



Memorandum

Date: 06-27-2017

To: Stephen Giesbrecht, Borough Manager

Cc: Borough Assembly
Karl Hagerman, Public Works Director
Jody Tow, Finance Director

From: Chris Cotta, Assistant Public Works Director

Re: Kiseno Street Sewer Main Replacement – Supplemental Budget Request

The Wastewater Department wishes to move forward on design and construction of the Kiseno Street Sewer Main Replacement project. This project will replace an aging and failing sewer main on the subject street.

Although the Kiseno Street Sewer Main Replacement project has been on the Department's capital project list for several years, loan funding for the project was not made available from the Alaska Department of Environmental Conservation (ADEC) until earlier this month, when they notified us that \$160K was available. The offer was contingent on the Borough making a loan application to ADEC no later than June 19th.

At their June 19th meeting, the Borough Assembly voted to proceed with a loan application to ADEC for the Kiseno Street Sewer Main Replacement, in the amount of \$160K. The preliminary loan application has now been submitted, however we also need to include the project in the Borough's FY18 capital project budget. This was not done previously since we had not been expecting any funding. The attached supplemental budget form shows planned expenditures.

At this time, the Wastewater Department is requesting a supplemental budget appropriation of \$160,000 to be added as Capital Project 746, Kiseno Street Sewer Main Replacement in the FY18 budget. It is the Department's intent to fund this project entirely with ADEC loan funds at 1.5% interest over 20 years. No rate increases will be necessary as this project has already been included in the Department's capital project plan that was used to develop the current rate structure.

Thank you for your consideration.

Public Works Department

PO Box 329, Petersburg, AK 99833 – Phone (907) 772-4430 Fax (907) 772-4102

www.petersburgak.gov