



**CORRESPONDENCE**

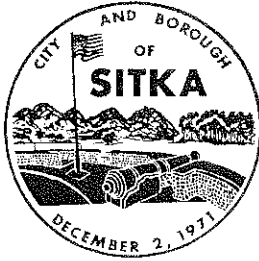
And

**AGENDA**



**CHANGES**





# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

March 8, 2013

Mike Hanley, Commissioner  
Department of Education & Early Development  
P.O. Box 110500  
Juneau, AK 99811

Dear Commissioner Hanley:

The City and Borough of Sitka (CBS) respectfully requests your support to help obtain better access rights to State lands for the purpose of installing communication towers. The CBS currently has a small communication tower lease on Alaska Department of Education & Early Development (DEED) property on Japonski Island. This location is ideal in terms of improving public and private communication and eliminating problems that currently exist in Sitka. Specifically, the DEED property on Japonski Island would provide cellular and radio coverage not only for Sitka's road system but for boaters on Sitka Sound.

Our communication abilities are extremely challenged in Sitka, and there are a number of dead zones. These problems have given rise to AT&T requesting access to the CBS communication tower lease area located on DEED property. The CBS recognizes that such communication towers not only help private vendors provide an improved level of service for Sitka, but also improve CBS's emergency services and radio capability. For this reason, the CBS has been working with AT&T for over two years to assist in providing opportunities in this location.

However, CBS's lease agreement does not allow for subleases without ADEED approval. At the local DEED level, this request has met with resistance which has essentially stalled any progression. Furthermore, it is our understanding that AT&T has offered to potentially take over the DEED water tank property and demolish the old deteriorating water tank. The CBS has unsuccessfully requested Congressional funding for years on behalf of the State to help remove this old water tank before it collapses. CBS views this water tank as a significant liability for the State and promotes such ideas as a public-private partnership that results in its removal or restoration.

The CBS would appreciate your support in resolving this matter and helping Sitka's public and private communication needs move forward. One way this could be accomplished would be to amend the CBS existing communication lease with DEED to obtain the rights to sublease to private entities such as AT&T, GCI, and Verizon. Additionally, the CBS would support the expansion of our lease area in order to accommodate a larger tower for the CBS and perhaps two additional users. Alternatively, DEED could consider working directly with AT&T on a larger lease area that would address the removal of the old water tank before it collapses.

Providing for today ... preparing for tomorrow

Commissioner Mike Hanley

March 8, 2013

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City and Borough of Sitka sincerely appreciates your attention to this issue as it significantly impacts our community and our ability to communicate. This is a complex issue, and CBS is standing by to help assist with any questions you may have. Please do not hesitate to reach me at 747-1808.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Dinley". The signature is fluid and cursive, with the first name "Jim" and last name "Dinley" clearly distinguishable.

Jim Dinley

Municipal Administrator

cc: Senator Bert Stedman  
Representative Jonathan Kreiss-Tompkins  
Jeff Penick, AT&T  
Mayor and Assembly

# City and Borough of Sitka

## 2013 – 2014 Health Insurance Renewal

### Executive Summary

#### Background

- City and Borough of Sitka, Sitka Community Hospital, and Sitka School District employees all receive health insurance as a benefit through Blue Cross/Premera.
- All employees from all of the three entities are in one combined insurance pool. All employees receive the same insurance benefits and the premiums paid by the CBS and SCH are the same; SSD has different premiums.
- The combined insurance plan year runs from April 1 through March 31. In January and February of each year, the CBS, SSD and SCH meet with the insurance broker to renew the plan and make plan changes.
- In the plan design, employees' medical claims are subject to deductibles and to copayments; this is determined by the agreement with Premera. Prior to the 2013-2014 renewal, medical claims were subject to a \$500 deductible per person/\$1,500 per family, and coinsurance with a maximum out of pocket cost of \$2,000 per person/\$6,000 per family.
- In addition, some (but not all) employees are required to pay a portion of premiums; the percentage of payment is determined by individual organization personnel policies and/or collective bargaining agreements. The standard percentage of premiums paid by most employees in CBS and SCH is 10% with 90% of the premiums paid by the organizations; SSD has a different employee contribution structure.

#### 2013 – 2014 Renewal Process

Pre-Renewal Alert – early January – the broker called all employers to alert them to a potential 25% rate increase initial meeting with Premera to review the renewal.

#### Initial Meeting – January 21

- The three entities initially met with the insurance broker and representatives from Blue Cross on January 21 to begin discussions on the renewal.
- At the January 21 meeting, Blue Cross indicated that renewal of the plan as is – with no changes in benefit levels or deductibles – would result in a 25% premium increase, a \$1.7 million additional premium for all three entities combined. The increase was due to a 22% increase in claims, additional taxes due to the Affordable Care Act, and Alaska mandates on benefits and surcharge
- At the January 21 meeting, representatives from all three organizations – CBS, SSD and SCH – told Blue Cross that the premium increase was unacceptable and that

additional options would need to be considered before a renewal agreement could be made.

- At the January 21 meeting, the health insurance broker and Blue Cross indicated that a decision would need to be made by the end of February to ensure enough time for a smooth renewal and uninterrupted insurance for employees.

#### **Subsequent Meeting - January 31**

- Representatives of the CBS, SSD and SCH met again on January 31 with the broker and Blue Cross calling in to discuss options. At that meeting, Blue Cross presented options for reducing the Sitka group premium. These options included using \$200,000 of the Sitka group's claims reserve, and, premium decreases that could be achieved by considering a raise of the deductible from \$500 to \$1,000 or \$1,500.
- At the meeting, representatives of the three groups expressed dissatisfaction with the premium increase and considered additional options, including self-funded health insurance. The group once again asked Blue Cross to reduce its proposed premium increase. Premera indicated they were unable to reduce the premium increase without plan changes, due to the increase in claims, increase in taxes, and other matters. Premera did not increase the fixed costs from the prior plan year.

#### **Subsequent Meeting – February 12<sup>th</sup>**

- The CBS Administrator, SCH Administrator, and SSD Superintendent and staffs met a third time on February 12<sup>th</sup> to discuss the renewal and possible options. The plan broker participated by telephone. The broker reaffirmed that Blue Cross was unable to lower premiums any further than already presented. In the meeting, all possible options for reducing premiums, including self-insurance, were discussed but no consensus was reached. The broker was asked to provide quotes for a FSA and HRA deductible reimbursement plan.

#### **Additional Meeting – February 20<sup>th</sup>**

- A final meeting was held on February 20<sup>th</sup> in which, again, the CBS Administrator, SCH Administrator, and SSD Superintendent met. The broker participated by telephone; Blue Cross did not participate.
- All in attendance agreed that there were no good options and that a decision had to be made on selecting the best of a series of bad options.
- By mutual agreement, the CBS Administrator, SCH Administrator, and SSD Superintendent agreed on February 20 to
  - Raise the deductible per individual from \$500 to \$1,000

- Use \$200,000 of the loss reserve at Blue Cross to buy down the premium, and
- Begin the process of establishing a health care flexible spending plan so that deductible costs and copayment costs would be pre-tax.
- It was acknowledged by the participants that approval of the plan design change by the various legislative bodies (Assembly, School Board, Hospital Board) before implementation could not be obtained due to the deadline for plan renewal.

### **Renewal Impact**

The impact of the decision to renew the health insurance plan with increased deductibles has the following impacts:

- For the group, the total premium increased by 15.1%, or roughly \$1,025,000. Of this premium, a portion is borne by the employees with the largest share borne by the employer. At the present time, the standard split of the premium the CBS is 90% employer / 10% employee (some employees and CBGs differ). This results in an overall insurance cost increase to the three Sitka groups of roughly \$925,000. SSD has different employee contribution levels.
- For employees, their premiums will rise, and, their out-of-pocket costs (combinations of claim deductibles and coinsurance) will also rise if they make claims. The employee is still protected by the out of pocket maximum as under the \$500 deductible plan, this change only means if they incur claims over \$500 the amount between \$501 and \$1,000 will be applied to the deductible. The 80%/20% in network coinsurance will kick in at \$1001 to the out of pocket individual maximum of \$2,000. An illustrative example is attached. Please note the assumptions are based on in network claims that are subject to the deductible and the in network coinsurance sharing of 80%/20%.
- The CBS is leading a group effort to design and implement a health care flexible spending plan to cushion the increased costs to employees.

### **Illustrative Example**

Family of 4

90/10 premium sharing

\$500 deductible / \$1,500 maximum deductible per family

80/20 copayment with \$2,000 per person / \$6,000 per family maximum out-of-pocket

Assuming all charges are subject to the deductible & 80%/20% in network coinsurance

Employee - \$1,000 in claims

Spouse/Partner - \$10,000 in claims

Child 1 - \$3,000 in claims

Child 2 - \$100 in claims

### **2012 – 2012 Plan (Current Plan)**

Annual premium at 90/10		2,317
Employee	Deductible paid	500
	Copayment coinsurance split 80%/20%	100
Spouse/Partner	Deductible paid	500
	Copayment coinsurance split 80%/20%	1,500
Child 1	Deductible paid	500
	Copayment	500
Child 2	No cost (max family deductible met)	
	Coinsurance split 80%/20%	\$20
Total		5,937

### **2013 – 2014 Renewal**

Annual premium at 90/10		2,720
Employee	Deductible paid	1,000
	Copayment coinsurance split 80%/20%	0
Spouse/Partner	Deductible paid	1,000
	Copayment coinsurance split 80%/20%	1,000



Child 1	Deductible paid	1,000
	Copayment    coinsurance split 80%/20%	400
Child 2	No cost (max family deductible met)	
	Coinsurance split	\$20
Total		7,140
Increase:		1,203
		20.3%

*Note: The spouse/partner's total cost does not change due to the out-of-pocket maximum of \$2,000. The individual in network out of pocket maximum remains the same at \$2,000 and the family out of pocket maximum remains the same at \$6,000. In **Network** Claims for prescription drugs, office visits, are not impacted by change in deductible.*

*Note: A flexible spending plan could reduce all out-of-pocket costs by 15%-30% by making medical claim costs pre-tax. The \$1,201 increase in the example would be reduced to \$960 by an employee with a 20% effective income tax rate. Employee premiums are currently treated pre-tax.*

Note also that these are higher level illustrations – actual claims treatment depends on in network – out of network, how billed, etc, and subject to the contract.





City & Borough of Sitka

## Electric Department

106 Jarvis Street, Sitka AK 99836  
Telephone: 907-747-4000 Fax: 907-747-3208



### BLUE LAKE EXPANSION PROJECT

#### MONTHLY UPDATE FOR CITY ASSEMBLY

Report No. 3

Month ending February 28, 2013

#### SCOPE:

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

#### PROJECT HIGHLIGHTS DURING THIS MONTH

- February 17 – Barnard subcontractor Blue Lake Tunnelers (BLT) flew equipment to the upper surge shaft portal and have begun clearing and grubbing.
- February 18 – Assembly of the 600 ton capacity crane on the dam right abutment was completed. Staging of materials into the lake and area below the dam began.
- February 19 – Powerhouse access road has been cleared and grubbed.
- February 20 – The first Owner-Furnished materials were delivered to the Project site, the intake tunnel bulkhead gate and embedded guides for the bulkhead and fixed wheel gates.
- February 22 – The first blast for excavation of the powerhouse access road took place.
- February 26 – The flexifloat barge and 100 ton crane was placed in Blue Lake at the upstream face of the dam.
- February 26 BLT finished excavation of the 470 ft long adit tunnel for the surge shaft. They began setting up equipment at the tunnel's end for the vertical excavation of the surge shaft.
- February 28 – The first of three city water transmission line tie-in shutdowns was completed successfully.
- February 28 – The staging area on the dam right abutment is 95% complete and the gatehouse access road pioneered in. Reservoir access road excavation began.
- February 28 – The drainage tunnel portal has been located and the access road installed by Southeast Earthmovers. BLT is scaling the portal and setting up to drive the drainage tunnel.

## COST SUMMARY

Project Element		Current Contract Total or Projected Amount	Remaining Contingency incl. Site Representatives	Payments	
				Paid this Month	Paid to Date
Supply Contracts					
Contract 1	Turbine Generator Equipment	\$11,548,707	\$1,367,020	\$235,579	\$4,058,761
Contract 2	Switchgear	\$629,980	\$81,122	\$0	\$1,583
Contract 2A	SS Switchgear	\$300,000	\$0	\$0	\$0
Contract 3	Gates and Hoist	\$761,431	\$56,259	\$0	\$290,554
Contract 4	Penstock	\$836,315	\$91,660	\$0	\$415,195
Contract 5	69 kV Transformers	\$592,584	\$26,900	\$0	\$1,204
Contract 6	Bridge Crane Equipment	\$270,518	\$18,170	\$0	\$109,987
Contract 7	Steel Building	\$1,138,918	\$46,730	\$0	\$61,701
Contract 8, Debris Management		\$1,530,000	\$0	\$0	\$0
Contract 9, General Construction		\$88,054,075	\$4,640,225	\$3,183,750	\$7,928,433
Diesel Fuel		\$1,260,000	\$0	\$0	\$0
Temporary Filtration		\$2,000,000	\$0	\$0	\$0
Remaining Project Costs			\$697,459	\$0	
License Amendment		\$1,150,000	\$0	\$1,302	\$1,097,545
Engineering		\$10,850,000	\$0	\$2,047	\$11,212,560
Construction Management		\$6,974,594	\$0	\$23,082	\$1,045,673
City Performed Work		\$1,495,000	\$0	\$11,669	\$456,034
Incentive Payment		\$1,600,000	\$0	\$0	\$0
Cost of Insurance/Reserve Account		\$3,500,000	\$0	\$0	\$0
TOTALS		\$134,492,122	\$7,025,545	\$3,457,429	\$26,679,230
ESTIMATED TOTAL PROJECT COST			\$141,517,667		

\* Based on the New World System

\*\* Includes effect of Change Order 1 and Change Order 2.

## COST CHANGES THIS MONTH

- There were no change orders issued on any of the eight active contracts during February.
- Contract 2 was awarded for the 12.47 kV switchgear was awarded to Meyers Switchgear for \$635,289 on February 15.

## CONSTRUCTION SCHEDULE MILESTONES: PLANNED/ACTUAL

Construction Start	11-20-2012/ 12-3-2012	Powerhouse complete	6-10-2014/
Excavations Complete	6-28-2013/	Dam complete	7-26-2014/
Drainage Tunnel Comp.	7-1-2013/	Shutdown – Existing PH	8-1-2014/
Intake complete	5-20-2014/	Startup – New Powerhouse	10-1-2014/
Filtration Plant On-line	6-1-2014/	Substantial Completion	1-1-2015/

## NOTES ON PROJECT SCHEDULE

- General construction of the Project is now in full swing, but work in the powerhouse area is about 3 weeks behind schedule and work at the drainage tunnel is 2 weeks behind.

McMillen's construction management staff has been meeting with Barnard to develop a plan to get back on schedule.

- The most recent schedule submitted by Barnard shows the following upcoming target dates:
  - a. March 1 – begin intake structure excavation
  - b. March 4 – begin excavation at drainage tunnel portal
  - c. March 10 – complete the reservoir access road excavation
  - d. March 11 – begin raise of surge shaft
  - e. March 15 – begin blasting for the drainage tunnel below Blue Lake Dam
- Delivery schedules for the supply contracts continue to look good – arrival on site in adequate time. Several shop inspections took place in February that confirm the suppliers' progress on the turbines, powerhouse building, and penstock. The first major shipment of owner furnished materials (the steel penstock) is expected in mid March.
- The construction management team and Electric Department staff developed work assignments and schedules for all the City-performed work tasks to ensure these activities get done on time. Some new staff resources have been assigned to this work.
- Blue Lake and Green Lake water levels have returned to near normal relative to their operating rule curves (Blue Lake is 2 ft low, Green Lake 8 ft high). Based on the February 27 water levels, very little to no operation of the D4 diesel unit will be required before late April to meet City electric loads.

## **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.

***Weather and Lake levels:*** High water inflows to Blue Lake in 2013 and 2014 have the potential to delay work near the dam and intake. We have established with Barnard Construction a "lake level window" for each of the 2013 and 2014 construction seasons. As long as the lake's water level is at or below these level windows, we expect no delays or additional costs to the City. February was both wet and warm. Lake levels are now near normal. We continue to expect the 2013 construction window will be met without problems, see the attached Lake Level Report.

***CURRENT RISK: LOW***

***Rock Conditions:*** Contract 9 includes an allowance of \$2,702,000 for rock support in the Project tunnels, shafts and excavations. This rock support is a combination of rock bolts, shotcrete, and steel arch supports. If rock conditions are worse than we expect, our rock support cost allowance may not be sufficient. Also, the project does not have a specific allowance for additional foundation excavation and foundation concrete for the surface structures (powerhouse and penstock). If we require additional excavation under the powerhouse, that would result in additional cost for the City. Note that most of the excavation work on the Project will be

completed by mid-summer 2013. At that time we will know if our rock support allowance is adequate.

The 470 ft long adit tunnel drill and shoot excavation was completed on February 26. Rock conditions in the adit tunnel were better than expected. About one third of the budgeted rock support (anchor bolts, steel sets, mesh, etc) was actually required in the tunnel. So we are off to an encouraging start on the underground rock conditions. **CURRENT RISK: MODERATE**

**City Performed Work, for Contract 9:** The City has elected to self-perform some work associated with the Project's general construction. This work includes: procurement, installation and field wiring of a switchyard control building; installation and connection of fiber-optic cables from the powerhouse to the dam; control wiring of the Fish Valve Unit generator; and design and installation of the SCADA system. The bulk of this work is either under design or is underway at the Project. **CURRENT RISK: MODERATE to HIGH.** *[Note that in February the CM team and Electric Department formalized the staff assignments and schedule for this work- see Appendix 1-Action Plan at the end of this monthly update. As a result of this action plan we are more comfortable with the scope and schedule for these City activities].*

**Temporary Water Filtration Plant:** During the August through September 2014 outage of the Blue Lake tunnel, the City will need to get its drinking water from a temporary water supply. This temporary system needs to be designed, purchased and installed at Indian River. This system must be in place and fully operational before the Blue Lake tunnel can be shut down to connect the new powerhouse. Any delay in the filtration plant beyond August 1, 2014, will delay the hydro expansion Project. Currently a \$2 million cost allowance is being maintained in the Blue Lake Expansion Project funds for the filtration plant. CH2 MHILL estimates \$3.0 million. The filtration project is being managed by the City's Public Works department. **CURRENT RISK: MODERATE** *[Note that the Expansion Project team met with Public Works staff in February to review the scope and schedule of the Temporary Water Filtration Plant. 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 ok for the Expansion Project.*

**Other:** This is a broad combination of bad things that might happen such as: earthquake; construction site accidents; equipment damage during shipping; 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, prior to start of excavation. No activity in February.**



Figure 2. Intake Portal and Right Abutment, prior to start of construction. No activity in February.





Figure 3. Gate House Location, Reservoir access road excavation began February 22.

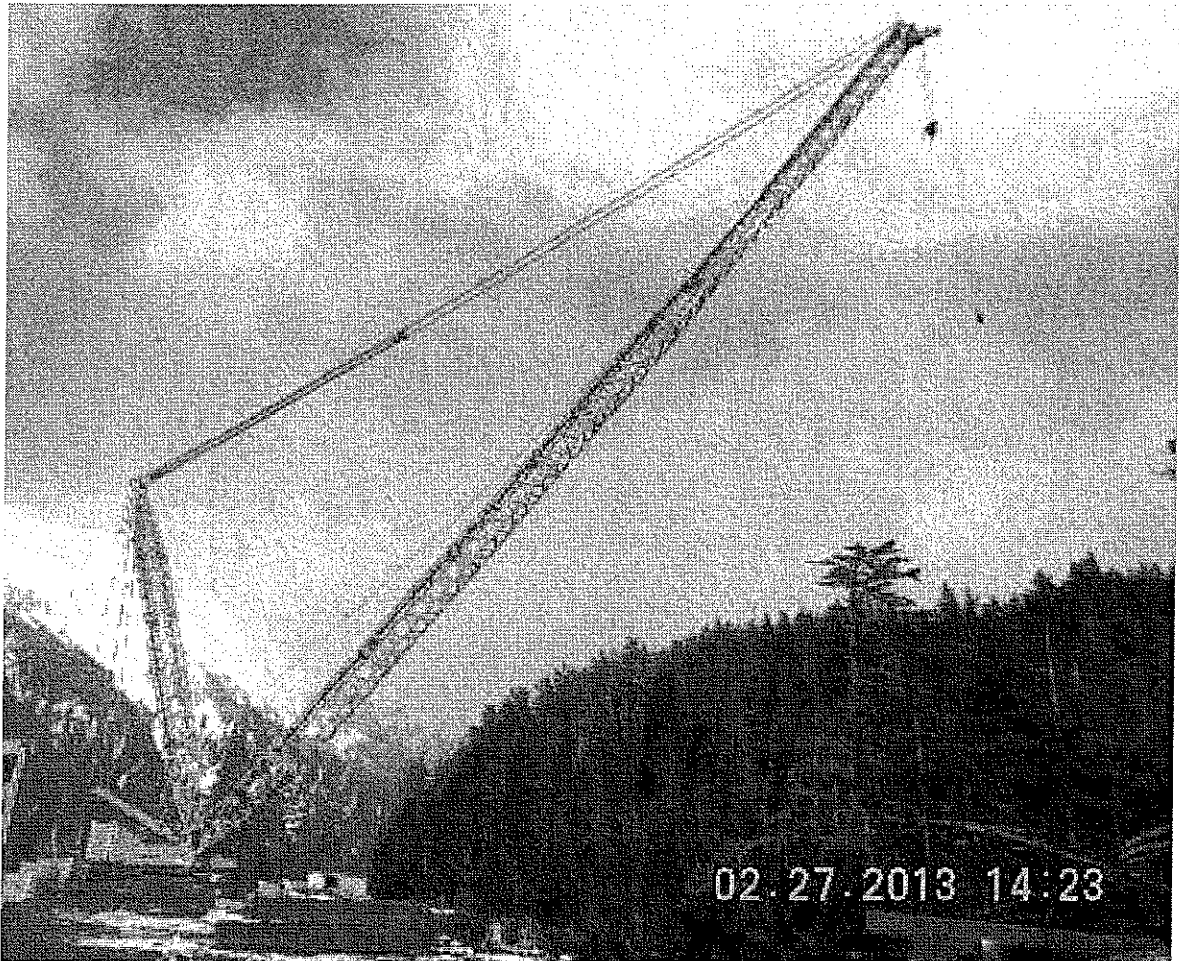


Figure 4. Dam Staging area, Assembly of the 600 ton capacity crane was completed and the staging area was brought to 95% complete.



Figure 5. Surge Chamber Adit, the 470' adit tunnel was completed in late February.

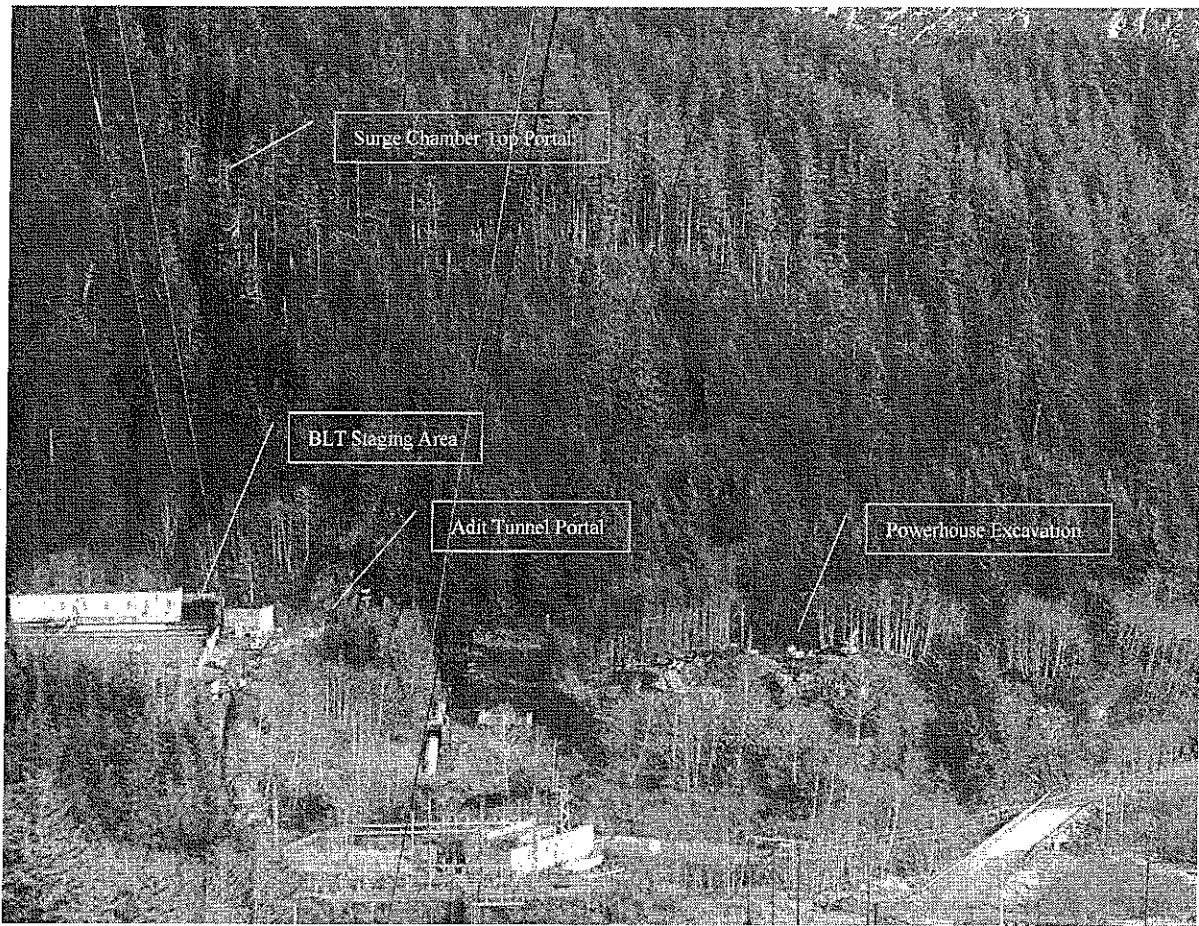


Figure 6. Lower Portal Area, prior to start of construction. No activity in February.



**Figure 7. Powerhouse Site, Clearing and grubbing occurred and the first blast for the powerhouse access road took place on February 22.**





**Figure 8. Lower Project Site, Vantage point showing surge chamber prep, BLT staging at the filter plant, adit tunnel portal and powerhouse excavation.**

**LAKE LEVEL WINDOW FORECAST**  
**Blue Lake Expansion Project**  
**Contract 9 – General Construction**

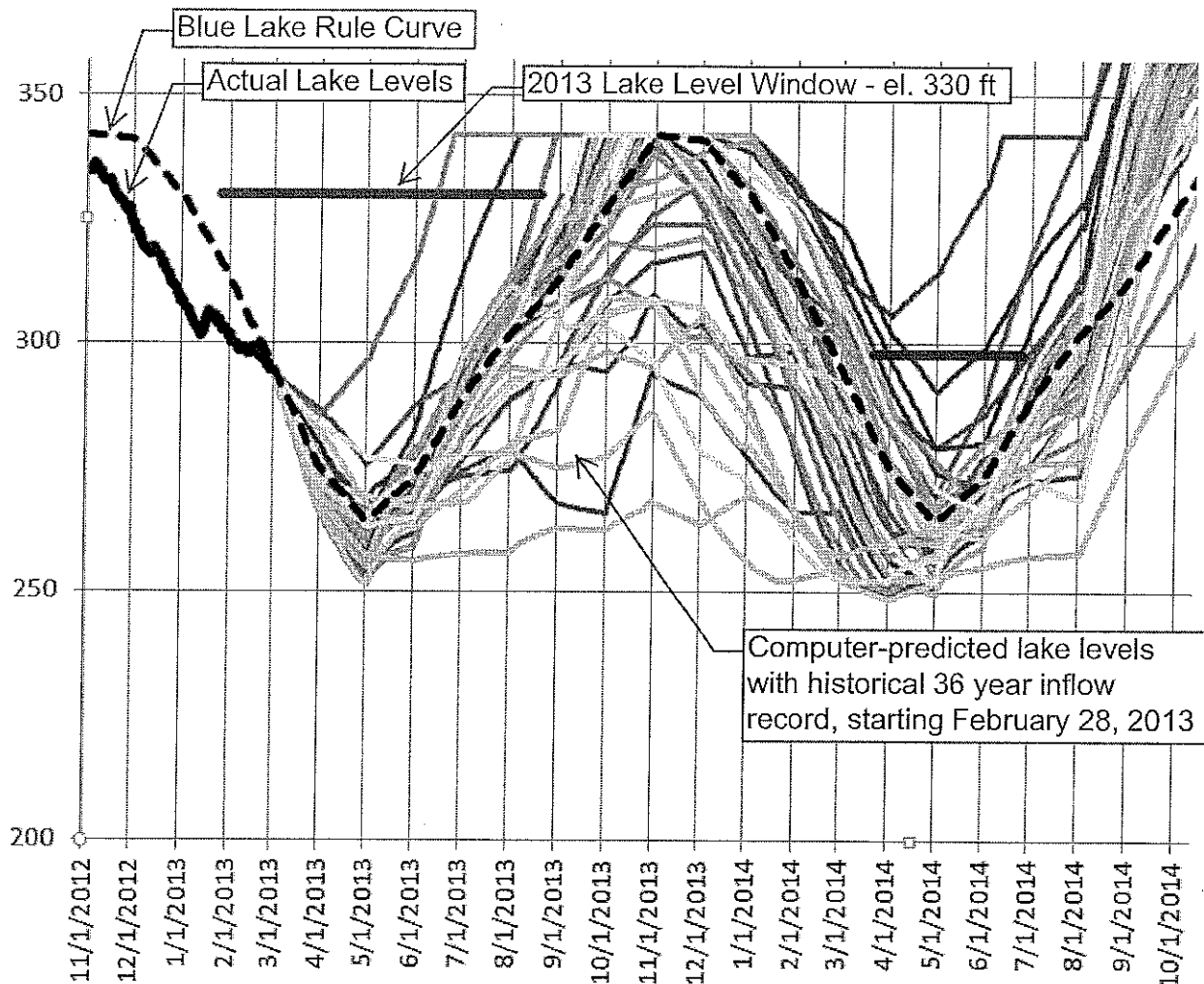
Forecast Date: February 28, 2013

Blue Lake WSEL: 294.6 on February 27, 2013

**2013 Lake Level Window: At or below WSEL 330 from January 26 to August 19, 2013**

**Highlights:**

1. We are now in the 2013 Lake Level Window, when the City is responsible for holding the Blue Lake water level below el. 330, to allow construction work at the power intake and dam.
2. Blue Lake inflows were higher than average in February. The lake is now 2 ft below its target "rule curve" level for this time of year (a significant improvement of 16 ft from January 29).
3. The Blue Lake Powerhouse and Campground unit are running near maximum capacity to draw Blue Lake down and to save water in Green Lake.
4. The D4 diesel was shut down on February 8, after running each day from Jan. 15 to Feb 8. This diesel unit was run to preserve water in Green Lake reservoir.
5. We now have about 4/36 chance of the lake rising above el. 330 before August 19, 2013. So we are adequately positioned for work at the dam.
6. The chart below shows there is about a 47% chance (17 years out of 36) that Blue Lake will fill and spill in the fall of 2013.



## **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 and storage yard at Sawmill Cove Industrial Park and powerhouse area as ground disturbing activities begin. BMP maintenance and repair is ongoing as needed throughout the project site.

#### **Dam Staging Area**

Southeast Earthmovers has completed the dam staging area and Barnard has erected the large crawler crane, Liebherr 1600/2, on the right abutment of the dam. This crane will be in place for the duration of the project to assist with all facets of dam construction. Barnard has also erected a Poseidon Barge (60' x 70') in front of the dam, and has placed a 100 ton crawler crane on the barge to assist with dam construction.

#### **Gate House/Reservoir Access Roads**

Southeast Earthmovers has begun construction on the gate house access road and reservoir access roads. The gate house access road is nearly complete and the reservoir access road will be complete in early March. Once the gate house access road is complete, Southeast Earthmovers will begin the intake structure excavation.

#### **Drainage Tunnel**

Southeast Earthmovers has nearly completed the access road for the drainage tunnel located in the plunge pool immediately downstream of the dam. Blue Lake Tunnelers will begin mobilization to the plunge pool in the immediate future to begin development of the drainage tunnel.

#### **Adit Tunnel/Surge Shaft**

Blue Lake Tunnelers is nearly complete with the adit tunnel excavation and has begun widening out the tunnel in preparation for the start of surge shaft construction. They have also mobilized equipment to the top of the surge shaft to begin the surface excavation required for the shaft breakthrough. Surface blasting will begin in early March for this excavation.

#### **Powerhouse**

ASRC McGraw and Southeast Earthmovers have started the rock excavation required for the powerhouse construction. ASRC McGraw also began planning for the new powerhouse utility installation that will begin in mid March.

### **2. Status of Construction**

#### **Status of Ongoing Major Construction Activities**

- Mobilization – 90% complete
- Dam Staging Area – Complete, except for final cleanup at project completion



## **BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

For Period Ending: FEBRUARY 28, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

- Adit Tunnel Portal – Complete.
- Adit Tunnel Excavation – 90% complete
- Powerhouse Excavation – 2% complete
- Gate House Access Road – 90% complete
- Reservoir Access Road – 5% complete
- Drainage Tunnel Access – 95% complete
- Drainage Tunnel Excavation – starting in Mar 2013
- Intake Structure Excavation – starting in Mar 2013
- Left Abutment Rock Excavation – starting in Mar 2013

See Section 1 above for construction work completed in February 2013.

### **3. Construction Issues**

Powerhouse and intake structure excavation activities are falling behind schedule. Barnard and its subcontractors are formalizing a plan to make up time on the schedule for these activities.

### **4. Contract Status**

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

<b>Name</b>	<b>Scope</b>
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

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

<b>Name</b>	<b>Scope</b>
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, 2012.

Critical Dates for the Blue Lake Project are as follows:

<b>Milestone</b>	<b>Date</b>	<b>Required Status of Construction</b>
1	07/01/2013	Drainage Tunnel Complete
2	08/19/2013	Initial Intake Excavation Complete

## **BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

For Period Ending: FEBRUARY 28, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

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 1 <sup>st</sup> Blue Lake Turbine Generator
6	91 days after start of Generation Outage	Substantial Completion of 2 <sup>nd</sup> Blue Lake Turbine Generator
7	80 days after start of Generation Outage	Substantial Completion of Fish Valve Unit

### **6. Reservoir Filling**

Not applicable for this report

### **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.

<b>Contract No.</b>	<b>Vendor</b>	<b>Scope of Supply</b>
1	Gilbert Gilkes and Gordon, Ltd.	Turbines and Generators
2	Meyers	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
7	CHG Building Systems	Powerhouse Building

Barnard will be responsible for supplying the concrete for this project. A batch plant will be setup at the Sawmill Cove Industrial Park and aggregates/cementitious materials will be shipped to Sitka from Seattle, WA.

Materials Received this Period:

#### **Bulkhead Gate – Contract 3**

The bulkhead gate and guides were received onsite February 20, 2013.

### **9. Material Testing and Results**

Shotcrete test panels and rock bolt grout were tested for compressive strengths in February. All materials met or exceeded required strengths.

## **BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

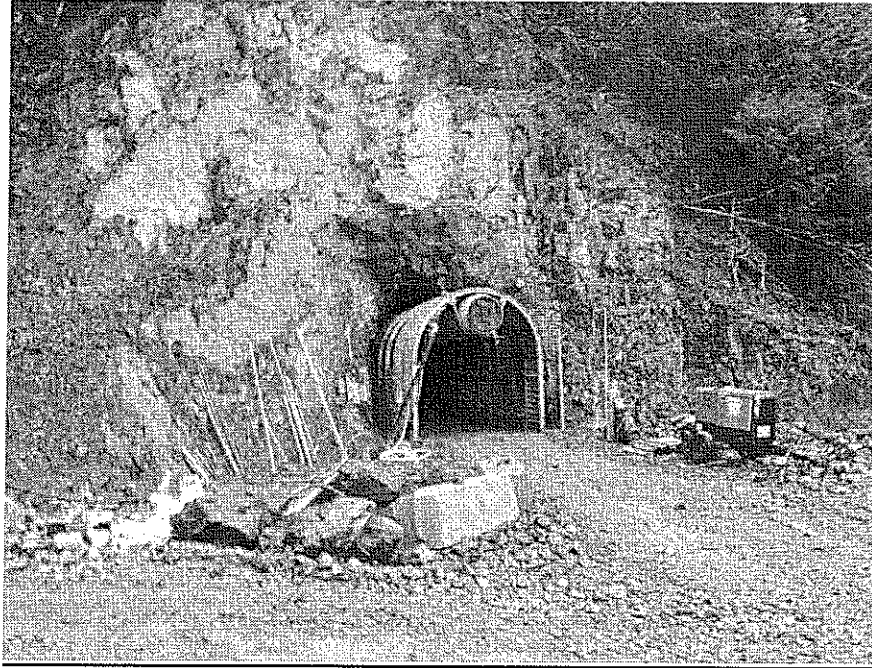
For Period Ending: FEBRUARY 28, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

### **10. Instrumentation**

Not applicable for this report.

### **11. Photographs**



**Figure 1: Adit Tunnel Portal - 2/27/13**

## **BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

For Period Ending: FEBRUARY 28, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.



**Figure 2: Helicopter Lifts to Surge Shaft - 2/16/13**



**Figure 3: Surge Shaft Breakthrough Prep - 2/26/13**

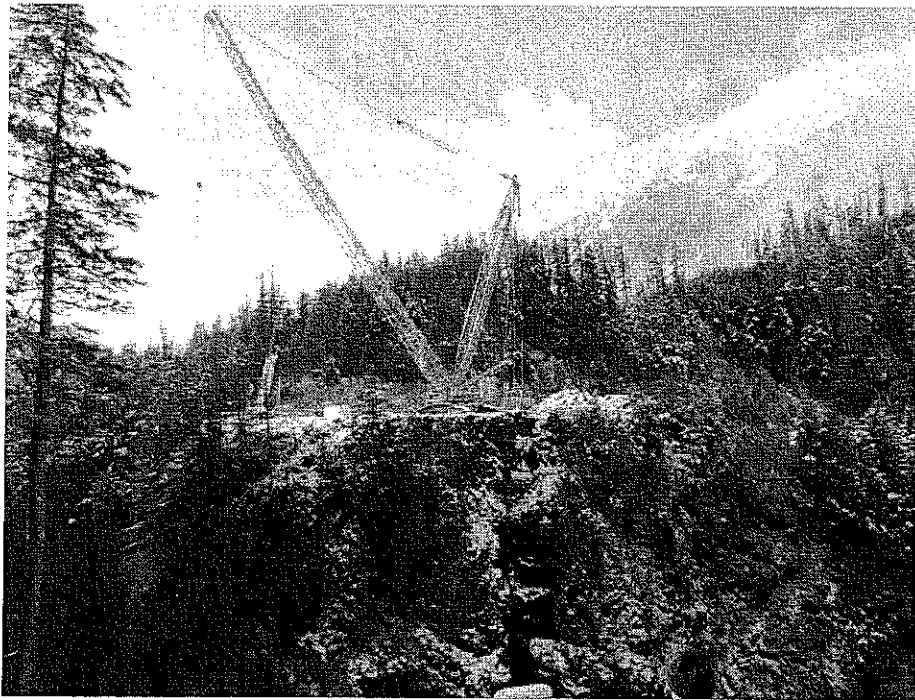
## **BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

For Period Ending: FEBRUARY 28, 2013

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**Figure 4: Powerhouse Excavation - 2/11/13**

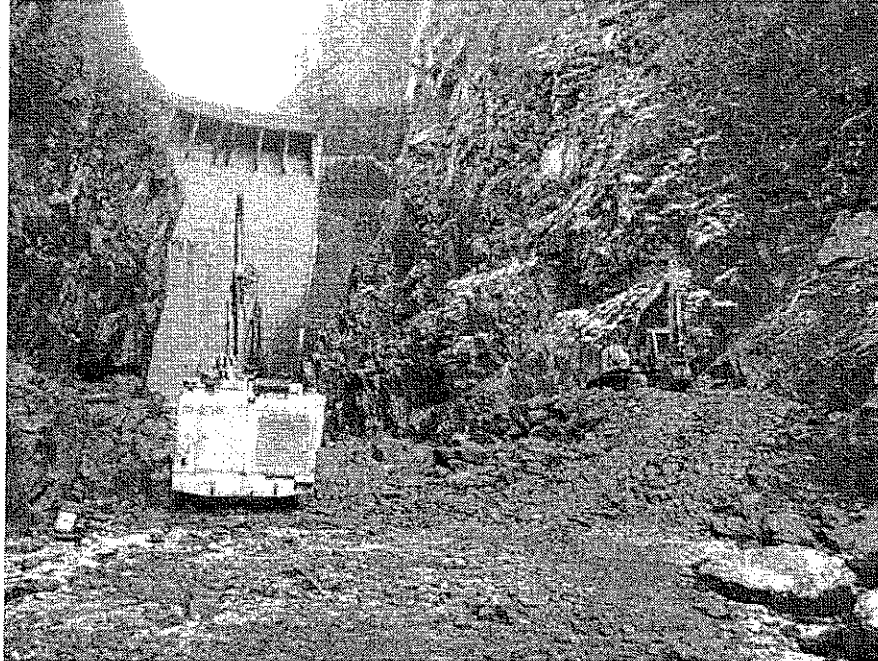


**Figure 5: Liebherr 1600/2 Setup at Dam Staging Area**

## **BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

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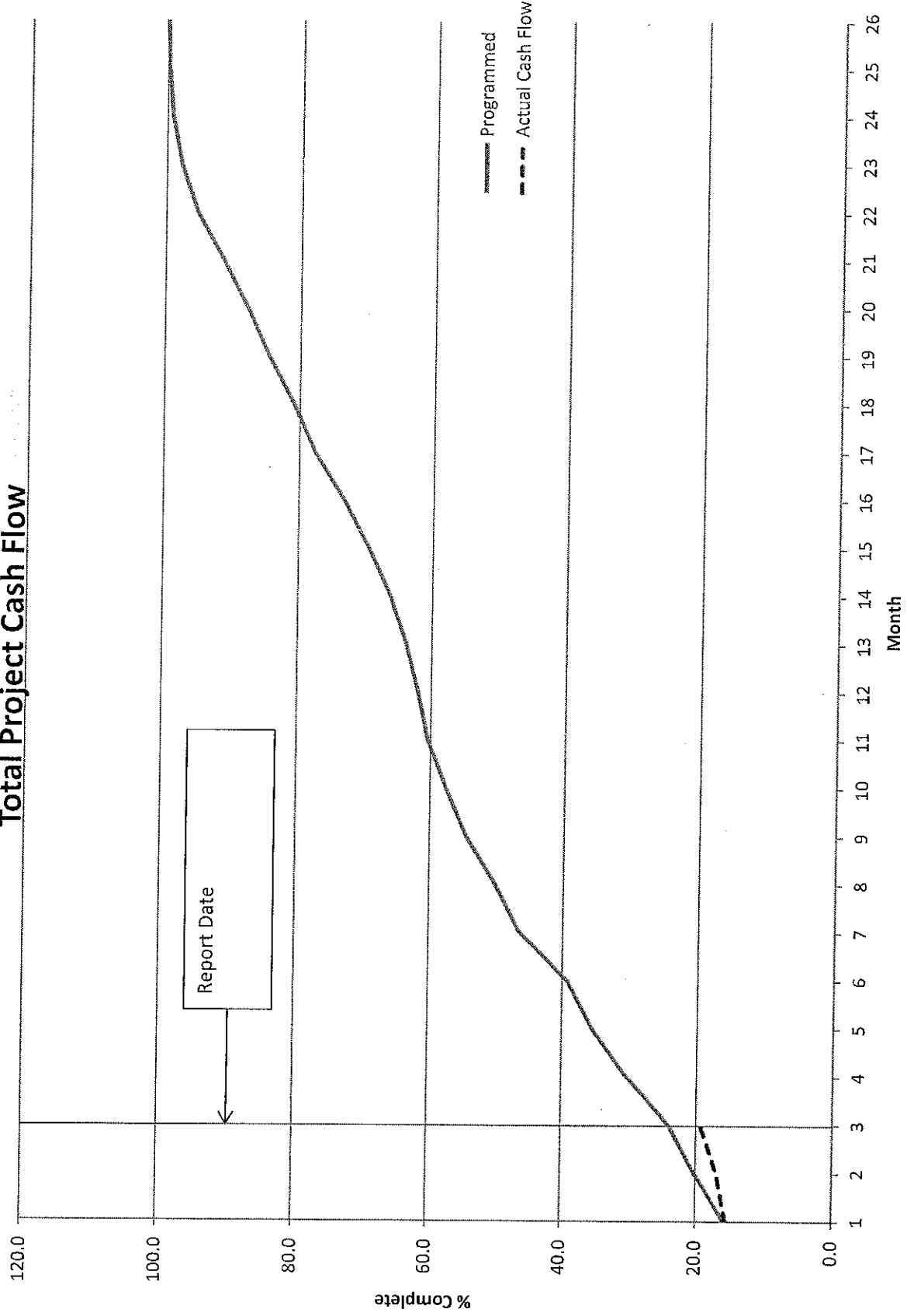
**Figure 6: Drainage Tunnel Access Road - 2/22/13**

### **12. Erosion Control and Other Environmental Issues**

No Environmental issues encountered during February 2013. Barnard is continuing to install the required environmental protection measures on the project site ahead of ground disturbing activities.

### **13. Other Items of Interest**

# Total Project Cash Flow







February 28, 2012

**ACTION PLAN**  
*City Performed Work, for Contract 9*

The following table presents the Project Team's plan, staffing assignments and schedule to ensure that these owner-furnished design, fabrication and construction elements of the Expansion Project do not delay the construction contractor or result in additional costs.

Project Element	Design Phase		Fabrication, Delivery and Construction	
	Lead	Date complete	Lead	Date Complete
Level monitoring panel, gate house communication panel, PH Plant Function plc panel, industrial water pump panel	S. Kim	3/20/2012	B. Belley	July 2013
Fish Valve Unit interconnection wiring design, diagrams	R. Dryden	6/1/2013	B. Belley	Oct 2014
Low voltage transformers T4, T5, SST1, SST2, and WTP1X (Owner furnished transformers in C9 contract).	R. Dryden	3/15/2013	D. Orbison	
Low Voltage Switchgear (contract 2A)	S. Kim	3/15/2013	D. Orbison	6/1/2013
Water Treatment Plant phone and fiber	J. Wheeler	Feb 2013	Chatham Electric	Mar 2013
Switchyard control panels	R. Dryden	3/15/13	Boreal Controls	Sep 2013
Switchyard control enclosure and related switchyard control conduit	R. Dryden	4/1/2013	D. Orbison	Oct 2013
Replace Switchyard 22 and 55 Circuit Breakers,	R. Dryden/ B. Belley	Complete	J. Wheeler, B. Belley	May 2013

Standby Generator controls –complete PH design for startup, shutdown of standby generator	S. Kim	March 2013	Barnard		Schematics, wiring and devices included
SCADA system design and supply	T. Honadel, D. Orbison	Nov 2013	T. Honadel, B. Belley	3/1/2014	CBS furnish and install for complete SCADA system. Tal needs the UEE tags to proceed.
Blue Lake Expansion conduit for fiber-optic runs	B. Dryden Switchyard, S. Kim Powerhouse	3/1/2013	Barnard	6/1/2014	Design for embed conduit, by 3/1/2013. Remaining design needed 6/1/2013. Install 2014
Terminate Fiber-optic for Blue Lake Expansion	J. Wheeler, B. Belley	Complete	Chatham	6/1/2014	Fiber must be terminated at the following locations: Gate house, FVU, Switchyard control building, BLU SCADA, B-3, B-4, B-5
PH interconnection diagrams	S. Kim	4/1/2013			Design of interconnects needed to quantify cable schedules. Barnard needs for install in 2014. Seung needs UEE interconnect to complete.
Relay Coordination and Ground Fault Study	EPS Corp.	2/1/2014	EPS	6/1/2014	These are settings for the protective relays and controls
Station interface with old Blue Lake PH	B. Dryden	1/15/2014	J. Wheeler	Nov 2014	Re-power existing PH as a shop area, after Generation Outage
PMFU demolition of conduit, pole, UG cables	J. Wheeler		J. Wheeler	Apr 2013	Need before Barnard excavates for penstock.

**Appendix 2 to Monthly Update for City Assembly  
February 28, 2013**

**Summary of Temporary Filtration Project Status  
and Blue Lake Tees Project  
as Provided by Public Works Department**

**\*Alternative Water Source Investigation Filtration (Blue Lake Project):**

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. The consultant has developed a project scope to prepare design drawings to install the piping system required and ordering the filtration units required. Award of the design contract was approved by the Assembly on February 12, 2013. 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 has a projected design and construction cost of \$3,000,000.

**\*Water Division Prepares for Blue Lake Expansion:**

The Water Division continues working closely with our Engineering Division and Barnard Construction towards the installation of two T's and four valves in the 30" transmission main which will facilitate the rerouting of a section of our transmission main – the main that brings water from the Blue Lake Water Plant to town. Rerouting this main is necessary for construction of the new powerhouse. This work will require stopping the flow from Blue Lake to town for approximately 8 hours on three separate occasions. Eight hours is the maximum time period allowed which will assure water supply is maintained to all customers from our 3 storage tanks. This work requires close coordination with the Water Operators to assure our water is adequately treated and the storage tanks can supply town during the outage. The first of these shut-downs is tentatively scheduled for February 28, 2013.

The week of February 18, 2013, the contractor will begin digging up joints on the 30" transmission main near the installation of the new valve to install restraint clamps on the pipe joints to assure they do not separate. Since the main is located in front of Fortress of the Bear and nearly nine feet deep, traffic will be rerouted around the work zone through the SMCIP site.

Water Operators installed a new connection for the fire system for "The Boat Company Building" at SMCIP. This will allow the contractor to complete installation of the fire sprinkler system



## Public Works Assembly Update 3-6-13

### **2013 Annual Spring Cleanup/Household Hazardous Waste Collection/ Free Vehicle Collection Event:**

The proposed dates for the upcoming Annual Spring Cleanup Events are as follows:

- Spring Cleanup: Saturday, April 20 through Sunday, April 28, 2013
- Household Hazardous Waste Collection: (2 days) Saturday, April 27 & Sunday, April 28, 2013
- Free Vehicle Collection: Saturday, April 20 – Saturday, May 4, 2013

### **\* ANB Harbor Replacement:**

The Port and Harbor Commission (P&H) approved a conceptual layout for ANB Harbor February 11, 2013. In response to public concerns that the inner harbor fairways were too narrow, CBS Public Works and Harbor Department Staff directed the consultant to increase the fairway widths by an additional 12 feet. The 35% design submittal for the Procurement Contract is scheduled to be received by CBS on March 4, 2013 for review. The 35% design will also be presented to P&H on March 13, 2013. The consultant team and CBS will seek public feedback on forthcoming design decisions at the P&H meeting. The rough order of magnitude cost estimate for the current layout (to include design, permitting, construction, and contingency) is \$8.48 million. The estimate will be revisited and refined at each design milestone.

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 submitted a bonding application to the Alaska Municipal Bond Bank to issue revenue bonds in the amount of \$4,600,000. The bonding application was approved by the Bond Bank Board of Directors at their meeting on November 13, 2012. The proceeds from the bonding will be used to pay the municipality's portion of the project expenses. Bond proceeds are expected to be received March 12, 2013. On January 10, 2013, the Assembly awarded a Professional Services Contract to Moffatt & Nichol for the ANB Harbor Replacement Project, on a time and materials basis not to exceed \$527,765.00.

### **Water Division Works on ANB Harbor Renovation:**

Water operators located and cleaned all valve boxes for ANB Harbor. The harbor project includes a new and improved water system for the harbor; including a fire protection system. The Environmental Superintendent has been working with the design team on overall design and Alaska Department of Environmental Conservation approval.

**\*Water Service Leaks:**

The Water Division responded to three service leak reports during the last two weeks. All of these reports were for leaks "on the customer side" of the service line.

Operators also provided numerous locates for various contractors or lot owners who are preparing for construction as the weather improves.

Water & Wastewater Operators provided locates for our Engineering Division and O'Neill Surveying & Engineering, as we prepare to design the replacement of a problematic ~350' section of old 2" galvanized "main" on O'Cain St. O'Neill will survey the area in the near future.

Water operators and the Water/Wastewater Mechanic and Electrician continue trouble shooting excessive pump run times at the Wortman Loop Water Booster Station. This usually indicates a water leak. This booster station increases water pressure to higher elevation residences in the upper Edgecumbe Dr, Cascade Creek Rd, Charteris St, Georgeson Loop and Wortman Loop area. Operators checked the three buried check valves that isolate this higher pressure zone for leakage; there was no leakage through the check valves. In the future we will hand out notices to residences within the zone requesting assistance in locating potential leaks. Also, the crew will begin systematically isolating sections of the booster zone while monitoring pump output to narrow down areas of potential leaks.

Last week during routine monthly monitoring an alarm on the Wastewater treatment unit for the rifle range caretaker was detected and further checking showed excessive run time on the water supply pump. We think these two abnormalities are linked to running water in the trailer and have informed the caretaker not to run the water. Operators will check weekly for a few weeks to assure the problems are solved.

**\*Centennial Hall Renovation:**

The consultant is beginning the 35% design of the project. The next BDC meeting will be on March 14, 2013 at 6:30 pm at the Centennial Hall. The 35% and cost estimate are planned to be complete for presentation to the Assembly at the April 9, 2013 meeting.

Current grant funding allocated to the project is \$8,230,000 and the project has a current total project cost of \$15.2 million including a new museum wing. Additional FY14 Legislative Priority Requests consists of \$4,200,000, for the building improvements and \$3,341,000 for combined Library/Centennial Hall heating system improvements. The state grant (\$2,000,000) for a lightering facility visitor's center (previously planned for under the O'Connell Bridge) may be used for this project to provide a visitor center for the Crescent Harbor lightering facility. Additionally, we have approximately \$2-million from the Marine Passenger Fee Fund that would be eligible for this project. If additional funds are not secured, the scope of the project will need to be

phased with the additional museum expansion planned for the future if and when funding becomes available.

- The Assembly awarded the design contract to McCool Carlson Green on June 12, 2012.
- The building facility assessment was performed by the design team September 11-13, 2012.
- The project schedule and process was presented to the Assembly on September 25, 2012.
- The second meeting of the Building Design Committee (BDC) was held October 29, 2012 followed by a Public meeting October 30, 2012.
- The third meeting of the Building Design Committee (BDC) was held December 17, 2012 followed by a Public meeting December 18, 2012.
- The fourth BDC meeting was held January 21, 2013 with an Assembly work session presented on the January 22, 2013 meeting
- The fifth BDC meeting was held on February 19, 2013.

The Centennial Hall facility assessment, including as-built drawings of the current facility was presented to the Building Design Committee (BDC) and the Public in October and December 2012. The assessment lists various building deficiencies and suggested improvements and the costs associated to make corrections (assessment report has been distributed to the Assembly). The recent BDC meetings focused on developing a priority lists and floor plans to address the current funding and future expansions when money comes available.

**\*Centennial Hall & Library Site and Parking Lot Development:**

S&S General Contractors was awarded the contract in the amount of \$2,613,651.00. Construction started in late January 2013 and is currently scheduled for final completion by September 30, 2013. The total project budget is \$3,950,000. The project is being completed in phases with milestone completion dates for each phase. Phase I and II consist of the Centennial Hall and Library Parking lot areas, Phase III is Crescent Harbor parking lot and Phase IV is the pedestrian promenade area next to the lightering dock on the east side of Centennial Hall. A summary of the project phasing is:

Phase I: Demolition of existing asphalt, curbs, sidewalks (Phase I and a portion of Phase II), relocate canoe and dismantle canoe shelter, remove existing 60" CMP (corrugated metal pipe), install new 60" CAP (corrugated aluminum pipe), install underground electrical conduit, install underground storm drain pipe and catch basins, remove existing 6" sanitary sewer service, install new 6" PVC building sewer service and cleanouts and manhole, install 6" gate valve, 6" ductile iron pipe and fire hydrant, excavation, clearing/grubbing, construction surveying, place 2" minus shot rock, and other items of work. Completion of Phase I is March 15, 2013 and work is on schedule.

Phase II: Remove trees to be transplanted, temporary transplant trees, relocate Baranof Statue, removal of existing lighting, adjust electric utility vault, relocated electrical transformers and telephone pedestals, storm drain pipe and structure removal, paver removal, install underground electrical wiring and make connections, removal of benches, excavation, construction surveying, place 2" minus shot rock, install curb and gutter, install sidewalk, unit pavers, temporary concrete, decorative concrete, concrete landscaping features, Phase I and Phase II paving, install underground storm drain pipe and structures, concrete surfaces, table top crossings, Phase I and Phase II signs and striping, install lighting, and other items of work. Completion of Phase II is scheduled for May 15, 2013.

Phase III: Demolition of existing asphalt pavement, curbs, sidewalk, landscaping features, lighting, storm drain pipe and structure removal, install curb and gutter, install sidewalk, unit pavers, decorative concrete, asphalt pavement overlay, excavation, construction surveying, place 2" minus shot rock, install underground storm drain pipe and structures, signs, striping, install new lighting, start landscaping (all landscaping to be completed by end of Phase IV) and other items of Work. Completion of Phase III is scheduled for July 15, 2013.

Phase IV: Demolition of existing asphalt pavement, curbs, sidewalk, landscaping features, lighting, storm drain pipe and structure removal, excavation, construction surveying, place 2" minus shot rock, install curb and gutter, install sidewalk, decorative concrete, place asphalt pavement, install underground storm drain pipe and structures, signs, install new lighting, concrete surfaces, landscaping and other items of Work. Completion of Phase IV is scheduled for August 31, 2013.

**Alternative Water Source Investigation Filtration (Blue Lake Project):**

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. The consultant has developed a project scope to prepare design drawings to install the piping system required and ordering the filtration units required. Award of the design contract was approved by the Assembly on February 12, 2013. 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 has a projected design and construction cost of \$3,000,000.

**Alternative Water Source Investigation Wells (Blue Lake Project):**

Significant water well potential exists at Starrigavan Valley. However, the likelihood of having infrastructure in place prior to the planned 2014 shut down of the penstock from Blue Lake is unlikely. A final report will be submitted to Public Works in early March 2013. This report of findings and recommendations will assess potential well yields and will include water quality testing data relative to drinking water criteria. Given that the Blue Lake Penstock will need to be shut down for inspection every five to ten years,



finding an alternative water source is important beyond the initial Blue Lake project outage in 2014.

Recent changes in the way the Alaska Department of Environmental Conservation (ADEC) classifies Sitka's alternate/emergency water source at Indian River will require CBS to find an alternate water source during any disruption to the Blue Lake water supply. On April 10, 2012, the Assembly authorized the expenditure amount not to exceed \$700,000 for the purpose of exploring alternative water source alternatives.

**\*Blue Lake Project and Ultra Violet (UV) Water Tees:**

New water tees are required in the existing 30" transmission water main near the Sawmill Cove Industrial Park to facilitate eventual relocation of the main for the Blue Lake project and the future UV Treatment Facility respectively. Design packages were developed and permits have been received from the Alaska Department of Transportation and Public Facilities and the Alaska Department of Environmental Conservation (ADEC). Due to construction timing issues, the Blue Lake General Contractor (Barnard) will take on the Blue Lake Tees as a change order to their contract in order to complete the work in February/March 2013 and not hold up their subsequent work on the powerhouse. This work requires three separate shutdowns of the 30" transmission main which supplies the community with water from the Blue Lake Water Plant. The first shutdown was held February 28, 2013 and resulted in successful installation of a line stop and the 30" valve. The next two shutdowns are scheduled for Monday, March 11 and Wednesday, March 13, 2013.

On February 14, 2013, the Assembly approved award of a contract to CBC Construction for the UV Facility Tees Piping Connections project in the amount of \$179,960. This work cannot be completed prior to the Blue Lake Water Tees. However, due to the long lead time for the large valves, a Notice to Proceed for procurement only will be issued once the contract has been signed by all parties. Public Works anticipates completion of the UV Tees in May/June 2013.

**\*Water Division Prepares for Blue Lake Expansion:**

The Water Division continues working closely with our Engineering Division and Barnard Construction on water piping modifications needed for the new powerhouse. The new 30" transmission main isolation valve was installed February 28, 2013. Two sets of T's and valves which will facilitate the rerouting of a section of our transmission main (the main that brings water from the Blue Lake Water Plant to town), will be installed later this month. Rerouting this main is necessary for construction of the new powerhouse. Each of these installations requires stopping the flow from Blue Lake to town for approximately eight (8) hours. Eight hours is the maximum time period allowed which will assure water supply from our 3 storage tanks is maintained to all customers. This work requires close coordination with the Water Operators to assure our water is adequately treated and the storage tanks managed to supply town during the outage.

Currently the next two shutdowns are scheduled for Monday, March 11 and Wednesday, March 13, 2013.

**Library Development Planning:**

The library expansion options were presented to the Assembly on September 25, 2012. The Assembly approved the 50% - 60% option moving forward to a Request for Proposals (RFQ), to design the project. The MRV Architects design team was selected to begin contract negotiations with a planned contract award in late March 2013. We have received the initial proposal which is under review.

The design phase is expected to take 12 months with advertisement for construction planned for spring 2014. The project construction may be completed in late 2014 or in 2015. 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. \$350,000.00 of the budget is 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.

**\*Baranof Street Sewer and Water:**

The Design Contract award was approved by the Assembly on March 13, 2012. This project will be completed in two phases. A small contract for the work within the Sawmill Creek Road was completed July 27, 2012. Grants for the water and wastewater portions of the project have been received and the final loan for the water portion of the project is being processed by the Alaska Department of Environmental Conservation. A public meeting is scheduled for Monday, March 11, 2013 at 5:30pm in the commons area of Baranof Elementary to discuss and overview the project. The project is planned to advertise for bids in late March with Assembly award in April 2013. Construction is scheduled to begin after the end of the school year ending May 30, 2013.

**Blatchley Middle School:**

The project is approximately 90% complete, within its budget and on schedule for completion in 2013. Work continues in the Commons/Main Entry, including painting, the installation of wainscot, and entry lighting. Installation of remaining flooring finishes, carpeting, baseboard, and tile (including replacing the pool locker room flooring- 'Flotex' with tile matching existing pool locker room tile) is currently underway. Installation of finishes in stairways is nearing completion. The Commissioning Agent and A/E, performed inspections the last week of January 2013. Most items on the Commissioning and TAB corrections list have been corrected by the contractors.

The Commons, Front Entry and Classroom portion of BMS remain closed to the public after 4:00pm daily and on weekends. The Gym and MPR are being used for after school activities with restricted access. These areas are accessed from the pool entry,

including pick up and drop off. The project budget is \$12.475 million. The contract substantial completion date is August 1, 2013.

**\*Pacific High School:**

The installation of the underground storm drain system and new utilities were substantially complete prior to the holidays. The new footings and stem walls are constructed. Installation of the under slab new piping is underway and the slab is complete. The new ramp between the school and the career center is poured. The building walls above the stem walls are underway. The roof joists are planned to be installed this week. The contractor schedule predicts the project substantial completion prior to the required substantial completion. If accomplished, this will allow the school to be open for the fall 2013 semester. The project budget is \$2.671 million. The substantial completion is December 1, 2013.

**\*Spruce Street and HPR Sink Hole:**

The Assembly approved award of a construction contract to Coastal Excavation for \$61,135 to complete storm drain repairs on Spruce Street. This project will be funded from FY13 Contracted/Purchased Services. The contract substantial completion date is May 1, 2013. However, based on a preliminary schedule submitted by the Contractor, construction is anticipated to be substantially completed by mid April 2013.

**\*Sawmill Cove Industrial Park (SCIP) Boat House Building:**

CBC Construction was awarded the contract by the Assembly on September 11, 2012, in the amount of \$139,260.42. The project consists of installation of fire protection, utilities (water, sewer, electric, heat) and minor interior improvements to allow the building to be leased for the Blue Lake Dam project. A Notice to Proceed was issued on October 16, 2012. Substantial completion of the project was issued on February 19, 2013 with minor items to be completed before the final completion date of March 19, 2013. Funding is from remaining HUD grant funds and Sawmill Cove Industrial Park.

**\*Sitka Community Hospital Roof Replacement:**

The Assembly approved award of a professional services contract to team led by GDM, Inc. for a not to exceed cost of \$75,630.10, for the Sitka Community Hospital Roof Replacement project, on October 23, 2012. The project is funded through a \$1,200,000 FY2013 State Legislative Grant. Public Works has received bid-ready plans and specifications from the consultant and will review those documents over the next two weeks. The delivery of bid ready documents was delayed to resolve roof slope and insulation issues discovered during the 95% plan review.

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

Public Works has completed bid documents with the assistance of our Environmental Consultant, Doug Redburn of Juneau. Advertising for construction began on Tuesday,

March 5, 2013, with bid opening April 4, 2013. This project received the approved US Corps of Engineers permit during February 2013. The Swan Lake dredging project is planned to take place this summer and possibly into the summer of 2014. The project will dredge 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.

**\*Edgecumbe Drive Street Reconstruction:**

The project is funded through a \$2,900,000 FY2013 State Legislative Grant (Paving Failed Collector Streets). The project will include re-paving Edgecumbe Drive from Kimsham to Cascade Creek Road and will include drainage and isolated areas of sidewalk and other pedestrian improvements. Public Works staff has begun planning level work for this project. Test boring locations have been identified along Edgecumbe Drive in areas of suspected subgrade failure and in other areas of interest to determine the subgrade soil conditions. Public Works anticipates completion of drilling activities by March 5, 2013. This information will assist in the design of the improvements. Public Works anticipates construction during the summer of 2014.

**\*Water Operators Assist with Centennial Building Project:**

Water operators isolated the water mains to allow the contractor to install new components and a hydrant as part of the Centennial Building upgrade project. Operators also witnessed flushing, pressure testing and disinfection. Samples to check for disinfection were tested in our state certified microbiological laboratory. Wastewater operators inspected the new section of sewer service installed using our closed circuit TV camera.

**\*Wastewater (WW) Division Routine Maintenance & Training Focus:**

LS #5 has continued to run smoothly since the installation of the new suction pipes.

Wastewater operators have been able to catch up on routine preventative maintenance over the last couple weeks, changing oil in wastewater treatment plant equipment and installing new check valves in four clarifier pumps. We are optimistic these new check valves will reduce maintenance time associated with cleaning them. This style of check valve has been successful in several of our lift stations in reducing the amount of material catching on the check valves. When material is caught in the check valve it does not open properly to allow flow nor does it stop the back flow as intended.

This winter most all Wastewater operators are working on training to advance their certifications – or for the two new employees to become qualified to sit for their first

certification exams. Six operators are working through correspondence courses and have submitted applications for the biannual state certification exams in April.

**\*Sawmill Cove Industrial Park Marine Services Industry Feasibility Study:**

The RFP for proposals began advertising on February 25, 2013. The scope of the project includes an evaluation of the suitability of a marine haul out facility, a moorage facility for large commercial vessels and a deepwater dock and related infrastructure. The proposals are due on March 29, 2013. The project is funded by a Federal Earmark of \$486,917. The project will be administered by Public Works and the Sawmill Cove Industrial Park Director Garry White. The funding is through the State of Alaska and their procurement procedures will be followed to meet the Federal requirements.

**\*Crosstrail STIP:**

On February 14, 2013, Parks and Recreation Division staff learned that the Department of Transportation re-instated 2013 – 2015 Statewide Transportation Improvement Program (STIP) funding for the Cross Trail Multimodal Pathway. The amount re-funded is \$836,000 for FY'13 and '14. The FY'12 funding, \$90,000, also remains in the budget. The STIP funding is for the construction of the 4,345' central section of the existing Cross Trail from approximately the Mental Health property to Yaw Drive. The Baranof/Pherson connector which was in the original project scope remains unfunded. DOT is actively working on the project design and permitting.

**\*Federal Land Access Program (Flap) Grant:**

Staff submitted the Federal Lands Access Program grant for the unfunded portion of the project, the Baranof/Pherson Streets and Yaw Drive connectors. The grant request is for \$916,896 for 5500' of multimodal pathway construction. The required 9.03% match will come from in-kind time from the Parks and Recreation, a Sitka Trail Works donation and Title II RAC funds. The grant proposal included eight letters of support for the project including a joint letter from Representatives Kreiss-Tomkins and Munoz. The Project Selection team meets on April 24 to determine which projects will be funded.

**Alaska Community Forestry CBS Inventory:**

CBS Parks and Recreation staff is working with the Alaska Community Forestry Program to complete a Community Forest Management Plan and survey for urban trees in park areas owned by CBS. This plan includes a tree ordinance that is being worked on by the Tree and Landscape Committee. The project is funded with a \$26,000 grant from the Alaska Community Forestry Program. The draft plan will be presented to the Tree and Landscape Committee, the Parks and Recreation Committee and to the Assembly for approval during the summer of 2013.

**Access Walkway by Brenner's:**

A maintenance project is moving forward to replace this structure with a concrete ramp with aluminum railings. A red herringbone pattern has been chosen and will be imprinted into the concrete ramp. Lee's Fabrication will be fabricating and installing the

Aluminum railings. It was decided that the whale design would not be incorporated into the railing. This project was on the Historical Preservation agenda dated December 12, 2012 and it was recommended by the committee to stain the aluminum railing. At the following January 9, 2013 meeting, it was decided to stay with just the aluminum railing. The project continues to move forward as weather allows and completion is anticipated in spring 2013.

**Marine Services Center (MSC) Refrigeration Controls:**

The project was awarded to Wyatt Refrigeration on November 27, 2012, in the amount of \$61,745. The project includes the installation of a Direct Digital Control system on the refrigeration system at the MSC. This controls system will save an estimated \$14,300 (15%) in electrical costs per year. It is scheduled to be substantially complete on March 15, 2013. The submittal process has just begun.

**Fire Hall Communications Room:**

The server room at the Fire Hall has a lot of electronic equipment which heats the room to over 90 degrees. This electronic equipment degrades and needs to be replaced sooner when subjected to these temperatures. Installing an outside air fan is the most economical way to cool this room. This project which was budgeted in FY2013 at \$21,000 was bid and Schmolck Mechanical was the low bidder at \$14,300. The substantial completion date has been extended to April 5, 2013, due to equipment availability.