TOWN OF CHILHOWIE

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Director Public Works: Daniel W. Combs
Fire/EMS Chief: C. David Haynes
Building Official: C. David Haynes
Wastewater Operations: Luke A. Lowe
Water Operations: Don Cole, II
Legal: Cassell & Crewe, P.C.

Town Manager's Report to Mayor and Town Council

March 14, 2024

Joint Public Hearing on Special (Conditional) Use Permit From the Chilhowie Community Apple Festival Committee, LLC for Storage Building off Sulphur Springs Road in the R-2 General Residential Zone

You have in your agenda packet a letter of March 1, 2024 containing a variety of documents relating to a Joint Public Hearing on an application for a Special Use Permit in order to build a storage building in the R-2 Zone. The Public Hearing was advertised in the Smyth County News on March 2 and March 9. Included in the packet are the instructions for conducting the Joint Public Hearing, various documents relating to the Joint Public Hearing from the Code of Virginia and the Town's Zoning Ordinance, required notices to five (5) adjoining property owners, the advertisement of the Joint Public Hearing in the Smyth County News (a paper of General Circulation, as described in the Code), etc. etc.

At the end of the Joint Public Hearing, the Planning Commission will make a motion to accept or reject to the Town Council. They can also make this recommendation with certain conditional applicable to the Code of Virginia and the Town's zoning ordinance. After the recommendation the Town Council can approve the recommendation, or reject the recommendation, or continue for further study.

Public Hearing on Proposed Lease Agreement with Clinch Valley Community Action, Inc. on Head Start Building

You have in your agenda packet a copy of the proposed lease from Clinch Valley Community Action, Inc. The lease is for a five year term beginning on January 1, 2024 and ending December 31, 2029. If the proposed lease is approved this would be a second five year term.

The proposed lease calls for a $600 a month payment, and then the payment waived. However, in this proposed lease, as in the first one, the Town is not required to participate in major capital outlays on the building because we are receiving rent payments. That was in the first lease too, as I recall, and I put that

language in it. It is my recollection that when the HVAC system went out several years ago that Clinch Valley paid for the replacement, not the Town.

Attorney Paul Cassell advised that before the lease could be approved a Public Hearing had to be held. To that end the Public Hearing notice was advertised in the Smyth County News on March 2 and March 9.

Sewer Project Conditional Parity Approved

We had a conference call with a variety of agencies on February 22 on the status of the Sewer Infiltration and Inflow (I&I) project. Involved in the conference call were personnel from the Department of Environmental Quality (DEQ), the Virginia Resources Authority (VRA) and Rural Development (RD). Dennis Amos of Hurt and Proffitt (HP)participated in the call in the office along with Clerk Treasurer Felicia Eller and me.

The VERY good news is that Rural Development said the national office had approved the parity. They said it was a "conditional" parity that would require some agreement between VRA and RD. The way it was discussed this was not a big deal but something that RD is now requiring. * It was explained that the "conditional" parity would not involve the Town. That is a good thing because we had to literally produce hundreds and hundreds of pages of documents, as we had previously reported, and had to pay our accountant about $6,000 for their services.

AS you know from the last meeting DEQ gave us another $529,610 of grant money (principal forgiveness) to cover the low bid to take the grant amount up to $2,338,378 and the total project to $3,604,990. The loan package remains at $1,266,612 at 0% over 30 years. The breakdown is now 64.9% grant and 35.1% loan, and excellent breakdown.

Dennis Amos of HP will be at the council meeting to go over the project again. This time there will be more details on the loan closing, Notice-to-Proceed, start dates, project duration, etc. A factor that could play into all this is a potential government shut down , but hopefully that will be avoided.

*After I wrote this section regarding "conditional" parity we found out that that parity requirement had been waived. We are now only waiting for a date between now and March 31 for the Closing.

Update on Situation at Sewer Treatment Plant (STP) on Ultra Violet (UV) Effluent Disinfection

To recap from my early communications and the Council meeting on February 8, the UV system went out at STP on January 26 after a control panel failure. The panel controlled the UV disinfection of the finished effluent coming from the STP and into the Middle Fork of the Holston River. The plant is licensed for up to. 999,999 million gallons per day (MGD). We reported this occurrence to the Department of Environmental Quality immediately. Due to the good and timely work of Wastewater Operations Director Luke Lowe he was able to get in touch with a Kingdom Technologies in Texas to work a temporary fix. He got their name from an affiliated contractor of the Town. They arrived on January 30 and were able to complete that temporary fix that for $4,200. That fix involved running the banks of UV lights off the existing control box on two separate circuits. That temporary fix does not allow any readings on the control box for UV intensity, hours, utilizations, flows, etc. etc. which is needed and required long term.

During that time he was unable to get ahold of Trojan, a Canadian company that was the manufacturer of the equipment.

After the temporary fix on January 30, he was finally able to get ahold of Trojan. He got prices and information for the permanent fix from them and from the Texas company, the only vendors we knew of. Luke put some numbers together for me and I formatted them on the bottom of the first page of the attachments I have provided for you. As you can see the Texas company's quote was $65,000 turnkey. Trojan's capital cost was $34,571. The installation quote from Inframmark we estimate at $2,800 for a one day installation (although the contract has a not-to-exceed cost of $20,000). We will monitor the installation closely, and we have a good working relationship with this company. They have been doing monitoring work on our entire water and sewer system electronics for years. We did not include the Texas company's paper work, only its quote.

As authorized by Council at the February Meeting, we are moving forward with the Trojan quote and Inframmark installation. Not only is the Trojan quote lower compared to the Texas company but it involves replacing Trojan controls and components with existing Trojan UV lights, which makes great sense to us. And, as stated above, we have experience with the installer. We understand that the Trojan equipment is slated to be shipped on April 9 now that it has been ordered, a seven week wait time. By Council authorizing me to move forward at the February meeting instead of waiting to the March meeting for approval, that gives us less waiting time to get the equipment in and installed, and also less time for the temporary fix to have to be utilized.

I will ask Council to memorialize this cost at its March 14 meeting. Additionally, Clerk Treasurer Felicia will make a recommendation of taking some or all of this cost from the Capital Improvement Fund, which is supported by the $2 capital improvements fee on each utility bill.

Respectfully Submitted,

John E. B. Clark, Jr.

Town Manager