# POSSIBLE MOTION

I MOVE TO approve a permanent transfer of CBS Property Lot 18 Sawmill Cove Industrial Park to the Water Enterprise Fund and a transfer of \$65,560.00 from the UV Facility Capital Account to Sawmill Cove Industrial Park Fund.

## **MEMORANDUM**

To:

Mayor Westover and Members of the Assembly

Jim Dinley, Municipal Administrator

From:

Michael Harmon, P.E. Public Works Director

Stephen Weatherman, P.E, Municipal Engineer

Reviewed:

Jay Sweeney, Finance Director

Tammy O'Neil Contract Coordinator

Date:

April 18, 2012

Subject:

UV Disinfection Facility use of Lot 18 Sawmill Cove Industrial Park

### **Background**

The Enhanced Surface Water Treatment Rules (ESWTRs) were issued by Environmental Protection Agency (EPA) requiring drinking water systems to provide additional microbial and disinfection controls for surface water systems. The Long Term 1 & 2 ESWTRs require public health protection against *Cryptosporidium*, while addressing risk tradeoffs with disinfection by-products. This additional treatment must be in operation and approved by the State DEC before October 1, 2014. To meet these requirements the design of the UV Disinfection Facility has been moving forward to the point where site selection must be finalized.

#### **Analysis**

The UV Disinfection Facility requires a site near the water transmission main that runs from the Blue Lake Reservoir to Sitka. Lot 18 provides a location near the transmission main that is an efficient and a cost effective site owned by the CBS. The facility provides disinfection to the drinking water for the resident, commercial and industrial users of Sitka including the parcels within the Sawmill Cove Industrial Park. The SCIP Board approved the transfer of lot 18 to the Water Fund for the assessed value of \$65,560.00

#### Fiscal Note:

The Assessing Director Randy Hughes established a value of \$3.75 to \$4.00 per square foot for the parcel. Lot 18 has 16,380 square feet for a total value of \$65,560. The project has a \$2,500,000 loan with an additional \$1,500,000 principal forgiveness. In addition to these existing funding sources a grant for 3,500,000 (MMG#78317) has been received and is undergoing final processing at DEC. A loan DWF#783481 for

\$2,550,000 was included in the 2012 Drinking Water Fund allocation and a loan application has been submitted.

## **Recommendation:**

Approve the permanent transfer of CBS Property Lot 18 Sawmill Cove Industrial Park to the Water Enterprise Fund including a transfer of \$65,560.00 from the UV Facility Capital Account to SMCIP Fund to account for the value of the permanent transfer of the CBS property form the SCIP Fund.





