

**State Water Infrastructure Authority**  
**Meeting Date: December 10, 2024**  
**Agenda Item I**  
**Additional Funding Request for the City of Dunn Sewer Collection System Improvement Project**

---

**Division of Water Infrastructure Staff Report**

**Background**

The City of Dunn (City) applied for and received funding from the Clean Water State Revolving Funds (CWSRF) program in the Spring 2021 round for their Sewer Collection System Improvement project. The funding included \$500,000 Principal Forgiveness (PF) and a \$1,500,000 loan. The total funding amount was increased to \$3,120,000 to account for a budget increase during the engineering/permitting phase.

The City advertised for bids on July 14, 2023, and no bids were received for the project. The City readvertised for bids on August 27, 2023. One bid was received but was rejected due to the bids not meeting statutory minority business participation requirements. The project was advertised for the third time on October 23, 2023. During this time, one bid was received but was not accepted due to being well over budget.

The City decided to put a hold on the project and again advertised for bids on September 10, 2024, and held a bid opening on October 23, 2024. Three bids were received, and all were well over the budget. The City needs to construct this project to meet the requirements of the Special Order by Consent (SOC) and to lift the moratorium on new sewer connections in the City.

The updated project cost of the apparent lowest responsible responsive bidder and funding scenario is given in Table 1 below.

<b>Table 1: Project Cost Summary</b>	
<b>Items</b>	<b>Total Cost</b>
Construction Bid price	\$8,728,165
Contingency (5%)	\$436,409
Planning and Design	\$501,700
<b>Total Project Cost</b>	<b>\$9,666,274</b>
<b>Original CWSRF funding</b>	<b>\$3,120,000</b>
Budget shortfall	\$6,546,274
<b>Additional funding requested</b>	<b>\$6,546,274</b>

The City of Dunn is requesting an additional \$6,546,274 in CWSRF loans to fully fund their project. If this request for additional funds is approved, the new CWSRF loan amount will be \$9,666,274, including \$500,000 in Principal Forgiveness and \$9,166,274 in repayable loan.

The additional funding does not reduce the amount of CWSRF 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).

**Staff Recommendation**

Staff recommends that the Authority approve an additional \$6,546,274 of CWSRF repayable loan funding for the City of Dunn Sewer Collection System Improvements project (CS370417-06) to fully fund the project.