

Agency: Commerce, Community and Economic Development

Grants to Municipalities (AS 37.05.315)

Grant Recipient: Saint Mary's

Project Title:

Project Type: Equipment and Materials

Saint Mary's - Rock Crusher/Screening Plant

State Funding Requested: \$300,000
One-Time Need

House District: 39 / T

Brief Project Description:

There is a need to replace existing gravel crusher which is over fifty years old and expensive to maintain and operate.

Funding Plan:

Total Cost of Project: \$420,000

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Local Funds	\$20,000					
Total	\$20,000					

Detailed Project Description and Justification:

Historically, gravel production and transport has been an important revenue source and job provider for the City of Saint Mary's. This government run enterprise supplements the city's 3% sales tax and utility collections. The City of Saint Mary's has the equipment to mine and move gravel, but the weak link in the operation is a fully operational and reliable crusher and screening unit to process gravel to meet specific needs. The present crusher is a 1956 Cedar Rapids Cone Crusher with some of the parts of the conveyor and screening system dating back to the 1940's. The City of Saint Mary's has held this aging system together by doing wide ranging searches for parts, fabricating parts (including mandatory safety screens and other vital components), and spending tens of thousands of dollars in labor and parts to keep this vital equipment operational.

The costs of crusher units can vary widely, particularly if one considers used equipment. A major cost will be transportation to Saint Mary's. It would be beneficial to find a machine within the State of Alaska. The amount requested is based on the cost of a used 2002 Eagle 1400 that may be available from Brice Construction in Fairbanks.

The City gravel operation provides about ten good paying seasonal jobs for local residents, provides revenue to help keep utility charges and taxes down, and provides a means for the first class City of Saint Mary's to meet increasing school support requirements. The gravel operation has been an economic lifesaver for many families during the extended period of poor salmon returns on the Yukon River.

The City continues to explore other funding programs which may include both grants and loans. The Community Development Block Grant does not fund equipment purchases and other programs require guarantees of business that the City has been unable to nail down. Having a reliable source of gravel near construction projects in the Lower Yukon River will reduce construction costs and save energy in the transportation of gravel.

For use by Co-chair Staff Only:

\$300,000
Approved

Project Timeline:

As soon as funds are available the City will assess the market and either go out to bid for a crusher or buy the best available unit.

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

City of Saint Mary's

Grant Recipient Contact Information:

Name: Doug Griffin
Address: PO Box 209
Saint Mary's, AK 99658
Phone Number: 438-2515
Email: cityksm@gci.net

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

City of Saint Mary's
P.O. Box 209
Saint Mary's, Alaska 99658
Phone: (907) 438-2515 --- Fax: 438-2719
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January 27, 2010

Senator Donald Olson
Alaska Senate
State Capitol
Juneau, Alaska 99801-1182

RE: City of Saint Mary's 2010 Legislative Funding Priorities

Dear Senator Olson:

Attached are the funding priorities for the City of Saint Mary's for the 2010 Legislative Session. These requests address creation or preservation of jobs and the support of basic infrastructure for the City of Saint Mary's. The three projects involve the purchase of a piece of critical equipment, the continued replacement of obsolete water lines called for in the *Saint Mary's Utility Master Plan*, and evaluation and planning for improving buildings that serve the residents of the city.

The projects in priority order are:

1. Rock Crusher/Screening Plant\$ 420,000
2. Phase 3 of Water Line Replacement2,200,000
3. Community Facilities Planning85,000

The rock crusher is needed to provide local jobs and municipal revenue to support our schools and other services. Within the last three weeks the City of Saint Mary's has experienced some major water line breaks and city crews worked around the clock in brutally cold temperatures to keep the entire water system viable. The lack of snow and low temperatures have created major concerns regarding the city's clean water system. Even now the city is thawing individual homes and businesses. This has been a huge expense for the city. Finally, the city's buildings are obsolete and waste energy. A facilities master plan like the city has for its utilities would be a valuable tool in pursue all of the funding sources available for renovation or new construction of public buildings.

If you have any questions about this request, please contact me.

Sincerely,


Douglas Griffin
City Manager

Attachment: Legislative Funding Priorities for 2010

City of Saint Mary's

P.O. Box 209

Saint Mary's, Alaska 99658

Phone:(907)438-2515

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email:cityksm@gci.net

Legislative Funding Priorities for 2010

January 20, 2010

FOR THE CITY OF SAINT MARY'S

1. Rock Crusher/Screening Plant \$420,000

Historically, the main revenue source that has set the City of Saint Mary's apart from other small, rural, isolated Alaskan villages is its gravel production, transport, and spreading operation. This local government run enterprise produces revenue to supplement Saint Mary's 3% sales tax and utility collections for water, sewer, and solid waste collection and provides good paying jobs for local residents.

Over the years, the City of Saint Mary's has been able to assemble the dump trucks and other heavy equipment to provide a comprehensive operation that benefits all residents of Saint Mary's. The present weak link in the existing system is a fully operational and reliable crusher and screening unit to process gravel to meet various dimensional specifications for use in fill and construction projects. The present crusher in service is a 1956 Cedar Rapids Cone Crusher with some parts of the conveyor and screening system dating back to the 1940's. The City of Saint Mary's has held this aging system together by doing long-range searches for parts, fabricating parts (including mandatory safety screens and other vital components), and spending tens of thousands of dollars in labor and parts to keep this vital equipment operational. The time has come to replace this key link in the gravel operation.

The costs of crusher units can vary widely, particularly if one considers used equipment. A major cost will be transportation to Saint Mary's so would be most beneficial to find a machine within the State. The amount requested is based on the cost of a used 2002 Eagle 1400 that may be available in Fairbanks from Brice Construction.

It is difficult to over emphasize the importance of the gravel operation for the City of Saint Mary's. It provides about ten good paying seasonal jobs for local residents, provides revenue to help keep utility charges and taxes down, provides a means for the city to support, as a first class city, the local schools, and has been an economic lifesaver for many families during the extended period of poor salmon returns on the Yukon River.

The City continues to explore other funding programs which may include both grants and loans. The Community Development Block Grant does not fund equipment purchases and other programs may require guarantees of business that we have not been able to nail down. Having a reliable source of gravel near construction projects in the Lower Yukon River will moderate construction costs and save energy in the transportation of gravel.

2. Phase 3 of Water Line Replacement \$2,200,000

The City of Saint Mary's water lines are in need of replacement. Most of these PVC water lines were installed prior to the 1980's with obsolete bell and spigot connections. The "Phases" referred to in this request are based on the **Saint Mary's Alaska Utility Master Plan** dated September 2007 and adopted by the City of Saint Mary's in February 2008. Phase 1, replacement of a water lift station has been started and should be complete this summer of 2010. Phase 2 is a \$2 million project funded last year by the Legislature (\$1.5 million of federal UDSA funding with the state providing a \$500,000 match) which will replace about 7400 linear feet of water line, eight hydrants, and a valve vault is also scheduled for this construction season.

In maintaining and repairing the line, it has become clear that much of the line was not well seated in clean, well drained material. The placement of the pipe in clay and other unstable soils subjects the pipe to stress and movement. These aging water lines result in line failures, often at the most inopportune times. Recently, the City of Saint Mary's experienced a major water line break on January 7, 2010, along with a couple of other smaller breaks, which resulted in the loss of water for many Saint Mary's residents for several days. The task of finding the line break and repairing the line in winter time temperatures of -13 F with wind chills of -35 proved very challenging. The loss of constant water circulation in the middle of winter caused service freeze ups for about a dozen homes and the community hall. An example of catastrophic failure of the PVC piping was also discovered in June 2005 when blockage in a 200 lineal foot reach of sewer was being "unplugged". The main had "split" the entire length of the pipe section.

The Utility Master Plan calls for the replacement of aging PVC pipe using bell and spigot joints that tend to separate when subjected to frost heaves and subsequent settlement with much more robust six-inch diameter butt fused HDPE arctic pipe.

The provision of clean water is a major factor in protecting the health and welfare of Saint Mary's residents. The utility is well run and service receipts usually pay for the operation and basic maintenance of the water and sewer system. However, with more frequent failures and higher maintenance costs the ability to break even at present rate levels gets more difficult.

3. Community Facilities Planning \$85,000

The City of Saint Mary's buildings used to serve its residents are suffering from deferred maintenance and obsolescence. These important facilities include the following structures:

- Community Hall/City offices
- City Shop
- Public Safety Building
- Cold Storage Building
- Boys and Girls Club Building

The City may be able to obtain grant funding either alone or in cooperation with other local organizations to renovate, expand, or construct new facilities to better serve the community and the region. However, first a building survey and preliminary facility planning needs to occur to assist the City Council and the residents of Saint Mary's in setting priorities and deciding what types of improvements will best serve the public.

This request is to "jump-start" the process to get a community facilities strategy started. The first step is to survey the existing buildings to determine their structural integrity and help the City Council decide if the buildings can be renovated and even expanded to better meet community needs or whether it would be best to pursue new construction.

Once this assessment and planning is complete the City of Saint Mary's and/or one of the two tribes located in Saint Mary's will have the preparatory documents needed to pursue final design and construction funding through a grant source. This funding pool may increase significantly with the continuation of Federal and State programs for more energy efficient public buildings the recent declaration by U.S. Commerce Secretary Gary Locke of a commercial fishing disaster for Yukon River king salmon.

The present Community Hall is too small to comfortably accommodate large gatherings for potlatches and other community celebrations. The building is not economical to heat and light and has inadequate restroom facilities due to its age.

The City Shop has a dirt floor, is drafty, and does not provide adequate space to efficiently and safely maintain the City's equipment. The Public Safety building, which is used by the Department of Public Safety to hold prisoners and suspects, does not include suitable space to hold juveniles in custody, and is also expensive to heat.

The Cold Storage Building used for storage and the alcohol delivery site has a crumbling foundation, deteriorating electrical system and rotting floors. The Boys and Girls Club Building is the town's recreation center for its youth and it is small and in need of extensive renovation.