

POSSIBLE MOTION

I MOVE TO approve Resolution 2018-25 on
first and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Gary Paxton and Assembly Members
Keith Brady, Municipal Administrator

From: Michael Harmon, P.E., Public Works Director *MAH*
Shilo Williams, Environmental Superintendent *SW*

Reviewed: Cliff Richter, P.E., Municipal Engineer *CR*
Melissa Haley, Controller *MH*

Date: December 3, 2018

Subject: Authorization to enter into Compliance Order by Consent (COBC) - Critical Secondary Water Supply Project

Requested Action

Approve Resolution 2018-25 authorizing the City and Borough of Sitka (CBS) Municipal Administrator to develop and execute a Compliance Order by Consent (COBC) with the Alaska Department of Environmental Conservation (ADEC), and to authorize design and construction of a secondary water treatment plant in accordance with the FY2019 budget.

Summary

CBS needs a backup water source during periods when the Blue Lake penstock system is unavailable due to emergencies or maintenance, and for when Blue Lake water is too turbid to treat exclusively with ultraviolet radiation.

- July 1, 2018- Water rates increased to pay for the project
- August 28, 2018- Assembly approval to apply for an ADEC low interest loan to fund the project
- August 28, 2018- Assembly directed the Municipal Administrator to secure approval of the new Assembly before spending any loan funds on the project
- November 26, 2018- ADEC will not execute a loan agreement with the CBS until the assembly approves this request to move forward with the project
- December 4, 2018- CBS hosted a workshop to discuss this project with the Assembly, and to present our recommendation to enter into a COBC with ADEC.

The COBC is a mutually agreed upon legal document that would set milestones for the CBS to achieve during the design and construction of a secondary water supply. Since the CBS would be on a path towards compliance, ADEC has stated they would suspend action relating to turbidity exceedances throughout the duration of the COBC, thus allowing the CBS to maintain filtration avoidance status for Blue Lake.

Fiscal Note

No further significant rate increases are necessary to complete the critical secondary water supply project. In fact, entering into the COBC and ensuring that the filtration waiver for Blue Lake is not impacted by turbidity events decreases the likelihood of future rate increases that would be necessary should the CBS lose the filtration waiver and be required to filter all water.