



## Legislation Text

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**File #:** 20-79, **Version:** 1

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### **TITLE:**

Revised Interlocal Agreement with Orange County and the Town of Chapel Hill Related to the Historic Rogers Road Area Private Sewer Service Lateral Connection Installations for Qualified Low-to-Moderate-Income (LMI) Homeowners - Cost Share

**PURPOSE:** To consider approval of a revised Interlocal Agreement between Orange County, the Town of Chapel Hill, and the Town of Carrboro to jointly fund the costs of private sewer service lateral connection installations for qualified Low-to-Moderate-Income (LMI) homeowners in the Historic Rogers Road sewer service area. The revision primarily relates to modifying the method of hiring licensed plumbers to install the onsite private sewer lateral connections.

**DEPARTMENT:** Planning Department

**CONTACT INFORMATION:** Marty Roupe, 919-918-7333, [mroupe@townofcarrboro.org](mailto:mroupe@townofcarrboro.org)  
<<mailto:mroupe@townofcarrboro.org>>; Trish McGuire, 919-918-7327, [pmcguire@townofcarrboro.org](mailto:pmcguire@townofcarrboro.org)

**INFORMATION:** The newly constructed Historic Rogers Road Area gravity sewer system is a public system owned by Orange County and operated by the Orange Water and Sewer Authority (OWASA). The general contractor for the sewer expansion project has installed approximately 108 sewer service stub-outs/clean-outs to lots within the Historic Rogers Road sewer service area. The design and construction of the Historic Rogers Road Area gravity sewer system was initiated based on the recommendations contained within the Historic Rogers Road Neighborhood Task Force Final Report dated September 17, 2013. The 67-page report is available on-line at:  
<<http://www.townofcarrboro.org/DocumentCenter/View/5936/Mapping-Our-Communitys-Future-Report>>. The costs associated with the design and construction of the gravity sewer system were shared between Orange County, the Town of Chapel Hill, and the Town of Carrboro as specified in an Interlocal Agreement entered into on December 13, 2016.

Orange County, in partnership with the Towns of Chapel Hill and Carrboro, will be providing joint funding to cover the costs of private sewer service lateral connection installations, septic tank abandonments and payments of OWASA sewer system development fees for qualified LMI homeowners of existing dwellings located on Heritage Lots within the Historic Rogers Road sewer service area. The costs associated with private sewer service lateral connection installations for qualified LMI homeowners were shared between Orange County, the Town of Chapel Hill, and the Town of Carrboro as specified in a separate Interlocal Agreement entered into on July 1, 2019.

The Interlocal Agreement executed on July 1, 2019 specifies that Orange County “...shall issue an informal request for qualifications (RFQ) so as to pre-qualify a minimum of five (5) licensed plumbers for the installation of private sewer service lateral connections for LMI Heritage Lot Households.” Orange County advertised an informal RFQ on August 8, 2019 and received zero submissions from qualified licensed plumbers. Subsequent feedback from local licensed plumbers suggested that, due to current high

workloads/backlogs, qualified vendors were unable and/or unwilling to commit the time and resources needed to prepare and submit a detailed Statement of Qualifications (SOQ) to Orange County in response to Orange County's RFQ. In addition, qualified vendors were not interested in pursuing the RFQ due to the inability to guarantee the award of a monetary contract for performing the work and not knowing in advance the site-specifics of each potential installation job.

The proposed revised Interlocal Agreement (Attachment B) will nullify and replace the existing Interlocal Agreement executed on July 1, 2019. The overall cost share percentages within the proposed revised Interlocal Agreement will remain unchanged from the existing Interlocal Agreement (i.e. 14% Carrboro, 43% Chapel Hill, 43% Orange County). The proposed revised Interlocal Agreement is identical to the existing Interlocal Agreement executed on July 1, 2019, with the exception of the following items:

- 1) Rather than pre-qualifying a group of licensed plumbers to competitively bid the private sewer service lateral connection installation work, Orange County will competitively bid each individual private sewer service lateral connection (or each group/cluster of private sewer service lateral connections) upon qualification of the respective individual LMI applicants. The lowest responsive and responsible bidder for each individual competitive bid will be formally awarded the associated work for each individual competitive bid.
- 2) The number of Heritage Lots and Heritage Lots With Pre-Existing Dwellings have increased by three (3) properties, based on lot configuration and engineering feasibility corrections. The number of identified Heritage Lots has been revised from 81 to 84. The number of Heritage Lots With Pre-Existing Dwellings has been revised from 62 to 65. The revised number of Heritage Lots and Heritage Lots With Pre-Existing Dwellings are displayed on the updated map dated November 25, 2019.
- 3) The overall Orange County budget for this initiative has been revised from \$243,000 to \$220,000, so as to match actual/available Orange County budget allocations. The overall estimated number of private sewer service lateral connections has been updated to match Orange County's actual/available budget. Orange County is currently budgeted for a total of 10 connections within the Town of Carrboro's jurisdictional area and a total of 15 connections within the Town of Chapel Hill's jurisdictional area. The anticipated cost per connection has been reduced from \$9,000 per connection to \$8,800 per connection, based on a recently bid project within the Historic Rogers Road area. The overall cost share percentages will remain the same: 14% Carrboro, 43% Chapel Hill, 43% Orange County.

The proposed revised Interlocal Agreement (Attachment B) is the product of a joint collaborative review effort by the Rogers Road Staff Working Group. The Group generally meets on a weekly basis and consists of designated representatives from Orange County, the Towns of Chapel Hill and Carrboro, and OWASA. The proposed revised Interlocal Agreement has also been reviewed and approved by the respective Attorneys of the three local governments. The Carrboro Town Council and Orange County Board of Commissioners are scheduled to consider the proposed revised Interlocal Agreement on January 21, 2020 and the Town of Chapel Hill is scheduled to consider the proposed revised Interlocal Agreement on January 22, 2020.

**FISCAL & STAFF IMPACT:** Funds have been appropriated already within the budget to cover Carrboro's portion of the costs associated with this item.

**RECOMMENDATION:** Staff recommends that the Board of Aldermen adopt the attached resolution updating the Interlocal Agreement.