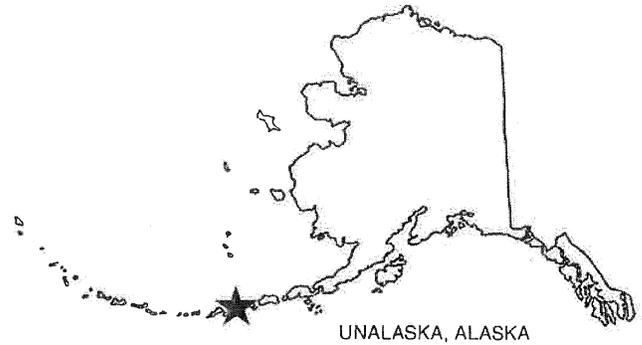


CITY OF UNALASKA

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February 2, 2011

Representative Muñoz, Chairman
House Community and Regional Affairs Committee
State Capitol Room 403
Juneau, AK 99801-1182

Re: Testimony for Committee, Unalaska Permitting Issues

Dear Representative Muñoz:

I am currently scheduled to testify before the committee this coming week. Please accept this letter as an outline of my presentation. The City of Unalaska is currently out of compliance with a NPDES permit issued by EPA in 2004. The City built a new plant that came on line in the year 2000 under a primary treatment permit. Both EPA and ADEC signed the permit in 2000.

The NPDES permit issued in 2004 was interpreted by EPA as requiring the City to plan, design and build an entirely new treatment plant to go from standards for primary treatment to standards above primary treatment (so-called "enhanced primary" treatment) in less than ninety days! The 2004 permit will require the city to spend approximately \$12 to \$15 million dollars to build a new plant to meet the current permit and will create sludge that must be handled properly. The new plant will result in a dramatic increase to operating costs and in turn result in rate shock to consumers. Residents of Unalaska already pay \$54 per month.

The EPA has told ADEC the City's next permit will require construction of a secondary treatment plant by 2014. Secondary treatment will produce more sludge than primary treatment. Preliminary costs for construction could easily exceed \$20 million. Sludge would need to be disposed of at the city's landfill.

The City owns and operates the landfill facility which includes lined cells by EPA regulation. The cost of landfilling the sludge will be in excess of \$500K per year.

Even without a new sewage treatment plant, a new landfill cell must be constructed by 2013. Project involves moving a road and providing for leachate holding tank at an

estimated cost of \$8.5 million. The addition of sludge will result in reducing the life of the landfill by a third.

In addition to the two projects listed above a new water plant must be constructed by 2014 due to EPA's LT2 rule concerning elimination of cryptosporidium. Estimated cost \$9.5 million must be on line by 2014.

A complete retrofit of our plant built in 2000 will be required for either advanced primary and/or secondary treatment. Secondary treatment will cost \$20 million. This does not include operational costs. A facilities plan is currently being developed by consultants to meet the 2014 deadline.

City of Unalaska had been operating under rules made in 1979 which exempted 76 coastal communities from asking for a waiver from a secondary treatment requirement under the clean water act.

ADEC has primacy for issuing sewage discharge permits now but is being told by EPA they cannot issue any permit for any of the 76 coastal communities given a waiver in 1979 unless the ADEC permit requires secondary treatment, this could have a huge negative impact on the communities on this list requiring large sums of money.

If you have questions regarding this submittal or need additional information, please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read 'CHLADICK', written in a cursive style.

Chris Hladick
City Manager

City of Unalaska Wastewater Facility Plan Comparison of Alternatives

UNALASKA WASTEWATER TREATMENT ALTERNATIVES										
Treatment Alternative	Size of Basin	Approximate Capital Cost	Approximate Additional Operating Cost			Total	Removal Efficiency, %			Water Quality Issues
			Sludge	Other	Total		BOD	TSS	NH3	
Conventional Primary Settling	2 ea.- 25' x 75'	\$12.4 M	\$45k/yr	\$229k/yr	\$274k/yr	25-30	55	25	50	Meets Standards for Primary Treatment and does not meet copper standard at ZID
Chemically Enhanced Primary	2 ea.- 20' x 60'	\$ 12.9 M.	\$86k/yr	\$299k/yr	\$385k/yr	45	80-90	30	75	Meets Standards for Primary Treatment and Removes Metals
Ballasted Sedimentation (ActiFlo™)	2 ea.-13' x 30'	\$ 13.5 M.	\$94k/yr	\$299k/yr	\$393k/yr	40	80	30	75	Meets Standards for Primary Treatment and Removes Metals
SBR Secondary Treatment	2 ea.-80' x 80'	\$ 32.1 M	\$133k/yr	\$408k/yr	\$541k/yr	90	85	99	70	Meets all standards for Secondary treatment and removes metals
MBR Secondary Treatment	2 ea 33' x 45' 2 ea 45' x 45'	\$34.2 M	\$147k/yr	\$501k/yr	\$648k/yr	90	95	99	75	Meets all standards for Secondary treatment and removes metals