



# CITY OF BELLEVUE

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BELLEVUE, KY 41073  
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JOHN "JACK" MEYER  
MAYOR

KEITH SPOELKER  
CITY ADMINISTRATOR

January 26, 2009

Ms. Jan Steinman, President  
Sanitation District #1 of Northern Kentucky  
1045 Eaton Drive  
Fort Wright, Kentucky 41017

Ms. Steinman:

I met with SD1 Staff on Wednesday to discuss an update to the Covert Run storm water and sanitary sewer rehabilitation. I was informed at that time of the SD1 Board's decision to renege upon the original funding agreement awarded to the City of Bellevue in November of 2007 and again in 2008 for the first \$327K of the total estimated \$716K cost of the project. The purpose of this letter is to determine how this project can be kept on track to solve a high visibility flooding problem in the Sanitation District's area of operations.

The original agreement provided a 90% - 10% cost sharing arrangement between SD1 and the City. Under this scenario, the total estimated cost for Bellevue was \$32,770. This amount was included in the City's budget for 2008-09. The City of Bellevue was told the remaining project costs (\$388K) would be subject to a 50% - 50% cost sharing agreement from the Sanitation District. The total amount that the City would be responsible for would be \$226,710 (based on project estimate and not including road rehabilitation). The Commonwealth of Kentucky's, City Council's, and the community's support for the project was built based on this funding arrangement. Now that has been changed with the Board's meeting on January 20th, 2009. I was informed the City will be responsible for an additional \$131K because the original award was rescinded. This is an additional monetary burden that the City does not have and the cost difference jeopardizes the entire project.

To put this extra amount in perspective, the additional \$131K in capital costs represents .14% of the Sanitation District's 2009 Capital Budget (based on page 11 of SD1's Final FY'09 Strategic Plan). It is 71% of the City of Bellevue's Capital Budget. The City cannot absorb this amount into its capital budget without displacement of other priorities. Given the District's '09 Strategic Plan target to spend within 10% of its FY Capital Budget (pg 10), it appears that SD1 has the capacity to absorb this amount in its budget while maintaining its budgeted priorities.

I would like to meet with the Board or its representative to discuss the restoration of the original 90% - 10% split of the first \$327K of the project. If the agreement is honored as already awarded as SD1 indicated at the Covert Run stakeholders meetings, the City and SD1 can go forward to solve the Covert Run issue. Without the awarded 90-10 split, proceeding on the project will be difficult at best.

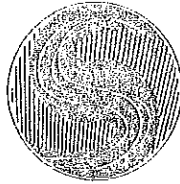
Respectfully,

A handwritten signature in black ink, appearing to read "Keith Spoelker". The signature is written in a cursive style with a large initial "K".

Keith Spoelker  
City Administrator

Attachment

Cc: Eger, Apgar



November 30, 2007

The Honorable John Meyer  
Mayor  
City of Bellevue  
616 Poplar Street  
Bellevue, KY 41073

RE: South Foote Avenue Bypass

Dear Mayor Meyer:

Enclosed please find two copies of an Agreement between the City of Bellevue and Sanitation District No. 1 relating to the South Foote Avenue Bypass Storm Sewer Project. Please review the attached document, paying particular attention to section 26. The information provided to the Sanitation District No. 1 from the City is that the estimated total cost of this project is \$327,700. At the November Board Meeting the Sanitation District's Board of Directors approved up to a 90% cost share amount of \$294,930 for this project. Please fill in the Commencement and Completion Dates in Section 2 of the attached agreements. Please sign and return both copies to Dave Radford at Sanitation District No. 1. After we have signed the Agreement, we will return one of the originals to you for your records.

Should you have any questions regarding this Agreement, please do not hesitate to contact me.

Sincerely,

David Radford  
Strategic Initiatives Project Coordinator  
[dradford@sdl.org](mailto:dradford@sdl.org)  
(859) 578-6779  
(859) 578-6897 fax

Enclosure