



Appomattox Workshop Meeting Agenda

Appomattox Municipal Building, 210 Linden Street, Appomattox, Virginia 24522

Tuesday, October 26, 2021

6:00 PM – Workshop Meeting

(Location: Appomattox Municipal Building, 210 Linden Street, Appomattox, Virginia 24522)

Call to Order

Public Hearings

1. NOTICE is hereby given of a public hearing before Town Council on the issuance of the Town's \$500,000 Water System Improvement General Obligation Bond, Series 2021 to be held at the Town Hall, 210 Linden St., Appomattox, Virginia on October 26, 2021 at 6:00 PM. Interested persons may attend and express their views.
2. PLEASE TAKE NOTICE that at its meeting to be held on October 26, 2021 at the hour of 6:00 p.m. in the Town Council Meeting Room, Appomattox Town Office, 210 Linden Street, Appomattox, Virginia, the Appomattox Town Council, pursuant to Va. Code Ann. §15.2-202, will conduct a public hearing on a proposed amendment to the Town's Charter, which is more particularly set forth as follows:

§ 1 Election and appointment of officers, etc. shall be amended to read:

There shall be elected by the qualified voters of said town one elector thereof who shall be denominated the mayor, and six electors, who shall be denominated the councilmen of said town. The mayor and six councilmen shall constitute the council of said town. The town council shall have the authority to appoint or employ a town clerk, a treasurer, a commissioner of revenue, a town manager, a health or sanitary officer, and such other officers as it may deem appropriate for the proper conduct of government of the town. The same person may serve in one or more of such capacities. The town council shall have the power to fix the salaries and compensation of said employees and appointees as necessary, but such compensation shall be fixed by said council before the individual chosen shall assume the duties of office. The town council may also appoint committees and boards and prescribe and fix their duties.

§ 4 Terms of office - vacancy and how filled shall be amended to read:

The mayor and members of council in office on July 1, 2021 shall continue in office until the expiration of the terms for which they were elected or until their successors are elected and qualified. At the next election of members to the town council held on the Tuesday following the first Monday in November 2022, the three council candidates receiving the greatest number of votes shall be elected for four year terms, and the three council candidates receiving the next greatest

number of votes and the mayor shall be elected for two year terms. Thereafter, the council members shall be elected for terms of four years, and the mayor shall be elected for a term of two years, or until their successors are elected and qualified. An election shall be held on the Tuesday following the first Monday in November 2024 for the three council seats first expiring and for the mayor, and on the Tuesday following the first Monday in November 2026 for the three council seats next expiring and for the mayor. Elections thereafter shall be held every two years on the Tuesday following the first Monday in November. The term of each person elected under this section at a November election shall begin on January 1 next following the election. In case of a vacancy in the office of mayor, or councilmen, elected by the electors of said town, caused by death, resignation or otherwise, such vacancy shall be filled by a majority vote of the town council from the electors of the town for the unexpired term.

The public is invited to attend and make their views known.

Discussion Items

- [3.](#) Consideration to adopt A Resolution Authorizing the Issuance, Sale and Award of an up to \$500,000.00 Water System Improvement General Obligation Bond, Series 2021 and Providing for the Form, Details, and Payment Thereof.
- [4.](#) Consideration to adopt a Resolution to the General Assembly of the Commonwealth of Virginia to amend the Town's Charter.
- [5.](#) Consideration to adopt an Ordinance to Revise a portion of the Code of the Town of Appomattox, in Chapter 16 - Elections.
- [6.](#) Consideration of an Out of Town Water Connection at 236 Somerset Drive.
- [7.](#) Consideration to amend the Fats, Oils and Grease Program for the Town of Appomattox.

Council Comments

Council Standing Committee Reports

Staff Reports

Adjournment

File Attachments for Item:

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NOTICE OF PUBLIC HEARING UNDER SECTION 15.2-2606 CODE OF VIRGINIA OF
PROPOSED ISSUANCE OF TOWN OF APPOMATTOX \$500,000 WATER SYSTEM
IMPROVEMENT GENERAL OBLIGATION BOND, SERIES 2021

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2. PLEASE TAKE NOTICE that at its meeting to be held on October 26, 2021 at the hour of 6:00 p.m. in the Town Council Meeting Room, Appomattox Town Office, 210 Linden Street, Appomattox, Virginia, the Appomattox Town Council, pursuant to Va. Code Ann. §15.2-202, will conduct a public hearing on a proposed amendment to the Town's Charter, which is more particularly set forth as follows: **§ 1 Election and appointment of officers, etc. shall be amended to read:** There shall be elected by the qualified voters of said town one elector thereof who shall be denominated the mayor, and six electors, who shall be denominated the councilmen of said town. **The mayor and six councilmen shall constitute the council of said town. The town council shall have the authority to appoint or employ a town clerk, a treasurer, a commissioner of revenue, a town manager, a health or sanitary officer, and such other officers as it may deem appropriate for the proper conduct of government of the town. The same person may serve in one or more of such capacities. The town council shall have the power to fix the salaries and compensation of said employees and appointees as necessary, but such compensation shall be fixed by said council before the individual chosen shall assume the duties of office. The town council may also appoint committees and boards and prescribe and fix their duties.** **§ 4 Terms of office - vacancy and how filled shall be amended to read:** The mayor and members of council in office on July 1, 2021 shall continue in office until the expiration of the terms for which they were elected or until their successors are elected and qualified. At the next election of members to the town council held on the Tuesday following the first Monday in November 2022, the three council candidates receiving the greatest number of votes shall be elected for four year terms, and the three council candidates receiving the next greatest number of votes and the mayor shall be elected for two year terms. Thereafter, the council members shall be elected for terms of four years, and the mayor shall be elected for a term of two years, or until their successors are elected and qualified. An election shall be held on the Tuesday following the first Monday in November 2024 for the three council seats first expiring and for the mayor, and on the Tuesday following the first Monday in November 2026 for the three council seats next expiring and for the mayor. Elections thereafter shall be held every two years on the Tuesday following the first Monday in November. The term of each person elected under this section at a November election shall begin on January 1 next following the election. In case of a vacancy in the office of mayor, or councilmen, elected by the electors of said town, caused by death, resignation or otherwise, such vacancy shall be filled by a majority vote of the town council from the electors of the town for the unexpired term. The public is invited to attend and make their views known.

TO THE CITIZENS OF THE TOWN OF APPOMATTOX

PLEASE TAKE NOTICE that at its meeting to be held on October 26, 2021 at the hour of 6:00 p.m. in the Town Council Meeting Room, Appomattox Town Office, 210 Linden Street, Appomattox, Virginia, the Appomattox Town Council, pursuant to Va. Code Ann. §15.2-202, will conduct a public hearing on a proposed amendment to the Town's Charter, which is more particularly set forth as follows:

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The public is invited to attend and make their views known.

FRANK A. WRIGHT, JR.
Attorney for the Town of Appomattox

File Attachments for Item:

3. Consideration to adopt A Resolution Authorizing the Issuance, Sale and Award of an up to \$500,000.00 Water System Improvement General Obligation Bond, Series 2021 and Providing for the Form, Details, and Payment Thereof.

**A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND AWARD OF AN UP TO
\$500,000.00 WATER SYSTEM IMPROVEMENT GENERAL OBLIGATION BOND,
SERIES 2021 AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT
THEREOF**

WHEREAS, the Town of Appomattox, Virginia (the “Town”), is a public body politic and corporate of the Commonwealth of Virginia duly created under charter by Order of the Circuit Court of Appomattox County, Virginia, dated June 2, 1925; and

WHEREAS, the Town has determined to replace certain of its water lines on Church Street in the Town and to finance such in part through the issuance of its general obligation bond (the “Project”);

WHEREAS, the United States of America acting through the Rural Utilities Service (the “Government”), has offered to purchase the Town’s up to \$500,000.00 Water System Improvement General Obligation Bond, Series 2021, bearing interest at the rate and on the terms and conditions otherwise described in Section 2.2 below (the “Bond”) and to further provide a Rural Development Grant not to exceed \$1,125,000 (the “RUS Grant”), which together with a Community Development Block Grant of \$650,000 (the “CDBG Grant”) (together the “Grants”) on the terms described in a Letter of Conditions, dated May 20, 2021, attached hereto as Exhibit A (the “Letter of Conditions”) will result in a total project cost of \$2,275,000; and

WHEREAS, the Town has determined to satisfy the terms of the Letter of Conditions and award the Bond to the Government, and to accept the Grants;

NOW, THEREFORE, BE IT RESOLVED BY TOWN COUNCIL OF THE TOWN OF APPOMATTOX, VIRGINIA:

**ARTICLE 1
AUTHORIZATION OF PROJECT**

Section 1.1 The Project: In order to improve the Town’s water lines on Church Street serving the citizens of the Town, the Project has been duly authorized by Loan Resolution (RUS Bulletin 1780-27) of the Town Council, dated April 6, 2021, a copy of which is attached hereto as Exhibit B and which is hereby ratified, confirmed and approved. The Town hereby ratifies confirms and approves the RUS Grant Agreement (RUS Bulletin 1780-12), a copies of which are on file with the Town.

ARTICLE 2

AUTHORIZATION, FORM, EXECUTION, DELIVERY,
REGISTRATION AND PREPAYMENT OF BOND

Section 2.1 Authorization of Bond; Acceptance of Grants: There is hereby authorized to be issued the general obligation bond of the Town in the principal amount of up to \$500,000.00 to provide funds to finance the Project. The Bond shall be designated “Town of Appomattox, Virginia \$500,000.00 Water System Improvement General Obligation Bond, Series 2021” and shall be sold to the Government upon the terms set forth in the Letter of Conditions. The acceptance of the Grants is hereby approved. The proceeds from the issuance and sale of the Bond and the Grants shall be used to pay the costs of the Project.

Section 2.2 Details of Bond: The Bond shall be issued as follows:

(a) A single fully registered bond without coupons in the denomination of \$500,000.00, registered in the name of United States of America, Rural Utilities Service, which shall be numbered R-1, shall be dated the date upon which the Bond is delivered to the Government upon payment of the purchase price (the “Closing Date”) and shall bear interest at the rate not to exceed One and Three Eighths (1.375%) Per Cent per year on the unpaid principal balance; provided, however, that should the Government offer a lower rate of interest on the Bond, such lower rate shall be conclusively accepted by the Town, including the associated lower installment amount for payment thereof, it being the intent of the Town to obtain to lowest cost of borrowed funds for the permanent financing for the Project. The Bond shall be in substantially the form set forth on Exhibit C hereto.

(b) The Bond shall provide for monthly payment of combined principal and interest beginning one month following the Closing Date and continuing each month thereafter for a period of 479 months until paid. If not sooner paid, the final installment shall be due and payable 480 months from the Closing Date. The payment of every installment shall be applied first to interest accrued to the payment date and then to principal. In the event the Closing Date occurs on the 29th, 30th or 31st day of a month, the installment payment date shall be the 28th day of the month.

(c) Installments shall be payable in lawful money of the United States of America in accordance with the Preauthorized Debit System described in the Letter of Conditions at such address as shall be provided from time to time by the registered owner, except that the final installment shall be payable upon presentation and surrender of the Bond at the office of the Registrar.

Section 2.3 Execution of Bond: The Bond shall be signed by the Mayor of the Town and countersigned by its Clerk and its seal shall be affixed thereto. The Mayor is expressly authorized and directed to finally determine and approve the details of the Bond except that (a) the maximum principal shall not exceed \$500,000 (b) the maximum interest rate shall not exceed 1.375% per annum and (c) the final maturity date shall be a date no later than forty (40) years from the date of issuance. Such determination and the execution and delivery of the Bond on the closing date and delivery to the Government shall constitute conclusive evidence of approval and no further action by the Town shall be required.

Section 2.4 Registration and Exchange of Bond: The Treasurer of the Town is hereby appointed Registrar. Transfer of the Bond may be registered upon books maintained for that purpose at the office of the Registrar. The initial address of the registered owner of the Bond shall be Finance Office, USDA Rural Development, 1520 Market Street, St. Louis, Missouri 63103-2696. Prior to due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner. The Bond shall initially be registered in the name of Rural Utilities Service with an address of 1520 Market Street, St. Louis, Missouri 63103-2696.

Section 2.5 Delivery of Bond: The Mayor and the Clerk are hereby authorized and directed to take all proper steps to have the Bond prepared and executed in accordance with its terms and to deliver the Bond to the Government upon payment therefor. The Mayor and the Clerk are further authorized and directed to agree to and comply with, on behalf of the Town, any and all further conditions and requirements of the Government not inconsistent with this resolution in connection with its purchase of the Bond.

Section 2.6 Prepayment of Bond: Installments of principal due on the Bond may be prepaid at the option of the Town at any time as a whole or in part from time to time (and if in part in inverse order of their maturities), without premium, from any source. Prepayments of installments of principal shall not affect the obligation of the Town to pay the remaining installments payable as provided in Section 2.2.

ARTICLE 3 REVENUES AND FUNDS; BOND PROCEEDS; RESERVE

Section 3.1 Revenue Fund: All rates, fees and other charges or other revenue derived from the ownership or operation of the Town's water utility system (the "System") shall be collected and, so far as may be practicable, deposited not less frequently than weekly in a special account designated the Revenue Fund. Moneys on deposit in the Revenue Fund shall be used only in the manner and priority set out below.

Section 3.2 Rates and Charges: The Town covenants that it shall establish and collect rates and charges with respect to the System sufficient to pay the principal of and interest on the Bond. Further, as required under the Letter of Conditions, the Town hereby approves and confirms that a Ten Percent (10%) penalty shall be assessed on all user accounts with respect to the System that are not paid, in full, within twenty (20) days from the date of billing therefor. To the fullest extent allowed under Virginia law, the Town shall discontinue service to any user if such billing invoice is not paid within sixty (60) days after the due date thereof, and further, such service shall not be restored until all past charges have been paid and all accrued penalties, including a reconnection charge, have been paid to the Town, in full.

Section 3.3 Debt Service Fund: Each month the Town shall transfer from the Revenue Fund to a separate account designated the Debt Service Fund an amount equal to the installments of interest, or principal and interest, as the case may be, coming due on the Bond that month. If there should be insufficient moneys in the Revenue Fund for this purpose, the deficit shall be added to the required payment for the month or months next ensuing until such deficit is

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eliminated. When the balance in the Debt Service Fund equals the principal of and interest on the Bond then outstanding to its maturity, no further transfers to the Debt Service Fund shall be required. The Town shall pay installments of principal and interest on the Bond as the same become due from the Debt Service Fund.

Section 3.4 Balance in Revenue Fund: Any balance remaining in the Revenue Fund each month, after making the transfers required by Section 3.3 may be used by the Town for any lawful purpose.

Section 3.5 Pledge of Revenues:

(a) All revenues and receipts derived by the Town from the use of and services furnished by the System (the "Revenues") and all moneys in the Revenue Fund and the Debt Service Fund are hereby pledged to the payment and performance of the Town's obligations on the Bond, such pledge to be on a par with all prior pledges of revenue from the System securing indebtedness incurred for improvement of the System, subject to the rights of the Town to use the Revenues for the operation and maintenance expenses of the System, as provided herein.

(b) The pledge of Revenues pursuant to this Resolution with respect to the Bond and shall be valid and binding from and after the Closing Date. The Revenues, as received by the Town, shall be immediately subject to the lien of such pledge without any physical delivery of them or further act. Such pledge of the Revenues to secure the payment and performance of the Town's obligations under the Bond shall be on a par with all prior pledges of revenue from the System securing indebtedness incurred for improvement of the System, and have priority over all obligations and liabilities of the Town. The lien of this pledge of the Revenues with respect to the Bond shall be valid and binding against all parties having claims against the Town regardless of whether such parties have notice thereof.

NEITHER THE BOND NOR THE OBLIGATIONS OF THE TOWN UNDER THE LETTER OF CONDITIONS OR THIS BOND RESOLUTION CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH OF VIRGINIA.

Section 3.7 Construction Fund; Account Pledge: All amounts from the proceeds of the Bond shall be deposited in a separate account with a qualifying depository designated the Construction Account and shall be used solely for the purpose of paying authorized costs of the Project. All amounts in the Construction Fund are hereby pledged to secure the payment of principal and interest on the Bond.

ARTICLE 4
SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 4.1 Security for Deposits: All moneys on deposit with any bank or trust company shall be secured for the benefit of the Town and the holder of the Bond in the manner

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required by the Virginia Security for Public Deposits Act (Chapter 44, Title 2.2, Code of Virginia of 1950, as amended) or any successor provision of law.

ARTICLE 5 MISCELLANEOUS

Section 5.1 Contract with Bondholder: The provisions of this resolution shall constitute a contract between the Town and the holder of the Bond for so long as the Bond and interest thereon are outstanding.

Section 5.2 Town Officers and Agents: The officers and agents of the Town shall do all acts and things required of them by this resolution, the Bond and the Virginia Public Finance Act (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended) for the complete and punctual performance of all the terms, covenants and agreements contained therein.

Section 5.3 Limitation of Rights: Nothing expressed or mentioned in or to be implied from this resolution or the Bond is intended or shall be construed to give to any person or company other than the parties hereto and the holder of the Bond any legal or equitable right, remedy or claim under or in respect to this resolution or any covenants, conditions and agreements herein contained; this resolution and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holder of the Bond as herein provided.

Section 5.4 Limitation of Liability of Officials of Town: No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of a present or future member, officer, employee or agent of the Town in his individual capacity, and neither the members of the Town Council nor any officer thereof executing the Bond shall be liable personally on the Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No member, officer, employee or agent of the Town shall incur any personal liability with respect to any other action taken by him pursuant to this resolution or the Virginia Public Finance Act (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended), provided he acts in good faith.

Section 5.5 Conditions Precedent: Upon the issuance of any Bond all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia or this resolution to have happened, exist and to have been performed precedent to or in the issuance of such Bond shall have happened, exist and have been performed.

Section 5.6 Series Designation: In the event the Bond is not issued during calendar year 2021, the Mayor and Clerk of the Town are hereby authorized and directed to change the series designation to such other year as may be appropriate at the time of their issuance. Thereafter all references in this resolution to the Bond shall be deemed to refer to the general obligation Bond issued pursuant to Article 3 under their new series.

Section 5.7 Repeal of Resolutions in Conflict: All other resolutions, or parts thereof, in conflict with this resolution are hereby repealed except for such resolutions as may have been adopted by the Town at the specific request of the Government as a condition to its purchase of the Bond.

Section 5.8. Reserves; Audit Requirements, Accounts and Records. The establishment, funding and maintenance of reserves as required by the Government as described in the Letter of Conditions are hereby authorized and approved. The Mayor and Clerk are hereby authorized and directed to coordinate with the Town's outside auditors in order for the Town to satisfy (and otherwise comply with) the audit requirements and any other accounting and financial reporting terms and conditions as set forth in the Letter of Conditions.

Section 5.9 Successors and Assigns: All the covenants, stipulations, promises and agreements of the Town contained in this resolution shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Section 5.10 Headings: Any headings in this resolution are solely for convenience of reference and shall not constitute a part of the resolution nor shall they affect its meaning, construction or effect.

Section 5.11 Severability: If any court of competent jurisdiction shall hold any provision of this resolution to be invalid and unenforceable, such holding shall not invalidate any other provision hereof.

Section 5.12 Filing of Bond Resolution. The Mayor or Clerk Council, either of whom may act, any other appropriate representative or agent of the Town, is hereby authorized and directed to see to the filing of a certified copy of this resolution in the Office of the Clerk of the Circuit Court of the County of Appomattox.

Section 5.13 Effective Date: This resolution shall take effect immediately. The Clerk of the Town is hereby authorized and directed to file a certified copy of this resolution in the office of the Town.

This Resolution was passed by a vote of the Appomattox Town Council on the [] day of October, 2021.

Mayor, Town of Appomattox

(SEAL)

ATTEST:

Clerk of Council

{2887866-1, 705417-00007-07}

Exhibit A: Letter of Conditions

Exhibit B: RUS Bulletin 1780-27, Loan Resolution

Exhibit C: Form of Bond

CERTIFICATE OF VOTES

The undersigned hereby certifies that the foregoing constitutes a true and correct copy of the foregoing Bond Resolution, duly adopted by the members of the Appomattox Town Council by a roll call vote at a regular meeting duly held and called on the date hereof, as follows:

Name	Aye	Nay	Abstain	Absent
James J. Boyce, Sr				
Timothy W. Garrett				
Claudia G. Puckette				
Nathan A. Simpson				
Mary Lou Spiggle				
Aaron M. Tilton				

(SEAL)

ATTEST:

Roxanne Casto
Clerk of Council

EXHIBIT A
LETTER OF CONDITIONS

EXHIBIT B
LOAN RESOLUTION
RUS 1780-27

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EXHIBIT C TO RESOLUTION OF
TOWN OF APPOMATTOX
Dated _____, 2021

No. R-1

\$500,000.00

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
TOWN OF APPOMATTOX
WATER SYSTEM IMPROVEMENT GENERAL OBLIGATION BOND,
SERIES 2021

The Town of Appomattox (the “Town”), a public body politic and corporate of the Commonwealth of Virginia duly created under charter by Order of the Circuit Court of Appomattox County, Virginia, dated June 2, 1925, for value received, hereby promises to pay to the United States of America, Rural Utilities Service, (the “Government”), or registered assigns, the principal sum of

FIVE HUNDRED THOUSAND DOLLARS
(\$500,000.00)

and to pay to the registered owner hereof interest on the unpaid principal from the date hereof until payment of the entire principal sum at the rate of One and Three Eighths Percent (1.375 %) per year in monthly payments of combined principal and interest of One Thousand Three Hundred Fifty-five (\$1,355.00) Dollars and No Cents beginning on the first (1st) monthly anniversary of the date hereof and continuing monthly thereafter for Four Hundred Seventy Nine (479) consecutive months until the principal of this bond is paid in full, each installment to be applied first to interest accrued to such payment date and then to principal. The final installment, if not sooner paid, of all amounts owed hereunder shall be due and payable Four Hundred Eighty (480) months from the date hereof. Such installments shall be payable in lawful money of the United States of America by pre-authorized electronic debit for the account of the registered owner of the Bond at such address as shall be provided from time to time by the registered owner, except that the final installment shall be payable upon presentation and surrender hereof at the office of the Registrar.

This bond has been authorized by a resolution adopted by the Town Council on [], 2021 (the “Bond Resolution”), and is issued pursuant to the Charter and the Virginia Public Finance Act (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended) to provide funds to finance improvements to the Town’s water utility system. A copy of the Bond Resolution is on file at the Town Hall, Appomattox, Virginia. Reference is hereby made to the Bond Resolution and any

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amendments thereto for the provisions, among others, describing the pledge and covenants securing the bond, the nature and extent of the security, the terms and conditions upon which the bond is issued, the rights and obligations of the Town and the rights of the bondholder.

All revenues derived by the Town from its water utility system are hereby pledged to the payment of the principal of and interest on the bond.

Installments of principal due on this bond may be prepaid at the option of the Town at any time as a whole or in part from time to time (but if in part, in inverse order of their maturities), without premium. Prepayments of installments of principal shall not affect the obligation of the Town to pay the remaining installments payable as provided above.

This bond is fully registered as to both principal and interest. Transfer of this bond may be registered upon books maintained for that purpose by the Registrar. Prior to due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner.

Any amount expended or advanced by the Government for the collection hereof or to protect any security therefor, at the option of the Government, shall become a part of and bear interest at the same rate as the principal hereof and be immediately due and payable by the Town to the Government without demand.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed.

IN WITNESS WHEREOF, the Town has caused this bond to be signed by its Mayor, to be countersigned by its Clerk, its seal to be affixed hereto and this bond to be dated _____ 2021.

(CORPORATE SEAL)

ATTEST:

TOWN OF APPOMATTOX,
VIRGINIA

Clerk, Town of Appomattox

Mayor, Town of Appomattox

TRANSFER OF BOND

Transfer of this bond may be registered by the registered owner or his duly authorized attorney upon presentation hereof to the Registrar who shall make note of such transfer in books kept by the Registrar for that purpose and in the registration blank below.

**Date of
Registration**

_____2021

**Name of
Registered Owner**

United States of America
Rural Utilities Service

**Signature
of Registrar**



Rural Development

May 20, 2021

RD Satellite Office

650 North Lee
Highway, Suite 3
Lexington, VA 24450

Voice: 540-319-6466
Fax: 855-636-4613

Mr. Gary Shanaberger, Town Manager
Town of Appomattox
P.O. Box 705
Appomattox, VA 24522

Dear Mr. Shanaberger:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to your application for financial assistance from Rural Development. The Rural Development staff administers this financial assistance on behalf of the Rural Utilities Service (RUS) by the State and Area staff of USDA Rural Development, both of which may be referred to throughout this letter as the Agency. Any changes in project costs, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by Rural Development by written amendment to this letter. Any changes not approved by Rural Development shall be cause for discontinuing processing of the application.

This letter is not to be considered as approval of financial assistance or as a representation as to the availability of funds. The financial package may be completed on the basis of a Rural Development loan not to exceed \$500,000, a Rural Development grant not to exceed \$1,125,000, and other funding in the amount of \$650,000, for a total project cost of \$2,275,000. The other funding is planned in the form of a Community Development Block Grant (CDBG) from the Department of Housing and Community Development.

By accepting this loan, you agree to refinance (graduate) the unpaid loan balance, in whole or in part, upon Rural Development's request. If at any time Rural Development determines you are able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms, we will request that you refinance. Your ability to refinance will be assessed every other year on loans that are five years old or older.

For all loans **exceeding** \$500,000, where loan funds can be borrowed at reasonable interest rates on an interim basis from commercial sources for the construction period, such interim financing will be used to preclude the necessity for multiple advances of Rural Development loan funds. The approving official may make an exception when interim financing is cost prohibitive or unavailable. Prior to advertising for bids, you must provide Rural Development with a copy of the tentative agreement reached in connection with interim financing for review and approval. Rural Development grant funds will be disbursed by multiple advances through electronic transfer of funds after interim financing or when Rural Development loan funds are expended.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel, and accountant. All parties may access information and regulations

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

referenced in this letter at our website located at www.rd.usda.gov. **Any form, bulletin, or guide identified in this letter will be provided upon request.**

The conditions referred to in the first paragraph of this letter are as follows:

1. Project Description and Budget – Funds will be used to replace approximately 6,225 linear feet of 4” water line with 8” water line in the Church Street area. Facilities will be designed and constructed in accordance with sound engineering practices and must meet the requirements of Federal, State, and local agencies. The proposed facility design must be based on the Preliminary Engineering Report (PER) as concurred in by Rural Development.

Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project Costs</u>	<u>Total Budgeted</u>
Construction	\$ 1,879,570
Legal Fees	20,000
Bond Counsel Fees	15,000
Engineering Fees:	
Basic	55,400
Inspection	94,000
Additional - Permitting	5,000
Interest	18,000
Project Contingency	<u>188,030</u>
TOTAL PROJECT COSTS	\$ 2,275,000

2. Project Funds – Project funding is planned from the following sources and amounts:

<u>Project Funding Source</u>	<u>Funding Amount</u>
Rural Development Loan	\$ 500,000
Rural Development Grant	1,125,000
CDBG Grant	<u>650,000</u>
TOTAL PROJECT FUNDING	\$ 2,275,000

Prior to closing, any increase in non-Rural Development funding will be applied first as a reduction to Rural Development grant funds (up to the total amount of the grant) and then as a reduction to Rural Development loan funds.

Any changes in funding sources following obligation of Rural Development funds must be reported to the processing official. Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. You must assure that all project funds are expended only for the eligible items included in the project budget of this letter of conditions or as amended by Rural Development in writing at a later date.

After providing for all authorized costs, any remaining Rural Development project funds will be considered to be Rural Development grant funds and refunded to Rural Development. If the amount of unused Rural Development project funds exceeds the Rural Development grant, that part would be Rural Development loan funds and applied as an extra payment to your loan.

Prior to advertisement for construction bids, you must provide evidence showing the approval of funds from other sources. This evidence should include a copy of the commitment letter. Prior to the award of any contract to a contractor, you must provide written evidence that these funds are available for expenditure. Prior to the start of construction, an agreement should be reached with all funding sources on how funds are to be disbursed.

3. Organizational Documents – The documents creating your entity have been reviewed and found to be acceptable.
4. Forms – You will be required to execute certain Agency forms in order to obtain financial assistance from Rural Development. A Resolution of Governing Body appointing an authorized representative to execute all forms must be provided. You must also provide minutes from the meeting at which the Resolution of Governing Body is adopted. Your signature on all required forms indicates your agreement to abide by all covenants outlined in the forms.

Rural Development acknowledges receipt of your Resolution of Governing Body. Draft minutes from the April 12, 2021, meeting were provided; however, you will be required to provide a copy of the finalized minutes.

5. Notice of Intent to Apply – Within sixty (60) days of filing an application for financial assistance from Rural Development, you must publish a notice of intent to apply in a newspaper of general circulation in the proposed service area.

Rural Development acknowledges receipt of your Notice of Intent to Apply.

6. Public Meeting Requirement – You will be required to inform the general public about the proposed project by holding at least one public information meeting prior to the approval of your financial package. This meeting will give the citizenry an opportunity to become acquainted with the proposed project and voice any comments and/or concerns. Ten (10) days prior to the meeting, you will be required to publish a notice of the meeting in a newspaper of general circulation in the proposed service area. You will be required to provide Rural Development with a copy of the published notice, along with minutes from the meeting.

Rural Development acknowledges receipt of your public meeting notice. Draft minutes from the April 12, 2021, meeting were provided; however, you will be required to provide a copy of the finalized minutes.

7. Bond Counsel – The services of a recognized bond counsel are required. In accordance with 7 CFR 1780, Subpart D, bond counsel will prepare the form of Bond Resolution to be used. You should immediately provide your bond counsel with a copy of this letter of conditions.

The final bond transcript must include a copy of the adopted Rate Ordinance/Resolution, along with the rules and regulations of the water utility.

8. Security – The loan must be secured by a General Obligation Bond, a pledge of the net revenues of your water utility on parity with all previous bond issues, a pledge of the full faith and credit of the Town, and other agreements between you and Rural Development as set forth in the Bond Resolution, which must be properly adopted and executed by the appropriate officials of your organization.

The bond and any resolution relating thereto must not contain any provisions in conflict with RUS Bulletin 1780-27, applicable regulations, or authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 United States Code (USC) 1983.

Additional security requirements are contained in RUS Bulletin 1780-27, Loan Resolution, and RUS Bulletin 1780-12, Grant Agreement. A copy of the minutes from the meeting at which the Loan Resolution is adopted must be provided to Rural Development.

A draft of all security instruments, including the bond resolution, form of bond, and bond counsel opinion, must be reviewed and concurred in by Rural Development prior to advertising for bids. Both the Bond and Loan Resolutions must be fully executed prior to closing.

As you have issued Bonds secured by water revenues to another lender(s), a Parity/Intercreditor Agreement between Rural Development and that lender(s) must be executed prior to loan closing. A draft of the agreement must be concurred in by Rural Development prior to advertising for bids.

9. Loan Repayment – The loan will be scheduled for repayment over a period of 40 years. Payments for the remaining 480 months will be equal amortized monthly installments. For planning purposes, use a 1.375% interest rate and a monthly amortization factor of .00271, which provides for a monthly payment of \$1,355.00.

Unless you choose otherwise, the interest rate will be the lower of the rate in effect at the time of loan approval or the time of closing. Should the interest rate outlined above be reduced at closing, your payment will be recalculated based on the lower rate. The payment due date will be established as the day the loan closes. If closing takes place on the 29th, 30th, or 31st, the payment due date will be the 28th.

Payments will be made on the day your payment is due through an electronic preauthorized debit system. You will be required to complete Form RD 3550-28, Authorization Agreement for Preauthorized Payments, for all new AND existing indebtedness to Rural Development prior to closing, which will allow for your payment to be electronically debited from your account on the day your payment is due.

10. Prepayment and Extra Payments – Prepayments of scheduled installments, or any portion thereof, may be made at any time with no penalty. Security instruments,

including bond documents, must contain the following language regarding extra payments:

Prepayments of scheduled installments, or any portion thereof, may be made at any time. Refunds, extra payments, and loan proceeds obtained from outside sources for the purpose of paying down this debt shall, after payment of interest, be applied to the installments last to become due and shall not affect the obligation to pay the remaining installments as scheduled.

11. Legal Services Agreement – You will be required to execute a legal services agreement with your attorney and bond counsel, if applicable, for any legal work needed in connection with this project. The agreement should stipulate an hourly rate for the work, as well as a “not to exceed” amount for the services, including reimbursable expenses. RUS Bulletin 1780-7 may be used as a guide in preparing the agreement. The agreement must be concurred in by Rural Development prior to advertising for bids. Any changes to the fees or services outlined in the original agreement must be reflected in an amendment to the agreement and have prior Rural Development concurrence.
12. Code of Conduct/Conflict of Interest Policy – You must adopt and maintain a written code or standards of conduct which shall govern the performance of your officers, employees, or agents engaged in the award and administration of contracts supported by Rural Development funds. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Rural Development funds if a conflict of interest, real or apparent, would be involved.
13. System Users – This letter of conditions is based upon your indication (at the application stage) that there will be at least 829 residential and 215 non-residential users on the water system when construction is completed.

Before Rural Development can agree to the project being advertised for construction bids, you must certify that the number of users specified at the application stage are currently using the system and/or have signed up to use the system once it is operational. If the actual number of existing and/or proposed users is less than the number indicated at the time of application, you must provide Rural Development with a written plan on how you will obtain the necessary revenue to adequately cash flow the expected operation, maintenance, debt service, and reserve requirements of the proposed project, i.e., increase user rates, sign up an adequate number of other users, reduce project scope, etc. Similar action is required if there is cause to modify the anticipated flows or volumes.

Evidence of users will consist of your written certification as to the number of users actually connected to and using the existing system (paying monthly bills).

14. Delayed Payment Penalty – On all user accounts not paid in full within twenty (20) days from the date of bill, ten percent (10%) will be added to the net amount due. If any bill is not paid within sixty (60) days after the due date, service to the customer will be discontinued. Service will not be restored until all past due bills

have been paid in full and all accrued penalties, plus a reconnection charge, have been paid.

15. Proposed Operating Budget and User Rate Analysis – Prior to written authorization from Rural Development to proceed with the bidding phase, you will be required to submit a copy of your proposed annual operating budget and rate analysis which supports the proposed loan repayment. The operating budget should be based on a typical year's cash flow subject to completion of this project in the first full year of operation. The rate analysis will be required to show the number of users, their average consumption based on a twelve-month consecutive average, and a rate structure to support the necessary revenue to make the operating budget cash flow. Form RD 442-7, Operating Budget, or similar form may be utilized for this purpose.

You must establish, adopt, and maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance, debt service, and reserves. This rate schedule must provide for a minimum monthly EDU cost of \$23.40. In addition, it is anticipated a General Fund transfer of \$250,000 will be required in the first full year of operation after construction of this project. When added to the monthly EDU cost of \$23.40 from user rates, the ending result is a total monthly EDU cost of \$38.87.

Prior to requesting authorization to bid, you must provide:

- a. A draft rate resolution
- b. A use and income analysis and operating budget. These documents must be based on the anticipated active customers, and the budget must show repayment ability.

Prior to closing or the start of construction, whichever occurs first, you must provide evidence that the rate resolution has been adopted, as well as evidence indicating the rates will be placed into effect at the beginning of the first full year of operation after construction of this project.

It is expected that operation and maintenance will change over each successive year, and user rates will need to be adjusted on a regular basis. Technical assistance is available at no cost to help you evaluate and complete a rate analysis on your system. If you are interested, please contact our office for more information.

16. Property Rights – Prior to advertising for bids, you and your legal counsel must furnish satisfactory evidence that you have or can obtain adequate, continuous, and valid control over the lands and rights-of-way needed for the project. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Such control over lands and rights will be evidenced by the following:
 - a. Right-of-Way Map – Your engineer will provide a map clearly showing the location of all lands and rights-of-way needed for the project. The map must

designate public and private lands and rights and the appropriate legal ownership thereof.

- b. Form RD 442-20, Right-of-Way Easement – This form may be used to obtain any necessary easements for the proposed project. If this form is not utilized, a copy of the easement to be used must be approved by Rural Development. Each executed easement need not be provided this office; however, each must be available for Rural Development review.
- c. Form RD 442-21, Right-of-Way Certificate – You will provide a certification on this form that all rights-of-way have been obtained for the proposed project. This form may contain a few exceptions, such as properties that must be condemned, and you must provide the estimated date for obtaining any rights-of-way listed as exceptions. Prior to start of construction or closing, whichever occurs first, a new Form 442-21, which does not provide for any exceptions, must be provided.
- d. Form RD 442-22, Opinion of Counsel Relative to Rights-of-Way – Your attorney will provide a certification and legal opinion on this form addressing rights-of-way. This form may contain a few exceptions, such as properties that must be condemned, and your attorney must provide the estimated date for obtaining any rights-of-way listed as exceptions. Prior to start of construction or closing, whichever occurs first, a new Form 442-22, which does not provide for any exceptions, must be provided.
- e. Preliminary Title Opinion – When applicable, your attorney will provide a preliminary title opinion for all property, both currently owned and to be acquired, related to the facility. Copies of deeds, contracts, or options must also be provided. Form RD 1927-9, Preliminary Title Opinion, may be used. **It is not anticipated any fee simple property will be utilized for the construction of this project. If this is correct, a Preliminary Title Opinion will not be needed.**
- f. Final Title Opinion – Prior to closing or start of construction, whichever occurs first, your attorney must furnish a final title opinion for all property, both currently owned and newly acquired, related to the facility. Copies of recorded deeds for any newly acquired property must also be provided. Form RD 1927-10, Final Title Opinion, may be used. **It is not anticipated any fee simple property will be utilized for the construction of this project. If this is correct, a Final Title Opinion will not be needed.**

The Rural Development approval official may waive title defects or restrictions, such as utility easements, that do not adversely affect the suitability, successful operation, security value, or transferability of the facility. Any such waivers must be provided by the approval official in writing prior to closing or the start of construction, whichever occurs first.

You are responsible for the acquisition of all property rights necessary for the project and for determining that prices paid are reasonable and fair. Rural

Development may require an appraisal by an independent appraiser or Rural Development employee in order to validate the price to be paid.

If rights-of-way are not needed for the proposed project, a certification to that effect from your attorney will satisfy items a through d above.

17. Reserves – Reserves must be properly budgeted to maintain the financial viability and sustainability of any operation. Reserves are important to fund unanticipated, emergency maintenance and repairs and assist with debt service should the need arise. The following reserves are required to be established as a condition of this financial assistance:
 - a. Short-Lived Asset Reserve – You must establish a short-lived asset reserve fund. Based on the Preliminary Engineering Report, you must deposit at least \$63,197 annually into this reserve fund for the life of the loan to pay for repairs and/or replacement of major system assets. It is your responsibility to assess your utility's short-lived asset needs on a regular basis and adjust the amount deposited to meet those needs.
 - b. Operation and Maintenance Reserve – Current assets will be used to establish and maintain a reserve for unanticipated operation and maintenance expenses. The amount required to be set aside is \$158,500, which equates to a 25% reserve based on estimated operation and maintenance expenses during the first full year of operation after construction.
18. Insurance and Bonding Requirements – Prior to the start of construction or closing, whichever occurs first, you must acquire and submit to Rural Development proof of the types of insurance and bond coverage. The use of deductibles may be allowed, provided you have the financial resources to cover potential claims requiring payment of the deductible. Rural Development strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.
 - a. General Liability Insurance – Include vehicular coverage.
 - b. Workers' Compensation – In accordance with appropriate State laws.
 - c. Fidelity or Employee Dishonesty Bonds – Include coverage for all persons who have access to funds, including persons working under a contract or management agreement. Coverage may be provided either for all individual positions or persons or through blanket coverage providing protection for all appropriate workers. During construction, each position should be bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The coverage may be increased during construction based on the anticipated monthly advances. After construction and throughout the life of the loan, the amount of coverage must be for at least the total annual debt service of all outstanding Rural Development loans. Rural Development will be identified in the fidelity bond for receipt of notices.

Form RD 440-24, Position Fidelity Schedule Bond, or similar format may be used.

- d. National Flood Insurance – If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of closing.
- e. Real Property Insurance – Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all above-ground structures, to include machinery and equipment housed therein, in an amount equal to the insurable value thereof. This does not apply to water reservoirs, standpipes, elevated tanks, or noncombustible materials used in treatment plants, clearwells, filters, and the like. Rural Development will be listed as mortgagee on the policy if Rural Development has a lien on the property.

Insurance types described above are required to be continued throughout the life of the loan.

- 19. Utility Purchase Contract – You propose to purchase treated water from Appomattox County. Rural Development has reviewed the existing contract dated September 12, 2011, and found it to be acceptable. It is also noted that should the contract be terminated for any reason, the Town has sufficient wells which can be brought online within a matter of hours to provide water to its customers.
- 20. Other Professional Services Contracts – In addition to contracts specifically mentioned in this letter of conditions, Rural Development must review and accept any and all contracts between the owner and any professional services provider, i.e., local counsel, bond counsel, auditor, accountant, financial advisor, etc. These contracts must be provided for our review prior to closing.
- 21. Permits – Prior to advertising for bids, the owner or responsible party is required to obtain all applicable permits for the project. With submission to Rural Development of the final plans, specifications, and bid documents, the consulting engineer must identify and address the need and adequacy of all certificates, permits, licenses, etc., needed for the construction and operation of the facility. Written evidence must also be submitted that all applicable permits needed prior to construction have been obtained.
- 22. Environmental – At the conclusion of this proposal's environmental review process, specific actions were determined necessary to avoid or minimize adverse environmental impacts. The following actions are required for successful completion of the project and must be adhered to during project design and construction:
 - a. All required Federal, State, and local permits will be obtained prior to beginning any construction activities.
 - b. For any land-disturbing activities equal to or exceeding 10,000 square feet, or equal to or exceeding 2,500 square feet in all areas subject to the Chesapeake

Bay Preservation Act, an erosion and sediment control (ESC) plan must be approved by the appropriate local agency and approval official. Depending on local requirements, the area of land disturbance requiring an ESC plan may be less. The ESC plan must be approved by the locality prior to any land-disturbing activity at the project site. All regulated land-disturbing activities associated with the project, including on and off-site access roads, staging areas, borrow areas, stockpiles, and soil intentionally transported from the project must be covered by the project specific ESC plan.

- c. If Karst features are encountered during the project, please coordinate with Wil Orndorff at the Virginia Department of Conservation and Recreation (DCR) to document and minimize any adverse impacts. If the project involves filling or “improvement” of sinkholes or cave openings, DCR would like detailed location information and copies of the design specifications. In cases where sinkhole improvement is for stormwater discharge, copies of the Virginia Department of Transportation’s (VDOT) Form EQ-120 will suffice. A link to the “Karst Assessment Guidelines” developed by the Virginia Cave Board for land development can be found at <http://www.dcr.virginia.gov/natural-heritage/cavehome>. Mr. Orndorff may be reached at (540) 553-1235 or Wil.Orndorff@dcr.virginia.gov.
- d. Fugitive dust caused by the movement of construction materials and construction equipment will be controlled by adherence to the Virginia Department of Environmental Quality (DEQ) regulations and 9 VAC 5-50-60 et. seq., which govern the abatement of visible emissions and fugitive dust emissions. Measures include, but are not limited to, the following: use, where possible, of water or chemicals for dust control; installation and use of hoods; fans and fabric filters to enclose and vent the handling of dusty materials; covering of open equipment for conveying materials; and prompt removal of spilled or tracked dirt or other materials from paved streets and removal of dried sediments resulting from soil erosion. Land-clearing wastes (vegetative debris) generated during construction should be properly managed in accordance with applicable regulations and local ordinances. Shredding/chipping of vegetative debris and reuse on-site is recommended over open burning. If project activities include open burning or the use of special incineration devices, this activity must meet the requirements under 9 VAC 5-130-10 through 9 VAC 130-60 and 9 VAC 5-130-100 of the regulations for open burning. In addition, the regulations provide for, but do not require, the local adoption of a model ordinance concerning open burning. The applicant should contact local fire officials to determine what local requirements, if any, exist. Contact the local DEQ Regional Office with questions related to air pollution control and permitting.
- e. Construction will be limited to normal daylight hours, Monday through Friday, except in emergency situations.
- f. When encountering inadvertent or unanticipated discoveries, the following requirements will be implemented and included in on-site construction documents:

1. Inadvertent discoveries on State and private lands shall comply with applicable state notification standards, Federal laws, 36 CFR Part 800.13, and the Advisory Council on Historic Preservation's (ACHP) Policy Statement Regarding Treatment of Burial Sites, Human Remains, or Funerary Objects (February 23, 2007). You shall ensure your contractors maintain a copy of the inadvertent discoveries plan on-site for review.
2. Discoveries on private and State lands:
 - a. If historic properties are discovered, all work, including vehicular traffic must immediately stop within a 50-foot radius of the discovery.
 - b. If discoveries are made that contain burial sites or human remains, all work, including vehicular traffic must immediately stop within a 100-foot radius of the discovery.
 - c. For all discoveries, work should also stop in the surrounding area where further historic properties, subsurface burial sites, or human remains can reasonably be expected to occur.
 - d. The relevant law enforcement authorities will be immediately contacted by on-site personnel to reduce delay times, in accordance with Tribal, State, or local laws. If law enforcement determines the remains to not be part of a criminal investigation or a crime scene, the applicant will notify RUS, the State Historic Preservation Officer (SHPO), and Indian tribes. The evaluation of human remains will be conducted at the site of discovery by a Secretary of the Interior (SOI)-qualified professional. Remains that have been removed from their primary context and where that context may be in question may be retained in a secure location, pending further decisions on treatment and disposition.
 - e. Within 48 hours of receiving notification of an inadvertent discovery, you and appropriate local authorities will inspect the work site to ensure that all work, including vehicular traffic, has ceased and protect the area of discovery from looting and vandalism.
 - f. All archaeologists or other specialists, as appropriate, employed in response to inadvertent discoveries will be SOI-qualified and have the knowledge to assess the resources within an undertaking's area of potential effect.
 - g. Work may continue in other areas of the undertaking where no historic properties, burial sites, or human remains are present. If the inadvertent discovery appears to be a consequence of illegal activity, such as looting, the onsite personnel will contact the appropriate legal authorities immediately if the landowner has not already done so.
 - h. Work may not resume in the area of the discovery until a notice to proceed has been issued by RUS. RUS will not issue the notice to

proceed until it has determined that the appropriate local protocols and consulting parties have been consulted.

3. Inadvertent discoveries on Federal and Tribal land shall follow the processes required by the Federal or Tribal entity.
- g. All work with the potential to effect roadways or other transportation facilities will be reviewed and coordinated with the VDOT District Office and the Local Residency Office. Construction along roadways will require some flagging of traffic; however, road closures will be limited and will be coordinated with VDOT and the County. Road signs should be provided to alert drivers, bicyclists, and pedestrians of utility and construction work ahead, and any detours necessary to navigate around the utility work. All VDOT permits will be obtained prior to construction.
- h. Depending on local requirements, a Stormwater Management (SWM) plan may be required. SWM requirements should be requested from the appropriate County/Town office. Additional guidance may be obtained from DEQ's Office of Stormwater Management.
- i. For any land-disturbing activities equal to or exceeding one acre, or equal to or exceeding 2,500 square feet in all areas of the jurisdictions designated as subject to the Chesapeake Bay Preservation Area Designation and Management Regulations adopted pursuant to the Chesapeake Bay Preservation Act, the operator or owner of a construction project is required to register for coverage under the General Permit for Discharges of Stormwater from Construction Activities (VAR10) and develop a project-specific stormwater pollution prevention plan (SWPPP). The SWPPP must be prepared prior to submission of the registration statement for coverage under the general permit and it must address water quality and quantity in accordance with the Virginia Stormwater Management Permit Regulations. General information and registration forms for the General Permit are available from DEQ:<http://www.deq.virginia.gov/Programs/Water/StormwaterManagement/VSMPPPermits/ConstructionGeneralPermit.aspx>.
- j. Solid wastes generated at the site will be reduced at the source, reused, or recycled. All hazardous wastes will be minimized. Any soil or groundwater that is suspected of contamination or wastes that are generated during construction-related activities must be tested and disposed of in accordance with applicable Federal, State, and local laws and regulations. All construction waste, including excess soil, must be characterized in accordance with the Virginia Hazardous Waste Management Regulations prior to disposal at an appropriate facility. It is the generator's responsibility to determine if solid waste meets the criteria of a hazardous waste and is subsequently managed appropriately. If evidence of a petroleum release is discovered during implementation of this project, it must be reported to DEQ, authorized by Virginia Code Sections 62.1-44.34.8 through 9 and 9 VAC 25-580-10, et. seq. The removal, relocation or closure, or installation and operation of any regulated petroleum storage tanks [above-ground storage tank (AST) or underground storage tank (UST)] must be conducted in accordance with the

requirements of the Virginia Tank Regulations 9 VAC 25-91-10, et seq. (AST) and/or 9 VAC 25-580-10 et. seq. (UST). Contact the local DEQ Regional Office concerning the location and availability of waste management facilities in the project area, report petroleum contamination, or to register fuel storage tanks.

- k. The use of herbicides or pesticides for construction or landscape maintenance should be in accordance with the principles of integrated pest management. The least toxic pesticides that are effective in controlling the target species will be used.
- l. For unavoidable impacts to streams and wetlands, the following practices will be implemented: use of directional drilling from upland locations; operation of machinery and construction vehicles outside of stream-beds and wetlands; use of synthetic mats when in-stream work is unavoidable; stockpiling of material excavated from the trench for replacement if directional drilling is not feasible; and preservation of the top 12 inches of trench material removed from wetlands for use as wetland seed and root stock in the excavated area.
- m. If the project will impact any streams and/or wetlands, a Joint Permit Application (JPA) will be required. The Virginia Marine Resources Commission (VMRC) serves as the clearinghouse for the JPA used by:
 - 1. U.S. Army Corps of Engineers for issuing permits pursuant to Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbours Act;
 - 2. DEQ for issuance of Virginia Water Protection Permit pursuant to Section 401 of the Clean Water Act, Virginia Code Section 62.1-44.2, et. seq., Virginia Code Section 62.1-44.15:5, and Virginia Administrative Code 9 VAC 25-210-10, et. seq.; and
 - 3. Virginia Marine Resources Commission regulates encroachments on or over state-owned subaqueous beds, as well as tidal wetlands pursuant to Virginia Code Sections 28.2-1200 through 1400.
- n. Any impacts to floodplains will be unavoidable and temporary. No permanent structures will be constructed within the 100-year floodplain. All disturbed areas will be restored to pre-construction contours and all denuded areas will be re-vegetated immediately.

The project as proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations, and/or permits may apply or be required. If the project or any element thereof deviates or is modified from the originally approved project, additional environmental review may be required.

- 23. Litigation – You are required to notify Rural Development within 30 days of receiving notification of being involved in any type of litigation. Additional documentation regarding the situation and litigation may be requested by Rural Development.

24. Technical, Managerial and Financial Capacity – It is required that members of the Board of Directors, Council members, trustees, commissioners, and other governing members possess the necessary technical, managerial, and financial capacity skills to consistently comply with pertinent Federal and State laws and requirements. It is recommended members receive training within one year of appointment or election to the governing board, as well as a refresher training for all governing members on a routine basis. The content and amount of training should be tailored to the needs of the particular individual and the utility system. Technical assistance providers are available to provide this training for your organization, often at no cost. You may contact Rural Development for information.
25. Form AD-1048, Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions – Your responsibilities as a recipient of Federal funding will include the clause entitled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," in all lower tier transactions and in all solicitations for lower tier transactions that are expected to exceed \$25,000. Should the proposed transaction be entered into, you agree you shall not knowingly enter into any lower tier transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in the transaction, unless authorized by the Department or Agency entering into this transaction.

You may rely upon a certification of a prospective participant in a lower tier transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless you know the certification is erroneous. Each participant must execute Form AD-1048, and the executed form must remain a part of your files. You may, but are not required to, check the Non-Procurement List. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

If you knowingly enter into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, we may terminate this transaction for cause or default.

For additional information regarding responsibilities and reporting requirements, refer to 2 CFR Part 170, Appendix A.

26. American Iron and Steel (AIS) - Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference applies an AIS requirement to obligations made after May 5, 2017:
- a. No Federal funds made available for this fiscal year for the rural water, wastewater, waste disposal, and solid waste management programs authorized

by the Consolidated Farm and Rural Development Act (7 USC 1926 et seq.) shall be used for a project for the construction, alteration, maintenance, or repair of a public water or wastewater system unless all of the iron and steel products used in the project are produced in the United States.

- b. The term “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.
- c. The requirement shall not apply in any case or category of cases in which the Secretary of Agriculture (in this section referred to as the “Secretary”) or the designee of the Secretary finds that:
 - 1. Applying the requirement would be inconsistent with public interest;
 - 2. Iron and steel products are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
 - 3. Inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

Owners are ultimately responsible for compliance with AIS requirements and will be responsible for the following:

- a. **Signing loan resolutions, grant agreements, and letters of intent to meet conditions which include AIS language, accepting AIS requirements in those documents and in the letter of conditions.**
- b. **Signing change orders (i.e. C-941 of EJCDC) and partial payment estimates (i.e. C-620 of EJCDC) and thereby acknowledging responsibility for compliance with American Iron and Steel requirements.**
- c. **Obtaining the certification letters from the consulting engineer upon substantial completion of the project and maintaining this documentation for the life of the loan.**
- d. **Where the owner provides their own engineering and/or construction services, providing copies of engineers’, contractors’, and manufacturers’ certification letters (as applicable) to the Agency to insert into the Agency file. All certification letters must be kept in the engineer’s project file and onsite during construction. For owner construction (force account), all clauses from this section must be included in the Agreement for Engineering Services.**
- e. **Where the owner directly procures AIS products, including AIS clauses in the procurement contracts and obtaining manufacturers’**

certification letters and providing copies to consulting engineers and contractors.

27. Agreement for Engineering Services – You will be required to complete an Agreement for Engineering Services, which should consist of the Engineers Joint Contract Documents Committee (EJCDC) documents as indicated in RUS Bulletin 1780-26, Guidance for the Use of EJCDC Documents on Water and Waste Projects with RUS Financial Assistance and supplemented by Virginia’s “Agreement for Engineering Services Guidance.” Rural Development will provide concurrence prior to advertising for bids and must approve any modifications to the agreement.
28. Contract Documents/Procurement – Construction contracts will be competitively bid. Contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C, and must be submitted for Rural Development concurrence prior to advertising for bids. Contract documents must consist of the EJCDC construction contract documents, as well as the following:
 - a. The documents as listed in Virginia’s “Construction Contract Documents Guidance,” supplemented by RUS Bulletin 1780-26.
 - b. Plans and specifications and all addenda.

You must also provide evidence that the appropriate State regulatory agency has concurred with the final design of the project.

29. Bid Authorization – Rural Development may authorize you to advertise the project for construction bids once all the conditions outlined in this letter have been met. Such advertisement must be in accordance with appropriate State statutes. Immediately after bid opening, you must provide Rural Development with (a) a bid tabulation, (b) recommendations from you and your engineer as to the acceptability of the bids received, (c) your recommendations for contract awards, and (d) a revised project budget based upon current prices. The revised project budget will not include a construction contingency greater than five (5) percent of the construction items. If, after bidding, it is determined there are Rural Development funds in excess of that necessary to complete the project, you will work with Rural Development to cancel funds not needed for successful completion of the project.

Once all parties agree the construction bids received are acceptable; adequate funds are available to cover the total facility costs; and all administrative conditions for approval of financial assistance have been satisfied, Rural Development will authorize you to issue the Notice of Award and closing instructions will be issued. The closing instructions, a copy of which will be forwarded to you, will set forth any further requirements that must be met prior to closing.

Closing instructions must be obtained prior to advertising for bids, and closing will not be scheduled until these instructions are received from Rural

Development. When all parties agree that the closing requirements can be met, a mutually acceptable date for the closing will be scheduled.

Grant closing will take place at such time grant funds are needed to pay project costs. You will be required to execute RUS Bulletin 1780-12, Association Water or Sewer System Grant Agreement, at the time of closing.

30. Cost Overruns – If bids are higher than expected, or if unexpected construction problems are encountered, you must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding, or other means will be considered prior to commitment of subsequent funding from Rural Development. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds. Cost overruns exceeding 20% of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.
31. Contract Review – Your attorney will certify that the executed contract documents, including performance and payment bonds, if required, are adequate and that the persons executing these documents have been properly authorized to do so. Once your attorney has certified that they are acceptable, the contract documents will be submitted to Rural Development for concurrence. The Notice to Proceed cannot be issued until Rural Development has concurred with the construction contracts.
32. Resident Inspection – Full-time inspection is required for this project. Inspection services are to be provided by the consulting engineer unless other arrangements are requested in writing and concurred in by Rural Development. Prior to the preconstruction conference, a resume' of qualifications of any resident inspector(s) will be submitted to the owner and Rural Development for review and approval. The owner will provide a letter of acceptance for all proposed inspectors to the consulting engineer and Rural Development. The resident inspector(s) must also attend the preconstruction conference.
33. Preconstruction Conference – A preconstruction conference will be held prior to the issuance of the Notice to Proceed. The consulting engineer will review the planned development with Rural Development, owner, resident inspector, attorney, contractor, other funders, and other interested parties and will provide minutes of this meeting to the owner and Rural Development.
34. Change Orders – Prior Rural Development concurrence is required for all change orders.
35. Payments – Prior Rural Development concurrence is required for all invoices and partial payment estimates before Rural Development and/or interim financing funds will be released. Requests for payment related to a contract or service agreement will be signed by the owner, project engineer, and contractor or service provider prior to Rural Development concurrence. Invoices not related to a construction contract or service agreement will include the owner's written concurrence.

36. Disbursement of Funds – Rural Development or interim financing funds will be advanced as they are needed in the amount necessary, over thirty-day periods, to cover Rural Development’s proportionate share of any disbursements required of your organization. The Debt Collection Improvement Act (DCIA) of 1996 requires that all Federal payments be made by Electronic Funds Transfer/ Automated Clearing House (EFT/ACH). You will have funds directly deposited to a specified account at a financial institution with funds being available to the recipient on the date of payment. You should complete Form SF-3881, Electronic Funds Transfer Payment Enrollment Form, for each account where funds will be electronically received. The completed form(s) must be submitted to Rural Development prior to advertising for bids.

You must establish a construction account for all funds related to the project. Construction funds will be deposited with an acceptable financial institution or depository that meets the requirements of 31 Code of Federal Regulations (CFR), Part 202. A separate account will not be required for Federal funds and other funds; however, the recipient must be able to separately identify, report, and account for all Federal funds, including the receipt, obligation, and expenditure of funds. Financial institutions or depositories accepting deposits of public funds and providing other financial agency services to the Federal Government are required to pledge adequate, acceptable securities as collateral in accordance with 31 CFR, Part 202. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the construction account at any one time. Your financial institution can provide additional guidance on collateral pledge requirements.

Rural Development grant funds will be advanced as they are needed in the amounts necessary to cover Rural Development’s proportionate share of obligations due and payable. Upon receipt, Federal funds must be deposited in an interest-bearing account in accordance with 2 CFR 200, Section 200.35, except as follows:

- a. Federal grant awards (includes all federal funding sources) less than \$120,000 per year.
- b. The best reasonably available interest-bearing account would not be expected to earn in excess of \$500 per year on Federal cash balances.
- c. The depository would require an average or minimum balance so high that it would not be feasible within the executed Federal and non-Federal cash resources.
- d. A foreign government or banking system prohibits or precludes interest-bearing accounts.

Interest earned on Federal advance payments in excess of \$500 per year will be submitted to Rural Development annually.

37. Use of Remaining Funds – Applicant contribution and connection or tap fees, if any, will be the first funds expended in the project, followed by non-Rural

Development sources of funds. Remaining funds may be considered in direct proportion to the amounts obtained from each source and handled as follows:

- a. Remaining funds may be used for eligible loan and grant purposes provided the use will not result in major changes to the original scope of work and the purpose of the loan and grant remains the same.
 - b. Grant funds not expended for authorized purposes will be cancelled after final completion of project. Prior to actual cancellation, you and your attorney and engineer will be notified of Rural Development's intent to cancel the remaining funds and given appropriate appeal rights.
 - c. If multiple RD loan advances are used, loan funds that are not needed will be applied as an extra payment on the Rural Development indebtedness.
 - d. If interim financing is used, loan funds that are not needed will be cancelled (de-obligated) prior to loan closing.
38. Inspections – Rural Development requires pre-final and final inspections, as well as a warranty inspection. Your consulting engineer will schedule a warranty inspection with the contractor and Rural Development before the end of the warranty period to address and/or resolve any warranty issues. Rural Development will conduct an inspection with you of your records management system at the same time and will continue to inspect the facility and your records system every three years for the life of the loan.
39. Construction Completion Timeframe – All projects are required to be completed and all funds disbursed within five (5) years of obligation. If funds are not disbursed within five (5) years of obligation, you must submit a written waiver request with adequate justification of extenuating circumstances beyond your control for an extension of time. Requests for waivers beyond the initial extension will be submitted through the State Office to the Assistant Administrator for concurrence.
40. System for Award Management (SAM) – As the recipient, you must maintain the currency of your information in SAM.gov until (a) you submit to Rural Development the final financial report required by this award and (b) all funds under this award have been disbursed or cancelled, whichever is later. This requires that you review and update your information at least annually after the initial registration and more frequently if required by changes in your information or another award term. Recipients can register online at www.sam.gov.
41. Vulnerability Assessment (VA) and Emergency Response Plan (ERP) – Rural Development requires all financed water and sewer systems to have a VA and ERP in place. Prior to bid authorization, you must provide certification that a VA and ERP are complete.

Every three years after the start of operations, you will be required to provide a certification that both the VA and ERP are complete and current. Technical assistance providers are available to provide on-site assistance if needed.

42. Reporting Requirements Related to Expenditure of Funds – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by the United States Department of Agriculture (USDA), through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from Rural Development. The audit must be prepared by an independent licensed Certified Public Accountant and must be submitted within nine (9) months of your fiscal year-end.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to Rural Development prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit to be completed, the time frame in which the audit will be completed, and how irregularities will be reported.

Compensation for the preparation of this audit is not included in project funds and should be paid from the revenues generated from your system's operation.

43. Annual Financial Reporting/Audit Requirements – You are required to submit an annual financial report at the end of each fiscal year. The annual report will be certified by the appropriate organization official and will consist of financial information and a rate schedule. Financial statements must be prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) and must include, at a minimum, a balance sheet and income and expense statement. **The annual report will include separate reporting for each water and waste disposal facility and itemize cash accounts by type (debt service, short-lived assets, etc.) under each facility.** All records, books, and supporting materials are to be retained for three years after the issuance of the annual report. Technical assistance is available at no cost to assist with the preparation of financial reports.

The criteria for determining the type of financial report to be submitted are specified below:

- a. Audits – An annual audit under the Single Audit Act is required if you expend \$750,000 or more in Federal financial assistance per fiscal year. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from Rural Development. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work

should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant and must be submitted within nine (9) months of your fiscal year-end.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to Rural Development prior to the advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided, and how irregularities will be reported.

- b. Financial Statements – If you expend less than \$750,000 in Federal financial assistance per fiscal year, you may submit financial statements in lieu of an audit. These financial statements must include, at a minimum, a balance sheet and an income and expense statement. You may use Form RD 442-2, Statement of Budget, Income and Equity, and Form RD 442-3, Balance Sheet, or similar format to provide the financial information. The financial statements must be signed by the appropriate official and submitted within 60 days of your fiscal year-end.
 - c. Quarterly Reports – Quarterly income and expense statements will be required until the processing office waives this requirement. You may use Form RD 442-2 or similar format to provide this information. The reports are to be signed by the appropriate borrower official and submitted within 30 days of each quarter's end. Rural Development will notify you in writing when the quarterly reports are no longer required.
44. Annual Budget and Projected Cash Flow – Thirty days prior to the beginning of each fiscal year, you will be required to submit an annual budget and projected cash flow to this office. With the submission of the annual budget, you will be required to provide a current rate schedule, and a current listing of the Board or Council members and their terms. The budget must be signed by the appropriate borrower official. Form RD 442-2 or similar format may be used.
- Technical assistance is available at no cost to assist with the evaluation and completion of a rate analysis and the preparation of your annual budget. If you are interested, please contact our office for information.
45. Security/Operational Inspections – Rural Development will inspect the facility and conduct a review of your operations and records management system every three years for the life of the loan. You must participate in these inspections and provide the required information.
46. Compliance Reviews and Data Collection – Rural Development will conduct regular compliance reviews of the borrower and its operation in accordance with 7 CFR Part 1901, Subpart E, and 36 CFR 1191, Americans with Disabilities Act (ADA) Accessibility Guidelines for Buildings and Facilities; Architectural Barriers Act (ABA) Accessibility Guidelines.

A compliance review will be conducted concurrent with closing or the start of construction, whichever occurs first, with subsequent compliance reviews conducted every three to six years. Compliance reviews will typically be conducted in conjunction with the security inspections described in this letter. If beneficiaries (users) are required to complete an application or screening for the use of the facility or service that you provide, you must request and collect data by race (American Indian or Alaska Native, Asian, Black or African American, White); ethnicity (Hispanic or Latino, Not Hispanic or Latino); and by sex. Rural Development will utilize this data as part of the required compliance review.

47. Statutory and National Policy Requirements – As a recipient of Federal funding, you are required to comply with U.S. statutory and public policy requirements, including but not limited to:
- a. Section 504 of the Rehabilitation Act of 1973 – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Rural Development financial assistance.
 - b. Civil Rights Act of 1964 – All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d *et seq.*) and 7 CFR 1901, Subpart E, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.
 - c. The Americans with Disabilities Act (ADA) of 1990 – This Act (42 U.S.C. 12101 *et seq.*) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications.
 - d. Age Discrimination Act of 1975 – This Act (42 U.S.C. 6101 *et seq.*) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
 - e. Limited English Proficiency (LEP) under Executive Order 13166 – LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under Federally-assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. You must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled “Improving Access to Services by Persons with Limited English

Proficiency” and further affirmed in the USDA Departmental Regulation 4330-005, “Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA.”

Rural Development financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. You must display posters (provided by Rural Development) informing users of these requirements, and Rural Development will monitor your compliance with these requirements during regular compliance reviews.

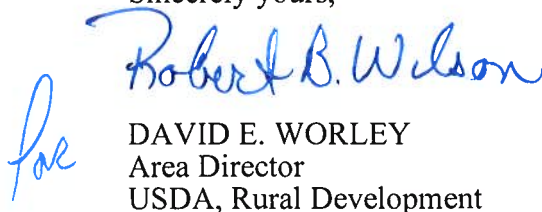
As a recipient of federal financial assistance, you must also comply with all applicable Federal, state, and local statutes, ordinances, regulations, and codes. The major portions of existing rules and regulations which must be met are included in RD Instruction 1780, Subparts B, C, and D. No modifications or waiver of any portion of these regulations is authorized. Such regulations shall govern regardless of any misinterpretation, omission, misunderstanding, or statements made by any Rural Development employee. The most critical requirements of the instructions have been highlighted or clarified in this letter.

We believe the information herein clearly sets forth the action which must be taken; however, if you have any questions, please do not hesitate to contact my office.

Please complete Form RD 1942-46, Letter of Intent to Meet Conditions, and Form RD 1940-1, Request for Obligation of Funds, if you desire that further consideration be given to your application.

If the conditions set forth in this letter are not met within twelve (12) months from the date hereof, Rural Development reserves the right to discontinue processing of the application. In the event the project has not advanced to the point of closing within twelve (12) months and it is determined the applicant still wishes to proceed, it may be necessary to review the conditions outlined in this letter. If during that review it is determined the conditions are no longer adequate, Rural Development reserves the right to require that the letter of conditions be revised or replaced.

Sincerely yours,


DAVID E. WORLEY
Area Director
USDA, Rural Development

cc: State Director, Rural Development, Richmond, VA
Attorney
Bond Counsel
Accountant
Engineer

LOAN RESOLUTION
(Public Bodies)A RESOLUTION OF THE Town CouncilOF THE Appomattox, Town of

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Water System

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Appomattox, Town of*(Public Body)*

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

One million six hundred fifty thousand dollarspursuant to the provisions of Code of Virginia

; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 1,650,000

under the terms offered by the Government; that the Town Manager

and _____ of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was:

Yeas 6 Nays 0 Absent 0

IN WITNESS WHEREOF, the Appomattox Town Council of the

Appomattox, Town of has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this 12th, April day of 2021

Richard C. Conner

(SEAL)

By Richard C. Conner

Attest:

Title Mayor

Royanne W. Costa, MMC

Title Clerk of Council

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as _____ of the Appomattox, Town of
hereby certify that the _____ of such Association is composed of
_____ members, of whom , _____ constituting a quorum, were present at a meeting thereof duly called and
held on the _____ day of _____ ; and that the foregoing resolution was adopted at such meeting
by the vote shown above, I further certify that as of _____ ,
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been
rescinded or amended in any way.

Dated, this _____ day of _____

Title _____

File Attachments for Item:

4. Consideration to adopt a Resolution to the General Assembly of the Commonwealth of Virginia to amend the Town's Charter.

RESOLUTION

Whereas, the Appomattox Town Council met on the _____ day of _____, 2021 and hereby requests by resolution of the General Assembly of the Commonwealth of Virginia to amend the Town's Charter as follows:

1. **Unless otherwise specifically changed herein, all provisions of the Town Charter shall remain in force and effect.**
2. **Section 1 - Election and appointment of officers, etc.** shall be amended to read:

There shall be elected by the qualified voters of said town one elector thereof who shall be denominated the mayor, and six electors, who shall be denominated the councilmen of said town. The mayor and six councilmen shall constitute the council of said town. The town council shall have the authority to appoint or employ a town clerk, a treasurer, a commissioner of revenue, a town manager, a health or sanitary officer, and such other officers as it may deem appropriate for the proper conduct of government of the town. The same person may serve in one or more of such capacities. The town council shall have the power to fix the salaries and compensation of said employees and appointees as necessary, but such compensation shall be fixed by said council before the individual chosen shall assume the duties of office. The town council may also appoint committees and boards and prescribe and fix their duties.

3. **Section 4 – Terms of office; vacancy and how filled** is amended to read:

The mayor and members of council in office on July 1, 2021 shall continue in office until the expiration of the terms for which they were elected or until their successors are elected and qualified. At the next election of members to the town council held on the Tuesday following the first Monday in November 2022, the three council candidates receiving the greatest number of votes shall be elected for four year terms, and the three council candidates receiving the next greatest number of votes and the mayor shall be elected for two year terms. Thereafter, the council members shall be elected for terms of four years, and the mayor shall be elected for a term of two years, or until their successors are elected and qualified. An election shall be held on the Tuesday following the first Monday in November 2024 for the three council seats first expiring and for the mayor, and on the Tuesday following the first Monday in November 2026 for the three council seats next expiring and for the mayor. Elections thereafter shall be held every two years on the Tuesday following the first Monday in November. The term of each person elected under this section at a November election shall begin on January 1 next following the election. In case of a vacancy in the office of

mayor, or councilmen, elected by the electors of said town, caused by death, resignation or otherwise, such vacancy shall be filled by a majority vote of the town council from the electors of the town for the unexpired term.

This Resolution was adopted by a majority vote of the Appomattox Town Council at its _____, 2021 meeting.

Richard C. Conner, Mayor

Attest: _____
Roxanne W. Casto, Clerk

File Attachments for Item:

5. Consideration to adopt an Ordinance to Revise a portion of the Code of the Town of Appomattox, in Chapter 16 - Elections.

AN ORDINANCE TO REVISE a portion of the Code of the Town of Appomattox, in Chapter 16 – Elections.

Be it ordained by the Council of the Town of Appomattox as follows:

Section 1. Chapter 16, Section 2 shall be enacted as follows:

§ 16-2 Election of Council Members and the Mayor.

Pursuant to Senate Bill 1157 enacted during the 2021 General Assembly and notwithstanding any provisions of the Town Charter, the mayor and members of council in office on July 1, 2021 shall continue in office until the expiration of the terms for which they were elected or until their successors are elected and qualified. The next election for town offices shall occur on the Tuesday following the first Monday in November 2022. At such election, the three council candidates receiving the greatest number of votes shall be elected for four year terms, and the three council candidates receiving the next greatest number of votes and the mayor shall be elected for two year terms. Thereafter, the council members shall be elected for terms of four years, and the mayor shall be elected for a term of two years, or until their successors are elected and qualified. An election shall be held on the Tuesday following the first Monday in November 2024 for the three council seats first expiring and for the mayor, and on the Tuesday following the first Monday in November 2026 for the three council seats next expiring and for the mayor. Elections thereafter shall be held every two years on the Tuesday following the first Monday in November. The term of each person elected under this section at a November election shall begin on January 1 next following the election. In case of a vacancy in the office of mayor, or councilmen, elected by the electors of said town, caused by death, resignation or otherwise, such vacancy shall be filled by a majority vote of the town council from the electors of the town for the unexpired term.

Section 2. This section shall become effective upon its passage.

File Attachments for Item:

6. Consideration of an Out of Town Water Connection at 236 Somerset Drive.

TOWN OF APPOMATTOX

OCT 12 2021

RECEIVED

October 11, 2021

Appomattox Town Council
210 Linden Street
Appomattox, VA 24522

RE: TOWN WATER ACCESS FOR MATT AND ANGELA GARRETT

Dear Town Council Members:

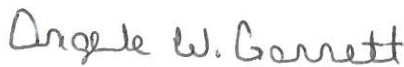
We are currently building a new home at 236 Somerset Drive located in the Woodchase Subdivision just outside of town. The Woodchase subdivision has town water lines already established and we are seeking your permission to connect to that in order to provide water services to our new home.

Please let us know if anything further is needed from us in order to grant us this permission. Thank you for your time.

Sincerely,



Matthew D. Garrett
matt.garrett83@yahoo.com
(434) 660-1983



Angela W. Garrett
angela.garrett2011@gmail.com
(434) 664-7012

Current Mailing Address:
201 Crosstie Road
Appomattox, VA 24522

File Attachments for Item:

7. Consideration to amend the Fats, Oils and Grease Program for the Town of Appomattox.

FATS, OILS AND GREASE PROGRAM



TOWN OF APPOMATTOX

PUBLIC WORKS

DEPARTMENT

Adopted: September 10, 2018

Revised: September 24, 2019

Introduction

Fats, oils, and grease (FOG) are a common cause of blockages and sanitary sewer overflows (SSOs) in sanitary sewer systems across the United States. The U.S. Environmental Protection Agency provided a report to Congress that pointed out the fact that almost half the SSOs in the Country occurred due to blockages from grease, which solidifies within the collection system.

Many property owners and tenants are not aware of the potential problems associated with introducing FOG into the sewer systems. Residual FOG comes from cooking and cleaning processes in both residential and commercial establishments and the wastewater originating from these establishments then enters into the publicly owned sewer system. Standard interior plumbing systems and sanitary sewer systems are not intended to handle discharges of FOG; therefore, discharged grease builds up within both systems. Over time, this buildup can result in restricted flows and blockages within the systems and, ultimately, create backups into residences or businesses or overflows to the ground and surface waters.

Raw sewage overflows cannot only cause disruptions in service but can also create potential environmental and human health risks. Raw sewage contains high nutrients and oxygen demanding substances, which can deplete streams of dissolved oxygen resulting in environmental consequences as fish kills. It also may carry bacteria, viruses and parasites, which can cause various health issues for humans (e.g., gastroenteritis, various diseases). In addition, the buildup of grease in public sewer lines increases maintenance and repair costs, which must be passed on to customers.

The best way to protect interior plumbing and the public sewer systems is to prevent as much FOG as possible from going down the drain and subsequently entering the public sewer system. FOG management methods, which can help in this effort, are included in this program.

High discharge rates of petroleum-based compounds can lead to visible sheens in the wastewater treatment works, potential explosive conditions and potential loss of treatment due to interruption of the biological treatment processes within the treatment facility. Visible sheens coming into the treatment facility necessitate additional maintenance (e.g., oil skimming or adsorption) in order to keep the oils from reaching any part of the treatment works, including the biological treatment system or the final outfall. In addition, some discharges have sand, grit or other abrasive materials associated with them (e.g., car and truck wash facilities) that can be detrimental to the treatment works (e.g., line blockage, damage to pump impellers); this material also needs to be removed prior to entering the sewer system.

Design, Installation, and Maintenance of Grease Interceptors

1) General Requirements:

- a) There are various prefabricated grease interceptor units available which may be utilized. The minimum size exterior grease interceptor will be 1000 gallons and the minimum size interior grease interceptor will be a 100 pound capacity unit. If the flow exceeds 50 gallons per minute for an interior interceptor, the state plumbing code will be followed for appropriate sizing increases.
- b) Grease interceptors will be installed in accordance with manufacturer's recommendations and any other requirements by the approval authority having jurisdiction, the latest edition of the International Plumbing Code, the Virginia Uniform Statewide Building Code, the State plumbing code or other appropriate specifications and construction diagrams. In no case shall the specifications be less stringent than the specific requirements noted in this section [E.2. below], unless approved. The approval authority having jurisdiction shall provide review and approval and a building permit shall be obtained prior to installation.
- c) All sink drains and floor drains in food preparation and storage areas and any other areas which may discharge FOG must be routed to a grease interceptor. Dishwashers should also be routed through a grease interceptor but first be preceded by a solids interceptor. The water temperature entering a grease interceptor shall not exceed 140 degrees Fahrenheit (⁰F).
- d) New food service establishments shall not have food grinders installed. Existing food service establishments with food grinders shall have a solids interceptor installed prior to the grease interceptor.
- e) The exterior grease interceptor shall be installed on the property of the facility and at a distance from the kitchen area as to allow for adequate cooling of water prior to it entering the grease interceptor. It shall be fully accessible to allow for proper maintenance, inspection, cleaning and sampling without creating a nuisance.
- f) Sanitary wastes shall not be piped through any new exterior grease interceptor installation unless it is a unit going into an existing facility where the wastewaters are already combined.
- g) *Food Truck establishments that plan to dump at the Town's dumping site or hook to the Town's sewer must install a grease trap before being allowed to dump or hook to the Town's sewer.*

2) Specific Requirements for Exterior Grease Interceptors:

- a) Sizing shall be based upon providing a minimum of 30 minutes detention using the totalized volume of the peak flow rate for each fixture, including the manufacturer's specified peak flow on automatic dishwashers. As noted in this section (E.1.a. above), in no case shall the interceptor be less than 1000 gallons. It shall be designed to achieve an oil and grease concentration of no more than 100 mg/l.
- b) Access ports should provide full surface area access (See figure nos. 1 and 2 in the Appendix).
- c) Interceptors shall contain a built-in sample port on their effluent line (See figure no. 5 in the Appendix).
- d) Where the interceptor is located in a parking lot, it shall be designed to withstand traffic loads [see figure no. 2 (large manhole frames) in the appendix] and be accessible at all times. As an alternative, it may be located in a protected traffic island with concrete curbing or protected with an appropriate number of bollards that are anchored, concrete filled six-inch or greater diameter steel pipe at least four feet high and four feet buried or other substantial protective guards.
- e) The interceptor shall be properly vented to the atmosphere.
- f) The interceptor shall be of watertight construction to prevent both infiltration and exfiltration.
- g) The inlet and outlet tees must be a minimum of four (4) inches in diameter with the tops of each tee plugged with removable threaded caps. Penetration through the exterior walls shall not be sealed with any type of grouting mixture. The use of "boots", "link seals" or other approved methods shall be used to achieve sound infiltration and exfiltration capabilities.
- h) The interceptor shall have an air gap at the top to keep the tank from becoming air bound.
- i) There shall be a minimum of two (2) compartments with an interior baffle located at least 50% of the distance from the inlet wall. The interior baffle shall allow for venting at the top. The flow through pipe or port from the first compartment shall have a minimum opening equivalent to four (4) inches in diameter.

3) Grease Interceptor Maintenance

- a) Grease interceptors shall be inspected and cleaned on a sufficient periodic basis in order to ensure their proper operation. Exterior interceptors shall be cleaned at least quarterly. Smaller interior grease interceptors will be cleaned no less than weekly. More frequent cleaning may be required if inspections indicate that FOG is getting into the public sewer system in quantities sufficient to cause restricted flow, blockage or increased maintenance of the wastewater treatment works. All cleaning events should be observed to ensure that they are appropriately completed.
- b) Exterior grease interceptors shall not exceed 25% in grease/solids depth.
 - (a) Example calculation: Floating grease/scum layer measures 8 inches and the bottom solids layer is 6 inches. If the total depth of the liquid level in the interceptor is 48 inches, the grease/solids depth is 14 inches divided by 48 inches times 100 which equals 29%; exceeds the 25% requirement.
- c) Each grease interceptor cleaning shall be a complete evacuation of the system, which will allow for proper inspection. Grease removed from interior interceptors should be placed in an outside storage container for disposal or recycling. Pumped contents from exterior grease interceptors shall be transported to a facility authorized to receive the wastewater.
- d) Grease interceptors shall be pumped by a transporter that is approved for the pumping and transport of the waste.

Design and Installation of Oil/Water Separators and Grit Interceptors

From Virginia Plumbing Code

1003.4 Oil separators required.

At repair garages where floor or trench drains are provided, car washing facilities, factories where oily and flammable liquid wastes are produced and hydraulic elevator pits, oil separators shall be installed into which oil-bearing, grease-bearing or flammable wastes shall be discharged before emptying into the building drainage system or other point of disposal.

Exception: An oil separator is not required in hydraulic elevator pits where an approved alarm system is installed. Such alarm systems shall not terminate the operation of pumps utilized to maintain emergency operation of the elevator by fire fighters.

1003.4.1 Separation of liquids.

A mixture of treated or untreated light and heavy liquids with various specific gravities shall be separated in an approved receptacle.

1003.4.2 Oil separator design.

Oil separators shall be listed and labeled, or designed in accordance with Sections 1003.4.2.1 and 1003.4.2.2.

1003.4.2.1 General design requirements.

Oil separators shall have a depth of not less than 2 feet (610 mm) below the invert of the discharge drain. The outlet opening of the separator shall have not less than an 18-inch (457 mm) water seal.

1003.4.2.2 Garages and service stations.

Where automobiles are serviced, greased, repaired or washed or where gasoline is dispensed, oil separators shall have a capacity of not less than 6 cubic feet (0.168 m³) for the first 100 square feet (9.3 m²) of area to be drained, plus 1 cubic foot (0.028 m³) for each additional 100 square feet (9.3 m²) of area to be drained into the separator. Parking garages in which servicing, repairing or washing is not conducted, and in which gasoline is not dispensed, shall not require a separator. Areas of commercial garages utilized only for storage of automobiles are not required to be drained through a separator.

1003.5 Sand interceptors in commercial establishments.

Sand and similar interceptors for heavy solids shall be designed and located so as to be provided with ready access for cleaning, and shall have a water seal of not less than 6 inches (152 mm).

Management Practices for Food Service Establishments

1) Inside Management Practices

- a) Fats, oils and grease from cooking shall not be poured down sink drains, floor drains or water closets. Signs should be posted noting the same. Where possible, FOG shall be collected for recycle.
- b) Sink drain screens shall be maintained in place in order to prevent larger particles from going down the drains. Food scraps should be disposed of in trash containers rather than down the drains. Food grinders shall not be used unless an inline solids interceptor is installed prior to the grease interceptor.
- c) Dry methods of clean-up (e.g., scraping, wiping, sweeping) shall be utilized for fats, oil and grease prior to wet methods using water (e.g., rinsing and/or washing). Signs should be posted noting the same.
- d) Where floor drains are present, FOG spills need to be dry-cleaned in an effort to keep the material out of the drain.

- e) In order to prevent grease from re-solidifying in the sewer system and other potential harmful effects, hot water, caustics, acids, solvents, enzymes, drain deodorizers or other emulsifying agents shall not be utilized to dissolve grease.
- f) Hot water shall not be run through the grease interceptors to clean them out.
- g) In order to avoid spills, containers of used FOG should be emptied before they become full and covers should be utilized when carrying fats, oils and grease to outside storage containers.
- h) Outside storage containers for FOG shall be protected from precipitation and not stored in a manner where spills or leaks would enter a storm sewer.
- i) Staff shall be trained in the various management practices used to address FOG.

Procedures for grease traps that fail inspection

Any trap that fails inspection and needs to be cleaned, the inspector will follow these procedures. Along with the inspection report form a re-inspection letter must be filled out and signed by the manager or supervisor. Also, pictures will be taken and kept for our records. Any trap that fails inspection will have 7 days to have the tank cleaned and a copy of the manifest sheet from the company cleaning the trap submitted back to the Town. A re-inspection will take place after the 7 days any trap that fails on the re-inspection day a final letter will be filled out and signed by the manager. This letter will state that they will have 2 days to comply or their water service will be turned off. The Town Manager or Mayor will be notified immediately regarding any final notices that have been issued.