

**State Water Infrastructure Authority**  
**Meeting Date: December 10, 2024**  
**Agenda Item H**  
**Additional Funding Request for**  
**Fayetteville PWC PO Hoffer Water Treatment Plant/Glenville Lake Water Treatment Plant**  
**Reliability Improvements**  
**DWI Project # 1998**

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**Division of Water Infrastructure Staff Report**

**Background**

Fayetteville Public Works Commission (PWC) applied for and received funding from the Drinking Water State Revolving Fund (DWSRF) program during the Spring 2020 funding round to improve plant reliability at the P.O Hoffer and Glenville Lake Water Treatment Plants. The scope of the project includes replacing finished water transmission main valves and fittings in the discharge piping from the four high-service pumps at the WTP, along with various other improvements at both plants.

The original loan funding provided for this project was \$10,719,300. In October 2023, after bids were received, the PWC requested and received an additional \$5,000,000 in loan funding from the DWSRF. The Local Government Commission (LGC) approved total SRF loan funds in the amount of \$15,719,300 on December 5, 2023. The PWC also issued \$10,160,950 in revenue bonds to cover the project funding deficit.

The subject project has been under construction since April 2024, and the contractor ran into an unforeseen condition in the excavation, which resulted in a failure of the discharge piping for all four pumps. The PWC is currently operating without the system supply capacity those pumps provide.

Since that incident, it was determined that a temporary bypass pumping system routing around the construction area is necessary to complete the original contract work. The estimated cost to implement this bypass system, which will be processed as a change order, is \$950,000.

The PWC is seeking an additional \$1,571,930, which is ten percent of the already approved DWSRF debt (\$15,719,300). This increase would cover the costs associated with the change order #2 and replace \$621,930 of the revenue bonds.

Policy dictates that the Division must bring all funding increase requests in excess of \$5,000,000 to the Authority for approval. Since a \$5,000,000 increase was already provided to PWC in October 2023, any additional increase must be approved by the Authority.

If this request for additional funds is approved, the new DWSRF loan amount for the subject project will be \$17,291,230. The additional funding does not reduce the amount of DWSRF funds to be made available for the Fall 2024 Funding Round (i.e. available funds meet or exceed funding levels modeled and advertised for the round).

<b>Table 1: Project Cost Summary</b>	
<b>Items</b>	<b>Total Cost</b>
Construction Contract Amount	\$21,827,000
Change Order 1	\$1,521,715
<b>Change Order 2 (Pending)</b>	<b>\$950,000</b>
Planning and Design	\$357,877
Construction phase Engineering	\$2,000,000
Remaining Contingency	\$173,658
Total Project cost	\$26,830,250
DWSRF loan amount (Secured Funding)	\$15,719,300
Revenue Bonds	\$10,160,950
<b>Current Funding Deficit</b>	<b>\$950,000</b>
<b>Additional Funding (Requested)</b>	<b>\$1,571,930</b>

**Staff Recommendation**

Staff recommend the Authority approve an additional \$1,571,930 of DWSRF repayable loan to Fayetteville PWC Water Treatment Plants Reliability project (Project # 1998).