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Director-Public Works: Jay Keen
Fire Chief: C. David Haynes
Building Official: C. David Haynes
Director-Recreation/Special Events: Jeff Smarr

Town Manager's Report to Mayor and Town Council
December 8, 2022

Public Hearing on Granting Franchise

As discussed from Council's November meeting, the Town will be holding a Public Hearing for the awarding of a franchise for the distribution of natural gas within the corporate limits, pursuant to Sections 15.2 – 2100 and 15.2-2101 of the Code of Virginia, as amended. The advertisement for the Public Hearing was placed in the Smyth County News on November 23 and November 30.

As I understand the process, bids will actually be submitted for the franchise. By state code the Town has the right to refuse any and all bids. After that a Public Hearing will be held to evaluate the bids, the Town may award to the franchise at a duration of its choosing. Town Attorney Paul Cassell will help lead us through the process.

Notice of Increase in Tipping Fees at Smyth County Landfill

You have in your agenda packet a September 23 letter from County Administrator Shawn Utt notifying customers of an increase in landfill charges from $56 per ton to $80 per ton. The reasons being were stated that the City of Bristol had been charging the County was 59% less than what the new landfill is charging now. The new landfill the County is taking waste to is Eco-Safe in Blountville, Tennessee following the closure of the Bristol landfill. Additionally, Shawn states that the transportation costs are anticipated to go up between 44% to 49%. This increase will affect all Towns in the County whether the solid waste is contracted out, like Saltville and Chilhowie to Green for Life (GFL), or if the solid waste is picked up directly, as in Marion.

I have been in touch with GFL personnel on this matter for some time and have met them directly on one occasion of its affects to the Town of Chilhowie. The contract states if the tipping fees go up, GFL can pass those costs back to the Town by this method – the fee the tipping fees increase ($24) * the average tons per month (69.67) divided by the number of customers (773 to 902).

We are doing an audit on the number of customers in conjunction with GFL. We believe the 902 number is the number of cans, but the 773 number is the number of customers. If the low number of 773, the increase to the Town will be approximately $2.16. If the high number of 902 is used, the increase to the Town will be $1.85.

The Town has some leeway about what we are charge our customers. We charge $14.50 for the service in-Town and $16.50 out of-Town. I believe we can weather an increase in the range of $1.85 to $2.16 for the remainder of the fiscal year. However, we will have to revisit the increase during budget preparation for fiscal year 2023-24.

Nutrient Management Plan (NMP) for Sludge Disposal

You have in your agenda packet a contract with Hurt and Proffitt (H&P) for a NMP for the Berry and Heath Farms to dispose of sludge from the sewer treatment plant. The Berry farm is located about a mile from the corporate limits to the northeast in the Carlock Creek Section of the County and consists of approximately 27 acres. The Heath Farm is about one north of the Technical and Career School in Seven Mile Ford and consists of approximately 120 acres.

The NMP is good for a three-year period for both the farms. This will be a renewal on the Heath Farm and will be a new one for the Berry Farm (one was initially been done on the Berry Farm several years ago but sludge has not been applied for at least a three year period). The NMP evaluates soil samples on the farms testing, among other things, for potash, phosphorus, nitrogen, etc. That information will be taken on various fields on the farms and evaluated to let us know where we can dump our sludge.

The Town dumps approximately 265 wet tons on the two farms at fields that the study deems acceptable. That number is then multiplied by .15 to come out to dry tons (40). The Department of Environmental Quality monitors the applications and charges us $7.50 per dry ton. We typically do the applications in the Spring of each year.

We are very fortunate that we have farms to apply sludge from the sewer treatment plant. If we could not apply the sludge, we would have to pay for it to be transported to an environmentally certified landfill and pay the tonnage fee there. Public Works Director Jay Keen will explain more about the NMP process and take questions from Council.

Funding Package Submitted by Health Department for Service Line Inventory and Lead Service

Line Replacement

You have in your agenda package a November 17 letter from the Virginia Department of Health concerning a $750,000 package for service line study and replacement. The project will be system wide and the application was put in by Hurt ad Proffitt. The funding is a result of the Bipartisan Infrastructure Law passed by Congress.

The package is confusing as is the project, but I will try to explain as best I can in this space. I think the initial package of $250,000 will be for a start of the project and should now be our primary concern. That package includes $95,000 for Principal Forgiveness (grant) and $155,000 loan at an interest rate of 1% over ten years. As I understand it a firm will be hired to do an inventory of service lines that were put in before a certain date in the 1980's when lead service lines were allowed and map that area. A contractor will also be utilized to dig up the lines to confirm the existence of the lead lines.

The $500,00 package consists of $190,000 Principal Forgiveness (grant) and $310,000 loan at 20 years at 1.0%. That construction package is getting us ahead of the schedule and not pertinent now, as stated above, but it is my understanding that we must replace the lines at 10% a year beginning in 2026.

We will be meeting with H&P personnel on December 1 to discuss this project. The letter said we are supposed to state if we accept the package by December 21, so the issue will have to be addressed by Council at the December meeting. H&P may appear before Council and discuss this package if we need them on December 8.

Merry Christmas 😊😊😊!!

Respectfully Submitted,

John E. B. Clark, Jr.

Town Manager