


City and Borough of Sitka

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Coast Guard City, USA

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Michael Harmon, P.E.

Date: November 17, 2020 

Subject: Brady Lift Station Rehabilitation- Budget Adjustment Request

Background

Brady Lift Station is responsible for pumping all sewage generated north of Brady Street to the Wastewater Treatment Plant at 100 Alice Loop on Japonski Island. Much of the lift station equipment is outdated and requires excessive maintenance, most notably, a plug valve in the lift station has failed, making it impossible to isolate one of the three pumps for maintenance. It is important that this project be completed as soon as possible due to the risk and implications of lift station failure, however, it is equally important that the project be completed in the most cost-effective manner.

Public Works was forced to delay bidding of the project earlier this year when it became clear that the designed improvements were outside of the critical scope originally intended and had constructability issues. The design has been thoroughly revisited to address constructability and to re-use existing infrastructure wherever possible. There have been some sacrifices made that increase risk and maintenance requirements, but careful consideration has been made in this regard understanding that money is very tight. At this time Public Works is satisfied that the Brady Lift Station Rehabilitation is designed to maximize efficient use of funds and project implementation cannot afford further delay.

Additional funding for this project has been anticipated and was programmed and presented to the Assembly during the FY21 budget process. At that time, it was decided to wait until the bids were in to make this final budget adjustment. Now that formal bids have been received (November 13), CBS is able to accurately identify the amount of funding needed to complete the project.

Analysis

Current funding sources are \$428,759 from the Wastewater Fund for Brady Lift Station and \$217,400 from the Brady ADEC Clean Water Loan funds for Brady Lift Station. Following is a current budget summary:

Project Funding	\$ 646,159
Remaining Budget	\$ 323,625
Expenditures/Encumbrances	
DOWL	\$ 120,000
PTS	\$ 37,000
Boreal	\$ 78,192
Alaska Pump and Supply	\$ 53,730
CBS Staff	\$ 15,000
Remaining Costs	
Pre-order Materials	\$ 70,000
DOWL	\$ 20,000
Construction Bid	\$ 557,880
Construction Contingency (~10%)	\$ 60,000
Inspection & CBS Staff	\$ 20,000
Total Project Cost Estimate	\$ 1,031,802
Estimated Shortfall	\$ 385,643

Fiscal Note

At June 30, 2020, the Wastewater Fund had working capital of approximately \$8.5 million. With many looming infrastructure repairs, the fund has been building its working capital specifically so that needed repairs can be made and also so future repairs can be funded with a both low interest ADEC loans and the Wastewater Fund's working capital. The higher than anticipated cost of the Brady Street lift station repair is an example of why the fund must maintain adequate levels of working capital.

Recommendation

Authorize the CBS Municipal Administrator to commit \$400,000 additional Wastewater Funds to the completion of the Brady Lift Station Rehabilitation project.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-53
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2021
(Brady Lift Station Rehab Project)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental capital appropriation for FY2021.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2020 and ending June 30, 2021.

<u>FISCAL YEAR 2021 EXPENDITURE BUDGETS</u>
CAPITAL PROJECTS
Fund 730 – Brady St. Lift Station Rehabilitation Project #90676: Increase appropriations in the amount of \$400,000 for the Brady Lift Station Rehab Project.

EXPLANATION. The Brady Lift Station Rehabilitation project is a critical infrastructure project. It is important that this project be completed as soon as possible due to the risk and implications of lift station failure. Additional funding for this project was programmed and presented to the Assembly during the FY21 budget process. It was decided to wait until the bids were in to make this final budget adjustment. Now that formal bids have been received (November 13), CBS is able to accurately identify the amount of funding needed to complete the project.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 8th Day of December 2020.

ATTEST:

Steven Eisenbeisz, Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading 11/24/20
2nd and final reading 12/8/20

Sponsor: Administrator