

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE NO. 2017-13

CREATING A BUDGET AMENDMENT #1 FOR FISCAL YEAR 2018 TO CREATE THE DELTA WAY EMERGENCY SEWER LINE REPAIR PROJECT.

BE IT ENACTED BY THE UNALASKA CITY COUNCIL

- Section 1. Classification: This is a non-code ordinance.  
Section 2. Effective Date: This ordinance becomes effective upon adoption.  
Section 3. Content: The City of Unalaska FY17 Budget is amended as follows:

- A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.  
B. The following are the changes by account line item:

**Amendment No. 3 to Ordinance #2016-12**

	<u>Current</u>	<u>Requested</u>	<u>Revised</u>	
<b>I. OPERATING BUDGET</b>				
<b>A. Wastewater Budget</b>				
Sources				
Budgeted use of Unrestricted Net Assets	503,418	415,000	918,418	
Uses				
Transfer to Enterprise Capital Projects	-	415,000	415,000	
<b>II. Proprietary Capital Budget</b>				
<b>A. Wastewater Fund - Project Budget</b>				
Sources				
Transfer from Enterprise Ops	WW18A	-	415,000	415,000
Uses				
Construction Services	WW18A	-	385,000	385,000
Engineering & Architectural	WW18A	-	10,000	10,000
General Supplies	WW18A	-	20,000	20,000

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 21st DAY OF SEP 2017.

  
MAYOR

ATTEST:

  
CITY CLERK



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**MEMORANDUM TO COUNCIL**

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**TO:** MAYOR AND CITY COUNCIL MEMBERS  
**FROM:** DAN WINTERS, PUBLIC UTILITIES DEPARTMENT DIRECTOR  
**THRU:** DAVID A. MARTINSON, CITY MANAGER  
**DATE:** SEPTEMBER 12, 2017  
**RE:** ORDINANCE 2017-13 – BUDGET AMENDMENT REQUEST OF \$415,000  
TO CREATE A NEW CAPITAL PROJECT FOR EMERGENCY REPAIRS  
TO A SEWER LINE ON DELTA WAY

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**SUMMARY:** A sewer line on Delta Way has been breached and bunker fuel from WWII era contamination is seeping into the Wastewater Collection System. Staff is requesting a new Capital Project be established in order to reimburse the Operating Budget of the Wastewater Utility and the Westward Captain's Bay 35kV Line Extension Project; both of these cost centers funded the emergency repairs. Funding to reimburse the Project and the Wastewater Division of \$415,000 will come from the Retained Earnings of the Wastewater Proprietary Fund.

**PREVIOUS COUNCIL ACTION:** The Council has taken no action on the Delta Way Sewer Line. Council funded the FY18 Operating Budget of the Wastewater Utility via Ordinance 2017-07 at their May 23, 2017 meeting and the Westward Captain's Bay 35kV Line Extension Project via the FY17 CMMP and Ordinance 2016-12 at their May 24, 2016 meeting for \$2,350,836.

**BACKGROUND:** A breached sewer main on Delta Way caused bunker fuel to enter the Wastewater Collection System. Since the breach was discovered in mid-July, the fuel inflow increased from approximately 10 gallons per week to over 100 gallons per week. At a minimum since the breach was detected, the Sewer Lift Station at Delta Way was extensively cleaned once per week to prevent the fuel from reaching the Wastewater Treatment Plant in violation of the Plant's NPDES permit. The breach was also a potentially serious environmental hazard that could affect Unalaska Bay, causing damage to marine life and the safety of residents as well as subjecting the City to fines from ADEC and/or EPA.

**DISCUSSION:** The cleanup at the Delta Way Lift Station was contracted to Resolve Marine at an estimated cost of \$20,000. Travis Peterson Environmental Consultants, Inc. (TPECI) was issued a Purchase Order for \$10,000 under a contract to mitigate potential environmental issues. The total cost to the Wastewater Utility for these services is estimated to be \$30,000, the amount encumbered on PO's are drawn from the Wastewater Utility's Operating Budget.

Accessing the sewer main for a direct repair proved impractical due to the bunker fuel contamination and because the line sits below the water table. To avoid digging up the main, the Utility contracted with Northern Alaska Contractors, LLC (NAC), to slip line the affected sewer main lines. Slip lining is a proven long-term repair for sewer mains and is often considered equal to or better than the original installation. The City has worked with NAC on numerous projects for many years and they are very familiar with the sewer mains in question, having constructed most of the lines and lift stations within the collection system.

An addendum to an existing contract with NAC, the construction of the Westward Captain's Bay 35kV Line Extension Project, was executed in the amount of \$350,000 and paid for from that Project's budget due to the emergency nature of the repairs. A contingency amount of \$35,000 for anticipated scope increases was also reserved from the project budget.

**ALTERNATIVES:** Upon approval from the City Manager, the Wastewater Utility contracted with NAC, TPECI and Resolve Marine in order to prevent environmental contamination incidents at the Plant and Unalaska Bay. The question before the Council is whether to allow the cost centers utilized to make payment for these services carry the financial burden or to reimburse those costs to the Operating budget of the Wastewater Utility (\$30,000) and the Westward Captain's Bay 35kV Line Extension Project (\$385,000). Staff recommends reimbursement through approval of this Budget Amendment Request.

**FINANCIAL IMPLICATIONS:** This budget amendment request will replace those funds expended for these emergency repairs to the sewer line back into the Westward Captain's Bay 35kV Line Extension Project as well as reimburse the Utility's Operating budget for expenditures directly related to the breach. The proposed reimbursements are as follows:

<b>Cost Center</b>	<b>Amount</b>
5012 5053 54500 EL17C	\$ 385,000.00
5202 4552 53240	\$ 10,000.00
5202 4552 56100	<u>\$ 20,000.00</u>
<b>Total Project Cost:</b>	<b><u>\$ 415,000.00</u></b>

  

<b>Reimburse to</b>	<b>Amount</b>
5012 5053 54500 EL17C	\$ 385,000.00
5202 4552 53240	\$ 10,000.00
5202 4552 56100	<u>\$ 20,000.00</u>
<b>Total to be Reimbursed:</b>	<b><u>\$ 415,000.00</u></b>

**LEGAL:** The City Manager will determine whether a legal opinion is required.

**STAFF RECOMMENDATION:** Staff recommends fully funding this budget amendment request in order to reimburse the Utility and the Westward Captain's Bay 35kV Line Extension Project.



**PROPOSED MOTION:** “I move to approve Ordinance 2017-13”

**CITY MANAGER’S COMMENTS:** I recommend the Council approve this budget amendment in an effort to ensure costs are appropriately accounted for in repairing this emergency situation.

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