



Lumpkin County Water & Sewerage Authority

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Date: October 26, 2016

2014 SPLOST: **Project Submittal for 2017 Work Plan**

Item Description: **LCWSA 2017 SPLOST Workplan Commitment**
This a request for use of \$300,000 of LCWSA's \$500,000 Budget Allocation under the 2014 SPLOST Program. The requested funding would be used for a Water System Improvement Project to be completed in the 1st Quarter of 2017.

Facts & Historical Information:

"Water Authority System Improvements" was identified as a fundable project on Lumpkin County's 2014 SPLOST Referendum. The funding allocated for Water Authority System Improvements on the 2014 SPLOST was \$500,000. The Lumpkin County Water and Sewer Authority (LCWSA) is submitting this project request to receive SPLOST funds in order to complete the water system improvements as described on the following pages.

In 2014 LCWSA submitted an application to the Georgia Environmental Finance Authority (GEFA) for a \$750,000 loan that would be used for the construction water system improvements to the 400 Water System. The proposed project was to construct new waterlines to eliminate existing dead ends on Auraria Road and Highway 400. LCWSA refers to as this project as the "Looping Project".

In January of 2015 LCWSA submitted a request to the Lumpkin County Board of Commissioners (BOC) to include LCWSA's "Looping Project" as part of Lumpkin County's 2015 SPLOST Workplan. LCWSA's requested project budget for the 2015 Workplan was \$500,000. The timeline submitted with the request anticipated the project would be completed in late 2016 or early 2017.

Although the project was not expected to start in 2015, LCWSA was seeking a commitment of SPLOST funding for the project as part of the 2015 Workplan. The intent of the request to be

included in the 2015 Workplan was to confirm BOC support of the project prior to executing a loan through the Georgia Environmental Finance Authority (GEFA). LCWSA proposed to use its allocation of the 2014 SPLOST to pay construction costs related to the “Looping Project” that exceeded the funding available from the GEFA loan. LCWSA also proposed to use the remainder of its 2014 SPLOST allocation to help pay for the debt service that would result from the GEFA Loan.

In March of 2015 the BOC did approve the 2015 Workplan which identified “Water Authority – Expansion of System” as one of the approved projects. However, the approved budget under the 2015 Workplan was for \$ 93,000 and not the original \$500,000 requested by LCWSA. In presenting the 2015 SPLOST Workplan to the BOC, Lumpkin County Staff had recommended budget be reduced to \$93,000. Lumpkin County Staff’s recommendation was based on information provided by LCWSA. At that time, LCWSA believed that \$93,000 would be a reasonable estimate for the construction costs that would not be met by the GEFA Loan and thus provided that recommendation to Lumpkin County Staff. As a result of the approval of the 2015 Workplan, a balance of \$93,000 has been encumbered for LCWSA to use for water system improvements.

On October 6, 2016, LCWSA received bids for the construction of the “Looping Project.” LCWSA has completed a review of the project budget and has determined that the cost of the project will exceed the GEFA loan funding by approximately \$300,000. Some elements in the current scope of the project were not included or were listed as contingent upon funding in the project scoped identified in 2015. The current scope of the project is described below.

Project Description:

- **Auraria Road:**
This water line extension would begin by connecting to an existing 12” diameter water line on Auraria Road that currently dead ends just north of Kerns Ridge Road. The new 12” diameter water line would then be extended southeast along Auraria Road until it reaches an existing 12” water line at Old Lake Lane at the entrance to the Whelchel Valley Subdivision.
- **Highway 400 (West Side):**
This water line extension would begin by connecting to an existing 12” diameter water line on the west side of Highway 400 and south of Candlewood Lane. The new 12” diameter line would then be extended south along Highway 400 until it reaches the southwest corner at the intersection with Whelchel Road.
- **Highway 400 (Crossing):**
The water line crossing of Highway 400 will install a new 12” diameter line from the south side of Whelchel Road, underneath Highway 400 and over to the south side of Lumpkin County Parkway. *The crossing of Highway 400 was previously listed in the project description for the 2015 Workplan request as being contingent on funding.*

- **Connection to Mountain Brook Subdivision:**

Also, included in the current scope of this project, is an extension of the 400 Water System from the crossing of Highway 400 to provide a connection to the Mountain Brook Subdivision located on Mill Cove Drive south of Lumpkin County Parkway. Currently LCWSA purchases the water supply for the Mountain Brook Subdivision from the Etowah Water and Sewer Authority. *The extension to reach the Mountain Brook Subdivision was not included in the project scope in 2015.*

Benefits Resulting from the Project:

- **Enhanced Fire Protection** – The construction of new water lines along these roadways will include the installation of additional fire hydrants in this region of Lumpkin County. Also, by interconnecting and looping the water system, the system will be better able to sustain adequate water flow and pressure for required for fire protection. Whether they become LCWSA water customers or not, homeowners in the vicinity of the new water line and fire hydrant installations will see an economic benefit resulting from this project as rates for their homeowner’s insurance should be reduced.
- **Improved System Reliability** – By looping the system, all water customers (residential, commercial and industrial) will be less at risk to experience water outages that could result from repair or maintenance to the water system. Looping the system will increase LCWSA’s ability to deliver water from multiple directions and allow LCWSA to isolate smaller sections when repairs or maintenance are required.
- **Improved Water Quality** – By eliminating dead ends, water within the 400 Water System will be able to flow more effectively to areas of higher system demand; which will result in improved water quality for customers.
- **Reduction in Water Loss** – Every month, LCWSA currently flushes a minimum of 50,000 to 75,000 gallons of water at various locations on the 400 Water System to maintain minimum water quality standards. The improvement to the water quality described above should eliminate the need to flush water in this in this area and help LCWSA to conserve more water.
- **Support Economic Development** - As identified on the Official Future Land Use Map of Lumpkin County, Highway 400 is supposed to serve as the “Gateway Corridor” into Lumpkin County from the south. Also identified on the Future Land Use Map, Lumpkin County Parkway provides access to a proposed “Commerce Corridor”. Extending the 400 Water System to these corridors as described below is critically important. Lumpkin County needs to have adequate and readily available infrastructure to be able to attract and support the type of economic development that it desires for this area of the County.

Budgetary Information:

No additional personal requirements would result from the completion of this project. LCWSA would be solely responsible for any land or easement acquisition and for any ongoing maintenance and operations cost associated with this project.

LCWSA is submitting this request for the use of \$300,000 of LCWSA's 2014 SPLOST Budget Allocation to be used in the 1st Quarter of 2017. The request for \$300,000 includes the \$93,000 already encumbered for the project as part of 2015 SPLOST Workplan and a commitment to provide an additional \$207,000 as part of the 2017 SPLOST Workplan.

The requested funds would be used to pay for the costs of the project which exceed the GEFA funding available for the project.

Looking forward, LCWSA anticipates requesting the utilization of the remaining balance (estimated to be \$200,000) of LCWSA's 2014 SPLOST Budget Allocation to help pay the debt service obligation on the GEFA loan for this project. It is anticipated that the remaining balance would be uniformly distributed through the 2018, 2019, and 2020 SPLOST Workplans.

Based information provided by Lumpkin County Staff, LCWSA believes that LCWSA's pro-rata share of the 2014 SPLOST collected to date is approximately \$202,000.

Project Timeline:

The benefits associated with the project would be realized upon project completion and should be completed as soon as possible. Based on the current project schedule, LCWSA anticipates Phase 1 of the project could be complete by the first Quarter of 2017.

LCWSA is requesting BOC commitment to this project as part of the 2017 Workplan ahead of BOC's established schedule for adopting the 2017 Workplan in order to confirm that the funding will be available during the 1st Quarter of 2017. LCWSA is prepared to execute the contracts for the work; but, did not want to complete that process without first presenting this request to the BOC for consideration.