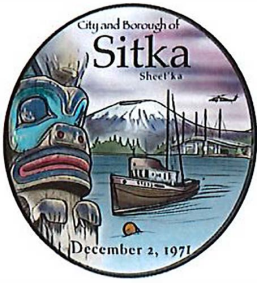


POSSIBLE MOTION

I MOVE TO approve Resolution 2022-04 on first and final reading approving submittal and execution of Alaska Clean Water Fund loan applications to the State of Alaska Department of Environmental Conservation totaling up to \$1,300,000 for the project entitled Thomsen Harbor Lift Station Rehabilitation Project.




City and Borough of Sitka


PROVIDING FOR TODAY...PREPARING FOR TOMORROW

A Coast Guard City

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Michael Harmon, Public Works Director 

Date: February 1, 2022

Subject: Approval to apply for a \$1.3M DEC low-interest loan for the Thomsen Harbor Lift Station Rehabilitation Project

Background

The Thomsen Harbor Lift Station was installed 37 years ago in 1984. All the wastewater from Baranof Island flows into this lift station where it is then pumped into two force mains that run under the channel to the wastewater treatment facility. This lift station operates 24 hours per day, seven days per week and is considered one of the most critical lift stations in our fleet. The expected life span of a lift station is linked to the ability to efficiently maintain the facility and increasing flow rates over time. Even without increased flow rates, a lift station requires a complete overhaul due to the highly corrosive environment.

Analysis

For several reasons, this lift station is in need of a complete overhaul.

1. Currently this lift station does not have the capacity to pump the high flows occurring during large rain events. This results in sewer overflows into the ocean which is a violation. Over time, demand often increases and with age, sewer pumping systems lose efficiency.
2. Sewage flows into a square wet-well that is 25 feet below ground. The only access crews have to the wet-well is via a manhole hatch that is in a corner of the lift station. Because of this design, crews are not able to remove solids that buildup in the corners and on the bottom of the wet-well. Solids buildup in the wet-well reduces its capacity and eventually those solids make their way into the pumps causing significant wear, tear, and costly damage.
3. The dry-well is a room located 25 feet underground. It houses all the pumps, motors, valves, and electrical equipment needed to run the lift station. The only access crews have to this room is via a hatch and ladder. Crews access this

room on a regular basis. Safety is our number one priority, and this lift station does not meet current best management practices and safety protocols.

4. A catastrophic pump failure occurred in 2018 causing the dry-well to flood with raw sewage. The equipment that is housed in the dry-well is not designed to be submerged. Raw sewage had to be pumped into the harbor for two days while repairs were being made. One of the three pumps was replaced after this event, but the other two pumps are original. There is currently one valve that is inoperable, and the others are questionable. All the equipment in the dry-well is at or beyond its intended useful life and needs to be replaced.

Fiscal Note

Applying for a loan in the amount of \$1.3 million now will ensure that the CBS does not have to bear the burden and added costs of compliance with Build America, Buy America Act (BABAA) for the purchase of construction materials. In addition, as interest rates begin to move up, it will benefit the CBS to lock in place lower rates (currently anticipated to be 1.5%). Annual debt service is anticipated to be \$75,719. Interest over the life of the loan (20 years) is estimated to be \$215,000. Due to timing, approval to apply for this loan is being presented by resolution at this time, but this loan will also be included as part of the FY23 budget process/ordinance.

Recommendation

Approve Resolution 2022-04 authorizing the Administrator to apply for the DEC low-interest loan in the amount of \$1.3M for the Thomsen Harbor Rehabilitation Project.

Encl: DEC Intended Use Plan Letter



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Environmental
Conservation**

DIVISION OF WATER
Technical Assistance and Financing

555 Cordova Street
Anchorage, Alaska 99501
Main: 907.269.7502
Fax 907.269.7509
dec.alaska.gov

July 1, 2021

Shilo Williams, Environmental Superintendent
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835

Dear Ms. Williams:

Thank you for submitting a questionnaire for the Thomsen Harbor Lift Station Rehabilitation project. The Alaska State Revolving Fund Program's State Fiscal Year 2022 (SFY22) update to the Project Priority List for the Alaska Clean Water Fund (ACWF) has been finalized, and this project was added to the List. A loan application can be submitted for the Thomsen Harbor Lift Station Rehabilitation project. The complete Project Priority List and the Intended Use Plan can be found online at: <https://dec.alaska.gov/water/technical-assistance-and-financing/state-revolving-fund/intended-use-plans/>.

Score	Project Name	Assistance Amount
440	Thomsen Harbor Lift Station Rehabilitation	\$1,300,000

As mentioned in the Intended Use Plan, projects may remain on the Project Priority List for a maximum of two years. This project will retain the same score originally assigned unless a revised questionnaire is submitted and reviewed. If an application has not been submitted for this project within two years from the date that the project questionnaire was submitted, the project will be removed from the list and a new questionnaire will be required to relist the project. Based on the submittal date for this questionnaire, this project may remain on the list until May 31, 2023.

If you have questions about how to complete the loan application process, please contact me or Susan Start.

Sincerely,

A handwritten signature in cursive script that reads "Peggy Ulman".

Peggy Ulman
SRF Program Coordinator

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2022-04

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA APPROVING SUBMITTAL AND
EXECUTION OF ALASKA CLEAN WATER FUND LOAN APPLICATIONS TO THE STATE OF
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION TOTALING UP TO \$1,300,000
FOR THE PROJECT ENTITLED THOMSEN HARBOR LIFT STATION REHABILITATION
PROJECT**

WHEREAS, the Thomsen Harbor Lift Station was installed 37 years ago reaching the end of its service life; and

WHEREAS, all of the wastewater from Baranof Island flows to this lift station to be pumped under the channel to the wastewater treatment facility; and

WHEREAS, the operation of this lift station is considered one of the most critical elements of the wastewater collection system to ensure raw sewage does not backup or overflow; and

WHEREAS, this lift station has failed in the recent past adding to the critical need for a complete overhaul; and

WHEREAS, the cost for this project estimated to require \$1.3M which is a significant burden to rate payers; and

WHEREAS, the State of Alaska Department of Environmental Conservation's State Revolving Loan program administers the Alaska Clean Water Fund which offers low-interest loans for planning, design and construction of publicly owned drinking water and wastewater facilities.

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that the City and Borough of Sitka supports the project entitled Thomsen Harbor Lift Station Rehabilitation Project.

BE IT FURTHER RESOLVED by the Assembly that the Administrator is authorized to apply for the loans needed to complete this project up to a total of \$1,300,000 and to execute the loans if received.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 8th day of February 2022.

Steven Eisenbeisz, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st and final reading 2/8/2022

Sponsor: Administrator