

10. PROJECT CLOSEOUT BOYKINS WASTEWATER TREATMENT PLANT

On November 16, Patterson Construction notified us that they have achieved substantial completion on the improvements at the Boykins Wastewater Treatment Plant. The project engineer is scheduled to perform the final inspection as required by the contract documents on Monday, November 26.

As previously conveyed to you in my email message of November 8, the final quantity of sludge in basin 1 totaled 79.11947 dry tons. When combined with the quantity previously removed from basin 2 in August (91.494931 dry tons), we ended up with a total of 170.614401 dry tons. Accordingly, with a unit disposal rate of \$1,844, our final cost for sludge removal ended up at \$314,613.

As discussed in the email message, our operators had hoped to use the original project contingency to purchase and install replacement effluent pumps at the plant. The pumps are original equipment, installed when the plant was first constructed in 1995 and are already well beyond their estimated useful life.

Replacement of the pumps was not an omission by the project engineer – they were removed from the original scope of work at the request of our operators because of cost concerns - they believed we could bid that work separately and come in substantially below the engineer's estimate.

Their belief was confirmed when we received a low bid by Purvis Well Service, LLC (Franklin) to replace them for \$31,000 – the other quote we received was for \$45,000.

Attached for your review, please find a revised project budget. If you agree to authorize use of \$31,000 for replacement of the effluent pumps, the final project will come in at \$1,058,226. While that's 20% higher than the original project budget (before the sludge debacle), it's still 4.7% below the maximum threshold you established (\$52,276) following your public hearing in September.

The risk you run in not replacing the effluent pumps now are for them to fail at some future date when the replacement cost would have to be absorbed in the annual operational budget, which may require a special appropriation of funds. By including the pumps in the current project, you're able to finance the replacement cost at 0% over 20 years.

MOTION REQUIRED:

If the Board is so inclined, a motion is required to authorize use of original project contingency funds to replace the effluent pumps.

From: Mike Johnson

Sent: Thursday, November 08, 2012 5:29 PM

To: Fain, Renee B.

Cc: walter.gills@deq.virginia.gov; kimberly.butler@deq.virginia.gov; Julien Johnson; Michael Smith; Raymond Bryant; Dallas Jones; Alan Edwards; Carl Faison; Barry Porter; Bruce Phillips; Glenn Updike; Ronnie West; Lynette Lowe; Jon Mendenhall; Bonnie M. France (bfrance@mcguirewoods.com); Cynthia L. Hendren (chendren@mcguirewoods.com); ron.eisele@timmons.com; Jim Christian (Jim.Christian@timmons.com)

Subject: RE: VRA/Southampton revolving loan allonge

Hi, Renee.

The sludge removal is complete and we came in slightly below the anticipated amount. The final quantity in basin 1 totaled 79.11947 dry tons - when combined with the volume removed from basin 2 in August (91.494931 dry tons), we ended up with a total of 170.614401 dry tons. With a unit disposal rate of \$1,844, our final cost for sludge removal ended up at \$314,613.

We're currently negotiating a final change order (C.O. No. 4) to exchange some timers on the aeration equipment that better meets the needs of our operators. Once that C.O. is finalized, I expect the lump sum portion of Patterson's construction contract to end up somewhere around \$520,613, including deductions already taken with C.O.'s 2 and 3. Timmons also reduced their construction administration fees by \$23,500 to cover some of the additional cost of sludge removal.

Our operators had hoped to use the original project contingency to purchase replacement effluent pumps at the plant. I intend to present their request to our Board at its regular meeting on November 26 - after that meeting, we'll finalize the principal sum and be ready to close the allonge anytime thereafter. I'm attaching a final project budget for your reference. If our Board authorizes use of the contingency for the replacement effluent pumps described above, our final principal sum will be \$1,058,226 or \$177,724 more than the original issue. Otherwise, it will be \$31,000 less than that.

Best regards,
Mike

Michael W. Johnson
County Administrator
Southampton County
P.O. Box 400
Courtland, VA 23837
(757) 653-3015
www.southamptoncounty.org

EXHIBIT C

PROJECT BUDGET
COUNTY OF SOUTHAMPTON, VIRGINIA
C-515498-01

<u>Cost Category</u>	<u>Original</u>	<u>Projected</u>
Bond Counsel	\$ 15,000	\$ 22,500
Engineering Design/Permitting	110,000	110,000
Bidding	13,000	13,000
Construction Administration	70,000	46,500
Lump Sum Construction	553,809	520,613
Sludge Removal	86,668	314,613
Project contingency	32,025	31,000
Total	<u>\$ 880,502</u>	<u>\$ 1,058,226</u>

PURVIS WELL SERVICE, LLC
33136 VICKSVILLE ROAD
FRANKLIN, VA 23851
OFFICE 757-516-8899 CELL 757-742-1370

TO: MICHAEL SMITH
SOUTHAMPTON COUNTY PUBLIC UTILITIES

RE: QUOTE TO REPLACE TURBINE PUMPS AT BOYKINS WASTE WATER
TREATMENT PLANT

2- AMERICAN-MARSH 11 HC LINE SHAFT TURBINE PUMPS
(COMPARABLE TO THE DEMPSTER PUMPS YOU HAVE NOW)

2- 8" FLANGE KITS

LABOR AND CRANE WORK TO REMOVE AND INSTALL BOTH

TOTAL COST OF JOB: \$31,000.00

PRICE INCLUDES SHIPPING OF BOTH PUMPS ASSEMBLED

NOTE: USING EXISTING 50 HP MOTORS



HYDRO. . . INC.

2111 MAGNOLIA ST., RICHMOND, VA 23223
P.O. BOX 27186, RICHMOND, VA 23261-7186
800-552-7714 • 804-643-2725 • FAX: 804-788-9058

**QUOTE NO. 10255-11
PAGE 1 OF 1
OCTOBER 25, 2012**

SOUTHAMPTON COUNTY PUBLIC WORKS
ATTN: MR JULIEN W. JOHNSON, DIR. OF PUBLIC WORKS
17287 PITTMAN ROAD
BOYKINS, VA 23827

TEL: 757-654-6024
EMAIL: julienjohnson@charterinternet.com

**SUBJECT TO THE CONDITIONS OF SALE SET OUT BELOW AND ON THE BACK HEREOF,
Sydnor Hydro, Inc. offers to sell to Buyer the following:**

**REFERENCE: BOYKINS WASTE WATER TREATMENT PLANT
EFFLUENT PUMP REPLACEMENTS**

As requested, we are pleased to offer a "ballpark estimate" to remove the two 50 HP Goulds Effluent Pumps and replace with the same.

For The Estimated Sum Of..... \$50,000.00

Terms, upon credit approval, are net due and payable within 30 days from date service rendered.

For further information, please call Mr. Roy Slaughter at 804-644-2286 in Richmond, VA.

**ACCEPTED UPON THE CONDITIONS SET OUT ABOVE AND OVER.
EXPIRATION 15 DAYS**

SYDNOR HYDRO, INC.

BUYER - SOUTHAMPTON COUNTY PUBLIC WORKS

BY: _____
AUTHORIZED AGENT

BY: _____
AUTHORIZED AGENT - TITLE

**ACCEPTANCE COPY
(PLEASE SIGN & RETURN TO SYDNOR)**

Michael Smith

From: "Julien Johnson" <jjohnson@southamptoncounty.org>
To: "Michael Smith" <msmith@socoutilities.com>
Sent: Friday, October 26, 2012 8:36 AM
Subject: Fw: Boykins WWTP Effluent Pumps

----- Original Message -----

From: [Roy Slaughter](#)
To: [Julien Johnson](#)
Cc: [Harvey Harris](#)
Sent: Friday, October 26, 2012 9:14 AM
Subject: RE: Boykins WWTP Effluent Pumps

Mr. Johnson,

The price includes everything...pump, column and shaft, discharge head and motors. If we deduct the two 50 HP motors and add to retrofit, the new total will be approximately \$45,000.00.

Roy

From: Julien Johnson [mailto:jjohnson@southamptoncounty.org]
Sent: Friday, October 26, 2012 8:56 AM
To: Roy Slaughter
Subject: Re: Boykins WWTP Effluent Pumps

We presently have dempsters and the mtrs are ok. does your quote/ball park include the retrofit and new mtrs.

----- Original Message -----

From: [Roy Slaughter](#)
To: jjohnson@southamptoncounty.org
Cc: [HARVEY B. HARRIS JR.](#)
Sent: Thursday, October 25, 2012 3:39 PM
Subject: Boykins WWTP Effluent Pumps

Mr. Johnson,

Please review the attached "ballpark estimate" to furnish and install two new Effluent Pumps at the waste water treatment plant.

Contact us with any questions you may have. We appreciate your business and thank you for the opportunity to provide this proposal.

Best regards,

Roy Slaughter
 Estimator
 Sydnor Hydro. Inc.
 Direct: 804-644-2286
 Fax: 804-788-9058