

**Town Manager's Report to Mayor and Town Council**  
**April 19, 2010**

East Chilhowie Street Preliminary Engineering Report (PER)

Work is being completed on the PER for the East Chilhowie Street Bridge. Mattern and Craig have been working on this project for a number of months.

One of the issues that has come up in the PER is the environmental review portion of the project. After Mattern and Craig sent out notices of the project to all stakeholders, the Corp of Engineers responded about the possible presence of an endangered mussel species in the river. Mattern and Craig put them in touch with me about this issue. I spoke to a Mr. Matthew Wick of the Corp the end of last month.

Mr. Wick said that a survey would have to be done on a small portion of the river to ascertain the presence of the mussels. He said this had to be done because work on the bridge would entail some disturbance of the river. However, since the disturbance would be so minor he was asking for only a small section to be surveyed entailing an area of 100 yards upstream and 200 yards downstream. Technically, environmental regulations would normally require a much greater distance, he said. Mattern and Craig put me in touch with a gentleman who is an "Endangered Aquatics Consultant" and someone they had worked with in the past. Basically they are proposing to charge a fee of \$75 per hour, plus nominal expenses, for a not-to-exceed charge of \$1,473. If mussels are found in the area it will probably necessitate some delays in the reconstruction of the bridge to a time of the year that it is less environmentally intrusive.

This mussel survey fee will also be assessed to the State Farm Insurance, the company of the party that struck the bridge. I have made two calls to State Farm the last week on the status of previous bills we have send them for the engineering charges, which are now in excess of \$40,000. They have returned my call but we have not been able to get in direct touch as touch as of yet. Hopefully I will be able to contact them soon.

Small Refinancing of Water Treatment Plant Loan

As you may recall from earlier years, we had some left over money from the \$1,644,600 water treatment plant loan that was used to upgrade the water treatment plant. The loan was for a twenty (20) year term at a rate of 3.25%. We used all of the money on the plant except approximately \$100,000.

Of the approximately \$100,000 left over, we used around \$71,000 on painting two water tanks in late 2008 or in early 2009. That left us with a balance of approximately \$28,570. In the Fall of 2009 I made verbal contact with the Health Department on using that money to reimburse us for the cost of the water line at Wellborne. After hearing nothing back from them I wrote a letter to the Health Department with the same request on November 23, 2009.

After not hearing anything back from the Health Department on that letter, I contacted the Health Department in February, 2010. They indicated that the loan had been closed and to call the Virginia Resources Authority (VRA) for options on using that money. On March 29, 2010 I wrote the VRA and asked that this money be put against the principle of the 20 year \$1,644,600 loan. This will, of course, result in a very small reduction in our \$9,200 per month payment.

#### Notice of Small Award From Federal Emergency Management Administration (FEMA) on Application for Fire Department Self Contained Breathing Apparatuses (SCBAs)

You have in your agenda packet a questionnaire from FEMA that details an anticipated small award of \$5,700 from FEMA on the SCBAs. As you recall we had applied for their funding last Spring for an amount around \$120,075, which was the cost of 20 of the SCBAs.

We were awarded \$30,290 from Rural Development to go towards the SCBAs. In early January we borrowed approximately \$89,785 from the Bank of Marion on a 90 note. Now the \$5,700 award can go against the \$89,785 note.

In January one of the main reasons, if not the primary reason, Council decided to borrow the money for the SCBAs was to demonstrate a financial need for federal assistance. Now that it appears that the \$5,700 will be all the money that FEMA will give to us, and all other federal options have been used (the Rural Development money mentioned above), Council will need to make a decision in the near future on transitioning the remaining balance into a long term loan or to take the money from savings.

#### Pearl Avenue / Buchanan Street Community Development Block Grant (CDBG) Project

Work on the Pearl Avenue/ Buchanan Street CDBG Project has begun in earnest. The Management Team has met on at least three occasions comprising members from the Town including Mayor Helms, Councilman Leaman, Community Development Director Ken Heath and me; Charles Harrington of the Marion Housing Authority; David Adams with the Department of Housing and Community Development; Jim Warner with Rural Development; Lester Hutton as a community representative; Mike Walker with Mt. CAP; and Chris Gilley and Scott Booth with Mt. Rogers PDC.

At this writing three houses are under construction or substantial reconstruction. The plan is to bid out three houses at a time for coordination purposes. The Management Team will meet

again on April 22. As stated before the town has committed to \$36,000 over the two year term of the contract ending December 15, 2011.

Respectfully Submitted,

John E. B. Clark, Jr.  
Town Manager