Sand Lake: Water Distribution Projects
Presentation Outline

- Sandhill Reserve Private Development
- Infrastructure Coordination Agreement (ICA)
- Seacliff Street AWWU Capital Project
- Assessments and Levy upon Connection
- Improvement District
Sandhill Reserve Private Development (1)

Private Development

Seacliff Street Water Main (AWWU Capital Project)
Sandhill Reserve Private Development (2)

- Ties into the Seacliff Street AWWU Capital Project
  - 42 Proposed Single Family
  - 1,251’ Sewer Main
  - 2,162’ Water Main
  - Under Construction 2020
Infrastructure Coordination Agreement (1)

- Allows development to utilize existing booster station through the construction of a new water main along Seacliff Street

- Developer originally proposed alignment along Sand Lake
  - Developer funded and controlled project, directional drill
  - Potential service to 23 homes, cost estimated at $500k

- Formula driven: Developer’s share = \( \frac{42}{42+47} = 47.19\% \)

- Terms of payment
Infrastructure Coordination Agreement (2)

- Allows for construction of previously planned water main
- Enticed Developer to participate in AWWU project
- Developers cost generally equal to alternative of Sand Lake
- Addresses concerns of arsenic in private wells
- Risk is capped: schedule, cost, scope, political
Seacliff Street
AWWU Capital Project

- 1,318’ Water Main & Appurtenances
  - Included in the ICA

- 28 Service Connections (so far)
  - Extends 1” service from Water Main to property line
  - Not included in the ICA

- Construction contract 7/14/20
Seacliff Street 2020 Timeline

- January 13: Project introduced at Sand Lake Community Council
- January 15: Public informational meeting at AWWU
- February 3: Service connection notices mailed
- February 5: AWWU Board Meeting project presentation
- February through May
  - 1 on 1 Service connection coordination with property owners
- June 2: Assembly Introduction of proposed assessments (HB380)
- July 14: Scheduled Assembly Public Hearing
  - Assessments
  - Construction contract
- **August 2020: Estimated Construction Start**
- **November 2020: Estimated Construction Completion**
## Salecliff Street Bid Results May 28, 2020

<table>
<thead>
<tr>
<th>Preliminary Bid Abstract</th>
<th>Vendor # 1</th>
<th>Vendor # 2</th>
<th>Vendor # 3</th>
<th>Vendor # 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SCOTT'S PLUMBING</td>
<td>RENEGADE EQUIPMENT</td>
<td>SOUTHCENTRAL CONSTRUCTION</td>
<td>ROGER HICKEL CONTRACTING</td>
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<tr>
<td>Local Vendor</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
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<tr>
<td>Schedule A</td>
<td>$650,645.00</td>
<td>$474,809.00</td>
<td>$595,807.00</td>
<td>$665,655.00</td>
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<td>Schedule B</td>
<td>$175,296.00</td>
<td>$329,617.00</td>
<td>$169,070.00</td>
<td>$174,850.00</td>
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<tr>
<td>TOTAL: Schedule A + Schedule B</td>
<td>$825,941.00</td>
<td>$804,426.00</td>
<td>$764,877.00</td>
<td>$840,505.00</td>
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<table>
<thead>
<tr>
<th>Preliminary Bid Abstract</th>
<th>Vendor # 5</th>
<th>Vendor # 6</th>
<th>Vendor # 7</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>BRISTOL CONSTRUCTION</td>
<td>GRANITE CONSTRUCTION</td>
<td>MASS EXCAVATION</td>
</tr>
<tr>
<td>Local Vendor</td>
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<td>YES</td>
<td>YES</td>
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<tr>
<td>Schedule A</td>
<td>$500,235.80</td>
<td>$719,430.00</td>
<td>$649,956.50</td>
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<tr>
<td>Schedule B</td>
<td>$186,464.62</td>
<td>$342,450.00</td>
<td>$250,038.00</td>
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<td>TOTAL: Schedule A + Schedule B</td>
<td>$686,700.42</td>
<td>$1,061,880.00</td>
<td>$899,994.50</td>
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</table>
## Seacliff Street Project Cost Estimates

<table>
<thead>
<tr>
<th>Bid Item</th>
<th>December 12, 2019 AWWU ICA Estimate</th>
<th>April 29, 2020 Engineer’s Pre-Bid Estimate</th>
<th>May 28, 2020 Estimate based on Construction Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Itemized Design Cost</td>
<td>$178,000</td>
<td>$215,822</td>
<td>$210,023</td>
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<tr>
<td>Itemized CA Cost</td>
<td>$114,982</td>
<td>$142,827</td>
<td>$135,064</td>
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<tr>
<td>Construction Contract</td>
<td>$689,820</td>
<td>$680,127</td>
<td>$500,236</td>
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<tr>
<td>AWWU Overhead (5.2% / 4.3%)</td>
<td>$51,106</td>
<td>$44,667</td>
<td>$36,349</td>
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<tr>
<td>Capitalized Interest (4.0% / 5.75%)</td>
<td>$39,312</td>
<td>$59,730</td>
<td>$48,606</td>
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<tr>
<td><strong>Total Project Cost:</strong></td>
<td><strong>$1,073,220</strong></td>
<td><strong>$1,143,173</strong></td>
<td><strong>$930,278</strong></td>
</tr>
</tbody>
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Anchorage Water & Wastewater Utility Clearly
Assessments and Levy upon Connection (1)

- Cost Estimate (2019) as used in the ICA: $1,073,220
- Revised Cost per May 2020 contract bid: $930,278
  - Developer’s share at 47.19% = $506,453 / $438,998
  - 47 Property Owners share = 52.81% = $566,767 / $491,279
  - Property Owner’s estimated pro rata share = $12,056 / $10,453
    - Water Main assessment only, varies per benefited area
  - Service connections costs vary per property
    - Ranges between $6k to $10k each
Assessments and Levy upon Connection (2)

- Seacliff Street Assessments are on *Levied upon Connection*
  - Function of an AWWU Capital Project

- Improvements Districts are *Levy upon Completion*

- AWWU Capital Projects that generate assessments use the HB380 process
  - Requires Assembly approval and 21-day public notification
  - Introduced June 2, Public Hearing scheduled for July 14 (revised)
Improvement District

- Improvements Districts are *Levy upon Completion*

- Sewer Improvement District contemplated and failed vote spring 2020
  - Assessments were estimated at $50,000 per property
  - Project was specific to Seacliff Street, design/cost challenges

- Subdivision wide Improvement District would lower unit cost, alleviate design/cost issues associated with smaller project
  - Previously planned in Area Wide studies
Questions?

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