

**State Water Infrastructure Authority**  
**Meeting Date: July 16, 2024**  
**Agenda Item F**  
**Additional Funding Request for the Town of Winterville Sewer Pump Station**  
**Rehabilitation 2020**

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**Division of Water Infrastructure Staff Report**

**Background**

The Town of Winterville applied for, and in February 2020 received, funding from the \$1,974,200 Clean Water State Revolving Funds (CWSRF) program funding round to replace three aged pump stations in the Town’s sanitary sewer system. Funding included \$500,000 in Principal Forgiveness (PF) and \$1,474,200 as a loan at a zero percent interest rate.

The existing Chapman Street Pump Station is currently over its current capacity and has been close to overflowing during recent periods of wet weather. This pump station handles approximately 60 percent of the Town’s sewer flow. Several fast-track sewer extension permits for developments in the area have been approved by DEQ with the understanding that the current project would move forward as designed.

During the design phase, the original scope of the project changed to accommodate significant growth happening in the area. The Division of Water Infrastructure (Division) approved this scope change after following its internal procedure for a scope change approval of a project funded by the State Water Infrastructure Authority (Authority).

During the design phase, if a project requires a scope change from the Authority-approved scope, the Division utilizes the following procedure:

1. Staff evaluates if this change is necessary to meet the original purpose and need as specified in the application;
2. Staff re-score and update the priority points based on the updated scope;
3. Staff compares the updated priority points against the funding line of the original project list; and
4. If the project falls above the funding line, the updated scope is approved, and the project cost to cover the additional work is determined to be eligible for funding.

In the case of Winterville’s subject project, the application was re-scored as an expansion project, which resulted in lesser priority points. Even with the new reduced priority points, the project fell above the funding line for the Fall 2019 application round, from which the Authority awarded funding in February 2020.

With the updated scope, the estimated project cost in September 2023 was \$7,974,200. However, the project only received one bid during the first round of bidding. The project was readvertised and received two bids on April 30, 2024. At their meeting on May 6, 2024, the

town council approved the tentative recommendation to award the project to T. A Loving. At their June 4, 2024 meeting, the Local Government Commission approved the Town to take on the additional debt service associated with this project (see Attachment F-1).

The bid is set to expire on July 29, 2024.

Based on the bid price, the total project cost is estimated to be \$8,897,232, excluding the two percent closing fee to be paid to the Division.

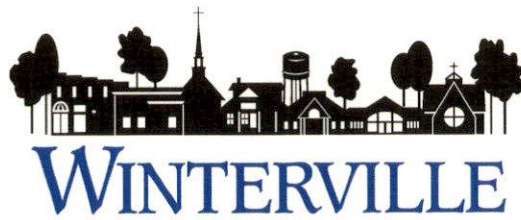
The Town needs an additional \$6,923,032 in SRF loan funding to fully fund the project. Policy dictates that the Division will bring all funding increase requests in excess of \$5,000,000 to the Authority for approval.

<b>Table 1: Project Cost Summary</b>	
<b>Items</b>	<b>Total Cost</b>
T.A.Loving (Construction Bid price)	\$7,439,650
Contingency	\$371,982
Planning and Design	\$525,100
Construction phase Engineering	\$465,500
Legal, Testing	\$60,000
Loan Administration	\$35,000
<b>Total Project cost</b>	<b>\$8,897,232</b>
<b>Secured Funding (Fall 2019)</b>	<b>\$1,974,200</b>
<b>Additional Funding Requested</b>	<b>\$6,923,032</b>

**Staff Recommendation**

Staff recommends that the Authority approve an additional \$6,923,032 of CWSRF repayable loan funding for the Town of Winterville’s Sewer Pump Station Rehabilitation project (Project # CWSRF-370879-03) to fully fund the project.

The additional funding does not reduce the amount of CWSRF funds to be made available for the Spring 2024 Funding Round (i.e. available funds meet or exceed funding levels modeled and advertised for the round).



*A slice of the good life!*

June 17, 2024

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Division of Water Infrastructure Section  
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**RE:** Request for Additional Funding  
CWSRF Loan Application No. CS370879-03  
Town of Winterville Sewer Pump Station Rehabilitation 2020

Dear Ms. Ambikiadevi:

The Town of Winterville, N.C. is seeking additional funding from the Clean Water State Revolving Fund for the Sanitary Sewer System Rehabilitation 2020 Project. The original grant/loan offer was for \$1,974,200, with \$500,000 in principal forgiveness. The Town requested additional funding in September 2023, for an additional funding request of \$6,000,000. Based upon the bids received on April 30<sup>th</sup>, 2024, we are requesting additional funding of \$6,923,032 for a total loan amount of \$8,897,232, \$500,000 of which would be principal forgiveness from the original loan offer. The loan will be repaid at zero percent interest.

The original sewer pump station rehabilitation project included relocation of the Chapman Street Pump Station (PS) at the same capacity and replacement of two (2) existing 6-inch force mains with approximately 850 LF of 10-inch PVC force main. Chapman Street PS improvements also included addition of a new screening system and addition of a Supervisory Control and Data Acquisition. The Robinson Heights PS improvements included replacement of the electrical gear and addition of an automatic transfer switch. The Winterville Crossing PS improvements included replacement of the existing electrical panels with a new NEMA 4X panels, starters and controls. The Church Street PS improvements included installation of a new wastewater screening system to reduce solids debris currently impacting the station.

The original scope of the project changed to include a larger, longer run of force main from the Chapman Street Pump Station, a gravity sewer line outfall to eliminate the Winterville Crossing Pump Station, and replacement of the Church Street Pump Station and replacement of the existing undersized force main from Church Street PS to the HWY 11 tie-in with the Contentnea Metropolitan Sewage District's (CMSDs) force main. The proposed screening equipment at the Church and Chapman Street Pump Stations were eliminated, and chopper pumps were proposed for installation in the new stations. These changes in scope were necessary due to the limited capacity of the existing Church and Chapman Street Pump Stations.

At the time the original application was filed, the Chapman Street PS was being replaced at similar capacity primarily due to the age of the pump station. Between the time of filing the

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funding application and beginning design of the pump station, the Town began to experience significant growth, which required increasing the capacity of the Chapman Street PS. An evaluation of the gravity outfall from the discharge location of Chapman Street PS force main and the Reedy Branch PS revealed the existing outfall would not handle the additional flow and was likely surcharging under the current flow. This required a larger force main be installed from the new pump station all the way to the Reedy Branch PS. Likewise, growth in the Church Street PS area required additional capacity in that pump station, as well as replacement of the undersized force main between the pump station and the tie-in with CMSD's force main on HWY 11. Velocity in the existing force main was approaching 7.5 ft/sec with the existing pumps, limiting the additional capacity needed. All of these scope changes were discussed with and approved by DWI staff prior to continuing with the design. This prompted the September 2023 requested increase in funding, which was confirmed as affirmative via an e-mail from Mark Hubbard on September 9, 2023.

While the Engineer attempted to estimate the project with some level of conservatism, the current bidding environment is extremely unpredictable. The initial bid opening only had one Bidder to attend the bid opening, and the project had to be re-advertised. Only two Bidders attended second bid opening, which the Town proceeded to negotiate with the lowest, responsive Bidder to reduce the project cost. The Town and Engineer directly solicited approximately 20 local contractors to bid on the project.

The Town needs to move forward with this project for the following reasons:

The existing Chapman Street Pump Station is currently over its current capacity and has been close to overflowing during recent periods of inclement weather. This pump station handles approximately 60% of the Town's sewer flow, from direct gravity flow, as well as flow from other pump stations. The Town has completed Planning Addendums as a part of recent Fast Track Sewer Extension permits for developments in the area, in order to be approved for those developments to proceed. These Addendums were approved with the understanding that the current project would be moving forward upon bidding and approval to move forward to construction.

The bid received on April 30, 2024 remains subject to acceptance for a period of 90 days. As such, this bid is set to expire on July 29<sup>th</sup>, 2024. This would require the Town to either request a bid extension from the Bidder, hopefully anticipating the Bidder would not request an increase in bid prices or release the bids and re-advertise the project. Neither of these options are in the best interest of the Town.

The Town has been approved by the LGC at their June 4<sup>th</sup>, 2024 meeting to take on the additional debt service associated with this project. We would encourage the State Water Infrastructure Authority to assist the Town with the need to meet growth of our municipality and approve the additional funding for this project.

The Town Council approved the Tentative Recommendation of Award to TA Loving Company at our May 6<sup>th</sup>, 2024 regularly scheduled Council meeting.

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Should additional information be required, please contact me at 252-215-2340,  
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Thank you for your assistance with this project.

With best regards,



Terri L. Parker  
Town Manager

Cc: Anthony Bowers, Assistant Town Manager, Winterville  
M. Blaine Humphrey, P.E., Rivers & Associates, Inc.  
Stephen Reece, P.E., Rivers & Associates, Inc.