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September 28, 2017

Fiscal Research Division of General Assembly
Committee Chairs and Committee Assistant
NC General Assembly
16 W. Jones Street
Raleigh, NC 27601

RE: Yadkin Valley Sewer Authority
State Reserve Project
Proposed \$2,645,500 Loan/Grant
2017 Collection System Rehabilitation Project
Project No. E-SRP-W-17-0034

To Whom It May Concern:

The Yadkin Valley Sewer Authority plans to rehabilitate and repair various portions of its wastewater collection system in Jonesville and to improve the Elkin outfall that is parallel to the Yadkin River. The following information is presented for your consideration:

Purpose of the Project: To reduce inflow/infiltration (I/I) and eliminate SSOs and subsequent NOV's. The following work is proposed:

1. Repair or rehabilitation of 191 smoke test defect sources (defective cleanouts, plug abandoned service lines, repair defective service lines, and disconnect storm to sewer connections).
2. Repair or rehabilitation of 133 manholes [including cementitious lining of 52 brick manholes (approx. 321 vertical feet), various manhole repairs (including 22-frame reseal to riser or cone, 10-frame/cover replacements, 9-raise frame/cover), and installation of 78 manhole inserts/bowls].
3. Repair and rehabilitation of gravity main defects, including replacing 2,300 LF of 4" and 6" orangeburg pipe, 15 spot repairs, 18,300 LF of 8" cured-in-place pipe (CIPP) and 3,000 LF of 12" CIPP. The project will include cleaning and CCTV inspections of 81,900 LF of 8" and 12" gravity sewers to verify the highest priority segments for the CIPP and spot repairs.
4. Replace 4,800 LF of 12" VCP with 12" PVC and 12 manholes (Jonesville Yadkin River Outfall).
5. Improve the Elkin Yadkin River 21" Outfall by raising the rims of 10 manholes and replacing the aerial segment (approximately 50 feet of concrete pipe).

Outcome of the Project:

1. Rehabilitation and repair of the Jonesville collection system to address hydraulic over-loading by reducing I/I sources and to restore the deteriorated system so that adequate capacity is maintained.

2. Minimizing the potential of an SSO at the Regional PS, thus reduce the potential of groundwater and surface waters contamination.
3. Save on additional expenses attributed to fines associated with NOV's and pumping/hauling costs.

Debt Requirement of the Project: The projected construction costs of the 2017 Collection System Rehabilitation Project is \$2,645,500, of which 75% (\$1,984,125.00) would be funded by a grant through the State Wastewater Reserve Program and the remaining \$661,375 funded through a State Wastewater Reserve loan at zero percent interest for 20 years.

Means of Financing the Project: As stated above, the project will be financed by a State Wastewater Reserve grant and loan of up to \$2,645,500, as subject to availability and conditions of these funding programs.

Sources of Repayment for the Project: The State Wastewater Reserve loan principal will be repaid using funds collected by the Sewer Authority from its current customer base, through normal fees. Increases in these normal fees may be necessary in the near future but we anticipate such fees to remain below 4% of the Median Household Income for our service area (for those customers using 5,000 gallons per month or less). There will be no interest payments, according to the terms of the State Wastewater Reserve loan program.

We understand that the Fiscal Research Division of the General Assembly needs to review this Project. If more specific information is needed, please do not hesitate to contact me at the address above or to contact our consulting engineer, Benjie Thomas of West Consultants, at:

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405 South Sterling Street
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Sincerely,



Nicole Johnston,
Executive Director

cc: Greg Gaskins
Local Government Commission
NC Department of State Treasurer
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