

TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN
REQUEST FOR BOARD ACTION
Meeting Date: July 12, 2010

SUBJECT: Sewer Extension Project (Avena/McCoy Cove/Brooks Cove/Blue Ridge Road)

AGENDA INFORMATION

Agenda Location: Old Business
Item Number: 7-A
Department: Administration
Contact: Marcy Onieal, Town Manager
Presenter: David Straub, David D. Smith & Co. Engineers

BRIEF SUMMARY: The obligation to extend sewer service to Avena/McCoy Cove/Brooks Cove/Blue Ridge /Highland Farms/Cragmont Roads areas dates to the Town's annexation of these areas, as early as the 1960s. The last construction easement for the project was acquired in early 2009. The Board has repeatedly approved and committed to this project through multiple legal contracts and stages of work, most notably with: 1) 1988 Annexation agreements, 2) 1991 MSD consolidation agreements, 3) adoption of a capital project budget around 2003, 4) acquisition of construction easements through 2008, 5) approval of grant, loan and stimulus funding applications in 2009, 5) 2009 application and approval from LGC for financing, committing one cent increase on the tax rate, 6) and opening of construction bids on June 30, 2010.

Sixteen firms responded to the bid package, with ten firms having submitted qualified bids by the deadline. T & K Utilities, Inc, Asheville, NC is the lowest responsive, responsible bidder at \$704,491.50. David D. Smith Engineers has provided design and engineering services on the project from its inception, and will provide construction administration. Construction will begin within 45 days of notification of contract award, and all affected property owners will be notified of the construction schedule in advance. All work will be coordinated with MSD, which will provide a 30% reimburseable cost-share, which should suffice to complete extension of sewer service to the one remaining annexed area as yet unserved.

MOTION FOR CONSIDERATION:

Motion 1: To adopt Resolution #R-10-09 accepting a loan offer in the amount of \$1,396,255 for a term of 20 years at 2.2% from the Construction Grants and Loans section, NCDENR-Division of Water Quality to extend sewer services, and designating the Town Manager as authorized agent.

Motion 2: To award the contract for construction of sewer extensions to the lowest responsive responsible bidder, T&K Utilities, Inc., Asheville, NC in the amount of \$704,491.50

FUNDING SOURCE:

Full Project cost is estimated at \$1.4 Million, financed over 20 years at 2.2% from NCDENR State Revolving Loan Fund, with an annual payment of approximately \$105,000. The Town will also receive 30% reimbursement from MSD, which may then be used to complete work on final annexed area at Highland Farms/Cragmont.

ATTACHMENTS:

Engineer's Certification
Bid Tab
Contractors Bid Bond & Qualifying statements
Resolution accepting Loan Assistance
NCDENR Loan Award Letter
NCDENR Loan Acceptance Documents

MANAGER'S COMMENTS AND RECOMMENDATIONS: Approve as presented.