

**Town Manager's Report to Mayor and Town Council**  
**December 21, 2009**

Application For Funding at the Sewer Treatment Plant

In a meeting with Thompson and Litton Personnel in November, we discovered that there was potential funding from the Department of Energy that we could apply. The money was designed for energy savings grant and there is approximately \$64,000,000 available nationwide for this venture. We met on November 25 on the application. The grant was due electronically at midnight on December 14, 2009, and with the help of Assistant Engineer/Internet Technology Director Todd Long we submitted the grant earlier that day.

The grant was submitted in the amount of \$467,500. It basically involves replacing and retrofitting the existing digester at the plant to allow for using the gas generated there to be used for heating the unit. This gas would supplant the use of oil at the plant. As you recall we have already done two repairs on the piping at the digester that has resulted in the fuel usage going sharply down. Being a Department of Energy grant, the outcomes are include expected to include the reduction or elimination of oil usage at the plant, reduction of greenhouse gases, production of renewable energy by cogeneration, production of electricity to be used at the facility with excess sold / credited to Appalachian Power, etc.

Chief Operator Doug Teaster was instrumental in providing much of the information to Thompson and Litton on the application. At this writing I have no idea when the announcement of award will be made.

Report on Engineering and Cost Estimates on East Chilhowie Street Bridge

As I reported earlier most of the engineering on the East Chilhowie Street Bridge has been completed. Mr. Steven Campbell of Mattern and Craig (M&C) will be reporting to Council on December 21 on his findings.

M&C has incurred \$26,058.30 of their not-to-exceed contract of \$36,800 for the engineering redesign and cost estimate on the bridge. They are estimating the cost to repair the bridge at \$120,000, including inspection. They will caution at the meeting that if the right qualified contractor that is interested in the work is not found in the bidding process, that the price could be much higher. They further stated, in an earlier email to Engineer Cecil Hicks and me, that

they had a problem getting bidders on a similar project in a locality in the Shenandoah Valley in the recent past. M&C had to negotiate a contract because a qualified contractor did not submit a bid for that project.

Finally, as I have recently stated, I am concerned on how we are going to fund the bridge. Our insurance carrier says they will not pay for damages on transportation structures. Our only recourse will be to go against the insurance of the party involved in the crash, but I have not been able to find out how much coverage is involved here. Even if the driver's insurance pays all or most of the cost of the bridge repair, I have been told we may have trouble getting the driver's insurance company to pay in a timely manner. They would result in us having to finance the bridge with our own resources, at least for the short term.

#### Old Prater Lane Road Crossing

As we have discussed in recent meetings, the old Prater Lane Crossing has been bid with W-L Construction of Chilhowie having the low bid of \$468,222. This leaves a shortfall of approximately \$210,308 above the Virginia Department of Transportation's (VDOT) and Norfolk Southern's (NS) allotment of \$257,914.

We have communicated Council's position to VDOT not to dedicate any money towards this overage. You have in your agenda packet an excerpt of emails from Mr. Ralph Barrett of VDOT and Cecil Hicks. In Mr. Barrett's emails he spoke of contacting persons at the federal liaison office at VDOT and with the Federal Highway administration to see if they could come up with extra money. He stated that there would probably be no word on this until after the first of the year due to holidays and vacations.

Cecil Hicks spoke to Ken Taylor of W-L and Cecil reports that they will honor their bid for a period not exceeding 90 days. They submitted their bid on November 19. According to my calculation, that would give VDOT a window of around February 17, 2010. The way I read the VDOT emails, and the tone of my conversations with them, I believe there is a very good chance that they will find the additional money.

#### Procurement of Self Contained Breathing Apparatuses (SCBAs) and Police Cars Through Rural Development 55% Grants

We have \$30,290 allocated from Rural Development for the purchase of a portion of our SCBAs for Fire Department usage. We sent the specifications to Rural Development for approval of the purchasing in early November. The specifications were very detailed and complicated and I was afraid that there might be issues because the apparent low bidder did not meet all of the specifications required. However, after Purchasing Agent Billy Hamm and I sent all the documentation Rural Development required, they were satisfied with the procurement and

approved our award to CW Williams in the amount of \$120,075. According to an email from Ms. Cyndy Bedwell of Rural Development, we can receive the money after paying for the equipment in January either upfront or by means of reimbursement.

Concerning the two police vehicles, we have \$35,145 allocated. We procured locally for a sports utility vehicle. Since the Tahoe is made in the United States, and Rural Development has approved the procurement, they will approve the order after I send them two minor items of documentation.

Concerning the other vehicle, the Ford Crown Victoria is made in Canada (as are all other police cars including the Dodge Charger and the Chevrolet Impala) and we still have not received authorization to order the vehicle. We were asked to send a request asking for a waiver in the "Buy American Clause" earlier this Fall and I thought that took care of everything. However, in my last contact with Rural Development they stated the issue is still unresolved.

#### Riverview Pump Station Project

As you may recall, we received a small project grant from the Health Department earlier this year in the amount of approximately \$50,000 to replace the Riverview Pump Station. The pump station is in serious need of repair, having been built in the 1970's.

We went through all the necessary procurements for the engineering firm and selected Lane Engineering to do the project early this summer. We could not find any easement for the pump station and had a survey commissioned late this summer. We were able to identify the property owner and Attorney Mark Fenyk prepared a deed of conveyance in early November. The conveyance involves the transfer of a strip of land approximately 257 feet in length and 10 feet wide.

I have spoken to the property owner at least three times and told him we would make the transfer of the land in a way that would suit him. Along those lines, I also told him we could even do an easement for the water line portion of the property and a conveyance for the land the pump station would sit on (approximately 10 foot by 10 foot). I further stated that we could credit his water bill for the agreed upon value of the property or pay for the property directly. He has indicated to me that he will make us an offer by early this year.

Merry Christmas and Happy New Year to You and Yours,

John E. B. Clark, Jr.  
Town Manager

Virginia Tech 27 Tennessee 17 – Chick-Fil-A Bowl

