



MEMORANDUM

To: Honorable Mayor and City Council

Thru: Brad Corcoran, City Manager

From: Tammie B. McMichael, Director of Finance and Personnel

Date: April 21, 2015

Subject: Reimbursement Resolution for Tanyard Branch Sewer Outfall Project

Please find attached the Reimbursement Resolution for the Tanyard Branch Sewer Outfall Project. We need the reimbursement resolution in place so that if we use any Water & Sewer Fund Balance to pay for the city's portion of expenditures we will be able to reimburse the Water & Sewer Fund Balance with the loan proceeds should the city do an installment purchase.

The Tanyard Branch Outfall is a particularly bad section of the Bridge Street Pump Station Basin. There are serious issues in the outfall piping that contribute significant inflow/infiltration to the Bridge Street Pump Station Basin. It has been the location of recurring sanitary sewer overflows (SSOs). The total cost for the Tanyard Branch Outfall sewer rehabilitation project is \$5,067,350 and the remaining \$3,534,100 of this cost has been included in the FY 2015-16 budget. Fortunately, a \$1,000,000 principal forgiveness loan from the NC Clean Water State Revolving Fund and a \$500,000 principal forgiveness loan from the NC Clean Water Management Trust Fund will be combined with \$908,538 pay-as-you-go funds from the City of Eden and a \$2,658,812 0% interest twenty-year loan from the NC Clean Water State Revolving Fund to fund this project. The cost estimate of this project has increased significantly since the first estimate was done in August 2011 due to stricter stream buffering requirements which has resulted in the re-routing of the sewer around several structures as well as the need to upsize a portion of the line from a 12" line to a 15" line. Construction is on-going and we anticipate completing this project during FY 2015-16.