

Engineers Announce Plans To Restructure Sewer Financial Plans

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BY SUSAN USHER

Consulting engineers for a proposed regional sewer project involving Sunset Beach and Calabash told Sunset Beach Town Council Tuesday night they are restructuring financing plans for the project.

Engineer Joe Tombro also warned that if preliminary design and other work doesn't begin soon, the project could fall behind schedule and endanger eligibility for state funds to be awarded next July.

Council members took several steps Tuesday to keep the project moving forward, but stopped short of approving a request for \$50,000 each from Sunset Beach and Calabash for additional engineering services.

The funding changes follow the announcement at a Dec. 14 meeting in Raleigh that the project does not qualify for a federal grant from the Farmers Home Administration (FmHA). Also, any FmHA loan would not allow construction in the 100-year floodplain, which includes the island area of Sunset Beach and portions of the mainland of both towns.

At that meeting, one recommendation was to form a sanitary district incorporating the entire project area, holding an \$18 million general obligation bond referendum, with a loan from FmHA to be secured by the dis-

trict's tax base.

Tombro said three scenarios will be submitted to the Office of State Treasurer for review. He advocated a package that would include \$3.77 million from a state revolving loan fund, \$5.5 million in state Clean Water bonds, and \$26.5 million in revenue bonds, which are repaid from sewer system revenues rather than property tax revenues. Paying 6.5 percent interest, Tombro said the project would be paid for in 20 years.

If the town chose instead to borrow \$15 million from Farmers Home Administration, it would pay 5.25 percent for 40 years.

A third alternative would rely on general obligation bonds, which are secured by the ability to levy property taxes to cover the debt.

All three options will be included in the project 201 Facility Study, and are based on a "worst-case scenario." They do not reflect other funding the towns hope to receive, such as three \$100,000 state Rural Initiative grants, and the possibility of a lower interest rate in a competitive market.

Council voted to advertise the town's intent to hold a sewer revenue bond referendum and appointed Klinker

to replace former councilman "Bud" Scramton as a town sewer project liaison with Gore.

The town's three water and sewer authority members were "activated" with no power and no authority. They are only to study and prepare in the event the project is approved. They will be asked to meet with Gore, Klinker and their counterparts from Calabash to review the three financing packages and make recommendations to the town council at its Jan. 10 meeting.

Tombro and Billups said the additional \$100,000 is needed to move ahead on site selection and acquisition, preliminary treatment plant design, application for a major CAMA permit and evaluation of the suitability of individual golf courses to receive treated effluent.

They said award of state revolving loan and Clean Water bond funds is contingent on the project being "ready-to-go," with plans and specifications completed, by July 1994, or if progressing well, shortly thereafter. If not, the money could be offered to the next project on the state priority list.

Mayor pro tem Ed Gore said he was ready to approve the request Tuesday, but new council member Herb Klinker said he needed more details and assurance it

would satisfy a state official that the project is progressing satisfactorily. "I'm not for spending any more money until I know we are in synch."

"He'll tell you the same thing he told us, that we need to get moving," said Barber.

Replied Klinker, "Carousels move, but they move in circles."

In another project change, Billups announced at the start of the meeting that Piedmont-Olsen Engineering has taken over "lead" agency from Powell & Associates of North Myrtle Beach, S.C., but that the two companies are still working closely together. Billups and Tombro are now employees of Piedmont-Olsen and will be opening a branch office in Brunswick County.

In other business, Mayor Barber asked council members to consider an offer from Sea Trail Corp. to swap sites with the town—exchanging the 247-foot by 150-foot lot on which the present town hall is located for a 250-foot by 200-foot commercial lot fronting N.C. 179 and across from Angel Trace.

The mayor said the Sea Trail site would provide more space for future expansion and parking. The board may act on the proposed swap at its Jan. 10 meeting.

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