

NOME POWER GENERATION FACILITY REPLACEMENT PROJECT

PROGRESS REPORT

GRANTEE: NOME JOINT UTILITY SYSTEM

PROJECT NAME: NOME POWER GENERATION FACILITY REPLACEMENT

GRANT #: AEA #2195210; DENALI COMMISSION – **FINAL**

PERIOD OF REPORT: October 1, 2004 through October 31, 2004*December 31, 2004

*interim report date, to accompany Pay Request #3;
Updated to serve as (Final) Quarterly Report

Project Activities Completed:

Interim Report (as previous submitted through October 31, 2004):

Reinforcing steel (rebar and mesh), as well as concrete materials to construct building grade beams and foundation slabs arrived on the last fall barge of the season and are in inventory to allow construction activities to commence as soon as weather conditions permit in the spring. (Materials needed to be procured and on-site this fall to allow construction to commence in May; the first spring barge does not arrive until June.) Electrical under-slab conduit arrived; a substantial portion was installed during October while temperatures still allowed for ground excavation. Modification and review of the building structural package is underway; anticipated to be available for final Board review by November 15. Fuel piping and storage facility plans were submitted to ADEC for review and approval. EPA approved the QA plan for cleanup work funded through the Brownfields; soils have been excavated and hauled to the municipal landfill. We submitted additional information and comments to ADEC for the air permit; ADEC has advised they anticipate issuing the air permit during the first week of November. The proposed contract for purchase of Wärtsilä engines is in legal review.

Supplemental Report (updates Interim Report to December 31, 2004):

The Air Quality Construction Permit was issued by ADEC on November 5, 2004. The engine purchase contract with Wärtsilä was finalized and approved by Utility Board Resolution #04-12; engines will now enter production for fall 2005 delivery. Utility Board, management and staff met with the design team to review final facility plans; formally approved by Board Resolution #04-11. Plans will now be transmitted for fire marshal review. Procurement packages for the building, mechanical, electrical and fire suppression systems, engine controls, etc. are being prepared for release in early 2005.

Existing or Potential Problems:

None related to grant administration.

ADEC Air Permit contains requirement to use low sulfur fuel. NJUS was not successful in obtaining bids from suppliers to provide this fuel which is not yet commercially available in Alaska. A formal petition has been submitted to ADEC requesting an administrative revision to remove the low sulfur fuel use requirement.

Activities Targeted for Next Reporting Period:

- prepare revised timeline
- prepare additional bid packages and release; Board & City Council Direction: packages to be "sized" to allow maximum participation by local contractors and businesses; use local hire whenever possible on project
- continue to procure materials
- continue dialogue with Denali Commission on allocation of additional funds previously authorized by Congressional action