



Mayor: Gary L. Heninger
Council: Donna S. Blevins
Billy L. Clear
Alan W. Counts
Emily B. Dungan
F. Brent Foster
Lewis Shortt

TOWN OF CHILHOWIE

**325 East Lee Highway
P.O. Box 5012
Chilhowie, Virginia 24319
Phone (276) 646-3232
Fax (276) 646-3012
www.chilhowie.org**

Town Manager: John E. B. Clark, Jr.
Clerk-Treasurer: Marlene L. Henderson
Police Chief: Stephen W. Price
Director-Public Works: Jay Keen
Fire Chief: C. David Haynes

Town Manager's Report to Mayor and Town Council November 14, 2019

Public Hearing on Virginia Department of Transportation (VDOT) Transportation Alternatives (TA) Project

We were recently informed by the Mt. Rogers Planning District Commission (PDC) that we now need to have a Public hearing on our potential application for funding. The Public Hearing notice is included in your packet.

The project was designed by Thompson and Litton (T&L), after meeting with staff in late summer. The cost estimates are also T&L's. The project is slated to tie into the recently completed East Lee Highway Project at Church Avenue and go along the north side of East Lee to Second Avenue at New People's Bank. Then it will cross East Lee Highway and go on the west side of Second Avenue adjoining the parking lot at the Riverfront Restaurant. A copy of the area of the project with explanation is attached in your agenda.

The project involves curb, gutter, sidewalk, drainage structures and is estimated in the \$285,000 range with 840 linear feet of sidewalk. The project should be entirely on the right of way with no property to be acquired (the estimate does show \$10,000 for acquisition for estimation sake, I assume). Related inspection, engineering and administrative costs are another \$160,000 bringing the total estimated cost to \$461,371. A copy of the cost estimate is also in your agenda.

As with past projects, the VDOT TA projects are 20% locally funded. If Council approves to move forward on the project, I anticipate no cost this fiscal year, and we budgeted none. I would expect the preliminary engineering portion of the project of about \$87,000 to be budgeted in 2020-21 (20% share \$17,400). The construction and contract inspection should take place in fiscal year 2021-22 and the Town's 20% share would be in the \$70,000 range (\$350,000 *20%).

Scott McCoy of the PDC will be in attendance. I will introduce him and he will have a few comments. He will be working on the project with us.

Final Completion of Mill Creek Regional Water Treatment Plant (WTP)

Project Engineer Bobby Lane of The Lane Group will be on hand to speak on this project that has been going on several years, as you know. The project was funded by the Department of Agriculture / Rural Development and is 50% grant and 50% loan. The total project is in the \$3,500,000 range and is a joint project with the Washington County Service Authority (WCSA). Bobby recommended on a final inspection tour that the project be deemed final on October 29.

As you know the project has been on a long process to get to this point for a variety of reasons. Scheduled Substantial Completion was scheduled to be completed in June of 2018 and was not finished until February 20, 2019. 35 days were allotted by the contract for the contract to be deemed Final Completion. That scheduled date for that milestone would then have been around March 25. As stated above the final milestone was not achieved until October 29. By contract liquidated damages are \$580 per day.

According to the attached November 5 email from Robbie Cornett, Executive Director of the WCSA, the accrued liquidated damages comprise 480 days and \$278,400. In Bobby Lane's letter of November 6, he shows a very similar figure of 467 days and \$270,860.

Bobby's letter of November 6 formally advises that the project was completed on October 6. In Bobby's packet attached Frizzell has submitted a pay request of \$188,950.69. The Town and the WCSA will react to this request, with the Town, as the Rural Development recipient, acting at the November 14 Council meeting.

Even though the project has been declared final by the engineer, and the liquidated damages issue discussed above, another issue of great importance remains outstanding regarding the warranties on the water membrane system. The contract calls for an "Owner Acceptance Test" which means that the membranes cannot fail anytime over a 90 day test period. I believe that that test period extends one year from February 20, 2019 to February of 2020. Since February of 2019 the Evoqua / MemCorp membranes have never gone 90 without failing. In the event the membranes never achieve the 90 test period that ends in February, 2020, there are bonds the owners can call-in by virtue of the contract. That is all I will write about this issue at this time and await future testing and developments.

Final Completion of Contractor for Will Walker Farmers Market and Community Pavilion

Project Manager Dennis Amos of Hurt and Proffitt will be on hand to give the final report on the Farmer's Market Project. The Market has achieved Final Completion following inspections last month. The final pay request is for \$16,650.

Clerk / Treasurer Marlene Henderson, Director of Public Works Jay Keen and Building Inspector Randy Sturgill reacted to a situation that could have been very problematic with the last pay request of \$28,619.34 approved by Council in October. After Council approval we were notified by Rural Development that the old allotment of approximately \$238,000 had been used up and the new allotment of \$33,500 had to be drawn from. The problem was that we had to show match as my letter in April had stated (the match on the initial \$238,000 was the \$300,000 in land). Because we did not have that documentation on hand I was concerned it would take a significant amount of time to comprise and we would have to pay that amount out of our own coffers, and be only reimbursed when we supplied

that documentation. However, Marlene worked with Randy and Jay to turn that information in that included invoices, in-kind for grading, in-kind daily reports for inspections, etc. A dollar amount was calculated for those services and about 100 pages of documentation were turned in within 24 hours to Rural Development. We were wired the money two days later.

The Town staff will now begin the final stages of finishing the project. Some cleanup grading and seeding is being done now. Electricity will be laid in the near future, hopefully by the end of the month. Storm drainage and a pump sewer will be constructed this winter, as will the bathroom fixtures installed. All this will be done well before the market's opening in April, 2020. We will be planning a dedication of the facility, and the Lucas Dowell Park, in the Spring about the time of the market's opening.

Ethics and Conflict of Interest Council / Staff Training November 19

Council tentatively set November 19 as the date for the required Ethics and Conflict of Interest Meeting. This training is required and must be done by the end of the calendar year. Attorney Paul Cassell and Marlene Henderson will have a video and then address questions after the presentation. The meeting will be held in as a full Council meeting setting. I believe the training has to be done every two years.

If Council agrees to the November 19 date, at the regular November 14 meeting, a time will have to be set. If that date and time is agreed upon then upon completion of the 14th Council meeting the meeting will be continued to the 19th and not adjourned.

Respectfully Submitted and Happy Thanksgiving,

John E. B. Clark, Jr.
Town Manager