

City of Bethel Action Memorandum

Action memorandum No.	18-39		
Date action introduced:	May 22, 2018	Introduced by:	Peter Williams, City Manager
Date action taken:	May 22, 2018	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Denied
Confirmed by:	<i>KM</i>		

Action Title: Direct Administration to send the attached letter to the Anchorage USDA-RD Office in order to request a reallocation of \$1,174,035 in USDA-RD grant/loan project funds so that the City can purchase five new sewer trucks.

Attachment(s): (1) Letter from City Manager to USDA-RD to request reallocation of funds; and (2) Quote from Kenworth for the potential purchase of new sewer trucks.

Department/Individual:	Initials:	Remarks:
Administration	<i>PW</i>	<i>Peter Williams, Approve</i>
Finance	<i>JS</i>	<i>for JC</i>
Public Works	<i>WJ</i>	
Amount of fiscal impact:		Account information:
	No fiscal impact at this time.	
\$1,174,035	Funds in USDA-RD Grant/Loan Budget.	64-50-646 64-51-646
	Requires funding in FY 2019 Budget.	

Summary Statement

The City of Bethel has an approved USDA-RD grant/loan in place that is paying for most of the sewer lagoon jetty repairs. The USDA-RD approved budget includes funds for construction, contingency, and the purchase of sewer trucks. See budget amounts in Letter attached.

The construction bid price of \$1,389,850 proposed by STG, and later approved by Bethel City Council, was less than the \$2,443,962 amount budgeted for construction. The City has other actual project expenditures to date. The City is in a position to be able to request a reallocation of funds from construction, contingency, and other categories and direct these unspent funds toward the purchase of additional sewer trucks.

City project engineer CH2M confirmed that 10% is a reasonable amount to leave in the contingency budget category. Actual legal fees included the cost to the City of hiring an outside attorney to prepare the "bridge loan" through Wells Fargo Bank, as required by USDA-RD.

City Administration's goal is to use approved USDA-RD funding already in place to purchase as many new sewer trucks of the seven needed as possible. All new trucks will meet Alaska DOT&PF's specifications for highway operation at full 3,400 gallon capacity. See quote attached.