



## Approval of the Agenda

Councilman Robinson made a motion to add a discussion of the bids for the new town shop in open session. The Mayor said it was in closed session to discuss to set up a meeting with prospective contractors and go from there. Councilwoman Johnson asked Town Attorney Trent Crewe his thoughts, and Mr. Crewe stated that if bids were going to be opened, it needed to be done in open session, but if the town is going to negotiate with the contractors and discuss it more, it can be done in closed session. Councilman Robinson's motion died for lack of a second.

Councilman Morris then made a motion to approve the agenda, and Councilman Gary Call seconded. The motion carried 3-1-1 with Councilmen Morris, Gary Call, and Surber voting yes, Councilman Robinson voting no, and Councilwoman Johnson abstaining.

## Old Business

### **1. Rural Development project**

Robert Hilt and Craig Barbrow, Jr. of Rural Development (RD) were invited to the meeting to discuss the proposed Saltville Water and Sewer System Improvement Project and RD's funding offer for the project. The offer includes the following specifics:

- 1) There would be \$3,027,000 in grant and \$3,264,000 in loan.
- 2) The loan would be for 40 years at the fixed poverty interest rate of 1.125% for the life of the loan, and this rate would never go up but could go down. This is the lowest the poverty interest rate has ever been. A town is eligible for this rate if it has a health and sanitary issue, and the PER (preliminary engineering report) showed the town had demonstrated this issue. Additionally, the town's median household income of \$34,616 enables RD to introduce grant funding into the project.
- 3) The original funding recommendation was for \$1,879,000 in loan and \$4,412,000 in grant. This was based on the hope that the town could fund an Operation and Maintenance (O&M) Reserve Account of \$40,413 per year for five years until the town accumulated \$202,065. That figure represents 25% of the town's budgeted O&M expense of \$808,251 for both water and sewer funds. However, the national office wouldn't allow this since it was their position that this project and others in the future in this reserve account can't be funded when grant funds are part of the funding equation. Plus, the town has always operated without an O&M reserve account and has demonstrated the ability to provide water and sewer service without the O&M Reserves. Moreover, since the town has contracted with a water and sewer operator, the risk and uncertainty with this project is reduced.

4) Based on the water and sewer rates proposed in the PER, the town would generate \$1,195,540 in revenue, and operating and maintenance expenses would be approximately \$808,251. Existing debt payments would still be \$235,356 and the short-lived assets reserve account would still be funded at \$50,120 annually which would leave a balance of \$101,813 to service new debt.

5) The bottom line is that RD is offering the town 48% in grant with a forty year loan at an all-time low interest rate of 1.125%. The town's median income used in this offer was based off the 2010 Census. In a couple of years, the 2020 Census would be used, and that is expected to produce a higher median income for the town, so it works in the town's favor to act now.

6) Councilman Morris asked about moving forward, and Mr. Hilt replied that Town Manager Brian Martin had already signed the Letter-of-Conditions; therefore, the Council should probably make a motion to proceed. Town Attorney Trent Crewe said the Letter-of-Conditions explained all of the hoops the town would need to jump through including getting easements on all of the properties in town that would be involved. This involves lines already in place and would include areas where new lines would be laid. Darian Musick of Crossroads Engineering stated that certain sections of the water line would be replaced, and where these will be replaced, the new meter setters will be installed as well and these installations will just be a few feet from the new lines.

7) Councilwoman Johnson asked about the timeline for when the project would start. Mr. Hilt said it usually takes a town about a year and a half to meet the Letter-of-Conditions. Part of the reason for the long timeframe is that the Health Department has to approve everything, and that takes a while. Getting proper easements from all parties is also very time consuming. The town's particular letter states that money could be set aside for land acquisition and easement acquisition.

Councilwoman Johnson also inquired about locking down the low interest rate, and Mr. Hilt said it was already locked down and would never go up; however, it could conceivably go down, though that's not likely.

Councilwoman Johnson then made the motion for the town to officially accept and approve the Letter-of-Conditions and to instruct all members of the town's staff to move forward on the project. Councilman Morris seconded, and all were in favor.

## **2. Perryville Road land sale**

Clerk/ Treasurer Steve Johnson told the Council that the Land Management Committee agreed to start the selling process on the other piece of property on Perryville Road. Due to a misunderstanding, the original property surveyed was incorrect.

Councilman Morris made the motion to have the newest parcel surveyed, and Councilman Robinson seconded. All were in favor.

### **3. Humvee bids**

There were three bids for the police department's Humvee, and they were as follows:

- Mike Beverly bid \$3000 in cash or \$4000 for work he would do.
- Steve Croghan bid \$6780.
- Teresa Summerlin bid \$5000.

Police Chief Erik Puckett said that based on the Humvee's value, the highest bid of \$6780 was a good offer. Councilman Morris made a motion to accept the \$6780, and Councilman Gary Call seconded. All were in favor.

## **New Business**

### **1. Reappointment of the Clerk/Treasurer, Police Chief, and Town Attorney**

Councilman Surber made a motion to reappoint the Clerk/Treasurer, and Councilman Morris seconded. All were in favor.

Councilman Surber made a motion to reappoint the Police Chief, and Councilman Morris seconded. All were in favor.

Councilman Surber made a motion to reappoint the Town Attorney, and Councilman Morris seconded. The motion carried 4-1 with Councilman Robinson voting no.

### **2. Committee assignments**

The Mayor gave out town committee Chair assignments, and they are as follows:

- Monica Johnson: Library, Historical & Cultural, and Health & Beautification

- Hiram Robinson: Well Fields, Parks & Recreation, Wave Pool, and Salt Trail
- Eugene Call: Police, Fire, and Rescue Squad
- Bryan Morris: Water, Sewer, and Refuse
- Steve Surber: Streets & Roads
- Gary Call: Ordinances and Land Management
- Rescue Squad Board of Directors: Bryan Morris
- Special Events: Monica Johnson
- Tourism Board: Mayor Young

Councilman Morris stated he thought some members of the Rescue Squad may be under the impression that they choose someone from the Council to serve on their Board instead of the town choosing. The Mayor said he and Councilman Morris could meet with them to clear the air now that Councilman Robinson will no longer serve as the town's Board member.

### **3. Parade permissions**

The Mayor mentioned that the town uses two routes for any type of parade. The Homecoming parade always starts at the elementary school and ends at the football field, and other parades start at the medical center, pass Walgreens and the Bank of Saltville to Allison Gap Road and then end up on Main Street on down to Food Country. He recommends that the town put together a permit that anyone wanting to request a parade has to sign to get official permission. People or organizations who request to have parades come to the Council currently, but it's not officially written down anywhere that they have to do this to get permission, so he would like to see this happen.

Councilwoman Johnson asked if people would have to fill out a form stating which route they wanted to use, and the Mayor said that would be a good idea. Clerk/Treasurer Steve Johnson said that VDOT would also have to approve the closing of Highway 91 for any parade since that is a state road.

Councilman Morris asked if this needed to be sent to the Ordinance Committee for their recommendation to make it an official ordinance. Mr. Crewe said the town could vote to do it now or send to the Ordinance Committee, but it would still be binding. The advantage of doing this by ordinance is that when a group signs a town permit to use one of those parade routes, the town has enforcement tools if the group deviates from that route and randomly tries to go on another route. This has been an issue in other communities.

Chief Puckett stated that Little League always starts their parade beside Walgreens and asked if that would still be possible. Councilman Morris said that people in the Town of Marion (he's a Police Officer there) have to submit a plan to the town , and the town then approves it or not. They don't have specific designated routes. Mr. Crewe said that would be fine too since it designates this street or streets can be used, but any other streets cannot be used. The town will still have enforcement powers.

Councilwoman Johnson said she would like to see the town use one of the two aforementioned routes or a shorter variation of those two since it keeps everything simpler. Councilman Morris replied that information could be gathered from other towns before the Ordinance Committee meets to use as templates, and then he made the motion to send this issue to the Ordinance Committee. Councilwoman Johnson seconded, and all were in favor.

#### **4. EMS, Inc. report**

Gary Johnson spoke on the following:

- 1) He invited members of the Council to one of the weekly meetings that occur with the town's staff on Mondays, usually in the morning.
- 2) The DEQ report for June was submitted.
- 3) The gravity sewer line at the pump station will be addressed, apparently, during the project the town just approved with Rural Development.
- 4) The inflow/infiltration issue continues. At the 634 pump station, there was a leak due to a faulty pump, but that pump was repaired. DEQ was notified of the overflow.
- 5) Regarding the sludge hopper cover the Mayor inquired about last month, it looks like the town is saving 7% - 10% on bills. This is due to the fact that rain is staying out of the hopper, thereby, making it lighter.
- 6) The VDH report for June were submitted.
- 7) The water accountability remains high around 71%, but again, this should be mitigated as part of the Rural Development project.
- 8) Regarding the Phase II water project, Mr. Musick from Crossroads Engineering stated that it was 100% grant as long as construction begins within a stated time frame. If not, it would revert to 100% loan. This project involves the reliability of the #10 Well and the Cardwell Town Well. It includes replacing well pumps and booster pumps at those wells. Some of the

electromechanical components will be eliminated to reduce points that could possibly fail eventually. This also gets rid of the Buckeye booster station, so it will be taken offline.

When the Cardwell Town Well is taken offline to install these new pumps, there is a concern how customers will maintain service. To help with this, there will be two minor connections established with Smyth County and one connection established with Washington County. Contracts with the contractors performing the work contain language that they are required to minimize outages, and the town will have discretion on how to enforce this. Councilman Morris asked that this be heavily advertised plenty of time in advance so customers will know what's coming. Councilwoman Johnson asked if there would be any outages when the Buckeye booster is taken offline and inquired about the time frame involved for starting the work on both wells, and Mr. Musick replied there shouldn't be outages involving the Buckeye booster. Regarding the work starting, #10 Well should go in a couple of weeks, and the Cardwell Town Well work should start in approximately six weeks.

The Mayor asked about the Phase I water project, and Mr. Musick said the documents would go to VDH around the middle of August for permit review, and that could take as much as six weeks. Afterwards, the project will then be advertised. The lender for the project, the Virginia Resource Authority, will need to have a copy of the town's 2018-19 audit by the end of the calendar year to close the loan.

## **5. Inmate Supervisor full-time position**

Councilwoman Johnson made a motion to table this until the regularly scheduled September meeting, and Councilman Morris seconded. All were in favor.

## **Public Works Director's Report**

Public Works Director R.B. Henderson spoke on the following:

- 1) One grave plot was opened and closed the last month.
- 2) The reading of the water meters was off by four or five days this month due to the town being closed that week.
- 3) Regarding the chemicals inventory, the town has good supplies of chlorine and fluoride.
- 4) Several leaks were repaired.
- 5) The vacuum pump at the industrial park had to be repaired but is back in service.

6) The second clarifier at the wastewater plant had a tube blockage and the ring around the tank was cleaned. The ring around the first clarifier was also cleaned.

7) The restrooms at the train station were repainted, and new LED light fixtures and battery backup remotes have been installed there as well.

8) The hanging baskets the Lions Club gave the town are watered every day as are the flowers at the Town Hall. A request was made to also water the flowers at the Veterans Wall, so the crew is doing that too.

9) The American flags were hung on the poles for the Fourth of July.

10) His report showed the Council a graph that explained the numbers that make up the town's almost 71% water accountability that Gary Johnson previously mentioned.

11) A hole opened up on property located across from the Stillwell property on Allison Gap Road, and the owner of that property had it filled with shale. This hole is close to both a town sewer line and the main drain line that goes from the Well Fields to the river.

12) Regarding the pump that Gary Johnson mentioned that had to be repaired at the 634 station, it will be picked up tomorrow. One of the power cords had split and water was getting inside.

13) There was a leak on First Avenue that had to be repaired, and he showed the photos to the Council. The old pipe had four different clamps on it.

14) The town borrowed a water tap from Chilhowie to help with a two-inch line in Cardwell Town.

15) The town replaced the two pots at the lift station on Farm Road (beside Food Country) back in 2013, and now, one of the check valves there needs repairing.

16) DEQ has suggested that the town schedule a meeting with the owners of the old Cobia building regarding some dumping they are doing that is going in the wastewater system. Councilman Morris said he recalled that Town Manager Brian Martin had mentioned that instead of dumping the corn mash, it was going to be used by some local farmers.

17) The company (Suez) that has the maintenance on two of the water tanks wants to shut them down soon so they can be sandblasted and cleaned on the inside. Since the Phase II water project is currently ongoing, this cannot be done at this time.

18) There was a water leak at a residence on Greenbrier Drive, and the owner of the property called Miss Utility on Thursday around 3:00 p.m. to have it marked. This was a standard marking, so the town had three days to respond. The order was picked up yesterday, and a town employee went and talked to the homeowner and asked the homeowner if he had called

it in to Miss Utility as an emergency, and the homeowner said he didn't. If it had been called in as an emergency, the town would have had three hours to respond instead of three days.

Mr. Henderson said he got the impression that the homeowner thinks this leak is the town's responsibility, but the leak was on his side of the meter past the setter at the galvanized fitting. In the past, it's been the town's position that anything past the meter is the homeowner's responsibility. The Mayor replied that the homeowner had called him and said the town had read the meter on Thursday and noticed that over 30,000 gallons of water had gone through the meter and had knocked on his door. This gave the homeowner the impression that this was an emergency since so much water was lost in a month's time. The Mayor suggested that the town come up with some type of policy that when a water loss that substantial occurs, the town needs to go ahead and get up on the situation and mark it then. He agreed that the town's responsibility stopped at the meter, but someone had to have put that galvanized fitting at the setter. The contractor and/or homeowner need to hook into the town's meters but not with a galvanized extension. He repeated his assertion that the town should act at the moment when such a big leak is discovered.

Mr. Henderson again stated that the Miss Utility ticket wasn't marked as an emergency, but the Mayor stated that with the town's water accountability issues, water loss is especially important now, so it would be better for the town to be proactive and start the process at that time. Councilman Robinson, who is a member of the town's maintenance staff, said he is the one who found the leak and texted the homeowner's son to let the family know around 11:30 that Thursday and then told Mr. Henderson when they came in to the office for lunch. The meter box was full of water, and it was about four feet deep. Mr. Henderson then stated that if the town had put in a fitting where the leak occurred, it would have been brass or plastic not the galvanized one that leaked. Councilman Robinson said it couldn't be determined who installed the galvanized fitting. The Mayor then reiterated that with the overall water loss issue the town is facing, he would have liked to have seen the town act when that leak was discovered.

Councilwoman Johnson said the homeowners were contacted when it was discovered, and they should have called someone to repair it. The Mayor replied that the homeowner did call a couple of contractors to come and fix it, but that is not the issue in his mind. The issue to him is that the town should have gone ahead and marked it when the leak was discovered. Mr. Henderson said that if a town line has a major leak, someone from the town calls Miss Utility to mark it. The Miss Utility representative will ask if this is considered an emergency, and if it is, the town has three hours to mark where the line is. Councilwoman Johnson asked the Mayor what he would like to see happen, and the Mayor said if the town is losing that much water, and even if it is reported to the homeowner, the homeowner might not know the process involving Miss Utility, so the town should just go ahead and mark what they need to mark. Mr. Henderson said the town picked up the order yesterday and went to the address to mark it, and a contractor was already there digging and had torn out the meter box. The Mayor responded and said that the homeowner had done the right thing then by having a contractor come and start to fix it proving the homeowner thought it was an emergency.

Councilman Morris asked what the issue was now since the problem seems to be fixed. Mr. Henderson said the town gave them some parts to help fix it and would have to get another box to put it in and then cover everything back up. Councilman Gary Call asked what happens if the homeowner doesn't know anything about Miss Utility and, therefore, doesn't know who to call. Mr. Henderson said that the town would go ahead and cut off the water to stop the leak and has done this several times. But if the leak is past the meter, it's the homeowner's responsibility. The Mayor then stated that when the new radio read meters are installed town-wide, no extensions need to be added so a similar problem like this one won't happen again.

Councilwoman Johnson asked for clarification that if there's an emergency, it needed to be marked at that time. Councilman Morris said that Miss Utility would contact the town and their ticket would say if this was considered an emergency or not and that the town doesn't have an obligation to be proactive while waiting to hear from Miss Utility. Front Office Clerk Tammy Carter said she is the one who receives the Miss Utility tickets, and these tickets state whether or not the situation is considered an emergency. If a ticket arrives that says it's an emergency, she goes ahead and calls the town crew to mark the area and doesn't wait for them to come in and pick up the order, but the town doesn't get many emergency tickets, so the town mostly has three days to mark it. Councilwoman Johnson asked if the process was that the owner calls Miss Utility and then Miss Utility notifies the town, and Ms. Carter said yes. Councilwoman Johnson said it was her opinion that in this instance the town did its due diligence properly since the ticket came in from Miss Utility as a non-emergency meaning the town had until today to mark it but actually marked it yesterday. Councilman Morris repeated his assertion that when the town identifies an issue like this, it has no obligation to preemptively mark it until receiving a ticket from Miss Utility. The town received it as a routine order from Miss Utility and took care of it. Councilwoman Johnson stated she disagreed with the Mayor in that she thought the town workers acted properly. Just because the contractor got there before the town doesn't mean the town isn't staying a step ahead.

19) Referencing the water tap that were mentioned earlier in his report, Councilwoman Johnson asked Mr. Henderson if the town needed one for itself or would keep borrowing from other towns. He replied that Chilhowie, Marion, and Smyth County will let the town borrow anything from taps to pipes and vice versa. But the town should have its own tapping tools. He said he would get some quotes and bring back to the Council.

20) Councilwoman Johnson asked about the two tanks that Suez maintained. Mr. Henderson said it was the tanks on Highway 107 and in Edgewood. Councilman Morris mentioned the quote to do all of the tanks was cost prohibitive. In response to a question from Councilwoman Johnson about the time of year these tanks are cleaned, Mr. Henderson said the time wasn't set exactly and the cleaning was done when it was needed. He also said he would take her around and show her all of the tanks the town has.

### **Police Chief's Report**

Chief Puckett spoke on the following:

- 1) The Poker Run, with over 100 riders, went well. The organizers, Larry Orr and Jody Olinger, always do a good job running it.
- 2) The department helped out the Town of Marion with the protest on July 3<sup>rd</sup>. We brought a few barricades and officers, and there were no incidents. Marion sent a letter of thanks.
- 3) Officer Cruise is officially full-time as of July 1<sup>st</sup>.
- 4) There are still a few complaints on the mowing of the cemetery, although the recent dry spell has really slowed down the growing of the grass and no complaints have come in the last couple of weeks. Right now there is a supervisor and four teenagers doing the town's mowing.
- 5) Officer David Frye is undergoing SRO training, which is now mandatory, and DARE training.
- 6) The stats for the department will be updated for the August meeting.
- 7) Councilman Surber asked if a street light survey had been completed recently, and Chief Puckett said it had been about a month, so the department would do another.
- 8) Councilwoman Johnson asked that the mowing be continued after August since the town still did not have inmate labor. Some of the mowers will be going back to school, and some will be going back virtually. Councilman Morris asked the Chief to check with the jail to see if they thought the inmates would be released again any time soon. Chief Puckett said he would work with the kids and their school schedules whether they are virtual or not. If need be, the Streets & Roads staff can still work a little overtime to help with the mowing when the schedules of the student mowers start to vary.
- 9) Councilman Morris thanked the department for assisting the Town of Marion with the protest.
- 10) The Mayor said he reached out to Marion Town Manager Bill Rush, and we sent him a breakdown of the town's hours involved in assisting Marion. Hopefully, the town will receive some money back for its help via funding involving the CARES Act.

### **Fire Department Report**

Chief Jimmy Davidson spoke on the following:

- 1) The department had seven calls last month, with four being in the town, one in the county, and two in Chilhowie. They consisted of two MVAs, two fires, one miscellaneous, and two for rescue.
- 2) BINGO has re-started, and the crowds have been good.
- 3) The tanker is still down, and it was discovered that two more valves needed repairing. This is the same vehicle that was involved in the accident last winter, so it could probably be filed again with insurance. If insurance denies the claim, the Mayor suggested getting the county to help since we answer many calls in the county.
- 4) The seals on the pumps on one of the trucks will have to be repaired since they are starting to leak some, but the price is unknown at this time.
- 5) Councilman Morris said the town should look into procuring other fire vehicles. The budget is set this year, but this could be taken up next year. There have to be grants out there, too, for these vehicles, which led the Mayor to say he would have information next month about a possible grant writer to help the town.
- 6) He said he was looking into other contractors to repair the hydrants.
- 7) Councilwoman Johnson asked Chief Davidson about the cost of leasing vs. the cost of actually buying new vehicles. He said he would look into it and let the Council know.
- 8) The Mayor asked about their air packs and was told that fourteen SCBAs were currently expired. The county has told the Chief that they may help the town replace air packs through other funding.

### **Rescue Squad Report**

No members were present for the meeting.

### **Board of Supervisors Report**

Neither county supervisor was present for the meeting.

### **Town Manager's Report**

Acting Town Manager Jordan Powers spoke on the following:

1) The Wellness Center has its grand opening on August 1<sup>st</sup>. The Mayor said he had not yet been contacted by the Chamber to see if there would be a ribbon cutting, so Mr. Powers said he would look into it.

2) A couple of property owners on Henrytown Road have been contacted previously about the condition of their properties and for having chickens in violation of the town's zoning rules. The chickens were gone for a while but have returned. The Mayor said several letters have been sent, so it's time for the legal process to begin. Mr. Crewe said he recalled the town's ordinance saying the police would now get involved and send a letter stating that if the area is not cleaned up and the chickens not removed, then it would be a criminal offense. Councilman Morris stated that Sword house on Easy Street needed to be taken care of as well since it looks worse now than it ever has.

Councilman Morris then made a motion to have the police department move forward with these blighted and zoning-violating properties, and Councilwoman Johnson seconded. All were in favor.

3) The procurement process for engineering services associated with the water and wastewater system improvements identified in the PER prepared by the Lane Group was conducted. Crossroads Engineering and the Lane Group were the selected to provide consulting services to the town over the next few years.

4) The town applied for funding from Washington County via the CARES Act for reimbursement for COVID-related expenses and received almost \$13,000. The Mayor said the town should also receive approximately \$166,000 from Smyth County after some paperwork is completed, and the town has until mid-December to spend it. There are broad stipulations involved with how the money can be spent, so the town will have to document its expenses carefully.

5) Work on the paperwork for the EPA grant has started.

### **Closed Session**

Councilman Morris made a motion to enter Closed Session in accordance with the Code of Virginia, Section 2.2-3711(A)(7) for consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and Section 2.2- 3711(A)(29) for discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body. Councilman Gary Call seconded, and all were in favor.

After exiting Closed Session, Councilman Morris made a motion to certify that the Closed Session was conducted in conformity with Virginia law regarding those matters that are exempted from open meeting requirements and nothing was discussed other than what was mentioned in the motion to convene Closed Session. Councilman Gary Call seconded, and the roll call vote was 5-0 in the affirmative.

Councilman Morris made a motion for the town to move forward on the real estate sale discussed with the Town Attorney and have the Mayor sign the papers when they are received. Councilman Gary Call seconded, and all were in favor.

Councilman Morris made a motion for the town to move forward with the class action lawsuit discussed with the Town Attorney. Councilman Gary Call seconded, and all were in favor.

Councilman Morris made a motion to move forward on the legal action discussed with the Town Attorney, and Councilman Gary Call seconded. The motion carried 4-0-1 with Councilwoman Johnson abstaining.

Before adjourning, Councilman Morris clarified that the real estate sale involved Southwest Virginia Community Health Systems and the Saltville Health Commission, the class action lawsuit is world-wide, pertains to Purdue Pharma and was filed in the Southern District Court of New York, and the last legal action refers to Veolia's suit against the town.

Councilman Morris then made the motion to adjourn, and Councilman Gary Call seconded. All were in favor.

