



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
Sitka, AK  
(907)747-1811

## Meeting Agenda City and Borough Assembly

*Mayor Mim McConnell  
Deputy Mayor Matt Hunter  
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,  
Benjamin Miyasato and Aaron Swanson*

*Municipal Administrator: Mark Gorman  
Municipal Attorney: Robin L. Koutchak  
Municipal Clerk: Colleen Ingman, MMC*

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Tuesday, March 11, 2014

6:00 PM

Assembly Chambers

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### WORK SESSION 5:00 PM - 5:50 PM

*Solid Waste Management Plan*

### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[14-050](#) Reminders and Correspondence for 3-11-14

Attachments: [Reminders Correspondence 3-11](#)

V. CEREMONIAL MATTERS

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (time limits apply)

1) Tim Shilling Department of Natural Resources - Nakwasina Sound Subdivision update

2) Mary Miller - Sitka National Park Service Update < 10 minutes

VII. PERSONS TO BE HEARD

*Public participation on any item off the agenda. Not to exceed 3 minutes for any individual.*

**VIII. REPORTS****a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other****IX. CONSENT AGENDA**

*All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

- A**     [14-050](#)     Reminders and Correspondence for 3-11-14  
**Attachments:**   [Reminders Correspondence 3-11](#)
- B**     [14-046](#)     Adopt the Finance Director's interpretation of the taxation for "suggested donations" constitutes a sale of services subject to sales tax  
**Attachments:**   [Finance Director Interpretation](#)
- C**     [14-047](#)     Award providing Transit Services to transport cruise ship passengers from the Old Sitka Dock to Centennial Hall or O'Connell Bridge parking areas to Sitka Tours lowest responsive bidder  
**Attachments:**   [Motion Transient Services](#)  
                          [Transient Services Bid](#)

**New Business First Reading**

- D**     [RES 14-04](#)     Authorizing a grant application to the Rasmuson Foundation for funding for the Kettleson Memorial Library Expansion Project  
**Attachments:**   [RES 2004-4 Rasmuson](#)
- E**     [ORD 14-05](#)     Amending SGC at Chapter 15.05 entitled "Water System" at Subsection 15.05.625 entitled "Water and Wastewater Rates - Sawmill Cove Industrial Park" to further define water volumes and address tote/container water sales for bulk water  
**Attachments:**   [ORD 2014-05 Water Volumes](#)
- F**     [ORD 14-06](#)     Rescinding Chapter 4.06 of the SGC, entitled "Allocation of Revenues from the Sale of Water," and replacing it with a new Chapter 4.06 entitled "Proceeds from Bulk Water sale Contracts"  
**Attachments:**   [ORD 2014-06 Proceeds from Bulk Water Sale Contracts](#)  
                          [SCIP Bulk Water Fees](#)

**Additional New Business Items**

- G [14-048](#) Approve of Assignment of Purchase Agreement for Raw Water in Bulk for Export to Alaska Bulk Water Inc. PULLED

**Attachments:** [Assignment of Raw Water in Bulk](#)  
[Atty Response to Assignment](#)

**XII. PERSONS TO BE HEARD:**

*Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.*

**XIII. EXECUTIVE SESSION**

**XIV. ADJOURNMENT**

*Colleen Ingman, MMC  
Municipal Clerk  
Publish: 3-7-13*



## Legislation Details

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**File #:** 14-050      **Version:** 1      **Name:**  
**Type:** Correspondence      **Status:** AGENDA READY  
**File created:** 3/6/2014      **In control:** City and Borough Assembly  
**On agenda:** 3/11/2014      **Final action:**  
**Title:** Reminders and Correspondence for 3-11-14  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Reminders Correspondence 3-11](#)

Date	Ver.	Action By	Action	Result
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# REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
<i>Tuesday, March 11</i>	<i>Worksession: Solid Waste Master Plan</i>	<i>5:00 PM</i>
Tuesday, March 11	Regular Meeting	6:00 PM
<i>Tuesday, March 25</i>	<i>Worksession: CAFR Presentation</i>	<i>5:00 PM</i>
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	Feb	24	25	26	27	28	1	Mar
Hackett		Hackett Miyasato	Hackett Miyasato 1:00pm SCVB Board 5:00pm Worksession: Meet with SCVB 6:00pm <u>Regular Assembly Mtg</u>	Hackett Miyasato	Hackett Miyasato 6:30pm <u>Hospital Board</u>	Hackett Miyasato	Hackett	
2		3	4	5	6	7	8	
Hackett McConnell		Hackett McConnell	Hackett McConnell 7:00pm Planning 7:00pm <u>School</u>	McConnell 6:00pm Police and Fire 7:00pm <u>Library</u>	McConnell 12:00pm <u>Parks &amp; Rec</u>	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 <u>Reg Assembly Mtg</u>	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 <u>Tree/Landscape</u> 7:00pm <u>Planning</u> 7:00pm <u>School</u>	McConnell 6:30pm STA	McConnell	McConnell		
23		24	25	26	27	28	29	
			1:00pm SCVB Board 5:00pm Worksession: CAFR Presentation 6:00pm <u>Regular Assembly Mtg</u>		6:30pm <u>Hospital Board</u>			
30		31	1	Apr 2	3	4	5	
			5:00pm <u>Board of Equalization Training</u> 7:00pm Planning 7:00pm <u>School</u>	6:00pm Police and Fire 7:00pm <u>Library</u>	12:00pm <u>Parks &amp; Rec</u>			

# Assembly Calendar

[2013](#)   [Jan](#)   [Feb](#)   [Mar](#)   [Apr](#)   [May](#)   [Jun](#)   [Jul](#)   [Aug](#)   [Sep](#)   [Oct](#)   [Nov](#)   [Dec](#)   [2015](#)  
**April 2014**

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

## **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 Centennial 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.

## **Edgcumbe 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 Edgcumbe 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.

### **Library Development Planning:**

#### **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 Kettleon 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 Complete 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 11<sup>th</sup>.
- 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 11<sup>th</sup> 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 be 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 our 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**

Project Element	Current Contract Total or Projected Amount	Payments	
		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	\$55,353,275
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
<b>TOTALS</b>	<b>\$140,306,484</b>	<b>\$3,536,755</b>	<b>\$89,771,796</b>
<b>ESTIMATED TOTAL PROJECT COST</b>	<b>\$145,256,725</b>		

\*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: additional 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:
  - A change work directive was issued to repair the trashrack and sluice gate valve.
  - A change work directive was issued to provide a dam release pipe at the dam.
  - A change item was approved for additional electrical work.
  - 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 auxiliary 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:
  - March 7- Place concrete keyway on existing spillway.
  - March 10- Place dam release pipe.
  - Place 3 blocks over keyway
  - Set and align all turbine scroll cases, inlet valves and generator soleplates.
  - Remove intake cofferdam.
  - Complete concrete placement at Gatehouse.
  - Complete lower penstock excavation.
  - Install penstock drain valve and energy dissipator.
  - Install 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 raise; 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 5. Dam Staging area, no change this month.**



**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.**

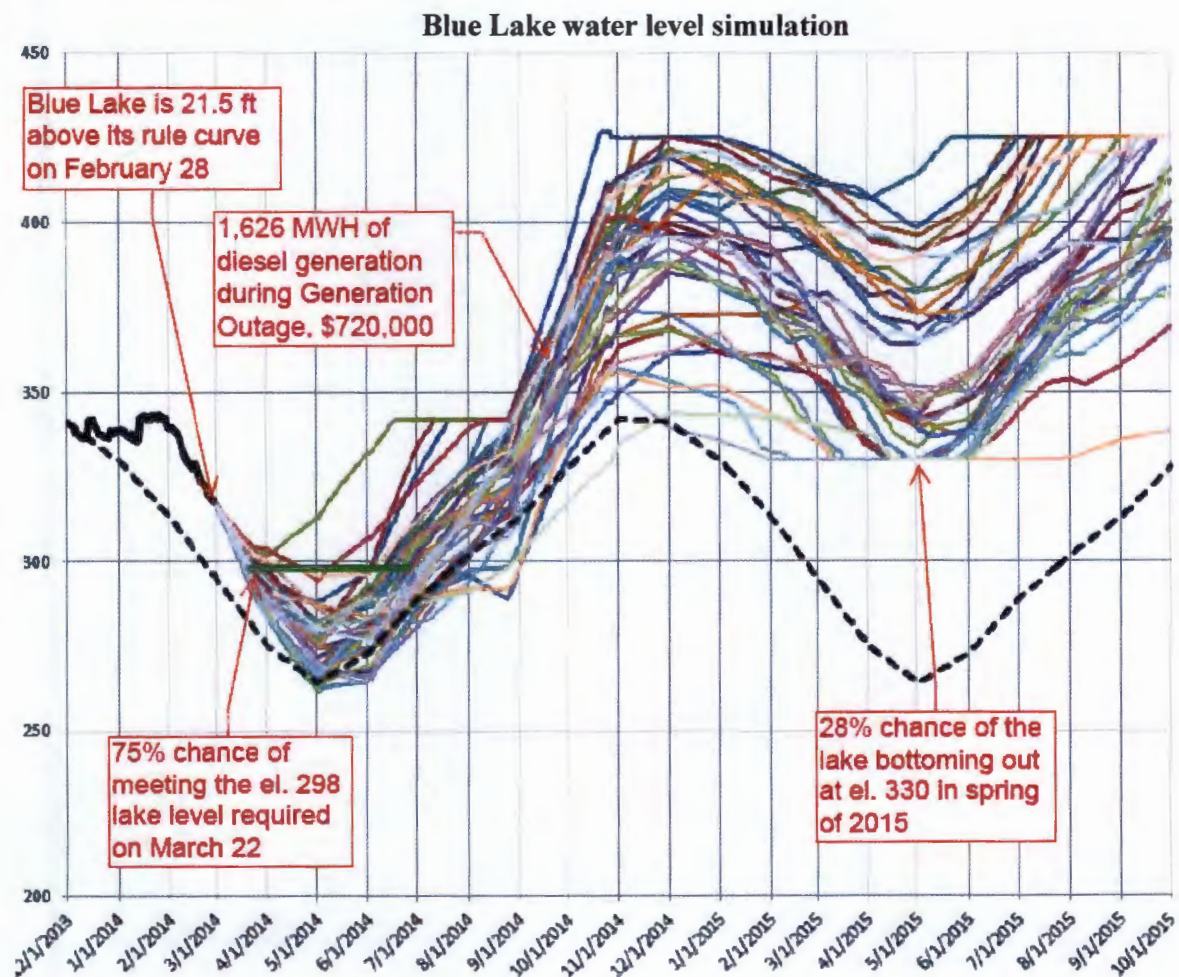


**Figure 10. Powerhouse Interior, The powerhouse crane's 45 ton hoist was certified. NAES began placing electrical gear on turbine deck and also set unit 5 spiral case and began alignment. ASRC McGraw Constructors began framing and building out the control room.**

## 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.

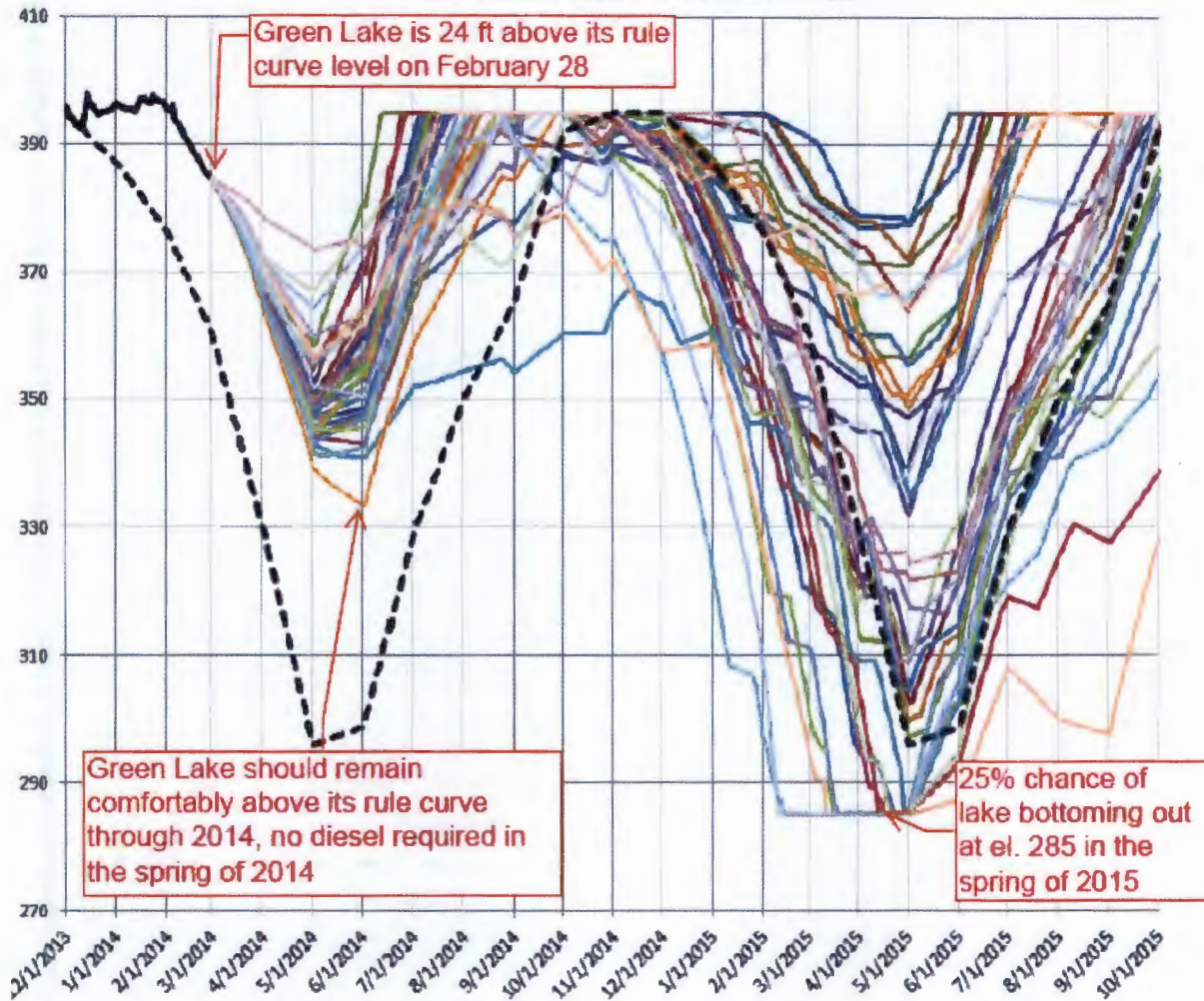


Total diesel generation predicted by this simulation:

Period	Dates	MWH of diesel	Cost at \$0.45 per kWh
Spring 2014	-	0	\$0
Generation Outage	Aug 26 – Oct 26, 2014	1,626 <sup>(1)</sup>	\$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

### Green Lake water level simulation



**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 been 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.

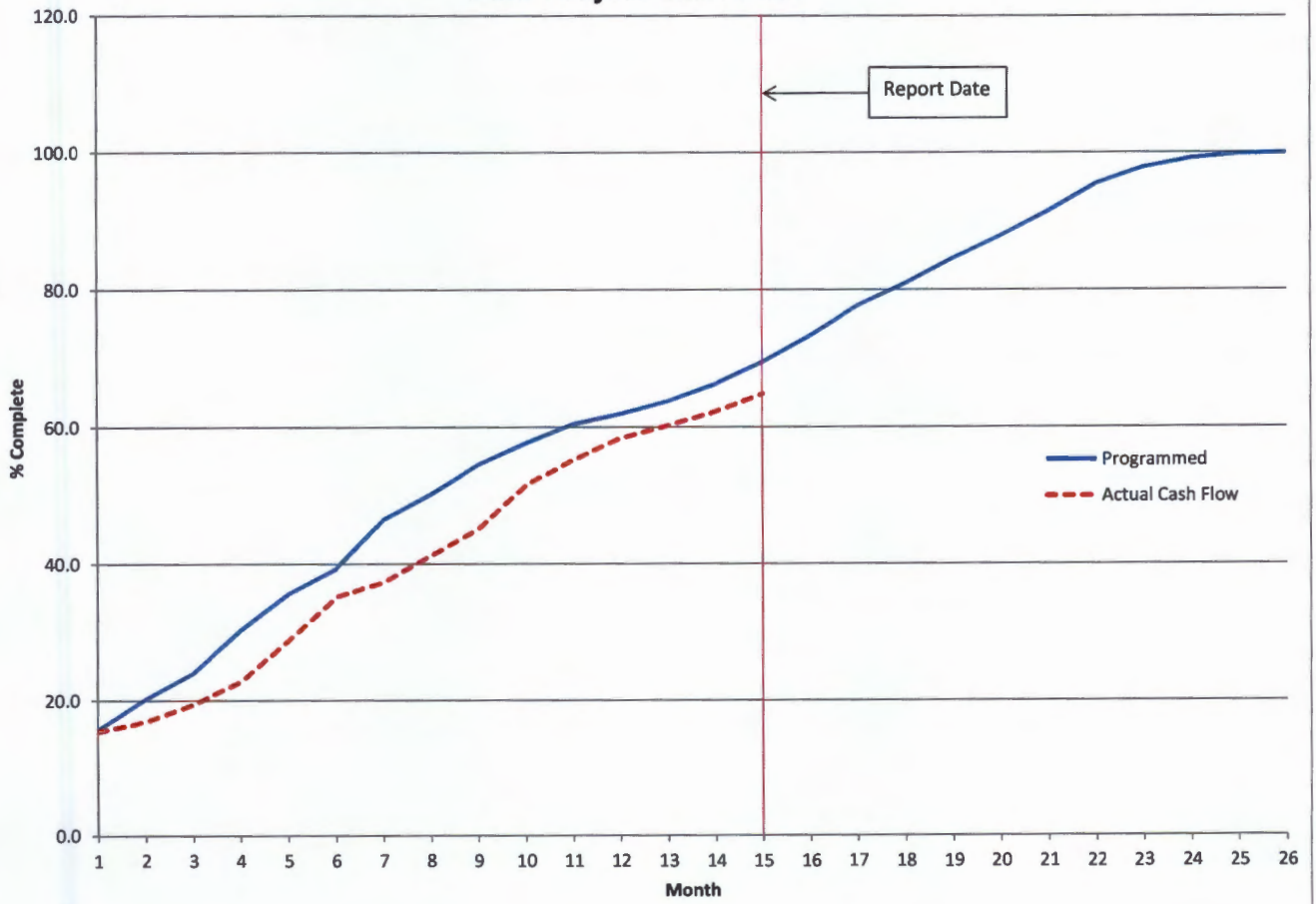
The completion of this work is now in the critical path.

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, 2015.
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.

### Total Project Cash Flow



## **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.



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

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:

<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

## BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

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 – <b>Completed May 6, 2013</b>
2	08/19/2013	Initial Intake Excavation Complete – <b>Completed July 21, 2013</b>
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**

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

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

For Period Ending: FEBRUARY 28, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

7	CHG Building Systems	Powerhouse Building
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Materials Received this Period:

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

Misc. Metals - 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**

**BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

For Period Ending: FEBRUARY 28, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.



**Figure 2: Bridge Crane Load Testing**



**Figure 3: Unit 5 Spiral Case**

**BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

For Period Ending: FEBRUARY 28, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.



**Figure 4: Spillway Keyway Construction**

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

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**





# Attachment A: Vicinity Map

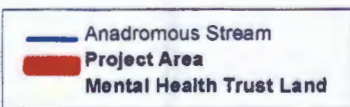
to the Preliminary Decision for a  
Proposed Land Offering in the City and Borough of Sitka  
Nakwasina Sound Subdivision - ADL 108062



hbf 12/11/13



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



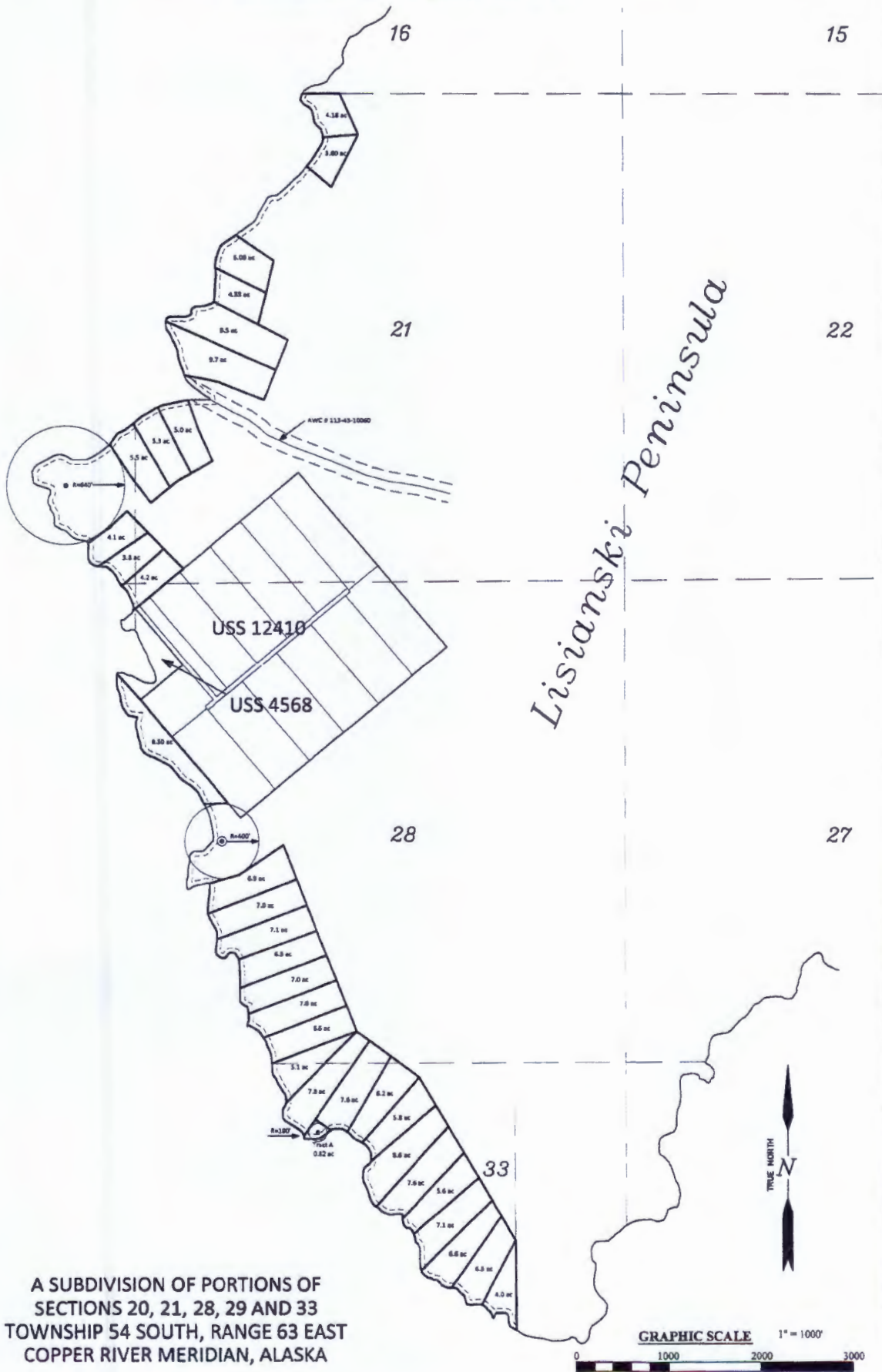
**USGS QUAD 1:63,360**  
Sitka A-5  
For more information contact:  
Blair French  
State of Alaska  
Department of Natural Resources  
Division of Mining, Land, and Water  
3700 Airport Way  
Fairbanks, AK 99709  
Phone: (907)451-3011  
Fax: (907)451-2751  
Email: [subdivision.sales@alaska.gov](mailto:subdivision.sales@alaska.gov)

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

© Harris Corp, Earthstar Geographics LLC State of Michigan



# NAKWASINA SOUND SUBDIVISION CONCEPTUAL PLAN #2



A SUBDIVISION OF PORTIONS OF  
SECTIONS 20, 21, 28, 29 AND 33  
TOWNSHIP 54 SOUTH, RANGE 63 EAST  
COPPER RIVER MERIDIAN, ALASKA



Informational - letters were sent to Senator Murkowski, Senator Begich and Congressman Young.



# City and Borough of Sitka

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 \$158<sup>1</sup> 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

<sup>1</sup> 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](mailto:campbell@cityofsitka.com)) or lobbyist Larry Markley at 907-250-2855 (e-mail [larrymarkleyak@aol.com](mailto: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



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		Trash Talk	
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Update from Blue Lake Team	5	Remembering Bob Voshell	8
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		Month in Photos: Beavers; Gift to Sitka	9
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## 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

## 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 crane-mounted 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 pre-construction 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*.

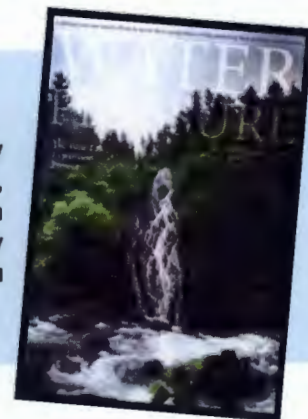
—Blue Lake Team

*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](http://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.



**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.



**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.

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

— **H.L. Mencken**,  
American journalist and essayist

## Trash Talk with Kathi Jenkins, *Corporate Environmental Director*



### Tracking Our Environmental Stewardship and Sustainability

We are committed to environmental stewardship and sustainability at 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 office location has no prior documented history, our goal will be to conserve whenever possible and track the seasonal impacts on power usage.

Water usage is tracked much like energy tracking, from the water supply agency at the home office and project sites.

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



These are good, achievable goals that serve us and our clients well! With thorough upfront planning, diligence and persistence, our companywide efforts will be reflected in consumption records that decrease over time.

## 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 great-grandchildren. 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

## 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 "l"? 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.

anneal: 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 Cliff 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.*

## 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.



## Legislation Details

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**File #:** 14-046      **Version:** 1      **Name:**

**Type:** Item      **Status:** AGENDA READY

**File created:** 3/4/2014      **In control:** City and Borough Assembly

**On agenda:** 3/11/2014      **Final action:**

**Title:** Adopt the Finance Director's interpretation of the taxation for "suggested donations" constitutes a sale of services subject to sales tax

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Finance Director Interpretation](#)

Date	Ver.	Action By	Action	Result
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If these items are pulled from the Consent Agenda  
the following motion would be in order:

**POSSIBLE MOTION**

**I MOVE TO** adopt the Finance Director's interpretation of the taxation for "suggested donations" constitutes a sale of services subject to sales tax





## City and Borough of Sitka

100 LINCOLN STREET • SITKA, ALASKA 99835

### Sales Tax Interpretation 14-02

#### Clarification of Taxation of sales of Services For Donations

The City and Borough of Sitka General Code section 4.09.030 (A) (1) states that *“In order to prevent the evasion of sales tax and to aid in its administration, it is presumed that: 1. All sales by a person engaging in business are subject to the sales tax”*.

A question has arisen as to whether the provision of services as a business, on a routine ongoing basis, for “suggested donations” constitutes a sale of services subject to sales tax. Business have sought to evade the collection and remittance of sales taxes by claiming that services provided for “donations” do not constitute sales.

It is my interpretation of the Sitka General Code that the intent of Section 4.09.030 is that all sales of services are presumed to be taxable unless specifically exempted by an exemption listed in SGC 4.09.100. SGC 4.09.100 A lists casual and isolated sales as exempt from taxation. Nothing in Chapter 4.09 of the Sitka general Code, however, allows for the routine, reoccurring provision of services on a “suggested donation” basis to be exempt from sales taxation.

**It is, therefore, my determination as Finance Director, as authorized by Section 4.09.400 of the Sitka General Code, that the provision of services as a business, on a routine ongoing basis, for “suggested donations” constitutes a sale of services subject to sales tax. Until such time as the Assembly takes action on this interpretation, this interpretation shall govern all applicable business transactions within the City and Borough of Sitka.**

March 3, 2014

John P. Sweeney III  
Finance Director



## Legislation Details

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**File #:** 14-047      **Version:** 1      **Name:**

**Type:** Item      **Status:** AGENDA READY

**File created:** 3/5/2014      **In control:** City and Borough Assembly

**On agenda:** 3/11/2014      **Final action:**

**Title:** Award providing Transit Services to transport cruise ship passengers from the Old Sitka Dock to Centennial Hall or O'Connell Bridge parking areas to Sitka Tours lowest responsive bidder

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Motion Transient Services](#)  
[Transient Services Bid](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda suggest the following motion:

## POSSIBLE MOTION

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I MOVE TO award providing Transit Services to transport cruise ship passengers from the Old Sitka Dock to Centennial Hall or O'Connell Bridge parking areas to Sitka Tours lowest responsive bidder.

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## MEMORANDUM

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

**From:** Michael Harmon, Public Works Director *MH*  
Stephen L. Weatherman, P.E. Municipal Engineer *S*

**CC:** Jay Sweeney, Finance Director

**Date:** March 5, 2013

**Subject:** **Contract to provide Transit Services to transport cruise ship passengers from the Old Sitka Dock to the Centennial Hall or O'Connell Bridge parking area**

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**Background:**

Halibut Point Marine (HPM) constructed a deepwater dock (Old Sitka Dock) at their marine haul out facility on Halibut Point Road. HPM submitted a proposal to CBS to consider using a portion of the Commercial Passenger Excise Tax (CPET) funds to support transportation of cruise passengers between Old Sitka Dock and Centennial Hall or O'Connell Bridge parking area. On 11/29/11 the Sitka Assembly approved the "Old Sitka Dock Improved Passenger Access Project" proposal with amendments.

Only one ship utilized the Old Sitka Dock in 2012 so a contract was not signed. In 2013 Sitka Tours was the low bidder at \$2.81 per passenger and was awarded the contract for transportation of the cruise passenger to Centennial Hall and the O'Connell Bridge parking area. The first ship arrived at the Old Sitka Dock on 5/13/13 and the last ship arrived 9/17/13. A total of 24 ships docked at the Old Sitka Dock and the total passengers billed were 13,252 for a total payment of \$37,238.12.

The contract provides the City and Borough the flexibility to extend the contract upon Assembly approval. Specifically the contract specified under Section 2b: "The contract time begins when signed and ends 30 days after the last cruise ship of the 2013 cruise ship season departs Sitka, Alaska". Any extension of the contract should go to the Assembly prior to the contract expiration.

The market has changed considerably with service providers investing in new equipment, new large ships utilizing the port, increased infrastructure for bus loading both in town and at the dock facility, traffic/construction delays related to the HPR project, etc. All of these elements have a significant potential to influence how this service is provided for the coming season and are significant changes from the last time the contract was bid. It is generally in the best interest of the contracting agency to

rebid when there are changes of this magnitude combined with the reality that there are service providers with new capability. This allows everyone an equal opportunity to compete and reevaluate how these changes impact the service to be provided.

To provide the Transit Services for the 2014 cruise season an advertisement for transit Services was published on 1/27/14. Two bids were received on 2/25/14 from Sitka Tours and Alaska Coach Tours

**Analysis:**

There were two proposers for the required transit services;

**Sitka Tours**

- **\$2.77** per Revenue Generating Passenger
- 23 Available Transit Fleet Vehicles with a Capacity of 795 Passengers

**Alaska Coach Tours**

- \$3.00 per Revenue Generating Passenger
- 10 Available Transit Fleet Vehicles with a Capacity of 472 Passengers

The proposal from Sitka Tours was complete, responsive and responsible as specified by the instruction to bidders. The proposal from Alaska Coach Tours had minor deficiencies (did not acknowledge addenda and only submitted 1 copy of proposal where 4 were required) but was determined to be responsive and responsible.

The Assembly may also wait up to 45 days from the bid opening date (2/25/14) to make a decision on awarding or not awarding the contract. If the contract is not awarded the bid and bid bond will be returned to the bidder. This contract is for one year with two additional one year extensions allowed (2015 and 2016) if approved by the Assembly.

Sitka Tours submitted the lowest price per Revenue Generating Passenger. Sitka Tours also has the larger fleet of transit vehicles and a comprehensive operation plan. Our recommendation is to award the transit services contract to Sitka Tours.

**Fiscal Note:**

The funding for the contract is to come from the City of Sitka Commercial Passenger Excise Tax. The contractor will be paid an amount based on the Debarkation Rate (90%) X \$2.77 per Revenue Generating Passenger. The Revenue Generating Passenger number is based on the Certified Passenger Letter from the Cruise Ship. Ship's crew will be transported to and from the Old Sitka Dock at no cost.

- CPET Funding from 2013 season will be \$302,985.00
- Estimated cost of contract is 19,256 passengers X 90% X 2.77 = \$48,005
- Approximately \$85,000.00 per Year of CPET funds provides support for CBS services.

- With CBS receiving \$302,985.00, deducting the cost from CBS support services and the Transit Contract the surplus will be \$169,979.
- The CEPT Fund Balance is currently \$1,670,000.00

If no cruise ships dock at the Old Sitka Dock and no passengers are transported from the Old Sitka Dock then no payments will be made to the contractor.

**Recommendation:**

**Take action to award or reject the bid proposal from Sitka Tours prior to April 10, 2014**

**CONTRACT TO PROVIDE TO CITY AND BOROUGH OF SITKA TRANSIT SERVICES  
BETWEEN OLD SITKA DOCK TO CENTENNIAL Hall or O'CONNELL BRIDGE PARKING  
AREA**

On March 11, 2014, the City and Borough of Sitka Assembly approved the award recommendation, based on the response to the bid request, entitled. "Transit Services between Old Sitka Dock and Centennial Hall or O'Connell Bridge parking area, issued on January 27, 2014.

The City and Borough of Sitka (CBS) desires to hire Sitka Tours a licensed passenger transportation company (Contractor) to provide free cruise passenger and crew member transit services between Old Sitka Dock and Centennial Hall or O'Connell Bridge parking area for the 2014 cruise ship season. This Contract to provide transportation services for the City and Borough of Sitka between the Old Sitka Dock and Centennial Hall or O'Connell Bridge Parking Area ("Contract") is made and entered into by and between Owner and Contractor in consideration of the mutual promises contained in this Contract.

This Contract also consists of: Appendix A which includes the contractor submitted information to include:

1. Bid Form
2. A narrative describing the Contractor's experience with operating and maintaining a passenger transportation company.
3. Spreadsheet detailing transit vehicle fleet to include make, model, year, mileage, passenger capacity, and ADA capabilities of each vehicle. Table should include all available transit vehicles including subcontractors (if applicable).
4. Operational plan and proposed daily schedule.

**SECTION 1. DEFINITIONS**

For the purpose of this Contract, the terms used in this Contract shall have the following meaning:

- A. "Owner" shall mean the City and Borough of Sitka, Alaska.
- B. "Contractor" shall mean Sitka Tours a Partner, Associate, or any other person acting for and/or in behalf of the firm.
- C. "Owner's authorized representative" shall mean the person set forth in Section 21 (B)(2) of this Contract.
- D. "Days" shall mean calendar days.

**SECTION 2. CONTRACT TIME**

- A. This Contract becomes effective when signed and dated by both Parties.
- B. The contract time begins when signed and ends 30 days after the last cruise ship of the 2014 cruise ship season departs Sitka, Alaska.

- C. The contract may be extended for two (2) additional one year extensions for 2015 and 2016 respectively upon Assembly approval.
- D. Except as expressly allowed under this Contract, Owner need not grant Contractor any extension in the time provided to complete the work under this Contract. If Contractor's progress falls behind the project schedule, Contractor shall commit additional resources to the prosecution of the work, or take such other additional steps as are reasonably necessary to assure the completion of the work on schedule, all at no additional cost to Owner.

### **SECTION 3. RESPONSIBILITY OF CONTRACTOR**

At all times during Contractor's performance of maintenance services under this Contract, Contractor shall possess and exercise the level of competence, knowledge and skill presently maintained by other practicing members of the profession in good standing in the same or similar localities.

### **SECTION 4. SCOPE OF SERVICE**

The goal of CBS and Sitka Tours is to provide safe and efficient transit services for cruise passengers and crew members between Old Sitka Dock and Centennial Hall or O'Connell Bridge parking area. The services will be required continuously to and from Old Sitka Dock and Centennial Hall or O'Connell Bridge parking area throughout each day while a vessel is berthed at Old Sitka Dock. Designated pickup/drop off areas will be identified by CBS and Halibut Point Marine (HPM) at their respective properties. The Downtown drop-off location (Centennial Hall or O'Connell Bridge parking area) will be determined by the Harbormaster in consultation with the vessel agent. Typically the location will be the location not used by a lightering cruise ship. Contractor's shuttles must not block traffic to drop off or pick up passengers at non-approved locations. Contractor shall be required to keep an accurate count of both revenue passengers and crew members for each shuttle trip. Minimum level of service shall be as follows:

- The services will be required continuously to and from Old Sitka Dock and Centennial Hall or O'Connell Bridge parking area throughout each day while a vessel is berthed at Old Sitka Dock.
- Maximum cruise passenger and crew member waiting time shall not exceed 15 minutes at either location.
- The contractor shall provide ADA accessible shuttles and provide assistance to ADA passengers as needed to help load and unload the ADA passengers.
- The final shuttle departing from Centennial Hall or O'Connell Bridge parking area at the end of the day must arrive at Old Sitka Dock prior to the cutoff time specified by the ship. That time must be identified and posted in the front of each shuttle in plain sight at the start of each day.
- Contractor shall provide a customer support liaison at both the Old Sitka Dock and the Centennial Hall or O'Connell Bridge parking area to coordinate loading and unloading. The customer support liaison shall provide onshore support to organize the vehicle queuing and coordinate the passenger loading and unloading.



- While traveling to and from the Old Sitka Dock advertisement for third party tours and other third party activities are not allowed on the shuttle vehicles.
- The selected transportation company has 30 days to obtain State of Alaska and USDOT licenses required to operate an interstate passenger transport company. In the event of failure to obtain the required licenses within the 30 day time limit the City and Borough of Sitka (CBS) may declare the selected transportation company in breach of the agreement effected by the acceptance of the bid. The bid guarantee will be forfeit and the CBS may award the contract to the next lowest responsible bidder.
- Contractor shall provide a report of the number of passengers and crew transported each trip. The information shall be submitted to the Public Works Department no later than the 10<sup>th</sup> of the month for the previous month.

Penalties may be assessed for the Contractor's failure to meet the level of service requirements.

- \$50 per passenger that exceeds the maximum 15-minute waiting time.
- \$100 per passenger or crew member delayed by the Contractor from arriving at Old Sitka Dock by the cutoff time specified by the ship.
- \$1000 per passenger or crew member delayed by the contractor from arriving at the Old Sitka Dock prior to the ship sailing for any reason whatsoever. In addition to the \$1000 penalty the contractor is responsible for but not limited to all costs of lodging, cab fares, shuttle service, meals, and incidentals including a change of clothing and scheduled airline transportation of the passenger to the next port of call for the cruise ship.

If this is not possible due to airline schedule or Sitka was the last port of call of the cruise ship the passenger will be returned to the cruise ships final destination no later than the scheduled arrival by the cruise ship. If the arrival is delayed such that the passenger's connections are missed the contractor will pay for any additional costs associated with rescheduling the passenger to their final destination including but not limited to lodging, cab fares, shuttle service, meals and incidentals. The contractor is also responsible for collecting the passenger's luggage from the cruise ship and delivering it to the passenger prior to departure from the final cruise ship destination.

The services to be performed by Contractor shall include all services required to complete the tasks set forth above and in Appendix A, and shall be in accordance with all applicable statutes, Sitka General Code provisions, ordinances, rules, and regulations.

## **SECTION 5. OWNERSHIP OF DOCUMENTS**

All plans, drawings, calculations, supporting data and specifications, originals and tracings, if created for this contract shall become the property of Owner. Such documents shall be transmitted to Owner prior to the time of final payment for the work under this Contract. Contractor shall be entitled to retain and reference record copies and electronic files of all documents.

## **SECTION 6. TERMINATION**

This Contract may be terminated:

- A. By mutual consent of the Parties.
- B. For the convenience of Owner, provided that Owner notifies Contractor of its intent to terminate under this paragraph at least 10 days prior to the effective date of the termination.
- C. For cause, by either Party where the other Party fails in any material way to perform its obligation under this Contract; provided, however, that as a condition of the exercise of its right of termination under this subsection the terminating Party shall notify the other Party of its intent to terminate this Contract and state with reasonable specificity the grounds, and the defaulting Party shall have failed, within 30 days of receiving the notice, to cure the default.
- D. Termination pursuant to this section shall not affect the Parties' continuing obligations under this Contract.

## **SECTION 7. DUTIES UPON TERMINATION**

- A. If Owner terminates this Contract for convenience, Owner shall pay Contractor the reasonable value of any services satisfactorily rendered prior to termination. Payment under this section shall never exceed the total compensation possible under Section 9. All finished and unfinished reports and materials prepared by Contractor shall become the property of Owner.
- B. If this Contract is terminated for cause, Owner shall pay Contractor reasonable value of the services satisfactorily rendered prior to termination less any damages suffered by Owner because of Contractor's failure to perform satisfactorily. Any finished or unfinished documents or materials shall become the property of Owner at its option. Under no circumstances shall payment under this section exceed the percentage value of work completed as defined by Appendix A and under Section 9. Under no circumstances shall payment under this section exceed the total compensation possible under section 9.
- C. If Contractor has received payments prior to termination in excess of the amount to which it is entitled under Subsection A or B of this section, Contractor shall remit such excess to Owner within 30 days after receipt of notice to that effect.
- D. Contractor shall not be entitled to compensation under this section until Contractor has delivered to Owner all documents, records, work products, materials, and equipment owned by City and Borough of Sitka, related to this Contract and requested by Owner.
- E. If Contractor's services are terminated, for whatever reason, Contractor may not claim any compensation under this Contract other than allowed under this section.
- F. The Owner need not recognize any claim by Contractor for reimbursable expenses or costs incurred after the time which Contractor receives notice of termination under this section.

**SECTION 8. INDEMNIFICATION**

- A. Contractor shall indemnify, defend, save, and hold Owner harmless from any claims, lawsuits, or liability, including attorney's fees and costs, arising from any wrongful or negligent act, error or omission of Contractor occurring during the course of or as a result of Contractor's performance pursuant to this Contract.
- B. Contractor shall not indemnify, defend, save, and hold Owner harmless from any claims, lawsuits, liability, or attorney's fees and costs, arising in wrongful or negligent acts, errors or omissions solely of Owner occurring during the course of or as a result of the performance of this Contract.
- C. Where claims, lawsuits, or liability, including attorney's fees and costs, arise from wrongful or negligent acts of both Parties, Contractor shall indemnify, defend, save and hold Owner harmless from only that portion of claims, lawsuits or liability, including attorney's fees and costs, which result from Contractor's wrongful or negligent acts occurring during the course of or as a result of Contractor's performance pursuant to this Contract.

**SECTION 9. PAYMENT**

- A. The Contractor will be paid on a monthly basis based on the number of revenue generating passengers arriving at Old Sitka Dock during the previous month. It will be the Contractor's responsibility to collect and provide CBS with the certified letter from each ship detailing the number of revenue passengers and provide the required passenger and crew member counts with each request for payment. If no cruise vessels berth at Old Sitka Dock, no payment will be made to the Contractor.
- B. The payment for the first year of the contract shall be based on the following formula:  

Debarkation Rate (90%)	X	Number of Revenue Generation Passengers	X	Contractors Bid Price (\$2.77)	=	Payment to Contractor
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- C. If the contract is extended for the 2015 and 2016 the Debarkation Rate may be adjusted at the Assembly's discretion based on the previous year's actual debarkation rate.
- D. Contractor shall present an invoice(s) to Owner's authorized representative. Such invoice(s) shall enumerate the number of passengers for which it seeks payment. Invoices shall not be submitted more frequently than once every 30 days.
- E. Owner shall make payment on invoices within 30 days of the invoices' receipt and approval by Owner's authorized representative.
- F. Contractor shall be entitled to no compensation under this Contract beyond the amount of Owner's express obligation under subsection A above.
- G. The amount to be paid for additional services, at the option of Owner, shall be negotiated at the hourly fees submitted in Appendix A, by the Parties prior to the execution of amendments to this Contract for this work.

## **SECTION 10. AUDIT: ACCESS TO RECORDS**

- A. Contractor shall maintain records of performances, communications, documents, correspondence and costs pertinent to this Contract. The Owner's authorized representatives shall have the right to examine such records and accounting procedures and practices.
- B. The Owner's authorized representative shall have the right to examine all books, records, documents and other data of Contractor related to the negotiation, pricing and performance Contract, and any change or modification for the purpose of evaluating the accuracy, completeness, and currency of the data submitted. The right of examination shall extend to all documents necessary to permit adequate evaluation of the data, computations, and projections used.
- C. The materials described in this section shall be made available at the business office of Contractor at all reasonable times for inspection, audit or reproduction, for a minimum of 3 years from the date of final payment under this Contract and for such longer period, if any, as may be required by applicable statute or other provisions of this Contract.
- D. If this Contract is completely or partially terminated, records relating to the services terminated shall be made available to Owner by Contractor for a minimum of 3 years from the date of any resulting final settlement.
- E. Records which relate to claims or litigation or the settlement of claims arising out of the performance of this Contract shall be made available to Owner by Contractor until such claims or litigation have been concluded.

## **SECTION 11. RELATIONSHIP OF PARTIES**

Contractor shall perform its obligations under this Contract as an independent Contractor of Owner. Owner may administer the Contract and monitor Contractor's compliance with its obligations. Owner shall not supervise or direct Contractor other than as provided in this section.

## **SECTION 12. ASSIGNMENTS**

Unless otherwise allowed by this Contract or in writing by Owner, any assignment by Contractor of its interest in any part of this Contract or any delegation of duties under this Contract shall be void, and any attempt by Contractor to assign any part of its interest or delegate duties under this Contract shall give Owner the right immediately to terminate this Contract without any liability for work performed.

The Owner reserves the right to approve all subcontractor contracts.

## **SECTION 13. NONDISCRIMINATION**

- A. Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age, sex or marital status or mental or physical handicap. Contractor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, sex, or marital status or

mental or physical handicap. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. Contractor agrees to post, in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions for this nondiscrimination clause.

- B. Contractor shall state, in all solicitations or advertisements for employees to work on jobs relating to this Contract, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, age, or marital status or mental or physical handicap.
- C. Contractor shall include the provisions of subsection A in every subcontract or purchase order under this Contract, so as to be binding upon every such subcontractor or vendor of Contractor under this Contract.
- D. Contractor shall comply with all applicable Federal, State and City laws concerning the prohibition of discrimination.

#### **SECTION 14. COPYRIGHTS AND RIGHTS IN DATA**

All documents produced under this Contract are the property of Owner, including notes, drawings, reports and other technical information referred to as work products, except items which have pre-existing copyrights. Payments to Contractor for services include full compensation for all work products produced by Contractor and its subcontractors.

All such subject data furnished by Contractor pursuant to this Contract are instruments of its services in respect to this particular project. It is understood that Contractor does not represent such subject data to be suitable for reuse on any other project or for any other purpose. If Owner reuses the subject data without Contractor's specific written verification of adaption, such reuse will be at the risk of Owner, without liability to Contractor. Any such verification of adaption requested in writing by Owner at Owner's sole option will entitle Contractor to further compensation at rates agreed upon by the Parties.

#### **SECTION 15. NOTICES**

Any notice required pertaining to the subject matter of this Contract shall be in writing and either personally delivered or mailed by prepaid, first class, registered or certified mail, return receipt requested, to the following addresses:

**OWNER:**

City and Borough of Sitka  
Department of Public Works  
Attn: Stephen Weatherman, P.E.  
100 Lincoln Street  
Sitka, AK 99835

**CONTRACTOR:**

Sitka Tours  
Attn Gene Prewitt  
PO Box 1001  
Sitka, AK 99835

## **SECTION 16. CLAIMS AND DISPUTES**

If Contractor becomes aware, or reasonably should have become aware, of any act or occurrence which may form the basis of a claim, Contractor shall immediately notify in writing Owner's authorized representative. If the matter cannot be resolved within seven (7) days, Contractor shall, within the next fourteen (14) days, submit a written notice of the claim. Contractor shall, in presenting the claim, include the facts and circumstances surrounding the claim, the specific relief requested including any additional compensation claimed and the basis upon which it was calculated, and the provisions of this Contract under which the claim is made. This procedure covers all claims by Contractor for additional compensation or any extension of the time for performance or any dispute regarding a question of fact or interpretation of this Contract. Contractor agrees that unless these written notices are provided, Contractor shall have no entitlement to additional time nor compensation for such act, event or condition.

## **SECTION 17. SUCCESSORS AND ASSIGNS**

The Parties bind themselves, partners, successors, assigns and legal representatives to the other Party to this Contract and to partners, successors, assigns and legal representatives of such other Party with respect to all covenants of this Contract.

## **SECTION 18. INSURANCE**

- A. Contractor shall at all times during the term of this Contract, maintain in good standing the insurance described in subsection B. Before rendering any services under this Contract, Contractor shall furnish Owner with proof of insurance in accordance with subsection B in a form acceptable to the Risk Manager for Owner; such proof of insurance shall be incorporated into this Contract.
- B. Type of Coverage
  - 1. Worker's Compensation – Minimum Limits:  
Employer's Liability and Worker's Compensation – Statutory as required by Alaska Worker's Compensation Statutes.  
U.S. Longshoremen & Harbor Workers' (USL&H) if required
  - 2. Comprehensive General Liability – Minimum Limits:  
Single Limit   \$5,000,000  
Aggregate     \$10,000,000
  - 3. Comprehensive Automobile Liability – Minimum Limits:  
Bodily Injury and Property Damage, including all owned, hired and non-owned vehicles - \$5,000,000
- C. Insurance Notes
  - 1. Owner shall be named as an additional named insured on the required general liability and automobile insurance policies. The Owner shall also be granted a full waiver of any rights of subrogation under all required policies including Workmen's Compensation policy. These requirements extend to all subcontractors.

2. Contractor is required to notify Owner if any policy is to be canceled, materially changed, or renewed, at least thirty days prior, by written notice sent by certified mail.

#### **SECTION 19. PERMITS, LAWS AND TAXES**

Contractor shall acquire and maintain in good standing all permits, licenses and other entitlement necessary to its performance under this Contract. All actions taken by Contractor under this Contract shall comply with all applicable statutes, ordinances, rules and regulations. Contractor shall pay all taxes pertaining to its performance under this Contract.

#### **SECTION 20. NON-WAIVER**

The failure of either Party at any time to enforce a provision of this Contract shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Contract or any part, or the right of such Party to enforce each and every provision.

#### **SECTION 21. AMENDMENT**

- A. This Contract shall only be amended, modified or changed by a written amendment, executed by authorized representatives of the Parties, and such amendment shall be attached to this Contract as an appendix.
- B. For the purposes of any amendment, modifications or change to the terms and conditions of this Contract, the only authorized representatives of the Parties are:
  1. Gene Prewitt, Sitka Tours- For Contractor
  2. Mark Gorman, Municipal Administrator - For Owner
- C. Any attempt to amend, modify or change this Contract by either an unauthorized representative or unauthorized means, shall be void.

#### **SECTION 22. SEVERABILITY**

Any provision of this Contract decreed invalid by a court of competent jurisdiction shall not invalidate the remaining provisions of the Contract.

#### **SECTION 23. JURISDICTION - CHOICE OF LAW**

Any civil action arising from this Contract shall be brought in the Alaska Superior Court at Sitka. The laws of the State of Alaska shall govern the rights and obligations of the Parties under this Contract.

#### **SECTION 24. INTEGRATION**

This instrument and all appendices and amendments embody the entire Contract of the Parties. There are no promises, terms, conditions or obligations other than those contained in this Contract. This Contract shall supersede all previous communications, representations, or Contracts, either oral or written, between the Parties.

**IN WITNESS WHEREOF**, the Parties have executed this Contract in duplicate on the date and at the place shown below.

**CITY AND BOROUGH OF SITKA**

\_\_\_\_\_  
Mark Gorman, Municipal Administrator

Date: \_\_\_\_\_

\_\_\_\_\_  
Gene Prewitt, Owner / Operator

Date: \_\_\_\_\_

IRS TAX I.D. NO. \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Colleen Ingman, Municipal Clerk

Date: \_\_\_\_\_

**LEGAL REVIEW:**

\_\_\_\_\_  
Robin Koutchak, Municipal Attorney

Date: \_\_\_\_\_





## Legislation Details

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**File #:** RES 14-04    **Version:** 1    **Name:**  
**Type:** Resolution    **Status:** AGENDA READY  
**File created:** 3/4/2014    **In control:** City and Borough Assembly  
**On agenda:** 3/11/2014    **Final action:**  
**Title:** Authorizing a grant application to the Rasmuson Foundation for funding for the Kettleon Memorial Library Expansion Project  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [RES 2004-4 Rasmuson](#)

Date	Ver.	Action By	Action	Result
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## POSSIBLE MOTION

**I MOVE TO** pass Resolution 2014-04 on first and final reading.

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## MEMORANDUM

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

**From:** Michael Harmon Public Works Director   
Stephen L. Weatherman, P.E., Municipal Engineer 

**Reviewed:** Jay Sweeney, Finance Director

**Date:** March 5, 2014

**Subject:** Kettleon Memorial Library Grant Application

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Background:

Since 2004, the City of Sitka has been planning for the renovation and modernization of the Kettleon Memorial Library.

In June 2013 a Professional Services Contract was signed to begin the design of this project. In December 2013, the City and Borough of Sitka Assembly approved the schematic plans and the budget for this project.

The City and Borough has received funding in the amount of \$6.15 million for this project. This funding is sufficient to construct the base bid portion of this project. The budget identified additional funding needs as bid alternates which could be funded should the cost of the project come in lower than anticipated or if additional funding is secured.

The Rasmuson Foundation has been supporting this project through the planning process by partnering with the Foraker Group which helped outline the scope of this project and provide conceptual designs for the community's consideration. As a continuation of this support, the Rasmuson Foundation has invited the City and Borough of Sitka to apply for a Tier 2 Grant which would provide additional funding to help with the construction and the purchase of furnishings and equipment for this project.

Analysis

A funding need of approximately \$353,668 has been identified which will be included in the Rasmuson Foundation Grant. This funding requires no match from the City and Borough of Sitka other than that which has already been committed to this project.

Assembly approval of the attached resolution is required to complete the application for the grant by the deadline on March 15, 2014.

Fiscal Note

If awarded, this grant will not have any requirement for a municipal match. Municipal grant administration costs will not be reimbursed out of this grant. This grant, if awarded, may only be spent for costs related to the construction and furnishing of the new Library and can't be repurposed towards any other need.

Recommendation:

**Approve Resolution authorizing the City and Borough to apply for a grant for the project listed above, in the amount of \$353,668.**

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2014-04

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA, ALASKA AUTHORIZING A GRANT APPLICATION TO THE RASMUSON FOUNDATION FOR FUNDING FOR THE KETTLESON MEMORIAL LIBRARY EXPANSION PROJECT

Whereas, the City and Borough of Sitka has supported the need to update and improve the Kettleston Memorial Library facility; and,

Whereas, the Kettleston Memorial Library Expansion Project includes a renovation of the existing facility and a 4,000 square foot expansion; and,

Whereas, the City and Borough of Sitka has already received funding from the State of Alaska and private donations which allows the base bid for the project to be constructed; and,

Whereas, there remains a need for additional \$353,668 of funding for bid alternates and items otherwise not yet funded; and,

Whereas, the Rasmuson Foundation has supported the planning efforts for this project and has invited the City and Borough of Sitka to apply for a Tier 2 Grant for the remaining \$353,668 of the project funding needs; and,

Now therefore be it resolved by the Assembly of the City and Borough of Sitka that Sitka is committed to the successful completion of the Kettleston Memorial Library Expansion Project.

Be it further resolved that the Administrator is authorized to apply to the Rasmuson Foundation for a Tier 2 Grant in the amount of \$353,668; and is further authorized to execute all documents that may be required to accept the Grant.

Passed and approved by the Assembly of the City and Borough of Sitka, Alaska on this 11th day of March, 2014.

Mim McConnell, Mayor

ATTEST:

Colleen Ingman, MMC Municipal Clerk



## Legislation Details

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**File #:** ORD 14-05    **Version:** 1    **Name:**

**Type:** Ordinance    **Status:** AGENDA READY

**File created:** 3/5/2014    **In control:** City and Borough Assembly

**On agenda:** 3/11/2014    **Final action:**

**Title:** Amending SGC at Chapter 15.05 entitled "Water System" at Subsection 15.05.625 entitled "Water and Wastewater Rates - Sawmill Cove Industrial Park" to further define water volumes and address tote/container water sales for bulk water

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [ORD 2014-05 Water Volumes](#)

Date	Ver.	Action By	Action	Result
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## **Possible Motion**

I MOVE TO approve Ordinance 2014-05 on first reading.

Monday, March 3, 2014

## MEMORANDUM

To: Mark Gorman – CBS Administrator  
From: Garry White, Director  
Subject: CBS Water Rates for Export

### Introduction

The CBS has permits for 29,235 Acre feet/year (Af/yr) or 9,526,253,985 US gallons of water available for export. The CBS has entered into agreements with various private entities for the sale of its water allocation since the CBS acquired the water resources in 2000. The pricing structure for water sales has either been set by water purchase agreements or Sitka General Code (SGC).

New ways to package and export water are being pursued by private industries which are currently not covered by SGC. The SCIP Board has recommended adjusting SGC 15.05.625 to include the new water export methods.

### Background

The CBS pricing structure for water export has evolved over the years based on export methods.

### Bulk water sales

The export of water in bulk has limited history in the global market. SEDA has completed significant research on the subject and is not aware of regular bulk water sales/shipments taking place anywhere in the world. Due to the lack of comparable sales, The CBS is one of the leading entities setting the price in this emerging venture.

The CBS has set a price of \$0.01/gallon.

Sales price for the export of raw water in bulk have been traditionally set by water purchase agreements.

### Bottled water sales

In 2010, the CBS adjusted SGC 15.05.625 to include a bottled water rate. Previously, the price for bottling water was set per water purchase agreements with guaranteed water allocations. The operator of the bottling plant located at the SCIP in 2010 requested lower water rates for bottling operations. They did not wish to enter into a guaranteed water allocation purchase agreement, but rather purchase water as it was available at a lower price. (The CBS had roughly 6 billion gallons of water available at the time that was not under contractual obligations.)



The pricing structure for bottled water was set by researching competing water prices in the US and taking into account the CBS proposed four - 14% annual water rate increases schedule to go into effect. The rate was set lower than the bulk water rate, as jobs would be created with a bottling production plant and that no water allocation would be guaranteed.

Currently the rate for raw water for bottling is \$1.69/1000 gallons. This rate is comparable with the following rates:

<b>Juneau, AK</b> (AK Brewery)	\$2.43/1000 gallons	>500,000 gallons/month - \$0.70/1000
<b>Milwaukee, WI</b> (MillerCoors Brewery)	\$1.791/1000 gallons	>15,000 gallons/month - \$0.976/1000
<b>Macon County, GA</b> (Nestle water)		\$2.67/1000 gallons

#### Tote/Container water sales

The sale of water in totes or containers has never been addressed by the CBS. The SCIP Board addressed the new emerging water sales industry after learning about a potential private venture to ship water in container sizes larger than traditional bottles and less than larger bulk water tanker shipments.

The SCIP Board recommended a rate of \$0.01/gallon be set on the price of water export in container sizes of greater than 5 gallons. The board recommended the rate based on following points:

- Water for bottling purposes was given a lower price based on the potential for job creation. Packaging water in containers larger than five gallons will create fewer jobs than regular bottling operations using smaller containers.
- Potential contractual issues with the current bulk water purchase agreement with True Alaska Bottling (TAB) concerning water pricing. The current water purchase agreement sets the price of bulk water at \$0.01/gallon.

Section 5.1 of the agreement states the following: "Providing that TAB is in compliance with all terms of this agreement Sitka agrees to not sell water for export to other entities for a price less than the price currently charged to TAB for equivalent Blue Lake water without offering the same price to TAB."

#### **November 12, 2013 Assembly Action**

In Assembly met in November 2013 to address the SCIP Board's recommendations. The Assembly approved the following motion:

**A motion was made by Hackett to AMEND the main motion to read: "Direct the Municipal Attorney to work with the Sawmill Cove Industrial Park Board to define bulk water in preparation for an ordinance on bulk water rates." The motion to AMEND PASSED by the following vote.**

The SCIP Director and the CBS Attorney met and discussed the definition of bulk water and its relation to the existing TAB bulk water purchase agreement and determined the following:

- The TAB water purchase agreement does not define what water volume amount is considered “bulk water”.
- The definition of bulk water has multiple interpretations depending on different sources. (Cambridge Dictionary does not define “bulk water”).
  - Bottled water has a set definition with multiple sources.
    - “water that has been treated in order to make it very clean or that has come from a special place, sold in bottles”
- Section 5.1 of the existing TAB bulk water purchase agreement as currently written would leave the CBS open to prices changes based off the loose definition of bulk export.

**Current SGC 15.05.625**

A. Water Service—Sawmill Cove Industrial Park.

1. Unmetered treated water, domestic use: base rate, thirty dollars and eighty cents per unit, per month.
2. Metered water: ninety-six dollars and thirty cents per month minimum.
  - a. Treated water: one dollar and ninety-three cents per one thousand gallons.
  - b. Treated water, fish processing use: one dollar and forty-five cents per one thousand gallons.
  - c. Raw water for heating: sixty-seven cents per one thousand gallons.
  - d. Raw water for industrial processing: ninety-six cents per one thousand gallons.
  - e. Raw water for water bottling at Sawmill Cove Industrial Park: one dollar and sixty-nine cents per one thousand gallons.

**Proposed Change to SCG 15.05.625**

A. Water Service – Sawmill Cove Industrial Park

2.

E. Raw water for bottling at Sawmill Cove Industrial Park in container sizes of five gallons or less: one dollar and sixty-nine cents per one thousand gallons.

F. Raw water for bottling at Sawmill Cove Industrial Park in container sizes greater than five gallons: one cent per gallon.

**Recommendations**

The SCIP Board recommends the CBS Assembly approve and adopted the proposed changes to Sitka General Code 15.05.625 as outlined above.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014 – 05

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE SITKA GENERAL CODE AT CHAPTER 15.05 ENTITLED "WATER SYSTEM" AT SUBSECTION 15.05.625 ENTITLED "WATER AND WASTEWATER RATES – SAWMILL COVE INDUSTRIAL PARK" TO FURTHER DEFINE WATER VOLUMES AND ADDRESS TOTE/CONTAINER WATER SALES FOR BULK WATER

1. CLASSIFICATION. This ordinance is of a permanent nature and is 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 to any person or circumstance is held invalid, the remainder of this ordinance and application to any person and circumstances shall not be affected.

3. PURPOSE. The Sawmill Cove Industrial Park Board desires to address tote/container water sales and to further define water volumes to address new and emergency water sales industry further defining bulk water rates.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Section is amended to read as follows (new language underlined; deleted language stricken):

Chapter 15.05
Water System

\*\*\*

15.05.625 Water and wastewater rates—Sawmill Cove Industrial Park.

A. Water Service—Sawmill Cove Industrial Park.

1. Unmetered treated water, domestic use: base rate, thirty dollars and eighty cents per unit, per month.

2. Metered water: ninety-six dollars and thirty cents per month minimum.

a. Treated water: one dollar and ninety-three cents per one thousand gallons.

b. Treated water, fish processing use: one dollar and forty-five cents per one thousand gallons.

c. Raw water for heating: sixty-seven cents per one thousand gallons.

- 43 d. Raw water for industrial processing: ninety-six cents per one thousand gallons.
- 44 e. Raw water for water bottling at Sawmill Cove Industrial Park: in container sizes of five
- 45 gallons or less: one dollar and sixty-nine cents per one thousand gallons.
- 46 f. Raw water for bottling at Sawmill Cove Industrial Park in container sizes greater than
- 47 five gallons: one cent per gallon.

48 \* \* \*

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

51 passage.

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53 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,

54 Alaska this 25th day of March, 2014.

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57 Mim McConnell , Mayor

58 ATTEST:

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60 Colleen Ingman, MMC

61 Municipal Clerk

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## Legislation Details

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**File #:** ORD 14-06    **Version:** 1    **Name:**  
**Type:** Ordinance    **Status:** AGENDA READY  
**File created:** 3/5/2014    **In control:** City and Borough Assembly  
**On agenda:** 3/11/2014    **Final action:**  
**Title:** Rescinding Chapter 4.06 of the SGC, entitled "Allocation of Revenues from the Sale of Water," and replacing it with a new Chapter 4.06 entitled "Proceeds from Bulk Water sale Contracts"  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [ORD 2014-06 Proceeds from Bulk Water Sale Contracts](#)  
[SCIP Bulk Water Fees](#)

Date	Ver.	Action By	Action	Result
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CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2014-06

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA  
RESCINDING CHAPTER 4.06 OF THE SITKA GENERAL CODE, ENTITLED  
“ALLOCATION OF REVENUES FROM SALE OF WATER,” AND REPLACING IT  
WITH A NEW CHAPTER 4.06 ENTITLED, “PROCEEDS FROM BULK WATER SALE  
CONTRACTS”

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

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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 or circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to rescind Chapter 4.06 of the Sitka general code, Allocation of Revenues From Sale of Water, and replace it in its entirety with Chapter 4.06 of the Sitka General Code, Proceeds from Bulk Water Sale Contracts.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby rescinds the existing Chapter 4.06 of the Sitka General Code in its entirety and replaces it with the following Chapter 4.06, Proceeds From Bulk Water Sale Contracts

Chapter 4.06  
Proceeds From Bulk Water Sale Contracts

\* \* \*

**4.06.101 Establishment of Bulk Water Sale Fund.**

There shall be established a new special revenue fund within the fund system of the City and Borough of Sitka entitled the Bulk Water Sale Fund. The purpose of the Bulk Water Sale Fund shall be to receive all proceeds from bulk water sales contracts, including revenues and cash

38 deposits, to hold such proceeds and deposits, and, to reimburse expenditures made by other funds  
39 relating to the sale of bulk water, maintenance of bulk water distribution infrastructure, or  
40 retention of water rights.

41

42 **4.06.102 Transfer of Deposits Into Bulk Water Sale Fund.**

43 Upon establishment of the Bulk Water Sale Fund, contractually mandated deposits for the  
44 sale of bulk water, currently held by various funds within the City and Borough of Sitka, will be  
45 transferred into the Bulk Water Sale Fund.

46

47 **4.06.103 Accounting for Future Revenues and Contractually Required Deposits for Sale of**  
48 **Bulk Water.**

49 The contracting entity for any future sales of bulk water from any municipal watershed shall  
50 be the City and Borough of Sitka. Any revenue from the bulk sale of water, or contractually  
51 mandated deposits for exclusive rights to purchase bulk water from the City and Borough of  
52 Sitka in the future, shall be deposited into the Bulk Water Sale Fund and henceforth accounted  
53 for in that fund.

54

55 **4.06.104 Reimbursing Expenditures From Other Funds Relating to the Sale of Bulk**  
56 **Water, Maintenance of Bulk Water Distribution Infrastructure, or Retention of Water**  
57 **Rights.**

58 Any fund of the City and Borough of Sitka which expends funds in order to facilitate the sale  
59 of bulk water, negotiate bulk water sale contracts, construct or maintain bulk water distribution  
60 infrastructure, or pursue legal or regulatory action to maintain water rights may request to the  
61 Assembly that such expenditures be reimbursed out of the assets of the Bulk Water Sale Fund.  
62 Upon approval of the request, such reimbursements will be accomplished by the Finance  
63 Department. Such requests may be made whenever appropriate, but shall not be made on a basis  
64 more often than quarterly.

65

66 **4.06.105 Expenditure of Net Assets of the Bulk Water Sale Fund .**

67 At any time, the Assembly of the City and Borough of Sitka may authorize the transfer of the  
68 net assets of the Bulk Water Sale Fund to any other fund within the City and Borough of Sitka to  
69 be used for any public purpose. For purposes of this Section, net assets shall be defined as the  
70 assets of the Bulk Water Sale Fund, less any liabilities. Any contractually mandated deposits for  
71 exclusive rights to purchase bulk water from the City and Borough of Sitka shall be defined as  
72 deposits until such deposits are either earned through application towards future water sales, or,  
73 through the expiration of the time period to exercise such rights.

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76 **EFFECTIVE DATE.** This ordinance shall become effective the day after the date of passage.

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78 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,  
79 Alaska this 25<sup>th</sup> day of March, 2014.

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**Mim McConnell, Mayor**

86 **ATTEST:**

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91 **Colleen Ingman, MMC**

92 **Municipal Clerk**



Tuesday, December 10, 2013

## MEMORANDUM

To: Mark Gorman, CBS Administrator  
From: Garry White, Director  
Subject: Bulk Water Fee Discussion (SGC 4.06)

### Introduction

Sitka General Code (SGC) 4.06 defines the allocation of revenues from the sale of water. SGC 4.06 was established in July 2000, soon after the CBS had obtained permits to export water in bulk. While SGC 4.06 defines the sale of water, it does not address the allocation of “non-refundable payments” earned through bulk water contracts.

This SCIP Board of Directors met in October and December to discuss how “non-refundable payments” the CBS has been receiving from bulk water contracts fits within the current SGC 4.06. Please see the attached current SGC 4.06

### Background

The CBS has entered into multiple agreements with various companies since 2000 to export water in bulk. Since 2006, the CBS has been under contract with True Alaska Bottling Company (TAB) to export Sitka’s water. The agreement with TAB requires a certain amount of water to be exported by set benchmark dates. TAB failed to meet the first benchmark date of December 8<sup>th</sup>, 2008. The CBS amended the agreement to allow TAB additional time to export water. A requirement of the first amendment was for TAB to pay the CBS a \$100,000 non-refundable payment to the CBS for a one year extension of their benchmark date to export water. In 2009, 2010, & 2012, three more contract amendments were granted by the CBS with \$100,000, \$150,000, and \$1,000,000 collected respectively by the CBS in non-refundable payments to allow TAB extension of the benchmark export dates.

The contract amendments allow for the non-refundable payments to be used as water credits in the event water is exported. If no water is exported, the payment becomes property of the CBS. To date no water has been exported by TAB. The current agreement with TAB sets a benchmark date of December 8<sup>th</sup>, 2015 to export water

The SCIP Board of Directors met on October 28<sup>th</sup> to discuss Sitka General Code 4.06, concerning the allocation of revenues from the sale of water. The basis for the SCIP Board discussion was to clarify how non-refundable payments to secure water export agreements should be considered in current SGC 4.06.

The first three bulk water fee payments of \$100k, \$100k, and \$150k were allocated to the SCIP enterprise fund. However, when the most recent bulk water contract fee of \$1,000,000 was received, the allocation of the funds was in question.

The SCIP Board discussed the topic and came up with the following suggestions concerning SGC 4.06 and the non-refundable payments:

- A. 100% of such fees are held in the SCIP enterprise fund pending the sale of water, in the event no water is sold, the fee remains in the SCIP enterprise fund.
- B. That for the first five years that bulk water is actually sold through SCIP infrastructure; the SCIP enterprise fund will receive 50% of revenues collected for bulk water sales with the remaining 50% deposited into the water fund.
- C. Upon the passage of five years of actual water sales, the revenues from water sales would be divided equally between the SCIP enterprise fund, electrical fund, water fund, and general fund.

The SCIP Director suggested that before the SCIP Board makes an official recommendation to the Assembly concerning changes to SGC 4.06, that input should be taken from other CBS departments. The SCIP Board requested that the topic be brought back before them after comments from CBS Staff are received.

The SCIP Director offered the following comments concerning the non-refundable fees.

### **SCIP Director's Comments**

- Infrastructure to move water from the shore to a ship or other transportation methods has not been designed, permitted, funded, or constructed. Sitka's bulk water venture will not move forward until this has been completed.
- TAB has asked for CBS support in designing, permitting, and construction of a water based bulk water distribution system. The SCIP Project/Site Manager is currently working with consultants to accommodate the request.
- The SEDA management contract to promote, market, and manage Sitka's bulk water venture is paid for out of the SCIP enterprise fund.
- Blue Lake is a community asset that is being leveraged to receive the non-refundable payments.
- SCIP relies on other CBS departments (electric, water, public works, etc.) to move the bulk water venture forward.
- SGC 4.06 needs to have clarification added concerning the "non-refundable payments" as it is not clearly defined in current SGC.
- SGC 4.06.025 should be deleted from code as it no longer applies.

### **CBS Staff/SCIP Director Recommendations**

The CBS Administrator, CBS staff, and the SCIP Director met on November 25<sup>th</sup> to discuss the topic. The group came up with the following suggestions to address the non-refundable fees and future revenues from the sale of water.

- A separate CBS account should be established for non-refundable payments associated with bulk water contracts.
- Account funds will be transferred to appropriate enterprise/general funds to offset expenses for department services related to the CBS's bulk water venture.
- Capital projects requesting funds from the account will require recommendation from the SCIP Board and approval from the CBS Assembly.
- Section 4.06.025 is deleted from SGC 4.06 as it is no longer applicable.
- The remaining portions of SGC 4.06 will remain as currently written.

### **SCIP Board Final Recommendations**

SCIP Board's recommendations from the December 5<sup>th</sup> SCIP Board meeting are the following: (Board changes from CBS Staff/SCIP Director's recommendations are in italics)

1. A separate CBS account should be established for non-refundable payments associated with bulk water contracts. *This new account shall be named the SCIP Bulk Water Fee Fund.*
2. Account funds will be transferred to appropriate enterprise/general funds to offset expenses for department services related to the CBS bulk water venture. *Any department requesting to draw funds from the SCIP Bulk Water Fee Fund shall include this as a line item in their annual budget and submit a draft of the budget to the SCIP Board for their review and to allow the SCIP Board to make their recommendations to the Assembly.*
3. Capital projects requesting funds from the account will require recommendation from the SCIP Board and approval from the CBS Assembly.
4. Section 4.06.025 is deleted from the SGC 4.06, as it is no longer applicable.
5. The remaining portions of SGC 4.06 will remain as currently written.

### **Action**

- CBS Assembly approval of SCIP Board of Directors recommendations to adjust SGC 4.06 to address "non-refundable payments".



## Legislation Details

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**File #:** 14-048      **Version:** 1      **Name:**

**Type:** Item      **Status:** AGENDA READY

**File created:** 3/5/2014      **In control:** City and Borough Assembly

**On agenda:** 3/11/2014      **Final action:**

**Title:** Approve of Assignment of Purchase Agreement for Raw Water in Bulk for Export to Alaska Bulk Water Inc. PULLED

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Assignment of Raw Water in Bulk](#)  
[Atty Response to Assignment](#)

Date	Ver.	Action By	Action	Result
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## **SUGGESTED MOTION**

**I move to approve an Assignment of Purchase Agreement for Raw Water in Bulk for Export to Alaska Bulk Water Inc.**

Wednesday, February 26, 2014

## MEMORANDUM

To: Mark Gorman – CBS Administrator  
From: Garry White, Director  
Subject: TAB Bulk Water Contract Assignment

### Introduction

True Alaska Bottling (TAB) is requesting to have its “Purchase Agreement for Raw Water in Bulk for Export” assigned to a newly formed entity called Alaska Bulk Water Inc. Attached is the request and information regarding Alaska Bulk Water Inc.

The SCIP Board reviewed TAB’s request at their February 24<sup>th</sup> meeting and recommended approval of the assignment.

### Background

The CBS and TAB entered into a Purchase Agreement for raw water in bulk for export in 2006. The contract terms are for 20 years, with benchmark performance dates. The CBS and TAB have amended the Purchase Agreement 4 times since 2006 to allow for additional time to meet performance benchmarks and to address other issues with the agreement.

### Assignment

The Purchase Agreement allows for assignments under section 14 shown below.

#### **Section 14 - Assignment**

“This Agreement, which is in the nature of a personal services contract, may not be assigned by either party without the prior written consent of the other party, which shall have full discretion to grant or withhold such approval, in its sole and absolute discretion except as provided below.

Sitka may form a Port Authority or similar entity, in the future and this agreement shall be completely transferable to said Port Authority. A transfer of the agreement to any such entity shall not create any restrictions upon TAB to purchase water other than those restrictions named in this agreement.”

### Action

- Approval of Assignment of Purchase Agreement

**JONES LAW GROUP, PLLC**

11819 NE 34<sup>TH</sup> STREET  
BELLEVUE, WASHINGTON 98005

MARIANNE K. JONES

TELEPHONE (425) 576-8899  
MLAW@JONELAWGROUP.COM

February 20, 2014

**TRANSMITTED BY EMAIL AND U.S. MAIL  
RETURN RECEIPT REQUESTED**

Mr. Gary White  
City and Borough of Sitka  
100 Lincoln Street  
Sitka AK 99835

**Re: True Alaska Bottling (TAB) Bulk Water Agreement Request to Allow Assignment**

Dear Mr. White:

True Alaska Bottling Company has chosen to assign the Bulk Water Agreement that it has with the City of Sitka to another company named Alaska Bulk Water Inc. The Board of Directors of both companies is comprised of two persons: Terrence Trapp and Dick Kearns. Also, both Mr. Trapp and Mr. Kearns are the majority shareholders of both companies. The City of Sitka should not expect to see any change in any functional manner following the assignment of this contract. Attached is a copy of the Bulk Water Contract Assignment signed by Mr. Trapp and Mr. Kearns.

Under the Bulk Water Agreement, True Alaska Bottling Company has the ability to assign the contract. We believe that this assignment will give greater financial stability to both True Alaska Bottling Company and to Alaska Bulk Water Inc. We are looking forward to hearing from the City promptly that it approves the requested assignment. We believe that this is merely an administrative function under the contract with the City and can be approved at that level without the need for a hearing.

We request that approval be given promptly so that Alaska Bulk Water Inc. can begin contracting with its customers. Thank you for your prompt attention to this matter.

Very truly yours,  
JONES LAW GROUP, PLLC

/s/ Marianne K. Jones

MARIANNE K. JONES  
Attorney at Law

# STATEMENT OF INCORPORATOR

\*\*\*\*\*

## STATEMENT OF ORGANIZATION

OF THE INCORPORATOR OF

Alaska Bulk Water Inc.

I, Richard H. Bell, being the Authorized Representative of Harvard Business Services, Inc., the incorporator of Alaska Bulk Water Inc. -- a Delaware Corporation -- hereby certifies pursuant to Section 108 of the General Corporation Law of Delaware and to the best of my knowledge that:

1. The certificate of incorporation of Alaska Bulk Water Inc. was filed with the Secretary of State of Delaware on June 13, 2013.

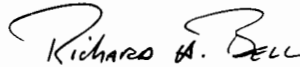
2. On June 13, 2013 the following persons were named as the initial Directors of the Corporation until their successors are elected and qualify:

Charles Richard Kearns

3. The bylaws of the corporation have been approved.

4. The powers of this incorporator are hereby terminated, and said incorporator shall no longer be considered a part of the body corporate of the above named corporation.

In witness whereof, I have signed this instrument as of the date when these actions were so taken this 13th day of June, 2013.



HARVARD BUSINESS SERVICES, INC.  
By: Richard H. Bell, Incorporator

\*\*\* This document is not part of the public record. Keep it in a safe place. \*\*\*



CERTIFICATE OF INCORPORATION  
OF

**Alaska Bulk Water Inc.**

**FIRST:** The name of the corporation is:  
**Alaska Bulk Water Inc.**

**SECOND:** Its registered office in the State of Delaware is located at 16192 Coastal Highway, Lewes, Delaware 19958-9776, County of Sussex. The registered agent in charge thereof is Harvard Business Services, Inc.

**THIRD:** The purpose of the corporation is to engage in any lawful activity for which corporations may be organized under the General Corporation Law of Delaware.

**FOURTH:** The total number of shares of stock which the corporation is authorized to issue is 1,500 shares of common stock having a par value of \$0.010000 per share.

**FIFTH:** The business and affairs of the corporation shall be managed by or under the direction of the board of directors, and the directors need not be elected by ballot unless required by the bylaws of the corporation.

**SIXTH:** This corporation shall be perpetual unless otherwise decided by a majority of the Board of Directors.

**SEVENTH:** In furtherance and not in limitation of the powers conferred by the laws of Delaware, the board of directors is authorized to amend or repeal the bylaws.

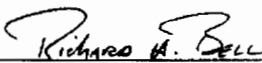
**EIGHTH:** The corporation reserves the right to amend or repeal any provision in this Certificate of Incorporation in the manner prescribed by the laws of Delaware.

**NINTH:** The incorporator is Richard H. Bell in care of Harvard Business Services, Inc., whose mailing address is 16192 Coastal Highway, Lewes, DE 19958.

**TENTH:** To the fullest extent permitted by the Delaware General Corporation Law a director of this corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

I, Richard H. Bell, for the purpose of forming a corporation under the laws of the State of Delaware do make and file this certificate, and do certify that the facts herein stated are true; and have accordingly signed below, this June 13, 2013

Signed and Attested to by:

  
\_\_\_\_\_  
Harvard Business Services, Inc.  
By Richard H. Bell, Incorporator



## Harvard Business Services, Inc.

Address: 16192 Coastal Hwy Lewes, DE 19958 USA

Website: [www.delawareinc.com](http://www.delawareinc.com) Email: [filings@delawareinc.com](mailto:filings@delawareinc.com)

Toll Free: (800) 345-2677 Direct: (302) 645-7400 Fax: (302) 645-1280

July 19, 2013

**Mr. Dick Kearns**  
765 Harmony St.  
Lebanon OR, 97355  
United States

Dear Mr. Kearns

We would like to convey our congratulations to you and Alaska Bulk Water Inc.. We hope you enjoy terrific success with your company.

Below is the Employer Identification Number the IRS has generated for your new company:

**46-3220839**

You will receive a confirmation letter in the U.S. Mail within four weeks directly from the Internal Revenue Service. Please note that if you ever change the name of your company the IRS will need to be notified of this change.

We would like to thank you once again, and wish you the best of luck. You can help us by telling a friend or business associate about our services. We work hard to keep things simple for you and your associates when it's time to incorporate.

Thank you,

Harvard Business Services, Inc.  
Business Filings Team



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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March 5, 2014

*Sent Email and Regular Mail*

Jones Law Group, PLLC  
11819 NE 34<sup>th</sup> Street  
Bellevue, WA 98005

**Re: True Alaska Bottling (TAB) Bulk Water Agreement Request to Allow Assignment**

Dear Ms. Jones:

In response to your letter to Mr. Garry White, dated February 20, 2014, I want to clear up any misconceptions you may have on the assignment of this contract. In your letter you state that under the agreement, TAB “has the ability to assign the contract.” While we all wish for this to go forward, both of the companies you represent, True Alaska Bottling and Alaska Bulk Water, Inc. need to know that the contract actually states that, **“neither party may assign the contract without prior written approval from the other party and that the parties have full discretion to grant or withhold such approval...”** (Contract, Section 14.)

We also would like to point out at this time, since you do represent two separate parties, that although the “new” entity, Alaska Bulk Water, is incorporated in Delaware, Section 17 of the contract states that any action or lawsuit shall be brought in the State of Alaska, sitting in Sitka, Alaska, particularly, **“The parties specifically disavow any application under the removal jurisdiction of the federal courts on grounds of diversity of citizenship, any litigation concerning this agreement.”**

I hope this clears up any misconceptions you may have about the contract now and in the future and as always, we look forward to doing business with True Alaska Bottling Company and Alaska Bulk Water, Inc.

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Very sincerely,

Robin L. Koutchak

Municipal Attorney

City and Borough of Sitka