

Should this item be pulled from the Consent Agenda the following motion is suggested:

### POSSIBLE MOTIONS

**I MOVE TO approve the transfer of \$90,000 from Project 90652 – UV Disinfection Feasibility Study to Project 90673 – HPR Water Improvements for the additional work recommended between Davidoff – Cascade Creek Streets**

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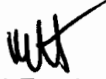


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## MEMORANDUM

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**To:** Mayor McConnell and Members of the Assembly  
Mark Gorman, Municipal Administrator

**From:** Michael Harmon, Public Works Director   
Stephen L. Weatherman, P.E. Municipal Engineer   
Mark Buggins, Environmental Superintendent 

**Reviewed:** Jay Sweeney, Finance Director

**Date:** May 7, 2014

**Subject:** Transfer of Capital Project Funds for Halibut Point Road Water Improvements

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### **Background:**

The State of Alaska Department of Transportation and Public Facilities (DOTPF) are upgrading the portion of Halibut Point Road between the Roundabout to the end of the road near the Forest Service Campground. The upgrade includes several water infrastructure improvements. Public Works is requesting approval to move previously approved Water Fund capital project funds to this project for additional work in order to abandon the old unlined 8 inch cast iron main on HPR between Davidoff St. and Cascade Creek Rd that was discovered to be in poor condition during the project.

### **Analysis:**

Reference the attached email from Michael Harmon on Friday, May 2<sup>nd</sup> forwarded to the Assembly on Monday, May 5<sup>th</sup>.

### **Fiscal Note:**

The UV Disinfection Feasibility Study – Project 90562 is fully funded by state grants and loans has a remaining water fund capital project balance of \$488,000. To fund this additional work Public Works recommends transferring \$90,000 from the UV project to HPR Water Improvements – Project 90673.

### **Recommendation:**

**Transfer \$90,000 from Project 90652 - UV Disinfection Feasibility Study to Project 90673 -HPR Water Improvements for the completion of this work.**

## Michael Harmon

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**From:** Mark Gorman  
**Sent:** Monday, May 05, 2014 7:31 AM  
**To:** assembly  
**Cc:** Jay Sweeney; Michael Harmon; Mark Buggins; Robin Koutchak  
**Subject:** FW: Water Repair on HPR

Dear Mayor and Assembly Members,

I want to alert you to another funding decision I took at the end of last week. I think you will agree it was the prudent course.

As noted in the below email, this will be brought to you for formal approval at the next Assembly meeting,

*Mark*

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**From:** Michael Harmon  
**Sent:** Friday, May 02, 2014 5:01 PM  
**To:** Mark Gorman  
**Cc:** Mark Buggins; Jay Sweeney  
**Subject:** Water Repair on HPR

Mark,

During the construction work on HPR the contractors discovered that a portion of our old water distribution main (between Davidoff and Seamart) is in very poor condition and starting to fail. We do not want to leave this under the new roadway and risk a failure in the near future. Fortunately we have a parallel line that we can shift the service lines to and abandon the failing pipe system. Given that the road is currently under construction and traffic control is already in place, we will most likely not get a better price/opportunity to abandon this line in the next 20-years. The challenge is that we needed to act today to give the contractor approval to order the parts and get it done before they move on. The price is expected to be approximately \$90,000 and we will put an item on the next Assembly agenda to transfer surplus funds from the UV project for this work. The UV project has approximately \$488,000 in surplus funds that were allocated prior to receiving our current grants and loans.

It is unfortunate that we just do not get a clear understanding of the condition of our underground infrastructure until we start digging. The chemistry of our ground makes the corrosive characteristics variable so the age of the pipe does not guarantee a correlation to condition/lifespan. Fortunately in this case we have a relatively easy alternative and the timing is ideal for reducing our cost.

Thank you for supporting this to move forward and have a good weekend.

**MICHAEL HARMON, P.E.**

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