



General Manager
334 Front Street
Ketchikan, AK 99901

Phone (907) 228-5603
Fax (907) 225-5075

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting General Manager

DATE: July 12, 2022

RE: **Authorizing Amendment No. 4, Phase V, Final License Application to Contract No. 18-26 – FERC Relicensing Services for the Beaver Falls Hydroelectric Project, Kleinschmidt Associates**

At its meeting of December 6, 2018, the City Council adopted a motion authorizing the General Manager's Office to enter into Contract No. 18-26, FERC Relicensing Services for the Beaver Falls Hydroelectric Project, with Kleinschmidt Associates in an initial amount not to exceed \$150,000. At its meeting of September 5, 2019, the City Council adopted a motion approving Amendment No. 1 to Contract No. 18-26 in the amount of \$72,000 for additional relicensing services as Phase II of this project. On June 18, 2020, the City Council approved Amendment No. 2 to Contract No. 18-26 in the amount of \$220,000 for Phase III of this project including field studies and associated reports. At its meeting of August 5, 2021 the City Council approved Amendment No. 3 to Contract No. 18-26 in the amount of \$172,000 for preparation of draft regulatory documents for the continuation of relicensing efforts in Phase IV.

Attached for City Council review is Amendment No. 4 to Contract No. 18-26 in the amount of \$77,000 for the preparation of final regulatory documents in Phase V. The scope of work provided by Amendment No. 4 is detailed in the attached transmittal memorandum from Principal Project Engineer Jennifer Holstrom and requires no elaboration on the part of the General Manager's Office. I concur with the Principal Project Engineer's recommendation.

In adopting the 2022 Ketchikan Public Utilities Operating and Capital Budget, the City Council appropriated \$90,000 to the Electric Division's Beaver Falls Relicensing capital account for this phase of the project.

Acting Electric Division Manager Jeremy Bynum and Ms. Holstrom will be attending the City Council meeting of July 21, 2022, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended that the City Council adopt the motion approving Amendment No. 4 to Contract No. 18-26, FERC Relicensing Services for the Beaver Falls Hydroelectric Project, between the City of Ketchikan d.b.a. Ketchikan Public Utilities and Kleinschmidt Associates, in an amount not to exceed \$77,000; authorizing funding from the Electric Division's 2022 Beaver Falls Project Relicensing capital account; and directing the General Manager to execute the amendment on behalf of the City Council.

Recommended Motion: I move the City Council approve Amendment No. 4 to Contract No. 18-26, FERC Relicensing Services for the Beaver Falls Hydroelectric Project, between the City of Ketchikan d.b.a. Ketchikan Public Utilities and Kleinschmidt Associates, in an amount not to exceed \$77,000; authorize funding from the Electric Division's 2022 Beaver Falls Project Relicensing capital account; and direct the General Manager to execute the amendment on behalf of the City Council.



Electric Division
1065 Fair Street
Ketchikan, AK 99901

Phone (907) 225-5505
Fax (907) 247-0755

Memorandum

TO: Lacey G. Simpson, Acting General Manager

FROM: Jennifer Holstrom, Principal Project Engineer

DATE: July 8, 2022

SUBJECT: **Amendment 4, Phase V, Final License Application**
Contract 18-26, FERC Relicensing Services for the Beaver Falls Hydroelectric Project

Status of Relicensing Project

The Beaver Falls Hydroelectric Project is licensed through the Federal Energy Regulatory Commission (FERC) for a term of 30 years, which expires October 31, 2024. On July 16, 2019, initiating the relicensing process for the project, KPU filed Notice of Intent to File a License Application (NOI) and Pre-Application Document (PAD). A Joint Agency/Public Meeting was held on October 3, 2019, following which agencies and stakeholders were invited to file comments and study requests.

Based on consultation with agencies and stakeholders, KPU developed a study plan (May 2020) and completed the following studies during the 2020 field season:

- Rare and Invasive Plant Species Survey
- Built Resources Assessment
- Cultural Resources Survey
- Road Condition Assessment Study
- Hydrologic Resources Desktop Assessment

A comprehensive Study Report was distributed to stakeholders on April 23, 2021. Following the receipt of stakeholder comments, KPU prepared a Draft License Application (DLA) and associated Draft Management Plans, including:

- Historic Properties Management Plan
- Invasive Plant Species Management Plan
- Road Maintenance Plan
- Recreation Management Plan

The DLA and draft plans were provided to FERC and stakeholders on May 26, 2022; comments are due by August 24, 2022, after which KPU will finalize and file a Final License Application with the FERC by October 31, 2022. FERC staff will then coordinate the National Environmental Policy Act review process, prepare an Environmental Assessment, and issue a project license in 2024.

KPU maintains a website dedicated to the Beaver Falls relicensing effort. It contains an overview of the project and FERC process, as well as relicensing documents, study reports, and meeting information. Members of the City Council and the public who are interested in the Beaver Falls relicensing are encouraged to visit the website: <https://www.beaverfallsrelicensing.com>

Status of Contract

On December 6, 2018, the City Council awarded Contract 18-26, FERC Relicensing Services for the Beaver Falls Hydroelectric Project, to Kleinschmidt Associates. At that time, staff recommended an initial contract amount of \$150,000 to fund Phase I work through filing of the PAD in July 2019.

Phase II work in the amount of \$72,000 was authorized by the City Council on September 5, 2019, and included the Joint Agency/Public Meeting and study plan development. Phase III work in the amount of \$220,000 was authorized by the City Council on June 18, 2020 for field studies and associated reports. Phase IV work in the amount of \$172,000 covered development and filing of the Draft Licensing Application with FERC in May 2022.

Phase V will cover remaining relicensing work through filing of the Final License Application with FERC in October 2022. Attached is a proposal from Kleinschmidt Associates for Phase V tasks, including (1) development of Final License Application; (2) development of Final Management Plans; (3) project management; and (4) an allowance for post-filing support. The estimated cost for this work is \$77,000, which is within the amount budgeted in the Beaver Falls Project Relicensing capital account for 2022.

The 2018 baseline estimate for the overall project was \$600,000, which was revised to \$765,000 in the KPU 2022 capital budget. To date \$614,000 has been spent. Phase V costs will bring the running total to \$691,000.

Project Phase	Cost	Total
Phase I (develop and file PAD)	\$ 150,000	\$ 150,000
Phase II (public meeting and study plan development)	\$ 72,000	\$ 222,000
Phase III (field studies and reports)	\$ 220,000	\$ 442,000
Phase IV (preparation of draft regulatory documents)	\$ 172,000	\$ 614,000
Phase V (preparation of final regulatory documents)	\$ 77,000	\$ 691,000
Phase VI (post-filing)	-	

A future Phase VI anticipates that KPU may require additional assistance responding to FERC information requests during FERC's development of the EA and project license.

As noted in the CIP summary, relicensing costs are highly variable and are dependent upon issues that arise during the stakeholder consultation process. To cite one example: the expected effort surrounding the built resources assessment for the Beaver Falls Project was elevated given determination by the Alaska State Historic Preservation Office that the project structures are eligible for inclusion in the National Register. However, the overall project budget remains in line with expectations, and KPU and Kleinschmidt continue to work toward a license that will meet the community's needs for the next 40 years.

Recommendation:

It is recommended that the City Council approve Amendment No. 4 to Contract 18-26, FERC Relicensing Services for the Beaver Falls Hydroelectric Project, between the City of Ketchikan d/b/a Ketchikan Public Utilities and Kleinschmidt Associates, in the amount of \$77,000; authorize funding from the Electric Division's Beaver Falls Project Relicensing Capital Account; and direct the General Manager to execute the amendment on behalf of the City Council.

Attachments:

1. 2022 KPU Electric Capital Improvement Program, page C-2
2. Minutes from December 6, 2018 City Council Meeting, page 11
3. Minutes from September 5, 2019 City Council Meeting, page 4
4. Minutes from June 18, 2020 City Council Meeting, page 7
5. Minutes from August 4, 2021 City Council Meeting, page 4
6. Kleinschmidt Associates Proposal for Phase V Relicensing Services for Beaver Falls Hydroelectric Project (FERC No. 1922) dated June 24, 2022

Division: Electric			Project Priority: 1			Project Number:				
Project Title: Beaver Falls Relicensing			Start Date: 01/18 End Date: 12/24			Estimated Project Cost:				
Description: <p>The Beaver Falls Hydroelectric Project is licensed through the Federal Energy Regulatory Commission (FERC) for a term of 30 years. KPU's current license expires in 2024. To renew its FERC license, KPU began the process in 2018 with development of a Preliminary Application Document (PAD), with Notice of Intent (NOI) that was filed in 2019. Following NEPA and tribal consultations, and completion of studies, a final license application is due in 2022. This process will require professional services for FERC regulatory work, studies and surveys. Relicensing costs are highly variable and are dependent upon issues that arise during the consultation process.</p>						Design 765,000 Land/Right-of-Way Construction Management Construction Equipment Other Project Total 765,000				
Source of Funds	Fund No.	Prior Years	Adopted 2022			Projected Requirements				Total Project
			Reappro- priated	New Funding	Total	2023	2024	2025	2026	
Revenue Generating Fund		615,000		90,000	90,000	30,000	30,000			765,000
Total		615,000		90,000	90,000	30,000	30,000			765,000

December 6, 2018

Councilmember Gage noted this was one of the best contracts and or plans that she has seen. She felt if we stay on top of it, there should not be a problem and would vote in the affirmative.

Motion passed with Bergeron, Coose, Flora, Gage and Zenge voting yea; Isom and Kiffer voting nay.

Award of Contract No. 18-26 - FERC Relicensing Services for the Beaver Falls Hydroelectric Project - Kleinschmidt Associates

Moved by Coose, seconded by Kiffer the City Council authorize the general manager to enter into Contract No. 18-26, FERC Relicensing Services for the Beaver Falls Hydroelectric Project in an initial amount not to exceed \$150,000; and authorize funding from the Electric Division's 2018 Beaver Falls Project Relicensing Capital Account.

Manager Amylon answered questions from the Council.

Motion passed with Bergeron, Coose, Isom, Flora, Gage, Kiffer and Zenge voting yea.

Resolution No. 18-2721 - Amending the 2018 Ketchikan Public Utilities Operating and Capital Budget to Provide a Supplemental Appropriation for the Electric Division in the Amount of \$2,570,044

Moved by Coose, seconded by Kiffer the City Council approve Resolution No. 18-2721 amending the 2018 Ketchikan Public Utilities Operating and Capital Budget to provide a supplemental appropriation for the Electric Division in the amount of \$2,570,044; and establishing an effective date.

Manager Amylon answered questions from the Council regarding the new generators.

Motion passed with Bergeron, Coose, Isom, Flora, Gage, Kiffer and Zenge voting yea.

APPROVAL OF VOUCHERS - None

CITY MANAGER'S REPORT

Manager Amylon informed the Council the decision that came down regarding the litigation with the cruise ship industry and Juneau did not go in Juneau's favor. He said absent an appeal by Juneau his understanding is that communities will be restricted from using wharfage fees and/or CPV funds relative to upland improvements. He felt sometime in early January Council may want to schedule a work session to discuss how we may want to move forward in light of this decision. He indicated he would email the decision to the Council tomorrow for review.

Manager Amylon referenced the laid on the table regarding the imposter fraud that took place earlier this month. He said a fraudulent billing came through electronically representing itself as one of our contractors. He noted the issue has been turned over to the Police Department for

September 5, 2019

Budget Transfer – July 12, 2019 Schoenbar Water Main Repairs

Moved by Williams, seconded by Kiffer the City Council authorize the general manager to transfer \$125,240 from Appropriated Reserves of the Ketchikan Public Utilities Enterprise Fund to various accounts within the Water Division's 2019 General Operating and Capital Budget as detailed in the Water Division Manager's report of August 6, 2019 to fund the cost of the July 12, 2019 Schoenbar water main repairs.

Motion Passed with Kiffer, Coose, Gage, Zenge, Williams, Flora and Bergeron voting yea.

Resolution No. 19-2750 – Amending the 2019 Ketchikan Public Utilities Operating and Capital Budget to Provide a Supplemental Appropriation for the Electric Division in the Amount of \$200,000

Moved by Williams, seconded by Kiffer the City Council approve Resolution No. 19-2750 amending the 2019 Ketchikan Public Utilities Operating and Capital Budget to provide a supplemental appropriation for the Electric Division in the amount of \$200,000; and establishing an effective date.

Motion Passed with Kiffer, Coose, Gage, Zenge, Williams, Flora and Bergeron voting yea.

Ordinance No. 19-1900 – Amending Chapter 11.12 – Telecommunications Service and Rates, of the Ketchikan Municipal Code – First Reading

Copies of Ordinance No. 19-1900 were available for all persons present.

Moved by Williams, seconded by Kiffer the City Council approve in first reading Ordinance No. 19-1900 amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code; providing for a public hearing; and establishing an effective date.

Motion Passed with Kiffer, Coose, Gage, Zenge, Williams, Flora and Bergeron voting yea.

Amendment No. 1 – Contract No. 18-26 – FERC Relicensing Services for the Beaver Falls Hydroelectric Project – Kleinschmidt Associates

Moved by Williams, seconded by Kiffer the City Council approve Amendment No. 1 to Contract No. 18-26, FERC Relicensing Services for the Beaver Falls Hydroelectric Project, between the City of Ketchikan d/b/a KPU and Kleinschmidt Associates in an amount not to exceed \$72,000; and authorize funding from the electric Division's Beaver Falls Project Relicensing Capital Account.

Motion Passed with Kiffer, Coose, Gage, Zenge, Williams, Flora and Bergeron voting yea.

June 18, 2020

Ketchikan Municipal Code; authorize the general manager to enter into an agreement for such annual long distance termination services with ThinQ at a cost not to exceed \$19,200; and approve funding from the Telecommunications Division's 2020 Rents and Leases - Infrastructure Account No. 645-04.

Motion passed with Coose, Kiffer, Gage, Zenge, Chapel, Flora and Bergeron voting yea.

Exempting the Procurement of Advanced Metering Infrastructure (AMI) Equipment for the Electric Division from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – Cannon Technologies, Inc.

Moved by Zenge, seconded by Gage pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of Advanced Metering Infrastructure (AMI) equipment for the Electric Division from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the general manager to purchase such hardware and software from Cannon Technologies, Inc. at a cost not to exceed \$97,301; and approve funding from the Electric Division's 2020 AMI Meters and Meter Replacement Parts Capital Account.

Motion passed with Zenge, Flora, Chapel, Bergeron, Coose, Kiffer and Gage voting yea.

Amendment No. 2 to Contract No. 18-26 – FERC Relicensing Services for the Beaver Falls Hydroelectric Project – Kleinschmidt Associates

Moved by Zenge, seconded by Gage the City Council approve Amendment No. 2 to Contract No. 18-26, FERC Relicensing Services for the Beaver Falls Hydroelectric Project, between the City of Ketchikan d/b/a Ketchikan Public Utilities and Kleinschmidt Associates, in an amount not to exceed \$220,000; authorize funding from the Electric Division's Beaver Falls Project Relicensing Capital Account; and direct the general manager to execute the amendment on behalf of the City Council.

Motion passed with Gage, Zenge, Flora, Chapel, Coose, Bergeron and Kiffer voting yea.

Ordinance No. 20-1914 – Approving a New Cingular Wireless PCS, LLC Tower Structure Lease Agreement; Providing for the Filing of Referendum Petitions – First Reading

Copies of Ordinance No. 20-1914 were available for all present.

Moved by Zenge, seconded by Gage the City Council approve in first reading Ordinance No. 20-1914 approving a New Cingular Wireless PCS, LLC tower structure lease agreement; providing for the filing of referendum petitions; and establishing an effective date.

Motion passed with Gage, Zenge, Flora, Chapel, Coose, Bergeron and Kiffer voting yea.

Ordinance No. 20-1906 – Amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code – First Reading

Moved by Zenge, seconded by Gage the City Council approve in first reading Ordinance No. 20-1906 amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code; providing for a public hearing; and establishing an effective date.

August 5, 2021

**Award of Contract No. 21-12 – Ketchikan General Hospital
Southeast Window Wall Replacement - Marble Island LLC**

Moved by Flora, seconded by Kiffer the City Council accept the bid of Marble Island, LLC in the amount of \$370,000 for Contract No. 21-12, Ketchikan General Hospital Southeast Window Wall Replacement; establishing a contingency of \$37,000, bringing the total project cost to \$407,000; and directing the City Manager to execute the contract documents on behalf of the City Council.

Motion passed with Gass, Kiffer, Gage, Zenge, Bradberry, Flora and Bergeron voting yea.

**Exempting the Procurement of Transport Services from
Skagway, Alaska from the Competitive Bidding/Written
Quotation Requirements of the Ketchikan Municipal Code –
AP&T Wireless**

Moved by Flora, seconded by Kiffer pursuant to Sections 3.12.050(a)(2) and 3.12.030 of the Ketchikan Municipal Code, the City Council exempt the procurement of transport services from Skagway, Alaska from the competitive bidding requirements of the Ketchikan Municipal Code; authorize the General Manager to procure such transport services from AP&T Wireless at a cost of \$313,024 over a three-year period; approve funding from the Telecommunications Division's 2021 Rents and Leases Infrastructure Account No. 645.04; and direct the General Manager to execute the contract documents on behalf of the City Council.

Motion passed with Gass, Kiffer, Gage, Zenge, Bradberry, Flora and Bergeron voting yea.

**Amendment No. 3 to Contract No. 18-26 – FERC Relicensing
Services for the Beaver Falls Hydroelectric Project,
Kleinschmidt Associates**

Moved by Flora, seconded by Kiffer the City Council approve Amendment No. 3 to Contract No. 18-26, FERC Relicensing Services for the Beaver Falls Hydroelectric Project, between the City of Ketchikan d/b/a Ketchikan Public Utilities and Kleinschmidt Associates, in an amount not to exceed \$172,000; authorize a budget transfer in the amount of \$52,000 from the Electric Division's 2021 Bailey Unit No. 1 Rehabilitation Capital Account to the Electric Divisions' 2021 Beaver Falls Relicensing Capital Account; authorize funding from the Electric Division's Beaver Falls Project Relicensing Capital Account; and direct the General Manager to execute the amendment on behalf of the City Council.

Motion passed with Gass, Kiffer, Gage, Zenge, Bradberry, Flora and Bergeron voting yea.

Budget Transfer – Sr. Systems Administrator Moving Expenses

Moved by Gage, seconded by Kiffer the City Council authorize a budget transfer in the amount of \$15,000 from the Information Technology Department's 2021 Regular Salaries and Wages Account No. 500.01 to the Information Technology's 2021 Moving Expenses Taxed Account No. 509.07 for the purpose of reimbursing the Sr. Systems Administrator for moving expenses associated with his relocation to Ketchikan from Keizer, Oregon.

Councilmember Gass felt there were many qualified local people for the position and he would not vote in favor of this motion.

June 24, 2022

VIA ELECTRONIC MAIL

Ms. Jennifer Holstrom
Senior Project Manager
Ketchikan Public Utilities
1065 Fair Street
Ketchikan, Alaska 99901

Proposal for Phase V Relicensing Services for Beaver Falls Hydroelectric Project (FERC No. 1922)

Proposal Number 1852010.08

Dear Jennifer:

Kleinschmidt Associates (Kleinschmidt) submits this proposal to the City of Ketchikan d/b/a Ketchikan Public Utilities (KPU) for Phase V Relicensing Services for the Beaver Falls Hydroelectric Project (FERC No. 1922) (Beaver Falls Project). Kleinschmidt's current contract for Phase IV relicensing services (Contract# 18-26 Amendment 3) included Draft License Application development, draft management plans, stakeholder outreach, and ongoing website maintenance and project management. Tasks included in Phase IV Services are near completion.

This proposal for Phase V Services, *Final License Application*, covers the next phase of required relicensing work including the following Tasks:

1. Final License Application Development;
2. Final Management Plans;
3. Project Management; and
4. Post-Filing Support.

SCOPE OF WORK

TASK 1 Final License Application Development

Kleinschmidt will prepare the Final License Application (FLA) inclusive of required FLA exhibits necessary for relicensing of a "major project under 10 megawatts (MW) – existing dam." This task will include incorporation of stakeholder commentary, as appropriate, exhibit preparation, KPU review, edits, and finalization. This phase also includes development of additional sections of Exhibit E that require additional economic data, which Kleinschmidt will compile from existing sources, or as necessary for implementation of measures, develop at a broad budgeting scale that FERC typically uses for its economic analysis.

Kleinschmidt will then file and distribute the FLA with FERC and to stakeholders on KPU's behalf. Please note, the management of the post filing process will be addressed in a subsequent task order.

Final License Application Development Proposed Scope of Work

TASK	TASK DESCRIPTION / DELIVERABLES	ASSUMPTIONS
Initial Statement	<ul style="list-style-type: none">Update Initial Statement based on stakeholder comments as necessary to meet content requirements of 18 CFR 4.51(a)¹ and 4.32(a)²	<ul style="list-style-type: none">One round of KPU Initial Statement review and subsequent revision
Exhibit A (Project Description)	<ul style="list-style-type: none">Update Exhibit A based on stakeholder comments as necessary to meet content requirements of 18 CFR 4.51(b)Coordinate with KPU personnel on information needs and review	<ul style="list-style-type: none">One round of KPU Exhibit A review and subsequent revision
Exhibit E (Environment)	<ul style="list-style-type: none">Updated Exhibit E based on stakeholder comments as necessary to meet content requirements of 18 CFR 4.51(f); 5.18(b)³; 4.38(f)⁴	<ul style="list-style-type: none">One round of KPU Exhibit E review and subsequent revision

¹ Application for Major Project Less than 10MW – Existing Dam

² Acceptance for filing or rejection; information to be made available to the public; requests for additional studies

³ Application content

⁴ Consultation requirements

TASK	TASK DESCRIPTION / DELIVERABLES	ASSUMPTIONS
Exhibit F (Facilities)	<ul style="list-style-type: none">• Finalized Exhibit F to meet content requirements of 18 CFR 4.51(g); 4.41(g)⁵	<ul style="list-style-type: none">• One round of KPU Exhibit F review and subsequent revision
Exhibit G (Project Lands and Boundary)	<ul style="list-style-type: none">• Update and finalized Exhibit G based on stakeholder comments as necessary to meet content requirements of 18 CFR 4.51(h); 4.41(h)• Review documentation regarding land ownership of navigable waters within the Project Boundary (potential to remove navigable waters that may be owned by the state of Alaska from the Project Boundary)	<ul style="list-style-type: none">• Development of Exhibit G shapefiles• Meeting with KPU to discuss land ownership issues. Determine if an outside resource is necessary to review land records• No changes to Exhibit G based on review
Exhibit H (Plans and Ability to Operate the Project)	<ul style="list-style-type: none">• Update and finalize Exhibit H based on stakeholder comments as necessary to meet content requirements of 18 CFR 16.10⁶• Coordination with KPU personnel to gain pertinent Exhibit H information needs	<ul style="list-style-type: none">• One round of KPU Exhibit H review and subsequent revision

⁵ Contents of application

⁶ Information to be provided by an applicant for new license: Filing requirements

TASK 2 Final Management Plans

Kleinschmidt and its subconsultant team will finalize the below listed Management Plans in consultation with KPU. Final Management Plans will be appended to the FLA document. Resource agency and stakeholder consultation on the Vegetation Management Plan, Road Maintenance Management Plan and Recreation Management Plan will occur in tandem with the agency/stakeholder DLA review period. The Historic Properties Management Plan will be sent to appropriate resource agencies for consultation prior to filing the FLA.

Final Management Plan Proposed Scope of Work

FINAL MANAGEMENT PLAN	TASK DESCRIPTION / DELIVERABLES
<ul style="list-style-type: none">• Historic Properties Management Plan	<ul style="list-style-type: none">• Draft and Final plan including PME Measures• Revised Draft and Final following KPU Review• Submittal of Final Plan to agencies for review• Submittal of Final Plan with agency comments incorporated (appended to FLA)
<ul style="list-style-type: none">• Vegetation Management Plan<ul style="list-style-type: none">○ Invasive Species○ Special Status Plants	<ul style="list-style-type: none">• Final plan including PME Measures• Revised Final following KPU Review• Submittal of Final Plan (appended to FLA)
<ul style="list-style-type: none">• Road Maintenance Management Plan	<ul style="list-style-type: none">• Final plan including PME Measures• Revised Final following KPU Review• Submittal of Final Plan (appended to FLA)
<ul style="list-style-type: none">• Recreation Management Plan	<ul style="list-style-type: none">• Final plan including PME Measures• Revised Final following KPU Review• Submittal of Final Plan (appended to FLA)

TASK 3 Project Management

As part of ongoing work, Kleinschmidt has budgeted for ongoing updates needed for both the internal project website and external, public facing relicensing website. Kleinschmidt will continue to upload and organize project information on the existing SharePoint site and to continue updating the external website as needed to keep current information available for stakeholders. We have additionally included time for ongoing project management needs inclusive of TRC and HRA subconsultants including budget, and scope management, and internal communications with KPU.

Project Management Proposed Scope of Work

TASK	TASK DESCRIPTION / DELIVERABLES	ASSUMPTIONS
Website Maintenance	<ul style="list-style-type: none">• Upload and organize project information on the existing SharePoint site and continue updating the external public website• Payment of annual public website subscription fee (\$140)	<ul style="list-style-type: none">• N/A
Administrative / Contracting	<ul style="list-style-type: none">• Manage and administer subcontracts, including invoice review• Track budget and budget variance• Monthly invoicing to KPU• Communicate with KPU on budget status and potential changes	<ul style="list-style-type: none">• Monthly invoices and budget check-ins• Administration of subcontracts and management of subcontractor invoices.
Coordination / Communication	<ul style="list-style-type: none">• Regular communication with KPU regarding project milestones, actions items, and information needs• Regular communication with subconsultants and team• Coordination with Project stakeholders• Consultation record	<ul style="list-style-type: none">• Updated action item list following team meetings or meetings with KPU• Team meetings and coordination meetings are planned on a regular basis, as needed

TASK 4 Post-Filing Support

Following the filing of the FLA, there is frequently additional support that is needed for the process. FERC may issue Additional Information Requests (AIRs); there may be a need for KPU to respond to filings from intervenors; and there may be a need to review and comment on FERC's draft environmental assessment. Additionally, there is a parallel regulatory process involved with the post license permitting required. Kleinschmidt will take the lead on communication and documentation of the water quality certification requirements and waivers, as appropriate with Alaska Department of Environmental Conservation (DEC). Kleinschmidt will assist with the development of a work plan for additional submittals to the Forest Service in support of the Federal Land Policy and Management Act of 1976; however, it is assumed that KPU would be able to work most efficiently with Forest Service staff in development of any permits. Scoping level of effort for this task is challenging, as we will be responding to unknowns. Kleinschmidt therefore recommends an allowance for post-filing support with individual subtasks under this task to be authorized by KPU. For budgeting purposes, Kleinschmidt suggests \$28,000; which represents approximately 135 hours from team members. These funds will be managed on an as-needed basis in consultation with the KPU project manager.

Schedule

The following proposed schedule has been assembled in accordance with the Traditional Licensing Process (TLP). Tasks 1-3 are anticipated to initiate in July 2022 and end in October 2022 with the filing of the FLA. Task 4 is anticipated to initiate in October 2022 and be ongoing until FERC issues a new license for the Beaver Falls Project in October 2024. All draft FLA materials will be completed by September 2022, to then allow one month for review and revisions prior to an October 31, 2022, FERC filing.

COST OF SERVICES

Kleinschmidt will perform the proposed Phase V work on an Hourly Rate plus Expenses basis for the estimated cost of \$77,000 (Seventy-Seven Thousand Dollars). The cost of services is calculated using Kleinschmidt's Standard Rates. This estimate is not a fixed price or an upper limit. We will not exceed the estimated amount without first discussing the need with you and receiving your authorization to proceed. Attachment A shows Kleinschmidt's hourly billing rates for 2022.

Cost of Services

TASK	COST
Task 1: Final License Application Development	\$18,000
Task 2: Final Management Plans	
Historic Properties Management Plan (HPMP) – HRA & AJ Venture	\$18,000
Vegetation Management Plan	\$2,000
Road Maintenance Management Plan	\$2,000
Recreation Management Plan	\$2,000
Task 3: Project Management	\$7,000
Task 4: Post-Filing Support	\$28,000
TOTAL	\$77,000

Assumptions:

- As noted in Task 1 above, Kleinschmidt had identified a potential land ownership issue that could require additional research and resolution. Additional scope may be necessary depending on necessary actions to resolve.
- No major revisions of Exhibit E nor non-Exhibit E are expected based on comments from FERC or stakeholders.
- Kleinschmidt will distribute all final relicensing documents and correspondences via email to identified resource agencies and stakeholders on the Beaver Falls Project distribution list.
- Kleinschmidt will file all final relicensing documents on FERC's e-library.
- Notification publications and required fees inclusive of certified mailings will be passed through to KPU at cost.
- As part of Post-Filing activities, DEC will waive water quality certification requirements under Section 401 of the Clean Water Act.
- Kleinschmidt will provide support for KPU to lead the development of the Special Use Permit.
- No other permits will be needed.

TERMS AND CONDITIONS

The proposed Scope of Work will be performed on a Time Plus Expenses basis per KPU Contract No. 18-26.

Please contact Finlay Anderson by email at finlay.anderson@kleinschmidtgroup.com or by phone at (503) 345-0517 if you have questions regarding this proposal. We look forward to continuing our work with KPU on this relicensing process.

Sincerely,

KLEINSCHMIDT ASSOCIATES



Kelly L. Larimer, Vice President
Principal-In-Charge



Finlay Anderson
Project Manager

Accepted By:

KETCHIKAN PUBLIC UTILITIES

Signature

Printed Name

Title

Date

FMA:JM

Attachment A - 2022 Rate Schedule

cc: Jeremy Bynum (KPU)
Angela Whelpley (Kleinschmidt)

\\Kleinschmidtusa.com\Condor\Jobs\1852\010\Proposal\Phase V Proposal\1852010.08_Beaver Falls Phase V Relicensing Proposal.doc

ATTACHMENT A
2022 RATE SCHEDULE

KLEINSCHMIDT ASSOCIATES
2022 RATES (USD)

LABOR CATEGORY	HOURLY BILLING RATE
SENIOR MANAGERS/CONSULTANTS	
Principal Consultant F1	\$265.00
ENGINEERS	
Senior Engineering Advisor E7	\$250.00
Senior Engineering Consultant E6	\$228.00
Senior Engineer E5	\$187.00
Project Engineer E4	\$169.00
Engineer E3	\$156.00
Staff Engineer E2	\$142.00
Engineer Technician E1	\$105.00
LICENSING COORDINATORS/PLANNERS	
Senior Regulatory/Planner Advisor L/P7	\$250.00
Senior Licensing Coordinator/Planner L/P6	\$195.00
Project Licensing Coordinator/Planner L/P5	\$160.00
Licensing Coordinator/Planner L/P4	\$140.00
Staff Licensing Coordinator/Planner L/P3	\$120.00
Associate Licensing Coordinator/Planner L/P2	\$105.00
Licensing Coordinator/Planner Technician L/P1	\$85.00
Licensing Intern L/P0	\$67.00
SCIENTISTS	
Senior Science Advisor S7	\$245.00
Senior Scientist S6	\$193.00
Project Scientist S5	\$158.00
Scientist S4	\$137.00
Staff Scientist S3	\$120.00
Associate Scientist S2	\$95.00
Scientist Technician S1	\$82.00
Field Technician S0	\$62.00
PROJECT AND PROGRAM MANAGEMENT	
Project Director	\$260.00
Senior Project Manager PM2	\$240.00
Project Manager PM1	\$210.00
Senior Support Staff A7	\$200.00
Project Controller A6	\$160.00
Senior Project Coordinator or Administrator /Accountant A5	\$130.00
Project Administrator or /Accountant A4	\$112.00
Administrative Staff A3	\$98.00
Associate Administrative Staff A2	\$84.00
Office Assistant A1	\$75.00
DESIGNERS/DRAFTERS	
Lead Designer D5	\$155.00
Senior Designer D4	\$140.00
Designer D3	\$120.00
Senior Drafter D2	\$105.00
Drafter D1	\$90.00

Effective January 1, 2022