REMINDERS

DATE **EVENT** TIME Tuesday, March 11 Worksession: 5:00 PM Solid Waste Master Plan Tuesday, March 11 6:00 PM **Regular Meeting** Tuesday, March 25 Worksession: 5:00 PM **CAFR Presentation** Tuesday, March 25 **Regular Meeting** 6:00 PM



Assembly Calendar

2013 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2015

March 2014

| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|----------------------|---|--|--|--|---------------------|-----------|
| 23 Fel | b 24 | 25 | 26 | 27 | 28 | 1 Mar |
| Hackett | Hackett Miyasato | Hackett Miyasato 1:00pm SCVB Board 5:00pm Worksession: Meet with SCVB 6:00pm Regular Assembly Mtg | Hackett Miyasato | Hackett Miyasato 6:30pm Hospital Board | Hackett Miyasato | Hackett |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Hackett McConnell | Hackett McConnell | Hackett McConnell 7:00pm Planning 7:00pm School | McConnell 6:00pm Police and Fire 7:00pm <u>Library</u> | McConnell 12:00pm Parks & Rec | McConnell | McConnell |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| McConnell | McConnell | McConnell 12:00pm Health Needs and Human Services Commission 5:00pm Worksession: Solid Waste Management Plan 6:00pm Reg Assembly Mtg | McConnell 6:00pm Historic Preservation 6:00pm Port & Harbors Commission | McConnell 12:00pm LEPC | McConnell | McConnell |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| McConnell | McConnell 12:00pm Tourism Commission Meeting | McConnell 12:00pm Tree/Landscape 7:00pm Planning 7:00pm School | McConnell 6:30pm STA | McConnell | McConnell | |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| | | 1:00pm SCVB Board 5:00pm Worksession: CAFR Presentation 6:00pm Regular Assembly Mtg | | 6:30pm <u>Hospital</u> <u>Board</u> | | |
| 30 | 31 | 1 Apr | 2 | 3 | 4 | 5 |
| | | 5:00pm Board of Equalization Training 7:00pm Planning 7:00pm School | 6:00pm Police and Fire 7:00pm <u>Library</u> | 12:00pm Parks & Rec | | |

Assembly Calendar

2013 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2015 April 2014

| Sur | nday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday |
|-----|------|--|--|-----------------------------------|--|--------|----------|
| 30 | Mar | 31 | 1 Apr | 2 | 3 | 4 | 5 |
| | | | 5:00pm Board of Equalization Training 7:00pm Planning 7:00pm School | and Fire 7:00pm <u>Library</u> | 12:00pm Parks & Rec | | |
| 3 | | 7 | 8 | 9 | 10 | 11 | 12 |
| | | | 12:00pm Health Needs and Human Service Commission 6:00pm Reg Assembly Mtg | Preservation | 12:00pm LEPC 6:00pm Assembly/School District Budget Worksession - Harrigan Hall | | |
| 13 | | 14 | 15 | 16 | 17 | 18 | 19 |
| | | | 12:00pm Tree/Landscap 6:00pm Special Meeting - Administrator and Attorney evaluations 3rd floor conference room 7:00pm Plannin 7:00pm School | e 9 | | | |
| 20 | | 21 | 22 | 23 | 24 | 25 | 26 |
| | | 12:00pm Tourism Commission Meeting | 6:00pm Regular Assembly Mtg | | 6:00pm 1st Municipal Budget Worksession 6:30pm <u>Hospital</u> Board | | |
| 27 | | 28 | 29 | 30 | 1 May | 2 | 3 |
| | | | 1:00pm SCVB Board | | 12:00pm Parks & Rec 6:00pm 2nd Municipal Budget worksession | | |

PUBLIC WORKS ASSEMBLY UPDATE FOR WORK COMPLETED IN FEBRUARY

Centennial Hall Renovation:

Milestones This Period

- The Design Consultant Team completed the 35% Schematic Design Documents, for submission to the Cost Estimator. The cost estimate has been received by the consultant and is under review and revision.
- Focus Groups meetings were held February 18 & 19, 2014 for specific areas of the design. The meetings provided good information, though the meetings were not attended by as many community members as we hoped.

Future Milestones

- Concept/Schematic Design and 35% Cost Estimate due early March 2014.
- Building Design Committee (BDC) approval of 35% base bid package and identified bid alternates.
- Assembly approval of 35% design and project budget March 25 or April 8, 2014.
- Design Development documents and 65% cost estimate due June 2014. Focus
 group meeting will occur during the design development phase, which could push
 the schedule (this is the most important stage) prior to developing
 bid/construction documents.
- Construction Documents and 95% cost estimate due in fall 2014.
- Project bidding winter 2014.
- Award construction contract winter 2014/15.
- Begin construction spring 2015.
- Complete construction summer/fall 2016 before Alaska Day 2016.

Background

The current total estimated cost for this project is \$15.2 million including the new museum wing. Phase one estimated cost is \$11,421,000. Current grant funding allocated specifically to the project is \$8,230,000. A \$2,000,000 FY10 Legislative Grant designated for a lightering facility visitor's center (previously planned for under the O'Connell Bridge), is eligible to be used for this project since Centerinial Hall serves as a visitor center for the Crescent Harbor Lightering Facility.

A FY14 Legislative Priority Request was submitted consisting of \$4,200,000 for the Centennial Hall building improvements and \$3,341,000 for combined Library/Centennial Hall heating system improvements; however it does not appear that either request will be funded at this time. The Renewable Energy Fund Round 7 has allocated \$232,620 for the heat pump system to the project. Additionally, approximately \$2,000,000 is available in the Marine Passenger Fee Fund that could be used for this project. If additional funds are not secured, the scope of the project will need to be scaled back or phased when additional funding is received.

Centennial Hall & Library Site Parking Lot Development:

Milestones This Period

 Received proposal from S&S to install supplemental lighting. Lighting is required to augment bollard lighting that does not provide sufficient light in dark nights.
 The permanent lighting will replace the temporary lighting currently in place.

Future Milestones

 Timeline for lighting project is foundation and conduit completion prior to the first scheduled cruise ship landing: May 7, 2014. The poles, which are a long lead items will be install on non-cruise ship days. Cost of the change order is \$118,487.75.

Background

The project includes the complete reconstruction of the Centennial Hall Parking Lot and Crescent Harbor Parking Lot. The improvements include storm drain, water, sewer, curb and gutter, paving, lighting, pedestrian plaza and landscaping. The project was accepted as substantially complete on September 30, 2013. S&S General Contractors was awarded the construction contract in the amount of \$2,613,651. The total project budget is \$3,950,000. There is an unencumbered balance of \$340,000.

Edgecumbe Drive Street Reconstruction:

Milestones This Period

 Posted Request for Proposals on CBS web site on February 20, 2014, and placed advertisements in five Pacific Northwest publications.

Future Milestones

- Pre-proposal conference set for March 5, 2014.
- Proposals due March 27, 2014.
- Anticipate award of design/build contract after April 22, 2014, Assembly meeting.
 Contractor will be responsible for design and will propose a schedule.
 Construction can begin before design is complete with CBS approval.
- Construction substantially complete by August 2015.

Background

The project includes drainage, sidewalk, curb and gutter, pavement and potentially traffic calming improvements on Edgecumbe Drive from Peterson Street to Cascade Creek Road. The total project budget is \$5.46 million. Public Works will pursue a design/build contract that would allow the contractor to fit a project into our budget that will best satisfy a priority list we will provide in the bid package.

Hollywood & New Archangel design:

Milestones This Period

Submitted design review comments on 35% drawings.

Future Milestones

- 65% design drawings and cost estimate due April 2014.
- 95% design drawings and cost estimate due May 2014.
- Construction drawings and final cost estimate due June 2014.
- Bid the project during winter 2014-2015 for summer 2015 construction.

Background

The project includes design for water, sewer, storm drain and pavement improvements, and potentially curb, gutter, and sidewalk improvements on Hollywood Way and New Archangel Street from Halibut Point Road to Marine Street. Funding for design is available from ADEC Loans (Hollywood Water \$250,000, Hollywood & New Archangel Sewer \$500,000), General Fund budget for streets (\$5,000), and Enterprise Funds (Hollywood Water \$25,000, Hollywood Sewer \$25,000, New Archangel Sewer \$25,000). Project will require a minimum additional \$105,000 contribution from the general fund to address Hollywood Way road rebuilding and drainage.

Airport Baggage and TSA Area design:

Milestones This Period

- Issued Change Order to host another Airport Users Group meeting to refine potential project layouts.
- Hosted meeting at Nugget Restaurant on February 25, 2014. There were 15
 participants, including representatives from Alaska Airlines and TSA, in
 attendance. We received solid feedback from the participants, which is expected
 to translate into two realistic alternatives to present to the Assembly.

Future Milestones

- Incorporate Airport Users Group comments into final report in March 2014.
- Upon Assembly approval of project scope, award design contract for airport improvements in April 2014.
- 65% design drawings and cost estimate due June 2014.
- 95% design drawings and cost estimate due August 2014.
- Construction drawings and final cost estimate due September 2014.

Background

The project includes design for expansion of the baggage makeup and TSA baggage screening areas. The project will also help establish a Passenger Facility Charges

(PFC) program that will raise funds for the construction of the work. Funding collected from a previous PFC program amount to \$275,000 for the design project.

Blatchley Middle School:

Milestones This Period

- The door correction change order work is underway and should be complete by summer.
- Change order to revise ducting in mechanical rooms for \$24,760 has been approved to prevent potential freezing of fire sprinkler system.
- The one-year warranty is in effect and the contractors are addressing issues as required.

Future Milestones

 Sitka School District is working on prioritizing the list of uncompleted major maintenance items that may be completed with the remaining project funding.

Background

The project's (combined Fund 704 now closed out, and Fund 706) funding including the Assembly approved accumulated interest of \$12,863,000 for major maintenance is nearly complete. There remain encumbered funds for the remodel project and remaining funds for additional major maintenance needed at the school.

Ultra Violet (UV) Disinfection Facility:

Milestones This Period

- The 95% design has been received and review is underway.
- The project was submitted to DEC for their review and to obtain approval to construct.

Future Milestones

- The 100% design due April 2014.
- The project will be bid for construction in May 2014.
- The project construction will begin June 2014.
- The project construction will be complete November 2014.
- ADEC approval to operate December 2014.

Background

The Blue Lake drinking water system is a surface water system, which must comply with the EPA Enhanced Surface Water Treatment Rules (ESWTRs). The subject UV Disinfection Facility will provide the additional microbial and disinfection controls required under the ESWTRs.

The current project cost estimate is \$8,966,000. Funding for this project is provided by State of Alaska Department of Environmental Conservation (ADEC) loans and grants:

- \$4,000,000 FY 2011 ADEC Loan. Includes \$2,500,000 financed with \$1,500,000 subsidized.
- \$2,550,000 FY 2012 ADEC Loan (pending).
- \$3,500,000 FY 2012 ADEC Grant (30% local match requirement).
- \$2,061,000 FY 2013 ADEC Grant (pending 30% local match requirement).
 \$12,111,000 Total Project Funding.

The grants and loans indicated as pending are grants and loans listed on the Alaska Drinking Water Fund intended use plans, for which CBS has submitted appropriate paper work to have the grant or loan finalized.

<u>Library Development Planning:</u>

Milestones This Period

- The project 65% design has been reviewed by the City. The related cost estimate is expected mid-March.
- The Rasmussen Foundation has invited the City to apply for grant funding for this
 project. The amount of the grant request will be \$353,668 and will primarily be
 used to offset the costs for equipment and furnishings.
- The City has begun working with the State for the use of the Stratton Library as a
 temporary library facility during construction. This space provides an opportunity
 to continue many of the current library programs and services. The State is
 committed to supporting the Kettleson project by making this facility available for
 the costs of utilities and maintenance required during the temporary occupancy.

Future Milestones

- Design completion May/June 2014.
- Advertisement for bids July 2014.
- Construction begins August 2014.
- Construction Compete August 2015.

Background

The design phase is expected to take 12 months at a minimum with the earliest advertisement for construction planned for late summer/fall 2014. The project construction may be completed in 2015, depending on the phasing plan that is developed.

The State funding of \$5.7 million awarded to CBS is a direct appropriation with no funding match requirements. A private donation of \$400,000 has also been given to the project by the John J. and Eleanor Brust Family and \$350,000.00 of the budget was allocated to the Centennial Hall Parking Lot Project to relocate the Swan Lake storm

drain, leaving a current project budget of \$5.75 million for the expansion and renovation of the Library.

Storm Water Management Plan:

Milestones This Period

 Revised rainfall intensity curves have been developed based on additional CBS collection locations at Blue Lake water plant, Old Sitka Rocks Lift Station and the Magnetic Observatory.

Future Milestones

- Storm Water Ordinance is currently under development and due at the end of March.
- Work session with Planning Commission and local contractors planned for April.
- Work session with Assembly Planned for May.
- Approval of Storm Water Ordinance by Assembly Planned for June.

Background

The first phase of the Storm Water Master Plan was completed in late June 2012 with Tetra Tech Alaska, LLC gathering existing infrastructure data and condition inventory to include in our GIS system along with precipitation analysis and drainage basin delineation as part of the first phase of the project. The second year grant funding (FY13) was approved by the Alaska Department of Environmental Conservation and the grant agreement was authorized by the Assembly in July 2012. The grant amount of \$43,388 requires a forty percent CBS match of \$28,925. This phase included collecting more field data, preparing the Storm Water Management plan, Sitka specific rainfall intensities, recommended Best Management Practices, Capital Improvement Plan and an example Storm Water Ordinance.

Alternative Water Source Filtration (Blue Lake Project):

Milestones This Period

- CBS, CH2MHill and the State of Alaska Department of Conservation Drinking Water team are working closely together to obtain final approval to construct.
- Barnard Construction, McMillen, LLC have finalized the change order to incorporate the temporary filtration into the overall Blue Lake Dam Project.
- A DEC loan application and resolution has been approved by the Assembly and the application has been submitted to DEC to fund the Alternative Water Sources Filtration.

Future Milestones

 CBS personnel are scheduled to grade the existing pond, clean out the intake pipes and place the temporary diversion wall when required to bring the system online in July 2014. • The system is planned to be operational in July 2014.

Background

The proposed schedule has the design completed in October 2013, Alaska Department of Environmental Conservation permitting completed in March of 2014, construction of the piping and pumping completed in April 2014 and final installation of the filter units in June 2014 for operation in July 2014. The preliminary design cost estimate has a projected design and construction cost of \$3,000,000. Due to the lack of well potential in the Indian River Valley, temporary surface water filtration will need to be utilized during the Blue Lake Project outage. Award of the design contract to CH2MHILL, was approved by the Assembly on February 12, 2013.

A temporary filtration system has been designed to treat Indian River water to serve the public during the Blue Lake penstock outage in 2014. We continue working closely with CH2MHill, the designer, reviewing details for the temporary filtration system and answering specific questions about the site and old facilities.

ANB Harbor Replacement (Project # 90674):

Milestones This Period

- Pile installation continues to progress at a rate of ~1.5 piles each day. Contractor anticipates completion of float and pile installation around March 3, 2014.
- Subcontractors are working to install electrical and water service to the new floats and uplands earthwork/concrete flatwork.
- Contractor is progressing with installation of approach trestle, new sidewalk retaining wall, and new waste oil tank pad.
- Both Contractor and Subcontractors are anticipating Substantial Completion by the March 15, 2014 deadline.
- Change Order No. 1 is in progress to cover additional work completed to date.
 All extra work to date has fallen well within available contingency funding.

Future Milestones

Pile, float, electrical, water, uplands work to be completed by March 15, 2014.

Background

CBS received a FY13 State of Alaska Municipal Harbor Facility Matching Grant, for the ANB Harbor Replacement Project, which will cover 50% of eligible construction costs not to exceed \$4,250,000 in match funding. CBS has received bond proceeds from the Alaska Municipal Bond Bank in the amount of \$4,300,000 for this project. On January 10, 2013, the Assembly awarded a Professional Services Contract to Moffatt & Nichol for the ANB Harbor Replacement Project. On June 25, 2013, the Assembly approved award of the Procurement Contract to Transpac Marinas, Inc. for \$2,698,870. On October 22, 2013, the Assembly approved award of the Installation Contract to Pacific Pile & Marine L.P. for \$3,639,319. The total project cost is currently estimated at \$7,630,000.

Swan Lake Restoration / Dredging Project (Project # 90747):

Milestones This Period

None.

Future Milestones

- The Contractor is planning to complete all of the dredging in 2014.
- Purchase of a refurbished aquatic weed harvester was included in the grant funding. These floating machines cut and remove the vegetation to improve recreational opportunities and water flow through the lake. The search for a suitable harvester is on-going with several suppliers.

Background

The Assembly approved award of a construction contract to Island Enterprises, Inc. in the amount of \$399,806 for the Swan Lake Restoration – Lake Dredging project on April 23, 2013. The project includes dredging prioritized selected locations to improve water flow through the lake, winter habitat for fish, access and recreation in general. The City and Borough of Sitka received \$771,236 in Federal funds through the Coastal Impact Assistance Program (CIAP) for this restoration project on Swan Lake. The grant is administered through the Wildlife and Sport Fish Restoration Program, CIAP Branch and runs through December 2015.

Baranof Warm Springs Dock Replacement (Project # 90741):

Milestones This Period

Staff worked closely with the State of Alaska to help them develop a site plan
depicting the planned improvements. The intent is to forward the site plan,
preliminary cost estimate, and schedule to users of the facility for feedback prior
to developing a detailed design.

Future Milestones

- Obtain feedback from users to assist with design development.
- Provide timely review/comment for State of Alaska as needed to keep project moving forward.
- Design development during Summer/Fall 2014.
- Construction is anticipated in Fall 2015.

Background

The City and Borough of Sitka (CBS) received a \$1,900,000 FY2013 Alaska Legislature Grant to reconstruct the Baranof Warm Springs Dock. The funding was provided with the understanding that CBS would assume ownership and maintenance responsibilities for the dock once it is reconstructed. The Assembly approved the Administrator to

execute a Memorandum of Agreement with the Alaska Department of Transportation and Public Facilities (ADOT&PF) for completion of the Baranof Warm Springs Dock Reconstruction and Ownership Transfer. ADOT&PF will be reimbursed the cost of designing and constructing the improvements from the FY13 Legislative Grant.

Seaplane Base (Project # 80242):

Milestones This Period

• FAA recently informed PW that entitlements of \$450,000 are available for the project currently. There may also be a possibility of getting additional funds to complete design and environmental process - perhaps up to \$700,000. In order to secure any additional funds above our entitlements, PW would need to prepare a high level scope and schedule as well as provide confirmation that the site identified in the planning study has been selected as the site for development. It should be cautioned; however that FAA also stated that the entitlements of \$450,000 may not be protected should CBS choose not to move forward with the project this year.

Future Milestones

 Meetings with upland property owners to gauge potential for them to provide tidelands access for new Seaplane facility.

Background

In August 2002, the Sitka Seaplane Base Master Plan was completed to include a Condition & Needs Assessment and Master Plan Alternatives Report. The plan considered 12 alternative sites for a new seaplane base and concluded that the north end of Japonksi Island, between the Coast Guard Base and the cove behind the SEARHC buildings along Seward Avenue was the preferred alternative. In February 2009, the CBS Assembly unanimously approved Resolution 2009-35 "Supporting the Development of the City and Borough of Sitka Seaplane Base." This resolution approved staff applying for and executing an Federal Aviation Administration Airport Improvement Program grant for up to \$500,000 to develop the siting plan, issues resolution, design, environmental, and permitting phases of the project. Utilizing proceeds from that grant, in June 2012, an updated Sitka Seaplane Base Siting Analysis was completed which considered another new site and redevelopment of the existing site in addition to the previously recommended Japonski site. The Japonski site was again selected as the preferred site. The findings of this study were presented to the Port and Harbors Commission on April 11, 2012 where they unanimously approved further study of the Japonski Island site. Due to a high workload within Public Works (PW) and limited staffing, the project has not been advanced since the completion of the Siting Analysis.

Federal Land Access Program (FLAP) Grant:

Milestones This Period

Corps Permit review process has been completed.

 National Environmental Protection Act (NEPA) process has been initiated and sent on to Western Federal Lands for finalizing.

Future Milestones

- Expecting NEPA report from Western Federal Lands in March
- Compensatory Mitigation negotiated with a restrictive covenant (conservation easement) on a tract of City land located near the cross trail project April 1, 2014
- Start Construction of first section of Cross trail from Indian River to end of Yaw Drive May 1, 2014
- The completion date is estimated around May 2015

Background

The City and Borough of Sitka has been awarded a \$916,897 MAP-21 Federal Lands Access Program (FLAP) Grant for Phase 5 Cross Trail multimodal pathway (Cross TMP), Baranof Street and Yaw Drive connectors, by Western Federal Lands (WFL). The Assembly approved submission of the grant in Resolution 2013 - 03 in February 2013.

Phase 4 of the project, a \$926,000 STIP Grant for a multimodal pathway reconstruction and re-routing from Yaw Drive to the CBS property was funded by the Department of Transportation in the 2009 STIP. DOT planners, with the concurrence of Western Federal Lands (WFL) and CBS, initiated action to combine the two projects as a single \$1.8 million grant and have the project managed by Western Federal Lands for greater efficiency and cost savings.

Solid Waste Management Plan:

Milestones This Period

- The Assembly approved a contract award to hire CB&I to develop a Municipal Solid Waste Management Plan February 11, 2014.
- Completed work session presentation for Assembly Meeting March 11th.
- Completed contract, scope, and budget.

Future Milestones

 A work session with the Assembly, Public works Staff, and the CB&I Consultant Team is scheduled just before the March 11th Assembly Meeting to talk about the Solid Waste Management Plan.

- March 10, 2014 thru March 14, 2014 will be a kick-off week for the CB&I Consulting Team. A schedule for that week will be developed for meetings with various entities for data collection and evaluation.
- Proposed Project Schedule:
 - March May; Existing conditions analysis
 - May; SWAC Meeting to present background and existing conditions information/ discuss alternatives to be evaluated.
 - June July; Alternatives Evaluation.
 - July; SWAC Meeting to present Alternatives evaluation findings.
 - August September; Plan drafting and presentation.
 - August; SWAC meeting to present plan.

Background

The City and Borough of Sitka (CBS) currently does not have a Solid Waste Management Plan to address the current or future needs of the Solid Waste Fund and general operations. As we approach the end of the current collection and off-island disposal contracts in 2015, we believe it is in the best interest of the CBS to be better prepared with a plan that details the goals and direction of our solid waste management backed with data and a financial plan.

At the June 6, 2013 Assembly Meeting, the Assembly approved advertising for a Request of Qualifications and select a consultant to assist Public Works in developing a Solid Waste Management Plan.

The funding for a Solid Waste Management Plan will come from the working capital of the Solid Waste Fund which is approximately \$1.3 million. The Solid Waste Management Plan is a time and materials, not to exceed \$250,000 contract. The total amount is dependent on the complexity of future goals and the amount of public process exploring options.

Sawmill Cove Industrial Park Dock (Project #90748):

Milestones This Period

 Staff from CBS/DPW reviewed and evaluated the Statements of Qualifications for Engineering Services that were submitted by two well-known firms (Moffatt & Nichol and PND Engineers, Inc.). The firm of Moffatt & Nichol scored highest in the evaluation process, and has been asked to prepare a detailed cost proposal and schedule to provide the design for the SCIP Dock Project.

Future Milestones

The Public Works Engineering staff along with the SEDA / SCIP Executive Director
will negotiate a time and materials contract with Moffatt & Nichol for services to
include permitting and design for a multipurpose dock facility at SCIP. Our goal is
to have a cost proposal ready to present to the Assembly at their regular meeting
on April 8, 2014.

Background

The project is funded by a Designated Legislative Grant, administered by the State of Alaska, Department of Commerce, Community & Economic Development, Division of Community & Regional Affairs. The total amount of the Grant is \$7.5 M. On the local level, the project is administered by Public Works and the Sawmill Cove Industrial Park Director (Mr. Garry White).

This Project was designated the "Highest Priority" in the FY2011 CBS Legislative Capital Project Request.

Water Service Calls; Leaks/Locates/Routine Repairs & Maintenance:

- During the last month, the Water Division responded to 19 callouts; eight were
 determined to leaks on the private side of the services, one leak at the SMCIP
 Administration Building, one was determined to be groundwater (no fluoride), one
 was noise inside the house, six calls for locates and two inspections.
- Water operators inspected the new vault installed at ANB harbor and the
 installation of the back flow preventer and water meter. A backflow preventer
 only allows flow in one direction even during a negative pressure situation; this
 device will ensure that water from the harbor system cannot be back siphoned
 into out municipal system. Operators also witnessed the flushing, disinfection
 and testing of the uplands section of the new service to the harbor. During
 February a sub-contractor has been installing the water on the individual floats.
 Pressure testing and disinfection is scheduled for March.
- The power outage on Saturday, February 15, 2014, resulted in the loss of a 24 volt power supply, supplying control power to instruments at the Hillside Booster Station. This pump station supplies water to the higher elevation lots in this subdivision. Operators set up a temporary 24 volt supply using two 12 volt batteries and later were able to adapt a different style 24 volt power supply while the exact replacement part was being shipped. The booster station was back to normal operation by the end of the month.
- Water operators have been working closely with Southeast Earthmovers (SEE), a subcontractor for the Blue Lake dam project while SEE has been excavating – including minor blasting near our drinking water transmission main and the Blue Lake Water Treatment Plant. Operators shut the plant down and isolated that section of transmission main for each blast as a precaution.

 Senior Water Operator, Joe Swain, and his wife Lori had their second child, a boy, on February 18, 2014!

Wastewater (WW) Operations:

- During February several WW employees formed a hiring committee to evaluate and interview candidates for the Apprentice W/WW Mechanic position. We expect to have a new apprentice selected and starting work in March.
- WW operators have been working closely with ASRC, the DOT Halibut Point Road contractor while they work around the Granite Creek Lift Station (LS). The contractor is rerouting the LS power supply and phone alarm line from overhead to underground. Multiple locates have been performed.
- WW is conducting an experiment on the BIHA LS up Indian River road using "micro-bugs." These are enzymes, to reduce the accumulation of fats, oils and grease (FOG). FOG is a significant problem in this LS, causing level control issues and pumping problems. This trial is expected to last at least six months.

Sawmill Cove Industrial Site - Wastewater (WW) Update:

 In late February our SMCIP Operator began startup of the second treatment unit at SMCIP in preparation to take all the sanitary WW flows to the biological WWTP in March when QAP, the DOT contractor excavates around the force main from the SMCIP LS to Whale Park. We will be coordinating closely with QAP as the dig around the 6" force main in March.

Blue Lake Expansion - Quarterly Partnering Report 3/5/2014

Blue Lake Expansion Project Team

- The Partnering Team consists of executive/senior management from Barnard, McMillen, CBS, and project subcontractors
- On March 4, 2014 the Partnering Team completed the quarterly update
- Next Partnering Meetings scheduled for June 12, 2014, September 11, 2014

Project Statistics

- 168,000 man-hours to date
- 5 OSHA recordable incidents (no issues the past two months)
- Barnard Executive Safety Committee in town June 2014 (routine visit)
- Project is approximately 57% complete

Project Milestones Next Quarter

- Gatehouse Concrete Placement Complete March 15, 2014
- Intake Structure Complete June 4, 2014 On Schedule
- Alternative Water April 1, 2014 Begin Construction (Note: Will require public notice that Indian River Trailhead may be inaccessible for a brief period)
- Solar Turbine Equipment arriving this week Crane for construction scheduled to arrive in Sitka March 15, 2014 with installation of heavy sections immediately following – Planned completion date June 1, 2014

Project Risks

- Extended spilling at Blue Lake through January 2014 has impacted planned construction schedule for the dam raise and has moved dam construction to the critical path – CBS/McMillen/Barnard working on schedule/cost impacts and possible solutions
- Powerhouse completion remains on the critical path heavy civil work is
 essentially completed however some foundation anchors have failed pull tests –
 potential impact to turbine installations for rework/repair solution pends
- Dam raise will make the existing trash rack, sluice gate, & Howell-Bunger valve expensive to maintain, repair & operate project team has issued a change directive to Barnard to install a pipe in the section of dam immediately above the spillway for a future H-B valve installation this will require FERC/BOC approval & time is limited to two weeks when the next concrete placement occurs unlikely we will obtain FERC approval before we complete the installation cost to do this now is inexpensive (\$50-100k) cost in the future could be very expensive (\$millions)





BLUE LAKE EXPANSION PROJECT

MONTHLY UPDATE FOR CITY ASSEMBLY

Report No. 15

Month ending February 28, 2014

SCOPE

- 83 ft. dam raise with modified tunnel system and new 15.9 MW powerhouse (\$89 million)
- Eight supply contracts for Owner-Furnished equipment and materials (\$16 million)

PROJECT HIGHLIGHTS DURING THIS MONTH

- February 9 Began testing Powerhouse bridge crane.
- February 10 Gilkes Service Engineer arrived on site to oversee turbine installation.
- February 11 The powerhouse crane's 45 ton hoist was certified.
- February 12 Began setting up crane and equipment on barge in Blue Lake for sluice gate/trashrack replacement.
- February 17 Delivered unit 5 turbine casing to the powerhouse.
- February 17 AUS divers on site to work on the dam's sluice gate/trashrack.
- February 17 Excavation began for upper penstock sections.
- February 18 Began placing electrical gear on turbine deck.
- February 19 Confirmed lockout procedure with divers. Divers entered water.
- February 21 Set unit 5 spiral case and began alignment.
- February 21 Completed placing dowels and concrete prep work on existing spillway.
- February 23 Debris was cleared from trashrack and trashrack was removed. The trashrack was crushed due to over pressure.
- February 24 Sluice gate valve was inspected and the yoke removed for hydraulic hose repairs.
- February 25 Assembly authorized funding for change item 68 and Contract 8 (Reservoir Debris Management).
- February 25 Replacement trashrack arrived on site.
- February 27 NAES designated Yanming Wang as Lead Turbine Installer.
- February 28 A work change directive was issued to install a 36" water release pipe in the dam.
- February 28 Completed forms for last placement of gatehouse wall.
- February NAES continued with installation of conduit and cable tray in powerhouse.
- February The Powerhouse access road was completed.
- February Barnard made 5 placements in the gateshaft.
- February ASRC began framing and builing out the control room.
- TO DATE 23 of 79 blocks of concrete have been placed at the dam, 3230 CY of 3350 CY have been placed at the powerhouse. Concrete tests have been better than required by the specification.

COST SUMMARY - updated 2/28/2014

| | Current Contract Total or Projected | Payments | | |
|--|--|-----------------|-------------------------------|--|
| Project Element | Amount | Paid this Month | Paid to Date* | |
| Supply Contracts | | | | |
| Contract 1 - Turbine Generator Equipment | \$11,573,707 | \$0 | \$10,361,098 | |
| Contract 2 - Switchgear | \$647,672 | \$291,452 | \$584,488 | |
| Contract 2A/2B - SS/Raw Water Switchgear | \$300,000 | \$208,547 | \$208,547 | |
| Contract 3 - Gates and Hoist | \$780,185 | \$0 | \$703,376 | |
| Contract 4 - Penstock | \$836,315 | \$0 | \$795,778 | |
| Contract 5 - 69 kV Transformers | \$601,184 | \$0 | \$543,130 | |
| Contract 6 - Bridge Crane Equipment | \$270,518 | \$0 | \$245,246 | |
| Contract 7 - Steel Building | \$1,139,321 | \$0 | \$1,084,397 | |
| Contract 8, Debris Management** | \$2,258,714 | \$690 | \$1,412 | |
| Contract 9, General Construction | \$93,417,851 | \$2,630,831 | \$55 <u>,</u> 353,27 <u>5</u> | |
| Temporary Filtration** | \$1,651,424 | \$88,721 | \$234,297 | |
| Diesel Fuel | \$1,260,000 | \$0 | \$0 | |
| Remaining Project Costs | | \$0 | \$0 | |
| License Amendment | \$1,400,000 | \$5,360 | \$1,204,985 | |
| Engineering | \$9,498,393 | \$47,914 | \$11,804,365 | |
| Construction Management | \$8,076,201 | \$129,529 | \$4,869,368 | |
| City Performed Work | \$1,495,000 | \$133,711 | \$1,778,034 | |
| Incentive Payment | \$1,600,000 | \$0 | \$0 | |
| Cost of Bond Issuance/Reserve Account | \$3,500,000 | \$0 | \$0 | |
| TOTALS | \$140,306,484 | \$3,536,755 | \$89,771,796 | |
| ESTIMATED TOTAL PROJECT COST | \$145,256,725 | \$3,330,733 | 507,//1,/70 | |

^{*}Paid to Date includes unpaid retainage

COST CHANGES THIS MONTH

• We completed negotiations on Contract 1 for the supply of additional spare parts for the turbine, generator and control equipment. A net cost of approximately \$114,000 was agreed to for this expanded supply of spares. Also, we completed negotiations for Contract 1 for a group of ten other change items on this contract, including: addional water level switches and isolation valves; equipment modifications, delay of the equipment warranty period (required by the one-year delay of Contract 1), and modifications of the cooling water systems. All of these additions and deletions in the contract will be combined into Change Order No. 4 in the amount of an additional \$227,350.69 due the Contractor.

- Assembly approval was received to issue Notice of Award to ASRC for Contract 8 which increased the project cost.
- A series of major change items for Contract 9 are in progress as follows:
 - o A change work directive was issued to repair the trashrack and sluice gate valve.
 - o A change work directive was issued to provide a dam release pipe at the dam.
 - o A change item was approve for additional electrical work.
 - o Temporary Water Filtration Plant
 - Phase I for the lease of the filtration units has been agreed to.
 - Phase II for installation of the filter units and auxilery equipment.

We do not expect these change items to impact the project schedule.

CONSTRUCTION SCHEDULE MILESTONES: PLANNED/ACTUAL

| Construction Start | 11-20-2012 / 12-03-2012 | Sub. Comp. BLU #5 | 10-24-2014/ |
|--------------------------|-------------------------|------------------------|-------------|
| Drainage Tunnel Comp. | 07-01-2013 / 05-05-2013 | Sub. Comp. FVU | 11-12-2014/ |
| Tunnel ex. complete | 08-19-2013 / 07-24-2013 | Sub. Comp. BLU#4 | 11-22-2014/ |
| Ready for Gen. Outage | 08-24-2014/ | Substantial Completion | 02-01-2015/ |

NOTES ON PROJECT SCHEDULE

- The most recent look-ahead schedule submitted by Barnard shows the following work performed in March:
 - o March 7- Place concrete keyway on existing spillway.
 - o March 10- Place dam release pipe.
 - o Place 3 blocks over keyway
 - o Set and aline all turbine scroll cases, inlet valves and generator soleplates.
 - Remove intake cofferdam.
 - o Complete concrete placement at Gatehouse.
 - o Complete lower penstock excavation.
 - o Install penstock drain valve and energy disapator.
 - o Intall fixed wheel gate guides.
- Most of the Owner furnished materials and equipment are now on site. Only the inlet valve for the Fish Valve turbine remains to be delivered.
- The CM team and Electric Department continue working on the City-performed work tasks to ensure these activities are completed on time. Bruce Belley completed the interconnect wiring table.
- Barnard/ NAES/CM team will meet again to plan the Project commissioning on March 15. This planning has been delayed until the NAES Installation Supervisor is familiar with the work.
- Barnard, McMillen and CBS meet each Friday to coordinate generation outage planning.

OTHER ITEMS OF INTEREST

- At the end of January the lake level was 26 ft. above the rule curve and we had a 53% chance of meeting the March 22 work window. On February 28 the lake was 21.5 ft above the rule curve and we now have a 75% chance of meeting the March 22 work window. This gain was achieved by maximizing water usage at Blue Lake. This improvement makes it likely the contractor can begin intake structure construction according to their proposed schedule.
- The contractor has not regained the scheduled float available for the dam raise work and we continue to have two critical path timelines on the Project: the dam rasie; and the turbine installation.
- We will participate in an Executive Partnering session on March 4.

PROJECT RISK PROFILE

A discussion of the major risk areas follows below. As a general rule risks are measured as follows:

LOW: Probability of less than 10%, or mitigation cost less than \$1 million.

MODERATE: Probability of more than 30%, or mitigation cost up to \$5 million.

HIGH: Probability of more than 60%, or mitigation cost likely more than \$5 million.

The City's project team believes the following risk areas will dominate the potential for increases in overall Project cost. We also believe these areas pose the greatest risk for schedule delays.

Note to Assembly: With this month's report we have removed discussions of the City Performed work and Rock excavation risk areas as both of these activities are nearing completion and are well in hand.

Construction Schedule: In Barnard's most recent (March 1, 2013) schedule, the critical start of the 2014 Generation Outage is shown starting on August 21, 2014, three days ahead of schedule. However, we now have two critical schedule paths, for the dam raise and the turbine installation work related to the Generation outage.

CURRENT RISK: MODERATE

Weather and Lake Levels: Spill at Blue Lake ended in late January, delaying work on the dam spillway until January 29. The dam raise work is now on a critical path parallel to the powerhouse work. Cold weather in February reduced lake inflows and provided electric loads for high-load operation of the Blue Lake turbines. Blue lake was drawn down 22 feet in February and we are in better shape for meeting the March 2014 lake level construction window. It is very important that we manage the Blue Lake level during March (as best we can) to allow construction of the tunnel's intake structure.

On the flip side, there is a lot of water in the two lakes and there is likely zero need for added diesel generation in the spring and early summer of 2014.

CURRENT RISK: MODERATE (through March 2014)

Temporary Water Filtration Plant: During the August through September 2014 outage of the Blue Lake tunnel, the City will get its drinking water from a temporary water supply. This temporary system remains to be leased and installed at Indian River; some final design is still required. This system must be in place and fully operational prior to the Generation Outage. Any delay in the filtration plant beyond August 23, 2014, will delay the hydro expansion Project. Barnard will be providing the filtration project as a change order to Contract 9. The filtration project is being managed by McMillen LLC and CH2M Hill has completed the final design. The City Water Department will operate the plant with assistance from CH2MHILL and the supplier.

CURRENT RISK: MODERATE [The current status of the filtration system design and planned construction is described in Appendix 2. If the filtration system is constructed as planned, we will be on track for the Expansion Project.]

Sluice Gate Valve Repair and Relocation: The sluice gate valve and trash rack at the dam must be repaired to permit operation of the dam release valve prior to and during the generation outage. The repairs to the existing release equipment were performed between February 12 and 28. While making the repair it was apparent that the location of the existing release valve will be very problematic following the dam raise. The decision was made to install a new dam release pipe in the new section of dam that may be used to replace the existing release equipment.

CURRENT RISK: LOW

Other: This is a broad combination of bad things that might happen such as: earthquakes; construction site accidents; floods; extreme winter weather; fire; labor unrest; etc. We expect that many of these risks would be covered by insurance at least in part.

CURRENT RISK: LOW

PROJECT PHOTO RECORD THIS MONTH

Photos are taken of each work area each month from a fixed location to document construction progress by work area. Relevant photos of the project for this month are provided on the following pages.



Figure 1. Dam and Left Abutment Area, Barnard completed placing dowels and concrete prep work on existing spillway.



Figure 2. Drainage Tunnel and Scour Wall, AUS divers were on site to work on the dam's sluice gate/trashrack (on the other side of the Howell Bunger Valve pictured above).



Figure 3. Intake Portal and Right Abutment, Barnard completed forms for last placement of gatehouse wall.



Figure 4. Gate House Location, Barnard made 5 concrete placements in the gateshaft.





Figure 6. Lower Portal Area, Excavation began for upper penstock sections



Figure 7. Powerhouse Site, The Powerhouse access road was completed.

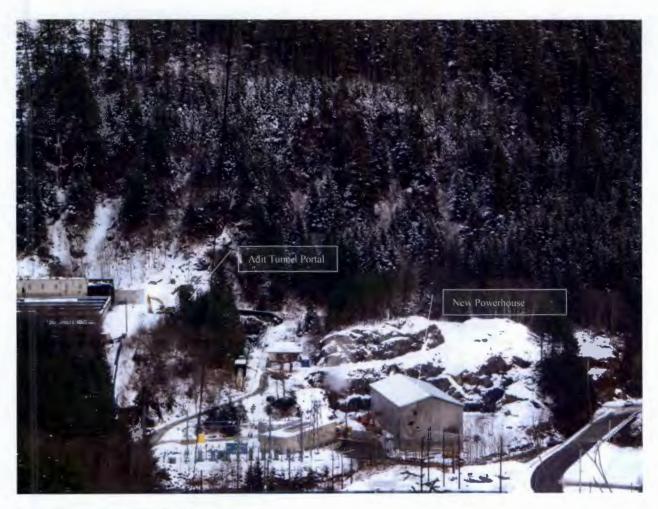


Figure 9. Lower Project Site, No change this month.

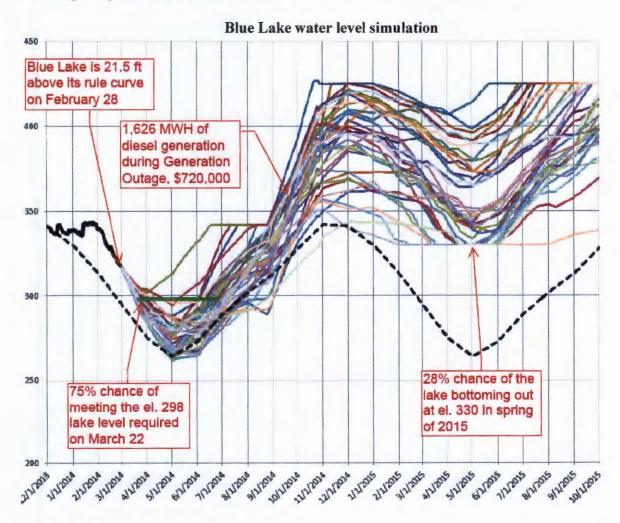


Figure 10. Powerhouse Interior, The powerhouse crane's 45 ton hoist was certified. NAES began placing electrical gear on turbine deck and also set unit 5 spiral case and began alignment. ASRC McGraw Constructors began framing and building out the control room.

LAKE LEVEL WINDOW FORECAST

Case 18. Start February 28, 2014. Multi-year simulation using 36 year hydrologic record. 117,000 MWH system load until August 26, 2014. Then conservation assumed to reduce load to 112,000 MWH through October 2015. Water wasting is stopped on March 22, 2014. PMFU operation is also stopped on March 22, 2014. FVU is run at full load until March 22, 2014. THIS IS THE CURRENT SUGGESTED OPERATING PLAN FOR THE SYSTEM, PROVIDED WE MEET THE EL. 298 LAKE LEVEL TARGET ON MARCH 22, 2014.

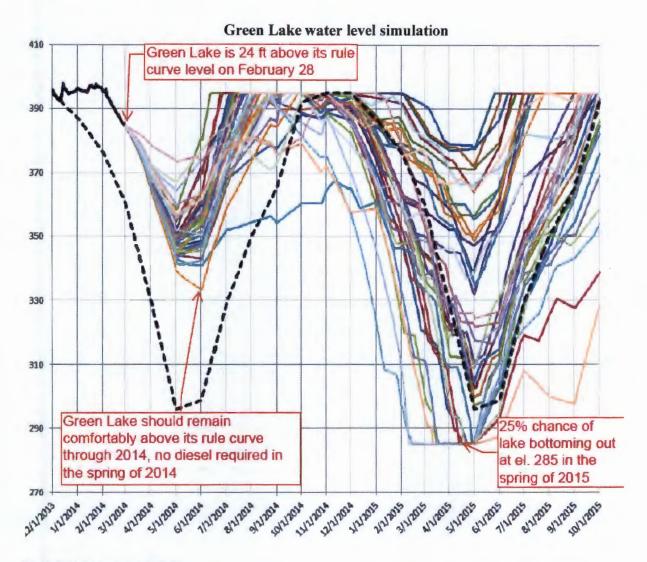
In each of these 36 simulations, D4 diesel is run 10 hours each day during the Generation Outage at an average output of 3 MW. This totals 1,626 MWH of diesel at a cost of \$720,000.



Total diesel generation predicted by this simulation:

| Period | Dates | MWH of diesel | Cost at \$0.45 per kWH |
|-------------------|------------------------|----------------------|------------------------|
| Spring 2014 | - | 0 | \$0 |
| Generation Outage | Aug 26 – Oct 26, 2014 | 1,626 ⁽¹⁾ | \$731,000 |
| Spring 2015 | Mar 30 – June 16, 2015 | 2,731 (ave) | \$1.23 million (ave) |

(1) Assumes approx 30 MWH per day for daily peaks, scheduled manually in model
Blue Lake Expansion 15 Monthly Update
Report No. 15 February 28, 2014



NOTE TO ASSEMBLY:

The average additional diesel generation cost in 2015, as suggested by our model, is \$1.23 million. However, in 20 of the 36 years simulated the additional diesel generation needed is less than 10 MWH (i.e., less than \$5,000 for the year). In the driest years of record, the added diesel required is as high as 19,000 MWH. This worst case diesel demand would cost \$8.5 million during the spring of 2015. This worst case senerio would require extensive operation of the Titan Turbine.

We will manage the lakes to conserve as much water as possible in 2014 and 2015 (consistent with our obligation to lower Blue Lake for construction in 2014), to avoid large diesel costs in 2015.

Appendix 1 to Monthly Update for City Assembly

February 28, 2014

Summary of Temporary Filtration Project Status

Alternative Water Source Investigation Filtration (Blue Lake Project):

Barnard will be providing the Temporary Water Filtration Plant at Indian River as a Change Order to Contract 9.

The Assembly approved additional funding for this work February 18. The total change order amount for Phase I & II is \$3,106,790.00.

Barnard has be making submittals on the equipment.

Barnard signed an agreement with Pall on the lease of the filter units.

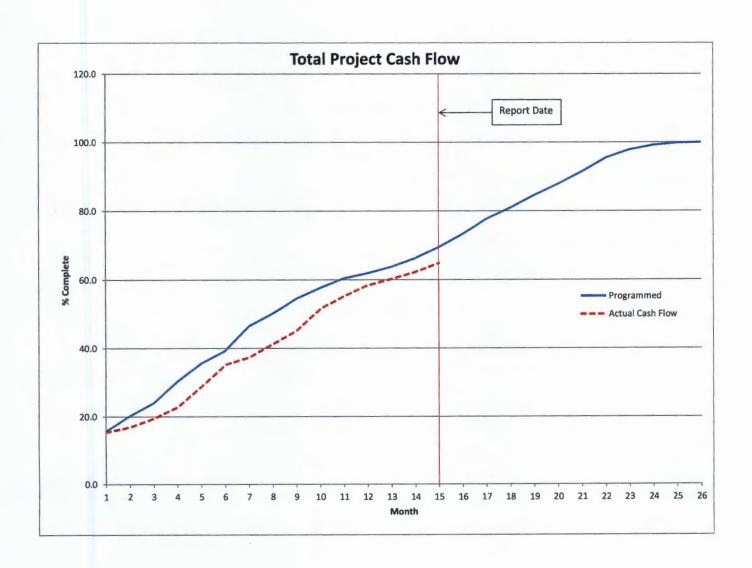
- CH2MHill completed the final design and will be assisting with startup.
- McMillen will perform the construction management.
- The City will provide plant operation with possible assistance from the supplier.

The completion of this work is now in the critical path.

ADEC permitting is scheduled to be completed in March 2014, construction of the piping and pumping completed in April 2014 and final installation of the filter units in June 2014 for operation in July 2014.

Summary of Titan 130 Diesel Turbine Project Status

- 1. Final payment to Solar was completed and all materials cleared for shipping to Sitka. First bulk shipment received (two 40 foot flats) on March 3, 2014. Barge landing with Solar Turbine and Generator containers expected on March 7, 2013. Total weight of approximately 500,000 pounds for all Solar materials.
- 2. Rental crane to set turbine-generator is scheduled to arrive in Sitka, March 15, 2014 and work will commence immediately to install unit on foundation.
- 3. Structural steel for Turbine Air Inlet filter installed on March 2, 2105.
- 4. Both 40,000 gallon fuel tanks have arrived in Sitka.
- 5. Logistics & planning meeting completed on February 10-11, 2014 in Sitka. Rate sheet and field service engineer finalized with Solar.
- 6. On site factory training for the Solar Turbine-Generator scheduled for the week of June 2, 2014.
- 7. Blank control cabinets for the project were received and will be completed by department staff over the next few weeks.
- 8. Most of the materials to complete the project have been received with the exception of substation buss work and terminators.



BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: FEBRUARY 28, 2013
Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

1. Progress of work

Environmental Protection

Barnard continues to install erosion and sediment control measures as required at the dam site, storage yard at Sawmill Cove Industrial Park and powerhouse area as ground disturbing activities continue. BMP maintenance and repair is ongoing as needed throughout the project site.

Gate Shaft Concrete

Barnard placed five lifts of concrete curb in the gate shaft in February. This curb will contain the T-rail guides for the fixed wheel gate. The final curb placement will be completed in March.

Gate House Concrete

Barnard crews completed the first section of walls in the gatehouse, as well as the second level floor. We anticipate placing the second level of walls and concrete roof by mid-March. NAES Power Contractors have been installing the required grounding and embedded conduits for each concrete placement.

Dam Raise

Barnard crews have completed 23 monoliths blocks total on the dam and have made 11 placements on the thrust block and cutoff wall. With the lake level receding, we have been working on the keyway concrete in the existing spillway. Work completed in February includes completion of concrete demo, installation and grouting of dowels, installation and grouting of waterstop and formwork installation. We anticipate placing the keyway concrete in the first week of March.

Barnard mobilized a diving crew in mid-February to complete repair work on the Howell Bunger Valve Trashrack and Sluice Gate Valve. This work is anticipated to be complete in early March.

Powerhouse

ASRC McGraw has nearly completed installation of the powerhouse roof and pre-cast wall panels. ASRC continued installation of the 12 valve pit rock anchors. ASRC completed installation of the powerhouse bridge crane and the load testing was performed on the 45T Main Hoist. ASRC completed installation of the interior structural steel, hollow-core slab installation (and concrete topping slab) and has started framing out the interior walls. ASRC also completed the final concrete placements on the turbine floor in February.

Southeast Earthmovers has nearly completed the rock excavation for the new powerhouse access road and has started excavation for the penstock, energy dissipation chamber and lift station near the powerhouse.

NAES Power Contractors has continued to install cable tray and conduit below Elevation 27 in the powerhouse. They have also started setting electrical equipment in the powerhouse, including HPU control cabinets and ground resistors.

For Period Ending: FEBRUARY 28, 2013
Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

NAES has also started installation of the Turbine-Generator equipment. They have assembled the spiral case and top chamber for Unit #5 and Unit #4. Unit #5 spiral case is currently being aligned and the anchors will be grouted in the next week.

Barnard crews have started work on the energy dissipation chamber and penstock drain. Work completed in February includes placement of the foundation in-fill slab and drilling for the four (4) rock anchors required in the structure.

2. Status of Construction

Status of Ongoing Major Construction Activities

- Powerhouse Excavation 95% complete
- Powerhouse Steel Building 95% Complete
- Powerhouse Roof 95% complete
- Precast Wall Panels 95% complete
- Dam Raise 23 of 53 monolith blocks placed.
- Dam Spillway 0 of 9 placements
- Dam Parapet Walls and Crest Slab 0 of 15 placements
- Left Abutment Thrust Block and Cutoff Wall 8 of 9 placements completed.
- Powerhouse Concrete 3230 CY placed to date.
- Gate Chamber Concrete 150 CY placed to date.
- Gate House Concrete 165 cy placed to date.

See Section 1 above for construction work completed in February 2014.

3. Construction Issues

Valve Pit Rock Anchor Failure during load testing in Unit #5 Valve Pit. ASRC will complete a non-conformance report.

NAES Power Contractors approved lead T/G Installer is no longer on the project. NAES has identified a replacement installer who will be onsite the first week of March.

4. Contract Status

Barnard's key subcontractors for the Blue Lake Project are as follows:

| Name | Scope | | | | |
|-----------------------------------|---|--|--|--|--|
| ASRC McGraw Constructors, LLC | Powerhouse Construction | | | | |
| Southeast Earthmovers, Inc. | Excavation | | | | |
| Blue Lake Tunnelers | Underground Construction | | | | |
| Crux Subsurface | Foundation Grouting, Micropiles, PRW's | | | | |
| O'Neill Surveying and Engineering | Land Survey | | | | |
| Baranof Materials Test Lab | Quality Control | | | | |
| NAES Power Contractors | Turbine-Generator Installation/Electrical | | | | |

For Period Ending: FEBRUARY 28, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

Barnard's key material suppliers for the Blue Lake Project are as follows:

| Name | Scope | | | | |
|-------------------------------|----------------------------|--|--|--|--|
| ASRC McGraw Constructors, LLC | Concrete Supply | | | | |
| Gerdau Reinforcing Steel | Concrete Reinforcing Steel | | | | |
| Haskell Corporation | Misc. Metal Fabrication | | | | |

5. Critical Events and Dates

Please see attached summary progress schedule updated February 28, 2014.

Critical Dates for the Blue Lake Project are as follows:

| Milestone | Date | Required Status of Construction | | | | |
|-----------|---|---|--|--|--|--|
| 1 | 07/01/2013 | Drainage Tunnel Complete – Completed May 6, 2013 | | | | |
| 2 | 08/19/2013 | Initial Intake Excavation Complete - Completed July 21, 2013 | | | | |
| 3 | 06/04/2014 | Intake Structure Complete | | | | |
| 4 | 08/24/2014 | Ready for Generation Outage | | | | |
| 5 | 61 days after start of Generation Outage | Substantial Completion of 1st Blue Lake Turbine Generator | | | | |
| 6 | 91 days after start of Generation Outage | Substantial Completion of 2 nd Blue Lake Turbine Generator | | | | |
| 7 | 80 days after start of Generation Outage | Substantial Completion of Fish Valve Unit | | | | |

6. Reservoir Filling

Blue Lake Reservoir Level slowly lowered during the month of February allowing work on the existing spillway to continue.

7. Foundations

Not applicable for this report.

8. Sources of Major Construction Material

The City and Borough of Sitka will be providing most of the major construction materials for this project. Please see list below.

| Contract No. Vendor | | Scope of Supply | | | | | |
|---------------------|------------------------------------|---|--|--|--|--|--|
| 1 | Gilbert Gilkes and Gordon, Ltd. | Turbines and Generators | | | | | |
| 2 | Myers | 12.47 kV Switchgear | | | | | |
| 3 | Linita Design and Manufacturing | Bulkhead Gate, Fixed Wheel Gate and Hoist | | | | | |
| 4 | T Bailey, Inc. | Penstock and Manifold | | | | | |
| 5 | WEG Electric | 69kV Transformers | | | | | |
| 6 | Benchmark Industrial Services | Powerhouse Bridge Crane | | | | | |

For Period Ending: FEBRUARY 28, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

| 7 | CHG Building Systems | Powerhouse Building |
|---|----------------------|---------------------|

Materials Received this Period:

12.47 kV Switchgear - Delivered to the site on February 19, 2014.

<u>Misc. Metals</u> - Barnard has been receiving misc. metals for various project features throughout the month of February

9. Material Testing and Results

Concrete testing is ongoing for the dam raise, gate chamber and powerhouse concrete. No issues have been encountered to date.

10. Instrumentation

Not applicable for this report.

11. Photographs



Figure 1: Powerhouse Control Room and Offices

For Period Ending: FEBRUARY 28, 2013
Prepared by: BARNARD CONSTRUCTION COMPANY, INC.



Figure 2: Bridge Crane Load Testing



Figure 3: Unit 5 Spiral Case

For Period Ending: FEBRUARY 28, 2013
Prepared by: BARNARD CONSTRUCTION COMPANY, INC.



Figure 4: Spillway Keyway Construction

For Period Ending: FEBRUARY 28, 2013
Prepared by: BARNARD CONSTRUCTION COMPANY, INC.



Figure 5: Gatehouse

12. Erosion Control and Other Environmental Issues

Barnard is continuing to install the required environmental protection measures on the project site ahead of ground disturbing activities. Ongoing maintenance of dewatering system at powerhouse excavation site will be required to maintain water quality in Sawmill Creek.

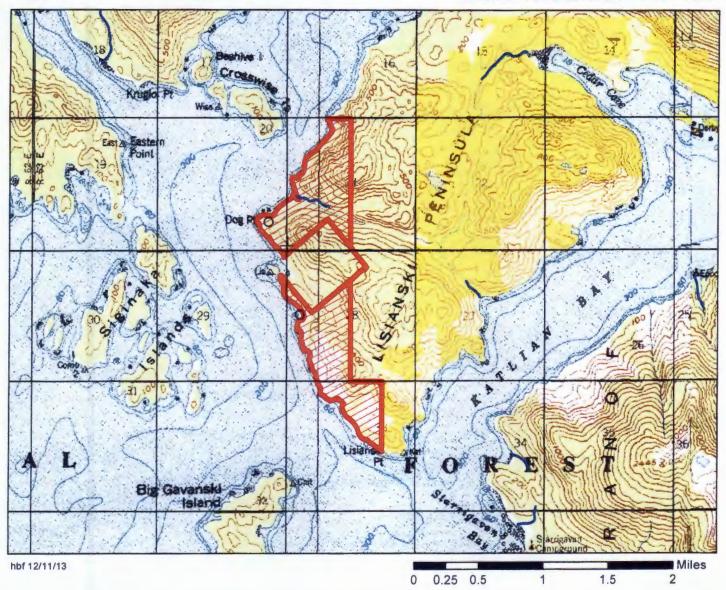
13. Other Items of Interest

| The Property See of the See of th | Congress Act Les Durates Durat | 8 35-as-2 A 0 12 Sep 12 A 0 00-sep 12 A 0 00-sep 12 A 0 10-sep 12 A 0 10-sep 12 A 0 10-sep 12 A 0 22 Aug 14 2 22 Aug 14 1 10-sep 14 | 23-Non-12-A 25-an-13-A 26-an-13-A 26-May-13-A 29-An-13-A 46-An-14 21-Ang-14 ⁴ 23-Ang-14 | Pio | | | | | | 149 | 50 | ða . | in I | Dec | 205 205 206 April D |
|--|--|--|--|---|---|--|--|--|---|--|---|------------------------------|--|--|--|
| Personal file of the season of | | 8 35-as-2 A 0 12 Sep 12 A 0 00-sep 12 A 0 00-sep 12 A 0 10-sep 12 A 0 10-sep 12 A 0 10-sep 12 A 0 22 Aug 14 2 22 Aug 14 1 10-sep 14 | 23-Non-12-A 25-an-13-A 25-an-13-A 06-Mey-13-A 28-a4-13-A 64-Jon-14 23-Aug-14* 23-Aug-14* | 0 | | | | | | | | | | | |
| used wind | 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | 0 13 Sep 12 A 0 0 New 12 A 0 0 New 12 A 0 20 Aee 12 A 0 10 Oct 12 A 0 10 Oct 12 A 0 0 0 0 0 0 20 Aee 12 A 0 10 Oct 12 A 0 Oct 1 | 23-Non-12-A 25-an-13-A 25-an-13-A 06-Mey-13-A 28-a4-13-A 64-Jon-14 23-Aug-14* 23-Aug-14* | 0 | | | | | | | | | | | 66 mm (1) |
| used wind | 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | 0 13 Sep 12 A 0 0 New 12 A 0 0 New 12 A 0 20 Aee 12 A 0 10 Oct 12 A 0 10 Oct 12 A 0 0 0 0 0 0 20 Aee 12 A 0 10 Oct 12 A 0 Oct 1 | 23-Non-12-A 25-an-13-A 25-an-13-A 06-Mey-13-A 28-a4-13-A 64-Jon-14 23-Aug-14* 23-Aug-14* | 0 | n germanne de | | | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | | 7 | | | | | |
| Non-Then They (Other work that Bridge (Indian work that Bridge (Indian Brid) Bridge (Indian Bridge (Indian Bridge (Indian Bridge (India | 0 8 10 12 10 10 10 10 10 10 10 10 10 10 10 10 10 | 0 (01-80m-12A) 0 (26-80m-12A) 0 (00-90-12A) 0 (00-90-12A) 0 (00-90-12A) 0 (00-90-12A) 0 (00-90-12A) 1 (10-90-14A) | 25 Apr 12 A 25 Jan 13 A 25 Jan 13 A 26 Jan 13 A 26 Jan 13 A 26 Jan 14 21 Aug 14 23 Aug 14 13 Op 14 | 0 | g g g g g g g g g g g g g g g g g g g | | | | | | | | | | |
| Office and have fining and office and the product from the fining control Complete (Structure Complete (St | 10 12 13 13 14 15 15 15 15 15 15 15 15 15 15 15 15 15 | 0 26-Non-12 A 0 10-Own-13 A 0 0 0 0 0 0 22-Aug-14 2 23-Aug-14 1 13-Out-14 | 25-2n-13-A 25-2n-13-A 06-May-13-A 25-An-13-A 66-Jun-14 21-Aug-14 ⁴ 23-Aug-14 13-0-m-14 | 0 6 3 7 3 | E-sp. region to this delivery | | | 1222-2-1-2 | | | | | | | |
| mort Companies Strougher Schreeder Companies University Companies Univer | 8 28 0 0 0 0 0 0 0 0 0 0 0 0 1 0 0 0 0 0 0 0 | 0 10-0en-1JA 0 0 0 0 0 22-Aug-14 2 23-Aug-14 1 13-0e-14 | 25-Jan 13-A 05-May 13-A 25-Jah 13-A 04-Jan 14 21-Aug 14 23-Aug 14 13-0m 14 | 0 | Every region to the April Appendix of | | to post Adequate to the post of the district of the | 1000-00-00-00 | | | | 1 | | | |
| Structure Companie Seneration Outrige Seneration Outrige Seneration Outrige Seneration Outrige Seneration Outrige Companies Seneration Companies Seneration Seneration Outrige Companies Seneration Seneration Outrige Companies Seneration Seneration | 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | 2 22 Aug 14 1 13-0e-14 | 25-A413 A 64-Am14 21-Aug 14 ⁴ 23-Aug 14 13-0m14 | 0 | Arrandon to thin had deposing | 1 | | | | | | | | | |
| Store Complete Description Outrage Description Outrage Description Presentation Outrage Description Presentation Description Completion—Bold #6 Completion—Bold #6 Completion—Bold #6 | 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | 2 22 Aug 14 1 13-0e-14 | 04-3/014 21-Aug 14 25-Aug 14 13-0/014 | 0 0 3 3 3 3 | ternyengkas kerakan kuntuk bepetinya | - | | and the state of t | | | | | | | |
| ration Cutage Lasting Freehouse - Devader Funner mont Completion - BLU # Completion - BLU # Completion - BLU # | 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | 2 22 Aug 14 1 13-0e-14 | 25-Aug 14 13-0-e 14 | 3 3 3 | | | | | | | , , | | | | |
| Inding Preschasse - Deside Funne meni urian Gunage Completion - BLU #6 Completion - BLU #8 Completion - PAU | 2 0 1 0 0 0 0 0 | 2 22 Aug 14 1 13-0e-14 | 23-Aug 14 13-De 14 | 3 | | | | 1 | | Ready for Obnaration Duning Blant Generation Chaloge | | | | | |
| onel diss Outage Completion - BLV #E Completion - BLV #E Completion - BLV #E | 1 8 0 9 0 0 0 0 | 1 13-0e-14 | 13-0 e 14 | 3 | | 1 | | ' | 1 | | | | | | |
| Completion B.U.W. Completion B.U.W. Completion PAY | 0 0 | 0 | | | | | THE STREET OF BRIDE | | | | | g Eur Garanten Georg | | | |
| Completion - BU-MI Completion - PVI) | 0 0 | | 21-0 (6-14) | | | | | | | | | · Success Conjun | CVE. | | |
| Completion - PVI) Islantel Completion | | 0 | 28-0 to 14 03-Nov-14 | 26 | | | | | | | 1 | @ Salame | engine Burn lede Consister (VI) | | |
| | | 0 | 05-Day-14 | 12 | | | | | | | | | | @ Project Substantial Completes | |
| | 10 6 | 10 09-0 to 14 | 24-Dat-14 | 15 | | | | | militaria and and a second and | | | | 4 | | |
| NA CONTRACTOR OF THE CONTRACTO | 10 0 | 10 17-0xo14 | 06-Jan 15 06-Jan 15 | 25 | | | | | | | | | | | & Fast Camp |
| CONTRACTOR OF THE PARTY OF THE | SAN WAR | 250000000 | STREET, STREET, | | | | | | | | | | | | |
| El - Disarrage Tunnel Complete (by 1913) | 0 0 | | 06-Way-13-A | | | 1 | | | | | | - | , | | |
| C - Indial Intake Excession Complete By 679(13) C - Intake Structure Complete | 0 6 | 0 | \$4.5m16" | 0 | | | | & Married William Control | Luipen | | | | | | |
| N - Ready for Generation Outrops | 0 6 | 0 | 24 Aug 14" | 0 | | | | | . 1 | duming and a | Drasantas Catego | America | nine Complete B.U.F. | | |
| 6 - Substantial Completion (S. 1146 6' - Substantial Completion FVV) | | 0 | 24 0 6 1 6" | 0 | | | | | | | | | & Manager Salaran | Completes PAS | |
| 6 - Substantial Completion St. UMI | 0 0 | 0 | 23-Her-14" | 4 | | | | A STATE OF THE PARTY OF THE PAR | | | | | 4 m. | Ric Bulanteration Complessor Mc or PM | |
| B - Project Substantial Completion | 0 0 | 0 | 01 Fab-15" | | | 1 | | | Jap 16 Cardinates engigents | | | | | | |
| | 208 208 | 6: 35-an-124 | 19 Aug 13 A | | | | | | | | - | | | | |
| El Carly Completion Disnus Eleia (not acherred) | 0 0 | | 19 Aug 17 A | Tarren and an annual section of the | | | A BANKS AND THE AND THE | | | The Same state transfer our | | | - | | |
| Nindow Last Wedow (S. 200) | 106 140 | 0 01 Sep 13 A 96 22 Mar 14* | 25-bentilik 25-bentil | 0 | | | 1 | | | 1. | | | | | |
| Sale Impaction Complete | 0 6 | 0 | 01-May 14" | 6 | | | in State of the Aspense Assessed | | | | 1 | 1 | | | |
| alerials | | | | No. | A. Outs V Siggind Massven. | | 1 | | | | | | | | |
| Sale and Guden ar Bridge Crone | | | 20 Feb 13 A 27 Mar 13 A | | | CONTRACTOR | | | | proper Siderate and a proper party of the last | | | p | | |
| Service Control of the Control of th | 0 0 | 0 | 05-Apr-13-A | | | | Į. | | | 1. | | | | | |
| Type of Gate, Guates, and Host | | | 29-Jun 13-A | | | | | | | | | | 1 | | |
| a Santhuking | 0 0 | 0 | 09-M13-A | | | and the state of t | | | | | | | | | |
| NVTransformers | 0 0 | 0 | | | | 1 | | 1 | | | | | | | |
| ulk Turbnes le Governos | 0 0 | 0 | 19-Sep-13-A | | | | | | .1 | | | | | | |
| ne hile! Valves | 0 0 | 0 | 19-Sep-13-A | | | | | | | | | 1 | | | |
| rators and Suchers Indifiquer | | | 19-Sep-13-A | • Sala | Selection Processing and Assessment of the Control | | | | | | | | dora - n n - m | | |
| | FEET WOOD | THE RESERVE | NAME OF TAXABLE PARTY. | | | | 2140 | has been been and Baging Ass improve | meter . | | | | | | |
| acure 20) | | | | | | | | | | 21 Aug 18 Bare Sarrana | PROFIT SQ. | | | | |
| | | | | | | | | 7 10 | Africa 14 December Property (Spines 17) | 1 | | | | | |
| Feature 23) | | | | | distriction of the second | | Section 1 | | | Company of the te | ptota Yunast Fedore 24 | - | - | | |
| eature 25) | | | | | | | | Share It was Bruner I'm | un 3: | | | | | | |
| • 26) | | | | | - | | | | | 26-hap 14. Gase Dec | (Famus 26) | | | | |
| ins (Feature 30) | | | | | | | | | | " | | | ease II) | | |
| (31) | | | | | | hank at a company with | | 13 April 18 Per | nestin Draw (Feature 12) | - 1 | | | | | |
| (Feature 32) | | | | | | | | | | | | 15-Dat 14 Hater Tripperent I | iming Federy 33 | | 1 |
| | | | | | | - | | | | | notice (E) | | | | 1 |
| rature 463 | | | | | | | | | | - | | | | | |
| cations (Feature 55) | | | | | | | - | | | | | | | | |
| issioning | | | | | | | | | | | | | | and many or company or com- | |
| and the same of th | And the Market of Market o | And Construction of the State o | And Confession and Co | An or A | Annual Content of the Content of t | An An An An An An An An | The control of the co | The control of the co | A | ### A Part of the Company of the Com | ### According to the Control of the | A | ### Committed Co | A STATE CONTINUE OF THE PARTY O | ## According to the Control of the C |

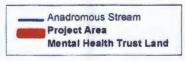


Attachment A: Vicinity Map

to the Preliminary Decision for a Proposed Land Offering in the City and Borough of Sitka Nakwasina Sound Subdivision - ADL 108062



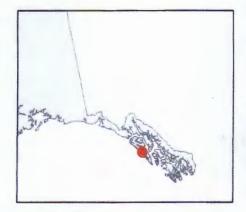
Within Sections 20, 21, 28, 29 and 33 Township 54 South, Range 63 East, Copper River Meridian, AK





USGS QUAD 1:63,360

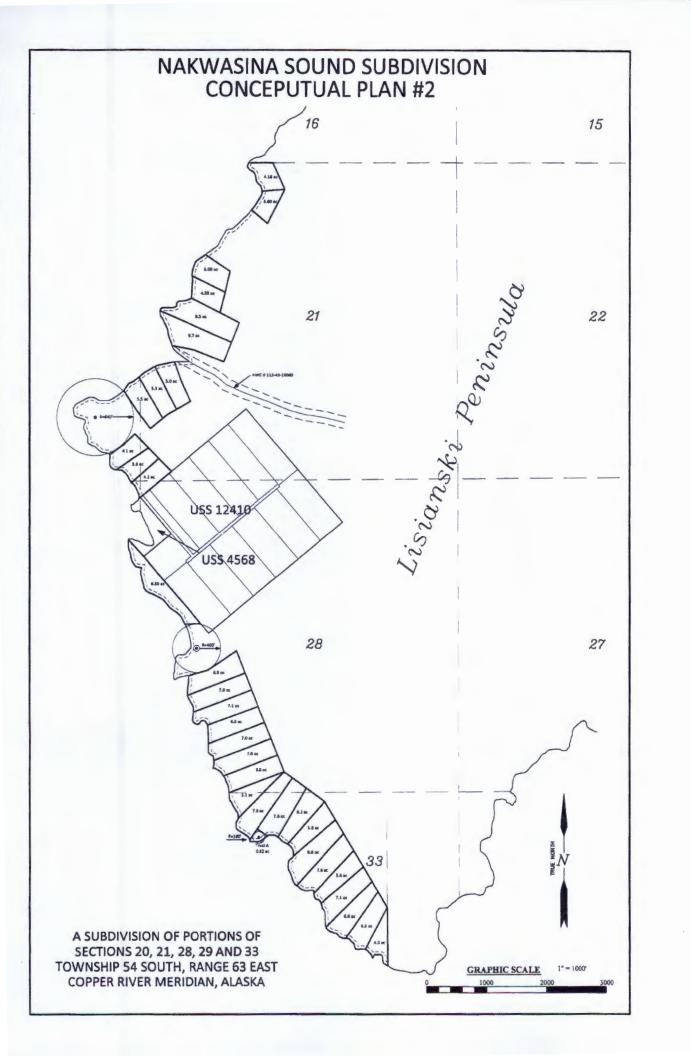
Sitka A-5
For more information contact:
Blair French
State of Alaska
Department of Natural Resources
Division of Mining, Land, and Water
3700 Airport Way
Fairbanks, AK 99709
Phone: (907)451-3011
Fax: (907)451-2751
Email: subdivision.sales@alaska.gov



This map is for graphic representation only. It is intended to be used as a guide only, and may not show the the exact location of all existing easements, reservations, or third party interests.



0 1 2 4 6 8 10 12



City and Borough of Sitka Congress

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

February 28, 2014

The Honorable Senator Lisa Murkowski United States Senate 709 Hart Building Washington, D.C. 20515-0201

Dear Senator Murkowski:

Thank you for scheduling to meet with City and Borough of Sitka (Sitka), Mayor Mim McConnell, Municipal Administrator Mark Gorman, Government Relations Director Marlene Campbell, and lobbyist Larry Markley. While the earmark moratorium makes federal assistance problematic, we want to keep you apprised of major issues impacting Sitka.

Sitka's highest priority request is for \$18.6 MILLION FEDERAL MATCH TO COMPLETE THE \$158¹ MILLION BLUE LAKE HYDROELECTRIC PROJECT to yield maximum energy capacity of the Blue Lake Project (FERC No. 2230), yielding a 27 percent overall system capacity increase. Federal assistance is critically needed as final costs were substantially greater than estimated. In addition to the new debt for the Blue Lake Project, Sitka ratepayers have borne entirely for 33 years the bonded indebtedness for Sitka's original Green Lake hydroelectric facility. With the extremely high cost of hydroelectric improvements, Sitka ratepayers face cumulative electric rate increases approaching 55 percent. The State of Alaska has contributed \$52.95 million to partner with CBS on the Blue Lake Project, and to date, CBS has bonded for over \$82.5 million for Blue Lake. If the federal government were to provide \$18.6 million to partner with Sitka, additional bonding and stifling further electric rate increases could be avoided. Any federal assistance would help reduce Sitka's long-term debt burden.

Sitka's Blue Lake hydroelectric power is clean, renewable, non-carbon emitting, "fish friendly", and long lasting (hydros typically produce power for more than a hundred years). It should be classified as renewable. Sitka's electric utility is owned and operated by the City and Borough of Sitka independent of any other power grid. Blue Lake alone will increase Sitka's generation capabilities from 7.5 MW to 17 MW, and total energy of 32,000 MWh or 27 percent of our electrical needs. The project to raise the height of the existing dam by 83 feet and construct a new intake structure, penstock, and powerhouse is over 40 percent complete with most of the high risk elements done. The next milestone is the planned two-month outage to decommission

¹ Total project cost includes partial funding for a \$15M liquid-fueled diesel turbine project for emergency/standby diesel generation. Diesel project is required to meet system demand during the Blue Lake generation outage and to address an emergency diesel deficiency in Sitka.

Senator Lisa Murkowski February 28, 2014 Page 2

the existing powerhouse and commission the new one. The federal government should support this renewable, efficient, sustainable energy system.

City and Borough of Sitka requests federal partnership of \$4,655,000 to complete the SAWMILL COVE INDUSTRIAL PARK WATERFRONT DEVELOPMENT. In 1993 Alaska Pulp Corporation mill closed, resulting in the loss of over 400 family wage jobs and plunging Sitka into an economic downturn which still continues. CBS acquired the site in 1998 and put more than \$11 million in CBS, State, and federal funding into new infrastructure and utilities, and the private sector invested more than \$20 million. Sawmill Cove Park now supports more than 60 full-time jobs and seasonal employment of over 320 people. The State of Alaska contributed \$7.5 million to help stabilize the failing central waterfront at Sawmill Cove Industrial Park. Two additional segments of the waterfront must be redeveloped to permit our industrial park to function as an intermodal deep water port and support a marine services industry. Priority one, adjacent to the planned dock, is \$3,750,000; and priority two, adjacent to the coho salmon hatchery, is \$5,560,000, for a total estimated cost of \$9,310,000. These bulkhead projects will remove failing mill infrastructure, stop erosion, and provide uplands improvements. Federal partnership of \$4,655,000 is requested to help redevelop an economically viable deep-water port facility with direct access to the Pacific Ocean.

THANK YOU FOR YOUR CONTINUING EFFORTS TO PROVIDE SECURE RURAL SCHOOLS AND SELF-DETERMINATION ACT AND PAYMENT IN LIEU OF TAXES (PILT) FUNDING to City and Borough of Sitka as well as other rural communities impacted by federal lands. With more than 95 percent of our 4,710 square mile City and Borough of Sitka located in the Tongass National Forest, there is very little non-federal land available for community development and generation of tax revenues to fund schools, roads, and other basic services. There is no way for Sitka to replace these revenues in the event these funds are not reauthorized. Sitka is most grateful for the one-year extension of PILT funds included in the Farm Bill, but multi-year authorization of these critical funding sources is greatly needed. Any assistance the congressional delegation can provide to support this goal will be tremendously important to help balance Sitka's budgets each year without drastic cuts to municipal and school district services.

Finally, CBS again thanks you for your help to provide \$8 million in capital funding to the Alaska Army Corps of Engineers (COE) last year which was used to fund the MODIFICATION OF THE COE 1995 SITKA CHANNEL BREAKWATER. This upgrade to close the 315 foot gap between the West and Central Breakwaters has been completed. Due to more and lower-priced rock availability, there has been sufficient funding to permit further modifications of the Central Breakwater to better protect the

Senator Lisa Murkowski February 28, 2014 Page 3

CBS harbors and infrastructure in Sitka Channel from periodic storm waves which have sunk several boats and damaged harbors, and possibly to add a spur off the West Breakwater as well. This additional work should be completed in Fall, 2014. After nearly two decades of asking for help to improve the Sitka Channel Breakwater, CBS is indebted to the Alaska congressional delegation and Corps of Engineers Alaska District which made these improvements possible. We should all celebrate completion!

The City and Borough of Sitka recognizes how difficult these political and economic challenges are for you and your Alaska colleagues. Your commitment to Alaska and assistance to Sitka are especially appreciated. If there is any way the City and Borough of Sitka can provide information or be of assistance, please contact Government Relations Director Marlene Campbell at 907-747-1855 (e-mail campbell@cityofsitka.com) or lobbyist Larry Markley at 907-250-2855 (e-mail larrymarkleyak@aol.com).

Sincerely,

Mark Gorman

Municipal Administrator

CC:

Kip Knudson, Director State/Federal Relations, State of Alaska

Mayor and Assembly

The Barnard Monthly

FEBRUARY 2014

Monthly Newsletter for the Employees and Friends of the Barnard Companies

Central T Team Successfully Accomplishes Milestone with BART Undercrossing

(San Francisco, California) At the Central Subway Tunnel Project, our crews constructing the new twin tunnels continue their advance beneath downtown San Francisco en route toward the TBM retrieval shaft, passing through significant milestones along the way. Both TBMs have now successfully passed beneath the extremely busy Bay Area Rapid Transit (BART) tunnels along Market Street, negotiating the tight radius compound vertical and horizontal curve along the way.

The BART undercrossing, along with the undercrossing beneath two buildings on either side of the BART tunnels, was considered the one of the highest risk aspects of the project. Our team's tunneling performance beneath these structures was almost flawless.

registering near zero movement and not requiring any use of the compensation grouting system installed as a precautionary measure.

The TBMs have also passed through both the Moscone and Union Square/Market Street stations and their respective headwalls that were constructed in an earlier phase of this project. Both TBMs are now tunneling through the Franciscan formation, a portion of the tunnel that is in rock versus the soft ground conditions comprising the balance of the alignment.

As the tunnels approach the end of the alignment, work at the retrieval shaft continues at a feverish pace. Our



team's tunneling performance beneath Installing utility pipe in one of the twin tunnels at the Central Subway Tunnel project.

subcontractor, *Drill Tech Drilling and Shoring, Inc.*, has completed installation and pre-condition grouting in advance of shaft excavation. Also completed are the first two of four total levels of excavation and bracing. Upon completion of the excavation and bracing, Drill Tech will construct a reinforced concrete base slab in preparation for the hole-through of each TBM.

We're constructing this project for the San Francisco Municipal Transportation Agency (SFMTA) as the lead member of a joint venture with Impregilo S.p.A. and S.A. Healy Company. The project was designed by PB/Telamon JV.

-Central T Team

| Inside this issue: | | | |
|---|---|--|----|
| New Project in Canada PG&E Team Launches New Sacramento Project | 2 | Trash Talk | 7 |
| TVA Dam Modification Project Kicks Off | 3 | Winter Safety Tip | 7 |
| Update on Glines Canyon Dam Removal Gilboa | 4 | Barnard Interns Reach the Top at Reno Competition Remembering Bob Voshell | 8 |
| Update from Blue Lake Team | 5 | Barnard Builder Bees Join in Local Spelling Bee Month in Photos: Beavers; Gift to Sitka | 9 |
| Let's Welcome Our New Hires | 6 | Barnard Photo Album | 10 |

Barnard Team Excited about Promising Opportunity in Manitoba

(Winnipeg, Manitoba) Barnard is pleased to announce that the limited partnership of Bechtel, Barnard, and EllisDon has been selected as the

preferred contractor for *Manitoba Hydro's* **Keeyask Generating Station Project**. An official contract is anticipated in early March. The Project

will kick off with Early Contractor Involvement (ECI) and we anticipate Notice to Proceed toward the end of 2014.

Notes from the Field: Barnard's PG&E Alliance Team Embarks on New Work

(Sacramento, California) As our completion nears on the R-037 West Sacramento Replacement and R-056 Davis/Woodland Replacement projects within the larger PG&E Pipeline Safety Enhancement Project (PSEP), our team is moving forward with a full head of steam through the winter months. Crews at both projects are now backfilling, abandoning existing PG&E facilities, and restoring the sites as they cruise into the month of March. In addition to these two heavy-weight projects coming to a close, we have been fortunate to procure the contract for a small relocation project funded by Sacramento Regional Transit.

The R-298 Sac RT Relocation Project, which mobilized on Jan. 22, requires relocating approximately 1,000 LF of 24-inch pipe and installing a new valve lot. PG&E's existing 20-inch main line pipe is buried beneath Sac RT's proposed dual-track light rail transit system that is currently under construction. Barnard has been contracted to relocate PG&E's main line pipe outside of Sac RT's right-of-way and perpendicularly cross the future dual tracks four times.

In the early phase of construction, our team has experienced a number of unexpected issues that have required modification of the project's planned scope, including elevation/alignment changes and tie-in location changes. Nonetheless, the team has weathered the storm and is pushing forward in an effort to meet PG&E's tie-in date and allow for Sac RT's light rail construction to begin in the area. Through the changes, Barnard, PG&E, and Sac RT have worked together to identify potential hurdles and mitigate field issues to keep the project on track



Work on the R-298 Sac RT Relocation Project gets underway in Sacramento.

(no pun intended). The R-298 Sac RT Relocation Project is scheduled to be completed by March 29, barring any additional setbacks.

Looking ahead to April, the R-059 L-123 Roseville Replacement Project is set to kick off on April 1. This project consists of 3.6 miles of 16-inch-diameter open trench replacement, three auger bores, and a 3,284-foot Horizontal Directional Drill (HDD). The job is similar to some of our past projects that have included working in both congested residential areas and more forgiving unimproved areas.

Barnard is a member of the PG&E Alliance formed to undertake PG&E's long-term Pipeline Modernization Program, dedicated to strengthening

and improving its natural gas transmission system in Northern California.

-PG&E Team

"Everyone complains of his memory, and no one complains of his judgment."

> — Francois de La Rochefoucauld, French writer

February 2014 Page 3

Modification of Cherokee and Douglas Dams Now in High Gear

(Jefferson City, Tennessee) On Jan. 9, we executed a Contract with the Tennessee Valley Authority (TVA) that officially kicked off the Cherokee and Douglas Dams Modification Project. This project demands a fast-track startup: jobsite staff mobilized to the project the week the contract was signed and onsite work began in early February. Substantial Completion is required by early December 2014.

The project consists of upgrading two TVA dams to 1,000-year-flood event and seismic standards, as issued by the Nuclear Regulatory Commission, before TVA will be allowed to fire up its second 1,180 MW nuclear reactor downstream on the French Broad River at the Watts Bar facility. This will be the first nuclear generator commissioned in the U.S. in the 21st century.

The work includes installing a total of 70-each, 54-strand post-tensioned rock anchors into the two dams. Eighteen of these are to be installed on the face of the Cherokee spillway, requiring a work platform to be attached to the face of the spillway and serviced by a barge-mounted crane in the plunge pool. Another 34 solid bar rock anchors will go into one training wall. We also will be removing and replacing existing concrete floodwalls with larger concrete floodwalls.

Hatch is the Engineer of Record. Barnard has teamed with Nicholson Construction to install the anchors.

-Cherokee and Douglas Dams Team







Above top: Douglas Dam prior to the project.

Above bottom: Cherokee Dam prior to project kickoff.

Left: A Nicholson crew works on the test anchor.

Glines Canyon Dam Decommissioning Nears Completion

(Port Angeles, Washington) So far in 2014 we have completed three more blasts in our decommissioning of Glines Canyon Dam, reducing the formerly 210-foot-tall dam to a height of 13 feet on the right side and 29 feet on the left side.

Weather has temporarily halted production during the second half of February due to high winds and raised river levels. Our cranemounted gauge recently clocked overnight winds of 100+ mph. Since all access is provided via the crane, no work can proceed while these conditions persist.

The final blasts will be conducted under the current water and sediment levels, which are at elevation 426. We are blasting down to elevation 400, increasing the difficulty of the task. We hope to continue in March and

complete the remaining three blasts before the next non-work "fish window" begins May 1.

We are removing the Elwha and Glines Canyon Dams on Washington's Olympic Peninsula for the National Park Service, in its program to restore the Elwha River to its original course, flowing from the mountains to the Strait of Juan de Fuca. We completed removal and restoration of the 108-foot-tall Elwha Dam in 2013.

- Elwha and Glines Team





Top: Glines Canyon Dam as seen during a Barnard Team 2011 preconstruction site visit. Bottom: The remains of Glines Canyon Dam after our most recent blasts in 2014.

Gilboa Team Endures New York's Harsh Winter Weather

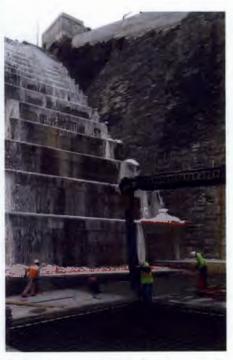
(Gilboa, New York) Along with most of the country, this winter has been particularly brutal at the Gilboa Dam Reconstruction Project in the Catskill Mountains of New York, with seemingly unending cold and snow. We have learned that to successfully place concrete in these extreme winter conditions, overnight temperatures must remain above 15° F and must warm up to at least 20° F by the start of placement. If this doesn't happen, it is very difficult and costly to start the batch plant, where freezing of aggregates presents the biggest challenge. We have only had 13 days total in all of January and February when this has been the case.

In spite of the weather conditions, our Team is pressing on in order to accomplish some key tasks ahead of the inevitable spring flows in March and April. These include finishing the

downstream portion of the spillway crest from monoliths M0 – M8 and installing the bulkhead system in the crest notch in monoliths M9 – M13. Once these tasks are complete, we can lower the Obermeyer crest gates on the west end of the spillway to pass spring flows over the already-completed spillway steps and plunge pool lining in order to finish the spillway's center section. With only three crest blocks remaining in M7 and M8 and installation of bulkhead system scheduled for this week, these goals are nearly realized.

We're building this project for the New York City Department of Environmental Protection in a joint venture with D.A. Collins Construction Co., Inc. Gannett Fleming/Hazen and Sawyer, PC, A Joint Venture, designed the work.

-Gilboa Team



A crew places concrete in the plunge pool.

Project Update: Blue Lake Team Tackling Gatehouse and Spillway this Winter

(Sitka, Alaska) Barnard crews recently began work raising the center section of the existing dam at the Blue Lake Expansion Project. The keyway concrete on the existing spillway poses a forming challenge and requires a significant amount of doweling and reinforcing steel (as shown in a photo on page 10).

Also at the dam site, we're continuing to build the gatehouse structure over the new intake tunnel. Since completing the second floor concrete placement recently, our crew has started forming for the final set of walls. With the reservoir level dropping, we look forward to beginning construction of the new intake structure in March.

Meanwhile, at the powerhouse site, subcontractor ASRC McGraw Constructors has nearly dried in the new powerhouse structure. Their crews continue to work on the interior build-out of the control room and offices. NAES Power Contractors has started installing the turbine generator equipment. In addition to the mechanical equipment, NAES also continues to install the new facility's electrical equipment.

We're building this project for the City and Borough of Sitka in conjunction with Construction Manager McMillen, LLC.

-Blue Lake Team

The new gatehouse takes shape at Blue Lake Dam.



Blue Lake in the News

The latest publication to highlight our work at the Blue Lake Expansion Project recently appeared as the release, *Water Pressure*. This 12-page booklet and accompanying CD, produced by the City and Borough of Sitka in cooperation with the Sitka Conservation Society, explains the motivation behind the project and shares the amazing opportunity Sitka has to tap its natural resources for clean, renewable energy. Take a look. You can see the full publication on the press page at www.bluelakeexpansion.com.



Let's Welcome Our New Colleagues!



T.J. Williams

Welcome to **T.J. Williams**, who joined our Barnard Cherokee and Douglas Dams Team in Tennessee this month.

T.J. is a Safety Educator. He earned a B.S. in Occupational Safety and Health from Southeastern Oklahoma State University, graduating in December 2013. T.J. grew up in Antlers, Oklahoma.

Prior to joining Barnard, he had gained experience in construction via a family-

owned water well drilling company. He also worked for The Samuel Roberts Noble Foundation in Ardmore, Oklahoma, as a Safety intern.

When not at work, T.J. likes to play golf, play the guitar, fish and be outdoors. He's also enjoyed working with a youth program through his church for the past three years.



Matt Jones

Barnard welcomed Matt Jones as our new Safety Educator at the Owens Lake Phase 7a Project earlier this month. Matt recently earned a B.S. in Occupational Safety and Health with a minor in Spanish from Southeastern Oklahoma State University.

He grew up in Caddo, Oklahoma, prior to going to college. While in school, Matt worked as a valet attendant at the Choctaw Casino Resort Hotel and as a limousine driver, sometimes driving

World Series of Poker players in town for competitions.

In his free time, Matt enjoys hunting, fishing and hot rods. Each year he drives his '55 Oldsmobile to Austin, Texas, for the Lone Star Round Up car show. He also enjoys riding dirt bikes, racing and skeet shooting.



Dale Fortner

Barnard welcomes new Superintendent Dale Fortner, who joined the company in late February. Dale brings 35 years of experience, particularly focused on aggregate mining and processing, to our Keeyask Generating Station Team headed to northern Manitoba.

Growing up in Eugene, Oregon, Dale took an early interest in powered equipment, from running a walk-behind sickle mower at 11 to an old Ford 9N tractor at

14, and custom-made cherry harvesting equipment when working at a local orchard in his late teens. He earned a B.S. in Construction Engineering Management from Oregon State University in Corvallis and, upon graduation, launched his career with Kiewit, immediately going to work in estimating, bidding and building civil projects throughout Washington, Oregon, California, Hawaii and Alaska. Soon, he was managing highway reconstruction jobs and gaining experience in excavation, surfacing, asphalt paving, blasting, and aggregate mining and processing. He then joined Eugene Sand & Gravel as job sponsor in the Oregon company's civil department, later managing mining, aggregate processing plants, asphalt paving production and Quality Control. He also took on special projects that included equipment selection analysis, acquisition analysis, land use, mining reclamation and environmental compliance. Most recently, Dale worked for Delta Sand & Gravel, managing its construction, aggregate processing and transportation divisions.

Dale and his wife, Becky, are 'empty-nesters,' who enjoy family, friends and meeting new people. They also share a keen interest in geology and home improvements (particularly those involving rocks). In his free time, Dale also likes to bike, camp, sail, cross country ski and donate time and materials to community service projects.

"There is always an easy solution to every human problem – neat, plausible, and wrong."

— H.L. Mencken, American journalist and essayist

riconmented of Trash Talk with Kathi Jenkins, Corporate Environmental Director

Tracking Our Environmental Stewardship and Sustainability

We are committed to environmental stewardship and sustainability Barnard. Increasingly, owners are looking to us for ways they, too, can demonstrate such a commitment in the midst of a construction project. Our overarching goal is to not use any more energy or water than is necessary and to reduce resource consumption in all aspects. These consumption statistics are all

trackable, so in 2014 we aim to track and

compare our energy usage, water usage and waste diversion to our 2013 statistics to demonstrate a decrease overall in resource consumption.

Energy tracking comes in the form of documentation from the local power supply company. Our goal is to decrease energy usage by 5 percent. If the office and climate have not changed, neither should the energy usage. With increased awareness and conservation, the reduction will be apparent. On projects where the

Similar to energy usage, our goal is to reduce water usage by 5 percent. With no variables changing, water usage should remain steady, so with increased awareness for conservation, the usage should decrease. Certain projects, such as pipeline projects, have varying numbers of employees and office staff members, which contribute to the water usage overall. The water usage per person will be evaluated if an office experiences severe fluctuations on water usage overall.

Waste disposal is tracked at each project site and at the home office. The overall tonnage disposed of at a landfill is the minimum tracking requirement. In areas that provide recycling and landfill diversion services, the amount of waste

> goal on projects where recycling and diversion services are available is to divert 75 percent or more of all inert waste from landfills.

diverted from landfills is tracked. The

These are good, goals achievable that serve us and our clients well! With thorough upfront planning, diligence persistence, our companywide



Be Sure to Take It Easy on the Ice, Mike Flynn, Corporate Safety Director

As February draws to a close and we start looking for warmer weather in the near future, we should all remind ourselves and our families to continue to take care in winter conditions. Melting snow and fluctuating temperatures can make for treacherous walking conditions. Here are a few reminders:

- · Plan ahead and give yourself sufficient time.
- · On stairs, always use the hand railings and plant your feet firmly on each step.

· When walking on an icy or snow-covered walkway, take short steps and walk at a slower pace so you can react quickly to a change in traction.

> Bend your knees a little and take slower and shorter steps to increase traction and reduce your chances of falling. Stopping occasionally helps break momentum.

> > Streets and sidewalks that have been cleared of snow and ice should still be approached with caution. Look out for

"black ice." Dew, fog or water vapor can freeze on cold surfaces and form an extra-thin, nearly invisible layer of ice that can look like a wet spot on the pavement that often shows up early in the morning or in areas shaded from the sun.

- Try not to carry too much, since carrying heavy items can throw off your sense of balance.
- · Be prepared to fall and try to avoid using your arms to break your fall. If you fall backward, make a conscious effort to tuck your chin so your head doesn't strike the ground with full force.
- When entering a building, remove as much snow and water from your boots as you can. Floors and stairs may be wet and slippery.
- · When entering and exiting vehicles, use the vehicle for support.

Remember, driving conditions may also be suspect. Slow down, give yourself extra stopping distance and drive wary of icy spots. Focus on safety for you and your family. You may not get a second chance.

MSU and Barnard Interns Make a Strong Showing at ASC Reno Competition

Montana State University's College of Engineering enjoyed great success at this year's regional estimating competition in Reno, Nevada, in early February.

Barnard's presence at this year's well attended competition included interns Ryan Spence as Captain and Joe Zink as Scheduler for the Heavy Civil team and Sam Holt on the Marine team. This was the first time in MSU

history that five MSU teams placed in five categories. MSU teams earned 2nd place in Heavy Civil Estimating, 3rd in Commercial Estimating, and 1st in Mixed Use for Region 6, which includes nine states in the Rocky Mountain Region. In categories open to both Regions 6 and 7 (Far West), MSU placed for the first time in school history in the Marine and Technical Structures category, taking 2nd with the help of Barnard intern Sam Holt. MSU also

earned a 3rd in Concrete Solutions.

The Associated Schools of Construction (ASC) celebrates 50 years of promoting the advancement of construction education at the university level this year. Barnard regularly offers Project Managers and Engineers for coaching as well as financial support to these determined MSU teams. MSU's Dean Peterson, Scott Keller, and Zach Morris were the coaches this year.



MSU Heavy Civil Team

Back Row (L to R): Clint Van Voast, Aaron Rustain, Chris
Muhlbeier, Terrence Seales, Coach Dean Peterson
Front Row (L to R): Joe Zink, Ryan Spence, Kyle Blunn



MSU Marine and Technical Structures Team
Back Row (L to R): Coach Dean Peterson, Dillon Reller, Sam Holt,
Billy Dempsey, Coach Zac Morris
Front Row (L to R): Tyler Komenda, Tyler Decker, Lee Fleming

We're Sad to Announce the Passing of Bob Voshall

Word has come to the Barnard Companies of the passing of former Barnard employee Robert "Bob" Voshall. Bob died in Vancouver, Washington, on Jan. 5, 2014, at the age of 60. He was a career heavy construction equipment Operator.

Bob's work for Barnard included two

Owens Lake projects, the San Gabriel Dam Sediment Removal Project in California, and Black Hawk Sewer Interceptor in Colorado. Bob also was instrumental in the RCC placement at Saluda Dam in South Carolina. He worked for Barnard up until 2006. For the past five years, he had been working in Afghanistan, building

Forward Operating Bases for the U.S. Department of Defense.

Bob is survived by his wife, Marlene, of Vancouver, three children, seven grandchildren and two greatgrandchildren. Marlene Voshall can be reached at 12801 NE 11th Court, Vancouver, WA 98685.

"Any fool can criticize, condemn and complain - and most fools do."

---Benjamin Franklin, American Statesman and Founding Father February 2014 Page 9

Barnard Builder Bees Create a Buzz at Adult Spelling Bee

How's your spelling? Would you have spelled "anneal" with two "n's" and one "I"? Unfortunately, we didn't and that was the end of the Barnard Builder Bees' stage presence at the 7th Annual Bozeman Schools Foundation Adult Spelling Bee.

You'll be glad to know that the "Barnard Builder Bees" did win the prize for Best Fundraising, easing the pain of exiting the competition prior to the final round. Many thanks to 360° Office Solutions for sponsoring our team and prompting our participation in the first place.

an•neal: to heat and then slowly cool (metal, glass, etc.) in order to make it stronger

- Merriam-Webster on-line

And thanks to all of our supporters who pledged a total of \$845 online to ensure we contributed to a good cause and finished the evening with a prize!

The Bozeman Schools Foundation is a nonprofit established to provide additional resources to District schools through community support. This

support includes funding grants and literacy programs, providing musical instruments to District students, honoring educators, and funding student and educator scholarships.

The Adult Spelling Bee, held on Feb. 7 at the Emerson Cultural Center, drew 24 teams of three, ensuring fierce competition. The Barnard Builder Bees included Karen Semerau dressed as a hydroelectric plant, Ryan Liebscher, dressed as a "protected" fish, and Susan Penner, as an Engineer wannabe. This unusual theme drew much attention, which allowed us to explain publicly what it is that all of you do in the field.

Ultimately, the event raised \$4,485. Thank goodness one of our words was "grout!"

The Barnard Builder Bees (third from the right) get ready for the competition.



Barnard at The Beavers' 2014 Awards Dinner



Left to right, Barnard's Travis Murray and Mike Jenkins, Jr., and Jim Collins from L-Con, Inc. enjoy an evening at The Beavers annual Awards Dinner in Los Angeles recently. The Beavers is a Heavy Engineering Construction Association founded in 1955.



Barnard President Paul Franzen (left) and Reggie Wright of KDG enjoy a break in activity at the 2014 Beavers Awards Dinner recently.

(Nick Gleis photos courtesy of The Beavers.)

Giving a Gift to Sitka

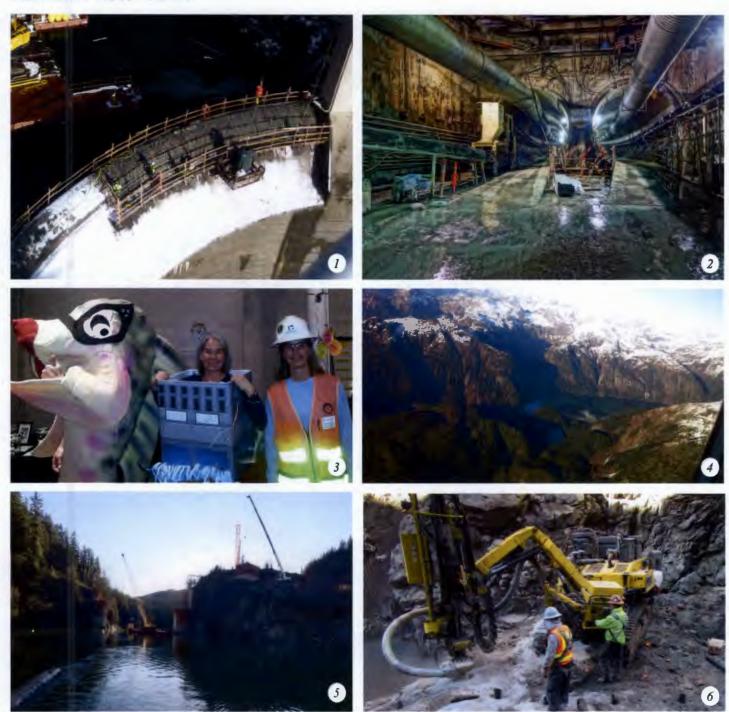


Barnard offers a donation to the local library in Sitka, Alaska. L to R: Kettleson Memorial Library Board President Curt Ledford, Barnard Project Manager Clif Stump, Board member Jane Eidler, and Library Director Sarah Bell. This photo by James Poulson appeared in the Daily Sitka Sentinel on Feb. 5, 2014.

People building for People.

701 Gold Avenue • P.O. Box 99 (59771) • Bozeman, MT 59715 Phone: (406) 586-1995 • Fax: (406) 586-3530 • www.barnard-inc.com

Barnard Photo Album



1. Dam keyway forming and rebar installation at Blue Lake Dam. 2. The Central T twin tunnels from the launch box. 3. The Builder Bees - Ryan Liebscher, Karen Semerau, Susan Penner. 4. Erik Kirsch caught this aerial view of Blue Lake on Alaska's Baranof Island during his departure from the Blue Lake Expansion Project. If you look carefully, you can see the sun shining on the project's Liebherr 1600 crane in the center of the photo. 5. Light filters into the canyon at Blue Lake Dam for a short time each winter day. Here a crew is working atop the dam's spillway section. 6. A crew drills in preparation for blasting on what remains of the Glines Canyon Dam in late February.