

MEMORANDUM

CITY & BOROUGH OF JUNEAU

155 South Seward Street, Juneau, Alaska 99801

TO: Merrill Sanford, Chair
Public Works and Facilities Committee

DATE: February 3, 2010

FROM: Rorie Watt, P.E., Engineering Department Director



RE: JD Incinerator Loan Application

As discussed at the last PWFC meeting, destructive testing at the JD Incinerator revealed that the corrosion is worse than previously believed. The most prudent course is to rapidly schedule a major renovation of the incinerator. The best available information indicates that the project will cost \$3M.

Staff has applied for ADEC grant money, but as yet has been unsuccessful. However, ADEC has indicated that loan money is available. Loan requests require a Resolution of support from the local governing body. A loan would have to be offset in the future with some combination of grant money, sales tax or user fees. User fees would imply a rate increase.

In the draft CIP (today's agenda, information item), we have been able to include some sales tax for the project. However, those monies will not be available until July 1.

Recommendation:

Approved staff request to apply for \$3M in ADEC low interest loan, forward a Resolution of support from the Assembly for the loan application and forward appropriation of the loan to the full Assembly when it becomes available.