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# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER / POUCH C - JUNEAU 99811

February 23, 1976

Honorable Bill Ray  
Chairman  
Senate Finance Committee  
Alaska State Legislature  
State Capitol - Pouch V  
Juneau, Alaska 99811

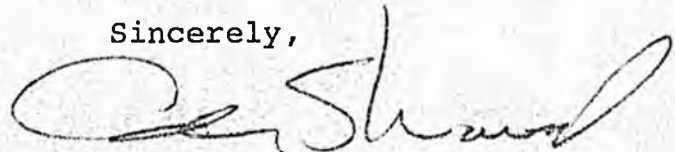
Dear Senator Ray:

We are requesting that you amend House Bill 590 a supplemental appropriation for the Department of Military Affairs, Alaska National Guard to provide construction funds for hangars at Bethel and Nome, to include \$134,000 in general funds to allow funding for a sewer hookup for the Nome Army. Construction of the sewer hookup would be much less expensive this season since a contractor will already be on location in Nome doing other sewer construction.

The existing drain field for the armory has frozen and is often out of order in winter months. Completion of this sewer hookup would save \$15,000 per year the amount that will be spent this fiscal year for sewer pumping. In nine years, discounting inflation, the project will in effect pay for itself.

Your attention to this problem and recommended solution is appreciated. Attached for further detail are capital budget project justification forms. Representatives of the Department of Military Affairs are available for testimony regarding the details of this request.

Sincerely,



Andrew S. Warwick  
Chairman  
Budget Review Committee

ASW/MC/mjc  
Attachments

# 25 Capital Budget Proposed Project

Form 26 MUST BE COMPLETED AND ATTACHED WITH EACH PROPOSED PROJECT REQUEST

TITLE Sewer & Water Connect		OPERATING BUDGET BRU State Armories	
PRIORITY 76-1	STARTING DATE 6-1-76	COMPLETION DATE 9-1-76	TOTAL PROJECT COST 134.0
LOCATION Nome	AREA SERVED Northern	ELECTION DISTRICT	
SOURCE OF COST ESTIMATE Division of Buildings		DATE OF ESTIMATE 2-5-76	
DESCRIPTION Provide mains, lateral, and lift station required to connect the Nome Armory to the city water and sewer system.			

PROJECT TYPE		
BUILDING CONSTRUCTION		EQUIPMENT
OTHER IMPROVEMENT	X	LAND

PROJECT PURPOSE	
Major Maintenance (Rehab)	<input checked="" type="checkbox"/>
Improvement of Services	<input type="checkbox"/>
Accommodation of Increased Demand	<input type="checkbox"/>
New Program or Service Accommodation	<input type="checkbox"/>
Supplement Previously Authorized Funds	<input type="checkbox"/>
Preliminary Feasibility or Cost Studies	<input type="checkbox"/>
Other	<input type="checkbox"/>

PROJECT EXPENDITURES	TOTAL	BUDGET YEAR	BUDGET YEAR PLUS 1	BUDGET YEAR PLUS 2	REMAINING COST
TOTAL ANNUAL EXPENDITURE (Capital Cost)	134.0	134.0			
PLANNING AND ENGINEERING	4.0	4.0			
LAND					
CONSTRUCTION	115.0	115.0			
EQUIPMENT					
ADMINISTRATION AND OTHER	15.0	15.0			

APPROPRIATION REQUEST	
Federal Receipts	
Required General Fund Matching	
Other General Fund	134.0
G. O. Bonds	
ASHA Bonds	
Inter-Agency Transfers	
Other	
TOTAL	134.0

OPERATIONAL COST AND NO. PERSONNEL INCREASE (DECREASE)		ULTIMATE ANNUAL	BUDGET YEAR	BUDGET YEAR PLUS 1	BUDGET YEAR PLUS 2
FUNDING SOURCE	OTHER SOURCES				
	GENERAL FUND				
TOTAL ANNUAL OPERATIONAL COST		(12.0)	(12.0)	(12.0)	(12.0)
POSITIONS	FULL-TIME EQUIVALENTS	-0-	-0-	-0-	-0-

AGENCY Military Affairs PROGRAM Public Protection PROJECT & PRIORITY NO Nome Sewer 76-1

**25** CAPITAL BUDGET PROPOSED PROJECT

# 26 Capital Budget Project Justification

STATE GOAL:

Personal and Economic Security for all Alaskans

PLANNING OBJECTIVE:

Increase Armory Serviceability, Decrease Operations Cost

Justify the project using the four headings below in the order they appear. Expand upon each section as required. Repeat heading when commencing response. Submit justification for each project listed in first two columns of Form 27. Attach feasibility studies, reports, or other documentation available. Use Form 23 as continuation sheet.

- I. DOCUMENTATION OF NEED (Cite quantitative and measurable need.)                      III. DOCUMENTATION OF ESTIMATED CAPITAL COST (Discuss degree of reliability.)
- II. ANALYSIS IMPACT ON OPERATIONAL EXPENSE (Estimate and justify.)                      IV. IDENTIFICATION OF ALTERNATIVES CONSIDERED (State why rejected.)

I. Documentation of Need: The Nome Armory currently uses a septic/drain field for waste disposal, and purchases water which is stored in tanks totaling 4000 gallons in capacity. The septic/drain field are inoperative during the winter months, requiring that the entire system be pumped clean monthly at a tremendous cost. Also, the drain field is now on private property beneath a private structure, and is inaccessible for maintenance. The property owner may choose to begin charging us for use of the field, or could attempt to terminate our use entirely.

The city of Nome hauls water to the Armory for our use, but has recently terminated that service on weekends, and has raised their rates claiming the service was losing money. Nome has forewarned us that they may discontinue the service altogether, turning the operation over to private enterprise.

Under the above conditions the use of the Armory has become costly and unreliable. The local commander has been forced to restrict use of the Armory in order to lesson pumping frequency and lower costs. This restriction has lowered the training ability and readiness of the 1st Scout Battalion, and has decreased the local public image of the guard in Nome.

The Armory in Nome is consistently used for the following functions:

1. Work Headquarters for 22 NG Technicians
2. All Training classes for more than 400 Scouts of the 1st Battalion
3. Disaster Operations & Communications
4. Civic Functions
5. Youth Organized Athletics

II. Analysis Impact on Operational Expense: This project will amortize in nine years or less based on the projected costs of pumping the system and hauling water versus construction costs and future water/sewer monthly rates projected by the city. This year we will pay 15.0 for sewer pumping. Our water costs will be about 1.7 for the year. Under the proposed system our water costs will remain about the same with an additional 3% for sewer use, or 1.8 total per year. The real savings will result from the ceased requirement to pump the system. Discounting inflation, in nine years that pumping would cost 135.0.

AGENCY Military Affairs

PROGRAM Public Protection

PROJECT & PRIORITY NO. Nome Sewer 76-1

**26** CAPITAL BUDGET  
PROJECT JUSTIFICATION



## Explanation

II. Analysis Impact on Operations Expense (Con't):

This project can only be considered cost effective if it is accomplished during the next construction season, as a suitable contractor will be in Nome performing similar sewer and water contracts. The contractor's presence will save the State more than half the cost of this project. Note that a year ago Division of Buildings estimated this project at 280.0 based on no contractor being present. Under similar circumstances the cost of the project would be 308.0 this summer and 346.0 the following summer making amortization impossible when considering the life expectancy of the building.

III. Documentation of Estimated Capital Costs: The estimate is considered very accurate, as it agrees with an independent cost forecast compiled by the city of Nome.

IV. Identification of Alternatives Considered: There are no plausible alternatives to the scope of the project or the source of funding. This is a one time chance to accomplish the project at approximately 1/3 of its actual cost.

BRU Military Affairs BRU CODE Public Protection REVISED Nome Sewer 76-1

26-A

EXPLANATION