Memorandum 12-169 Additional Funds for Nick Dudiak Fishing Lagoon Dredging Project

Memorandum ID: 12-169
Memorandum Status: No Status

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TO: Mayor Wythe and Homer City Council
FROM: Walt Wrede
DATE: November 1, 2012
SUBJECT: Emergency Ordinance / Additional Funds for Nick Dudiak Fishing Lagoon Project

The Council recently adopted Ordinance 12-44 (A) (S) which appropriated $100,000 from the Fishing Hole Maintenance Fund and $167,500 from the General Fund Balance for the Fishing Hole dredging project. When the $100,000 Legislative Grant is added, we had a total project budget / appropriation of $367,500. Ordinance 12-44 (A) (S) and supporting Memorandums 12-147 and 12-156 are included in the packet as back-up for your information.

As you know, a dredging contract has been let and work is currently underway. The original estimate of the amount of material that needed to be removed when this project was proposed to the Legislature was 25,000 yards. This estimate was based upon information on lagoon depth levels that was available to us at the time. The contractor on the job has experience and the equipment necessary to make these types of estimates. He looked at the job before he submitted a bid and also concluded that 25,000 cubic yards would have to be removed. Based upon this concurrence, we went with that number when requesting funding from the Council rather than spend an additional $6,000 for a detailed survey.

The contractor is now very close to removing 25,000 cubic yards. It is clear now that additional material will have to be removed in order to get the Lagoon back to its original design depth. New survey work is available to us that shows exactly where the problem areas are. It is now clear that an additional 7,500 cubic yards will need to be removed, for a total of 32,500 cubic yards. If this work is not completed, parts of the northern section of the Lagoon will have a steep shelf and will remain only 4 or five feet deep in some areas.

The contractor bid this job at $13.50 per cubic yard. That is a really good price considering that he did the harbor dredging job for close to $22.00 per yard. Unfortunately, $13.50 per yard times 7,500 yards adds up to $101,250; a lot of money. The material being dredged is of high quality and we do anticipate getting $40,000 or more of the appropriation back through the sale of this material. The plan is to RFP this material separately from the other dredged stockpiles. Contractors have suggested that this material could bring bids that are quite a bit more than the current minimum price of $5.00.

The money would again have to come from the General Fund Balance. This seems like the most logical place. The Mayor has suggested that we could use the extra $100,000 the City received in Revenue Sharing this year. This seems appropriate since it is a one- time allocation. This money is unallocated at this point and would normally be added to the Fund Balance unless Council appropriates it.

HCC 1.08.040 governs emergency ordinances. It states that emergency ordinances must contain a finding that an emergency exists and a statement of the facts supporting such a declaration. The Administration believes that an emergency ordinance is justified in this case for the following reasons:

• The contractor is already mobilized and on-site. To remobilize at a later date would cost approximately $20,000.
• Council is not scheduled to meet again until November 26 and second reading of an appropriation ordinance could not occur until December 10; much longer than the equipment can remain on-site.
• This method of dredging is the preferred method approved by the environmental permitting agencies. Stopping now and/or dredging in a different manner at a later date would require new permits and jeopardize completion of the project. It might also increase the cost.
• Stopping now would mean the permitting window for dredging might be missed and the project might not be complete by spring.
• A new RFP for dredging the remaining material would take time, be costly, and likely mean the project would not be complete by spring.
• Stopping now before the design depth is reached in all areas of the Lagoon would mean that optimal conditions for fish survival would not be attained.
• The Council has made it clear that it wants the Lagoon dredged to its original design depth and that the project be completed in time for ADF&G stocking this spring. The best way to accomplish that would be to keep moving. If we

do so, the project will be completed in a few days.
RECOMMENDATION: Approve Emergency Ordinance 12-52
Related Ordinances**Memorandum - Related Ordinances:** Ordinance 12-43 Legislative Grant for Dredging at the Nick Dudiak Fishing Lagoon
Ordinance 12-44(A)(S) Budget Amendment for Funds for the Nick Dudiak Dredging Project

Source URL (retrieved on *2013-05-26 04:47*):
http://www.cityofhomer-ak.gov/memorandum/memorandum-12-169-additional-funds-nick-dudiak-fishing-lagoon-dredging-project