



AGENDA

Board of Supervisors Work Session

March 29, 2022

7:00 PM

Call to Order

- A. The Request of the Property Owners of Shenandoah Farms Board – Ralph Rinaldi
- B. The Legal Framework – Caitlin Jordan
- C. The Operating Transfer – Mike Berry/Jane Meadows
- D. The Financial Transfer – Matt Robertson
- E. Status of the Shenandoah Farms Sanitary District Capital Improvement Plan – Mike Berry
- F. Public Comment Period (60 Minute Time Limit)
For the public to give input on items that are on this agenda; limit of 3 minutes per speaker
- G. Adjournment



Property Owners of Shenandoah Farms, Inc.
6401 Howellsville Road
Front Royal VA 22630
540-837-2068
Shenandoahfarms@comcast.net
www.shenandoahfarms.org

A short historical synopsis for any new Board of Supervisors

The Property Owners of Shenandoah Farms (POSF, Inc.) have been pleased with our association with Warren County over the past 27 years. Since the creation of the sanitary district in 1995 steady progress has occurred. From 1995 to 2011 the POSF managed the district. In 2011, we asked the county administration to assist in the management. During that time thru the current time our board has learned and studied Warren County management policies & procedures. We have learned and experienced the success of the ever-growing district.

We have assisted in the management with three sanitary district managers, learning and advising along the way. We are deeply thankful for the opportunity to grow, learn and work with all the very talented managers.

During the transition from POSF management to County management it was emphasized by both parties, a reversal of management back to POSF was on the table. At this time POSF feels we can effectively manage the district. We feel the POSF board exhibits a sense of common purpose and unity will allow for the continued success of our community.

We look forward to working with you and county staff in making this transition effective. There will be a lot of work involved to complete this successful transfer and we will send a list of transitional items that will need to be completed prior to June 31st, 2022.



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March 9th, 2022

Warren County Board of Supervisors:

Cheryl Cullers
Delores Oates
Walt Mabe
Vicky Cook
Jerome "Jay" Butler

This notice serves as our 90 days' notice to exercise our contract option to cancel our agreement with Warren County effective June 31, 2022.

Respectfully,

POSF Board of Directors

Ralph Rinaldi, Chairman

***Shenandoah Farms Subdivision Sanitary District
Management Agreement***

03/09/2011

THIS MANAGEMENT AGREEMENT, made and dated this 5th day of April, 2011, by and between the BOARD OF SUPERVISORS OF WARREN COUNTY, VIRGINIA, acting as the governing body of the Shenandoah Farms Sanitary District, hereinafter referred to as the Governing Body; and the PROPERTY OWNERS OF SHENANDOAH FARMS, INC., hereinafter referred to as POSF.

WHEREAS, by Order of the Circuit Court of Warren County, Virginia, dated June 19, 1996 and amended March 5, 1997, the Shenandoah Farms Sanitary District, hereinafter referred to as the Sanitary District, has been created encompassing portions of Shenandoah Farms Subdivision within Warren County, as described in the Order, for the purposes set forth in Virginia Code Sections 21-112.22 et seq.; and

WHEREAS, Section 21-112.22, et seq., of the Code of Virginia, provides that Sanitary Districts are empowered to construct, reconstruct, maintain, alter, improve, add to and operate drainage systems, streets and street name signs and other systems, in or extended outside sanitary districts; and to provide for maintenance, operation and preservation of common areas and other common facilities within such sanitary districts; and

WHEREAS, Sections 21-118 and 21-118.4 of the Code of Virginia authorize any governing body to contract with any corporation to maintain and operate systems within and serving a sanitary district, and facilities within sanitary districts; and

WHEREAS, the Governing Body, by this Management Agreement, contracts with POSF for the purpose of providing the aforementioned services for said Sanitary District.

WITNESSETH: That for and in consideration of the mutual covenants and conditions herein contained, the parties hereto agree as follows:

1. POSF is the owner of and heretofore, by agreement with Warren County, has been responsible for the maintenance, preservation, and operation of roads, streets, rights-of-way and common areas, and other common properties, including recreational facilities (including picnic areas and dock at the dam properties), community buildings and a community center, in and outside the Sanitary District.

2. POSF agrees to lease to the Governing Body for the sum of Ten Dollars (\$10.00) per year and other good and valuable consideration roads, streets, rights-of-way and dams located within the Sanitary District that are to be maintained by the Sanitary District, which are enumerated and listed on Exhibit 1 attached hereto.

3. The Governing Body will be responsible for the maintenance, preservation and operation of the following:

- (A) Roads, streets and rights-of-way within the Sanitary District
- (B) Dams within the Sanitary District

4. (A) POSF shall hold the Governing Body and the County of Warren harmless from liability for injury or damage to personal property occurring on or as a result of construction, repairs, maintenance and/or operation of said facilities and systems by POSF.

(B) POSF and the Governing Body agree to execute any other documents necessary to the above lease agreement.

(C) Further, the County will hire a Sanitary District Manager to oversee the operations of the Shenandoah Farms Sanitary District. Such position shall report to the Warren County Administrator.

(D) The Board of Directors of POSF agrees to serve as an advisory committee to the Sanitary District and will provide reports/updates to the Governing Body and to the Sanitary District Manager on a quarterly basis regarding the condition of the roads, streets, rights-of-way, dams, common areas, common properties, community buildings and community center.

5. (A) The Governing Body, after receiving a recommendation from the Sanitary District Manager and advisory committee and holding a public hearing, shall fix and prescribe an annual tax or charge upon all the property in the said Sanitary District subject to local taxation, and shall levy and collect such annual tax or charge and shall use such funds to pay the expenses and charges incident to maintaining, repairing and operating the existing streets and drainage of said streets and dams.

(B) In addition, the Governing Body shall make available funds as approved and budgeted to POSF (hereinafter, "the POSF Funds") to pay the expenses and charges incident to maintaining, repairing and operating the community center and recreation area located in Clarke County, and for other purposes described below.

6. POSF shall manage and use the POSF Funds so appropriated for the following purposes and POSF shall have the following powers and duties, to-wit:

(A) To employ and fix the compensation of any technical or clerical or other force and help which from time to time may be deemed necessary for the operation and maintenance of the systems heretofore referred.

(B) To provide for maintenance, preservation, and operation of common areas and other common properties within the Sanitary District, and of the community center and recreation area located in Clarke County.

(C) To purchase, lease, maintain, and operate equipment, machinery and vehicle for the purposes, facilities and systems herein set forth.

(D) To negotiate and contract with any person, firm, corporation, County authority or municipality or governmental agency with regard to any matter necessary and property for the operation and maintenance of any such facilities within the said Sanitary District.

(E) To purchase liability, hazard, workmen's compensation and fidelity bond insurance to indemnify, in whole or in part, POSF and its officers, agents, directors, and employees for acts performed by such persons or by any immediate or remote subcontractor, agent or employee.

(F) To notify by mail or other means the property owners as deemed necessary by POSF to inform them of Sanitary District activities.

(G) To obtain such administrative and similar support services, including accounting and auditing, as appropriate for the management and operations of such Sanitary District.

7. POSF shall prepare and submit an annual proposed budget for its operating expenses by no later than January 1 prior to the beginning of each fiscal year. Said annual proposed budget shall specify the amount needed and proposed for each of the categories of purposes and duties embraced by this Management Agreement in such detail as may be required by the Governing Body. After a public hearing as required by

law the Governing Body shall adopt a budget for the Sanitary District, which shall include a portion to be used by the Governing Body for the purposes described in paragraph 5(A) above, and a portion to be used by POSF for the purposes described in paragraphs 5(B) and 6 above (the POSF Funds). The Governing Body shall appropriate 94% of the POSF Funds to POSF, and POSF shall use its best efforts to collect the remaining 6% of its request from owners of lots that are part of the platted Shenandoah Farms Subdivision but which are located in Clarke County. To the extent that POSF is unable to collect the full 6% of its request from such owners, POSF may ask the Governing Body for a supplemental appropriation to complete the said 6% share, and the Governing Body agrees, without being bound to do so, to give due consideration to assisting POSF by the appropriation of such amount as it deems appropriate. Such proposed budget shall be considered by the Governing Body, and such amount as approved by the Governing Body shall be the operating budget of such Sanitary District for said fiscal year. Actual expenditures in any of said categories shall not exceed such percentage of the entire approved budget as may be specified by the Governing Body without the prior approval of the Governing Body.

8. The Governing Body will annually appropriate and make available to POSF the monies so budgeted provided the monies collected aforesaid are sufficient and adequate to meet the sums budgeted. The monies included as a contribution to POSF for the services contracted shall be paid in 4 equal installments on a quarterly basis.

9. Upon termination of this Management Agreement, all unused funds appropriated to POSF shall be returned and refunded by POSF to the Governing Body for use in the Sanitary District.

10. The Governing Body, its officers, agents and employees shall not in any manner be responsible for any loss or damage to the work or any part thereof, to any materials, building or equipment or other properties that may be used or employed or placed on any work site located within said Sanitary District or any injury done or damages or compensation required to be paid under any present or future law to any person whether an employee, contractor or otherwise for any damages to any property or person which occurs during or results from any work performed by POSF, its agents or employees.

11. The Governing Body, its agents, inspectors and representatives shall at all times have unrestricted access to all parts of the work and other phases where or in which the preparation of materials or other integral parts of the work are being carried on and conducted within the Sanitary District. POSF shall provide all facilities and assistance required or requested to carry out the work of supervision and inspection by the Governing Body or its agents, inspectors or representatives. Inspection of work by the Governing Body or its representatives shall in no manner be presumed or inferred to relieve in any of the agreed responsibilities or obligations of POSF or to constitute POSF an agent of the Governing Body.

12. Precaution shall be exercised by POSF at all times for the protection of all persons and properties. Safety provisions of all applicable laws of building and construction codes shall be observed.

13. POSF and every person contracted to do any work contemplated by this Management Agreement shall keep itself or himself fully informed of all Federal, State and County laws, ordinances, or regulations in any manner affecting the work and

performance of this Management Agreement. POSF shall indemnify the Governing Body, its officers, agents, and employees against any claim or liability arising from or based on the violation of any laws, ordinances, or regulations.

14. POSF shall not use Sanitary District funds for the purchase of any machinery, equipment, or property or to enter into a lease for same if the purchase price or lease exceeds \$5,000 unless such purchase or lease is approved by the Governing Body. POSF shall secure out of its appropriated funds necessary certificates and permits from public authorities required in connection with the work required by this Management Agreement or any party hereof and shall give all notices required by law, ordinances, or regulations and pay all fees or charges incident or due to the lawful prosecution of the work contemplated by this Management Agreement. POSF shall follow adopted Warren County procurement policies in the expenditure of any public funds made available to POSF.

15. If POSF: (a) is adjudged bankrupt; (b) makes a general assignment for the benefit of its creditors; (c) has a receiver appointed on account of its insolvency; (d) in the judgment of the Governing Body fails to perform its duties in a satisfactory manner in relation to its budget or fails to make prompt payment for materials or labor; (e) persistently disregards laws, ordinances or instructions of the Governing Body; (f) ceases operations under this Management Agreement at any time for a period of thirty (30) working days; or (g) is otherwise guilty of the substantial violation of any provisions of this Management Agreement, then the Governing Body may upon thirty (30) days written notice, terminate this Management Agreement.

16. The written terms and provisions of this Management Agreement shall supersede all prior verbal statements of any officer or other representative of the Governing Body and such statements shall not be effective or be construed as entering into or forming a part or altering in any manner whatsoever this Management Agreement.

17. Neither POSF nor any subcontractor, supplier of materials or person shall file or maintain against Governing Body any lien for materials delivered, for use in or work done in the performance of this contract. The right to maintain such a lien for any or all of the above parties is hereby expressly waived.

18. POSF shall furnish Governing Body with satisfactory evidence that all persons who have done work or furnished materials under this Management Agreement and would otherwise be entitled to liens under the State of Virginia have been fully paid or are no longer entitled to such liens. The Governing Body or any of its duly authorized representatives or officers or agents shall have access to and the right to examine directly pertinent books, documents, papers and records of POSF involving transactions relating to this Management Agreement.

19. All work under this Management Agreement shall be performed in a skillful and workmanlike manner.

20. POSF shall submit to the Governing Body, upon request therefor, such quantities and costs, price schedules, payrolls, reports, estimates, records and other data as Governing Body may request concerning work and duties to be performed under this Management Agreement.

21. POSF shall return its unspent Sanitary District funds through June 30, 2010, less approved appropriations for Fiscal Year 2010-2011.

22. POSF shall receive only such funds as are appropriated and collected for said Sanitary District for the costs and work duties embraced in this Management Agreement. POSF shall not require the Governing Body to pay the costs or any part thereof out of any other fund.

23. Financial records shall be maintained by POSF in such a manner that all receipts and expenditures of funds appropriated to the POSF by the Governing Body in payment for services received under this Management Agreement may be separately identified and accounted for from all other POSF funds. POSF annually shall have an audit performed by a Certified Public Accountant of their accounts and records. The Audit shall include text of the accounting records and procedures sufficient to express an informed opinion of POSF's financial status. At the conclusion of the audit, auditors shall furnish the POSF and the Governing Body their letter of opinion together with a written management report setting forth the results of the audit and the auditors' recommendations.

24. When involved in any function funded by or considering the expenditure of funds provided by the Sanitary District, POSF shall follow all adopted Warren County and Virginia laws and guidelines in the purchase or procurement of supplies, materials, equipment, and professional and contractual services, including the Virginia Freedom of Information Act (Virginia Code §§ 2.2-3700 et seq.), the State and Local Government Conflict of Interests Act (§§ 2.2-3100 et seq.) and the Virginia Public Procurement Act (§§ 2.2-4300 et seq.). POSF may consult with the County Attorney for review of its procedures and issues to ensure its compliance.

25. Any owner of property within the Sanitary District shall have the right to vote for the members of the Board of the POSF and to attend meetings of said board when any matters relating to the Sanitary District are to be discussed.

26. Any owner of property within the Sanitary District shall receive reasonable notice of meetings of the POSF board and be permitted to speak to the POSF board on Sanitary District matters.

27. Records and financial information concerning matters related to the Sanitary District shall be made available by the POSF board to any owner of property in the Sanitary District requesting such information. The POSF board may establish reasonable procedures to govern the distribution of such information.

28. This Management Agreement shall be reviewed annually. This Management Agreement may be terminated by either party giving ninety (90) days prior written notice of intention to terminate the same. Unless this Management Agreement is terminated, modified or changed, this Management Agreement shall continue under the terms and conditions contained herein for successive one (1) year periods.

29. Parties hereto shall not discriminate against any person because of race, color, religion, sex, or national origin.

30. By resolution of the Board of Directors of the POSF, POSF represents that the President and Secretary of POSF are authorized to enter into this Management Agreement on behalf of the Shenandoah Farms Property Owners Association, Inc.

WITNESS the following signatures and seals:

**BOARD OF SUPERVISORS OF
WARREN COUNTY, VIRGINIA**

By: Archie A. Fox
Archie A. Fox, Chairman

ATTEST:

Douglas P. Stanley
Douglas P. Stanley, County Administrator

**PROPERTY OWNERS OF
SHENANDOAH FARMS, INC.**

By: Mitch Pearson
Chairman

ATTEST:

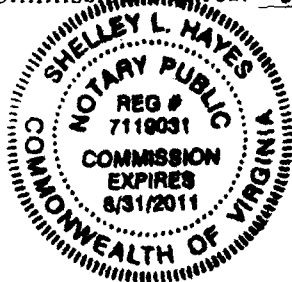
Paul A. Rine
Secretary

STATE OF VIRGINIA
COUNTY OF WARREN, TO-WIT:

I, Shelley L. Hayes, a Notary Public in and for the State of Virginia, do hereby certify that Archie A. Fox, Chairman of the Board of Supervisors of Warren County, Virginia, whose name is signed to the foregoing Management Agreement dated the 5 day of April, 2011, has this day personally appeared and acknowledged the same before me in my State and County aforesaid.

Given under my hand this 5 day of April, 2011.

My commission expires: 8/31/2011. My Commission No.: 7119031.



Shelley L. Hayes
Notary Public

STATE OF VIRGINIA
COUNTY OF WARREN, TO-WIT:

I, Shelley L. Hayes, a Notary Public in and for the State of Virginia, do hereby certify that Douglas P. Stanley, County Administrator, whose name is signed to the foregoing Management Agreement dated the 5 day of April, 2011, has this day personally appeared and acknowledged the same before me in my State and County aforesaid.

Given under my hand this 5 day of April, 2011.

My commission expires: 8/31/2011. My Commission No.: 7119031.



Shelley L. Hayes
Notary Public

STATE OF VIRGINIA
COUNTY OF WARREN, TO-WIT:

I, Brenda M. Lewis, a Notary Public in and for the State of Virginia, do hereby certify that MATTHEW J. PEARSON, Chairman of the Property Owners of Shenandoah Farms, Inc., whose name is signed to the foregoing Management Agreement dated the 30 day of MARCH, 2011, has this day personally appeared and acknowledged the same before me in my State and County aforesaid.

Given under my hand this 30 day of MARCH, 2011.

My commission expires: 10/31/2012. My Commission No.: 173607.

Brenda M. Lewis
Notary Public

STATE OF VIRGINIA
COUNTY OF WARREN, TO-WIT:

I, Brenda M. Lewis, a Notary Public in and for the State of Virginia, do hereby certify that RALPH A. RINALDI, *Secretary of the Property Owners of Shenandoah Farms, Inc.*, whose name is signed to the foregoing Management Agreement dated the 30 day of MARCH, 2011, has this day personally appeared and acknowledged the same before me in my State and County aforesaid.

Given under my hand this 30 day of MARCH, 2011.

My commission expires: 10/31/2012. My Commission No.: 173607.


Notary Public

APPROVED AS TO FORM:


Blair D. Mitchell
County Attorney