



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

---

## Memorandum

To: Mayor McConnell and Assembly Members  
Mark Gorman, Municipal Administrator

From: Bryan Bertacchi, Utility Director

Date: April 6, 2016

Subject: Transfer of Funds for Project #80003 Feeder Improvements

---

### **Background**

The Electric Department respectfully requests Assembly approval to transfer \$670,000 of the Bond Funds from CIP No. 90594 (Blue Lake Third Turbine and Dam Upgrade) to CIP No. 80003 (Feeder Improvements). This transfer is required to complete several unplanned construction projects scheduled to begin early April including: replacement of high voltage switches on Japonski Island, high voltage equipment related to the Marine Street substation, undergrounding the line in front of the Aspen Hotel, and a second spare transformer for the Marine Street Substation.

### **Analysis**

Subsequent to the identification of the failed Marine Street substation spare transformer, many community members have expressed a concern over the emergency response plan should an additional failure occur. With the advanced age of our existing Marine street transformers, failure of all of these transformers is likely within the next fifteen year period. Although our longer term plan is to create a back-up for the Marine Street substation, we are proposing a short term plan of adding a 2nd spare Marine Street Transformer to further reduce the likelihood of extended rolling blackouts in our community. Since we recently repaired our Marine street spare transformer, the complete specifications of the transformer internals were recorded by the repair company. That company (T&R Electric) has offered to create an additional spare transformer at a cost of approximately \$150,000. This 2nd spare would significantly reduce our risks of outages when the next transformer failure occurs in that we would have a spare during the time required to repair the next failed unit. Again, since 80% of the Sitka customers are served by the Marine street substation, it is likely prudent to proceed with this procurement and avoid the potential significant financial damage to the community from long term rolling outages. Based on Sitka General Code 3.16.060 for "emergency" procurement and for "specialized equipment for standardization", the Electric Department is requesting the Assembly approval to "sole source" this transformer from T&R Electric.

Additionally, a number of unplanned projects have been recently identified which require immediate attention during this spring and summer period: A key "four way switch: needs to be installed on Japonski Island in order to provide effective troubleshooting during faults (as were recently experienced), high voltage equipment near the Marine street substation is in desperate need of repair and replacement, and the overhead lines in the area near the new Aspen hotel need to be relocated underground.

**Fiscal Note**

This request will not require any new appropriations.

**Recommendation**

Approve Ordinance No. 2016-09.