

CITY OF EDEN – MEMORANDUM

TO: HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THRU: BRAD CORCORAN, CITY MANAGER

FROM: TERRY SHELTON, DIRECTOR OF ENVIRONMENTAL SERVICES

DATE: JANUARY 9, 2012

SUBJECT: REQUEST FOR CONSIDERATION OF APPROVING A RESOLUTION FOR A STATE APPLICATION FOR PRINCIPAL FORGIVENESS FOR THE TANYARD BRANCH SEWER OUTFALL REHABILITATION PROJECT

We are resubmitting an application to the State Construction Grants and Loans, our application for a Loan with Principal Forgiveness for the Tanyard Branch Sewer Outfall as part of our overall effort to improve our sewer collection system. This application was turned down when submitted in October last year. We will be resubmitting this revised application on March 1, to the CWSRF (Clean Water State Revolving Fund). This outfall is in need of rehabilitation. These sewer lines are forty years old and have recently begun to be a source of numerous blockages and overflows.

The estimate cost of this project will be \$3,326,000 and we will ask for a loan for this amount with principal forgiveness of \$1,000,000. If we were awarded a loan with principal forgiveness, we should be notified in April or May.

The Resolution presented for your approval is to go with second application for Principal Forgiveness to the CWMTF (Clean Water Management Trust Fund) that will be for \$500,000 that must be submitted by February 1. This is a second funding source and if we are successful, the City's money used for a match for this \$500,000 from CWMTF will be the same money used for the CWSRF Loan with Principal Forgiveness cited in the two paragraphs above. If we are successful, the \$3,326,000 project would have a net cost to the City of \$1,826,000, which would be in the form of a low interest loan to repay with \$1,500,000 in principal forgiveness.

Please contact me if you any questions regarding the Tanyard Branch Outfall Sewer Rehabilitation Project or the Resolution to request additional principle forgiveness from the CWMTF.