



## MEMORANDUM

**To:** Honorable Mayor and City Council

**Thru:** Brad Corcoran, City Manager

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

**Date:** October 20, 2015

**Subject:** Amended Reimbursement Resolution for Tanyard Branch Sewer Outfall Project

Please find attached the Amended 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). WK Dickson revised the total cost for the Tanyard Branch Outfall sewer rehabilitation project on September 25, 2015 and the city's portion increased from \$908,538 to \$950,474.93. The remaining funds for the project will come from a principal forgiveness loan from the NC Clean Water State Revolving Fund and a principal forgiveness loan from the NC Clean Water Management Trust Fund combined with a 0% interest twenty-year loan from the NC Clean Water State Revolving Fund. 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.