

**Town/County Water & Sanitary Sewer
Memo of Understanding
Appomattox Industrial/Recreation Parks**

Agreement

This Agreement, made this 12th day of April, 1999, by and between the Town of Appomattox, a municipal corporation of the Commonwealth of Virginia, hereinafter referred to as "Town", party of the first part; and the County of Appomattox and the Industrial Development Authority of the County of Appomattox, political subdivisions of the Commonwealth of Virginia, hereinafter referred to as "County" and "IDA", respectfully, parties of the second part.

WHEREAS, the Town operates a sewage treatment plant, currently with a capacity of 54,000 gallons per day, which is being increased to a capacity of 300,000 gallons per day, and

WHEREAS, County and IDA wish to purchase the right to use 146,000 gallons per day for industrial/commercial enterprises in the Park, and Town is willing to allocate such use under the following terms and conditions, and

WHEREAS, the Town operates a water system consisting of 6 wells and an annual production of approximately 72,000,000 gallons and is willing to sell water to customers in the industrial park.

NOW THEREFORE WITNESSETH.

I. DEFINITIONS:

- A. Operational Costs: Direct costs to the Town for basic functioning and operating its water or sanitary sewer facilities (i.e. electricity, salaries, equipment, etc.).
- B. Industrial Park: The real estate located in the County of Appomattox fronting State Route 613 (Police Tower Road), State Route 26 and access to Highway 460 located behind History Junction Shopping Center in Southside Magisterial District consisting of 575 acres.
- C. Maintenance Costs: Costs to the Town as a result of regular care and upkeep for its water or sanitary sewer systems.
- D. Pretreatment Ordinance: That ordinance enacted by the Town to require pretreatment of commercial and industrial waste entering the Town's sewerage system, as required by federal and state regulations.
- E. Routine maintenance on the water lines consists of the following:
 - a. Twice a year the hydrants must be flushed and the valves must be operated.
 - b. Perform yearly inspections on all pressure reducing valves.
 - c. Perform yearly inspections on the chlorine injectors.Any maintenance that is required above and beyond those items listed above shall be considered unusual maintenance.
- F. Routine maintenance on the sewer lines consists of the following:
 - a. Twice a year the manholes must be visually inspected.

- b. The lines must be checked periodically to make sure none have broken.
- c. Approximately one month out the year is dedicated to routine line cleanout.

Any maintenance that is required above and beyond those items listed above shall be considered unusual maintenance.

II. AGREEMENT

For and in consideration of the mutual covenants and agreements contained herein, the parties hereto do agree as follows.

A. Sanitary Sewer System:

- (1) Town will require by ordinance, pretreatment of all industrial wastes that exceed normal residential strength or that contains constituents regulated under the Town's discharge permit. Industrial/commercial enterprises will be required to perform monthly testing on industrial/commercial waste and reporting to the Town of all waste streams that enter the wastewater system, unless it can be demonstrated that testing is not necessary to insure compliance with the pretreatment ordinance. Individual water meters at service connections may be turned off if industry does not comply with the pretreatment ordinance.
- (2) County agrees to participate on a percentage basis for any capital improvements projects at the wastewater treatment plant as that capital improvement relates to or is required by the industrial park (i.e. mandated regulatory improvements). Percentage will be computed by $(146,000 \text{ gpd reserved for park} / 300,000 \text{ gpd total}) = .4867$ or 48.67%.
- (3) Town will maintain ownership and operation of the wastewater treatment facility and shall reserve a capacity of 146,000 gallons per day (gpd) of capacity for the Industrial Park.

- (4) As long as the industrial/commercial waste produced meets the requirement of the pretreatment ordinance, and the County's 146,000 gpd allotment at the wastewater treatment facility has not been exceeded, any industrial park customer may connect to the sewer system immediately.
- (5) County shall participate in the capital costs of the wastewater treatment plant upgrade to 300,000 gpd on the basis of the following:

$$\text{County Cost} = (\text{Total Upgrade Cost} - \text{Lagoon Closure Cost}) \text{ divided by } 300,000 \text{ gallons} = \text{per gallon cost} \times 146,000 \text{ gpd}$$

- (6) County will pay Town two (2) payments per year for five (5) years to pay off its portion of the wastewater treatment plant upgrade actual capital costs. The payments from the County will be at a 0% interest rate. Extra project costs (i.e. loan closing costs, permit fees, etc.) shall be shared according to the following formula.

$$\text{County's Portion of Cost} = (48.67\%) \times \text{Costs}$$

- (7) The Town shall have the option to buy back unused capacity at the wastewater treatment facility at a cost to be determined by a mutual agreement between the Town and County.
- (8) County shall have the option to purchase additional capacity, if available, at the wastewater treatment plant at a cost to be determined by mutual agreement between the Town and County.

- (9) Each customer within the Industrial Park will be required to have a water meter on potable water and a sewage sampling station located prior to its' connection to the wastewater collection system.

B. Water System:

- (1) The IDA will grant the Town the right to develop well sites on the industrial property at a future date as a supplemental source for the Town's water system at a location to be identified prior to industrial clients entering the park. The well sites will be owned and controlled by the Town.
- (2) County to participate on a cost basis for capital expenditures associated with water source development when required by the industrial park (i.e. new wells drilled or existing wells tied to by the Town)
- (3) Town will read individual water meters and bill all customers within the industrial park.
- (4) A backflow prevention device approved by the Town and Virginia Department of Health shall be installed by each customer at their expense to protect all connections to the Town water system.
- (5) The Town commits 45,000 gpd of capacity from its water system to the Park. This capacity may be increased by mutual agreement made at a later date between the Town and the County.
- (6) As long as the allotment is not exceeded, any industrial park customer may connect to the water system immediately.

C. Water and Sanitary Sewer Systems:

- (1) The water and sanitary sewer services described herein are to be only for the Industrial Park and/or recreational area / Community Park unless otherwise approved by the Town.
- (2) A master meter shall be installed on both the water and sewer services to the industrial park by Appomattox County/IDA at their expense.
- (3) The Town must be notified when a water or sewer line is extended in the Park, or when a new customer is added. Priorities for extensions of said lines by County/IDA will be on an as-needed basis as industries locate in the Park. All extensions and laterals will be in accordance with the Town standards and all prevailing local, state, and federal regulations. Any easements required for installations for any water line or sewer line required to service the industrial park are to be obtained by the County / IDA.
- (4) All extensions of the water and sewer lines within the Park are to be at the sole cost of the County / IDA.
- (5) The Town will maintain the water lines, gravity sewer lines, pump station, and force main inside the Park boundary. Operations costs of the water and sewer systems on the Park property shall be shared by the Town and County, based on the following formula:

(County's Portion of Cost = Park Water & Sewer Revenues - Operations Costs) until such time that the water and sewer revenues match or exceed the Operations costs.

- (6) Maintenance costs for the water and sewer systems associated with major breakdowns or line replacements within the park boundary, beyond those described in definition E & F shall be shared by the Town and County based on the following formula:

$$\text{County's Portion of Cost} = (48.67\%) \times \text{Costs}$$

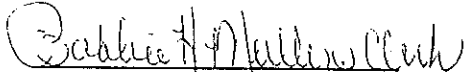
If maintenance is required due to an intentional or unintentional inappropriate action by either the Town (its' employees, contractors, or customers) or the County (its' employees, contractors, or customers), the costs for said maintenance shall be the sole responsibility of the faulty party. If questions arise as to who is at fault, both parties agree to arbitration, according to the rules of the American Arbitration Association.

- (7) The Town will participate on a 25% basis of actual costs for the extensions of the water line and sewer force main to the boundary of the Park, some water/sewer lines extended outside the park boundary will serve only the Industrial Park/Recreation Area and will be owned solely by Appomattox County/IDA but under this agreement will be maintained by the Town.
- (8) Availability fees associated with industries shall be waived; however, out of Town consumption rates will apply to all industrial park customers.
- (9) This agreement shall be binding upon and inure the benefit of the parties hereto and their successors but is not assignable without consent of both parties.

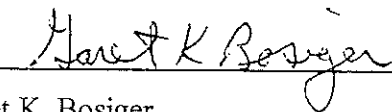
WITNESS THE FOLLOWING SIGNATURES AND SEALS:

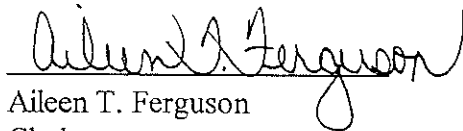
TOWN OF APPOMATTOX

By: 
Ronald C. Spiggle,
Mayor

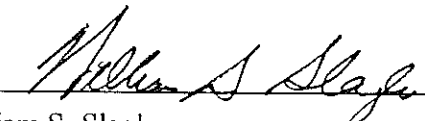

Bobbie H. Mullins
Clerk

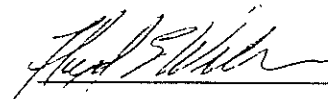
COUNTY OF APPOMATTOX

By: 
Garet K. Bosiger
Chairman, Board of Supervisors


Aileen T. Ferguson
Clerk

INDUSTRIAL DEVELOPMENT AUTHORITY

By: 
William S. Slagle
Chairman


Secretary