

CIP Committee Meeting Summary
Wednesday – March 26, 2014 – 8:00 AM
Administrative Services Building - Board Room

Attendees:

Committee Members: Ralph Watson and Martin Sultan

Board Member: Johnny Rocca

Staff: Fred Jennings, Tom Broderick, Carla Burlison, Mary Arnsbarger, Mark Peterson, Mike Latham, Brian Stone, Sue Blackburn, Alton Echols, Nicolle Boulay, Tom Bonacquisti, Thom Lipinski, Huy Tran, Colleen Rizzi, Mark Withrow, Lithgow-Foidl, Brian Carnes, Micah Vieux, and Denise Reyes

Consultant: John McGettigan from Greeley and Hansen

I. Call to Order

- In absence of Mr. Koblos, Mr. Watson called the meeting to order at 8:03 A.M.

II. Approval of the Meeting Agenda

- The Committee acknowledged the addition of Item 3C, Approval of Design Task Order for the Broad Run WRF Septage Receiving Facility Improvements, on the agenda and switched the order of Item 3A, Request to Adopt a Resolution Authorizing a Public Hearing, with 3B, Award of Construction Contract PWSP Element 3. The Committee accepted the agenda as revised.

III. Action Items

A. Award of Construction Contract - Potomac Water Supply Program (PWSP) Element 3 Raw Water Transmission Phase I (Sue Blackburn)

Ms. Blackburn gave a brief presentation regarding this project that involves the construction and commissioning of approximately 27,000 linear feet of Raw Water Transmission (RWT) Main. The RWT consists of 36-inch, 42-inch, and 48-inch welded steel pipe, including underground vaults, a cathodic protection system, signal fiber conduits, and all other associated appurtenances. Construction includes trenchless installation of 12 new casing pipes under roads and streams and a by-pass vault to facilitate future connection to and incorporation of water storage in retired quarries. Loudoun Water issued a request for qualifications (RFQ) in August 2013 and received statements of qualifications (SOQ) from sixteen contractors on September 4, 2013. After reviewing the SOQs, Loudoun Water pre-qualified 14 contractors. The project was advertised for bid to the select list of pre-qualified contractors on December 12, 2013 followed by an optional pre-bid conference and field visit on December 18, 2013. On March 18, 2014, Loudoun Water received four bids for the project. The apparent low bidder was Garney Companies, Inc., with a bid amount of \$18,884,875. The design engineer's (Dewberry's) estimate for the project cost was \$34,940,638. This project is included in the 2014 Capital Spending Plan. Using Garney's bid amount, the revised cost itemization of the project totaled \$24,941,642 versus the 2013 project budget of \$43,826,000. Staff has determined that Garney Companies, Inc. is a responsive and responsible bidder and recommended award of the Raw Water Transmission construction contract to Garney.

- Committee Members asked the following questions:
 - 1) Mr. Sultan asked the reason why there is a large gap between bids versus the engineer's estimate. Staff believed that the discrepancy might be due to material handling and rock excavation issues. Staff added that while the reason for the difference was not certain,

staff was comfortable with the low bidder since Garney has completed a project with Loudoun Water recently, and was able to do so on time and on budget.

- 2) Mr. Rocca recommended staff to poll the contractors included in the pre-bid the reasons why they did not submit a bid for this project. Staff noted that one local contractor did not bid because of fierce competition with outside contractors; and other local contractors had no experience with welded steel. Bidders were required to advise on the bid form whether they would be constructing the RWT main with ductile iron pipe or welded steel pipe. All bidders circled welded steel pipe on their bid forms.
 - 3) Mr. Rocca asked who did the engineer's estimate. Staff replied that engineer's estimate was conducted by Forella Group LLC as a subconsultant to the design engineer Dewberry. The estimate included a line by line detail of costs. Staff will continue to look into reasons for the differences.
 - 4) Mr. Watson asked the timing of the geotech report versus the bid. Staff replied that the geotech report was done in advanced.
 - 5) Mr. Jennings asked about radiographic examination for soundness of welds for the steel pipe on this project. Staff replied that radiographic testing at the manufacturing plant would be done every 3,000 linear feet and that all field welds will be subject to radiographic testing.
- The CIP Committee moved to recommend that the Board approve the award of Raw Water Transmission construction contract to Garney Companies, Inc. for \$18,884,875 with an approximate 5% contingency to be controlled by the General Manager, for a total authorized amount of \$19,830,000. Additional costs will require Board approval.
 - The committee forwarded this item to the April 10th Board Meeting as an Action Item.

B. Request to Adopt a Resolution Authorizing a Public Hearing for the Easement Condemnation for the Oak Mill/Hazel Property, Raw Water Transmission, ID #PWS00004 (Susan Blackburn)

Ms. Blackburn gave a presentation on the request to adopt a resolution authorizing a public hearing for the easement condemnation of the Oak Mill/Hazel Property for the Raw Water Transmission Project. Permanent water and temporary construction easements are required across twenty-five (25) parcels, including parcels owned by Oak Mill General Partnership & William A. Hazel, Trustees. Loudoun Water enlisted ERM & Associates (ERM) to assist with negotiating and securing all easements for the RWT. ERM worked with Loudoun Water to successfully secure easements across twenty-three of the parcels, with only the easements across the Oak Mill/Hazel Properties outstanding. Efforts to secure easements across the Oak Mill/Hazel Properties began in April 2013. After lengthy negotiations, which included realignment of the RWT on the Oak Mill/Hazel Properties at the Owners' request and a verbal agreement on the compensation for the easements, ERM, Authority staff, and counsel could not resolve language within the Deed of Easement. Staff evaluated alternatives during design of the RWT and determined that the current alignment for the RWT is the most economical and technically feasible alignment. Staff recommended continuing to pursue acquisition of the easements across the Oak Mill/Hazel Properties and that a public hearing will be scheduled for June 2014 for the purpose of easement condemnation on the Oak Mill/Hazel Properties in the event the Authority staff and counsel are unsuccessful in obtaining the easements.

- Committee Members made the following comments:
 - 1) Mr. Rocca asked staff to update the picture to be able to view the distance of this property from the quarry.

- Loudoun Water counsel is still in negotiations with the Owner’s representative who have recently expressed that the Owner might be able to move forward to resolve the issue with the easement language without going through condemnation. Staff will give an update before the next Board meeting.
- The CIP Committee moved to recommend that the Board adopt the resolution authorizing a public hearing for June 2014 for purpose of easement condemnation for the Oak Mill/Hazel Properties.
- The committee forwarded this item to the April 10th Board Meeting as an Action Item.

C. Approval of Design Task Order Broad Run WRF Septage Receiving Facility Improvements (Alton Echols)

Mr. Echols gave a presentation on the request to approve a final design task order for Broad Run WRF Septage Receiving Facility (SRF) Improvements. The SRF is used by septage haulers to dispose of septic tank waste and biosolids from the community systems plants of Loudoun Water. The debris contained within the septage and biosolids disposed at the SRF is problematic and different than anticipated, which has resulted in extensive downtime for repairs. Black and Veatch Corporation (B&V) completed a preliminary engineering report that recommended improvements to the SRF to increase capacity and improve the operation of the unit. B&V has proposed a task order in the amount of \$113,800 to perform the final design work. Staff agreed with this recommendation. The SRF Improvements project is listed as top priority in the 2014 CIP.

- Committee Members asked the following questions:
 - 1) Mr. Rocca asked the reason for the upgrade of the SRF. Staff replied that objects being disposed was not anticipated when the facility was planned originally. A grinder and rock trap are needed to process the objects being disposed in the SRF.
- The CIP Committee moved to recommend that the Board approve a task order to Black & Veatch Corporation for final design of the Broad Run WRF Septage Receiving Facility Improvements in the amount of \$113,800, with an approximate 10 percent contingency to be controlled by the General Manager, for a total authorized amount of \$125,000. Additional costs will require Board Approval.
- The committee forwarded this item to the April 10th Board Meeting and recommended that it be included under Board Consent Agenda.

D. Beaverdam Creek Reservoir Access Plan Proposed Revision to Statement of Policy (Mark Peterson)

Mr. Peterson gave a brief overview of the Beaverdam Creek Reservoir access plan proposed revision to the Statement of Policy. Through the acquisition of the City of Fairfax assets, Loudoun Water owns and operates water reservoirs that serve a critical purpose in ensuring long-term reliable water supply to Loudoun Water customers. The Loudoun Water Statement of Policy includes an adopted policy that addresses guiding principles regarding water resources, which was adopted prior to the acquisition of the Beaverdam Creek Reservoir. Staff proposes to revise the Loudoun Water Statement of Policy to include the following language under PLN 1.1 – Policy of Water Resources Planning:

“D. Management of Loudoun Water Assets

- 1) Loudoun Water will, first and foremost, plan, manage, and operate our facility, and all assets, to meet our core mission and business practices, providing safe, reliable drinking

water and wastewater services to our customers. The Loudoun Water mission and core business practices have primary importance in all facilities and assets.

- 2) While developing management plans, Loudoun Water will collaborate with key stakeholder, leading a process to consider shared uses of facilities and assets. Any consideration for shared access to Loudoun Water facilities and assets is subject to formal evaluation of Loudoun Water and consistent with Policy 1.0-Water Resources Planning, Item D.1.”

Current status allows public access to the property from dawn to dusk which increases risk exposure for Loudoun Water. The proposed language will allow Loudoun Water to regain control of this asset by immediately restricting public access to the property. Also, installation of gates, signs, and public notifications will be added. For the interim, only the Loudoun Rowing Association was given authorization for continued use of the property. Also, the Beaverdam Creek Reservoir will undergo maintenance and upgrades. A Land Management Plan is planned for the future which will engage stakeholders. Staff recommended that the committee support the proposed revision to the Statement of Policy.

- Committee Members asked the following questions:
 - 1) Mr. Watson asked about Loudoun Water properties, uses of excess properties, etc. Staff replied that Beaverdam Creek Reservoir currently has no access control and staff felt the need to address this issue as soon as possible because the perceived entitlement by the public of this property. The proposed process will address identification of resources and its purpose.
 - 2) Mr. Rocca recommended that access to Beaverdam Reservoir be closed immediately. Staff replied that the proposal is to close it, but will allow the Rowing Association continued use for a year since this organization has close ties with the community, is well organized, and will sign a waiver for their use.
 - 3) Mr. Rocca made his recommendation on where to place notice signs on the property.
 - 4) Mr. Rocca asked who the public should contact to request access to the property. Staff replied Mark Peterson.
- The CIP Committee moved to recommend that the Board adopt the revised Loudoun Water Statement of Policy.
- The committee forwarded this item to the April 10th Board Meeting and recommended that it be included under Board Consent Agenda.

IV. Informational Items

A. PWSP Monthly Report for February 2014 (Nicolle Boulay)

Ms. Boulay presented the PWSP Monthly Report for February 2014 and highlighted the following (the PWSP Monthly is available in BoardDocs):

- The overall program budget is noted as “on budget.”
- The overall program schedule is noted as “on schedule.”
- Recap the following major program highlights:
 - PWSP Team moved to the PAF
 - Received LW Board approval of TRWTF/FWT Construction Contract and issued Notice of Award to PC Construction.
 - Executed the agreement with PC Construction for the RWI/PRWPS project.
- Highlighted the following activities:
 - Receive bids for the RWT project on March 18, 2014

- Conduct Pre-Construction Meeting with PC Construction for RWI/PRWPS project.
- Issue Notice to Proceed to Pc Construction for RWI/PRWPS project on March 10, 2014.
- Prepare draft RFP for the design phase of the Quarry A Development Project.
- The PWSP tracking logs were presented which included information on Requests of Clarifications with detailed issues responses, Change Orders made for each project, and log of Contingent Contract Items and Allowances.

Staff also presented a video (video exceeded size limit for posting in BoardDocs) and brochures of the PWSP.

- Committee Members made the following comments:
 - 1) Mr. Rocca complimented staff on the video, but suggested that the reference to word the “billion” be enunciated better.
 - 2) Mr. Watson wanted to reserve his comments on the video until later.
 - 3) Mr. Watson requested staff to present an update on LEED Gold at the next meeting.

B. Capital Spending Summary Report thru February 2014 (Brian Stone)

Mr. Stone presented the Capital Spending Summary Report through February 2014 (Report may be referenced in BoardDocs). The actual expenditures were \$35,739,767 versus the anticipated expenditures for February 2014 of \$45,433,200. For 2013, the total expenditures for the year were \$86.1 million. The top 15 Capital Projects by priority score was also presented with a projected annual total expenditure of approximately \$71.5 million with the actual cumulative expenditures at approximately \$2 million.

V. Next Meeting

The next CIP Committee meeting is scheduled on Wednesday, April 30, 2014 at 8:00 A.M. in the Board Room.

VI. Adjourn

Mr. Watson adjourned the meeting at 9:37 A.M.