

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2010-36

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA, ALASKA AUTHORIZING THE APPLICATION FOR A LOAN FROM THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION UNDER THE ALASKA DRINKING WATER FUND FOR MONASTERY STREET WATER SYSTEM IMPROVEMENTS

WHEREAS, the City and Borough of Sitka (CBS) seeks to obtain the necessary financial assistance to construct water system improvements; and

WHEREAS, the State of Alaska, Department of Environmental Conservation (the Department) is able to offer funding through the Alaska Drinking Water Fund; and

WHEREAS, the Municipality wishes to apply for a loan from the Alaska Drinking Water Fund totaling up to \$782,400 at an annual interest rate of 1.5%.

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka, Alaska that the municipality is authorized to apply to the Alaska Department of Environmental Conservation for a loan from the Alaska Drinking Water Fund for construction of the Monastery Street Water System Improvement project. Jim Dinley, Administrator, is authorized to execute any and all documents that may be required by the Department to reflect the indebtedness, the terms of its repayment, and any security therefore, including but not limited to a loan agreement and promissory note.

PASSED AND APPROVED by the Assembly of the City and Borough of Sitka, Alaska on this 28th day of December 2010.

Cheryl Westover, Mayor

ATTEST:

Sara Peterson
Acting Municipal Clerk

MEMORANDUM

To: Mayor Westover and Members of the Assembly
Jim Dinley, Municipal Administrator

Through: Michael Harmon, Public Works Director 

From: Stephen L. Weatherman, P.E., Municipal Engineer 

Date: December 21, 2010

Subject: FY11 Alaska Drinking Water Fund

Background:

The Monastery Street Rehabilitation project includes both sewer and water replacement. This project is included in the 5 year plan for a estimated cost of \$1,714,400. The project currently has a Department of Environmental Conservation budgeted Alaska Clean Water Fund loan of \$932,000 for sewer improvements. However additional loan money may be available for the water portion of the project.

Analysis

Both the sewer and water loans are paid back by the sewer and water enterprise funds through user fees. In order for the Public Works Department to apply for this additional Loan money we must have Assembly approval. We estimate the cost for the water line replacement at \$782,400

Fiscal Note

The total value of the water fund loan request for this project through the ADWF FY11 program would be \$782,400.00.

Recommendation:

Approve the resolution authorizing the City and Borough to obtain ADWF loan for Monastery Street Water Rehabilitation project listed above, in the amount of \$782,400.