



Town of Pittsboro, North Carolina

Engineering Department

To: Brian Gruesbeck, Town Manager

From: Fred Royal, PE, Town Engineer

Date: November 18, 2016

Subj: Voller Realty and Construction, LTD – Reimbursement for Water Pipe Up-Sizing

Background and Discussion

The Town and Voller Realty and Construction, LTD. (Voller) entered into a contract, dated October 13, 2003 for the purpose of reimbursements for public water system up-grades to meet Town needs and requirements above and beyond what was needed for the Chatham Forest development by Voller. The purpose was to provide a larger public water system network in this new pressure zone for the benefit of the Town. The contract stipulates the reimbursement for up-sizing water pipes for various phases of the Chatham Forest development. Staff believes that all required fees have been paid between parties with the exception of three phases remain to be reimbursed to Voller.

The remaining phases that have not been reimbursed to Voller are Phase 5A, 5B and Phase 9. A letter from the Engineer of Record, Samir W. Bahho, PE, requesting the remaining reimbursement funds and dated September 27, 2016, was submitted to Bryan Gruesbeck, Town Manager, requesting a total of \$33,879.50.

Summary

Staff reviewed the letter submittal from Mr. Bahho and other relevant documents, including As-Built drawings of the applicable phases and conclude that the Town should reimburse Voller in the amount of \$31,277.00. Staff found a discrepancy of \$2,602.50 for the upsizing to a 12" ductile iron pipe from an 8" PVC pipe. Cost adjustments were made based on actual contractor bid tabulations. All of the other requested adjustments are recommended to be approved as-is.

Recommendation

Staff recommends the Town reimburse Voller Realty and Construction, LTD in the amount of \$31,277.00 as the final obligation to the Town pursuant to the executed contract described above.

Town Hall ~ PO Box 759 ~ Pittsboro, NC 27312
Email: froyal@pittsboronc.gov
Phone: (919) 533-5480

VRC, Ltd.

BROKERAGE
CONSULTING
DEVELOPMENT

September 29, 2016

Town of Pittsboro
Bryan Gruesbeck
Town Manager
Post Office Box
Pittsboro, NC 27312

Dear Mr. Gruesbeck,

We are contacting you regarding the subdivision that our firm developed in Pittsboro called Chatham Forest.

We began the project in 1997 and our first phase was forty-four lots and recorded on December 15, 1998 at the Chatham County Register of Deeds at Plat Book 98, Pages 454-457.

We subsequently recorded eight more phases and the final lot tally was 213.

The project originally was designed for Phase I to enter from Springdale Drive, but water pressure problems with the Town's system and access issues dictated that it was reconfigured to enter from Thompson Street.

The Town's engineer at that time, Alley, Williams Carmen & King, requested that our potable water lines be oversized and in exchange the Town would compensate our firm for the cost difference.

In order to improve flow and pressure the engineer was keen to connect a 12" potable water line from the Town's existing million gallon tank through Chatham Forest to the east side of Pittsboro.

VRC, Ltd. installed a 12" C-900 line from Thompson Street north to the end of Phase I and an 8" C-900 line east on Cynthia Lane to Firetower Road.

After we turned over the Phase I infrastructure to the Town, we received the aforesaid oversized reimbursement for Phase I.

In April of 2001 we recorded Phase 4 at Plat Book 2001, Page 142. (Phase I is contiguous with Phase 4).

We installed 12" ductile iron pipe in Phase 4 on Fox Chapel Lane and the Town credited the reimbursement it owed VRC, Ltd. against fees. (See the attached letter from former Town Manager David Hughes.)

In 2003 we executed an agreement with the Town to continue the installation of the needed water infrastructure. (The agreement is attached.)

Upon execution of the agreement our firm dedicated a one acre lot, paid \$45,000 to the Town in fees and installed oversized water infrastructure and a pressure reducing valve on Chatham Forest Drive. (The oversized water infrastructure began with Phases 5A and 5B and terminated at the top of Belmont in Phase 9.)

The water infrastructure was upgraded and changed from C-900 to ductile iron pipe (DIP) in Phase 4. The Town subsequently requested more DIP and we installed a 12" DIP in phases 5A and 5B and north on Belmont Road in Phase 9. (The installation was documented on the as-built plans submitted to the Town by Samir Bahho, PE on May 27, 2008.)

In addition, we installed an 8" DIP west from the intersection of Belmont and Fox Chapel to Springdale Drive. (The Town declined to have the 8" line connect to the existing 6" waterline on Springdale.)

According to the attached contract the only items left to reconcile are the remaining reimbursements for the over sizing of water lines left from Section I, sub-section (E) of the agreement. (The former President of the firm, Lot Voller, was working on this issue with Samir Bahho, PE and the Town before he became ill and died unexpectedly on May 13, 2012.)

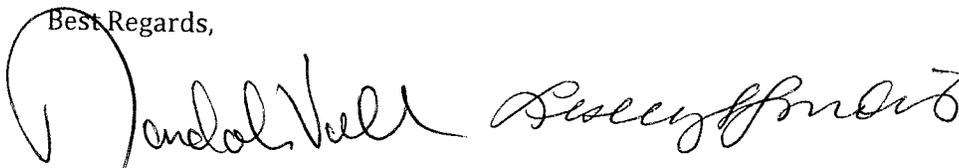
At this point Voller Realty & Construction, Ltd., VRC, Ltd. and its affiliates have turned over all infrastructures to the Town of Pittsboro many years ago, conveyed all real property (lots) to third parties and as evidenced by the attached letter from its CPA stand ready to officially close out the project on its tax filings.

The only issue remaining is the final oversize payment from the Town of Pittsboro for the appropriate water lines installed in Phases 5A, 5B and 9.

We have attached a sealed letter documenting the reimbursements from Samir Bahho, PE for the 12" DIP water line and the associated infrastructure as well as the 8" DIP on Fox Chapel Lane.

If you have any questions, please feel free to ask.

Best Regards,

A handwritten signature in black ink, appearing to read "Donald Voller". The signature is written in a cursive style and is positioned to the right of the text "Best Regards,".

50 Chatham Forest Drive
Pittsboro, NC 27312
919-949-1274
Federal Tax I.D # 56-1952043

Copies to: Mayor Perry, Town Board, Paul Messick

SHELTON L. HAWLEY, C.P.A., P.A.

CERTIFIED PUBLIC ACCOUNTANT

800 N. RALEIGH ST.

P.O. BOX 1545

ANGIER, N.C. 27501

Telephone (919) 639-4825

Fax (919) 639-3102

MEMBER:
NORTH CAROLINA ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS
INSTITUTE OF CERTIFIED MANAGEMENT
ACCOUNTANTS

SHELTON L. HAWLEY, C.P.A., C.M.A.
CERTIFIED PUBLIC ACCOUNTANT
CERTIFIED MANAGEMENT ACCOUNTANT
WEBSITE: www.slhcpa.com

August 22, 2016

Town of Pittsboro
Bryan Gruesbeck, Town Manager
635 East Street
Pittsboro, NC 27312

Dear Mr. Gruesbeck,

I am contacting you on behalf of my client VRC, Ltd., formerly known as Voller Realty & Construction, Ltd. as well as an affiliated company, Plus Ultra, LLC. VRC, Ltd. and Voller Realty & Construction, Ltd. are the same legal entity. There was a name change with the NC Secretary of State.

I am completing the corporate taxes for FY 2015 for the above referenced entities and will be submitting them to the client for filing them soon.

According to the tax returns and information submitted to me for their preparation of them from the clients denoted above, including its owner(s), as of December 31, 2015, VRC, Ltd and Plus Ultra, LLC. have conveyed to third parties all real property in the development known as Chatham Forest in Pittsboro, NC. This letter is to particularly assert that fact.

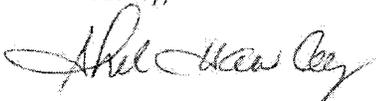
There is a remaining unresolved issue concerning any credits and/or reimbursements due to VRC, Ltd. (formerly Voller Realty & Construction Ltd.) for over sizing the potable water lines in phases 5 A, 5 B and 9.

It is my understanding that Lot Voller, the former President of VRC, Ltd., was working on this issue with the company's engineer and town representatives before he died in 2012.

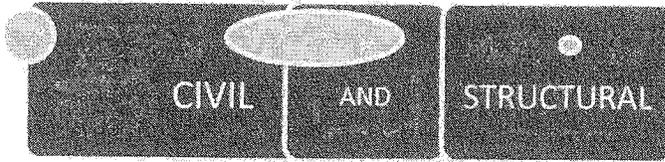
At this point, the firm's President, Randy Voller, is working with the same engineer to provide a letter to the Town with the total reimbursement due for the over sizing of the water lines.

Thank you for your attention to this matter.

Sincerely,

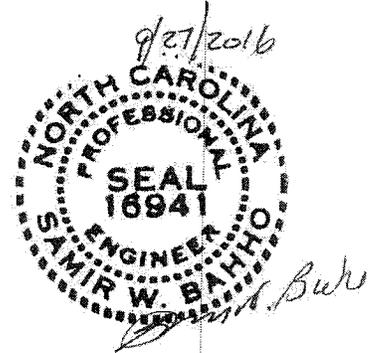


Shelton Hawley, CPA, CMA



CIVIL AND STRUCTURAL ENGINEERING SERVICES, PLLC
SAMIR W. BAHHO, P.E.
September 27, 2016

Town of Pittsboro
Bryan Gruesbeck
Town Manager
Post Office Box
Pittsboro, NC 27312



Dear Mr. Gruesbeck,

I have worked with VRC, Ltd as an engineer and consultant on Chatham Forest since 1998.

I worked on the approval and design of the pressure reducing valve on Chatham Forest Drive as well as other potable water infrastructure that was eligible for reimbursement from the Town. My firm worked on the design of phases 5A, 5B and 9 of Chatham Forest Subdivision

It was my understanding that the Town requested oversized potable water lines and infrastructure (12" Ductile Iron pipe vs. 8" DI or 8" vs. 6" in different phases of Chatham Forest Subdivision as indicated below) and in exchange for the oversized water lines the Town agreed to reimburse the developer Voller Realty & Construction, Ltd. the cost of the difference in size of pipe (see attached contract signed between Town of Pittsboro and Voller Realty & Construction).

The Town has already reimbursed Voller Realty & Construction all phases except Phases 5A, 5B and 9 subject of request in this letter. I was working on finalizing the last infrastructure reimbursement with the Town when Lot Voller suddenly passed away and the Town's engineer, Hydrostructures, experienced staff changes.

Based on the As-Built plans dated May 27, 2008 the following are the lengths and areas of water line(s) eligible for reimbursement:

- 510 linear feet of 8" C-900 water line in Phase 5A on Fox Chapel Lane that was oversized from 6" to 8" (Sta. 7+65 to Sta. 12+75)

- 460 linear feet of 12" DI water line in Phase 5A on Fox Chapel Lane that was oversized from 6", C-900 to 12" DI. (Sta. 3+10 to Sta. 7+70)
- 540 linear feet of 8" C-900 water line in Phase 5A on Fox Chapel Lane that was oversized from 6", C-900 to 8" C-900 (Sta. 7+70 to Sta. 13+10)
- 175 linear feet of 12" DI water line in Phase 5A on Bellemont Lane that was oversized from 8", C-900 to 12" (Sta. 25+00 to Sta. 26+75)
- 234 linear feet of 12" DI water line in Phase 5B on Bellemont Lane that was oversized from 8", C-900 to 12" Sta. 26+65 to Sta. 28+99)
- 1,326 linear feet of 12" DI water line in Phase 9 on Bellemont Lane that was oversized from 8", C-900 to 12" DI. (Sta. 28+99 to Sta. 42+25)
- (2) 12" x 6" tees vs. 8"x6" tees
- (1) 12"x8" cross vs. 8"x8" cross
- (2) 12" to 8" reducers vs. no reducer
- (2) 12" gate valves vs. 8" gate valves

Cost difference calculations:

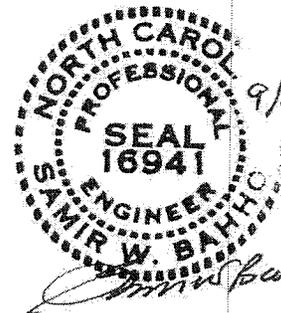
1.	8" DI vs. 6" C-900 cost difference: \$4.50x540' =.....	\$ 2,430.00
2.	12" DI vs. 6" C-900 cost difference: \$15.20x460 =.....	\$ 6,992.00
3.	12" DI vs. 8" C-900 cost difference: \$12.50x1735' =.....	\$21,687.50
4.	12" x 6" tees vs. 8"x6" tees cost difference: \$220x2 =.....	\$ 440.00
5.	12"x8" cross vs. 8"x8" cross cost difference: \$220x1 =.....	\$ 220.00
6.	12" to 8" reducers vs. no reducer cost difference: \$420x2 =.....	\$ 840.00
7.	12" gate valves vs. 8" gate valves cost difference: \$635x2 =.....	\$ 1,270.00

Total amount to be reimbursed : **\$33,879.50**

Note: Cost difference estimates are based on record engineer's cost estimate and cost contracted at the time of construction

Best Regards,


 Samir Bahho, PE (License # 16941)
 Business License (P-0537)



HYDROSTRUCTURES

175 East Salisbury Street
P.O. Box 1537
Pittsboro, NC 27312

ph 919.542.5002
fax 919.542.6835
www.hydrostructures.com

June 3, 2003

Mr. David Hughes
Town of Pittsboro
P.O. Box 759
Pittsboro, NC 27312

Re: Chatham Forest Phase 4 Reimbursement Request

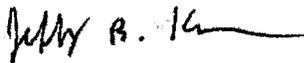
Dear Mr. Hughes:

On April 7, 2003 the Town of Pittsboro received a request for reimbursing the cost difference of the 12" water main installation versus the 8" water main on phase 4 of Chatham Forest. The letter contained several attachments to support a reimbursement request of \$ 11,760.10. Hydrostructures has reviewed this request and has found that several items were overestimated. We reviewed bid tabulations from numerous utility projects, considered the current economy, and the scale of the projects to evaluate a fair cost comparison. The following represents what Hydrostructures feels is fair reimbursement for the transmission main. The prices shown represent the difference between 8" and 12" items.

- 821 LF 12" water main @ \$ 8.10 / LF\$ 6,650.10
- 1 12" X 12" tee @ \$ 500.00 / EA.....\$ 500.00
- 1 12" X 8" tee @ \$ 250.00 / EA.....\$ 250.00
- 2 12" gate valve @ \$ 500.00 / EA.....\$ 1000.00
- 1 8" reducer @ \$ 450.00.....\$ 450.00
- Total Reimbursement.....\$ 8,850.10**

If you have questions regarding this summary, please call Hydrostructures at (919) 542-5002.

Sincerely,
HYDROSTRUCTURES, P.A.

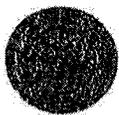


Jeff Koonce

Credit against fee.



6/17/03



STATE OF NORTH CAROLINA

CONTRACT

COUNTY OF CHATHAM

THIS AGREEMENT, made and entered into this 13th day of ~~September~~ October, 2003 by and between the TOWN OF PITTSBORO, hereinafter referred as "TOWN" and VOLLER REALTY & CONSTRUCTION, LTD., hereinafter referred to as "VOLLER";

WHEREAS, Voller is interested in developing certain lots in Phases 5A, 5B and 9 above an elevation of 487 feet above sea level within the Chatham Forest Subdivision in the Town of Pittsboro; and

WHEREAS, the topography of the area is such that additional improvements to the Town's water storage and distribution systems are necessary in order to provide adequate water pressure to future customers of the Town within the Chatham Forest Subdivision; and

WHEREAS, Voller is willing to contribute to those improvements in order to develop its property for residential purposes as hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto have agreed as follows:

I. The Town agrees:

- A To design and construct certain improvements to its water storage and distribution systems as set forth in the Report dated July 30, 2002 from Hydrostructures, P.A, entitled "Preliminary Engineering Report, Water System Improvements – North Pittsboro Area", and described as Scenario 1-B, Water System Improvements Serving New Pressure Zone therein, a copy of which is attached hereto as Exhibit A and incorporated herein by reference.

- B. To execute the bid documents for the aforesaid improvements to its water storage and distribution system by September 30,2003.
 - C. Utilizing the Town's zoning ordinance as a guideline to adequately landscape and screen the new water tank and its site from any residential lots in phase nine (9) of Chatham Forest.
 - D. To credit the cost of the installation of any and all pressure reducing valves (PRVs) that this project shall require Voller to install for the improvements to the Town's water storage and distribution system to be connected to the Chatham Forest Subdivision against any water capital recovery fees that Voller shall pay the Town for Phases 5A, 5B and 9.
 - E. To credit and/or reimburse Voller the oversizing of any water lines, valves and and related and required water distribution infrastructure including but not limited to the twelve inch (12") water line that shall connect to the aforesaid improvements to the Town's water storage and distribution system. Aforesaid credits shall be applied against any water capital recovery fees that Voller shall pay the Town for Phases 5A, 5B and 9.
- II. Voller agrees:
- A. At the sole option of the Town, to donate, give, and grant to the Town an appropriate site for a proposed 500,000 gallon water storage tank together with necessary easements to provide access thereto and to connect the Town's existing 1.0 million gallon storage tank as located and described on the sketch attached hereto as Exhibit B and incorporated herein by reference.
 - B. To pay the Town a capital contribution in the sum total amount of forty-five thousand dollars (\$45,000.00) towards the cost of such improvements upon award of a contract by the Town for the construction of such improvements with schedule to complete. A fifteen thousand dollar (\$15,000.00) payment shall be due at the execution of this agreement, another fifteen thousand dollars

(\$15,000.00) payment shall be made within thirty (30) days upon execution of this agreement and a final fifteen thousand dollar (\$15,000.00) payment shall be made within sixty (60) days upon execution of this agreement. The sum total of all three (3) payments shall be forty-five thousand dollars (\$45,000.00).

C. To connect future phases of Chatham Forest Subdivision to the Town's new water pressure system improvements as required by the Town, including, but not necessarily limited to, installation of pressure reducing valves (PRVs) as directed by the Town.

III. Both parties agree as follows:

A. Nothing contained herein shall preclude the Town from exercising its discretion with respect to any future issue between the parties including the development by Voller of Chatham Forest Subdivision.

B. This agreement shall be governed by the laws of the State of North Carolina.

C. This agreement shall bind and the benefits thereof shall inure to the respective parties hereto, their legal representatives, executors, administrators, successors, and assigns.

D. This agreement may not be assigned without the written consent of all parties, but if assigned by agreement, then this contract shall be binding on the assignee and their heirs and successors.

E. This agreement constitutes the full understanding between the parties hereto with reference to the subject matter hereof, and no statements or agreements, oral, or written made prior to or the signing hereof shall vary or modify the written terms thereof; and neither party shall claim any amendments or modifications or release from any provision hereof by mutual agreement, acknowledgement or otherwise, unless such agreement is in writing, executed by or on behalf of all parties hereto

and specifically states that it is an amendment to this Contract. This Contract constitutes the final and complete expression of the agreement among the parties hereto with respect to the subject matter hereof. There are no agreements, understandings, restrictions, representations, or warranties other than those incorporated herein.

- F. If any provision of this Contract shall be declared to be invalid, illegal, or enforceable, that shall in no way affect the validity or enforceability of any other portion of this Contract, and all other such provisions shall remain in full force and effect.
- G. The parties hereto agree that all claims, disputes, and other matters in question arising out of or relating to this Contract, or the breach thereof, shall be decided by the General Court of Justice, Chatham County, North Carolina.

IN WITNESS WHEREOF, the parties have hereinto caused this instrument to be executed all as of the day and year first above written.

VOLLER REALTY & CONSTRUCTION, LTD.

BY: *R. A. Fuller*

DATE: 10-21-03

TOWN OF PITTSBORO

BY: *Henry R. May*

DATE: 11-3-03

EXISTING
TOWN OF PITTSBORO
WATER TANK FACILITY

NOW OR FORMERLY
TOWN OF PITTSBORO
DB 1068 PG 74
PS 2003-370

■ = WATER LINE TO
BE REIMBURSED

NOW OR FORMERLY
RICKY SPOON BUILDERS, INC.
DB 981 PG 302
PS 2002-504
ZONED RA

NOW OR FORMERLY
PAUL WILLIAMS HEIRS
DB BR PAGE 6
ZONED RA

NOW OR FORMERLY
STONE MASSIE LEE HEIRS
C/O KARLA STONE
DB 84E, PG 88
PS BC 406
ZONED RA

PROPOSED FUTURE
DEVELOPMENT
PHASE-10
7.0 ACRES
NOT A PART OF THIS
MASTER PLAN REVISION

PROPOSED
PARK DEDICATION
5.0 ACRES
SEE NOTE #18

rest s/d

SPRINGDALE DRIVE

NOW OR FORMERLY
OBED JOHNSON
DB 482, PG 103
DB 493, PG 748
PS 9-12
ZONED R-12

s/d

DEDICATED
OPEN SPACE
2.30 ACRES

INDOLPH CT.

SKYLINE DRIVE

BELLEFONT ROAD

PROPOSED FUTURE
DEVELOPMENT

ACCESS TO PARK

PROPOSED FUTURE
DEVELOPMENT

PHASE 9
PROPOSED

PHASE 5A
RECORDED 2004-278

PHASE 6
RECORDED 2002-134

PHASE 7
RECORDED 2003-150/81

PHASE 6
RECORDED 2002-134

PHASE 4
RECORDED 2001-142

PHASE 5B
RECORDED 2005-134

Phase 5B & 9, Chatham
Sewer permit

Designated for
Road Easement

No Lot
pond

phase IV

Sewer Dec.

NOW OR FORMERLY
ERNESTINE J. RICHARDS
DB 585, PG 75
ZONED RA

