

At the regular meeting of the Nelson County Service Authority held on June 11, 2020 at the Nelson County Service Authority, Administrative Building thereof:

Present: David S. Hight, Chairman
Gary Sherwood, Vice-Chairman
Ernie Reed
Justin Shimp
George Miller, Executive Director
Jennifer Fitzgerald, Secretary/Treasurer

Absent: Jesse Rutherford
Jim Bowling, Attorney

AGENDA ITEM 1. CHA PRESENTATION

Mr. Doug Hudgins with CHA provided a 10-page handout about the Wintergreen WWTP project.

AGENDA ITEM 2. APPROVAL OF MINUTES

On a motion duly made by Mr. Sherwood, seconded by Mr. Shimp, with Mr. Shimp voting yes, Mr. Reed voting yes, Mr. Sherwood voting yes and Mr. Hight voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby approve the minutes of the May 21, 2020 regular meeting.

AGENDA ITEM 3. OFFICE MANAGER’S REPORT

Mrs. Fitzgerald presented the Treasurer’s Report for May 2020.

Mrs. Fitzgerald reported the lead and copper samples for Lovington have been collected and almost all the Wintergreen samples have been collected. After results are received the customer will be notified of their individual results.

Mrs. Fitzgerald informed the Board the office will be closed on Friday, July 3 in observance of the Independence Day Holiday.

AGENDA ITEM 4. EXECUTIVE DIRECTOR'S REPORT

Mr. Miller stated CHA is waiting to receive a revised subcontract agreement with Hydrostructures before proceeding with the CCTV work in Schuyler. Mr. Miller stated he is optimistic about the condition of the sewer pipe due to work that staff has already completed. Mr. Miller stated if the CCTV shows good pipe, we are not replacing it. Mr. Miller stated he has several suggestions about changing the Rt. 800 to Clark's Hill system from manholes to a pumping station, which he will discuss with CHA after the results of the CCTV are available.

AGENDA ITEM 5. DIRECTOR'S COMMENTS

Board members discussed possibly changing the time of the future board meetings, which will be voted on at next month's annual meeting.

AGENDA ITEM 6. PUBLIC COMMENTS

NONE

AGENDA ITEM 7. ADJOURNMENT

On a motion duly made by Mr. Sherwood, seconded by Mr. Reed, with Mr. Shimp voting yes, Mr. Reed voting yes, Mr. Sherwood voting yes and Mr. Hight voting yes the following was resolved:

BE IT RESOLVED, That the Nelson County Service Authority Board of Directors does hereby adjourn this meeting until July 16, 2020.

Prepared by:



Nelson County Service Authority

Wintergreen Mountain

Sewer Collection and Treatment System

Project Update

June 11, 2020



Wintergreen Mountain Sewer Collection and Treatment System

- Need for the Project
 - WWTP Replacement
 - Sanitary Sewer Rehabilitation
- Cost Saving Request from the Service Authority
 - Delay New Equalization Basin
- Comparison of Funding Options
- Schedule



Wastewater Treatment Plant Replacement Need for the Project

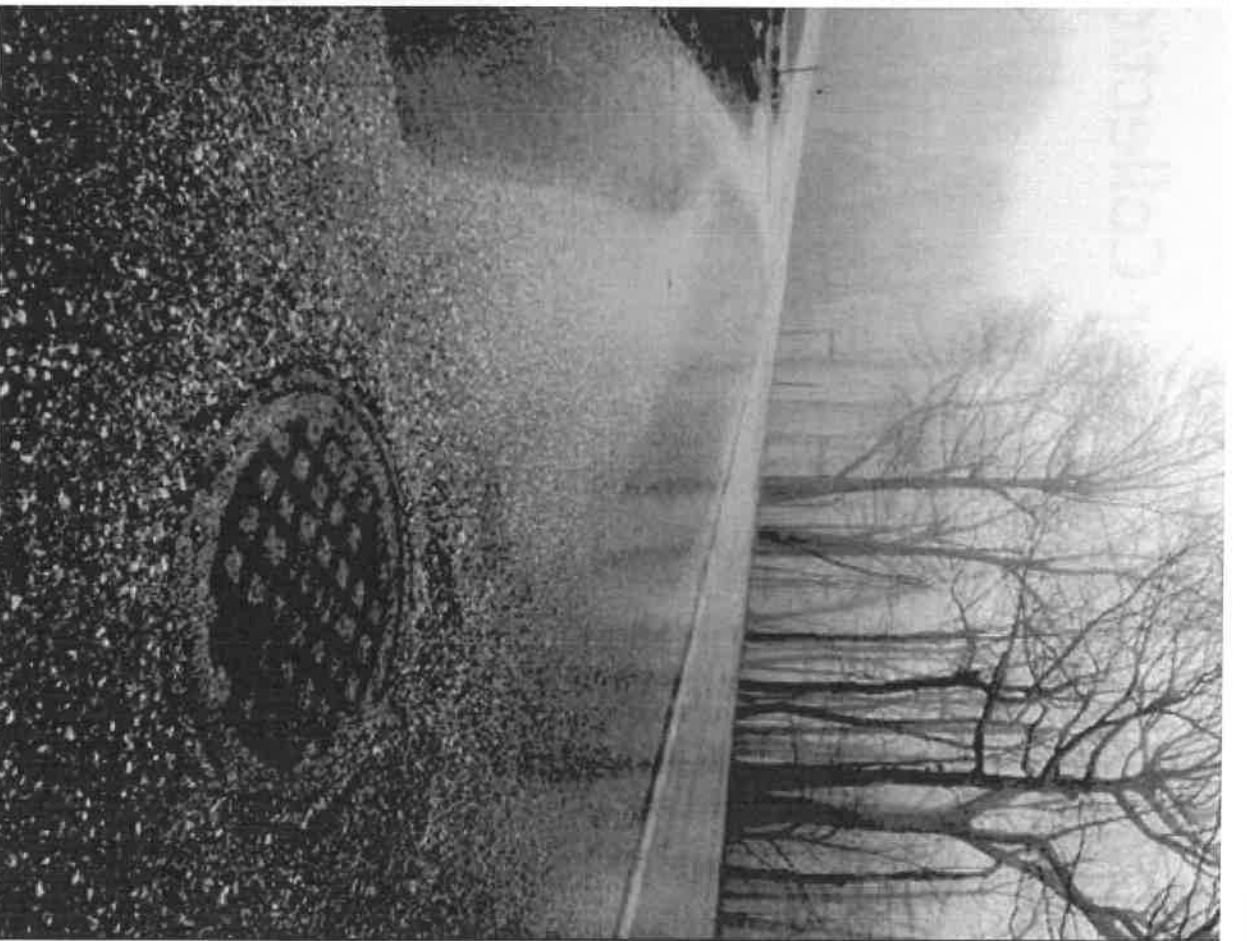
- Metal tanks are 40+ years old. Failing from corrosion. System is fully depreciated.
- Frequent permit violations especially in the winter due to combination of resort flows and infiltration/inflow.
- Facility was not designed to meet new ammonia limits in upcoming permit which will result in additional permit violations.
- Special Order by Consent requires replacement
 - January 1, 2021 – Advertise for Bid
 - May 1, 2023 – Complete Construction
 - SOC was good idea because it protects the NCSA from fines and additional enforcement action during this period.



Sanitary Sewer Collection System Rehabilitation Need for Project

- Portions of the system are in excesses of 40 years old; asset management
- Peaking factor of 25 times average daily flow
- During significant wet weather events, the existing 0.75 MG is not sufficient to prevent sanitary sewer overflows
- Without the I&I project, wastewater processing facilities will need to be “oversized” to treat the excessive flow
- Estimated annual O&M to pump and treat this flow is approximately \$30,000.





a) Stormwater jetting into manhole (BR-16)

b) Manhole vent holes with inflow (DKII-10)

September 2018



NELSON COUNTY SERVICE AUTHORITY

Wintergreen Mountain Wastewater Collection and Treatment System Improvement

Figure 3-5

Sanitary Sewer Collection System

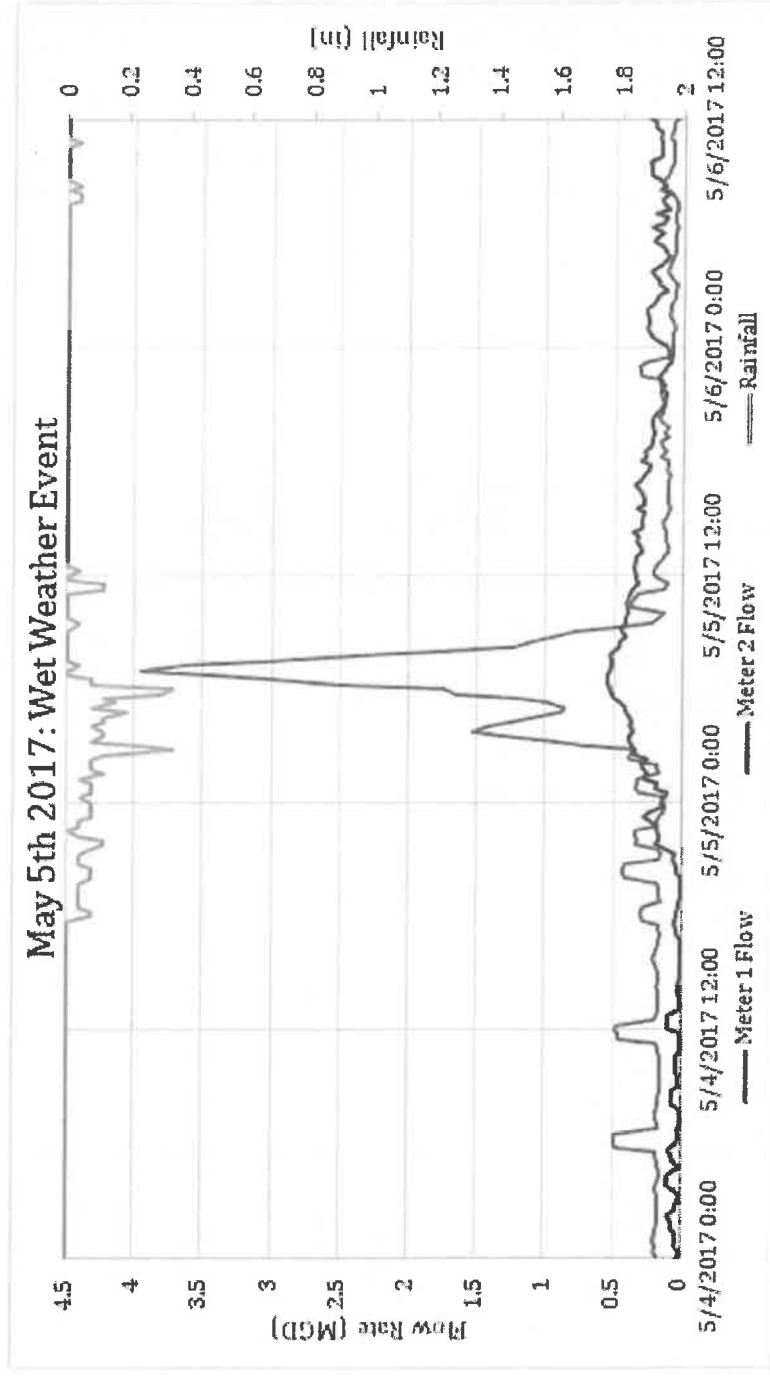


Figure 3.2 - Combined Meter Chart During 5-Year Storm Event, May 5, 2017

Revised Project Budget (Eliminating New Equalization Basin)

WINTERGREEN TOTAL PROJECT COST	
Item	Budgeted Cost
Collection System Construction	
CCTV Inspection	\$225,000
Collection System Rehabilitation	\$1,977,000
WWTP Construction	\$8,944,000
Total Construction Cost	\$11,146,000
Bond Counsel	\$20,000
Legal	\$18,000
Engineering:	
Basic	\$1,086,000
CCTV Contract Documents	\$40,000
GIS Mapping Updates	\$30,000
Additional Manhole Investigations	\$35,000
Evaluated Bid	\$100,000
Geotechnical Investigation	\$50,000
WWTP Site Survey	\$40,000
O&M Manual	\$100,000
Inspection	\$550,000
Contingencies	\$1,113,000
Total	\$14,328,000
Interest (RD loan only)	\$1,145,000
TOTAL PROJECT COST	\$15,473,000



Revised Project Budget (Eliminating New Equalization Basin)

WWTP Replacement Cost	\$11,339,000
Sanitary Sewer Rehabilitation Cost	\$2,989,000
Total Project Cost with VDEQ loan	\$14,328,000
Total Project Cost with RD loan	\$15,473,000
Funding Scenarios	
VDEQ - 1.6% interest, 25-year term (low)	Annual Payment \$704,000
VDEQ - 2.25% interest, 25-year term (high)	\$756,000
RD - 3.375% interest, 38-year term	\$729,000

- First payment is estimated to be due in July 2024
- RD requires interim interest for initial loan
- VDEQ interest rate is fixed at time of closing
 - Range of 1.6% to 2.25% is shown



Funding Options

- **USDA Rural Development**
 - Funding already approved; 3.375% interest; 38-year term
 - Advantages
 - Long term; reduces annual payment
 - Disadvantages
 - \$1.145 million of interim interest
 - Some equipment at WWTP will be fully depreciated prior to debt retirement
 - Many “hoops to jump through” – Letter of Conditions
 - Total cost of interest over life of loan is high
- **VDEQ Clean Water Revolving Loan Fund**
 - Application due July 10, 2020; notification in fall
 - Planning interest rate; 2.25%; 25-year term
 - Advantages
 - Rates currently are 1.6%
 - Interim loan only required to pay engineering and CCTV
 - Disadvantages
 - Funding is not guaranteed
 - Slightly higher annual debt service payment



Schedule

- **Advertise Evaluated Bid Package for MBR**
 - June 21, 2020 – mid July
- **Design**
 - Mid June 2020 – January 2021
- **Bid Phase**
 - February 2021 – April 2021
- **Construction Phase**
 - July 2021 – July 2023
- **First Debt Service Payment Due**
 - Approximately July 2024

