

REQUEST FOR BOARD ACTION

CANE CREEK WATER AND SEWER DISTRICT BOARD OF DIRECTORS

MEETING DATE: August 17, 2016

SUBJECT: Fletcher Academy Second Proposal
Expand Mud Creek Interceptor Project

PRESENTER: Marcus A. Jones, P.E.

ATTACHMENTS: Yes
1. August 11, 2016 Revised Offer Letter from FAI

SUMMARY OF REQUEST:

On February 1, 2016, the Board directed staff to continue negotiating the original offer from Fletcher Academy, Inc (FAI) to extend the District's Mud Creek Interceptor and provide sewer service to their campus. The attached letter from FAI dated August 11, 2016 contains their follow up offer increasing their proposed contribution to the project to \$1,025,000. Staff recommends Board approval of the revised offer.

BOARD ACTION REQUESTED:

Direct staff to develop an agreement with Fletcher Academy based on their second proposal to contribute \$1,025,000 to the District's Mud Creek Interceptor project from Riverstone subdivision to Fletcher Academy campus.

Suggested Motion:

I move that the Board direct staff to develop an agreement with Fletcher Academy based on their second proposal to contribute \$1,025,000 to the District's Mud Creek Interceptor project from Riverstone subdivision to Fletcher Academy campus.



Christian Businesses for Christian Education

August 11, 2016

Marcus Jones, P.E., Director of Engineering
Henderson County Government
1 Historic Courthouse Square
Hendersonville, NC 28792

Dear Mr. Jones:

As you know, Fletcher Academy, Inc. (FAI) submitted a letter in January offering to partner with the Cane Creek Water & Sewer District in the construction of the proposed Mud Creek Interceptor. The Cane Creek Board of Directors considered this offer at their meeting on February 1, 2016. At that meeting, one of the Commissioners suggested a counter offer that the District pay for the cost of the Mud Creek Interceptor to Hendersonville Road and FAI pay for the remaining portion. They also indicated that CCWSD could participate in the cost of upsizing the interceptor beyond Hendersonville Road and then to submit to the Cane Creek Board of Directors a new proposal.

Since that meeting FAI has continued to evaluate options for wastewater treatment and disposal. Additionally, FAI has confirmed (to the extent possible), the required connection fees to both CCWSD and MSD based on current published rates and existing water meter sizes. Those connection fees are estimated to be \$286,224.00.

FAI has also continued to explore the options of constructing a new treatment facility to replace the existing system. NCDEQ has provided firm speculative limits for the discharge. Based on these limits, we are comfortable that a new facility could be constructed for the budget presented to you with our initial letter.

Taking all of this into consideration, FAI still believes it is in our best interest and the best interest of the greater community to connect to the public system. So after much study and reflection, FAI would like to reaffirm our interest in connecting to the Cane Creek system. In the spirit of cooperation, we also agree to increase our proposed contribution to \$1,025,000.00. This does not include the connection fees referenced above.

Please understand that this proposal, combined with the connection fees, is a significant financial commitment for FAI, but we do believe it is the best solution for all involved. If this proposal is acceptable, FAI would like to meet with County and CCWSD staff to establish the financial arrangements and details of the agreement.

Thank you for your consideration of this proposal. If you have any questions or need more information, don't hesitate to contact my office. My direct line is 828-209-6701.

Sincerely,

A handwritten signature in cursive script that reads "Gary P. Carlson".

Gary P. Carlson, President/CEO

CC: Will Buie, P.E.
G. Landon Davidson, P.G.