

9. REIMBURSEMENT RESOLUTION BOYKINS WASTEWATER TREATMENT PLANT UPGRADES

As discussed last month, we entered into a voluntary consent order with the State Water Control Board in September 2011 legally obligating us to bring the Boykins wastewater treatment plant into full compliance by January 1, 2013. Based upon an accumulation of degraded sludge in the bottom of the aeration and digester basins, and certain equipment nearing the end of its useful life (aerators, mixers, clarifier curtain wall and scum sweeper), we encountered chronic difficulty meeting our copper and ammonia limits beginning in December 2009.

On September 30, we received 5 sealed bids for the sludge removal and new equipment with a low bid of \$631,012 submitted by Patterson Construction. Based on Board action last month, I notified Patterson Construction within the required 90-day period that their bid had been accepted and we're awaiting submittal of bonding and insurance information prior to issuing the Notice to Proceed.

Funding for the project will come from the Virginia Clean Water Revolving Loan Fund (VCWRLF), which provides low-interest loans to Virginia local governments to assist with wastewater treatment plant improvements. The terms of our loan are 20 years at 0% interest.

Please find a copy of our Corrective Action Plan attached which was filed with DEQ prior to January 2 in accordance with the terms of the Consent Order. Because work will likely commence prior to our closing on the loan, it is necessary for the Board to adopt the attached reimbursement resolution. This will allow us to proceed with the work (in order to meet DEQ deadlines) and subsequently reimburse ourselves for eligible expenses once the loan proceeds become available.

For your reference, I will also be scheduling a public hearing next month regarding the borrowing itself, as required by § 15.2-2606, *Code of Virginia*.

MOTION REQUIRED: A motion is required to adopt the attached reimbursement resolution.