



## Legislation Text

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**File #:** 22-77, **Version:** 1

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### **TITLE:**

Request to Authorize Town Manager to Sign 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:** The purpose of this agenda item is for the Town Council to consider authorizing the Town Manager to sign a proposed 2022 amendment to an existing Interlocal Agreement between Orange County and the Towns of Carrboro and Chapel Hill to clarify eligible properties that could potentially qualify for public financial support for connections and to extend the agreement's term and termination to June 30, 2025.

**DEPARTMENT:** Planning Department

**CONTACT INFORMATION:** Marty Roupe, Development Review Administrator, 919-918-7333, [mroupe@carrboronc.gov](mailto:mroupe@carrboronc.gov) <<mailto:mroupe@carrboronc.gov>>; Trish McGuire, Planning Director, 919-918-7327, [pmcguire@carrboronc.gov](mailto:pmcguire@carrboronc.gov) <<mailto:pmcguire@carrboronc.gov>>

**INFORMATION:** The recently 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 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 <<https://www.townofchapelhill.org/home/showdocument?id=25341>>.

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.

In 2019 the parties entered into an agreement 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 proposed 2022 amendment primarily relates to adding preamble language to the previously amended 2020 Interlocal Agreement to expand the potential number of Historic Rogers Road Area properties that may be eligible to receive public financial support to cover the capital costs of private sewer lateral connections. The agreement estimates ten eligible properties in Carrboro and fifteen eligible in Chapel Hill's jurisdiction.

Carrboro, in partnership with Orange County and Chapel Hill, will continue to provide 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 Carrboro, Orange

County and the Town of Chapel Hill, as specified in a separate Interlocal Agreement entered into on July 1, 2019. The sewer lateral connection installation cost-share Interlocal Agreement was amended in 2020 to incorporate minor revisions based on a joint collaborative review effort by the Rogers Road Staff Working Group. The 2020 amendment to the Interlocal Agreement was entered into on June 4, 2020, subsequent to previous reviews and approvals by the BOCC and the Towns' respective Councils.

To date, eight (8) new sewer service lateral connections have been installed for qualified LMI homeowners using the funding mechanism established under the cost-share Interlocal Agreement. Carrboro, Orange County, and the Town of Chapel Hill intend to continue this initiative by extending the timeline of the current cost-share Interlocal Agreement. Additional properties not eligible for funding assistance with connections have also tied on to the new system.

The proposed 2022 amendment to the Interlocal Agreement (*Attachment I*) will nullify and replace the previously amended 2020 Interlocal Agreement that was executed on June 4, 2020. The overall cost share percentages within the Interlocal Agreement will remain unchanged (i.e. 14% Carrboro, 43% Chapel Hill, 43% Orange County). The proposed 2022 amendment to the Interlocal Agreement is identical to the previously amended 2020 Interlocal Agreement that was executed on June 4, 2020, with the exception of the following items:

1. Additional WHEREAS clauses have been incorporated to accommodate the amendment;
2. The TERM AND TERMINATION date has been extended to June 30, 2025.

Orange County approved the 2022 amendment to the Interlocal Agreement at its March 1, 2022 meeting. Orange County BOCC requested that new language be shown in highlighted text. The Town of Chapel Hill is presenting the 2022 amendment to the Interlocal Agreement for review and approval by their Town Council at the March 9, 2022 Town Council Meeting. The 2022 amendment to the Interlocal Agreement will be executed by all three parties subsequent to collective approvals by the BOCC, Carrboro Town Council, and Chapel Hill Town Council.

A summary timeline of the project activities, with an emphasis on outreach and engagement that has been completed and is underway is attached (*Attachment B.*)

**FISCAL & STAFF IMPACT:** Funds have been appropriated already within the budget to cover Carrboro's portion of the costs associated with this item. Carrboro's share is up to 14 percent of the current total project estimate, or \$30,800, plus financing costs of up to three percent annually.

**RECOMMENDATION:** Staff recommends that Town Council adopt the attached resolution (*Attachment A*) authorizing the Town Manager to sign the updated Interlocal Agreement.