



329 Harbor Drive, Suite 212  
Sitka, AK 99835  
Phone: 907-747-2660

Thursday, January 28, 2021

MEMORANDUM

To: John Leach, CBS Administrator  
From: Garry White, Director  
Subject: GPIP FY21 Capital Budget Adjustment - Bulk Water Pipeline Repair

**Introduction**

The CBS Bulk Water Pipeline has developed a leak and has been repaired twice in the past few months. A permanent repair is needed to ensure water can be transported to the NSRAA Sawmill Cove Hatchery and for future water export ventures.

NSRAA has made the two temporary repairs as water flow is essential to keeping their fish alive.

The Gary Paxton Industrial Park (GPIP) Board met on January 14<sup>th</sup> 2021 and recommended that the CBS Assembly establish a capital budget in the amount of \$74,000 for this fiscal year to repair the CBS bulk water pipeline. Funding for this repair is recommended to be appropriated from the CBS Raw Water Fund which was established from fees of past bulk water purchase agreements. The Raw Water Fund has a balance of \$846,483.

**Bulk Water Delivery Infrastructure**

The current bulk water delivery infrastructure consists of two main systems; the high pressure system, running from Blue Lake Dam to the former turbine pit or wet well at elevation 148.7' and a lower pressure, system running from the wet well location to the shores edge of Sawmill Cove via 42" and 36" pipe. The system was designed to flow at a rate of at least 33.6 million gallons of water per day.

NSRAA has a tap into the bulk water line which brings water to its Sawmill Cove Hatchery.

Clients interested in exporting Sitka's water via large tanker ships or floating bags have identified a high volume flow rate to minimize the time a ship would need to spend in port taking on water through the existing infrastructure.

Clients interested in exporting Sitka's water in small container sizes of 5 gallon to 20 foot containers have expressed interest in having a lower volume flow rate to allow for the small containers to be filled. The 2017 Water Purchase Agreement between the CBS and Eckert Fine Beverages called for the establishment of a low volume water filling station to be designed,

funded, and constructed by Eckert Beverages to be turned over to the CBS to accommodate all potential low volume water exporters.

### **Pipeline Repair Budget**

Please see the attached pipeline repair budget prepared by NSRAA. The budget includes the following:

1. Bulk Water Repair - \$73,370
  - \$66,000 in repairs
  - \$6,670 for design and engineering
  - The GPIP Director is recommending that the CBS enter into a cost sharing agreement with NSRAA to have NSRAA complete the repairs to the system.
    - NSRAA and the CBS have a Water Delivery Agreement (see attached)
2. Bulk Water Line Upgrade - \$5,203
  - \$4,730 in upgrades
  - \$473 for design and engineering
  - NSRAA will be responsible for the costs to upgrade the pipeline
3. Eckert Fine Beverages Line Tap - \$16,880
  - \$15,345 to tap the line and construct the low volume water delivery infrastructure
  - \$1,535 for design and engineering
  - Eckert Fine Beverages will be responsible for the cost of the low volume delivery infrastructure.

### **Action**

- Assembly approval of a FY21 Capital Budget in the amount of \$74,000 with funds appropriated from the CBS Raw Water Fund.

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**CITY AND BOROUGH OF SITKA**

**ORDINANCE NO. 2021-02  
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL  
APPROPRIATIONS FOR FISCAL YEAR 2021  
(Bulk Water Line Repair)**

**BE IT ENACTED** by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental Capital appropriation for FY2021.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2020 and ending June 30, 2021.

<b><u>FISCAL YEAR 2021 EXPENDITURE BUDGETS</u></b>
<b>CAPITAL PROJECTS</b>
<b>Fund 780 – Bulk Water Line Repair Project: Increase appropriations in the amount of \$74,000 to repair the Bulk Water Line at the Gary Paxton Industrial Park. Funds will be transferred from the Bulk Water Fund.</b>

**EXPLANATION**

The GPIB Board has recommended to establish a capital budget to repair the bulk water line at the Gary Paxton Industrial Park and that the funds should be taken from the CBS Raw Water Fund.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 23rd Day of February 2021.

**ATTEST:**

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Steven Eisenbeisz, Mayor

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Sara Peterson, MMC  
Municipal Clerk

1<sup>st</sup> reading 2/9/2021  
2<sup>nd</sup> and final reading 2/23/2021

Sponsor: Administrator