

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

JEFFERSON COUNTY, ALABAMA

Case No. 11-05736-TBB

RE: Gary L. Owen and Associates, Inc.



1105736131126000000000005

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

In re:)
)
JEFFERSON COUNTY, ALABAMA) Case No. 11-05736-TBB
A political subdivision of the State of)
Alabama,) Chapter 9
)
Debtor,)
)

AFFIDAVIT OF JASON B. OWEN

Personally appeared before the Undersigned, duly authorized to administer oaths, Jason B. Owen, who, after being duly sworn, testified and stated as follows:

1. My name is Jason B. Owen. I am over the age of 19 and otherwise competent to give this Affidavit.
2. I am an employee of Gary L. Owen and Associates, Inc., and the Executive Vice President of Gary L. Owen and Associates, Inc. and a Project Engineer with Gary L. Owen and Associates, Inc.'s contract with Jefferson County, Alabama for the Valley Creek Wastewater Treatment Facility – Phase VIII. I have personal knowledge of the matters stated herein.
3. The following is a correct accounting of the final amount due Gary L. Owen and Associates, Inc. construction review and design contracts with Jefferson County, Alabama, for the Valley Creek Wastewater Treatment Facility – Phase VIII which is currently ongoing as of this date, having had an original completion date of January 1, 2013.

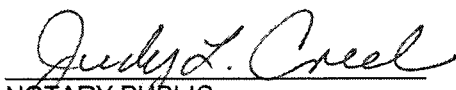
Request for Additional Construction Review Funds	\$152,643.74
Dated July 11, 2013 (Exhibit A)	
Revised and Updated Request for Additional	\$152,556.34
Construction Review Funds Dated October 16, 2013 (Exhibit B)	
Request for Additional Design Funds Dated	\$146,061.71
February 2, 2010 (Exhibit C)	
Balance Due Gary L. Owen and Associates, Inc. (Exhibits B+C)	\$298,618.05

FURTHER AFFIANT SAYETH NOT



Jason B. Owen, P.E.
Executive Vice President

Sworn to and subscribed before me
this 16th day October, 2013



NOTARY PUBLIC

My Commission Expires: 12/15/2015

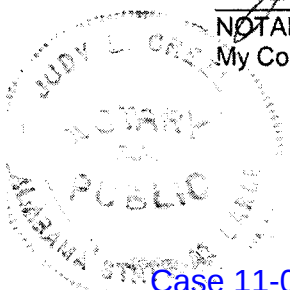


EXHIBIT A



Gmail - Valley Creek VIII Construction Review

Valley Creek VIII Construction Review

Gary Owen <gowen@garylowen.com>

Thu, Jul 11, 2013 at 3:50 PM

To: Tonya Kelley <kelleyt@jccal.org>

Cc: "Daniel A. White-PE" <whited@jccal.org>, Judy Creel <jcreel@garylowen.com>

Per our previous discussions we are attaching a breakdown of construction review cost not invoiced and construction review cost anticipated to complete the project. We have also included tasks and cost (including construction review) related to the connection of the dewatering filtrate line to the double-barrel force mains from the Five Mile Creek West Pumping Station.

Gary L. Owen, P.E.

President

gowen@garylowen.com

Gary L. Owen and Associates, Inc.

Consulting Engineers

Hoover, Alabama

(205) 982-9806 / (205) 982-9030 Fax

<http://www.garylowen.com>

American Society of Civil Engineers

American Water Works Association

Alabama Rural Water Association



Valley Creek VIII Construction Review.pdf

1189K

Gary Owen <gowen@garylowen.com>

Thu, Jul 11, 2013 at 3:54 PM

To: Jason Owen <jowen@garylowen.com>

Gary L. Owen, P.E.

President

gowen@garylowen.com

Gary L. Owen and Associates, Inc.

Consulting Engineers

Hoover, Alabama

(205) 982-9806 / (205) 982-9030 Fax

<http://www.garylowen.com>

American Society of Civil Engineers
American Water Works Association
Alabama Rural Water Association

[Quoted text hidden]



Valley Creek VIII Construction Review.pdf

1189K

Gary Owen <gowen@garylowen.com>
To: Tonya Kelley <kelleyt@jccal.org>
Cc: Judy Creel <jcreel@garylowen.com>

Wed, Aug 7, 2013 at 3:30 PM

Has a decision been reached regarding the Valley Creek VIII construction review?

Thanks!

Gary L. Owen, P.E.
President
gowen@garylowen.com

Gary L. Owen and Associates, Inc.
Consulting Engineers
Hoover, Alabama
(205) 982-9806 / (205) 982-9030 Fax
<http://www.garylowen.com>

American Society of Civil Engineers
American Water Works Association
Alabama Rural Water Association

----- Forwarded message -----

From: **Gary Owen** <gowen@garylowen.com>
Date: Thu, Jul 11, 2013 at 3:50 PM
Subject: Valley Creek VIII Construction Review
To: Tonya Kelley <kelleyt@jccal.org>
Cc: "Daniel A. White-PE" <whited@jccal.org>, Judy Creel <jcreel@garylowen.com>

[Quoted text hidden]



Valley Creek VIII Construction Review.pdf

1189K

Gary L. Owen and Associates, Inc.
CONSULTING ENGINEERS



510 Emery Drive West . Trace Crossings . Hoover, Alabama 35244
Mailing Address: P.O. Box 360124 . Hoover, Alabama 35236

(205) 982-9806 / (205) 982-9030 Fax
www.garylowen.com

July 11, 2013

Ms. Tonya Kelley, P.E.
Environmental Services Department
716 Richard Arrington, Jr. Blvd. N
Suite A300
Birmingham, Alabama 35203

RE: Valley Creek WWTP Improvements – Phase VIII
Construction Review

Dear Tonya:

With reference to the above subject, and per our previous discussions, we are attaching an itemized breakdown of costs associated with remaining construction review, construction review completed but not invoiced, and tasks associated with connecting the dewatering filtrate line to the double-barrel force mains from the Five Mile Creek West Pumping Station. We hope the breakdown is self-explanatory, but feel free to let us know should you have any questions. The only item we have not included is the cost associated with uncovering the filtrate line and force mains (backhoe and operator) to acquire elevations and horizontal placement. We felt this is something that could be performed by plant personnel.

Our cost breakdown covers construction review through the month of September. We expect very little time related to P. F. Moon activities, other than review of final payment estimate next month and preparation of the change order delineating the additional items completed by the contractor. One of our CAD personnel and I will visit the plant a couple of times next month to acquire field data for record drawings, and the record drawings will be prepared in September. By the way, if you still have the package of several copies of data that was sent to you previously regarding the extra items completed I would like to get the copies back because originals from P. F. Moon were included; plus, a significant amount of time was spent duplicating all of the attachments.

Our very preliminary investigation of connecting the filtrate line to the force mains indicates it will work. The filtrate pump(s) curves Robby gave me are not exactly correct because they do not show the pump capacities at varying pump speeds. We have acquired the correct curves, and found out in doing so that the pumps did not operate as designed during initial start-up – they were pumping too much at minimum speed. To correct the pumping rate, the pump sheaves and motor sheaves were changed to compensate for the design error.

We are not sure of the pertinent financial aspects of the Valley Creek VIII project as related to total financial commitment by ESD. However, when one looks at the remaining money available in the P. F. Moon contract there should be an amount in excess of the total amount noted in our attached breakdown. In other words, there should be no need to request additional funds to complete the work over and above the funds already committed for construction and construction review.

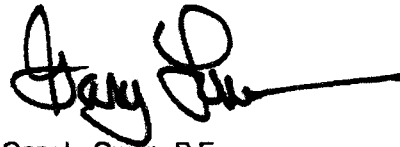
Page Two
Tonya Kelley
July 11, 2013

We hope the information provided herein, and in the attachment, are suitable for your needs. However, please let us know if you desire clarification pertaining to any item.

Should you have any questions or comments, or should additional information be desired, please advise.

Sincerely,

GARY L. OWEN AND ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "Gary Owen", with a long horizontal line extending to the right.

Gary L. Owen, P.E.
President

GLO/ms

Enclosure

cc: Daniel White w/Attachment
Judy Creel w/Attachment

Valley Creek WWTP Improvements VIII

Engineering Construction Review Funds Summary

Including Investigation and Design of Connecting Dewatering Filtrate Lines to Five Mile Creek West Force Mains

1 Last invoice forwarded to Tonya Kelley included construction review activities through February 13, 2013		
2 Total GLO construction review activities for the period February 14, 2013 through June 1, 2013 not invoiced *	\$50,697.66	
* significant portion of funds related to record drawings of all phases of Village Creek; converting several hundred drawings to PDF and copying to CDs		
3 Anticipated GLO construction review activities for remainder of project through September 30, 2013; includes preparation of Valley Creek VIII record drawings	\$33,249.58	\$83,947.24
4 Amount remaining in original estimate from Jackson, Renfro	\$36,675.25	
5 Additional amount requested by Jackson, Renfro	\$0.00	
6 GLO funds paid to Jackson, Renfro but not invoiced	\$7,321.25	\$43,996.50
	Total Additional Funds *	<u>\$127,943.74</u>

* Had project construction ended by or before the original completion date, and had the funds associated with the Village Creek record drawings been utilized for Valley Creek VIII record drawings, there were sufficient funds in the original construction review contract to complete all necessary activities

Investigation and Design of Connecting Dewatering Filtrate Lines to Five Mile Creek West Force Mains

1 Visits to Five Mile Creek West Pumping Station		
2 Additional visits to Dewatering Filtrate Pumping Station		
3 Prepare computerized hydraulic model of Five Mile Creek West Pumping Station and full length of double-barrel force mains		
4 Prepare computerized hydraulic model of Dewatering Filtrate Pumping Station and force main		
5 Simultaneously run computer models to simulate operation of both pumping systems		
6 Prepare engineering drawings related to connection of filtrate force main to double-barrel force mains if computer models result in feasibility of doing so		
	Cost Range: \$19,900 to \$22,700	\$22,700.00
7 Construction Review (based on three 10-hour days)		\$2,000.00
	Grand Total Additional Funds	<u>\$152,643.74</u>

Assumes Five Mile Creek Pumping Station record drawings of station and force mains plan/profile drawings provided to GLO; assumes Dewatering Filtrate Pumping Station record drawings made available to GLO; pump curves to be provided for all pumps

EXHIBIT B

Valley Creek WWTP Improvements VIII
(through end of project December 31, 2013)
Engineering Construction Review Funds Summary
16-Oct-13

1 Last invoice forwarded to Tonya Kelley included construction review activities through February 13, 2013			
2 Total GLO construction review activities for the period February 14, 2013 through September 11, 2013 not invoiced *	\$63,164.46		
* significant portion of funds related to record drawings of all phases of Village Creek; converting several hundred drawings to PDF and copying to CDs			
3 Anticipated GLO construction review activities for remainder of project through December 31, 2013; includes preparation of Valley Creek VIII record drawings	\$37,499.88	\$100,664.34	
4 Amount remaining in original estimate from Jackson, Renfro	\$40,318.25		
5 Additional amount requested by Jackson, Renfro	\$0.00		
6 GLO funds paid to Jackson, Renfro but not invoiced	\$11,573.75	\$51,892.00	
		Total Additional Funds *	\$152,556.34

* Had project construction ended by or before the original completion date, and had the funds associated with the Village Creek record drawings been utilized for Valley Creek VIII record drawings, there were sufficient funds in the original construction review contract to complete all necessary activities

EXHIBIT C

Gary L. Owen and Associates, Inc.
CONSULTING ENGINEERS



510 Emery Drive West . Trace Crossings . Hoover, Alabama 35244
Mailing Address: P.O. Box 360124 . Hoover, Alabama 35236

(205) 982-9806 / (205) 982-9030 Fax
www.garylowen.com

February 2, 2010

Mr. Daniel A. White, P.E.
Deputy Director
Environmental Services Department
716 Richard Arrington, Jr. Blvd. N.
Suite A300
Birmingham, AL 35203

RE: Valley Creek WWTP – Phase VIII

Dear Daniel:

With reference to the above subject, and in accordance with our e-mail last week, we are providing pertinent information for your review and consideration.

Following this letter is a spreadsheet consisting of two pages. This spreadsheet outlines where we stand regarding the monetary aspect of the project. The contents of the spreadsheet are described in more detail hereinbelow.

The top portion of Page 1 is simply a summary of the original engineering design contract that depicts the various personnel categories and respective costs (including subconsultants) that were estimated to perform the original scope of work. The monetary value of the contract regarding our firm's personnel was \$222,761.13, and the monetary value of subconsultants and miscellaneous expenses was \$261,150.00, for a combined contract value of \$483,911.13. The monetary amounts shown in "red" to the right of the *Initial Contract Amount Summary* depict amounts we have paid to the subconsultants, totaling \$241,201.25.

The lower portion of Page 1 of the spreadsheet depicts our personnel categories and respective estimated hours in the original scope of work. You will note the monetary value for these personnel (shown in "red") totals \$222,761.13, same as noted above. Immediately below the original estimated hours you will see actual hours expended per personnel category through January 6, 2010. To the right of this summary of hours you will note monetary value of the actual hours spent (shown in "red") totals \$417,479.76, using the rates included in the original contract – equating to an "overage" of \$194,718.63.

The second page of the spreadsheet provides some more detailed information. For example, we note that the engineer that was assigned to manage this project did not maintain a "hard copy" file that contains all correspondence, meetings summaries, e-mails, design criteria, etc., that provide a written trail of all design activities associated with the project. Although our standard policy is to maintain a "hard copy" file for every project – with the file being started immediately when an in-office project number is assigned – for some reason our standard policy was not followed. It goes without saying that it is the responsibility of company ownership to see to it that all company policies are adhered to. Out of concern that disparagement regarding a former employee will tend to diminish the professional image of our firm, suffice

Page Two
Mr. Daniel A. White
February 2, 2010

it to say that I was responsible for adherence to company policies regarding "hard copy" project files, and I subsequently failed in some of my responsibilities.

In an effort to be fair and equitable to Jefferson County, the time spent to capture design data, equipment sizing, specifications, etc., that should have been in "hard copy" project files should correctly be credited to Jefferson County. It is estimated that at least two months of my time was required to compile "hard copy" files. And, to be certain of the equitability, a total of 2 ½ months has been allowed. Thus, the second page of the attached spreadsheet depicts the revised personnel categories and respective hours to reflect a reduction of 400 hours of Principal's time.

The revised design overage then becomes the sum of items identified as (1) through (4), or a total of \$146,061.71. This revised overage reflects a deduction of \$63,563.27 from the original total amount of overage via the reduction of the 400 hours of Principal's time noted above.

The third page following this correspondence is a spreadsheet provided by Jackson-Renfro which outlines the funds requested by them to complete the work, and is self-explanatory. The total shown by Jackson-Renfro is included in the overage total referred to above.

Our last invoice for this project was dated March 5, 2009. We paid a total of \$7,343.75 to Jackson-Renfro in August, 2009, but did not forward the invoice to Jefferson County because of insufficient funds remaining in the contract. Thus, we have been doing our utmost to continue with the project design for the last year, or so, using our own funds to operate. It goes without saying that it hasn't been easy for us, but we feel an obligation to Jefferson County due to all the support we have had in the previous number of years, and we have immensely enjoyed our working relationship during those years. The bottom line is we should have been more forthcoming in discussing the financial aspects of this project, and feel we have failed Jefferson County in that regard. Although we have tried, we sincerely hope that our firm is not thought less of because of the turn-of-events.

In talking with Phil Black, we feel we can finalize everything within three to four weeks following the County's response to the contents herein, including another review of the contract documents, and then be ready for your final review. Additionally, another four weeks, or so, will be required for advertisement and receipt of bids. Subsequently, we do not anticipate any further discussion of funding (i.e., additional funding) regarding pre-bid conference, advertisement, and receipt of bids. It is hoped this project will be ready to start about the time good construction weather is prevalent.

Additionally, the last six pages included herein are a repeat of the memo we forwarded to you on July 6, 2009, regarding the status of the project. The bulk of the contents is still applicable, and is included as supplementary information for your review.

Thank you very much for your consideration.

Sincerely,

GARY L. OWEN AND ASSOCIATES, INC.

Gary L. Owen, P.E.
President

GLO/ms

Jefferson County Environmental Services Department

Valley Creek WWTP - Phase VIII

Initial Contract Amount Summary:

1 Gary L. Owen and Associates, Inc.		\$222,761.13	<i>Amt. Paid to Subcon.</i>
2 Subconsultants:			
Jackson, Renfro & Assoc., Inc.	\$115,000.00	----->	\$103,500.00
Building and Earth Sciences	\$17,700.00	----->	\$19,696.25
Troy Systems Integration Group	\$65,000.00	----->	\$96,305.00
Surveying Solutions, Inc.	\$28,450.00	----->	\$21,700.00
	<u>\$226,150.00</u>	----->	<u>\$241,201.25</u>
Landscape Architect (est.)	\$5,000.00		
	<u>\$231,150.00</u>	\$231,150.00	
3 Miscellaneous Expenses		\$30,000.00	
Grand Total Contract		<u>\$483,911.13</u>	

Summary of GLO personnel hours per orig. contract:

	<i>Estimated Hours</i>		
Principal	257	----->	\$40,839.40
Engineer	849	----->	\$89,768.30
Sr. Drafter	977	----->	\$82,455.69
Clerical	212	----->	\$9,697.74
		A*	<u>\$222,761.13</u>

Actual Hours Through January 6, 2010

Principal	1431	----->	\$227,397.60
Engineer	876	----->	\$92,623.12
Sr. Drafter	990	----->	\$83,552.85
Clerical	304	----->	\$13,906.19
		B*	<u>\$417,479.76</u>

A is amount of orig. GLO contract using initial est. hours

B is amount GLO cost incurred using act. hours through Jan 6, 2010

GLO Overage B minus A= \$194,718.63

** Amounts based on original billing rates in initial contract*

Page 1

Engineer assigned to project as Project Manager did not maintain hard-copy files of data associated with project (some file data was maintained loosely on Project Manager's computer hard drive, but data was not very usable). Approx. 2 1/2 months was required by Gary Owen to decipher hard drive data, and to contact equipment manufacturers' representatives for equipment updates and criteria used to currently size equipment in order that project could move forward with properly sized equipment and current specifications.

Thus, revised hours with deduction of 400 hours of Principal allowed for 2 1/2 months time:

Revised Hours Through January 6, 2010

Principal	1031	----->	\$163,834.33
Engineer	876	----->	\$92,623.12
Sr. Drafter	990	----->	\$83,552.85
Clerical	304	----->	\$13,906.19

<i>Revised Total GLO Contract *</i>	<u>\$353,916.49</u>
-------------------------------------	---------------------

<i>Original Est. GLO Contract *</i>	<u>(\$222,761.13)</u>
-------------------------------------	-----------------------

<i>(1) Amount of GLO Overage *</i>	<u>\$131,155.36</u>
<i>(Includes items added to contract)</i>	

<i>(2) Amount GLO paid Jackson-Renfro in August, 2009, but not billed to JeffCo</i>	<u>\$7,343.75</u>
---	-------------------

<i>(3) Amount request. by Jackson-Renfro to complete work</i>	<u>\$11,500.00</u>
---	--------------------

<i>(4) Amount remaining in JeffCo contract not billed</i>	<u>(\$3,937.40)</u>
---	---------------------

<i>(1)+(2)+(3)+(4) Amount of adjust. requested</i>	<u>\$146,061.71</u>
--	---------------------

* Amounts based on original billing rates in initial contract

NOTE: Suggested reduction of 400 Principal hours reflects GLO providing a total credit to JeffCo in the amount of: **\$63,563.27** (\$227,397.60 minus \$163,834.33)

Valley Creek WWTP Contract 8
Jefferson County Environmental Services Department
JRA Project No. 26070

Additional services provided by JRA since original proposal:

Description	Cost	Notes
DOE Funding Report: *	\$ 1,593.75	(hourly costs previously invoiced to & paid by GLO)
Influent Pump Station Structural Remediation:	\$ -	(JRA Scope previously paid for by Brasfield & Gorrie)
Methane Gas Compressors:	\$ 7,000.00	
Blower at Methane Gas Scrubbers:	\$ 2,000.00	
Generator Exhaust Fans:	\$ 2,500.00	
Total:	\$ 13,093.75	

Revised Total for JRA \$ 11,500.00

Notations in "red" added by GLO; sum above
noted with "*" has already been paid by GLO;
thus additional amount requested by JRA is
the \$11,500 noted above, although the \$1,593.75
noted with "*" was added to JRA scope of work

Gary L. Owen and Associates, Inc.
CONSULTING ENGINEERS



510 Emery Drive West . Trace Crossings . Hoover, Alabama 35244
Mailing Address: P.O. Box 360124 . Hoover, Alabama 35236

(205) 982-9806 / (205) 982-9030 Fax
www.garylowen.com

m e m o r a n d u m
T R A N S M I T T A L

Name	Mr. Daniel White
Organization	Environmental Services Department – Jefferson County Commission
From	Gary L. Owen
Date	July 6, 2009
Subject	Valley Creek WWTP Improvements– Phase VIII GLO Project A107506

We wanted to provide you with a status update for your review and information.

In summary, the following items were included in our scope of work:

1. Analysis of, and modifications to, electrical system
2. Modifications to instrumentation associated with Effluent Wetwell levels to address potential flooding of Filter Building
3. Permanent below-grade piping for existing groundwater pumps (at Influent Pumping Station)
4. Paving of plant roadways, while tying to existing roadway drainage inlet structures
5. Relocation of main plant entry road
6. Main entrance gate
7. Rear entrance gate
8. Modifications to existing fencing (to close all areas void of fencing)
9. Connection of inlet and outlet piping at Chlorine Contact Chamber
10. Review of, and follow-up corrective actions, associated with grease build-up in plant
11. Evaluation of condition of Methane Gas Scrubbers (i.e., purifiers)
12. Modifications to effluent wetwell level indication
13. Addition of concrete spill containment for existing fuel storage tank
14. Evaluation of hydraulics in Filter Building
15. Addition of ventilation units to Generator Building
16. Demolition of existing Sludge Holding Ponds
17. Demolition of Gilmore Bell Vocational School
18. Demolition of existing houses adjacent to plant site
19. Partial landscaping

Items added to scope of work after initiation:

- A. Closely work with contractor (Brasfield & Gorrie) and subcontractor (Brad Hand w/Hand Service Company) regarding design, location and installation of new dewatering pumps and well casings at Influent Pumping Station
- B. Troy Systems Integration Group – Effluent Pumping Station level screen/readout
- C. Troy Systems Integration Group – Replace Effluent Pumps start/stop logic
- D. Troy Systems Integration Group – Effluent Pumping Station controller installation, onsite support-training
- E. New boiler burners
- F. New methane gas compressors
- G. Discharge line to creek from Influent Pumping Station Dewatering System
- H. Department of Energy stimulus funding

Following is a brief summary of the status for each of the project items listed previously:

1. Analysis of, and modifications to, electrical system

This has been basically completed. However, with the addition of the new methane gas compressors, some electrical design work regarding the new compressors and limited instrumentation controls remains to be completed.

2. Modifications to instrumentation associated with Effluent Wetwell levels to address potential flooding of Filter Building

This has been completed by Troy Systems Integration Group via the scope added to the original design agreement. Additionally, we have added heavy aluminum plates w/framing at two weir box locations in the Filter Building.

3. Permanent below-grade piping for existing groundwater pumps (at Influent Pumping Station)

This item was completed some time ago, and record drawings have been completed and forwarded to the County. This particular task was considerably expanded as the work progressed to include working with the contractor and subcontractor regarding design, location and installation of new dewatering pumps and well casings.

4. Paving of plant roadways, while tying to existing roadway drainage inlet structures

This portion of the work is ongoing due to errors and complications pertaining to elevations found on record drawings regarding previous phases of work at the plant site, incorrect placement of existing roadway valley drain inlets, and erroneous physical location of many of the planned roadway P.C.'s and P.T.'s (thus, some valley drains from previous plant phases actually run through existing structures); Jason and I have spent several days at the site with our GPS survey equipment in an effort to obtain correct elevations and alignments; Robby has been kind enough to mark roads that are to be single-surfaced (in lieu of finished paving) on an aerial printout of the site, greatly reducing the roadways to receive finished paving; we discussed with you last year the possibility of getting the specs./standards of the County Roads and Transportation Department in an effort to save some money on the paving (versus the specs. used at Village Creek), but you were not able to acquire the info. from them; we subsequently talked to Mr. William Watkins with Dunn Construction who, having

worked on many Roads and Transportation projects, is familiar with their paving requirements; Mr. Watkins has provided input that will save several hundred thousand dollars in paving costs, yet will result in first rate roadways that will handle the heavily-loaded trucks that go in and out of the plant daily; also, the original Dougherty drawings indicated paving and valley gutter inlets along the roadway to the stormwater detention pond near Bessemer-Johns Road – we feel that roadway, traveled infrequently, does not need to be paved, again resulting in thousands of dollars in savings.

5. Relocation of main plant entry road

Has been completed; permit has been requested via Land Development (as instructed after having contacted several JeffCo agencies), but has not yet been approved due to the need for a "vicinity map" on the drawings; also, contact party in Environmental Services Department is to be forwarded, plus there is some conflict between different agencies as to what "standard verbiage" should appear on the drawings; this particular task should be completed within a week or two after revised data is forwarded – will provide revised data in conjunction with other tasks at Valley Creek being completed.

6. Main entrance gate

Completed.

7. Rear entrance gate

Completed.

8. Modifications to existing fencing (to close all areas void of fencing)

This portion will be finalized on quick order following completion of some of the roadway alignments on the back side of the plant (i.e., potential conflict with some roadway areas that will be adjacent to the fence)

9. Connection of inlet and outlet piping at Chlorine Contact Chamber

Upon further investigation it was found that this item needs no additional design or corrections

10. Review of, and follow-up corrective actions, associated with grease build-up in plant

Completed

11. Evaluation of condition of Methane Gas Scrubbers (i.e., purifiers)

Upon investigation of the existing scrubbers (purifiers) it was determined the useful life of the units has been expended – corrosion in the containment vessel(s) has rendered the units non-salvageable, plus the overall available capacity of the existing units is questionable; initially, drawings and specifications were completed using the Varec brand of purifier, having been done so because the Varec manufacturer's representative had noted from the beginning that two units would suffice to meet the capacity required, and the drawings and specs. prepared were based on the use of two Varec units; while carefully coordinating the output of the new methane gas compressors and the capacity of the purifiers, we were told in May of this year that three Varec units would be required at the plant; another manufacturer of purifiers – Marcab – was contacted and, based on information provided, two of their units

will suffice; thus, drawings are being modified to reflect two Marcab purifiers in lieu of the originally-drawn Varec units; pertinent data regarding the Marcab units was received on May 20, 2009, and again on May 27th – some questions remain, thus additional information was requested in June, and having not received any information, another request was sent today.

12. Modifications to effluent wetwell level indication

Completed by Troy Systems Integration Group.

13. Addition of concrete spill containment for existing fuel storage tank

Completed.

14. Evaluation of hydraulics in Filter Building

Completed.

15. Addition of ventilation units to Generator Building

Underway in conjunction with heating/cooling additions.

16. Demolition of existing Sludge Holding Ponds

There are no sludge holding ponds at the site, and this is interpreted as perhaps "sludge staging slab" located between the plant proper and Bessemer-Johns Road; slab is currently used to store some extraneous materials (piping, fittings, etc.); could simply be demolished and graded, shaped and seeded if it is deemed the slab is no longer needed.

17. Demolition of Gilmore Bell Vocational School

Completed (covered in specs.; include geotech report).

18. Demolition of existing houses adjacent to plant site

Completed (covered in specs.; include geotech report).

19. Partial landscaping

This is the final item we will add to the project – some low level, low maintenance shrubs adjacent to the relocated entry road.

ITEMS ADDED TO SCOPE

A. Closely work with contractor (Brasfield & Gorrie) and subcontractor (Brad Hand w/Hand Service Company) regarding design, location and installation of new dewatering pumps and well casings at Influent Pumping Station

Completed; record drawings forwarded to County.

B. Troy Systems Integration Group – Effluent Pumping Station level screen/readout

Completed.

C. Troy Systems Integration Group – Replace Effluent Pumps start/stop logic

Completed.

D. Troy Systems Integration Group – Effluent Pumping Station controller installation, onsite support-training

Completed.

E. New boiler burners

Completed; recent meetings at plant with McCain Engineering while discussing methane gas compressors has resulted in better, more efficient burners than those initially specified.

F. New methane gas compressors

As you recall this item was added to the scope of design in the latter part of last year; we then started contacting manufacturer reps. to acquire the necessary information, but presumably due to the Thanksgiving-Christmas holidays were not very successful in receiving the information; in one of many meetings at the plant site Mr. John Rogers (General Machinery representing Gardner Denver) met with us in February, at which time the compressors were discussed, and Mr. Rogers was requested to provide us a proposal; after many inquiries by us, the proposal was delivered to this office in March – approximately one month later, with a price that seemed very expensive; in the interim, some of the plant personnel talked with Nash (a division of Gardner Denver) about the Nash liquid ring compressor (also used at Village Creek); additional meetings were held at the plant with a Nash representative; John Roberts (Valley Creek) and I attended a Nash seminar in Irondale on April 6, 2009; first Nash proposal received on April 28; additional questions remained with additional e-mails to/from Nash; a revised Nash proposal was received on June 12; final Nash proposal was a little more than 60% of the cost proposed directly by Gardner-Denver; mechanical drawings denoting layout will be forwarded to Phil Black this week to finalize electrical/instrumentation controls.

G. Discharge line to creek from Influent Pumping Station Dewatering System

This item added to design scope latter part of last year; completed.

H. Department of Energy stimulus funding

This item added to design scope in June of this year; cost, man-days and savings completed for natural gas conversion to methane for new boiler burners; cost and man-days regarding Generator Building expansion completed – sent to Phil Black in order that he can add other costs (electrical) and determine cost savings with virtual elimination of ongoing diesel fuel consumption by generators.

We hope the information provided herein is helpful to you and others at the Environmental Services Department in ascertaining the scope of work that has been completed, and the scope of work remaining. We have done our best to be brief, yet thorough and definitive in assimilating this information. You might ask why the project has taken longer than anticipated, and you would certainly be correct in doing so. As mentioned

Page Six
Mr. Daniel White
July 6, 2009

herein, several items have been added to the design scope of work. Secondly, we have had a great bit of difficulty in getting manufacturer's representatives to respond in a timely manner. Robby and his men at the plant have been directly involved with us all the way, and have been highly cooperative in assisting us, and in trying to save as much money as possible on equipment costs. Additionally, since they have been involved, they can attest to the delays we have had, and we would respectfully ask that you contact them to verify same.

You will note we have not forwarded a billing to the County since January of this year. Early on, primarily with the addition of work to our agreement by Troy Systems Integration Group, we saw that the funds available were not going to be sufficient to complete the civil and electrical work. Moreover, the addition of the methane gas compressors, the redo of the gas purifiers, the redo of the boiler burners and the additional of the DOE stimulus funding criteria pushed us further into the "negative" posture. The hours billed last year did not reflect the actual hours spent, and we were hoping that we could finalize the project with very little overrun. Much to our disappointment, however, we are unable to do so. The January billing noted above included the period December 4, 2008, through January 7, 2009. Since that time we have been underwriting our own efforts, and those of the electrical engineer, in hopes of finalizing an acceptable amendment to our design agreement. We, of all people and those working for the County, fully realize that this is a taboo subject given the current circumstances, but one that should be addressed in this instance. We respectfully ask for your consideration in this matter to assist us in finalizing the project. One last note – you will recall our memo that accompanied the delivery of the agreement(s) to you for approval by the Commission stated that neither we nor the County could fully define the preliminary tasks and scope of work associated with portions of the work. For example, the hours we anticipated for the discharge piping for the dewatering pumps was grossly underestimated, and the hours actually spent were many times that estimated when the well casings and pumps were added to our scope of work. Tom Marcum (Brasfield & Gorrie) insisted that we approve everything related to these items, although they were not part of our original scope. You may recall on a couple of instances we asked you if it was necessary that we attend certain site meetings because we knew then the hours being spent were way in excess of those initially estimated – and, your response was we did not need to attend.

Perhaps we could have been more communicative throughout the design process, and that would probably be a good assessment on your part. You will note, however, we forwarded pertinent e-mails to you over the past several months that depict what was going on with several of the items in the ongoing work. In summary, we have striven to do a good job, and to be vigilant of the County's interests regarding cost. We simply – and respectfully – ask for your consideration at this time. We are very appreciative of the opportunities the County has provided our organization over the years, and we sincerely hope our working relationship continues.

Thank you!