped that another 15 to 20 would be released within the next week. He explained that the review process had proven to be more time-intensive than originally anticipated due to the significant amount of documentation required from applicants, coordination among multiple departments, and the need to verify compliance with business licensing requirements. He noted that several applications remain delayed because property owners or management companies had not yet obtained their required business licenses. Staff continued to work closely with applicants to resolve outstanding issues and remained committed to meeting the June 30 compliance deadline established by Council.
- ii) He provided an update regarding staffing within the Planning Department. He reported that recruitment efforts remained underway to fill the vacant position. The position had been advertised through multiple professional organizations, including the Berkley Group, the American Planning Association, and the International City/County Management Association. Staff would evaluate applicants and pursue qualified candidates.
- iii) He noted that Cape Charles continued to receive positive recognition in tourism and travel publications. He stated that Laura Messner notified him that Cape Charles was featured in several online magazines as an adorable place to go, a magical place in Virginia, 12 Small-town getaways on the Atlantic Coast for retirees, etc.
- iv) He attended the Coastal Resiliency meeting earlier today at the Eastern Shore Community College and met some good contacts.
- v) Personnel: We now had four Dock Hands at the Harbor for the summer season. Cooper Keuroglan and Aiden Bowen returned from last year. Joey Nangle was a student at the Merchant Marine Academy, and William Nottingham had experience working in the agriculture industry. The beach attendants would not be starting until June. We had two new hires and were waiting to see who would be returning from last year.

- vi) Training & Education: As part of the Leadership Training and Development Academy, a class had been assigned on *Best Practices: Recruitment, Interviewing & Hiring*. Since Libby Hume knew she would be unable to participate on the June date, she took a class on *Behavior-Based Interviewing* through the Virginia Risk Sharing Association (VRSA) Online University which would count toward this requirement. The Cape Charles Memorial Library staff had taken a variety of classes such as *Public Library Director Crash Course*, *Finance & Budgeting for Library Staff*, *American Sign Language for Library Staff*, *Accessible Library Spaces: the ADA and Beyond*, *Power of Boundaries*, *You're Not a Social Worker, But...* In the Cape Charles Police Department, all officers, except Officer Brown who is attending the Academy, took the state-required Line of Duty Act training. Officers Yee and Potts completed CPR certification and Chief Pruitt completed Active Shooter training at Riverside. The Treasurer's office was discussing educational opportunities through the Treasurers' Association of Virginia and the Virginia Government Finance Officers Association. Human Resources Director Jodi Outland completed an HR Hot Topics Roundtable through VRSA, and a webinar presented through the Public Sector HR Association *Supporting Employee Mental Health & Well Being*, and *Disability Accommodations in the Public Sector*. She also participated in the Employment Law Update with Kaufman & Canoles. The focus was on the General Assembly updates. Jodi Outland and Harbor Master Paula Davis took a class with Don Rheems called *Executive Roundtable: The Hidden Cost of Leadership Variability*. Jodi won a free 20-minute consultation with Don Rheems as part of a "name the hat" game. All Town employees engaged in a special training course on May 6th with Kim Jessie of The Bridge Network that focused on Self-Assessment and Conflict Resolution. This was a very interactive class and well received by staff. He further recognized Jodi for being selected to participate in a professional podcast and educational outreach program related to municipal government and public administration. He congratulated her on the opportunity and noted that the recognition reflected positively on both the employee and the Town organization.
- vii) He discussed recent communications received from the Virginia Department of Environmental Quality regarding Chesapeake Bay Preservation Act compliance matters. Staff was working collaboratively with DEQ representatives to address the comments received and ensure that the Town remained in compliance with applicable requirements. He emphasized that the process was ongoing and that staff would continue to provide updates as additional information became available.

MAYOR & COUNCIL COMMENTS

Councilman Newman commented as follows: i) He expressed his appreciation to Bob Panek and the contractors involved in the completion of the Mason Avenue improvement project. He stated that the project had significantly improved pedestrian safety and accessibility through installation of sidewalks, ADA-compliant ramps, lighting improvements, and related infrastructure enhancements. He noted that he had received positive feedback from residents regarding the completed improvements and expressed satisfaction with the project's overall outcome; ii) He advised Council that he would be unable to attend the June 4 budget public hearing because he would be attending the Planning Commissioner certification training.

Councilwoman Holloway congratulated Pam Endlein on receiving her first grant which would be used for the Fall Festival and July 4th fireworks. Other Cape Charles organizations were awarded a number of grants as well. This was a tough year with a total of only \$100,000 to be awarded versus \$200,000 in previous years.

Councilman Butta requested an update regarding the anticipated opening date for the Eastern Shore Rail Trail since it was originally going to be completed by Memorial Day. Rick Keuroglan stated that he had spoken to Ron Wolff, the executive director of the Eastern Shore Rail Trail, and was informed that the anticipated completed date would be mid-June. Councilman Butta added that residents and visitors continued to express enthusiasm regarding the trail and noted that the facility was expected to become an important recreational and tourism asset for the region.

Councilwoman Holloway also discussed the Eastern Shore Rail Trail and expressed concern regarding signage and public information associated with the project. Council discussed the continued confusion regarding golf cart access, low-speed vehicle regulations, and permitted trail uses. Councilwoman Holloway encouraged staff to prioritize installation of permanent signage and educational materials to improve public understanding and safety.

There were no other comments.

ANNOUNCEMENTS

- June 4, 2026 – Town Council Public Hearing on the FY 2027 Proposed Budget
- June 18, 2026 – Town Council Regular Meeting
- June 19–21, 2026 – Sailfest 250
- June 19, 2026 – Summer Concert Series in Central Park Begins

Mayor Charney encouraged residents to participate in the events and expressed appreciation to staff, volunteers, and community partners involved in organizing activities throughout the summer season.

ADJOURNMENT

Motion made by Vice Mayor Buchholz, seconded by Councilwoman Ashworth, to adjourn the Town Council Public Hearing & Regular Meeting. The motion was approved by unanimous vote.

The meeting adjourned at 8:14 p.m.

Adam Charney, Mayor

Libby Hume, Town Clerk

May 21, 2026 Town Council Public Hearing & Regular Meeting

Coastal Seaplanes Presentation



COASTAL
SEAPLANES

**HARBOR CLEANUP
+
DOCK EXPANSION**



**COMMUNITY
IMPACT**

- TOURISM DRIVER
- MARINE LOGISTICS SOLUTION
- CONSERVATION SUPPORT
- HARBOR INVESTMENT



THE ISSUE

UNDERWATER HAZARDS

- Dumped concrete pilings
- Rusted, jagged rebar
- Aircraft docking hazard
- Eyesore at low tide
- Limited docking space



THE SOLUTION

- Remove debris
- Expand seaplane dock
- Restore blighted shoreline/ pier area



TIMELINE



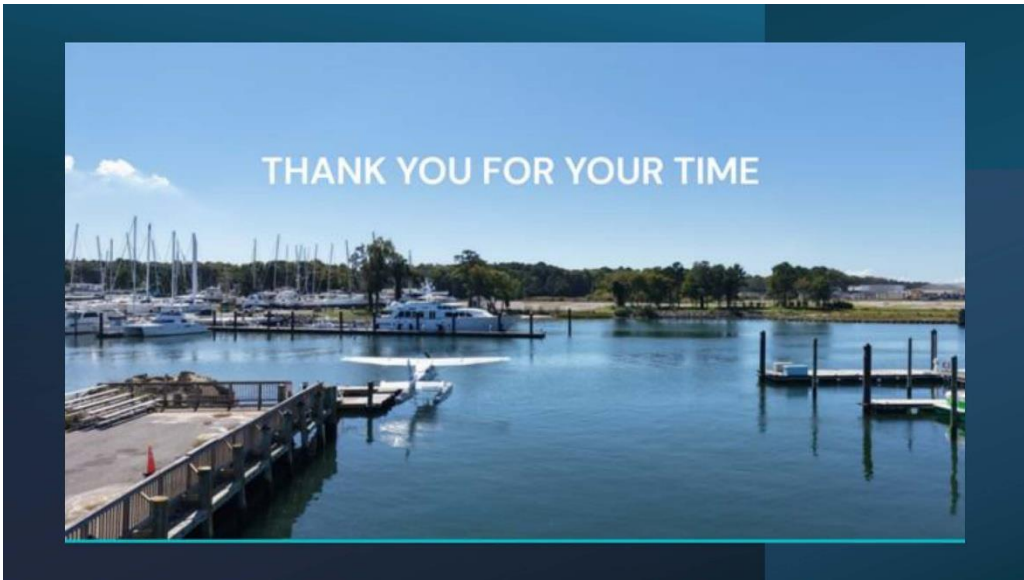
Phase 01
REMOVE DEBRIS:
SUMMER 2026



Phase 02
EXPAND SEAPLANE
DOCK: FALL 2026



Phase 03
RESTORATION:
WINTER 2026/2027



Virginia American Water Presentation





Capital Investment Program: Cape Charles District

May 21, 2026

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Agenda

- Introduction
- Completed/On-going Capital Investment Projects
- CPS Recommended Projects
- Q&A



2

Introduction



3

American Water Operations



Regulated Operations

- 80 surface water treatment plants
- 520 groundwater treatment plants
- 170 wastewater treatment plants
- 55,000 miles of transmission, distribution and collection mains and pipes
- 1,200 groundwater wells
- 1,800 water and wastewater pumping stations
- 1,100 treated water storage facilities
- 75 dams



Military Services Group

Operates on 18 military installations under 50-year contracts with the U.S. government as part of its Utilities Privatization program.

- 12 Army
- 5 Air Force
- 1 Navy

Our National Footprint



4

VIRGINIA AMERICAN WATER:

175 YEARS OF SERVING VIRGINIA

384,000

Population Served

50,000,000 GALS

Water Delivered Each Day

17 YEARS

Without a Drinking Water or Wastewater NOV



ALEXANDRIA
SINCE 1850

HOPEWELL
SINCE 1930

FORT LEE
SINCE 2001
(→ MSG)

PRINCE WILLIAM
SINCE 1966

NORTHERN NECK
SINCE 2000

WAVERLY
SINCE 2022

CAPE CHARLES
SINCE 2024

Meet Our Leadership Team



Laura Runkle
President VA & MD
16 Years of Experience



Charlie Piekanski
VP of Operations VA & MD
31 Years of Experience



Christian Volk
Director of Operations & Water Quality
27 Years of Experience



Anna Kazasi, PE, ENV SP, CDT
Director of Engineering
16 Years of Experience



6

Local Operations Team



Matt Elliott
Superintendent, Operations



Patrick Christman
Supervisor, Treatment



Jason Toadvine
Technician, Field Operations



Daniel Dabinett
Senior Technician,
Maintenance and Relief
Operator



Scotty Neville
Supervisor, Treatment



George Hall
Supervisor, Field Operations



Matthew Justice
Senior Operator, Water
Treatment



Gerald Elliott
Technician, Field Operations



Alexander Pino
Senior Technician,
Maintenance and Relief
Operator



Freddie Meditz
Senior Operator, Water
Treatment



7

Key Milestones In Our Partnership

November 2020

Virginia American Water submits proposal to purchase the Town of Cape Charles water and wastewater utilities

January 2022

Cape Charles Town Council advances Virginia American Water to public review phase

February 2022

Town hosts two open town hall meetings to address residents' questions

October 2022

Town hosts two open town hall meetings to address residents' questions

November 2022

Town hosts formal public hearing to receive comments regarding proposed sale

January 2023

Virginia American Water and the Town of Cape Charles sign asset purchase agreement for the town's drinking water and wastewater assets

April 2024

Virginia State Corporation Commission approves acquisition



8

American Water Funding Overview

Operations & Maintenance Expenses (OPEX) Budget

- **Expenses to run the business:** Treatment chemicals, power, labor, equipment maintenance, supplies, groundskeeping...etc.

Capital Expenses (CAPEX) Budget

- **Recurring (small) projects (RPs) run by the local operations:** install new or replace pipes, valves, hydrants, manholes, service lines and laterals, meters, computer systems, security equipment, vehicles, tools and equipment, process plant equipment improvement/replacement, tank rehabilitation and engineering studies.
- **Engineering (large) projects:** Larger projects such as new treatment step implementation, treatment process facility replacement, building construction...etc.



Completed/Ongoing Capital Investment Projects

Capital Investments in Cape Charles

Complete comprehensive planning study

Strategic document identifying necessary capital projects to meet regulatory requirements, upgrade infrastructure and support growth.

Complete CAPEX projects: To address existing issues and start system upgrades

Water & Wastewater CAPEX Projects

Broken/obsolete equipment replacement, treatment plant upgrades, automation
Compliance with VDH regulations
Compliance with DEQ regulations
Safety improvement
Equipment reliability and resiliency (back up) improvement to avoid outages
Operations, treatment and water quality improvements
Distribution system upgrades
Sewer collection system leaks: Inflow and infiltration issues during precipitation events. Lift station upgrades
Source of supply improvement (resiliency, water quality and growth)

Total Expenses

Total CAPEX for 2024 (May-Dec. 2024):

Wastewater : \$1.0 M
Water: \$1.1 M

Total CAPEX for 2025:

Wastewater: \$1.3 M
Water: \$1.7 M

Total CAPEX Budget for 2026:

Wastewater: \$1.1 M
Water : \$1.1 M



Mason Ave. Lift Station

Wastewater: Completed/ Ongoing RP projects

Project	Purpose
Plant Upgrades Projects <ul style="list-style-type: none"> - Fine screen rehab (incl. programming) - Membrane reactor relining - Trojan Ultraviolet (UV) system upgrades - Belt filter press rehabilitation - Exterior/emergency lighting replacement, automated entry/exit gates, cameras, keyless entry - Headworks Gas Monitoring System Upgrade - Fall Davit Installation - Miscellaneous spare parts & equipment - Misc. automation, actuators, grit system programing - Control System (SCADA) Improvements - Blower Replacement, Non potable water system replacement 	<ul style="list-style-type: none"> - Reliability increase - membrane longevity increase - Proper disinfection and reliability increase - Treatment and reliability improvement - Security - Safety (continuous detection of toxic gases) - Safety (Fall protection) - Reliability and resiliency - Automation - Automation and reliability improvement - Increase membrane longevity
HVAC/Ventilation Replacement/upgrades <ul style="list-style-type: none"> - HVAC – Main MCC, headworks MCC, solids processing MCC, admin building - Ventilation – solids processing, headworks buildings 	<ul style="list-style-type: none"> - Equipment resiliency, building improvement - Safety improvement

Wastewater: Completed/ Ongoing RP projects

Project	Purpose
Collection System Projects: <ul style="list-style-type: none"> - Vacuum truck and sewer lateral camera - Lift station door replacements - Lift Station generator replacements (Washington/Pine St.) - General electrical/lighting replacement and upgrades at lift stations - Washington control panel replacement and Mission Communications alarm systems for Pine and Plum Lift Stations - Vacuum station valve, vacuum tank replacement - Mason Ave Lift Station upgrades & bypass pump rehab - Inflow and infiltration (I&I) Study – Sewer metering, smoke testing, and camera Study - Sewer lateral replacements, point repair for I&I, sewer main replacement 	<ul style="list-style-type: none"> - Inspection and cleaning - Security - Reliability/Resiliency - Reliability - Automation, reliability improvement - Reliability - Reliability and resiliency - Reliability - Reliability and growth

Wastewater Projects



Membrane Liner Replacement



Pump Replacement



HVAC Replacement



Toxic Gas Continuous Monitoring

Wastewater Projects



Valve Replacement



Generator Replacement



Facility Improvements



Lift Station Rehab

Water: Completed/ Ongoing RP projects

Project	Purpose
Plant Upgrades Projects:	
- Roof replacement, new office, chemical room floor drain replacement	- Building improvements
- Tower Lighting Replacement	- Safety
- Gate and fencing	- Security
- East and West Well Production meter and transducer installation, West Well rehab (incl. VFD)	- Accuracy and reliability improvement
- Filter media replacement (incl. filter internal parts)	- Treatment improvement
- Chemical feed system replacement, corrosion control treatment implementation	- Treatment & water quality improvement
- Plant flow meters and additional isolation valves	- Accuracy and resiliency improvements
- SCADA Conditioning (incl. UPS upgrades and Mission Communications unit) replacement of SCADA system, instrumentation upgrades	- Automation and accuracy
- pH and Post Chlorine analyzer installation	- Automation
- Keck Wells tie in	- Water quality improvement and growth
- Alternate source of supply study/West Well Replacement	- Resiliency and growth
- Backwash basin study	- Operations improvement

Water: Completed/ Ongoing RP projects

Project	Purpose
Water Distribution System Projects: <ul style="list-style-type: none"> - New tools and equipment (Wachs Valve Trailer/Dump Trailer) for distribution staff - Service Line Inventory -Lead/Copper Study - Leak Study - Meter Replacements throughout Distribution System (incl. AMI upgrade) - Service line installation and replacement - Strawberry St. main replacement - Various hydrant and valve replacements 	<ul style="list-style-type: none"> - Operations improvement - Compliance requirement - System reliability, growth - Operations improvement, accuracy - System reliability and growth - Reliability - Reliability

Water Projects



Water Projects



CPS Recommended Projects

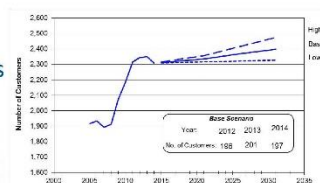
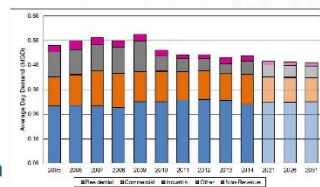
Virginia American Water intends to follow these priorities but may adjust investments or project sequencing if needed to address safety, compliance, reliability, or operational efficiency.

Comprehensive Planning Study (CPS)

- Thorough engineering assessment
- Conducted for the local service area individually
- Uses defined planning criteria
- Input from key internal stakeholders
- Includes assessment of:
 - Customer & Demand Projections
 - Source of Supply & Treatment adequacy
 - Pumping & Storage, Distribution & Collection System Analysis

Customer & Demand Analysis

- Critical path of planning studies
- Direct impacts on supply needs & water efficiency assessment
- Key aspects of customer categories:
 - Residential
 - Population projection and historic customer growth
 - Usage per customer (gpcd) trends
 - Commercial, Industrial, and "Other"
 - Top water users and their expected future demands
 - Expected new large users
 - NRW (Wastewater I&I from Wet-Day Flow Monitoring)
 - Metering is critical



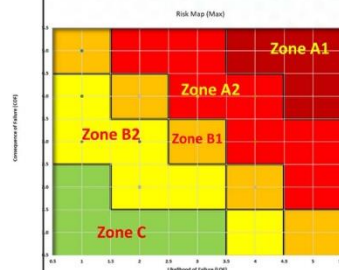
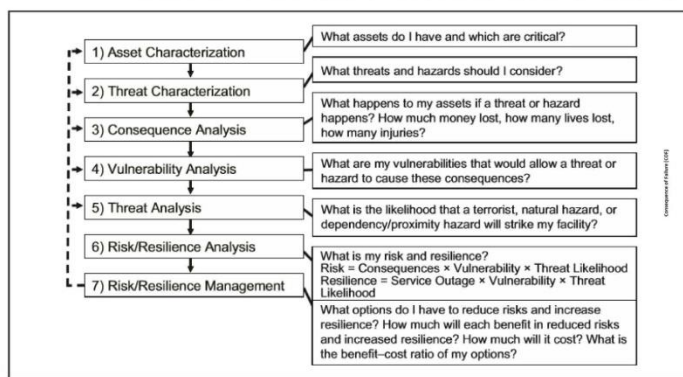
Source of Supply & Production Analysis

- Quantity and Quality Evaluation of Sources
- Capacity and Performance Evaluation by process
- Potentially requires most extensive study
 - with longest duration to resolve
 - affecting greatest number of stakeholders with competing interests
 - resulting in largest capital investment
- For Wastewater Treatment:
 - Performance (Regulatory Compliance, Energy Use, etc.)
 - Capacity, Condition, and Resiliency

Pumping & Storage/Distribution & Collection System Analysis

- Pumping
 - Pumping capacity analysis for current & projected max day demand
 - Evaluation of pump station condition, emergency power & automation/SCADA
- Storage
 - Equalization & fire flow storage adequacy under max day conditions
 - Compliance with state regulatory storage requirements through the planning horizon
- Distribution & Collection System
 - Hydraulic modeling to evaluate pressures, velocities, head loss & fire flows
 - Condition assessment of linear assets, valves, hydrants & system age

Risk Register & Project Prioritization for Capital Planning



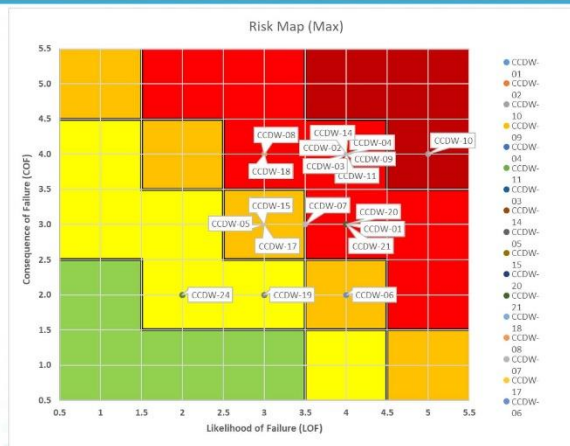
Reference: ANSI/ASME-ITI/AWWA J100-01 RAMCAP standard 2010

Cape Charles Water Projects

CPS Recommended Projects (\$21.1M-\$45.6M thru 2045)

Chloride Study & Withdrawal Increase Request (Risk Zone A2)	Security & Safety Improvements (Risk Zone A2)
Surficial Aquifer & Deep Well Feasibility Study (Risk Zone A2)	Process Mechanical Improvements (Risk Zone A2)
Emergency Response plan to GWP Exceedance (Risk Zone A2)	Pilot Study for Brackish Groundwater Treatment
Process Wastewater Handling Improvements (Risk Zone A2)	Resiliency Improvements - Bay Creek South
Arc Flash/Power Study & Electrical Upgrades (Risk Zone A2)	East Well Inspection & Rehabilitation (Risk Zone A2)
New Storage Tank (Risk Zone A2)	Resiliency Improvements – Systemwide
Fire Flow Improvements (Risk Zone A2)	Softener Inspection & Media Change
Lighthouse Tank Vault Improvements (Risk Zone A2)	HVAC Improvements
Construction of Monitoring Wells	TTHM Reduction
Water Conservation & Management Plan Implementation (Risk Zone A1)	Aeration for Iron Removal
Chemical Room Upgrade (Risk Zone A2)	Lighthouse Tank Temperature & Coating Study
Tower Well Replacement	Managed Aquifer Recharge Feasibility Study
WTP Expansion (Risk Zone A2)	

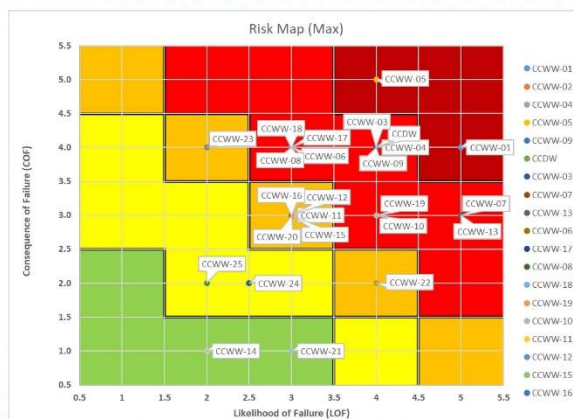
Water Projects - Risk Map



Cape Charles Wastewater Projects

CPS Recommended Projects (\$39.6M-\$74.9M thru 2045)	
Sanitary Sewer Evaluation & Survey (SSES) & I/I Study	Pine St Pump Station Improvements
UV Disinfection Rehabilitation & Upgrades	Plum Street Pump Station Improvements
Fig St Tank Replacement	Sludge Dewatering Process Improvements
Mason Ave Pump Station Improvements (Risk Zone A1)	Gravity Collection System Hydraulic Modeling & Capacity Study
Gravity Main & Manhole Rehabilitation/Replacement (Risk Zone A2)	Vacuum Collection System Hydraulic Modeling & Capacity Study
Instrumentation & SCADA Improvements (Risk Zone A2)	WWTP Expansion – Phase 2
Power Study & Electrical Upgrades (Risk Zone A1)	Plant Water System Rehabilitation
WWTP Expansion – Phase 1 (Risk Zone A2)	Process Mechanical Improvements
Headworks Process Improvements (Risk Zone A2)	Influent Flow Box Odor Control
Washington Ave Pump Station Improvements (Risk Zone A2)	Site Improvements & Storage Expansion
Supplemental Carbon Storage & Feed Upgrades (Risk Zone A2)	Wet Well Diffusers for Gravity Pump Stations
Force Main Condition Assessments (Risk Zone A2)	Treatment Process Modeling & Optimization Study
New Quarter Vacuum Pump Station Improvements (Risk Zone A2)	Non-Potable Reuse of WWTP Effluent
Heron Pointe Vacuum Pump Station Improvements (Risk Zone A2)	Septage Receiving Station Study
Fig St Vacuum Pump Station Improvements (Risk Zone A2)	Managed Aquifer Recharge Study
HVAC Improvements (Risk Zone A2)	WWTP & Pump Station Improvements
Membrane Tank Safety Improvements (Risk Zone A2)	

Wastewater Projects - Risk Map




Q & A

 VIRGINIA AMERICAN WATER

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Thank you!

 VIRGINIA AMERICAN WATER

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FY 2025 Annual Financial Report Presentation

Town of Cape Charles

May 21, 2026

FOR THE YEAR ENDED JUNE 30, 2025

PRESENTED BY:
TAYLOR STOVER, CPA

ROBINSON, FARMER, COX ASSOCIATES




Table of Contents

- Engagement Summary
- Audit Results
- Brief Overview of Report
- Current and Future Accounting and Reporting Changes
- Fund Balance Summary
- Proprietary Fund Net Position Summary
- Contact Information



Engagement Summary

- You engaged us to perform a financial statement audit for the Town for the year ended June 30, 2025.
- The audit was subject to:
 - Auditing standards generally accepted in the United States of America
 - The standards for financial audits contained in the *Government Auditing Standards* issued by the Comptroller General
 - The Single Audit Act Amendments of 1996 (N/A for FY25)
 - The provisions of the Uniform Guidance (N/A for FY25)



Audit Results

- We expressed an **unmodified opinion** on each of the following:
 - Financial statements as of and for the year ended June 30, 2025
 - Internal control over financial reporting and on compliance and other matters for the year ended June 30, 2025
- Issued management letter
 - During our review of internal controls over journal entries, we noted that journal entries were not consistently reviewed and approved by an individual independent of the preparer. We recommend all journal entries be reviewed, approved, and supported by adequate documentation.



Brief Overview of Report

- Exhibit 1, Exhibit 2, and Proprietary Funds (Exhibits 7-9) are “full” accrual statements
 - Similar to public company financial statements
 - Include debt, capital assets, pension, OPEB, leases
 - Net position for primary government increased \$1,073,430 to \$27,113,494 (Exhibit 2)
- All other exhibits are modified accrual
 - Helpful for budgeting purposes
 - Fund balances presented on another slide
- Tax collection percentage:
 - 97.02% of current levy
 - 99.43% when including delinquent collections
- Water and Sewer Proprietary Fund closed out



Current and Future Accounting and Reporting Changes

- GASB 101 – *Compensated Absences* became effective for FY25
 - (\$59,300) restatement for implementation
 - Most significant change is related to sick leave
 - Must recognize sick leave even if not paid out at termination
- GASB 103 – *Financial Reporting Model Improvements (effective FY26)*
 - MD&A – clear narrative with explanations for variations to PY or budget
 - Budgetary comparison information with explanations for significant variances
 - Town will need to create a policy as what is “significant”
 - I suggest a policy that adopts a combination of percentage variance with a minimum dollar amount



Fund Balance Summary

	General	Special Revenue	Capital Projects	Total
Fund Balance, Beginning	\$18,067,063	(\$212,651)	\$1,154,439	\$19,010,822
Net Change in Fund Balance	\$578,109	(\$1,971)	\$432,776	\$1,560,141
Fund Balance, Ending	\$18,645,172	(\$212,651)	\$1,587,215	\$20,019,736

(1) Notes on GF Fund balance – 93% of total fund balance is unassigned in the GF



Proprietary Net Position Summary

	Water and Sewer	Harbor	Sanitation	Total
Net Position, Beginning	\$100,000	\$5,091,118	\$54,117	\$5,245,535
Change in Net Position	(\$100,000)	\$169,311	(\$4,122)	\$65,189
Net Position, Ending	\$0	\$5,260,429	\$49,995	\$5,310,424



Contact Information

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 Midlothian, Virginia 23113

Taylor Stover, CPA
 Email: tstover@rfca.com

THANK YOU TO ALL TOWN STAFF FOR YOUR ASSISTANCE DURING THE AUDIT!!!



March 31, 2026 Financial Report

MUNICIPAL CORPORATION OF CAPE CHARLES
 TREASURER'S REPORT
 March 31, 2026

Cash on Hand	2/28/2026	3/31/2026	Increase/ (Decrease)
Alliant Union Bank Checking Account	\$195,022	\$152,986	-\$42,036
Alliant Union Bank Money Market Account	\$15,259	\$15,289	\$30
LGIP Account 1 - 0565 - Unrestricted	\$123,693	\$124,089	\$396
LGIP Account 2 - 0195 - Unrestricted	\$393,158	\$394,418	\$1,260
Virginia Investment Pool Liquidity Unassigned - 5003	\$17,095,019	\$17,150,125	\$55,106
Virginia Investment Pool 1-3 Year Unassigned 0001	\$1,143,145	\$1,138,348	-\$4,797
Taylor Bank Operating Cash Account	\$195,981	\$116,622	-\$79,359
Taylor Bank Sweep Account	\$1,569,946	\$1,572,412	\$2,467
Total Cash On Hand	\$20,731,223	\$20,664,290	-\$66,932

Restricted and Reserved Cash Balances	2/28/2026	3/31/2026	Increase/ (Decrease)
Alliant Union Bank Checking Account - Police Funds	\$431	\$431	\$0
LGIP Account 2 - Restricted for USDA loan covenant	\$30,120	\$30,120	\$0
Virginia Investment Pool Liquidity Acct#1 Facility Fees Rsvd (Utilities)	\$0	\$0	\$0
Total Cash Held In Reserve	\$30,551	\$30,551	\$0
Total Cash - All Accounts	\$20,761,774	\$20,694,841	-\$66,932

MUNICIPAL CORPORATION OF CAPE CHARLES
 TREASURER'S REPORT
 March 31, 2026

REVENUE VS. EXPENDITURES

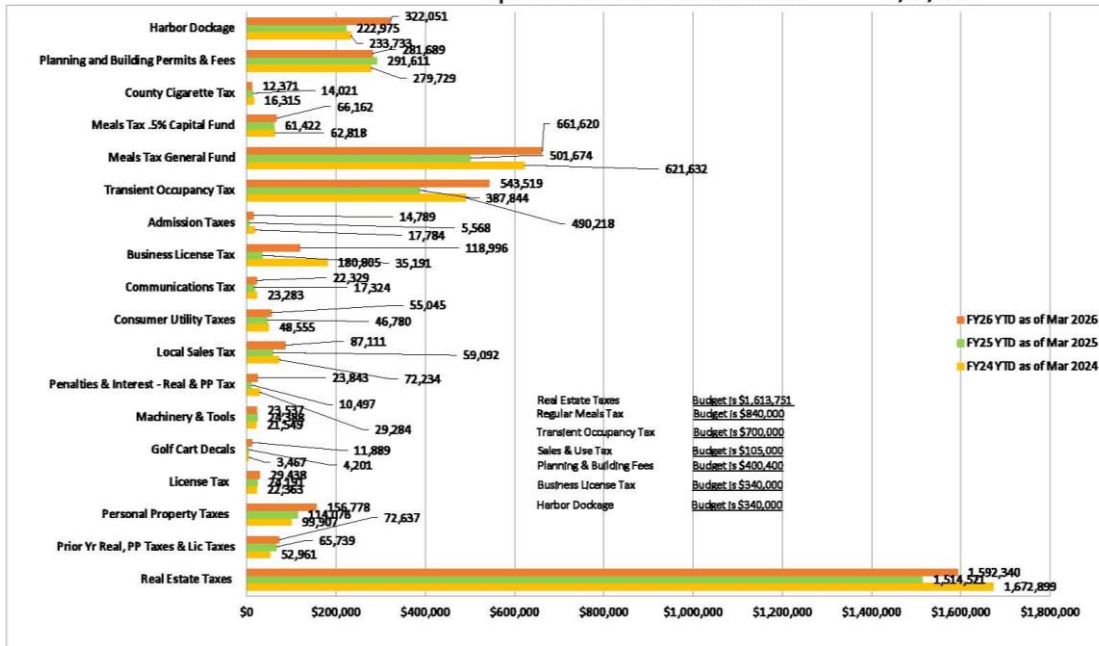
FUND	CURRENT MONTH	CURRENT YEAR-TO-DATE	ANNUAL BUDGET	% REALIZED/ EXPENDED FY25
GENERAL Fund				
REVENUE	\$338,577	\$4,850,737	\$5,916,265	81.99%
EXPENDITURES	\$281,825	\$3,557,449	\$5,916,265	60.13%
NET	\$56,752	\$1,293,288	\$0	
GENERAL Capital Fund				
REVENUE	\$3,383	\$1,566,162	\$6,837,456	22.91%
EXPENDITURES	\$76,404	\$3,052,772	\$6,837,456	44.65%
NET	(\$73,021)	(\$1,486,610)	\$0	
GENERAL Debt Service Fund				
REVENUE	\$0	\$1,595,121	\$1,655,121	96.37%
EXPENDITURES	\$0	\$1,510,886	\$1,655,121	91.29%
NET	\$0	\$84,235	\$0	
GENERAL Special Activities Fund				
REVENUE	\$0	\$0	\$0	0.00%
EXPENDITURES	\$0	\$0	\$0	0.00%
NET	\$0	\$0	\$0	
PUBLIC UTILITIES Fund				
REVENUE	\$144	\$83,480	\$80,000	104.35%
EXPENDITURES	\$0	\$80,042	\$80,000	100.05%
NET	\$144	\$3,438	\$0	
HARBOR Fund				
REVENUE	\$34,988	\$1,028,389	\$1,108,331	92.79%
EXPENDITURES	\$40,136	\$705,669	\$1,108,331	63.67%
NET	(\$5,148)	\$322,721	\$0	
SANITATION Fund				
REVENUE	\$1,944	\$196,002	\$361,177	54.27%
EXPENDITURES	\$30,535	\$297,833	\$361,177	82.46%
NET	(\$28,592)	(\$101,831)	\$0	

FY 26 Capital Improvement Project Tracking Report

As of:
3/31/2026

	% of Current Year Budget	FY26 Budgeted	QTR 1 Expended	QTR 2 Expended	QTR 3 Expended	QTR 4 Expended	FY26 YTD Expended	(Over)/Under Budget
General Capital Fund								
Municipal Space Replacement	3%	\$3,087,981.00	\$ 2,004	\$ 23,753	\$ 53,490	\$ -	\$ 79,247	\$ 3,008,734
ADA Parking	62%	\$47,400.00	\$ 5,667	\$ 2,710	\$ 21,000	\$ -	\$ 29,377	\$ 18,023
Library Repair & Renovation	95%	\$ 310,000	\$ 610	\$ 5,369	\$ 289,324	\$ -	\$ 295,303	\$ 14,687
Beachfront Revitalization	0%	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000
Beach Restroom/Bathhouse	0%	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000
Sidewalk Infill	99%	\$ 103,000	\$ -	\$ -	\$ 102,077	\$ -	\$ 102,077	\$ 923
Mason Ave. Electrical	0%	\$ 126,000	\$ -	\$ -	\$ -	\$ -	\$ 336	\$ 125,664
Keck Wells Water Line Return	19%	\$ 565,000	\$ -	\$ 105,000	\$ -	\$ -	\$ 105,000	\$ 460,000
7 Strawberry Public Restroom	0%	\$ 5,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,100
Mason Ave ADA Ramps	0%	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Subtotal		\$ 4,329,381.00	\$ 8,281	\$ 136,832	\$ 465,891	\$ -	\$ 611,341	\$ 3,258,040
Harbor Fund								
Fuel Tank Improvements	0%	\$ 34,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,000
Replace Boardwalk With Synthetic Decking	100%	\$ 162,000	\$ 11,785	\$ 13,988	\$ 136,132	\$ -	\$ 161,905	\$ 95
Subtotal		\$ 196,000	\$ 11,785	\$ 13,988	\$ 136,132	\$ -	\$ 161,905	\$ 34,095
TOTAL		\$ 4,525,381	\$ 20,066	\$ 150,820	\$ 602,023	\$ -	\$ 773,246	\$ 3,292,135

Specific Sources of Revenue as of 3/31/2026



FY 26 Real Time Project Tracking Report

As of:

5/12/2026

% of Budget FY26 Budgeted FY26 YTD Expended (Over)/Under Budget

	% of Budget	FY26 Budgeted	FY26 YTD Expended	(Over)/Under Budget
Restroom Trailer	99%	\$ 70,000	\$ 69,232.00	\$ 768.00
Interim Town Hall Costs				
Moving Costs				
Repairs & Improvements			\$ 35,312.97	
Information Technology & Computer Hardware			\$ 52,317.59	
Furnishings			\$ 41,059.51	
Contingency			\$ 7,689.93	
Subtotal	107%	\$ 127,500	\$ 136,380.00	\$ (8,880.00)
Lease	76%	\$ 62,019	\$ 47,311.00	
Total	97%	\$ 189,519	\$ 183,691.00	\$ 5,828.00