

## 11. CONSIDERATION OF A UTILITY SERVICES AGREEMENT WITH HUBBARD PEANUT COMPANY

In June 2010, you may remember that we developed an agreement to accept Hubbard Peanut Company's non-domestic (industrial process) wastewater at the new Courtland Wastewater Treatment Plant. But because of concerns they had with certain parameters contained in that agreement, Hubs never signed it and has continued to dispose of their wastewater via a pump-and-haul agreement with a private contractor who disposes of it at a facility outside Southampton County.

Since 2010, they've maintained a dialogue with us in search of a permanent home for their wastewater, and continued to express a desire to work something out that's mutually beneficial. Accordingly, over the past 24 months, both the County and Hubs independently retained the services of Retaw Engineering to visit our respective facilities and further evaluate the impacts that their wastewater stream might have on the Courtland plant if brought there. The conclusion of Retaw's analysis was that this situation is manageable with proper operational and process changes on both ends.

Hubs generates an annual average of roughly 110,400 gallons of wastewater, with 70% of it coming during their busy season of September - December. Their waste stream is considered "high strength" because of high levels of BOD, TSS, TKN, Phosphorous and Zinc.

The Courtland plant can actually benefit from the higher strength wastewater because it provides more food for the plant's "bugs," improves denitrification, and aids in the removal of phosphorous and nitrogen during the biological process. That said, there's a lingering concern with their zinc concentration and how it might affect our ability to meet our current permitted effluent limit of 67 micrograms/liter. To mitigate this concern, Retaw recommended that Hubs add specified amounts of lime to their wastewater to raise their pH and hardness while precipitating the zinc and phosphorous.

While Retaw's analysis provides us with a high level of confidence that we can accept Hubs' wastewater and continue to meet our own permit limits, we've concluded that a trial run during Hubs busy season will be the proof in the pudding. Accordingly, we're recommending a 90-day agreement to accept their wastewater on a trial basis beginning on October 1. If it all works out as expected, at the end of the trial period, we'll plan to enter into a 5-year agreement. The calculated rate to cover our costs, including additional testing and minor modifications at the receiving basin is \$0.07 per gallon.

**MOTION REQUIRED:** If the Board is so inclined, a motion is required authorizing the 90-day agreement.

THIS UTILITY SERVICES AGREEMENT, made and entered into this \_\_\_\_ day of September, 2014 by and between the COUNTY OF SOUTHAMPTON, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as “COUNTY”, and HUBBARD PEANUT CO., INC., a Virginia Corporation, whose address is P.O. Box 94, Sedley, VA 23878, hereinafter referred to as “HUBS”;

WITNESSETH:

WHEREAS, COUNTY owns and operates a 1.25 MGD municipal wastewater treatment plant (hereinafter referred to as the POTW) that serves the Town of Courtland and its immediate environs; and

WHEREAS, HUBS operates a peanut processing facility in Sedley, Virginia that generates approximately 110,400 gallons of non-domestic wastewater annually; and

WHEREAS, HUBS contracts with a private service provider for permanent pump-and-haul services for its non-domestic wastewater, with said private contractor currently disposing of HUBS’ non-domestic wastewater at facilities owned and operated by the Hampton Roads Sanitation District; and

WHEREAS, HUBS is not classified as a Significant Industrial User (SIU), and is not subject to categorical pretreatment; and

WHEREAS, COUNTY engaged a Professional Engineer to test and evaluate the characteristics of HUBS’ non-domestic wastewater to determine the conditions under which it may be accepted and treated at the COUNTY’s POTW; and

WHEREAS, the aforesaid Professional Engineer has concluded that HUBS’ non-domestic wastewater may be accepted and treated at COUNTY’s POTW, subject to certain conditions, without adversely impacting COUNTY’s ability to meet the limitations imposed by its VPDES permit; and

WHEREAS COUNTY and HUBS are committed to comply with all applicable federal, state and local laws, statutes, rules and regulations governing Wastewater systems and with the terms of this Agreement; and

WHEREAS, COUNTY and HUBS agree that there are substantial mutual benefits to be derived by both parties upon entering into this agreement.

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the parties agree as follows:

1. COUNTY shall receive and accept HUBS' non-domestic wastewater on a 90-day trial basis, beginning October 1, 2014 and ending December 30, 2014.
2. At the conclusion of the trial period, provided that COUNTY has experienced no adverse impacts in meeting the terms of its VPDES permit, it is the intent of both parties to extend this agreement for a period of up to five (5) years under the following terms and conditions.
3. HUBS' agrees that it will, at its own expense, pretreat its non-domestic wastewater with sufficient lime to maintain a minimum effluent total hardness of 70 mg/l. HUBS shall communicate with the POTW's chief operator on a weekly basis to confirm the appropriate quantities of lime that are necessary to achieve the desired limits.
4. COUNTY agrees to install such equipment as may be necessary at the septage receiving station in order to control the mixing of HUBS' non-domestic wastewater with other flows at the POTW and avoid a "slug."
5. HUBS recognizes that COUNTY's standards for Wastewater Services may be subject to future modifications as a result of changes in applicable state and federal laws and regulations. Accordingly, HUBS agrees that it will abide by and be bound by all present and future applicable local, state and federal laws, standards, rules, regulations, permit conditions and other requirements imposed by appropriate regulatory authorities related to Wastewater Services.
6. COUNTY agrees to charge and HUBS agrees to pay \$0.07 per gallon delivered to the POTW.

7. COUNTY may suspend the wastewater treatment service when such suspension is necessary, in the opinion of COUNTY, in order to stop an actual or threatened discharge which presents or may present an imminent or substantial endangerment to the health or welfare of persons, to the environment, causes interference to the POTW or causes the county to violate any condition of its VPDES Permit.
8. Upon written notice from COUNTY of a suspension of the wastewater treatment service, HUBS' agrees that it shall immediately stop or eliminate the contribution. COUNTY may reinstate the wastewater treatment service upon proof of the elimination of the noncomplying discharge.
9. If, during the term of this agreement, public sewer service is made available in the Village of Sedley, this agreement shall become null and void on the date that Hubbard Peanut Co., Inc. physically connects and begins to discharge its nondomestic wastewater into the system.

This agreement shall be binding upon the parties, their successors and/or assigns.

Witness the following signatures and seals:

SOUTHAMPTON COUNTY

By \_\_\_\_\_  
Dallas O. Jones, Chairman  
Board of Supervisors

HUBBARD PEANUT CO., INC.

By \_\_\_\_\_  
Lynne H. Rabil, President

COMMONWEALTH OF VIRGINIA,  
COUNTY OF SOUTHAMPTON, to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2014 by Dallas O. Jones, Chairman, Board of Supervisors, for the County of Southampton, Virginia.

My commission expires \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

COMMONWEALTH OF VIRGINIA,  
COUNTY OF SOUTHAMPTON, to-wit:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2014 by Lynne H. Rabil, President, Hubbard Peanut Co., Inc.

My commission expires \_\_\_\_\_.

\_\_\_\_\_  
Notary Public