

If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve a request to expand the Jarvis Bulk Tank Improvement Project scope of work to include additional Jarvis Fuel System Improvements identified as a result of the August 2015 diesel spill.



Memorandum

November 3, 2015

To: Mark Gorman, Municipal Administrator
From: Bryan Bertacchi, Utility Director
Subject: **Jarvis Fuel System Improvement Project**

Introduction:

On July 14, 2015, the Assembly approved creation of the Jarvis Bulk Tank Improvement Project in the amount of \$250,000. On August 16th, 2015 Jarvis Street Diesel Plant was identified as the source of a diesel fuel release that impacted Eagle Beach and Sitka Sound. During the last two months, the Electric Department has completed a Root Cause Analysis and a Jarvis Fuel System Condition Assessment. These reports identified areas of improvement to reduce the risk of accidental fuel discharge and to bring the system into code compliance.

Request:

The Electric Department requests approval to re-purpose and expand the Jarvis Bulk Tank Improvement Project scope of work to include engineering, cost estimating, and construction of additional Jarvis Fuel System Improvements identified as a result of the August 2015 diesel spill, the Root Cause Analysis, and the Jarvis Fuel System Condition Assessment. If this request is approved, the Electric Department will use funds previously appropriated for the Jarvis Bulk Tank Improvement Project to develop an additional detailed fuel system scope of work with a detailed cost estimate. Subsequent to this effort, the Electric Department intends to request additional funding to complete the additional fuel system scope identified in this effort.

Community Impacts:

CBS is responsible for taking actions necessary to prevent future releases of diesel fuel. Expanding the Jarvis Bulk Tank Improvement Project to include the additional Jarvis Fuel System Improvements will be more cost effective and efficient than performing the work independently due to overlaps in the types of services and materials required.

Fiscal Note:

The Assembly approved the creation of the Jarvis Street Bulk Tank Improvement Project at its July 14, 2015 meeting (Consent Agenda item 15-108). The Assembly subsequently appropriated \$250,000 for the project in Ordinance 2015-45 on September 22, 2015. Accordingly, no additional appropriation is required at this time. The Electric Department anticipates that an additional appropriation may ultimately be required; however, the amount and timing of an additional appropriation is unknown at this time. What is being requested is approval from the Assembly to broaden the purposes for which the September 22, 2015 capital appropriation can be expended.

Recommendation

The Electric Department requests approval to expand the Jarvis Bulk Tank Improvement Project scope of work to include additional Jarvis Fuel System Improvements identified as a result of the August 2015 diesel spill.