

**THE SOUTHEAST ALASKA POWER AGENCY
Special Board Meeting**

The Southeast Alaska Power Agency Offices | Ketchikan, Alaska

Agenda for Wednesday, July 17, 2013 at 10:00 a.m. AKDT

**Access No. 1-800-315-6338
Access Code: 73272#**

1. Call to Order
 - A. Roll call

2. Approval of the Agenda

3. New Business
 - A. Consideration and Approval of Contract for Insurance Broker Services
 - B. Consideration and Approval of Contract for Hydropower Site Evaluation and Planning Services
 - C. Consideration and Approval of Civil Contract for Tye Outlet Stream Gage Project
 - D. Consideration and Approval of Increase to FY14 R&R Budget for Tye Gatehouse Propane Generator Replacement Project

4. Adjourn

SOUTHEAST ALASKA POWER AGENCY

Date: July 10, 2013
To: Board of Directors
From: Trey Acteson, CEO
Subject: Insurance Broker Contract

As you know, a request for proposals issued for insurance broker services. Although a summary of the proposals received are not available in time for this board packet, Gary Griffin, SEAPA's insurance consultant, will be available at the board meeting to elaborate further on the proposals and will make a recommendation for award of the services. SEAPA's policies expire on August 1, 2013 so an award during the meeting is necessary so new policies are in place before that date. Funds of \$588,000 were approved in SEAPA's FY14 budget for insurance premiums and broker fees.

A suggested form of motion that may be used during the meeting is as follows:

SUGGESTED MOTION
I move to authorize staff to enter into a contract with _____ for an amount not to exceed \$_____ for SEAPA's insurance broker services.

SOUTHEAST ALASKA POWER AGENCY

DATE: July 10, 2013
TO: Trey Acteson, CEO
FROM: Eric Wolfe, Director of Special Projects
SUBJECT: Hydropower Site Evaluation and Planning Services Contract

As a continuation of the overall integrated resource planning process for the SEAPA region, staff solicited proposals from qualified firms to provide hydropower site evaluation and hydro planning expertise over a four-year period. This project will be funded by the Department of Commerce, Community and Economic Development (DCCED) grant to carry forward work on the key findings of the SEIRP.

Proposals were received from Mead & Hunt, Inc., Hatch, McMillen, LLC, and HDR Engineering, Inc. Since the project will be billed on a time and materials basis, each proposer offered their respective rate tables for the work and not a lump-sum amount.

After careful consideration, I recommend that the contract be awarded to McMillen, LLC for a not-to-exceed value of \$1,700,000. They have the best overall management structure, offer a fair price, their history with SEAPA reflects excellent project management, and with the exception of transmission, their technical skills are good or better than the other proposers. Although SEAPA funds will initially be expended to pay for the project, the DCCED grant will provide full reimbursement.

A suggested motion is as follows:

SUGGESTED MOTION
I move to authorize staff to enter into a contract with McMillen, LLC for an amount not to exceed \$1,700,000.00 for the Hydropower Site Evaluation and Planning Services Project.

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DATE: July 11, 2013

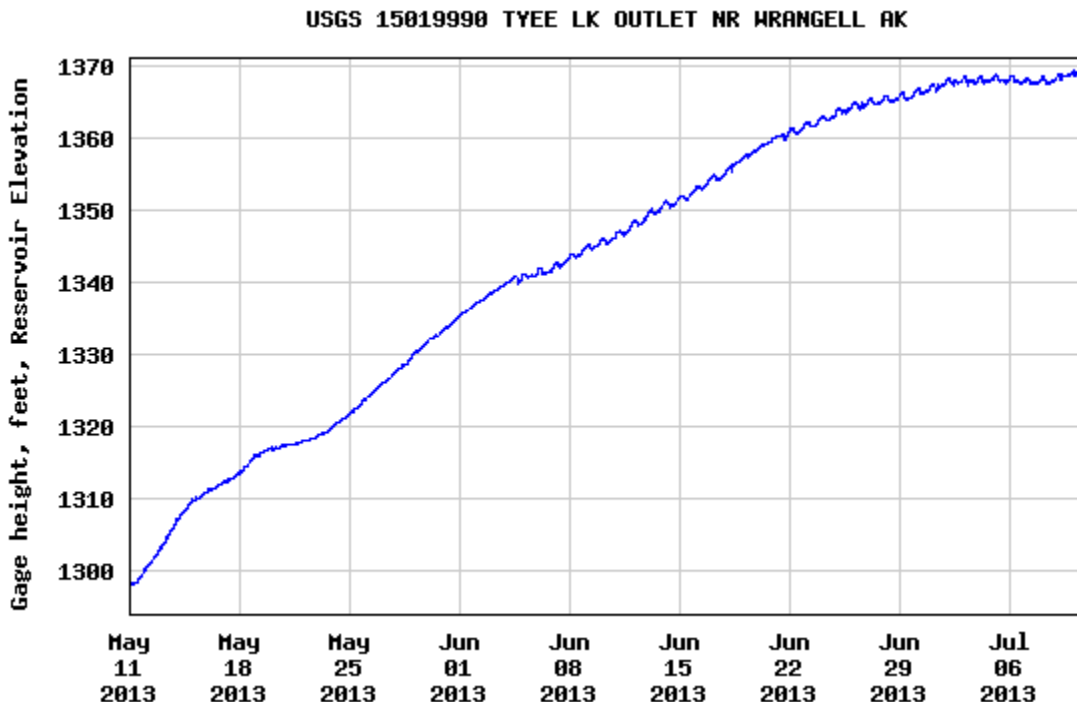
TO: Trey Acteson, CEO

FROM: Eric Wolfe, Director of Special Projects

SUBJECT: Tyee Outlet Stream Gage Project | Civil Construction

The Board approved installation of an outlet weir at Tyee Lake. As a part of this project, we have a substantial log removal task to accomplish. Staff had difficulty getting responses to our log removal RFP (we received one proposal totaling \$650,000); however, through further staff efforts this past May, we've found an energetic contractor for the log removal, BAM Construction located in Ketchikan. At our last Board meeting in Petersburg, we approved a contract with BAM for log removal and potentially for the construction of a log boom if both of these tasks could be accomplished under the not-to-exceed value of \$157,000. That's the first part; we expect the log removal to be complete in three weeks as BAM is mobilizing into the reservoir outlet area today.

Another aspect of this unique project is the short seasonal work window made more urgent by the rising water level in Tyee Lake. The outlet invert (bottom) is at elevation 1389 ft. As shown in the plot, below, the current water level at Tyee Lake is 1369 ft. As soon as fish processing loads decrease, we will have little electrical demand, which will make it difficult to withdraw water from Tyee Lake to prevent flooding the work area.



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Once log removal is complete, we plan to utilize BAM to construct either a log boom or a log retention structure. The retention structure would be a combination of cables, concrete, or steel piers either braced back into the rocks or placed as anchors. We are holding back on issuing a specific log retention design until the logs have been cleared away from the outlet. Our retention design will depend on how we re-position the logs and to what extent the logs have been cleared from the outlet. At this time, we expect all or most of the approved contract amount will be consumed by the log removal effort. The first part of our special request regarding this project is to then immediately construct either a log boom or a log retention structure to preserve our log removal efforts before the water rises into the work area. Failure to do this second phase of the project means our initial efforts will be wasted.

Our cost estimate which includes labor and specialty equipment for the more expensive log retention structure is \$94,800. This means we have had difficulty removing logs and the retention structure is a more substantial and complex endeavor compared to a traditional log boom. This is required as a contingency measure due to the unforeseen extended efforts required to clear the outlet of the log jam.

The following is a suggested motion:

SUGGESTED MOTION
I move to authorize staff to exercise the option of entering into a contingency task order with BAM, LLC for construction of a log boom or log retention structure with a not-to-exceed value of \$94,800 for the Tye Outlet Stream Gage Project.

The third part of this unique project is the civil construction that follows log removal and boom construction. Again, time is of the essence as the outlet weir cannot be designed until the invert has been cleared. Waiting for clearing of the work area means we can design an outlet weir tailored for the clearing thus saving construction costs. We can either have another special board meeting to approve the civil construction work, or the Board can grant staff the authority to enter into a construction contract with either BAM or another qualified contractor as long as the total project is within the original budget amount. There is not enough time to conduct a formal request for proposal, bid evaluation, and then contract approval in these unique circumstances. The cost of the civil works, including the shelter, would have a not-to-exceed value of \$750,000. This would leave a contingency of 30% and still keep the project within our approved budget amount of \$1,400,000.

The following is a suggested motion:

SUGGESTED MOTION
I move to authorize staff the option of entering into a civil works construction contract with Bam, LLC or another qualified contractor for a not-to-exceed value of \$750,000 for the Tye Outlet Stream Gage Project.

SOUTHEAST ALASKA POWER AGENCY

Date: July 10, 2013
To: Board of Directors
From: Trey Acteson, CEO
Subject: Increase to FY14 R&R Budget for Tyee Gatehouse
Propane Generator Replacement Project

The draft FY14 R&R budget submitted at the June 25-26, 2013 board meeting inadvertently excluded \$60,000 necessary to complete the Tyee Gatehouse Propane Generator Replacement Project. This project was originally approved in FY13 with a budget of \$82,000. The budget reduction in FY14 reflects that after inspection, it was determined that the propane tanks do not need replacement, and refueling costs were expensed in FY13.

Arrowhead was awarded a contract for \$13,880 for the new generator, which has been ordered. Installation of the new generator will be coordinated with gatehouse control work to reduce helicopter expenses. An updated R&R project sheet is attached, which projects \$25,000 for labor, \$15,000 for materials (new generator), and \$20,000 for helicopter costs.

Staff recommends that the FY14 R&R budget be increased by \$60,000 from funds initially approved in the FY13 budget for this project.

A suggested motion is as follows:

SUGGESTED MOTION
I move to increase SEAPA's FY2014 R&R Budget by \$60,000 for the Tyee Gatehouse Propane Generator Replacement Project.

Attachment:
Updated R&R 234-13 Project Sheet



Project Name	GATEHOUSE GENERATOR & PROPANE TANKS – Tyee		
Project Description	Replace propane generator at the Tyee Gatehouse and remove, replace and fill the two propane tanks.		
Cost Estimate	\$60,000	Project Responsibility:	Steve Henson
Start Date:	JUL, 2013	Project Management:	Steve Henson
Completion Date:	SEP, 2013	Design/Engineering:	
Submitted By:	S. Henson	Installation:	Arrowhead/Tyee Crew
Project Discussion			
<p>The propane generator at the Tyee gatehouse is required for station service for maintenance and repair efforts and it is essential for operation of the ventilation equipment to allow safe entry into the confined space of the gate shaft. It has been problematic for the last 10 years with starting and operating. The generator was installed in 1984. It also powers the bunk house for extended stays during maintenance.</p> <p>There are two propane tanks at the Tyee gatehouse that fuel the generator. One is empty and the other is at 5% capacity. The tanks are 1984 vintage and cannot be refilled until they have been tested which would require their removal, shipping to a testing facility down South, reinstallation and filling. Replacing the tanks with a smaller and more manageable size would be less expensive than the aforementioned process.</p>			

Project Cost Estimate			
Item	Cost	Budget Request	
Labor	\$25,000	FY13	\$82,0000
Material	\$15,000		---
Helicopter	\$20,000	FY14	\$60,000
Total	\$60,000	Total	\$60,000

Project Cost Estimate Discussion	
<p>This FY13 project was originally approved with a budget of \$82,000; however the propane tanks do not need to be replaced, and the cost of refueling the tanks was recorded as an operating expense in FY13. Replacement generator has been ordered from Arrowhead at a cost of \$13,880. Installation of the new generator will be coordinated with gatehouse control work (R&R 229-13) to reduce helicopter expense.</p>	

FY14 ESTIMATED SCHEDULE OF EXPENDITURES											
JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
\$	\$30,000	\$30,000	\$	\$	\$	\$	\$	\$	\$	\$	\$

R&R Project / Budget Approval		FY13	FY14
CEO Approval	D. Carlson/Trey Acteson	May 2012	Jun 2013
Project/Budget Approval	SEAPA Board	06/27/2012	

R&R Project Contracts (Vendor, Description, Award Date)		
Arrowhead LP Gas	Inspection, propane	July-Aug 2012
Temco Helicopters		

Project Close-Out Summary

July 28, 2012 – Steve Henson and staff from Arrowhead traveled to the Tyee gatehouse to evaluate the propane tanks. Arrowhead deemed the tanks to be in good working order and refillable.

August 14, 2012 – Steve Henson loaded four 100-gallon “liquid-out” propane tanks onto the SEAPA boat in Wrangell and transported them to Tyee. On the 15th, two technicians from Arrowhead LP Gas were flown to the Tyee gatehouse, the helicopter picked up the liquid-out tanks one at a time from the Tyee Harbor and flew them to the gatehouse. The Arrowhead techs filled up one of the tanks at the gatehouse, which should provide a 10-year supply of propane.

July 2013 – Replacement generator has been ordered from Arrowhead and is scheduled for delivery to Wrangell during the last week of July.



Unloading propane tanks at Tyee project.



Tyee Gatehouse



Above: Helicopter transporting propane from facility to gatehouse.

Left: Transferring propane from the liquid-out tanks to the Tye tank.