

## REQUEST FOR BOARD ACTION

### HENDERSON COUNTY BOARD OF COMMISSIONERS

**MEETING DATE:** November 7, 2011

**SUBJECT:** Sewer Service to Atkinson Elementary School

**PRESENTER:** Marcus Jones

**ATTACHMENTS:** Yes

1. Letter from Lee Smith, City Utility Director

#### SUMMARY OF REQUEST:

The project to provide sewer to Atkinson Elementary and replace the failing septic system has had a recent, positive development. Detailed in the attached letter from Lee Smith, City Utility Director, a low-interest loan from the Clean Water State Revolving Fund (SRF) has been approved for their Shephard Creek Sewer Interceptor project that includes service to Atkinson Elementary. The loan is for twenty years with an interest rate between two and three percent. The City will need a commitment from the County by November 30<sup>th</sup> to meet the loan schedule and requirements. In addition to the SRF application, the City will also make an application to the Clean Water Management Fund (CWMTF) for a grant to pay for the project; however, these grants have become very competitive with the Fund's reduce State allocation.

Discussion with Mr. Smith estimate the County share of the project at approximately \$600,000 of the project's \$1.6 Million budget. The resulting debt service for the County's portion would be about \$40,000 per year for twenty years. The \$600,000 covers the pump station and associated forcemain from Atkinson to the proposed gravity sewer in the vicinity of Osceola Lake. Should the CWMTF grant be approved the cost will be significantly lower. Also, there is the potential for reimbursement of costs from future City customers that tie into the project.

#### BOARD ACTION REQUESTED:

Board commit to the City's Shephard Creek Sewer Interceptor project to cover the portion of the cost associated with the Atkinson Elementary School's pump station and forcemain as described in the October 26<sup>th</sup> letter from Lee Smith City Utility Director.

#### Suggested Motion:

*I move the Board commit to the City's Shephard Creek Sewer Interceptor project to cover the portion of the cost associated with the Atkinson Elementary School's pump station and forcemain as described in the October 26<sup>th</sup> letter from Lee Smith City Utility Director.*

CITY COUNCIL:

BARBARA G. VOLK  
Mayor  
JEFF COLLIS  
Mayor Pro Tem  
STEVE CARAKER  
JERRY A. SMITH, JR.  
WM. RALPH FREEMAN, JR.

CITY OF HENDERSONVILLE

*"The City of Four Seasons"*

WATER AND SEWER DEPARTMENT  
Lee Smith, Utilities Director

OFFICERS:

W. BOWMAN FERGUSON  
City Manager  
SAMUEL H. FRITSCHNER  
City Attorney  
TAMMIE K. DRAKE  
City Clerk

Wednesday, October 26, 2011

Marcus Jones, P.E., County Engineer  
County of Henderson  
1 Historic Courthouse Square, Suite 6  
Hendersonville, NC 28792

SUBJECT: PROPOSED ATKINSON ELEMENTARY SCHOOL SEWER PROJECT  
ANTICIPATED PROJECT TIMELINE

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Dear Marcus:

Per our discussions last week regarding the above referenced sewer project, we would offer the following thoughts. As you recall, the City has a project in our capital improvements program, referred to as Shepherd Creek Sewer Interceptor Project. This project was intended to serve customers in and around the eastern end of Osceola Lake and would ultimately eliminate two existing, City-owned sewer pumping stations and a subsurface treatment system serving a small mobile home park adjacent to Shepherd Creek located on Stanwood Lane. Now, with County interest in this project to serve Atkinson Elementary School, we feel like this project will have a much greater positive impact to this part of the County.

Since the addition of the Atkinson Elementary School sewer, Brent Detwiler, our city engineer, has applied for and has received a letter of intent to fund (attached) a low-interest loan from the State through the Clean Water State Revolving Fund (SRF) program for this project. I have attached a copy of the most recent project estimate dated July 18, 2011 for your review. Given that this SRF loan has milestones to be met, we offer the following timeline:

- 1) City will require County commitment to participate in project on or before November 30, 2011;
- 2) City to prepare and submit engineering report to Construction Grants and Loans on or before January 2, 2012, as required;
- 3) City and/or County will submit a funding application to the Clean Water Management Trust Fund for this project on or before February 1, 2012, if funding cycles match up;
- 4) City staff will request funding for this project needed to acquire easements, rights-of-way, surveying and engineering design required for this project for Fiscal Year 2012-2013 budget request on or before March 31, 2012;
- 5) City council and County commission will approve, or not, City and County staff's request to fund this project on or before June 30, 2012;

PROPOSED ATKINSON ELEMENTARY SCHOOL SEWER PROJECT  
ANTICIPATED PROJECT TIMELINE

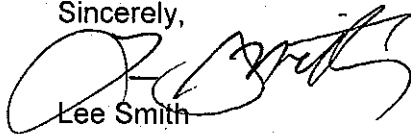
PAGE 2

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- 6) City will commence acquiring all easements and rights-of-way required for this project from Atkinson Elementary School, located on Old Kanuga Rd, to the project's termination at the City's sewer main located along Mud Creek adjacent to Kanuga Rd. after July 1, 2012;
- 7) City to prepare and submit plans and specifications to DWQ and Construction Grants and Loans required for permitting this project on or before December 3, 2012, as required;
- 8) Receive approval from Construction Grants and Loans on or before March 1, 2013;
- 9) City and County staffs will request project funding in their respective Fiscal Year 2012-2013 budget requests on or before March 31, 2013.
- 10) Advertise project on or before May 1, 2013;
- 11) Award contract(s) on or before June 7, 2013;
- 12) City council and County commission will approve funding required for this project in their respective Fiscal Year 2013-2014 budgets on or before June 30, 2013;
- 13) City will adopt asset management plan on or before June 30, 2013, as required by Construction Grants and Loans;
- 14) Execute construction contracts on or before July 1, 2013.

After reviewing this letter and associated attachments, please let us know if you have any questions, comments or additions. We look forward to hearing back from you.

Sincerely,



Lee Smith  
Utilities Director

*Attachments*

cc: Bo Ferguson, City Manager  
Sam Fritschner, City Attorney  
Jim Rudisill, Finance Director  
Brent Detwiler, City Engineer  
Dennis Frady, Assistant Utilities Director