





MEMORANDUM

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

From: Michael Harmon, Public Works Director 
Stephen Weatherman, Municipal Engineer 
Lance Henrie, Senior Engineer 

Reviewed: Jay Sweeney, Finance Director 
Tammy O'Neill, Contract Coordinator 

Date: October 19, 2011

Subject: FY12 Alaska Drinking Water Fund and Alaska Clean Water Fund
Loans with Principal Forgiveness

Background:

Each year staff submits loan applications to the Alaska Drinking Water Fund (ADWF) and Alaska Clean Water Fund (ACWF). Most recently, the loans have had a 20 year term at 1.5% interest.

The following three projects were identified as being eligible for funding as of July 2011:

UV Disinfection Facility	ADWF	\$2,550,000
Baranof Street Sewer Replacement	ACWF	\$740,000

Of the two projects listed above one of them has been provided the following subsidized amount.

Baranof Street Sewer Replacement	ACWF	\$57,962
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The UV Disinfection Facility is the next major water project mandated by EPA regulations. Baranof Street requires replacement of older sewer pipe with ductile iron, HDPE, or High Pressure PVC pipe. The project will also address the required separation between water and sewer mains.

Analysis

The total value of the funding for these projects through the ADWF and ACWF FY12 programs would be \$3,290,000. The subsidized amount included in this year's program would result in a \$57,962 savings to the Wastewater Fund.

Recommendation:

Approve Resolutions 2011-27 and 2011-28, authorizing the City and Borough to obtain ADWF and ACWF loans for the two projects listed above, in the amount of \$3,290,000, of which \$57,962 will be subsidized.

Sponsor: Administrator

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2011-27

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 CLEAN WATER FUND FOR BARANOF STREET SEWER REPLACEMENT

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

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

WHEREAS, the Municipality wishes to apply for a loan from the Alaska Clean Water Fund for the Baranof Street Sewer Replacement

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 Clean Water Fund for construction of the wastewater project named above. 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 25th day of October 2011.

Cheryl Westover, Mayor

ATTEST:

Colleen Ingman, MMC
Municipal Clerk