

Agency: Commerce, Community and Economic Development**Grants to Municipalities (AS 37.05.315)****Grant Recipient: Kodiak Island Borough****Federal Tax ID: 92-0030845****Project Title:****Project Type: New Construction and Land Acquisition**

Kodiak Island Borough - Kodiak Landfill Leachate Treatment Plant

State Funding Requested: \$3,000,000**House District: 35 / R**

One-Time Need

Brief Project Description:

Purchase and installation of a waste water treatment plant

Funding Plan:

Total Project Cost:	\$32,000,000
Funding Already Secured:	(\$29,000,000)
FY2015 State Funding Request:	<u>(\$3,000,000)</u>
Project Deficit:	\$0

Funding Details:

Secured funding includes a local revenue bond issue, Alaska Clean Water Fund loans, a Municipal Matching Grant and Designated Legislative grants.

Detailed Project Description and Justification:

The Kodiak Landfill Lateral Expansion project closes out a portion of the existing landfill footprint and creates a new landfill cell designed to meet EPA and DEC regulatory requirements. The lined cell will collect the leachate generated by the solid waste stored in the cell and the leachate will be treated by an on-site waste water treatment plant. An on-site treatment plant was chosen as the method to address the leachate produced at the landfill after a review of alternatives found this to be the most cost effective option. Construction of the wastewater treatment plant is the final phase of this three phase project.

The Kodiak Landfill Lateral Expansion project began in 2007 with a plan for a 10 year capacity expansion. The project was suspended in 2008 while a solid waste was developed. The project resumed in 2010 with a significant change in the plans and design to include a phased, multi-cell, 40 year capacity expansion.

Along with a change in the scope of the landfill expansion, an in-depth review of the design identified an interpretational difference in water discharge quality requirements. The initial design focused on treatment of ammonia and Biochemical Oxygen Demand (BOD) and targeted "Aquatic Life for Fresh Water" discharge standards, within which there was no discharge limit for nitrate. This design was similar to other operating wastewater treatment plants in Alaska. During the review process with ADEC, the interpretation of the required discharge standard for nitrate water quality was changed to "Drinking Water". Revising the design to meet this interpretation increased the treatment requirements of the plant, resulting in greater treatment process capacities and facility size. Due to the changes in scope and design along with the factor of time in the cost of construction, this project has grown in overall cost.

The local cost of this project will ultimately be paid by the rate payers in Kodiak. The number of rate payers has remained relatively constant for several years and is not expected to change significantly in the near future. Recent calculations

estimate that the rate payers will fund 67% of this project with user fees increasing by approximately 40% in the next three years. Grant funding (State of Alaska legislative and MMG) to date is equivalent to 33%.

The Borough submitted a Municipal Matching Grant application for SFY2015 funding through DEC for \$3 million, the maximum amount allowable, for this plant however our project currently ranks below the fundable portion of Governor's budget. As such, the Borough is requesting \$3 million in legislative funding to reduce the indebtedness of the Borough and relieve the burden of the local rate payers.

Project Timeline:

Construction is scheduled to begin in March 15, 2014 and be complete approximately June 30, 2015

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Kodiak Island Borough

Grant Recipient Contact Information:

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Has this project been through a public review process at the local level and is it a community priority? Yes No



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