



MEMORANDUM

To: Mayor and Members of the City Council

From: Montrè Freeman, City Manager
Dwan Bell, Public Utilities Director
Alicia Steward, Finance Director
Jon Hawley, Grants Administrator

Date: September 22, 2023

Re: Consideration - Grant/Loan Application for Main Street Basin Rehabilitation, Phase I

BACKGROUND:

As the City Council is aware, the City's sanitary sewer system is in need of major improvements. The system comprises more than 90 miles of sewer mains, many of which are old, deteriorated and burdened by excessive inflow and infiltration (I&I). This circumstance not only increases maintenance and operational costs, but, left unaddressed, could limit the system's capacity to accept new customers. Repairing and replacing our sewer infrastructure is therefore vital to not only the City's basic health and safety, but its continued growth.

To help address these issues, the City hired the engineering firm WithersRavenel to perform an evaluation of critical lift stations and the sewer basins that flow through them. This sewer assessment, presented to the City Council in early 2022, identified lift station basins experiencing the most acute I&I, and recommended repairs to their upstream sewer pipes.

To that end, City staff are proposing to submit a Clean Water State Revolving Fund (CWSRF) application in the amount of \$3 million for the Main Street Basin Rehabilitation, Phase I. This SRF application would request principal forgiveness – effectively a grant – and long-term, low-interest financing of remaining project costs.

ANALYSIS:

In its Sewer System Assessment, WithersRavenel recommended rehabilitation of the Main Street basin as an immediate priority. Based upon modeling and field investigation, the firm found that the Main Street basin experiences some of the highest I&I per acre within

the system. Eliminating this excessive I&I will therefore have major benefits in reducing operational and maintenance costs and freeing up wastewater treatment capacity for new customers.

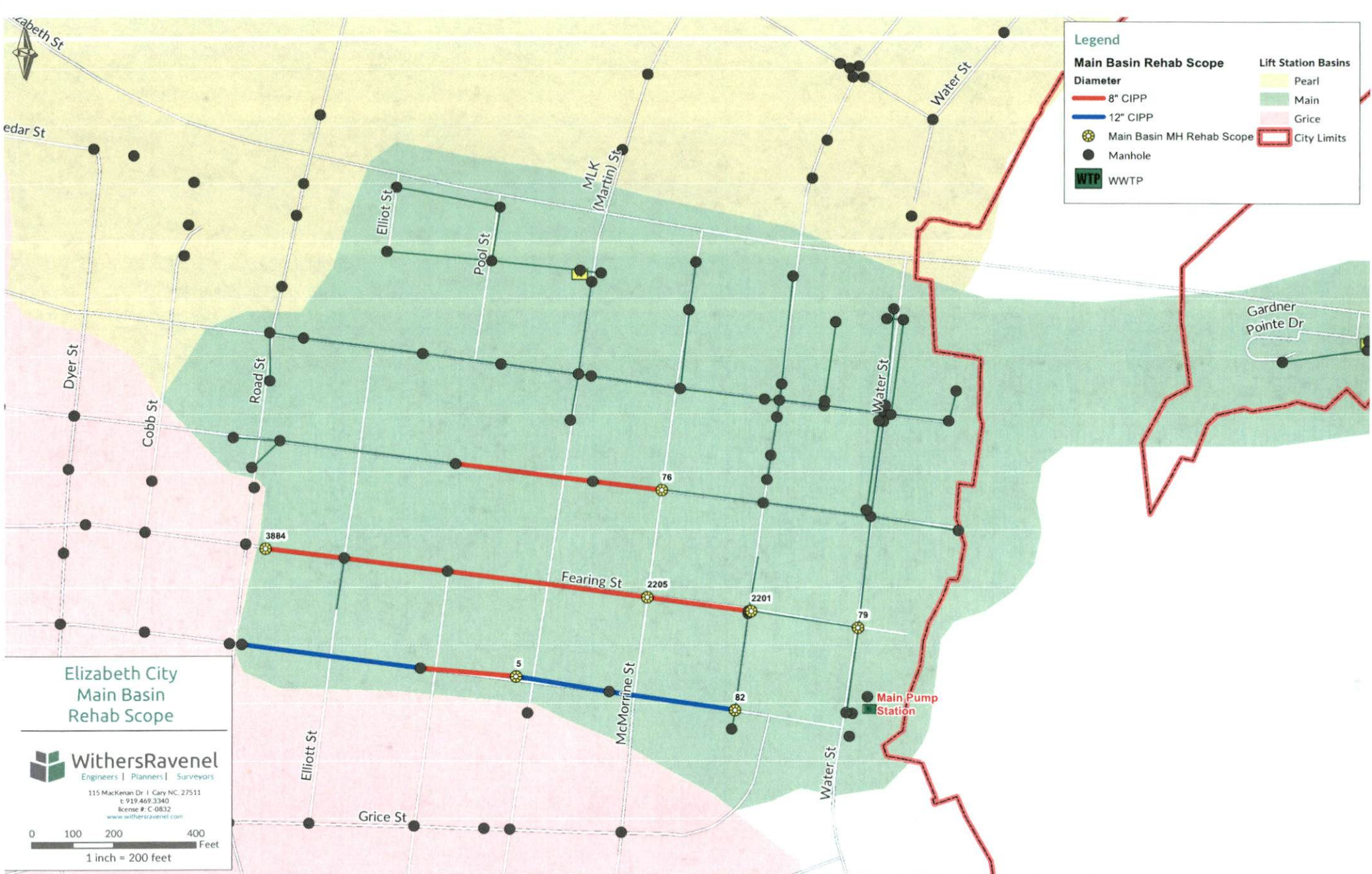
City staff's proposed CWSRF application, developed in continued consultation with WithersRavenel, would fix deteriorated spans of sewer lines on Main, Fearing and Church Streets, as well as rehabilitate manholes and replace lateral lines and cleanouts. A map showing the project scope is enclosed. We estimate 2,920 linear feet of sewer mains will be repaired; rather than replacing the mains, we are proposing to line them with cured in place piping (CIPP), which is more cost-effective.

As noted earlier, the CWSRF Program, administered by the NC Division of Water Infrastructure, is a loan program that includes principal forgiveness. Though grant dollars are always preferable, CWSRF is an excellent way to finance a sewer project. Based upon metrics for the City's sewer system and socioeconomic status, we qualify for up to 50-percent principal forgiveness. However, DWI staff have confirmed that, due to limited funding, the maximum principal forgiveness a project may receive this cycle is \$500,000. Nevertheless, due to the urgent needs of this sewer basin, we recommend proceeding with this application. We request the Council's authorization to do so, and adoption of the required project resolution.

City staff also wish to note that the CWSRF Program is competitive, and funding is not assured.

STAFF RECOMMENDATION:

By motion: authorize submission of the Main Street Basin Rehabilitation, Phase I, application to the Clean Water State Revolving Fund Program in the amount of \$3 million; adopt the required project resolution; and authorize necessary signatures.



Legend

Main Basin Rehab Scope	Lift Station Basins
Diameter	<ul style="list-style-type: none"> Pearl Main Grice
<ul style="list-style-type: none"> 8" CIPP 12" CIPP 	<ul style="list-style-type: none"> City Limits
<ul style="list-style-type: none"> Main Basin MH Rehab Scope Manhole WTP 	

**Elizabeth City
Main Basin
Rehab Scope**

WithersRavenel
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0 100 200 400
Feet
1 inch = 200 feet