Introduced by: City Manager Capela
Date: February 9, 2016
Action: Passed
Vote: 7-0

CITY OF BETHEL, ALASKA

Resolution # 16-09

A RESOLUTION STATING THE CITY OF BETHEL'S INTENT TO MEET CONDITIONS REQUIRED BY THE U.S. DEPARTMENT OF AGRICULTURE-RURAL DEVELOPMENT (USDA-RD) REGARDING AN APPLICATION FOR GRANT AND LOAN FUNDS FOR WATER/WASTEWATER IMPROVEMENTS

WHEREAS, the City of Bethel applied to the U.S. Department of Agriculture, (USDA) RD Office, for federal financial assistance of $3,500,000 to be administered by the U.S. Department of Agriculture for public improvements to the City of Bethel's water and wastewater infrastructure;

WHEREAS, the City of Bethel has received guidance from USDA-RD that USDA-RD will be offering such financial assistance in a form of a grant and a long term low cost loan;

WHEREAS, USDA-RD determined through the use of their funding formula and after reviewing the City's financial statements, that they will provide the City with 45% grant funding with a 55% match/loan funds;

WHEREAS, the City can decide whether to use any non-federal source as a cash match, the City may also borrow funds from USDA-RD at a very low interest rate to count as a match;

WHEREAS, the City may order the two trucks in advance of the grant/loan agreement and be reimbursed by these grant/loan funds, as long as the grant/loan agreement is ultimately completed and signed;

WHEREAS, USDA-RD will not reimburse the City's expenditure for the trucks if the grant/loan agreement is not completed and/or never gets signed;

WHEREAS, the City of Bethel may accept the risk of ordering trucks in advance of the grant/loan agreement with the understanding that the City will only be reimbursed, if and when all required documents, paperwork, and approvals are completed, such that signed grant/loan agreement results;

WHEREAS, the City of Bethel is at a critical junction of not being able to provide water and wastewater services that put at risk the health and welfare of the general public due to failure of the existing wastewater treatment system

known as the "lagoon truck dump site" along with the water and wastewater truck delivery system;

WHEREAS, due to the remote geographical location of the City, the length of time to construct the water/wastewater delivery systems trucks combined with the short barge season, makes this action necessary for protection of public health and safety;

WHEREAS, it is the affirmative duty of the Bethel City Council to ensure the protection of the general public health and welfare;

WHEREAS, the City of Bethel is seeking to immediately place an order for the purchase of two trucks to ensure the safety of public that will not exceed $500,000;

WHEREAS, USDA-RD is offering a 45% grant and 55% low cost loan at *approximately* 2.25% annual interest rate which will amount to *approximately* $225,000 grant and $275,000;

WHEREAS, the City of Bethel has authorized the collection of service fees for all its utility customers to set aside the funds of $8 per billing cycle;

WHEREAS, the City of Bethel may pledge such revenues for the capitalization of such a USDA-RD loan;

WHEREAS, the City of Bethel affirms the findings of the City Manager that this action is of a public health and safety necessity.

WHEREAS, Bethel Municipal Code 4.20.110, When competitive bidding is not required, Subsection A., allows for purchases without competitive bidding when the equipment is purchased under contract of another governmental agency;

WHEREAS, the City will be purchasing the trucks through an established State contract at a price deemed below that obtainable from private dealers, therefore, no Request for Proposal is necessary for the purchase of the trucks.

NOW, THEREFORE, BE IT RESOLVED that the City of Bethel hereby authorizes the City Manager to submit an application to USDA-RD for a grant/long term loan application;
NOW THEREFORE BE IT FURTHER RESOLVED, that the City Council directs the city manager to prepare for presentation to City Council the appropriate documentation to implement the purchase of two trucks and to enter into grant/loan agreement with USDA-RD;

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NOW THEREFORE BE IT FURTHER RESOLVED, that the documentation to be presented to Council in two weeks shall also include any re-appropriation or transfer of funds from the funds from the City Budget as may be necessary for the project;
~~and proceed with the purchase of the two trucks with the stipulation that the City Manger receives Council authorization for budget modification to the necessary financial City of Bethel inter-fund transfers to effectuate the purchase of the two trucks.~~

ENACTED THIS 9 DAY OF FEBRUARY, BY A VOTE OF 7 IN FAVOR AND 0 OPPOSED.

Richard Robb, Mayor

ATTEST:

Lori Strickler, City Clerk