

Virginia/Carolina Water Authority  
Post Office Box 129  
Independence, VA 24348  
Tel: (276) 773-3703  
Fax: (276) 773-2634

Jose Butron, Chairman  
Manager, Town of Sparta, NC  
Kathy Knutson, Vice Chair  
Manager, Town of Independence, VA

### **MINUTES**

Virginia Carolina Water Authority  
January 8, 2026 – 10:00 AM  
Water Plant

**BOARD MEMBERS PRESENT:** Jose Butron, David Spicer, Darin Young, Bill Osborne, Kathy Knutson, Stephen Boyer

**BOARD MEMBERS ABSENT**  
Jason Cassell, Mike Parlier

**OTHERS PRESENT**  
Angie Houck, Andy Blevins

Jose Butron called the meeting to order. There is a quorum present. A motion was made to approve the agenda in addition to adding new members before the financial report. Darin Young made a motion, David Spicer 2nd the motion. Motion approved.

### **MINUTES**

Minutes are attached from January 8, 2026, meeting for review. David Spicer made a motion to approve the minutes, Bill Osborne 2<sup>nd</sup> the motion. Motion approved.

### **NEW MEMBER**

Stephen Boyer has been appointed to the board for Grayson County. Darin made a motion to approve him to the board. Bill Osborne 2<sup>nd</sup> the motion. Motion approved

### **TREASURERS REPORT**

The Treasury and Budget reports are attached for reference.

The checking account balance and debt reserve account balance for **January 2026** are:

Checking \$244,512.95

Reserves \$498,523.54

**PAYABLES**  
See attached register

Virginia/Carolina Water Authority  
Post Office Box 129  
Independence, VA 24348  
Tel: (276) 773-3703  
Fax: (276) 773-2634

Jose Butron, Chairman  
Manager, Town of Sparta, NC  
Kathy Knutson, Vice Chair  
Manager, Town of Independence, VA

The February 2026 payable register is attached for review.

David Spicer made a motion to approve the treasury report, payables register & budget vs actual Kathy Knutson 2nd the motion. Motion approved.

In January 2026, Sixteen (16) invoices were submitted to the board for approval in the amount of \$47,037.06. The amount to be paid on the A/P register is \$47,037.06 + monthly reserve payment of \$1,542.20 + short lived asset payment of \$833.33, with a total of \$49,412.59 being paid using operating funds.

In February 2026, Nineteen (19) invoices were submitted to the board for approval in the amount of \$35,558.28. The amount to be paid on the A/P register is \$35,558.28 + monthly reserve payment of \$1,542.20 + short lived asset payment of \$833.33, with a total of \$37,933.81 being paid using operating funds.

## **LEGAL**

## **ENGINEERING REPORT**

## **PLANT OPERATIONS**

The calibration is complete. Done power transfer because of the wind storm and a mouse got into the transfer switch causing a need for a special electrician to come out and fix. Cat B work with FEMA pushed them to force that through. Money is expected to arrive soon. We are operating under 7% of what operating costs are which is extremely good.

## **OLD BUSINESS**

We are going ahead with the purchase of Lot 22 next to us so we can have it for expansion if needed. This is a little over an acre. The HOA's attorney is Heather Klein. We should be respectful and use the same attorney.

## **NEW BUSINESS**

Discussed upcoming budget. Insurance will increase to 5,300 or 5,400. Janitorial will likely come off. We will increase the audit to 9,500. We will need to increase the building maintenance. We need to add a contingent line item of 10,000. Andy is going to get a quote for the parking lot sealing.

Virginia/Carolina Water Authority  
Post Office Box 129  
Independence, VA 24348  
Tel: (276) 773-3703  
Fax: (276) 773-2634

Jose Butron, Chairman  
Manager, Town of Sparta, NC  
Kathy Knutson, Vice Chair  
Manager, Town of Independence, VA

#### **OTHER BUSINESS**

Jose is going to compile a fee schedule for the water authority.

#### **Meeting Adjourned**

Jose Butron made a motion to adjourn the meeting. David Spicer 2nd the motion. Motion approved. The meeting is adjourned.

---

VCWA Secretary

**Virginia Carolina Water Authority  
Treasury Report/January 2026**

2/12/2026 Meeting

**CHECKING ACCOUNT**

Revenue	200,594.71	
Grant: Mt. Rogers	0.00	
VA Conserv.	184.13	
FEMA \$ Received	43,734.11	
Checking Account Balance	<u>244,512.95</u>	as of 1-31-2026

**DEBT RESERVE ACCOUNTS**

Short Lived Assets	65,270.67	ea. 833.33
Operations & Maintenance	77,761.46	
Debt Reserve	110,181.77	ea. 1,085.80
Debt Reserve - New Construction	31,491.60	ea. 456.40
CD	<u>211,771.03</u>	
	496,476.53	
Interest Income	<u>2,047.01</u>	
Debt Reserve Balance	<u>498,523.54</u>	

**Additional Liabilities**

**Town of Independence**

Payments resumed in July 2025	159,277.28
July	-1,841.50
August	-1,841.50
September	-1,841.50
October	-1,841.50
November	-1,841.50
December	-1,841.50
January-2026	-1,814.50
February-2026	<u>-1,841.50</u>
<b>Current Balance</b>	<b>144,572.28</b>

**Town of Sparta**

Payments resumed in July 2025	75,971.95
July	-874.50
August	-874.50
September	-874.50
October	-874.50
November	-874.50
December	-874.50
January-2026	-874.50
February-2026	<u>-874.50</u>
<b>Current Balance</b>	<b>68,975.95</b>

**VIRGINIA CAROLINA WATER AUTHORITY**  
**INVOICE REGISTER - VCWA SUBMITTED PAYABLES**  
 February 12, 2026

**JOSE BUTRON - CHAIRMAN**  
**MANAGER, TOWN OF SPARTA**  
**KATHY KNUTSON-VICE CHAIR**  
**MANAGER, TOWN OF INDEPENDENCE**

**POST OFFICE BOX 129**  
**INDEPENDENCE, VA 24348**  
**TEL: (276) 773-3703**  
**FAX: (276) 773-2634**

INVOICE DATE	INVOICE NUMBER	PROVIDER	AMOUNT	WHAT THE INVOICE IS FOR	EXPENSE LINE ITEM	REMAINING BALANCE IN BUDGET 2025-2026	SOURCE OF FUNDING	CHECK NO.
1/23/26	028-865-836-0-4	AEP	\$6,225.22	RAW WATER PUMP STATION	UTILITIES	\$33,146.72	CHECKING	5540
1/23/26	024-422-029-0-5	AEP	\$2,340.55	WATER TREATMENT PLANT	UTILITIES	\$15,803.97	CHECKING	5540
1/21/26	14444	BLUE RIDGE ANALYTICAL	\$27.00	WATER TESTING	WATER TESTING	\$4,849.00	CHECKING	5541
1/27/26	158596	BLUE RIDGE ELECTRIC	\$50.83	WATER TANK NILE ROAD	UTILITIES	\$206.40	CHECKING	5542
1/22/26	399101	DOMINION AIR & MACHINERY CO	\$1,442.00	EQUIPMENT REPAIR	EQUIPMENT REPAIRS		CHECKING	5543
12/29/25	2009153	E&L DIAMOND ELECTRIC COOLING	\$580.00	MICE REMOVAL	EQUIPMENT REPAIRS		CHECKING	5544
1/20/26	2009318	E&L DIAMOND ELECTRIC COOLING	\$330.00	ROOM HEATER & PUMP	EQUIPMENT REPAIRS	-\$1,774.75	CHECKING	5544
1/23/26	18734	E&R OIL COMPANY	\$1,075.72	OFF ROAD DIESEL	FUEL		CHECKING	5545
1/31/26	33768	OSBORNE & ASSOCIATES, INC	\$517.50	ACCOUNTING	ACCOUNTING	\$2,860.00	CHECKING	5546
1/31/26	33603	OSBORNE & ASSOCIATES, INC	\$234.00	ADMINISTRATIVE	ADMINISTRATIVE	\$2,135.25	CHECKING	5546
2/1/26	FB0006505	RIVERTRAIL TECHNOLOGY	\$250.00	TECH	TECH	\$3,000.00	CHECKING	5547
2/1/26	17477936	SKYLINE MEMBERSHIP CORP	\$193.40	TELEPHONE/INTERNET	TELEPHONE	\$947.80	CHECKING	5548
1/21/2026	73132	SURRY CHEMICALS	\$1,752.80	MURIATIC ACID, BISULFITE LIQUID	CHEMICALS	\$11,070.78	CHECKING	5549
2/12	163	TOWN OF INDEPENDENCE -	\$2,181.25	MAN HOURS	EMPLOYEE LEASE INDEPENDENCE	\$52,065.00	CHECKING	5553
02-01-26	39	TOWN OF INDEPENDENCE - LIABILITY	\$1,841.50	NOTES PAYABLE	NOTES PAYABLE	\$7,366.00	CHECKING	5550
2/1/26	39	TOWN OF SPARTA - LIABILITY	\$874.50	NOTES PAYABLE	NOTES PAYABLE	\$3,498.00	CHECKING	5551
		TOWN OF SPARTA-		MAN HOURS	EMPLOYEE LEASE SPARTA		CHECKING	
1/23/26	1	TWIN OAKS OF SPARTA LLC	\$220.01	NON HWY DIESEL	FUEL	-\$1,850.82	CHECKING	5552
	LOAN PAYMENT #165	USDA RURAL DEVELOPMENT	\$10,858.00			\$43,432.00	BANK DRAFT	DRAFT
	LOAN PAYMENT #70	USDA RURAL DEVELOPMENT	\$4,564.00			\$18,256.00	BANK DRAFT	DRAFT
CURRENT ACCOUNTS PAYABLE TO BE APPROVED			\$35,558.28					
<b>TOTAL INVOICES TO BE PAID THIS REGISTER</b>			<b>\$35,558.28</b>					

DATE SUBMITTED: BY: ANGIE HOUCK, ACCOUNTANT  
 DATE APPROVED: BY: CHAIR  
 DATE PAID: BY: VICE CHAIR/TREASURER

DEBT RESERVE	
SHORT LIVED ASSET #70	\$ 833.33
	\$ 456.40
DEBT RESERVE PMT #139	\$1,085.80
OE	\$35,558.28
GRT-MR	
GRT-RD	
<b>TOTAL</b>	<b>\$37,933.81</b>

**VCWA 2025-2026 BUDGET vs ACTUAL**

		Annual Budget	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	YTD Actual	YTD Variance	% ACTUAL	% VARIANCE
<b>Revenue</b>																		
Town of Independence		227,230.15	19,318.98	16,155.88	15,850.83	15,698.92	17,238.94	14,470.69	16,881.86						115,616.10	111,614.05	-49%	51%
Town of Sparta		370,015.85	30,451.52	33,614.62	33,919.67	34,071.58	32,531.56	35,299.81	32,888.64						232,777.40	137,238.45	-37%	63%
USDA Rural Development Grant																		
Mt Rogers PDC																		
Water Tap Fees																		
VDH Conservation																		
Misc Income									43,734.11						43,734.11	-43,734.11		
<b>Total Revenue</b>		<b>597,246.00</b>	<b>49,770.50</b>	<b>49,770.50</b>	<b>49,770.50</b>	<b>49,770.50</b>	<b>49,770.50</b>	<b>49,770.50</b>	<b>93,504.61</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>392,127.61</b>	<b>205,118.39</b>	<b>-34%</b>	<b>66%</b>
<b>ASSETS</b>																		
Equipment		0.00													0.00	0.00		
Raw Water Intake Expansion															0.00	0.00		
Land																		
<b>Expenses</b>																		
Dues (HOA)		750.00							750.00						750.00	0.00	0%	100%
Safety		2,000.00													0.00	2,000.00	-100%	0%
<b>Employee Lease</b>																		
Independence (3,750.00) Avg				3,425.00	2,318.75	1,112.50	1,437.50	1,700.00							9,993.75	-9,993.75		
Sparta (1,250.00) Avg															0.00	0.00		
ORC				8,400.00	4,200.00	5,600.00		4,200.00	6,960.00						29,360.00	-29,360.00		
<b>Total Employee Lease</b>		<b>93,600.00</b>	<b>0.00</b>	<b>11825.00</b>	<b>6518.75</b>	<b>6712.50</b>	<b>1437.50</b>	<b>5900.00</b>	<b>6960.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>39,353.75</b>	<b>54,246.25</b>	<b>-58%</b>	<b>42%</b>
<b>Equipment Lease</b>																		
Independence															0.00			
Sparta															0.00			
<b>Total Equipment Lease</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
Surplus Parts Inventory		10,000.00													0.00	10,000.00	-100%	0%
Insurance		5,033.00	5,262.00												5,262.00	-229.00	5%	105%
Janitorial		0.00													0.00	0.00		
Permits		1,000.00		170.00											170.00	830.00	-83%	17%
Office/Postage Supplies		0.00													0.00	0.00		
Lab Services & Tests		5,000.00	70.00	27.00			27.00								124.00	4,876.00	-98%	2%
<b>Professional Fees</b>																		
Accounting		7,000.00	517.50	517.50	517.50	517.50	517.50	517.50	517.50						3,622.50	3,377.50	-48%	52%
Administrative		4,000.00	254.75	270.00	313.00	197.50	235.00	125.50	235.00						1,630.75	2,369.25	-59%	41%
															0.00	0.00		
tech		5,100.00		250.00	250.00	250.00	600.00	250.00	250.00						1,850.00	3,250.00	-64%	36%
Audit		8,000.00							9,350.00						9,350.00	-1,350.00	17%	117%
Legal		1,000.00													0.00	1,000.00	-100%	0%
<b>Repairs/Maintenance</b>																		
Annual Service Contracts		40,000.00	2,894.00			1,524.00	7,962.24								12,380.24	27,619.76	-69%	31%
Building		3,500.00		294.99	650.00			125.00	259.98						1,329.97	2,170.03	-62%	38%
Equipment		16,000.00	6,500.00	6,657.18		1,416.99	745.11	103.47							15,422.75	577.25	-4%	96%
Computers		3,000.00													0.00	3,000.00		
Safety Equipment		2,000.00													0.00	2,000.00		
Small Tools		1,000.00													0.00	1,000.00	-100%	0%
Fuel				545.09	10.00										555.09	-555.09		
Chemicals		25,000.00	1,149.00	1,719.00	3,083.28		3,576.50	1,635.24	1013.40						12,176.42	12,823.58	-51%	49%
<b>Supplies</b>																		
Lab Supplies		2500.00	329.65												329.65	2,170.35	-87%	13%
<b>Total Supplies</b>		<b>2500.00</b>	<b>329.65</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>329.65</b>	<b>2,170.35</b>	<b>-87%</b>	<b>13%</b>
Telephone	Skyline	2,500.00	193.40	193.40	193.40	193.40		386.80	198.40						1,358.80	1,141.20	-46%	54%
<b>Utilities</b>																		
Water Trt Plant		37,500.00	2,852.01	2,953.61	2,716.37	2,717.10	2,831.92	2,747.31	2537.16						19,355.48	18,144.52	-48%	52%

