



MEMORANDUM

To: Mayor and City Councilors
From: Rich Olson, City Manager
Date: February 21, 2013
Re: Consideration – Hold a Second Public Hearing on CDBG Grant Application

BACKGROUND:

During the City Council meeting of January 14, 2013, the Council called for the first public hearing required prior to the City submitting a CDBG grant application to the State. The first public hearing is to gather information from the public on proposed projects, which would qualify for funding. The first public hearing was held on January 28, 2013.

On January 14, 2013, the City received from Bert Banks, Director of the Albemarle Commission, an email informing the City that the Department of Commerce has \$2.7 million of NC Catalyst Program funds available during a supplemental funding cycle. It is staff's understanding that the money has been allocated to three Councils of Government east of I-95. The funds must be spent within 18 months of execution of the grant agreements. City staff was instructed to submit a list of qualified projects as soon as possible. Due to the short timeline available, staff submitted two projects, which we consider shovel ready: (1) Phase II of the raw water transmission line; and (2) the Herrington Road sewer line replacement project.

After the first public hearing on January 28, 2013, the Council instructed staff to work with Albemarle Commission staff and move forward with an application on the project rated highest. Subsequent conversations with Bert Banks have indicated that the City's Herrington Road sewer project and raw water transmission line project will most likely not be included in the CDBG Pilot, because the focus will be on Small Business and Entrepreneurial Assistance (SBEA). This does not mean that the projects are out of consideration for CDBG funding when additional funds become available.

The Council called for the second required, project-specific public hearing to enable us to proceed with CDBG applications for these projects, when available, during the meeting held on February 11, 2013.

ANALYSIS:

Both the raw water transmission line project and the Herrington Road sewer line replacement project meet the HUD goal of serving 51% low-moderate income households (LMI). The raw water transmission line benefits all residents of Elizabeth City and has a 57% LMI benefit. The Herrington Road sewer line replacement project has approximately an 85% LMI beneficiary. The following are brief synopses of the projects:

Raw Water Transmission Main Replacement Project

The City of Elizabeth City Raw Water Transmission Main Replacement Project consists of replacing the existing raw water transmission lines that serve as the sole supply of water to Elizabeth City's Water Treatment Plant. The current transmission mains, a 10" cast iron main and a 12" cast iron main, were installed over 70 years ago. The existing 10" main is becoming brittle and has broken several times in the past two to three years. The existing 12" main is exposed to vehicular traffic at a creek crossing. Due to budget constraints, the replacement project was planned for two phases. Phase 1 was funded in part with help from the Supplemental Grants Program-Clean Water Partners Infrastructure Program in 2012. The City is now asking for funding through the North Carolina Catalyst Program to fund the second phase of this project.

Phase two of this project involves the replacement of the existing 10" cast iron raw water transmission main with a new 14" PVC raw water transmission main beginning at Wellfield Road and continuing to the end of the Phase I project just north of Knobbs Creek. In the first phase of the project, the older 10" pipe was replaced with a 14" PVC pipe from the Water Treatment Plant to and then under Knobbs Creek. In the first phase of the project, the City also replaced the 12" pipe exposure to vehicular traffic with a 14" pipe under Knobbs Creek.

The critical need to replace the raw water transmission pipe in Elizabeth City is mentioned in a letter to Mr. Paul Fredette, PE, Utilities Director, from Mr. David Tawes, of NCDENR - Public Water Supply, dated January 11, 2008.

The benefit of this project is to protect the sole water supply of the City of Elizabeth City and provide uninterrupted service to its 6,273 residential and 1,007 commercial customers depending daily on the water system. The City has a 57% low-moderate income population.

PROJECT JUSTIFICATION - A critical situation for a public water supply facility is the complete shutdown of its water supply system. Antiquated pipes with a history of frequent breaks present a potential situation on a daily basis that will shut down the Elizabeth City water supply. Breaks in the 10" transmission main are becoming more frequent. Several factors contribute to the increase in breaks in the transmission lines including deterioration due to age and inability to handle the pressure from the raw water pumps. Each transmission line break results in an interruption in the only water supply to the water treatment plant. With a current average demand of just over 2 MGD, Elizabeth City only has the ability to store one day's raw water supply at the treatment plant.

Herrington Road Sewer Project

The City of Elizabeth Herrington Road Sewer Project consists of replacing a non-functioning section of gravity sewer in the vicinity of the Herrington Road Bridge over Charles Creek. The replacement sewer will be relocated to take a more direct route to the Dawson Street Sewer Pump Station thru the B Street, Goodwin Street and A Street neighborhood replacing old problematic sewer line serving a neighborhood with a 90% low-moderate income population. The redirected sewer line will also relieve environmental issues and very probable sewer infiltration issues that impact the Herrington Road neighborhood directly. Finally, the redirected sewer line will provide an opportunity for the City to reconstruct sewer lines in the neighborhoods south of Charles Creek and west of Southern Avenue, an area with an 85% low-moderate income population. Currently those sewer lines are very flat and in some cases have a negative slope, which creates a high recurrence of sewer backups. On at least three occasions in the past year, properties have experienced sewer backups that have come into the house leaving property damage or at least an unpleasant clean up task.

The anticipated cost of the Herrington Road Sewer Project is \$900,000. In the vicinity of the Herrington Road Sewer Project, the City is planning to construct the third and final phase of a storm water improvement project that will provide some relief from flooding conditions directly to the Herrington Road and adjacent neighborhoods. The cost of this third phase of the storm water project is estimated to be \$1,000,000. In the same area, the NC Department of Transportation is planning to reconstruct the South Road Street Bridge, which also services this neighborhood. The estimated cost of the bridge project is \$750,000.

PROJECT JUSTIFICATION – In addition to the concerns about the integrity of the section of gravity sewer on Herrington Road that flows through Charles Creek, the City is also concerned about the construction of old sewer line that was constructed on an almost flat grade in the surrounding neighborhoods. This project will not only address the environmental concerns about the existing sewer, but open the opportunity for the City to systematically repair and replace upstream problems with the sanitary sewer system. To be able to fund the Herrington Road Sewer Project at this time will also leverage the almost \$2,000,000 in improvements to this neighborhood.

To meet HUD guidelines, both projects will need to have an Environment Assessment prior to the Notice of Release of Funds. City staff will begin this process.

STAFF RECOMMENDATION:

Hold a second public hearing on proposed CDBG applications to fund the Herrington Road Sewer Project and the Raw Water Transmission Main Replacement Project. No further action is requested at this time.

RCO/vdw