

Consent Item Briefing for PWSRCAC Board of Directors – September 2021

ACTION ITEM

Sponsor: Austin Love and the Terminal Operations and Environmental Monitoring Committee

Project number and name or topic: 5081 – Crude Oil Tank 7 and Ballast Water Tank 94 Maintenance Review

1. **Description of agenda item:** This agenda item requests Board approval of a contract with Taku Engineering LLC for work associated with the Council’s Crude Oil Tank 7 and Ballast Water Tank 94 Maintenance Review project. The specific action for the Board’s consideration includes:

- Authorize a contract with Taku Engineering LLC for work on project 5081 Crude Oil Tank 7 and Ballast Water Tank 94 Maintenance Review in an amount not to exceed \$75,088.

2. **Why is this item important to PWSRCAC:** The Oil Pollution Act of 1990 instructs the Council to “monitor those aspects of terminal facilities’ and crude oil tankers’ operations and maintenance which affect or may affect the environment in the vicinity” of the Valdez Marine Terminal (VMT). This project is focused on monitoring the maintenance of storage tanks at the terminal. In 2021, crude oil storage Tank 7 and ballast water storage Tank 94 are undergoing scheduled, comprehensive internal inspections and repair. That internal inspection and repair work is essential in order to prevent a spill from Tank 7 or 94. Tank 7 can store about 500,000 barrels of crude oil while Tank 94 can store about 500,000 barrels of oil-contaminated water. These comprehensive tank inspections typically occur every 10-20 years, and they provide an opportunity to review not only the results of the internal inspections, but also other important tank maintenance aspects that have occurred since each tanks last internal inspection. Tank 7’s last internal inspection occurred in 2008, and Tank 94’s last internal inspection occurred in 2012. This project generally involves conducting a third party, technical review of the work that’s been done to maintain Tank 7 and 94 since their last internal inspections, as well as the results of their 2021 internal inspections, and identifying recommendations that could improve the maintenance of these two tanks.

3. **Previous actions taken by the Board on this item:**

<u>Meeting</u>	<u>Date</u>	<u>Action</u>
XCOM	9/18/06	Tank Weld Issues at Alyeska’s VMT: The Board of Directors approved and directed that 1) Contractor Susan Harvey will complete her report; 2) A PWSRCAC project team will be formed to review the Harvey report. The Board will receive the report simultaneously with the project team; 3) Alyeska & regulators will receive a copy of the report after the project team review & possible revision; and 4) it is anticipated that the final report be submitted to the Board for approval at its January meeting.

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Board	5/2/07	Tank Integrity Issues Report: The Board of Directors accepted the four reports on tank integrity issues prepared by Harvey Consulting, LLC, on Tanks 55, 5, 16, and 93 as meeting the terms and conditions of the contract 505.2007.01 and for public distribution; and referral of the reports to the TOEM Committee for further review and any additional follow-up.
XCOM	2/9/12	VMT Tank 5 Report Approval: The Executive Committee approved the report titled "Valdez Marine Terminal Crude Oil Storage Tank 5" dated January 25, 2012 by HCLLC, and directed staff to provide the report to ADEC requesting that the inspection waiver granted for tank 5 be reconsidered.
XCOM	4/28/15	Tank 13 Internal & External Inspection Review: The Executive Committee approved the report titled, "VMT Crude Oil Tank 13 Inspection Review," completed by Harvey Consulting, LLC, for distribution to industry, regulatory, and public stakeholders and to be posted and available for download on the PWSRCAC website.
XCOM	6/26/15	Tank 13 Internal & External Inspection Review: The Executive Committee approved the revised report, "VMT Crude Oil Tank 13 Inspection Review," completed by Harvey Consulting, LLC, for distribution to industry, regulatory, and public stakeholders and to be posted and available for download on the PWSRCAC webpage.
Board	7/31/15	Tank 14 Internal & External Inspection Review: The Executive Committee approved the report titled "VMT Crude Oil Tank 14 Inspection Review" by Harvey Consulting, LLC, for distribution.
Board	5/21/20	Approval of FY2020 Contract and Budget Modification for Project 5056 Tank 8 Internal Inspection Review: The Board authorized a budget modification adding \$56,233 to the Tank 8 Internal Inspection Review Project 5056 in the FY2020 PWSRCAC budget; and authorizing the Executive Director to enter into a contract with Taku Engineering LLC., for work to review the inspection and repair of Tank 8, at an amount not to exceed \$71,233.
Board	5/6/2021	Crude Oil Storage Tank 8 Maintenance Review: The Board accepted the report titled "Crude Oil Storage Tank 8 Maintenance Review" by William Mott of Taku Engineering, dated April 2021, as meeting the terms and conditions of Contract 5056.20.01, with direction to staff to forward the report to Alyeska and state and federal regulators accompanied by a cover letter summarizing findings and recommendations with requests for appropriate action.

4. **Summary of policy, issues, support or opposition:** Six (out of eight) members of the Terminal Operations and Environmental Monitoring Committee and three Council staff reviewed five proposals that were received in response to the request for proposals for this project. The results of that review identified Taku Engineering LLC as best suited to complete this project for the Council. All committee members and Council staff present at the August 11, 2021 proposal review meeting supported working with Taku Engineering for this project.

5. **Committee Recommendation:** None.

6. **Relationship to LRP and Budget:** Project 5081 – Crude Oil Tank 7 and Ballast Water Tank 94 Maintenance Review is included in the FY2022 budget and \$96,000 was allocated for use on a contract for professional services, such as the one being presented here.

5081--Crude Oil Tank 7 & BWT Tank 94
As of July 31, 2021

FY-2022 Budget

Original \$96,000.00

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Modifications	
Revised Budget	<u>\$96,000.00</u>
Actual and Commitments	
Actual Year-to-Date	
Commitments (Professional Services)	
Actual + Commitments	<u></u>
Amount Remaining	<u>\$96,000.00</u>

- 7. **Action Requested of the Board of Directors:** Authorize a contract with Taku Engineering LLC for work on project 5081 Crude Oil Tank 7 and Ballast Water Tank 94 Maintenance Review in an amount not to exceed \$75,088.

- 8. **Alternatives:** None recommended.

- 9. **Attachments:** None.

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