

POSSIBLE MOTION

I MOVE to approve Resolution 2011-23 on
first and final reading.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2011-23

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA, ALASKA AUTHORIZING THE APPLICATION FOR A LOAN INCREASE FROM THE ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION UNDER THE ALASKA CLEAN WATER FUND FOR JAPONSKI SEWER LIFT STATIONS REHABILITATION.

WHEREAS, the City and Borough of Sitka (CBS) seeks to obtain the necessary additional financial assistance to construct 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 increase from the Alaska Clean Water Fund for the Japonski Sewer Lift Stations Rehabilitation

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 an amended loan amount from the Alaska Clean Water Fund for construction of the wastewater treatment 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 11nd day of October 2011.

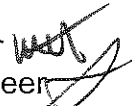


Cheryl Westover, Mayor




ATTEST:

Colleen Ingman, MMC
Municipal Clerk

MEMORANDUM

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

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

Reviewed: Jay Sweeney, Finance Director 
Lesly Peters, Grant Accountant 
Tammy O'Neill, Contract Coordinator 

Date: October 4th, 2011

Subject: **Japonski Sewer Lift Stations Rehabilitation Amended Alaska Clean Water Fund Loan**

Background

The Japonski Sewer Lift Stations Rehabilitation project includes 6 lift stations that have reached the end of their service life. In 2010, the City and Borough of Sitka (CBS) estimated the total reconstruction cost for the project to be \$1,282,000. In September 2010, the Assembly passed the attached resolution permitting staff to apply for necessary Alaska Department of Conservation (ADEC) funding to complete the project. The CBS was approved for a \$1,089,700 ADEC Wastewater Fund loan and \$192,300 principal forgiveness.

Earlier this year, the CBS pre-purchased submersible pumps and electrical equipment and controls for 5 of the 6 lift stations. In June of this year, the project was bid with two bids coming in approximately 20% higher than the engineer's estimate. Both bids were rejected due to insufficient funding.

Analysis

As the original design evolved it became apparent that the existing wet wells for three of the lift stations (lift stations 3, 4 and 6) were smaller than recommended by the design engineer. This is due to two factors; (1) the volume of flow into the existing wet wells, (2) the physical size of the pumps to be installed in the existing wet wells. However, as the costs of the new wet wells were added to the project it also appeared that this could make the project more expensive than the available budget. Therefore, the new wet wells were included in the original bid as an additive alternate. We have since decided that new wet wells for these larger flow lift stations will be a requirement.

We have redesigned the plans, specifications and bid schedule to clearly describe the work required of the contractor. We have restructured the bid schedule based on priority for the lift stations. The three base bid lift stations (lift stations 3, 4 and 6) have included construction of new wet wells. The base bid has been reconfigured to be within the available funds. However, based on the bids received this past June, the final cost for all the lift stations will be more than the remaining funds.

Therefore, we would like to formally request additional funds from ADEC for the project to complete all of the lift stations. Based on our new estimate, the project will require up to another \$458,000 to be fully funded for all six lift stations. For budgeting purposes we used the total low bid from the June bid opening plus 20% contingency to establish the estimated construction cost for the lift stations. However, we believe that the revised plans, specifications, bid schedule and construction timing may result in a lower bid than in June.

Recommendation:

Approve Resolution 2011-23, authorizing the City and Borough to apply for additional funding from the Alaska Department of Conservation under the Alaska Clean Water Fund for the Japonski Sewer Lift Stations project in the amount of \$458,000. The amended loan amount would be \$1,547,700 with \$192,300 principal forgiveness.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2010-23

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 1) MONASTERY STREET REHABILITATION AND 2) JAPONSKI SEWER LIFT STATIONS REHABILITATION

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

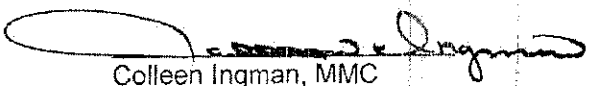
WHEREAS, the Municipality wishes to apply for a loan from the Alaska Clean Water Fund for the 1) Monastery Street Rehabilitation and the 2) Japonski Sewer Lift Stations Rehabilitation

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 wastewater projects 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 14th day of September 2010.


Jack Ozment, Deputy Mayor

ATTEST:


Colleen Ingman, MMC
Municipal Clerk