

SUBJECT: Request Assembly approval of an additional loan offer from the Alaska Department of Environmental Conservation, Alaska Clean Water Fund project no. 561131, authorizing the manager to incur debt in the amount of \$5,152,000, accept and appropriate the loan proceeds and revise the scope of work and budget for the Talkeetna Wastewater Treatment Facility Upgrade Project, project no. 25053

AGENDA OF: June 4, 2019

ASSEMBLY ACTION:

Adopted without objection 6-11-19

(BON)

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER: _____

Route to:	Department/Individual	Initials	Remarks
	Originator	<i>16/4/2019</i>	<i>16/5/2019</i>
	Director of Public Works	<i>16/5/2019</i>	<i>For TO email attached</i>
	Finance Director	<i>UX</i>	
	Borough Attorney	<i>UX</i>	
<i>X</i>	Borough Clerk	<i>(BON)</i>	

ATTACHEMENTS: Fiscal Note: Yes X No
 Ordinance Serial No. 19-083 (3pp)
 Resolution Serial No. 19-065 (3pp)

SUMMARY STATEMENT: The Talkeetna Wastewater Treatment Facility is outdated and no longer performs in compliance with Alaska Department of Environmental Conservation (ADEC) Wastewater permit AKG573033. Discharges have exceeded permit parameters for fecal coliform bacteria for the last four years. The Public Works Department has implemented industry expert and engineer recommended maintenance and repairs with operating funds. These efforts have reduced the amount of noncompliant discharge but have not completely resolved the violations.

Resolution No. 17-081 was adopted by the Assembly on November 21, 2017 authorizing the Manager to apply for loan funds through the Alaska Department of Environmental Conservation (ADEC), Alaska Clean Water Fund, to upgrade the Talkeetna Wastewater Treatment

Facility. The total loan request and complete project costs to include construction was \$7,700,000.

On September 18, 2018 the Assembly adopted Ordinance no. 18-092, approving a loan offer from ADEC, accepting and appropriating \$924,000 for the design of the Talkeetna Wastewater Treatment Facility.

On February 5, 2019, the Assembly adopted Ordinance no. 19-008, approving a loan offer from ADEC, accepting and appropriating \$1,617,468 for the removal, dewatering, transport, and disposal of the sludge, grit and other solids from the treatment lagoon cells at the Talkeetna Wastewater Treatment Plant.

The Matanuska-Susitna Borough was notified by the ADEC on May 17, 2019 that loan agreement 561131 has been amended to increase the total loan amount and change the scope of work for the upgrade to the Talkeetna Wastewater Treatment Facility, Project 25053. The attached ordinance and resolution will accept and appropriate additional loan funds in the amount of \$5,152,000 and change the scope of work to include construction of a new treatment facility.

Upon adoption and approval of this legislation, the Alaska Clean Water Fund Loan Agreement, project number 561131 will total \$7,693,468.

The loan payments will be made by the Talkeetna Sewer and Water Service Area, fund 293, service fees and sales tax revenues. The first loan payment will be due one year after completion of the project and the final loan payment will be no later than 20 years after the first payment. The interest rate is 1.5 percent.

RECOMMENDATION OF ADMINISTRATION: Request Assembly approval of the additional loan offer from the Alaska Department of Environmental Conservation, Alaska Clean Water Fund ACWF project no. 561131, authorizing the manager to incur additional debt in the amount of \$5,152,000, accept and appropriate the loan proceeds and set the scope of work and budget for construction of a new treatment facility as part of the Talkeetna Wastewater Treatment Facility Upgrade Project, project no. 25053.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: June

SUBJECT: Request Assembly approval of an additional loan offer from the Alaska Department of Environmental Conservation, Alaska Clean Water Fund project no. 561131, authorizing the manager to incur debt in the amount of \$5,152,000, accept and appropriate the loan proceeds and revise the scope of work and budget for the Talkeetna Wastewater Treatment Facility Upgrade Project, project no. 25053.

ORIGINATOR: J Ballinger, Public Works

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED \$5,152,000	FUNDING SOURCE <u>DEC Loan</u>
FROM ACCOUNT #	PROJECT #
TO ACCOUNT: <u>415-000.000 3xx.xxx</u>	PROJECT # 25053
VERIFIED BY: <u>[Signature]</u>	CERTIFIED BY:
DATE: <u>5-21-19</u>	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL	<u>5,152</u>					
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Grant Funds						
State/Federal Funds	<u>5,152</u>					
Other						
TOTAL	<u>5,152</u>					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: _____ PHONE: _____

DEPARTMENT: Cheryl Skene DATE: _____

APPROVED BY: _____ DATE: 5/21/19