

MEMORANDUM

TO: Sitka Mayor Mim McConnell and Assembly

FROM: 2013 SEDA Economic Summit
Bulk Water Subcommittee

Hugh Bevan

The 2013 SEDA Economic Summit conference was held on April 16, 2013. The group heard presentations from a number of persons with ideas for stimulating Sitka's economy. At the conclusion of the presentations the group selected the top three ideas for further work by subcommittees. One of the three top ideas involves the City's bulk water contract.

Hugh Bevan made a presentation that is summarized as follows:

- The City of Sitka shall provide direct City staff support to the bulk water contractor. The recommended City staff person is a Public Works engineer.
- City staff shall make a quarterly presentation to the Assembly on the evolution of the bulk water contract. The report will detail progress made to date on the contract and it will identify impediments that are blocking successful shipments of Sitka's bulk water.

This idea follows a concept commonly used in construction contracting called "Contract Partnering". Partnering was originally developed by the federal government to improve successful outcomes of its contracts. The process is widely used by State agencies including Alaska DOT/PF.

Several of the permit applications required by the bulk water loading system must be submitted under the Sitka Borough's name as Owner of the Sawmill Cove uplands, tidelands and as the entity authorized to export Blue Lake water. As such it is reasonable for City government to be an active participant in the acquisition of these permits.

Additionally, there will be engineering work needed to connect the City's bulk water pipeline to the bulk water contractor's ship loading system. Our engineering staff can provide those details.

There is a huge upside financial incentive for Sitka to become an active partner in the completion of the bulk water loading system. With Federal, State and Local revenues declining the sale of bulk water has become very important to the community.