



TOWN COUNCIL WORK SESSION MINUTES

Monday, May 6, 2019 @ 7:00 p.m.
Town Hall Council Chambers

Councilman Tewalt moved, seconded by Councilman Gillispie, that Council remove Item 1 of Closed Session of the agenda.

Vote: Yes – Gillispie, Holloway, Meza, Sealock, Tewalt and Thompson

No – N/A

Abstain – N/A

Absent – N/A

(By Roll Call)

1. Route 522 Corridor Water Reliability Study by CHA

SUMMARY: CHA will present findings of the study including a map of the recommended route and anticipate costs. They will also discuss permitting of the route and construction methods for major river and highway crossings. Finally, a discussion of what is needed to progress the project from this point, including obtaining approval from VDH and potential sources of financing

The following presentation was presented from Stevie Steele, of CHA:

Route 522 Corridor Water Reliability Study – *Overview*

- History of Evaluation
 - Routes Evaluated
 - Route Chosen
 - Constructability
 - River Crossing:
 - Micro-Tunnel vs Directional Drill
 - Easements
 - Path Forward
-
- ◆ 2011 Contract with Dominion Power Signed
 - ◆ 2013 Pennoni Hydraulic Study Recommended Morgan Ford Route
 - Waterline costs estimated at \$92/LF
 - ◆ 2014 Contract Water Rates in Effect
 - Guard Hill PS upgrades completed
 - ◆ 2017 CHA Reliability Study
 - Recommended Parallel Waterline
 - ◆ 2019 Feasibility Study:
 - Purpose: Decide on a constructible, cost effective redundant route
 - Waterline costs estimated at \$165/LF

EVALUATED ROUTES

- ◆ Full Loop Option:
 - Morgan's Ford
- ◆ Two Sections:
 - Benny's Beach
 - Mary's Shady Lane

- Parallel
- Electric Utility

ROUTE EVALUATION

◆ Morgan's Ford and Benny's Beach

- *Completely redundant*
- *Too long to be cost effective without new water users*
- *Hydraulically inefficient*
 - *Connects to Jamestown Tank – Elevation of 1047'*
 - *Fairgrounds Road Tank – Elevation of 785'*
 - *262' of elevation difference results system inefficiencies and high operating costs*

◆ Mary's Shady Lane

- *Completely redundant*
- *Utilize existing access/roads*
- *Little benefit over Electric Utility route*
- *River crossing problematic due to rockfall/caves*

◆ Parallel Route

- Pros:
 - Simple permitting and few easements to obtain
 - Most constructible river crossing, likely with open cut
 - Similar cost to Electric Utility Route
- Cons:
 - Not truly redundant: Proximity to existing waterlines means it is subject to the same physical, hydraulic, and electric disruptions as existing line
 - Existing easements would be strained if parallel lines are adequately separated
 - Limited ability to add customers / doesn't support planned development areas
 - Permitting open cut may require aquatic studies

◆ Electric Utility Route

- Pros:
 - Shortest route available
 - Can serve similar new developments as Mary's Shady Lane
 - Hydraulically efficient
 - Fewest easements (Town, County / Golf Course, F&R Limited Partnership, private owners)
- Cons:
 - More difficult river crossing than parallel line

◆ Corridor Looping: Section 2

- Most direct routes
- No better options identified
- Segment A
 - Short distance, uses existing linework, only one easement
- Segment B
 - Shortest distance
 - Cannot run through Dupont

RIVER OPTIONS

- ◆ Open Cut:
 - River depth makes open cut almost impossible at Electric Utility location.
 - Permitting could require aquatic studies
- ◆ Horizontal Directional Drilling
 - Karst elements increase risk on Owner and Contractor
 - Permitting likely to require extensive geotechnical investigation
- ◆ Utilize Micro-Tunneling
 - Works in Karst topology
 - Preferred by permitting agencies
 - Requires shorter length
 - Shaft dewatering work extensive
 - Recommended by trenchless expert
 - May want to add HDD as bid alternate

RECOMMENDATION & COST ESTIMATE

- ◆ **Recommendation:**
 - **Electric Utility Route with Section 2**
- ◆ **Costs:**
 - **Electric Utility Route: \$7.2 – \$10.0 Million**
 - **Section 2: \$1.3-\$2.0 Million**
 - **Total Project Costs: \$8.5 - \$12 Million**

FUNDING

- \$12,000,000 Project Cost
- \$3,500,000 in construction funding from Dominion Power
- \$11,300,000 VRA loan
- Annual payment: \$653,000

DOMINION POWER REVENUE

- ◆ Current Dominion Power Contract Rates:
 - 12/29/2019 Rate goes to 1.5 times in-Town rates
 - Additional \$275,000 in annual revenue at current usage
 - 12/29/2024 Rate goes to out of Town rates (twice in-town)
 - Another \$275,000 in annual revenue at current usage (~\$550,000 total additional annual revenue)

FUNDING – RATE IMPACT

Year	Dominion Water Rates	Additional Dominion Power Revenue Generated by Town Contract @ 180,000 GPD	Current Town Budget Allocation	AMI Meter Budget Reallocation	Remainder of Dominion \$3.5 Million Portion	30 Year, 4%, \$11.3 Million Total Loan Payment	Project Budget Net Payout	Available Budget
2019	In-Town		\$162,600					\$162,600
2020	1.5*In-Town	\$275,000	\$103,500					\$541,100
2021	1.5*In-Town	\$275,000	\$103,500	\$400,000		(\$653,480)	\$125,020	\$666,120
2022	1.5*In-Town	\$275,000	\$103,500		\$700,000	(\$653,480)	\$425,020	\$1,091,140
2023	1.5*In-Town	\$275,000	\$103,500		\$700,000	(\$653,480)	\$425,020	\$1,516,160
2024	1.5*In-Town	\$275,000	\$103,500		\$700,000	(\$653,480)	\$425,020	\$1,941,180
2025	1.5*In-Town	\$275,000	\$103,500		\$700,000	(\$653,480)	\$425,020	\$2,366,199
2026	Out of Town	\$550,000	\$103,500			(\$653,480)	\$20	\$2,366,219
2027	Out of Town	\$550,000	\$103,500			(\$653,480)	\$20	\$2,366,239
2028	Out of Town	\$550,000	\$103,500			(\$653,480)	\$20	\$2,366,259
2029	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$2,262,779
2030	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$2,159,299
2031	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$2,055,819
2032	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$1,952,339
2033	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$1,848,858
2034	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$1,745,378
2035	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$1,641,898
2036	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$1,538,418
2037	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$1,434,938
2038	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$1,331,458
2039	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$1,227,978
2040	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$1,124,498
2041	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$1,021,017
2042	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$917,537
2043	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$814,057
2044	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$710,577
2045	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$607,097
2046	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$503,617
2047	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$400,137
2048	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$296,657
2049	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$193,177
2050	Out of Town	\$550,000				(\$653,480)	(\$103,480)	\$89,696

NEXT STEPS:

- ◆ Engineering Report (PER): August 2019
- ◆ Design/Permitting Complete: May/June 2020
- ◆ Construction Begins: December 2020

Council Discussion: Council discussed whether Dominion would possibly reduce their water usage and in essence their payments to the Town. Mr. Steele noted that the next step would be submitting documents to the Health Department with the PER (preliminary engineering report) development. He added that the \$165/cost was quite aggressive, though in two years it would be more. In response to Council's question, Mr. Steele stated that the deadline for the \$3 million from Dominion is not noted – it only states “as quickly as possible”. Council asked about the other recommendations and whether they were \$6 million different, etc.; specifically the disparity of cost. Mr. Steele spoke in favor of microtunneling, noting that it was a guarantee where the HDD was not with the cave. Mr. Tewalt spoke in favor of the microtunneling. \$643,000 was the annual approximate cost, per Mr. Steele. He added that excavating in rock conditions is included in the amount, with many contingencies included. Mr. Meza noted that he would like to have the cost differentials between the various options. Mr. Steele described that crossing the river at the bridge would not have redundancy, it also would require the river to be crossed twice, and if a tanker went over the bridge for example, then both lines would be compromised. CHA will return in August after moving forward with the PER; Council voiced their support.

2. Ordinance Amendment to Chapter 158-6 - Adoption by Reference of State Motor Vehicular Laws – Town Attorney

SUMMARY: Va. Code § 46.2-1313 states that “[o]rdinances enacted by local authorities pursuant to this chapter may incorporate appropriate provisions of... [the State Code pertaining to motor vehicle laws].

...Nothing contained in this title shall require the readoption of ordinances heretofore validly adopted. Local authorities may adopt ordinances incorporating by reference the appropriate provisions of state law before the effective date of such state law; provided that such local ordinances do not become effective before the effective date of the state law. The provisions of this section are declaratory of existing law.”

This has several benefits to localities: it allows localities to write traffic tickets on local summons, and retain the fines generated therefrom, thus helping pay for local law enforcement, keeping localities safer; it helps localities not have to constantly amend its local code of ordinances pertaining to traffic laws to keep in conformity with minor tweaks in the State Code pertaining to traffic laws; and it helps keep local codes of ordinances shorter.

An Opinion of the Attorney General, 81-82 Va. AG, 272 held “local governing bodies may adopt statutes by reference and may also adopt statutory amendments by reference, provided the amendments to them are adopted subsequent to the statutory amendments.” This means that annually, the Town must readopt Section 158-6 of the Town Code, which legally allows the Town to incorporate all the changes to the State Code traffic laws that have been made during the year.

BUDGET/FUNDING: A positive budgetary impact to the Town will be realized by re-adopting this Ordinance.

STAFF RECOMMENDATION: Staff recommends re-adoption of Town Code Section 158-6.

Council Discussion: Council noted that it would be on the agenda after advertising.

3. Update on Projects – *Town Engineer*

SUMMARY: Staff has created a new section on the Town’s website titled “Town Projects” where up to date information on current projects is available to the public. These project pages will give people more in-depth information and will allow them to follow along with construction progress. It will also be a more effective method for explaining changes or delays than traditional public notices.

Council Discussion: Mr. Brown showed Council the updated site. Council noted their approval and delight with the updated area of the site.

4. County as Fiscal Agent for the EDA

Mr. Waltz noted that the County stated that they would plan to be the Fiscal agent for the EDA. He expressed his concern with the separation with the County/EDA oversight, as previously the EDA was

Mr. Napier stated that they were to be the investment firm for the local government. He stated that if the County was connected and something goes wrong then the County is at risk. Mr. Tewalt stated that it could return to the EDA if things were better eventually. Mr. Meza noted that it would most likely not instill confidence in anyone.

5. Council Discussion/Goals

Mr. Gillispie requested that the employee’s insurance be examined for their percentages and he hoped that Council could work the budget in a way to assist their percentages more. Mr. Tewalt stated that it

was up to the Town Manager at this point; Councilmen Meza and Thompson expressed their agreement. Mr. Holloway noted that he would like the Town Manager could review the budget in hopes of finding something; Mr. Waltz noted that every adjustment was real dollars and something would have to cut other areas. Mr. Sealock suggested that meetings be held to educate employees; Mr. Waltz noted that they did hold meetings.

Mr. Tewalt stated that the \$10 million regarding the EDA has not been explained and so he has asked the Royal Examiner to explain it fully, as that amount was repaid promptly, with interest. Council voiced their support of the issue as presented by Mr. Tewalt.

Mr. Meza asked about borrowing from the Enterprise Fund for the looping project; Mr. Wilson noted that there was not enough funding. Mr. Meza asked about the Barnhart property; Ms. Berry noted that the process began on the last agenda.

6. CLOSED MEETING – Afton Inn and Town Council Vacancy

Motion to Go Into Closed Meeting

Councilman Gillispie moved, seconded by Councilman Holloway, that Council convene and go into Closed Meeting for the following purposes:

~~1)a. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected, pursuant to Section 2.2-3711. A. 6. of the Code of Virginia; and b. 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 Meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Section 2.2-3711. A. 29. of the Code of Virginia.~~

2)a. The possible appointment of a specific public appointee of Town Council, namely, a citizen of Front Royal or a sitting Town Council Member, to fill the seat vacated by the resignation of former Mayor Hollis L. Tharpe, pursuant to Section 2.2 3711. A. 1. of the Code of Virginia; **and**, b. The possible appointment of a specific public appointee of Town Council, namely, a citizen of Front Royal, to fill a seat vacated by the possible appointment of a Town Council Member, should a sitting Member of Town Council be appointed to fill the seat of Interim Mayor, due to the resignation of former Mayor Hollis L. Tharpe, pursuant to Section 2.2 3711. A. 1. of the Code of Virginia.

Vote: Yes – Gillispie, Holloway, Meza, Sealock, Tewalt and Thompson
No – N/A
Abstain – N/A
Absent – N/A

(By Roll Call)

Motion to Certify Closed Meeting at its Conclusion

Councilman Gillispie moved, seconded by Councilman Tewalt, that Council certify that to the best of each member's knowledge, as recognized by each Council member's affirmative vote, that only such public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Action as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the Closed Meeting by Council, and that the vote of each individual member of Council be taken by roll call and recorded and included in the minutes of the meeting of Town Council.

Vote: Yes – Gillispie, Holloway, Meza, Sealock, Tewalt and Thompson
No – N/A
Abstain – N/A

Absent – N/A

(By Roll Call)

PRESENT: Councilman Tewalt, Councilman Gillispie, Councilman Holloway, Councilman Meza, Councilman Thompson, Vice Mayor Sealock, Town Manager Waltz, Town Attorney Napier, Clerk of Council Berry, Director of Planning Camp, Director of Finance Wilson, Director of Energy Services Jenkins, Director of Environmental Services Boyer, IT Director Jones, members of the public and members of the press.