



CITY AND BOROUGH OF SITKA

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

Meeting Agenda

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson*

*Interim Municipal Administrator: Hugh Bevan
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Thursday, February 20, 2020

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

V. UNFINISHED BUSINESS:

A [ORD 20-06](#) Making supplemental appropriations for Fiscal Year 2020 (Crescent Harbor High Load Dock Project)

Attachments: [Motion Ord 2020-06](#)

[Memo Net Shed](#)

[Ord 2020-06.](#)

VI. NEW BUSINESS:

- B** [20-046](#) Discussion / Direction / Decision for the FY2021 Municipal Budget with focus on Enterprise Funds, Internal Service Funds, and specific decision points

Attachments: [Discussion Direction Decision Budget.](#)

[Power Point Presentation 2.20.2020](#)

[Memo Green Lake Hydro](#)

[Memo Relay Control Tech](#)

[Public Works Engineer Position](#)

VII. PERSONS TO BE HEARD:

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

VIII. EXECUTIVE SESSION

Not anticipated.

IX. ADJOURNMENT

Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. Assembly meetings are aired live on KCAW FM 104.7 and via video streaming from the City's website. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

Sara Peterson, MMC, Municipal Clerk

Publish: February 18



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 20-06 **Version:** 1 **Name:**

Type: Ordinance **Status:** AGENDA READY

File created: 2/6/2020 **In control:** City and Borough Assembly

On agenda: 2/20/2020 **Final action:**

Title: Making supplemental appropriations for Fiscal Year 2020 (Crescent Harbor High Load Dock Project)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2020-06](#)
[Memo Net Shed](#)
[Ord 2020-06.](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2020-06 on second and final reading making supplemental appropriations for Fiscal Year 2020 (Crescent Harbor High Load Dock Project).



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
From: Hugh Bevan, Interim Municipal Administrator *AB 2-17-20*
Date: February 16, 2020
Subject: High Load Dock (Net Shed) Rehabilitation Project

Background

At the February 11, 2020 meeting the Assembly considered Ordinance No. 2020-06 which would appropriate \$500,000 from the Harbor Enterprise Fund for the purpose of making repairs to the Crescent Harbor High Load Dock. Since that meeting additional information has been developed that the Assembly may want to consider.

The dock portion of the facility was originally constructed in the 1960's and the net shed portion of the deck and the building were built in the mid 1980's. With the exception of a roof replacement on the Net Shed in 2015 there have not been any significant upgrades to the facility since it was constructed.

A structural survey of the facility was performed last fall. The results show that four piling are completely rotten, and a substantial portion of the piling cross bracing needs to be replaced. The Engineer recommended closure of a portion of the dock until repairs can be made.

Turnagain Marine is presently working in Crescent Harbor. They have proposed a price to replace the piling and cross bracing, but the work is secondary to the Crescent Harbor project. All piling must be driven before a permit closure date of March 15, 2020.

There is a good chance that Turnagain will not have time before the closure to replace the wooden piles at the High Load dock.

Analysis

The High Load Dock and Net Shed are used by numerous groups to support commercial fishing shoreside work and public gatherings. Limiting the use of the facility by about 50% will be an inconvenience to the public, but a portion of the dock will still be accessible.

The long-range capital plan for the Harbor Fund shows replacement of the High Load dock/Net Shed in 2037 at a cost of \$5.6 million (2020 dollars).

Recent work by Public Works Engineering has revealed a technology that encases piling in a fiberglass jacket and the annular space is filled with epoxy grout. Load testing of this system at

Texas A & M University showed increased strength for the pile. Increased longevity in a saltwater environment is also a likely benefit.

Additionally, we have learned that a local contractor will soon have the capability to do the piling work. If we put the project out to bid later in the year there is a good chance the City will realize a cost savings.

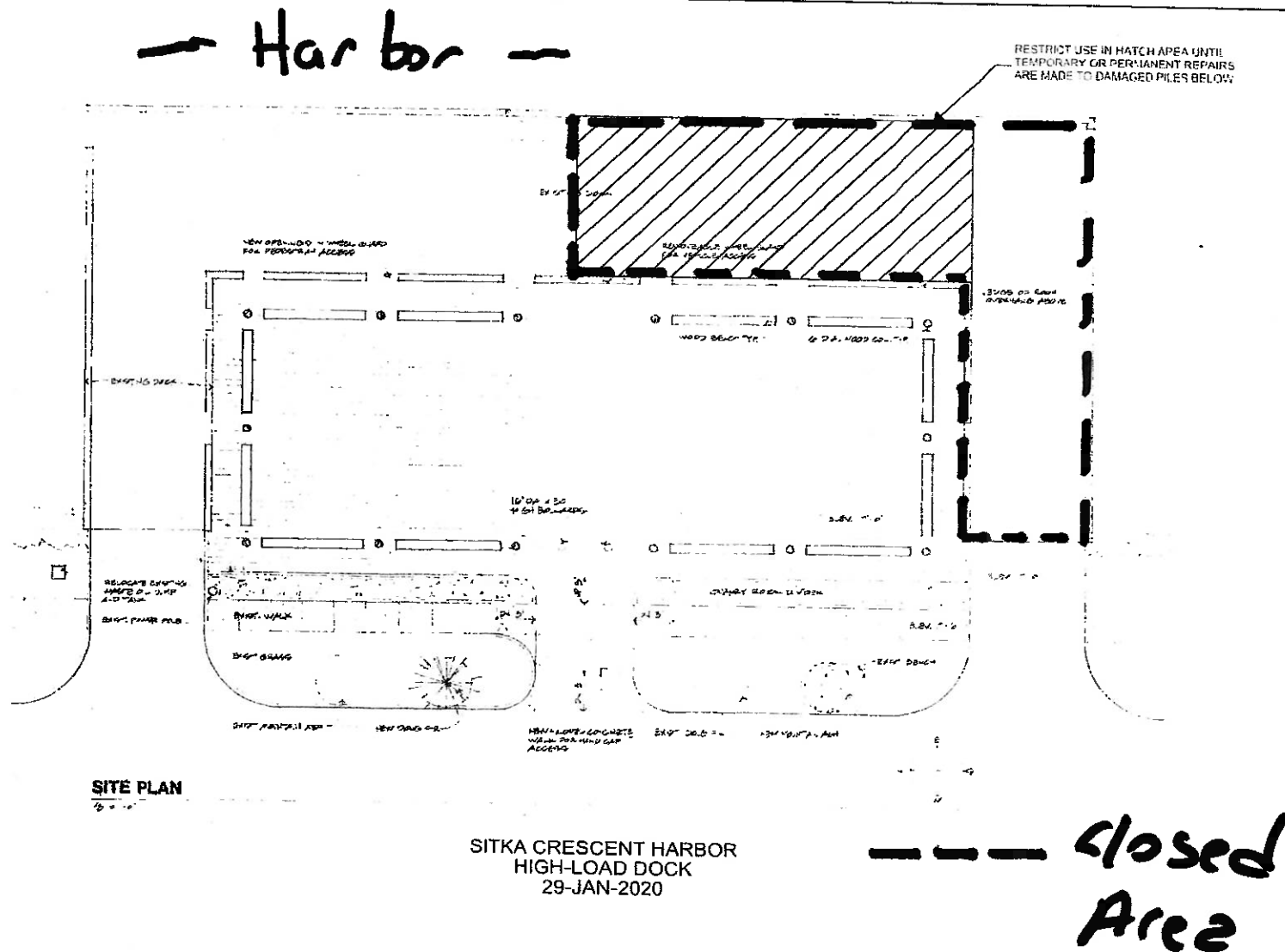
Fiscal Note

If Ordinance No. 2020-06 is defeated by the Assembly, the project should be included in the FY21 Harbor Enterprise Fund budget. This will allow a bid package to be prepared to accomplish the repair work in a timely manner.

Recommendations

1. Delay the High Load Dock Project until later in FY21.
2. Include \$500,000 in the FY21 Harbor Enterprise Fund budget for the project.
3. Develop a bid package to promote competition and a lower bid.
4. Close a portion of the facility to public access in accordance with the attached drawing until repairs are completed.

Figure 1



RESTRICT USE IN HATCH AREA UNTIL
TEMPORARY OR PERMANENT REPAIRS
ARE MADE TO DAMAGED PILES BELOW:

SITE PLAN

SITKA CRESCENT HARBOR
HIGH-LOAD DOCK
29-JAN-2020

--- closed Area

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-06
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2020
(Crescent Harbor High Load Dock Project)

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

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

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

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental capital appropriation for FY2020.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2019 and ending June 30, 2020.

:

<u>FISCAL YEAR 2020 EXPENDITURE BUDGETS</u>
CAPITAL PROJECTS
Fund 750 - Crescent Harbor High Load Dock Project: Increase appropriations in the amount of \$500,000 to make necessary repairs to the Crescent Harbor high load dock. These funds will come from the Harbor Fund working capital.

EXPLANATION

This supplemental appropriation is to make critical repairs to the high load dock at Crescent Harbor, taking advantage of the permit that is already open for the replacement of the wooden floats at Crescent Harbor.

Total supplemental appropriations to date for the Harbor Fund in FY2020 totals 20,000. Increases of operating budgets in the amount of \$21,570.23, to comply with Charter provisions pertaining to non-lapsing of encumbered funds at the end of a fiscal year ("Year-end soft close"), are not included in this amount.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 20th Day of February 2020.

ATTEST:

Steven Eisenbeisz, Deputy Mayor

Sara Peterson, MMC
Municipal Clerk

1st reading 2/11/2020
2nd and final reading 2/20/2020



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-046 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 2/18/2020 In control: City and Borough Assembly

On agenda: 2/20/2020 Final action:

Title: Discussion / Direction / Decision for the FY2021 Municipal Budget with focus on Enterprise Funds, Internal Service Funds, and specific decision points

Sponsors:

Indexes:

Code sections:

Attachments: [Discussion Direction Decision Budget.](#)
[Power Point Presentation 2.20.2020](#)
[Memo Green Lake Hydro](#)
[Memo Relay Control Tech](#)
[Public Works Engineer Position](#)

Date	Ver.	Action By	Action	Result
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Discussion / Direction / Decision for the FY2021
Municipal Budget with focus on Enterprise Funds,
Internal Service Funds, and specific decision points.



An aerial photograph of a large concrete dam with water cascading over its spillways. The surrounding landscape includes green hills and a reservoir. The text is overlaid on a semi-transparent white rectangle in the upper left portion of the image.

Special Budget Meeting

Enterprise and Internal Service Funds

February 20, 2020

FY2021 Budget Process

February 20

Focus on capital projects and fixed assets

February 27

Budget book goes out

March 5

Focus on General Fund

March 19

Focus on enterprise and internal service funds

April 2

Revisit all funds for any final changes

April 14 & 28

First and second reading of budget ordinances

Electric Fund—Budget, Capital, and Debt

IMPACT OF FY2021 BUDGET ON WORKING CAPITAL

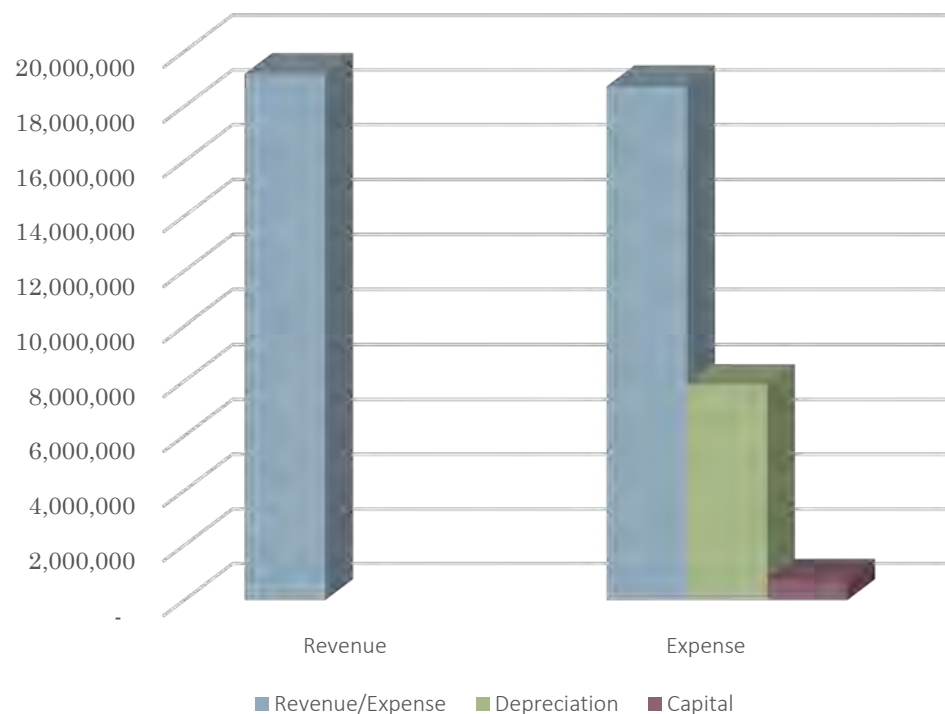
Total Revenue	19,175,808
Expense (w/principal)	18,720,144
Transfers out for Capital	730,000
Change in working capital	(274,336)

Depreciation	7,849,191
Surplus/(deficit) w/ depr.	(8,123,527)

Capital projects

Feeder Improvements	\$500,000
Island Improvements	\$60,000
Meter Replacement/Upgrade	\$95,000
Harbor Meters	\$75,000
Green Lake Overhaul Phase I	\$3,000,000

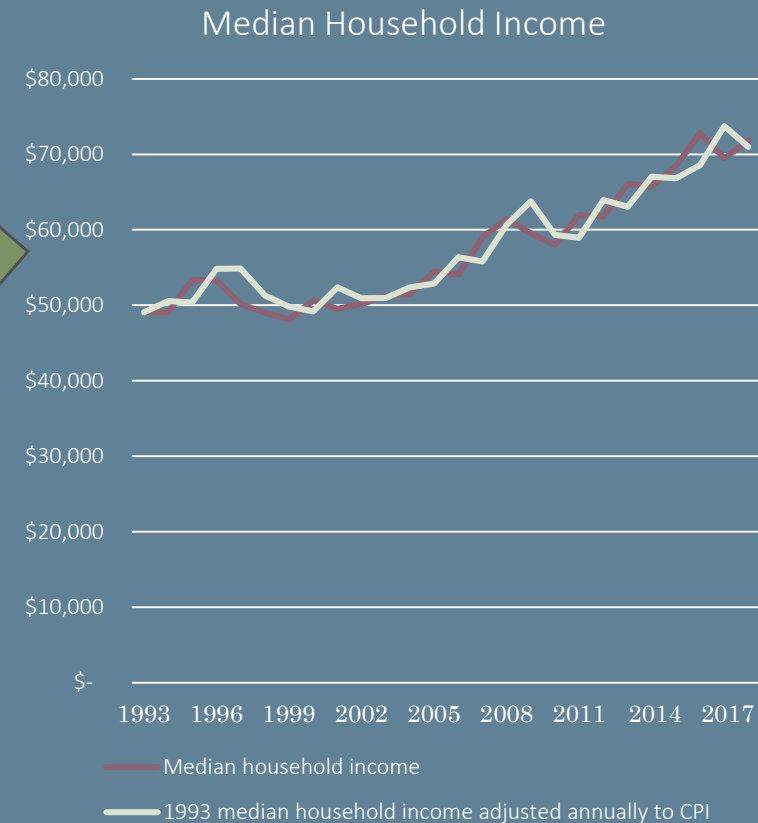
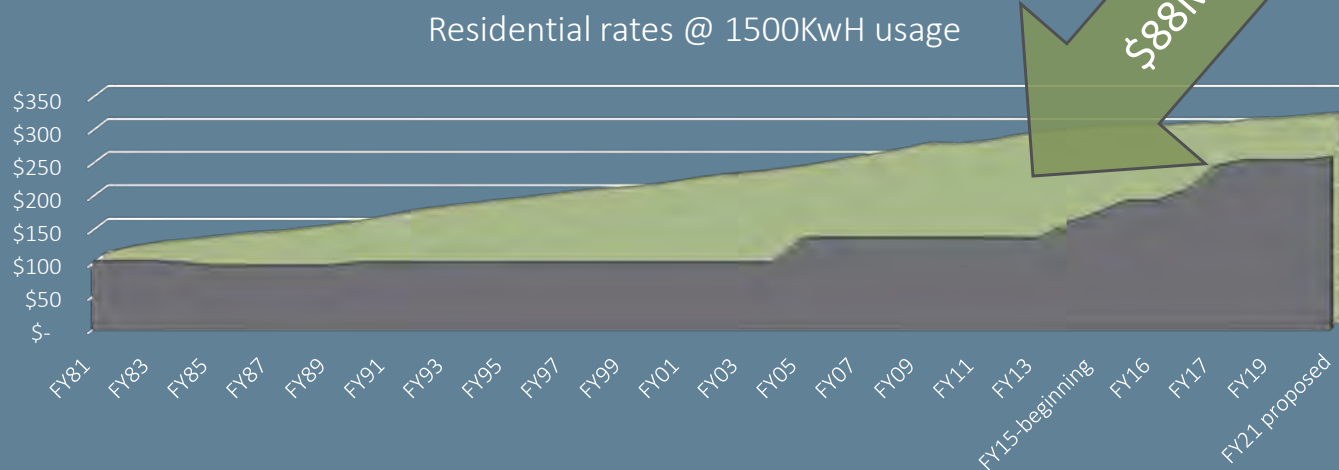
NEW DEBT: \$3,000,000 USDA Rural Development Loan



Available Working Capital
as of end of FY19:
\$1.4 million

Electric Fund FY2021 rate increase—2%

- Monthly increase for average user
 - Winter (1119 Kwh/month): **\$3.04** (includes sales tax)
 - Summer (745 Kwh/month): **\$3.20** (includes sales tax)
- TOTAL ANNUAL IMPACT OF RATE INCREASE **\$37.44**



Electric Fund decision points *(make changes via motion)*

- Approve additional Relay Control Technician for two-year training period to ensure critical transition (currently in budget)
- Approve seeking low interest \$3,000,000 USDA rural development loan (debt service currently in Electric Fund budget)
- Does the General Fund subsidize the Electric Fund to cover debt service for a period of time
- Any changes to *status quo* proposed operating plan
- Other direction from Assembly (via motion)



Water Fund—Budget, Capital, and Debt

IMPACT OF FY2021 BUDGET ON WORKING CAPITAL

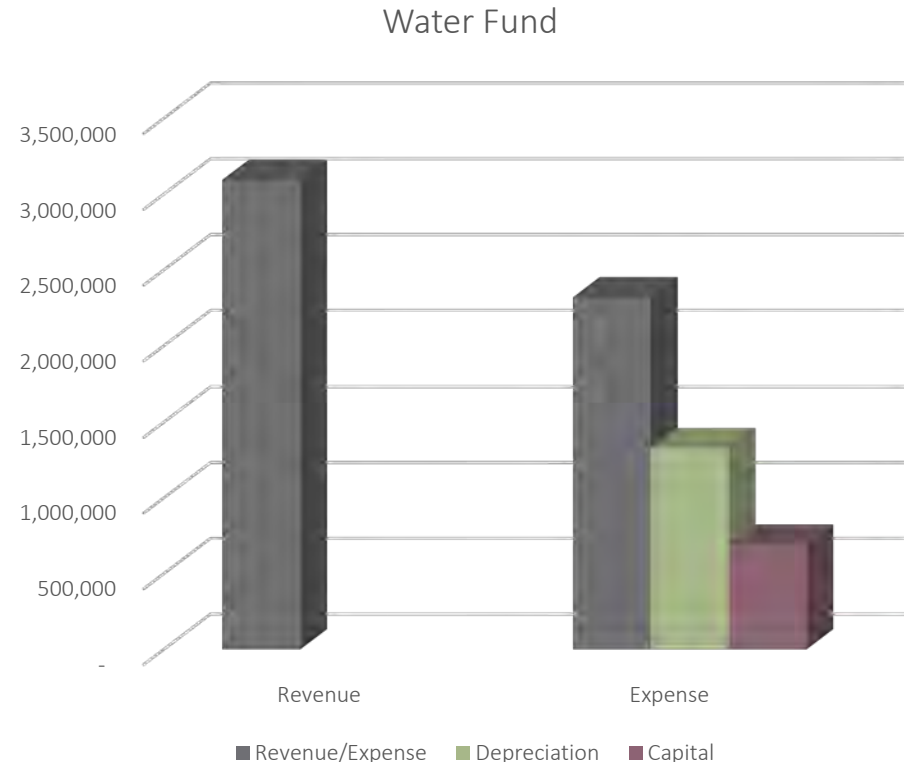
Total Revenue	3,093,675
Expense (w/principal)	2,319,609
Transfers out for Capital	690,000
Change in working capital	84,066

Depreciation	1,327,206
Surplus/(deficit) w/ depr.	(1,243,140)

Capital projects

Water Tanks - Interior Condition assessment/ exterior painting	\$40,000
Transmission Main Condition Assessment	\$150,000
Blue Lake Slope Stabilization	\$500,000

NO NEW DEBT

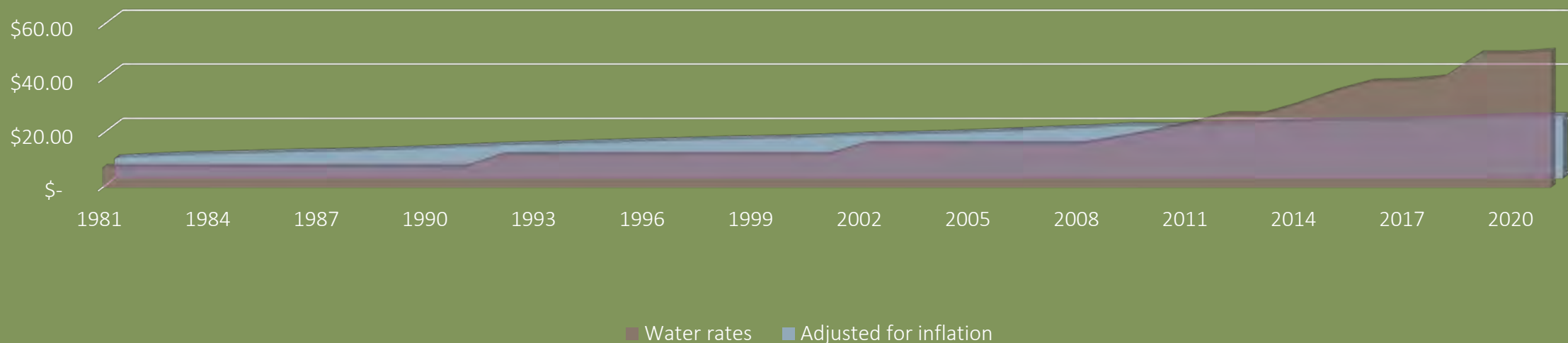


Available Working Capital
as of end of FY19:
\$2.1 million

Water Fund FY2021 rate increase—2%

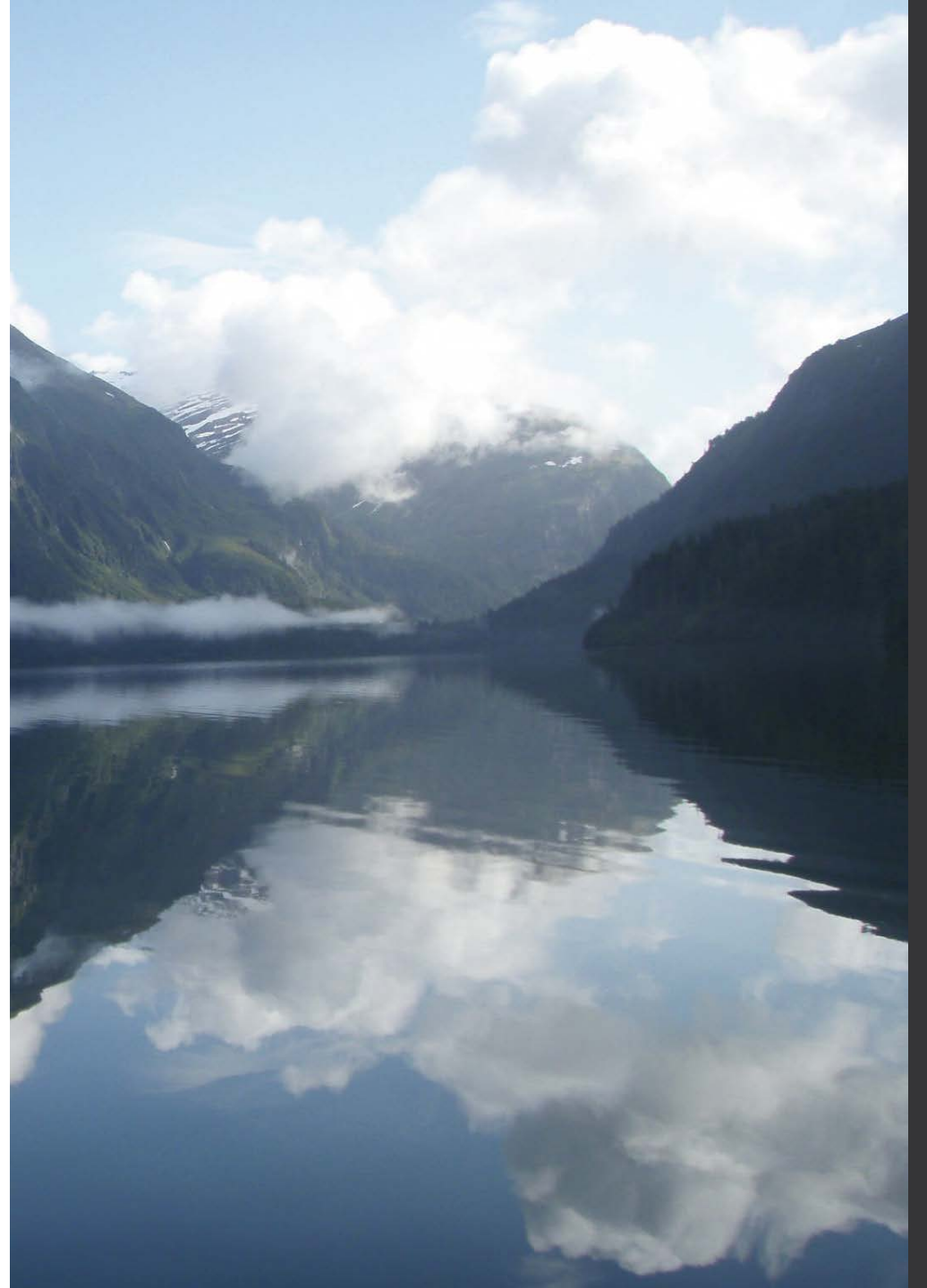
- Monthly increase for average user
 - **\$1.04** (includes sales tax)
- **TOTAL ANNUAL IMPACT OF RATE INCREASE \$12.48**

Residential water rates



Water Fund decision points *(make changes via motion)*

- Any changes to FY2021 proposed capital projects
- Any changes to *status quo* proposed operating plan
- Other direction from Assembly



Wastewater Fund—Budget, Capital, and Debt

IMPACT OF FY2021 BUDGET ON WORKING CAPITAL

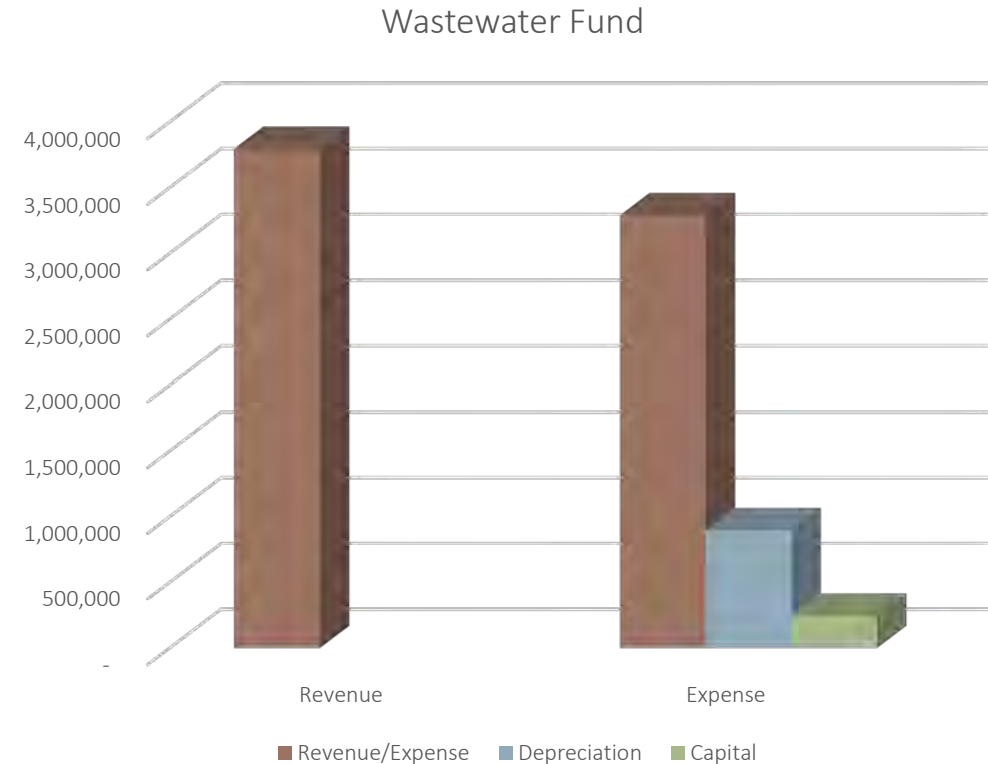
Total Revenue	3,794,511
Expense (w/principal)	3,288,331
Transfers out for Capital	245,000
Change in working capital	261,180

Depreciation	895,228
Surplus/(deficit) w/ depr.	(634,048)

Capital projects

WWTP Blower Manifold Assessment/Des	\$60,000
Lincoln Street Lift Station Valve Replacement	\$55,000
WWTP Clarifier Drive Replacement	\$55,000
Thomsen Harbor Lift Station Rehabilitation	\$75,000

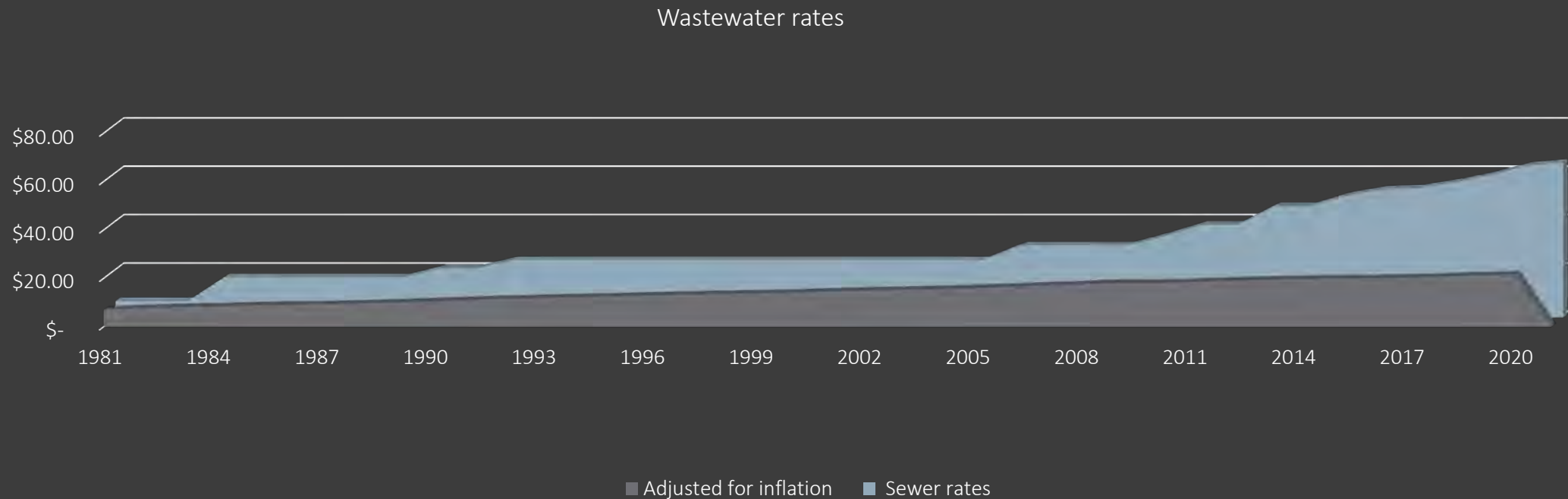
NO NEW DEBT



Available Working Capital
as of end of FY19:
\$5.0 million

Wastewater Fund FY2021 rate increase— 2%

- Monthly increase for average user
 - \$1.32 (includes sales tax)
- TOTAL ANNUAL IMPACT OF RATE INCREASE **\$15.84**



Wastewater Fund decision points *(make changes via motion)*

- Any changes to FY2021 proposed capital projects
- Any changes to *status quo* proposed operating plan
- Other direction from Assembly



Solid Waste Fund—Budget, Capital, and Debt

IMPACT OF FY2021 BUDGET ON WORKING CAPITAL

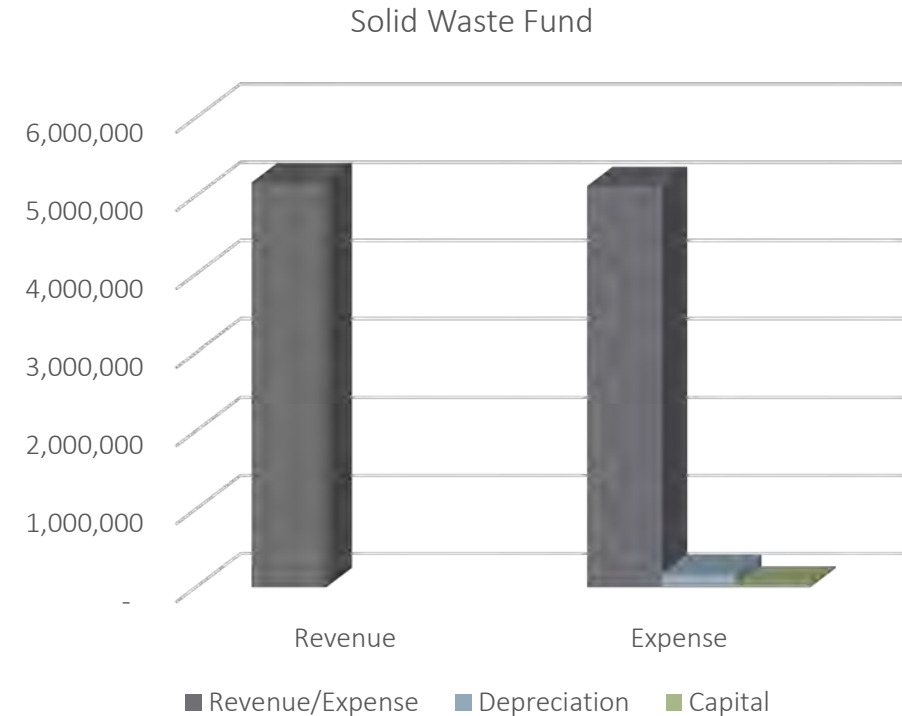
Total Revenue	5,171,424
Expense (w/principal)	5,123,722
Transfers out for Capital	18,500
Change in working capital	29,202

Depreciation	168,690
Surplus/(deficit) w/ depr.	(139,488)

Capital projects

Scrap Yard Tank Circular Concrete Structure Repairs	\$8,500
Transfer Station lighting	\$10,000

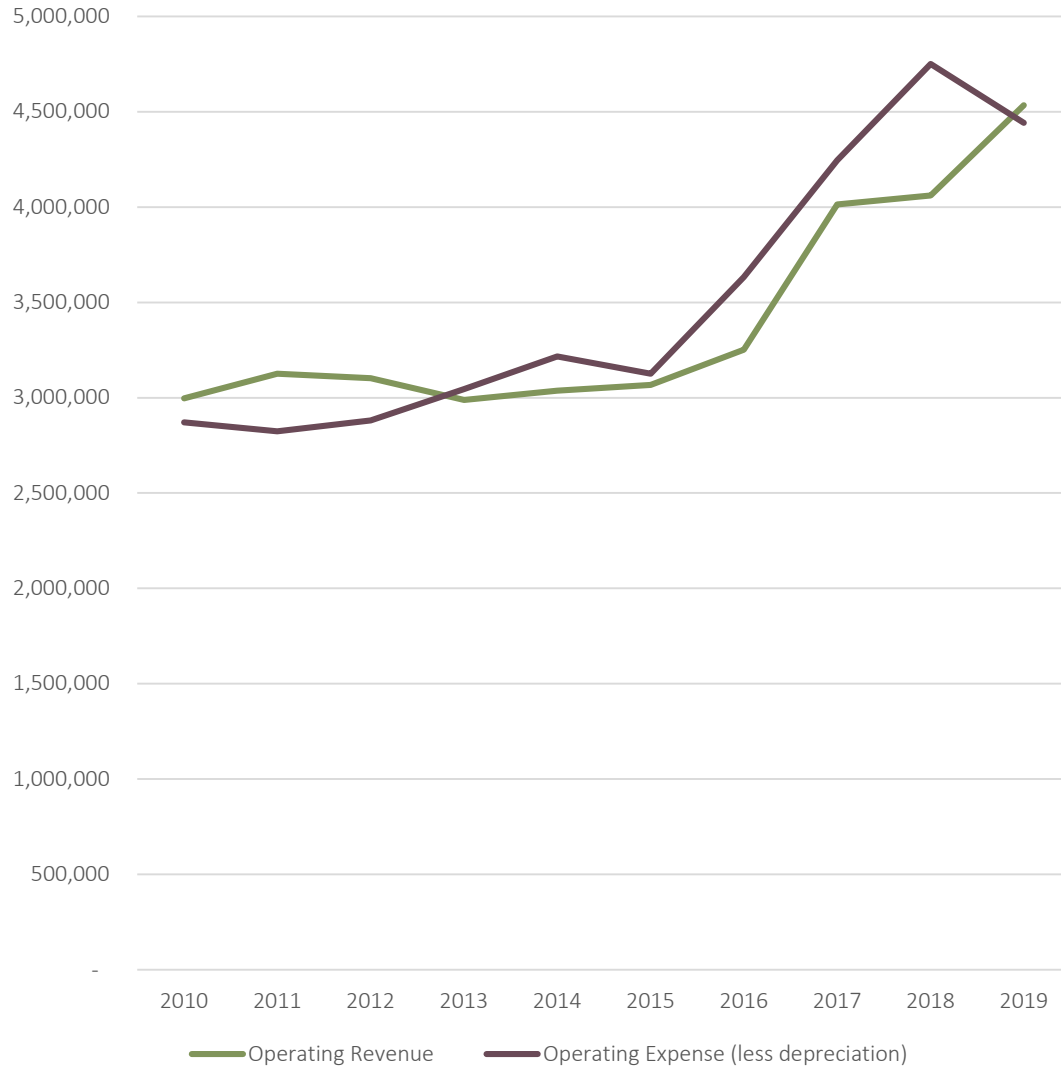
NO NEW DEBT



Available Working Capital
as of end of FY19:

\$-1.8 million

Solid Waste Operating Revenue vs. Expense



Solid Waste Fund FY2021 rate increase—**5.5%**

- Monthly increase for average user
 - **\$3.40** (includes sales tax)
- ANNUAL IMPACT OF RATE INCREASE **\$40.80**
- **Driven by operating costs**

Solid Waste Fund decision points *(make changes via motion)*

- Any changes to FY2021 proposed capital projects
- Any changes to *status quo* proposed operating plan
- Other direction from Assembly



Harbor Fund—Budget, Capital, and Debt

IMPACT OF FY2021 BUDGET ON WORKING CAPITAL

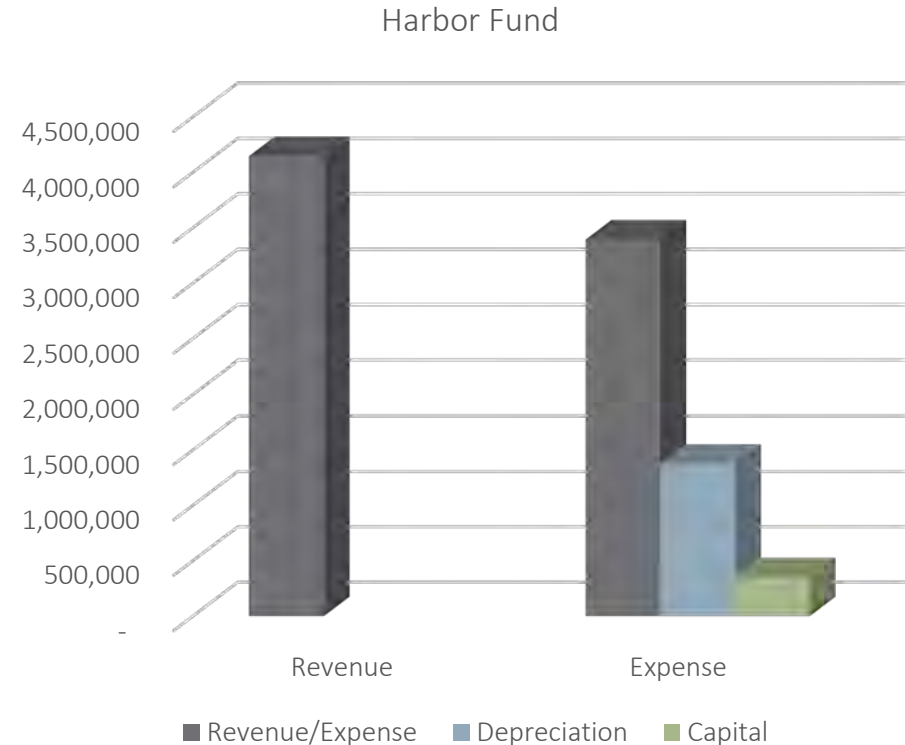
Total Revenue	4,145,523
Expense (w/principal)	3,392,534
Transfers out for Capital	350,000
Change in working capital	402,989

Depreciation	1,373,846
Surplus/(deficit) w/ depr.	(970,857)

Capital projects

Crescent Harbor Lightering Float Repairs	\$300,000
Sealing Cove Upland/Parking Lot Paving Repairs	\$50,000

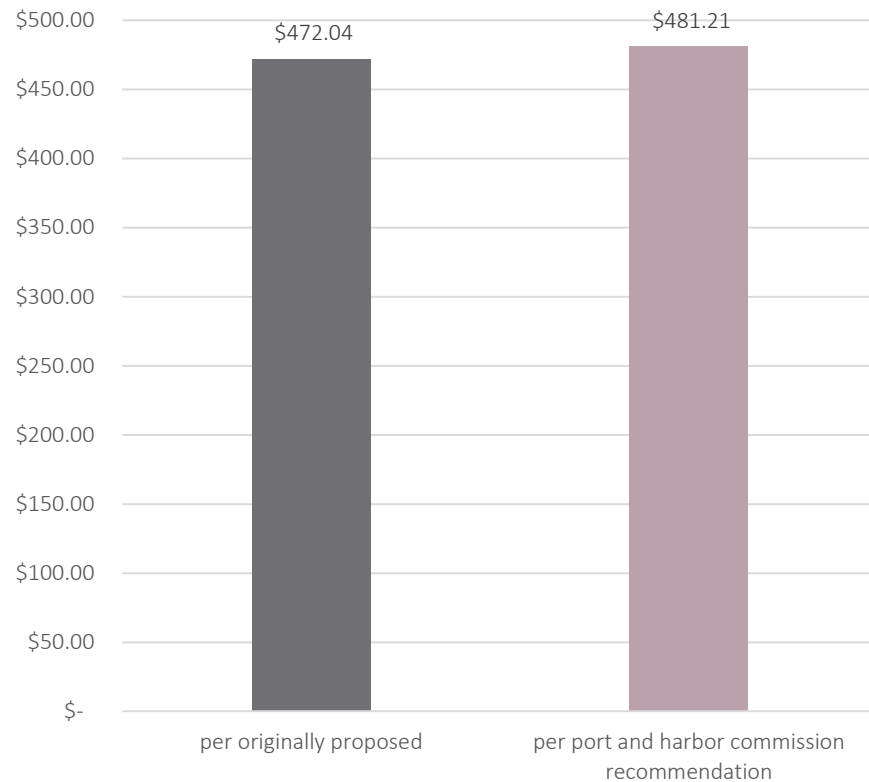
NO NEW DEBT



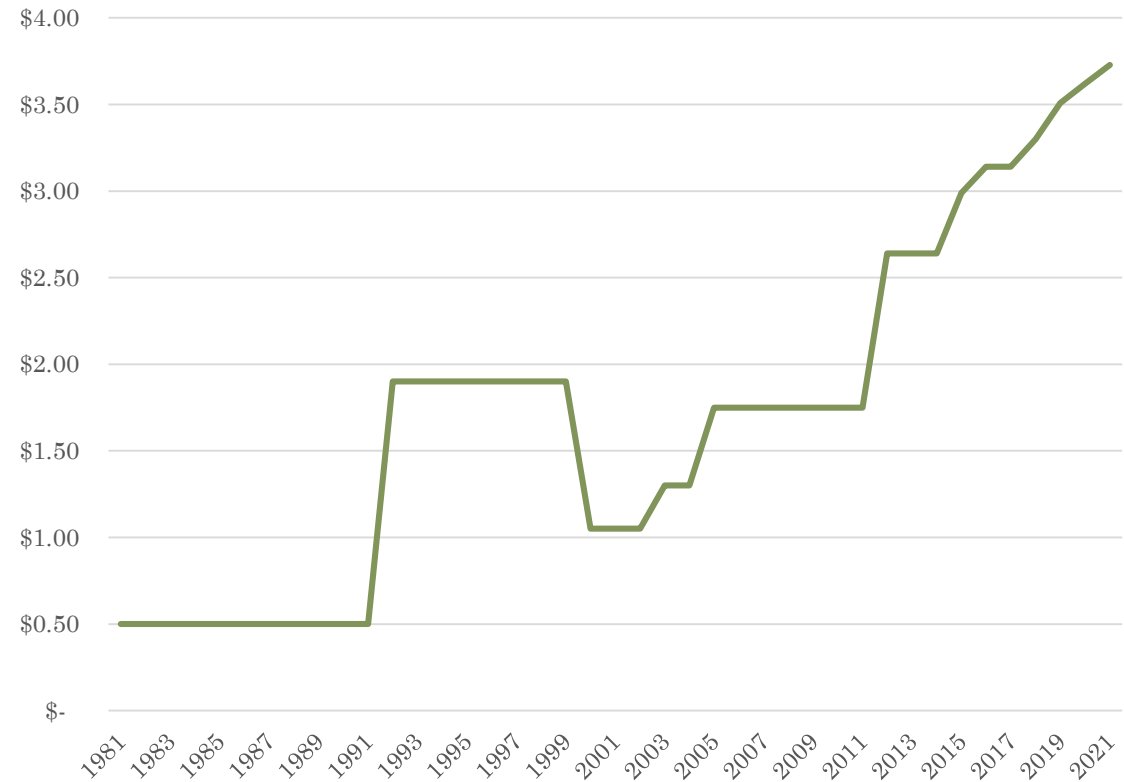
Available Working Capital
as of end of FY19:
\$7.4 million

Harbor Fund FY2021 rate increase—3% ?

Impact on quarterly moorage of 40 ft vessel of proposed FY2021 rates



Historical moorage rates (cost/ft/month)



Harbor Fund decision points *(make changes via motion)*

- If supplemental appropriation for high load dock/net shed does not pass FY2020, it will be added to FY2021 capital
- Which rate does the assembly want to come forward? 3% or 5%?
- Any changes to FY2021 proposed capital projects
- Any changes to *status quo* proposed operating plan
- Other direction from Assembly



	Current		FY2021 Budget		Monthly Increase	Annual increase
Winter (November-April)	<u>Utility Fees</u>	<u>Sales Tax</u>	<u>Utility Fees</u>	<u>Sales Tax</u>	Winter	
Electric (1119KwH)	165.56	8.28	168.46	8.42	3.04	18.24
Water	49.45	2.47	50.44	2.52	1.04	6.24
Wastewater	62.93	3.15	64.19	3.21	1.32	7.92
Solid Waste (96 gallon)	58.97	2.95	62.21	3.11	3.40	20.40
Total bill		353.76		362.56	8.80	52.80
Summer (May-October)	<u>Utility Fees</u>	<u>Sales Tax</u>	<u>Utility Fees</u>	<u>Sales Tax</u>	Summer	
Electric (745KwH)	173.12	8.66	176.17	8.81	3.20	19.20
Water	49.45	2.47	50.44	2.52	1.04	6.24
Wastewater	62.93	3.15	64.19	3.21	1.32	7.92
Solid Waste (96 gallon)	58.97	2.95	62.21	3.11	3.40	20.40
Total bill		361.70		370.66	8.96	53.76

Impact to
average utility
bill over the
course of a
year:
\$106.56

Moorage: Permanent moorage of 40ft vessel currently \$458.29 per quarter will increase \$13.93 per quarter for a total of \$472.22 (includes average sales tax)

Airport Terminal Fund—Budget, Capital, and Debt

IMPACT OF FY2021 BUDGET ON WORKING CAPITAL

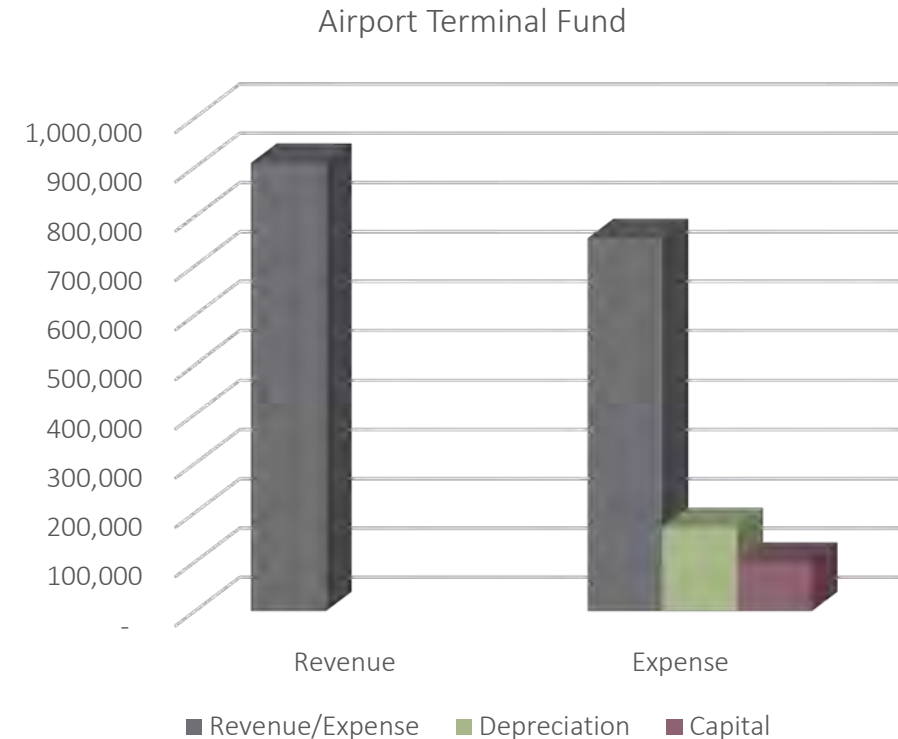
Total Revenue	908,500
Expense (w/principal)	755,682
Transfers out for Capital	100,000
Change in working capital	52,818

Depreciation	170,299
Surplus/(deficit) w/ depr.	(117,481)

Capital projects

Exterior Painting-front and south side \$100,000

NO NEW DEBT



Available Working Capital
as of end of FY19:
\$.8 million

Airport Terminal Fund decision points *(make changes via motion)*

- Any changes to FY2021 proposed capital projects
- Any changes to *status quo* proposed operating plan
- Other direction from Assembly



Marine Service Center Fund—Budget, Capital, and Debt

IMPACT OF FY2021 BUDGET ON WORKING CAPITAL

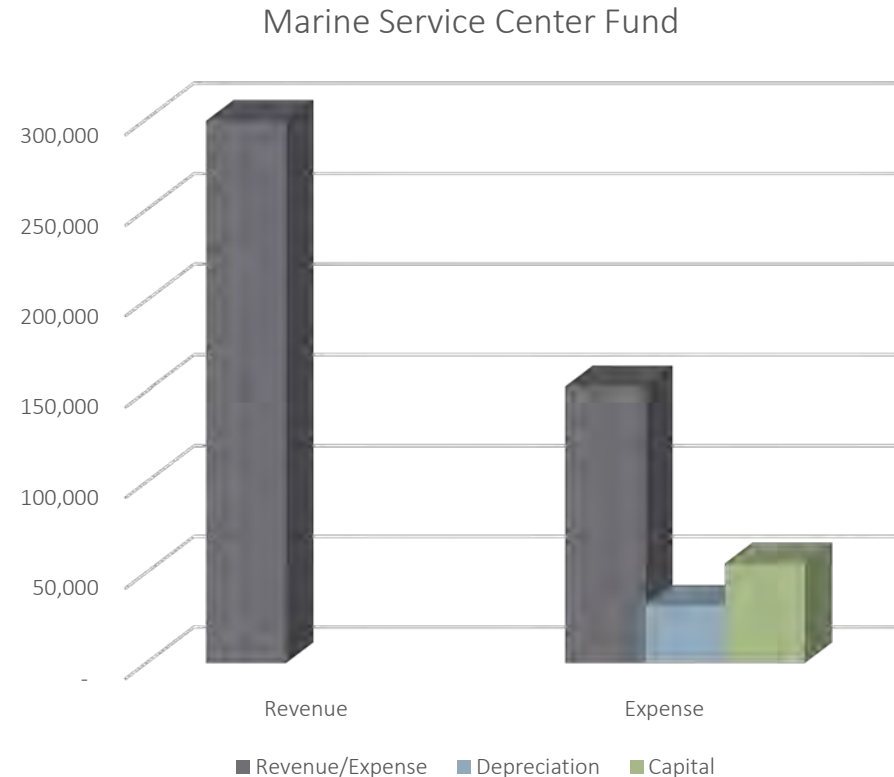
Total Revenue	299,064
Expense (w/principal)	152,469
Transfers out for Capital	55,000
Change in working capital	91,595

Depreciation	31,558
Surplus/(deficit) w/ depr.	60,037

Capital projects

Arctic Door Replacement Egress	\$10,000
Freezer Vestibule Entry Curtains	\$10,000
Replace Loading Dock Bumper	\$15,000
Ramp Transition	\$15,000
Asphalt Patch	\$5,000

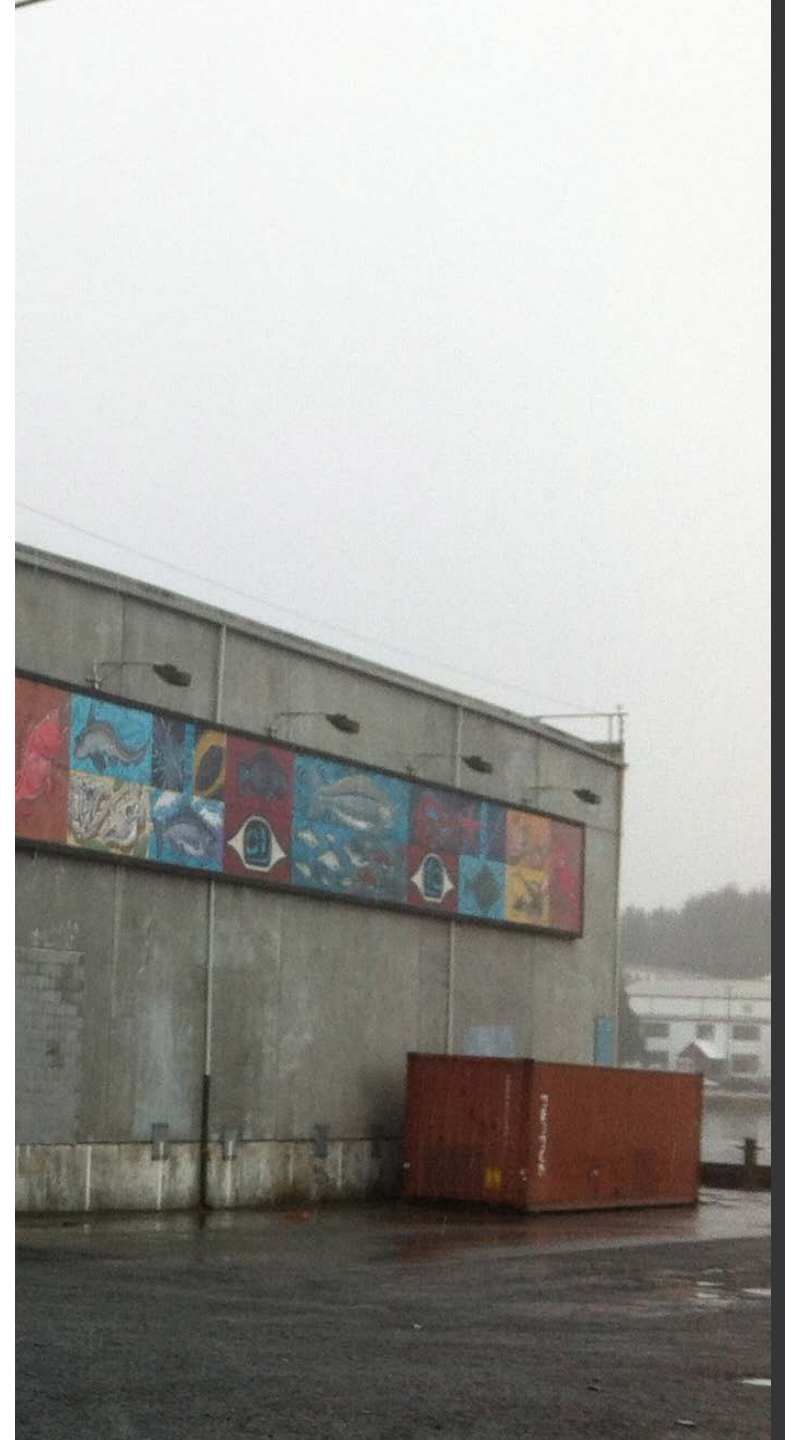
NO NEW DEBT



Available Working Capital
as of end of FY19:
\$2.0 million

Marine Service Center Fund decision points *(make changes via motion)*

- Any changes to FY2021 proposed capital projects
- Any changes to *status quo* proposed operating plan
- Other direction from Assembly



GPIP Fund—Budget, Capital, and Debt

IMPACT OF FY2021 BUDGET ON WORKING CAPITAL

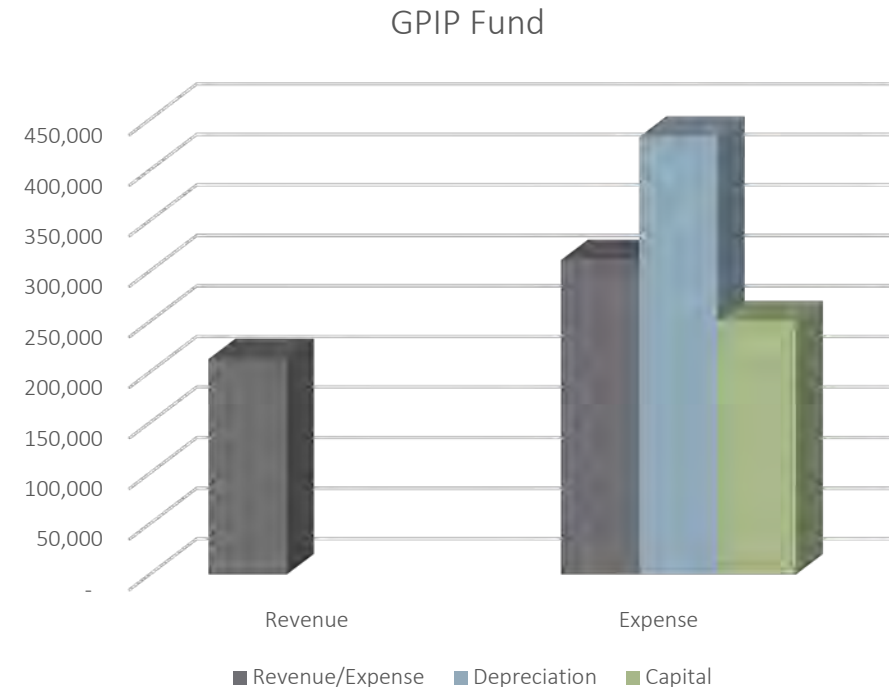
Total Revenue	462,755
Expense (w/principal)	310,775
Transfers out for Capital	250,000
Change in working capital	(98,020)

Depreciation	432,664
Surplus/(deficit) w/ depr.	(530,684)

Capital projects

Fixed crane for GPIP dock \$250,000
(funded via transfer in from Southeast Economic Development Fund)

NO NEW DEBT

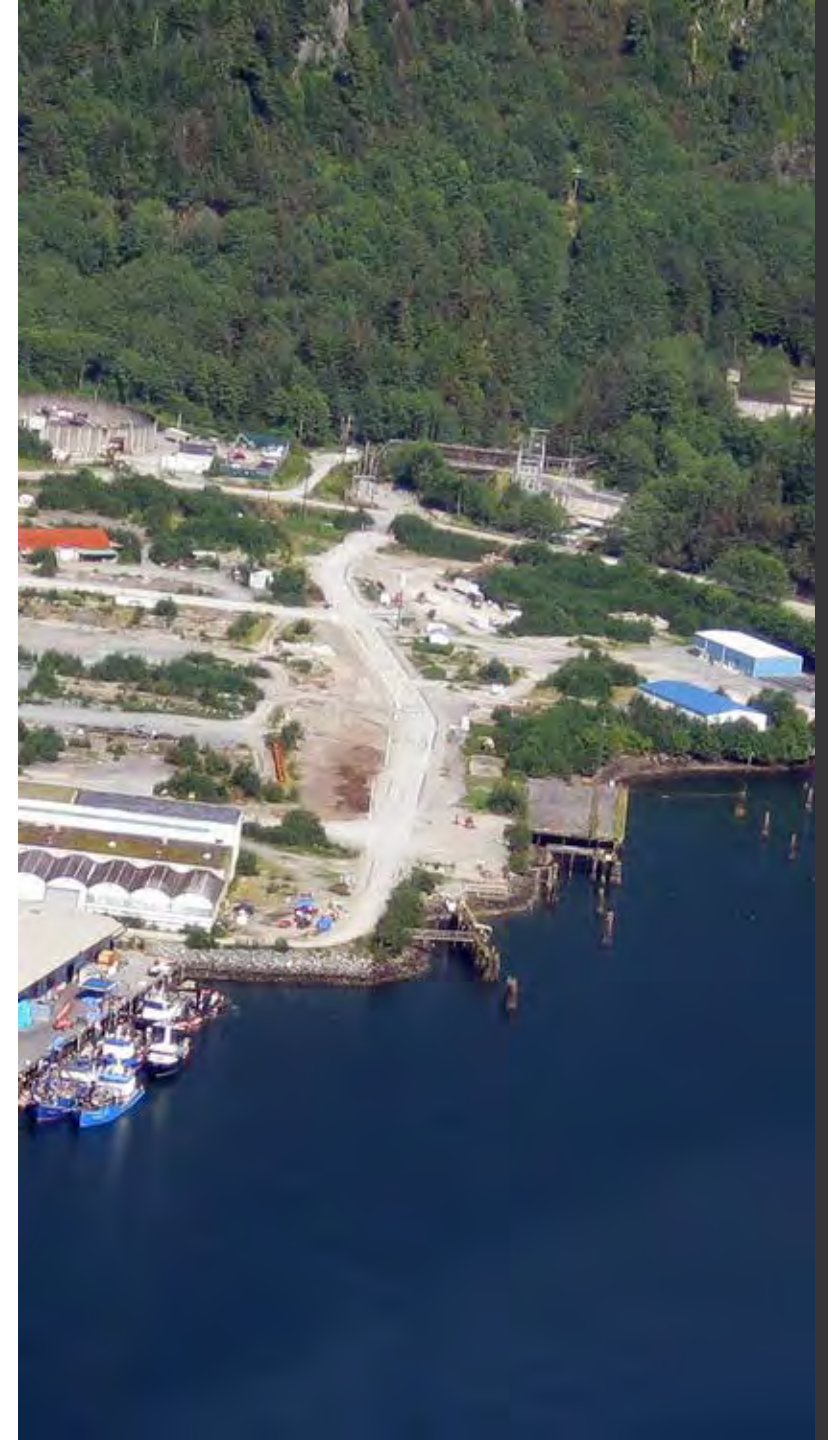


Available Working Capital
as of end of FY19:
\$.5 million

GPIP Fund decision points

(make changes via motion)

- Any changes to FY2021 proposed capital projects/funding sources
- Any changes to *status quo* proposed operating plan
- Other direction from Assembly



General Fund-context for decision on previously discussed items



GENERAL FUND PENDING DECISIONS

DECISIONS MADE TO DATE

Previously presented items that are currently IN preliminary FY2021 budget:

- Community Affairs (grant focus) position
- Asst. Controller position (succession planning)
- Library Director at higher salary

Previously presented items that are currently NOT included in preliminary FY2021 budget:

- Assistant fire chief
- No separate line item for planning for homeless shelter

DIRECTION NEEDED

- Do we keep or eliminate vacant engineer position in Public Works Department? *(eliminating reduces both expense and revenue)*
- Do we add in \$15,000 in signing bonuses for new police officers? *(adding will increase expense)*
- Subsidize debt service of \$185,000 for USDA loan for Electric Fund? *(transfer out already in preliminary budget for general fund, but would increase revenue in Electric Fund)*
- Continue to contract out TV coverage of assembly meetings @ \$9,000/year? *(elimination would reduce expense)*
- Long range infrastructure and financial planning facilitator-decisions around scope-could impact all funds with infrastructure *(more time is needed to define scope-supplemental appropriation recommended)*

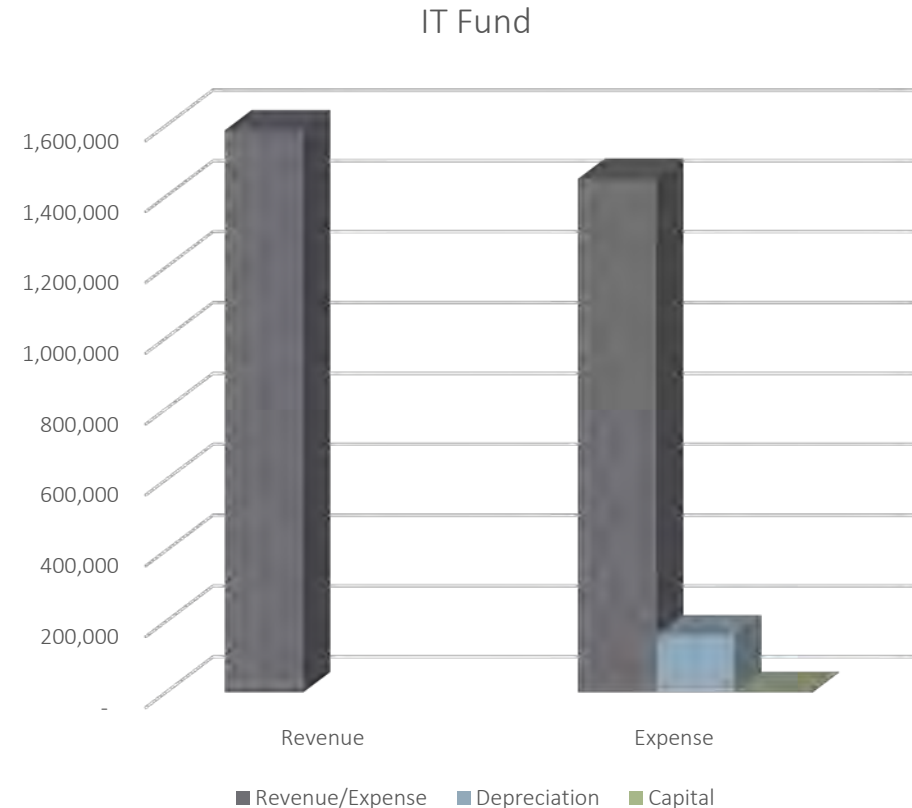
Information Technology Fund—Budget, Capital, and Debt

IMPACT OF FY2021 BUDGET ON WORKING CAPITAL

Total Revenue	1,586,117
Expense (w/principal)	1,449,127
Transfers out for Capital	-
Change in working capital	139,990
Depreciation	159,956
Surplus/(deficit) w/ depr.	(22,966)

Capital projects
none

NO NEW DEBT



Available Working Capital
as of end of FY19:
\$44,000

IT Fund decision points

(make changes via motion)

- Any changes to *status quo* proposed operating plan
- Other direction from Assembly



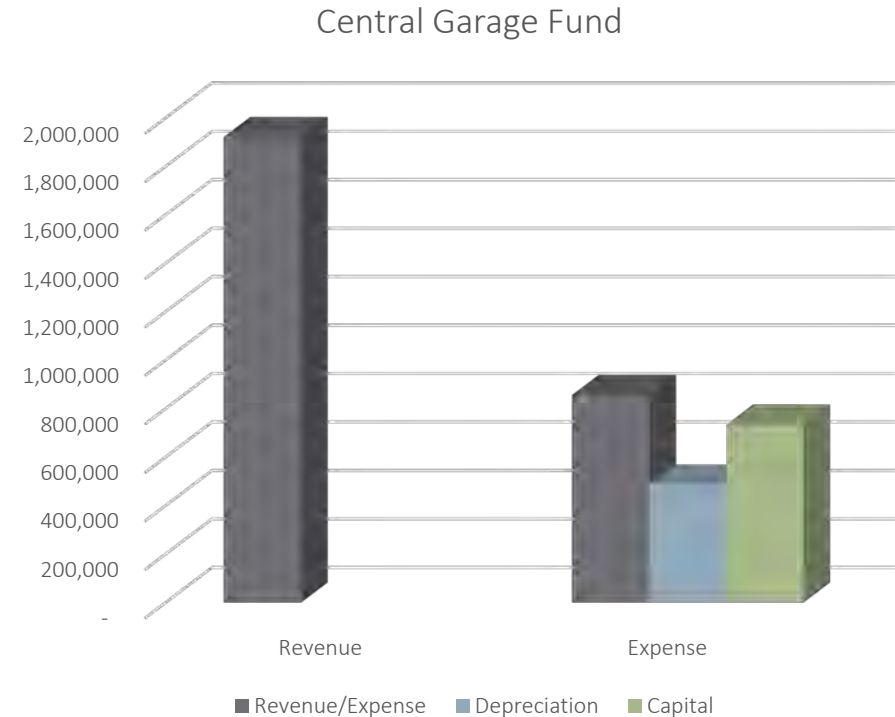
Central Garage Fund—Budget, Capital, and Debt

IMPACT OF FY2021 BUDGET ON WORKING CAPITAL

Total Revenue	1,920,936
Expense (w/principal)	855,885
Transfers out for Capital	733,500
Change in working capital	331,551
Depreciation	486,079
Surplus/(deficit) w/ depr.	(154,528)

Sinking Fund for vehicle replacement \$5.9 million @ end of FY2020

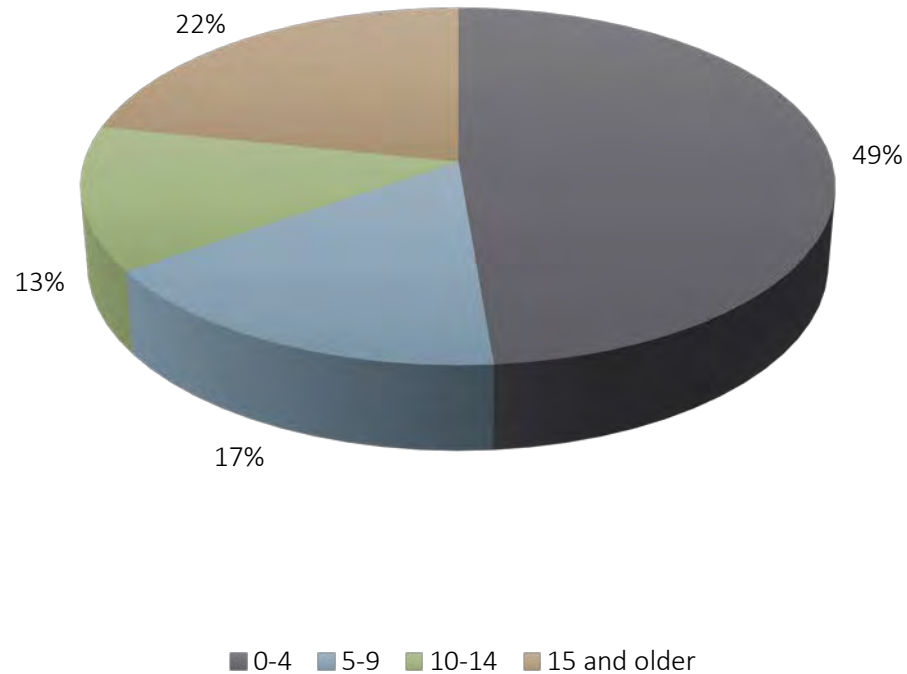
NO NEW DEBT



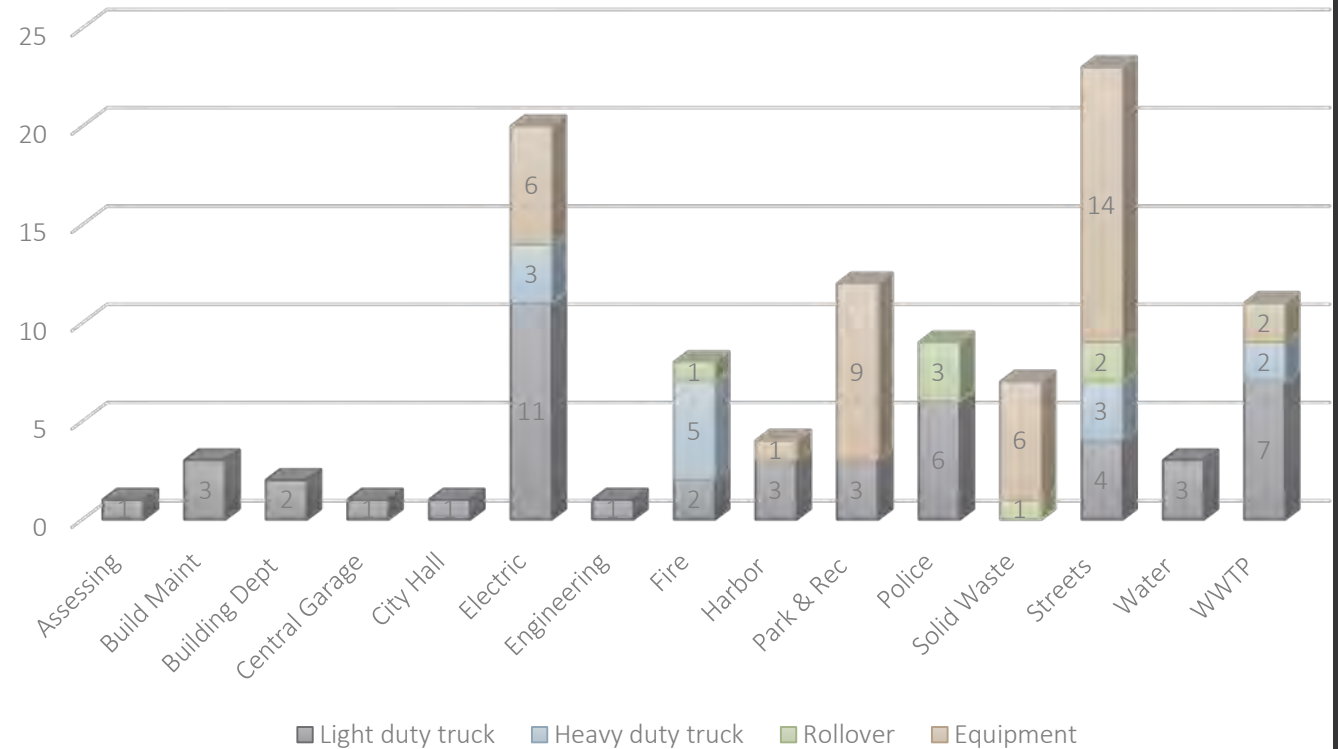
Available Working Capital
as of end of FY19:
\$100,000

Central Garage—Vehicles/Equipment

Age of Fleet



Vehicles/Equipment by budget division
Total Fleet 107



Central Garage—FY2020 Fixed Assets

Lineman Shop Door Replacement	\$25,000
Boom Truck (Electric) Replaces #307	\$375,000 (20+ yrs)
Ford Explorer Interceptor (Police) Replaces #459	\$64,000 (4 yrs)
Ford Ranger Super-cab (Water) Replaces #382	\$44,500 (14 yrs)
<u>Link Belt Track Hoe (Solid Waste) Replaces #372</u>	<u>\$200,000 (14 yrs)</u>
Total	\$708,500

Replacement policy for standard trucks and vehicles (light duty):

- @ 10 years if vehicle has over 100K miles or major maintenance issues
- Or vehicle reaches 15 years, or over 100k miles, or develops major maintenance issue

Police vehicles have shorter lives, heavy duty equipment much longer lives



Central Garage Fund decision points *(make changes via motion)*

- Any changes to *status quo* proposed operating plan
- Any changes to proposed acquisition of vehicles
- Other direction from Assembly



Building Maintenance Fund—Budget, Capital, and Debt

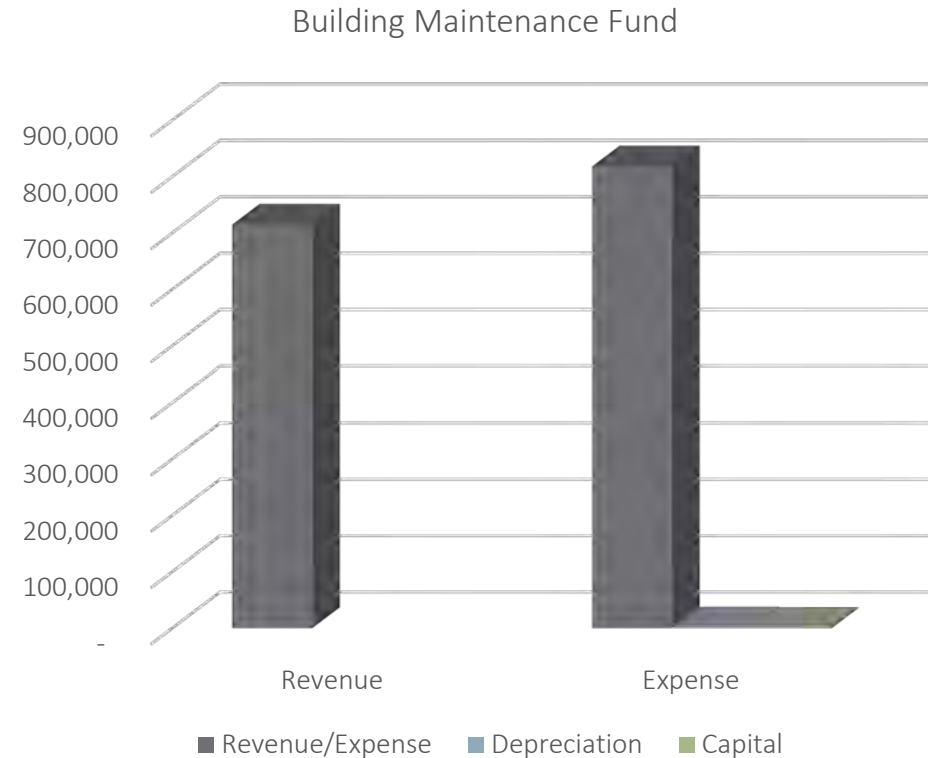
IMPACT OF FY2021 BUDGET ON WORKING CAPITAL

Total Revenue	714,678
Expense (w/principal)	817,890
Transfers out for Capital	-
Change in working capital	(103,212)

Depreciation	880
Surplus/(deficit) w/ depr.	(104,092)

Capital projects
none

NO NEW DEBT



Available Working Capital
as of end of FY19:
\$1.4 million

Building Maintenance Fund decision points *(make changes via motion)*

- New allocation model budgeted with goal to reduce operation losses. The current plan is to stop loss of fund balance over the course of 2 years.
- Any changes to *status quo* proposed operating plan
- Other direction from Assembly





City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
From: Hugh Bevan, Interim Municipal Administrator *HB 2-13-20*
Date: February 13, 2020
Subject: Green Lake Hydroelectric Rehabilitation Phase 1

Background Information

(A formal decision memo and Resolution will be included on your February 25, 2020 regular meeting agenda)

The Green Lake hydro facility has been in operation since 1982 without any comprehensive maintenance upgrades. This facility generates just over half of Sitka's electricity.

In the fall of 2019 the Electric Department completed a three-phase plan to upgrade the facility at a total budget cost of \$13 million. This is not a new-construction project. It is a major maintenance project.

Phase 1 will address the most urgent repairs related to the dam's intake structure, tunnel and penstock. The scope of work and schedule for Phase 1 is attached. The budget cost estimate for Phase 1 is \$5 million.

Phases 2 and 3 will come later and consist of overhauls of the two generation units.

Analysis

Besides completing essential maintenance upgrades Phase 1 work includes internal inspections of the two generation units that is needed to plan for Phases 2 and 3.

The Phase 1 work must be completed during a shut down of the entire power plant. It must also be completed at the lowest lake level of the year to facilitate dewatering of the penstock. The result is a large portion of the work must be completed in the May to June time frame.

It is possible Sitka will have to run diesel generators to supplement Blue Lake power generation during the project, but it is the lowest time of year for electric demand so diesel generation costs should be as low as possible.

The Phase 1 design had been put on hold, but last October I asked our Electric Working Group to re-activate the project and the design is now complete and ready for bidding.

We are very fortunate that former City Electric Department mechanical engineer Dean Orbison is willing to step out of retirement and manage the project. Dean is very familiar with the situation.

Fiscal Note

Funding for Phase 1 will come from two areas: \$2 million from a restructuring of the currently funded projects in the Electric Fund and \$3 million from a US Department of Agriculture, Rural Utility Services loan.

The interest rate for the loan will be around 2 percent, the final rate will be determined when the loan package is accepted by both the Assembly and the USDA. Lately the interest rate has been falling slightly.

Payments on the loan amount to about \$185,000 per year for 20 years.

At the present time we plan to include the loan in the Electric Fund portfolio and make the payments with a direct subsidy from the General Fund in the amount of \$185,000.

The loan application is an extensive process and we have identified an experienced person who we can retain as a consultant to help with the paperwork.

The Assembly will have the option to accept the loan when the package is complete and all details are known.

Attachment

Summary Work Plan for the project

1-17-20

Summary Work Plan Green Lake Hydroelectric Project Rehabilitation – Phase 1

Overview

This document summarizes the City and Borough of Sitka's (CBS) intended plan for the Phase 1 rehabilitation of the Green Lake hydroelectric project, located near Sitka, Alaska. The Green Lake Project has been in operation since 1982 with no comprehensive repairs to date.

The rehabilitation will proceed in three phases, with Phase 1 addressing the most urgent repair needs related to the Project's dam intake structure, tunnel and penstock. Rehabilitation of the two generating units at the project is less urgent and would be completed later in Phases 2 and 3. However turbine and generator inspections will be included in phase 1 to help define the scope of work for phases 2 and 3.

Work at the dam and intake requires low lake levels and therefore must be scheduled in the spring. Consequently, the proposed major work tasks are planned as follows:

Milestone Schedule

January 2020 – Finalize design of the Phase 1 Construction Contract (complete December 2019)

Summer 2020 – Advertise for construction contract bids

Fall 2020 – Award construction contract

Winter 2020 – Contractor prepares shop drawings, purchases materials. CBS manages reservoirs in preparation for the work

March - April 2021 – Contractor mobilizes to the Green Lake project site

April 1, 2021 – Start of reservoir trash clearing and construction

April 16, 2021 – Shutdown of powerhouse operation, drain tunnel, start major construction effort

April – August 2021 – Site construction at dam, intake, tunnel, penstock and powerhouse

June 26 2021 – Substantial completion of work, power generation resumes

September 2021 – Final completion of Phase 1 contract.

Major Work Tasks

Painting of the project intake gate, intake trashrack, steel penstocks and related equipment is possibly the largest single task in the Phase 1 project. Painting of the penstocks will be carried out in place. The gates and trashrack will be removed to a temporary painting structure for blast cleaning and painting, before being re-installed.

Renewals of gates, valves, and piping is the second major task of the project. This includes removal, disassembly, cleaning, painting of the equipment, along with replacement of seals, bearings, gaskets and broken or inoperable components. The tunnel intake gate, gate hoist, trashrack, and turbine inlet valves will be rehabilitated in this manner. Much of the service water piping and valves in the powerhouse will be replaced. New penstock lift-out sections will be added in the powerhouse at each turbine unit. These new removable sections will allow future single-unit repairs of the turbine-generators without a complete shutdown of the powerplant.

Details of the technical work scope are provided in the attached specification section for the Phase 1 construction contract, Section 01 10 00 – Summary of Work.



Memorandum

February 3rd, 2020

To: City and Borough of Sitka Assembly
Through Hugh Bevan, Interim Municipal Administrator

HB 2-18-20

From: Jeff Wheeler, Interim Utility Director

Subject: Hire of Relay/Control Technician

Request

The City and Borough of Sitka Electric Department requests the hire of a Relay/Control Technician to provide for a succession plan that addresses the replacement of experienced personnel and to assist with the installation, commissioning, and maintenance of Marine Street Substation and all other Electric Department facilities associated with the job title.

Purpose:

This request addresses the needs of the Electric Department by insuring that our system will have the necessary personnel available on a continuing basis to maintain all of our electric system components in planning now for upcoming retirements. This request also strengthens our ability to provide for the enduring reliable supply of hydroelectric energy to our community.

Background:

The Electric Department currently has two Relay/Control Technicians to install and maintain electrical components that control the operation of infrastructure assets worth in excess of well over 300 million dollars and growing. The two current employees have over forty years of combined electric system knowledge and are permitted under Alaska Department of Labor law to assist our other critical skills employees (Line Crew) during the installation and maintenance of energized or de-energized system infrastructure. A succession plan was talked about for several years by the past Director but was never implemented. Hugh and I have discussed the need for a succession plan as well as a reorganization in the department to accomplish this goal without additional operating costs. Retirement date for current employee: July 1, 2022

Recommendation:

Recommend Assembly approve the hire of a Relay/Control Technician to support and improve system reliability and to assure a steadfast succession plan that will include the efficient transfer of system knowledge to the next generation of critical skills employees.

Hugh Bevan

From: Hugh Bevan
Sent: Wednesday, February 19, 2020 7:19 AM
To: Assembly; Sara Peterson
Cc: Michael Harmon; Cliff Richter
Subject: Impacts of not funding the Public Works Engineer position
Attachments: FY21.7-Year CIP execution plan.cmr.021820.pdf

Good morning Assembly,

I want to send you this information in advance of tomorrow evening's budget meeting.

Attached is a 6 year plan that shows the delay of projects that may occur if the vacant Public Works Engineer position is not filled.

Reducing staff has implications such as this, but ultimately it is the Assembly's decision to increase staff to perform more work.

I will have this information at the meeting tomorrow evening for the public to review as well.

Hugh

CITY & BOROUGH OF SITKA PUBLIC WORKS - CIP Execution Plan UPDATED 02/18/20 by CMR

Calendar Year	Project Manager	Project Name	Value of Work	Status
2020	PM1	Cross Trail Phase 6	1,347,869	Construction underway w/ Fall 2021 completion
	PM1	Sea Walk Phase 2	275,000	Scoping, Planning and Design 2020
Year 1	PM1	CBS Standard Specifications Revisions	50,000	CBSSS re-write 2020/2021
	PM1	Crescent Harbor High Load Dock/Net Shet/Lightering Facility	700,000	Design & Construction 2020
	PM1	Thomsen Harbor Anodes Replacement	460,000	Design & Construction 2020
	PM1	Nelson Logging Road Upgrades	2,343,000	Construction closeout and remaining owner improvements
	PM1	Various Bldg & Facility Maintenance Projects	200,000	Bidding Assistance
		<i>Subtotal</i>	<u>5,375,869</u>	
	PM2	Eagle/Brady/Channel Lift Station Rehabilitation	1,235,000	Design & Construction 2020
	PM2	Critical Secondary Water Supply	2,800,000	Design 2020 & Construction 2020/2021
	PM2	Japonski Island Force Main Assessment	250,000	Assessment/Planning Only 2020
	PM2	Gavan Hill Landslide Study	75,000	Planning Only 2020
	PM2	Crescent Harbor Float Reconstruction - Phase 1	14,000,000	Construction 2020
	PM2	Peterson Storm Sewer Rehabilitation Project	1,000,000	Design & Construction 2020
	PM2	Wachusett Storm Sewer Rehabilitation Project	45,000	Design Only 2020, Construction TBD
		<i>Subtotal</i>	<u>21,205,000</u>	
	PM3	WWTP Rehabilitation	5,000,000	Construction 2020/2021
	PM3	Sitka Seaplane Base	700,000	EA & Planning Phase 2020, Design 2021
	PM3	SIT Airport Terminal Improvements - Phase 1	500,000	Design 2020/2021, Construction 2022/2023
		<i>Subtotal</i>	<u>6,200,000</u>	
Year 2020 Project Totals (3 PM's)			\$ 32,780,869	

Delayed Projects

Delayed Since	Projects delayed as a result of PW-Engineering projected staffing levels (assumes 3 Project Managers)	Total Project Cost
2020	City Hall HVAC Controls Upgrade	500,000
2020	Police Dept. - HVAC System Upgrades	500,000
2020	Lincoln Street Paving (Harbor Way to Harbor Drive)	1,800,000
2020	Kimsham Landfill Drainage Compliance	300,000
2020	Expansion of Biosolids Disposal Area	1,000,000
2020	Wachusett Storm Sewer Rehabilitation Project	500,000
Estimated Total Cost of Delayed Projects		\$ 4,600,000

CITY & BOROUGH OF SITKA PUBLIC WORKS - CIP Execution Plan UPDATED 02/18/20 by CMR

Calendar Year	Project Manager	Project Name	Value of Work	Status
2021	PM1	Cross Trail Phase 6	1,000,000	Construction Completion 2021
Year 2	PM1	Sea Walk Phase 2	1,560,000	Design & Construction 2021
	PM1	CBS Standard Specifications Revisions	23,000	CBSSS re-write (finalize) 2021
	PM1	GPIP Haul Out	4,000,000	Design 2021 & Construction 2021/2022
	PM1	Various Bldg & Facility Maintenance Projects	200,000	Bidding Assistance
		<i>Subtotal</i>	<i>6,783,000</i>	
	PM2	Critical Secondary Water Supply	10,765,000	Construction 2021/2022
	PM2	Knutson Drive Critical Repairs	1,300,000	Design & Construction 2021
		<i>Subtotal</i>	<i>12,065,000</i>	
	PM3	WWTP Rehabilitation	5,000,000	Construction Completion 2021
	PM3	Sitka Seaplane Base	1,700,000	Design 2021/2022, Construction 2022/2023
	PM3	SIT Airport Terminal Improvements - Phase 1	1,000,000	Design 2021, Construction 2022/2023
		<i>Subtotal</i>	<i>7,700,000</i>	
Year 2021 Project Totals (3 PM's)			\$ 26,548,000	

Delayed Projects

Delayed Since	Projects delayed as a result of PW-Engineering projected staffing levels (assumes 3 Project Managers)	Total Project Cost
2020	City Hall HVAC Controls Upgrade	500,000
2020	Police Dept. - HVAC System Upgrades	500,000
2020	Lincoln Street Paving (Harbor Way to Harbor Drive)	1,800,000
2020	Kimsham Landfill Drainage Compliance	300,000
2020	Expansion of Biosolids Disposal Area	1,000,000
2020	Wachusett Storm Sewer Rehabilitation Project	500,000
2021	MSC Bulkhead Wall Repair	10,000,000
2021	FY22 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2021	Brady & Gavan Utility & Street Improvement	910,000
2021	Lincoln Street Paving (Jeff Davis to Harbor Drive)	2,400,000
Estimated Total Cost of Delayed Projects		\$ 19,910,000

CITY & BOROUGH OF SITKA PUBLIC WORKS - CIP Execution Plan UPDATED 02/18/20 by CMR

Calendar Year	Project Manager	Project Name	Project Budget	Status
2022	PM1	Expansion of Biosolids Disposal Area	700,000	Design & Construction 2022/2023
Year 3	PM1	MSC Bulkhead Wall Repair	1,500,000	Design 2022, Construction 2023
	PM1	GPIP Haul Out	4,000,000	Construction Completion 2022
	PM1	Various Bldg & Facility Maintenance Projects	200,000	Bidding Assistance
		<i>Subtotal</i>	<u>6,400,000</u>	
	PM2	Critical Secondary Water Supply	5,000,000	Construction Completion 2022
	PM2	Thomsen Lift Station Rehabilitation	175,000	Design 2022 & Construction 2023
		<i>Subtotal</i>	<u>5,175,000</u>	
	PM3	Sitka Seaplane Base	8,600,000	Design & Construction 2022 & 2023
	PM3	SIT Airport Terminal Improvements - Phase 1	4,500,000	Construction 2022 & 2023
		<i>Subtotal</i>	<u>13,100,000</u>	
Year 2022 Project Total (3 PM's)			\$ 24,675,000	

Delayed Projects

Delayed Since	Projects delayed as a result of PW-Engineering projected staffing levels (assumes 3 Project Managers)	Total Project Cost
2020	City Hall HVAC Controls Upgrade	500,000
2020	Police Dept. - HVAC System Upgrades	500,000
2020	Lincoln Street Paving (Harbor Way to Harbor Drive)	1,800,000
2020	Kimsham Landfill Drainage Compliance	300,000
2020	Wachusett Storm Sewer Rehabilitation Project	500,000
2021	Brady & Gavan Utility & Street Improvement	910,000
2021	Lincoln Street Paving (Jeff Davis to Harbor Drive)	2,400,000
2021	FY22 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2022	Lake Street (DeGroff to Arrowhead) & Hirst Utility & Street Improvements	2,500,000
2022	Fisherman's Work Float Replacement	3,000,000
2022	FY23 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2022	Eliason Harbor Electrical Upgrades/Replacement	1,500,000
Estimated Total Cost of Delayed Projects		\$ 17,910,000

CITY & BOROUGH OF SITKA PUBLIC WORKS - CIP Execution Plan UPDATED 02/18/20 by CMR

Calendar Year	Project Manager	Project Name	Value of Work	Status
2023	PM1	Expansion of Biosolids Disposal Area	300,000	Construction Completion 2023
Year 4	PM1	Eliason Harbor Electrical Upgrades/Replacement	1,500,000	Design & Construction 2023
	PM1	MSC Bulkhead Repair	8,500,000	Construction 2023
	PM1	Various Bldg & Facility Maintenance Projects	200,000	Bidding Assistance
		<i>Subtotal</i>	<i>10,500,000</i>	
	PM2	Blue Lake Slope Stabilization	500,000	Design & Construction 2023
	PM2	Thomsen Lift Station Rehabilitation	1,225,000	Construction 2023
	PM2	Lake Street (DeGroff to Arrowhead) & Hirst Utility & Street Improvements	400,000	Design 2022
		<i>Subtotal</i>	<i>2,125,000</i>	
	PM3	Sitka Seaplane Base	5,000,000	Construction 2023
	PM3	SIT Airport Terminal Improvements - Phase 1	4,000,000	Construction 2023
	PM3	SIT Airport Terminal Improvements - Phase 2	1,500,000	Design 2023 & Construction 2024/2025
		<i>Subtotal</i>	<i>10,500,000</i>	
Year 2023 Project Total (3 PM's)			\$ 23,125,000	

Delayed Projects

Delayed Since	Projects delayed as a result of PW-Engineering projected staffing levels (assumes 3 Project Managers)	Total Project Cost
2020	City Hall HVAC Controls Upgrade	500,000
2020	Police Dept. - HVAC System Upgrades	500,000
2020	Lincoln Street Paving (Harbor Way to Harbor Drive)	1,800,000
2020	Kimsham Landfill Drainage Compliance	300,000
2020	Wachusett Storm Sewer Rehabilitation Project	500,000
2021	Brady & Gavan Utility & Street Improvement	910,000
2021	Lincoln Street Paving (Jeff Davis to Harbor Drive)	2,400,000
2021	FY22 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2022	Fisherman's Work Float Replacement	3,000,000
2022	FY23 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2023	Crescent Harbor Restroom Replacement	300,000
2023	FY24 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2023	Monastery (DeGroff to Arrowhead) & Kinkead Utility & Street Improvements	1,800,000
Estimated Total Cost of Delayed Projects		\$ 18,010,000

CITY & BOROUGH OF SITKA PUBLIC WORKS - CIP Execution Plan UPDATED 02/18/20 by CMR

Calendar Year	Project Manager	Project Name	Value of Work	Status
2024	PM1	Kimsham Landfill Drainage Compliance	300,000	Design & Construction 2024
	PM1	Lincoln Street Paving (Harbor Way to Harbor Drive)	1,000,000	Design 2024 & Construction Winter 2024/2025
Year 5	PM1	Brady & Gavan Utility & Street Improvement	150,000	Design 2024, Construction 2025
	PM1	Various Bldg & Facility Maintenance Projects	200,000	Bidding Assistance
		<i>Subtotal</i>	<u>1,650,000</u>	
	PM2	FY22 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	300,000	Design 2024, Construction 2025
	PM2	CBS Development Standards	75,000	Documents Only 2024
	PM2	Lake Street (DeGroff to Arrowhead) & Hirst Utility & Street Improvements	2,100,000	Construction 2024
		<i>Subtotal</i>	<u>2,475,000</u>	
	PM3	City Hall HVAC Controls Upgrade	100,000	Design 2024, Construction 2025
	PM3	Police Dept. - HVAC System Upgrades	100,000	Design 2024, Construction 2025
	PM3	New Police Station	2,000,000	Design 2024, Construction 2025/2026
	PM3	SIT Airport Terminal Improvements - Phase 2	4,500,000	Construction 2024/2025
		<i>Subtotal</i>	<u>6,700,000</u>	
Year 2024 Project Total (3 PM's)			\$ 10,825,000	

Delayed Projects

Delayed Since	Projects delayed as a result of PW-Engineering projected staffing levels (assumes 3 Project Managers)	Total Project Cost
2020	Wachusett Storm Sewer Rehabilitation Project	500,000
2021	Lincoln Street Paving (Jeff Davis to Harbor Drive)	2,400,000
2022	Fisherman's Work Float Replacement	3,000,000
2022	FY23 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2023	Crescent Harbor Restroom Replacement	300,000
2023	Monastery (DeGroff to Arrowhead) Kinkead Utility & Street Improvements	1,800,000
2023	FY24 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2024	Lincoln Street Lift Station Rehabilitation	1,200,000
2024	FY25 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2024	Katlian Street Paving (HPR to Lincoln)	3,100,000
2024	PSC Rehabilitation (Roof & Garage Door Replacement)	500,000
2024	Fish Cleaning Float Replacement	400,000
2024	Sealing Cove Harbor Repairs	300,000
2024	Crescent Harbor Float Replacement - Phase 2	5,700,000
2024	Jarvis Street Paving (PSC to Beardslee)	210,000
Estimated Total Cost of Delayed Projects		\$ 25,410,000

CITY & BOROUGH OF SITKA PUBLIC WORKS - CIP Execution Plan UPDATED 02/18/20 by CMR

Calendar Year	Project Manager	Project Name	Value of Work	Status
2025 Year 6	PM1	FY23 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	300,000	Design 2025, Construction 2026
	PM1	Brady & Gavan Utility & Street Improvement	760,000	Construction 2025
	PM1	Lincoln Street Paving (Harbor Way to Harbor Drive)	850,000	Construction Winter 2024/2025
	PM1	Various Bldg & Facility Maintenance Projects	200,000	Bidding Assistance
		<i>Subtotal</i>	<i>2,110,000</i>	
	PM2	FY22 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	1,700,000	Construction 2025
	PM2	Crescent Harbor Restroom Replacement	300,000	Design & Construction 2025
	PM2	Lincoln Street Paving (Jeff Davis to Harbor Drive)	360,000	Design 2025, Construction 2026
		<i>Subtotal</i>	<i>2,360,000</i>	
	PM3	City Hall HVAC Controls Upgrade	400,000	Construction 2025
	PM3	Police Dept. - HVAC System Upgrades	400,000	Construction 2025
	PM3	New Police Station	9,000,000	Construction 2025/2026
	PM3	SIT Airport Terminal Improvements - Phase 2	4,000,000	Construction 2025/2026
		<i>Subtotal</i>	<i>13,800,000</i>	
	Year 2025 Project Total (3 PM's)		\$ 18,270,000	

Delayed Projects

Delayed Since	Projects delayed as a result of PW-Engineering projected staffing levels (assumes 3 Project Managers)	Total Project Cost
2020	Wachusett Storm Sewer Rehabilitation Project	500,000
2022	Fisherman's Work Float Replacement	3,000,000
2023	Monastery (DeGroff to Arrowhead) Kinkead Utility & Street Improvements	1,800,000
2023	FY24 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2024	Lincoln Street Lift Station Rehabilitation	1,200,000
2024	FY25 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2024	Katlian Street Paving (HPR to Lincoln)	3,100,000
2024	PSC Rehabilitation (Roof & Garage Door Replacement)	500,000
2024	Fish Cleaning Float	400,000
2024	Sealing Cove Harbor Repairs	300,000
2024	Crescent Harbor Float Replacement - Phase 2	5,700,000
2024	Jarvis Street Paving (PSC to Beardslee)	210,000
2025	Marine Street & DeArmond Utility & Street Improvements	2,500,000
2025	FY26 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
Estimated Total Cost of Delayed Projects		\$ 25,210,000

CITY & BOROUGH OF SITKA PUBLIC WORKS - CIP Execution Plan UPDATED 02/18/20 by CMR

Calendar Year	Project Manager	Project Name	Value of Work	Status
2026 Year 7	PM1	FY23 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	1,700,000	Construction 2026
	PM1	Monastery (DeGroff to Arrowhead) Kinkead Utility & Street Improvements	1,800,000	Design 2026, Construction 2027
	PM1	Various Bldg & Facility Maintenance Projects	200,000	Bidding Assistance
		<i>Subtotal</i>	<i>3,700,000</i>	
	PM2	Lincoln Street Paving (Jeff Davis to Harbor Drive)	2,040,000	Construction 2026
	PM2	Fisherman's Work Float & Fish Cleaning Float Replacement	3,400,000	Design 2026 & Construction 2027
		<i>Subtotal</i>	<i>5,440,000</i>	
	PM3	City-State Building Remodel	5,000,000	Design 2026, Construction 2027
	PM3	New Police Station	9,000,000	Construction 2026
		<i>Subtotal</i>	<i>14,000,000</i>	
Year 2026 Project Total (3 PM's)			\$ 23,140,000	

Delayed Projects

Delayed Since	Projects delayed as a result of PW-Engineering projected staffing levels (assumes 3 Project Managers)	Total Project Cost
2020	Wachusett Storm Sewer Rehabilitation Project	500,000
2023	FY24 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2024	Lincoln Street Lift Station Rehabilitation	1,200,000
2024	FY25 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2024	Katlina Street Paving (HPR to Lincoln)	3,100,000
2024	PSC Rehabilitation (Roof & Garage Door Replacement)	500,000
2024	Sealing Cove Harbor Repairs	300,000
2024	Crescent Harbor Float Replacement - Phase 2	5,700,000
2024	Jarvis Street Paving (PSC to Beardslee)	210,000
2025	Marine Street & DeArmond Utility & Street Improv. - Phase 1	2,500,000
2025	FY26 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
2026	Thomsen Harbor Restroom Demolition	30,000
2026	Thomsen Harbor Upland Parking & Access	700,000
2026	SIT Airport Terminal Improvements - Phase 3	10,000,000
2026	Indian River Lift Station Rehabilitation	700,000
2026	FY27 GF Capital (Streets, Parking Lots, Bldgs, Parks & Grounds)	2,000,000
Estimated Total Cost of Delayed Projects		\$ 33,440,000