

**CITY OF CRAIG
COUNCIL AGENDA
FEBRUARY 20, 2020
COUNCIL CHAMBERS 7:00 PM**

ROLL CALL

Mayor Tim O'Connor, Dave Creighton, Hannah Bazinet, Jim See, Julie McDonald, Michael Kampnich, Chanel McKinley

CONSENT AGENDA

Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed and placed on the regular meeting agenda.

- 1) City Council Meeting Minutes of February 6, 2020

HEARING FROM THE PUBLIC

- Open for public comment
- Second Reading: Ordinance 724, Change of Zoning from Residential to Commercial (Tongass Electric)

READING OF CORRESPONDENCE

- Letter from US Department of Agriculture re: Tongass National Forest Timber Program
- Letter from Southeast Senior Services
- Population Determination for FY2020
- Letter from Sen. Lisa Murkowski re: Designation of Critical Habitat for Humpback Whales
- Letter from Sen. Sullivan re: Designation of Critical Habitat for Humpback Whales
- Alaska Permanent Capital Management (January)

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- Ordinance 724, Change of Zoning from Residential to Commercial (Tongass Electric)
- Resolution 20-03, Supporting application for conveyance of tidelands to the City of Craig.
- Resolution 20-04, establishing EMS response stipends

UNFINISHED BUSINESS

- Consider Options for Craig Aquatic Center Propane Boilers Purchase
- Update on Port St. Nicholas Road Fee Litigation
- Update on USACE Presentation – Downtown Harbor Project

NEW BUSINESS

- Consider Request for Support from Salmon Hatcheries for Alaska
- Consider Award of Contract, Seafood Outfall As-Built

COUNCIL COMMENTS

ADJOURNMENT

CITY OF CRAIG
COUNCIL MEETING
THURSDAY FEBRUARY 6, 2019

ROLL CALL

Mayor Tim O'Connor called the meeting to order at 7:00 p.m. and the roll was taken. Present were Michael Kampnich, Dave Creighton, Hannah Bazinet, Jim See, and Chanel McKinley. Absent excused were Julie McDonald

Moment of Silence in Memory of Mike McKimens

Staff present: Jon Bolling, City Administrator; Brian Templin, City Planner; Jessica Holloway, Aquatic Center Manager; Hans Hjort, Harbormaster; Sheri Purser, Treasurer; Chaundell Piburn, EMS Coordinator; Angela Matthews, Librarian; RJ Ely, Police Chief; Victoria Merritt, Parks and Recreation; Doug Ward, Parks and Public Facilities.

Audience present: Jeff Lundberg, Stina Collins, Pat Tyner, Melissa Schwegel, Skyla Schwegel, Chad Schwegel, Douglas Smith, Mak Smith, Brenda Leask, Tom Leasek

CONSENT AGENDA

1. City Council Meeting Minutes of January 16, 2020
2. First Reading: Ordinance 724, Change of Zoning from Residential to Commercial (Tongass Electric)
3. Resolution 20-02 POWCAC Transportation Priorities

CREIGHTON/BAZINET

move to approve the consent agenda.

MOTION CARRIED UNANIMOUSLY

HEARING FROM THE PUBLIC

- Open for Public Comment
- Resolution 19-20, FY20 Shared Fish Tax

Jeff Lundberg thanked the City for improvements made on the cemetery trail. And a thank you to Chaundell for coming out to the hatchery and recertifying everyone in CPR and First Aid.

Timber Patten, Ken Inkurt, Chad Schwegel, Roberta Patten, Stacey Skan, Melissa Schwegel, Ed Douville, Stina Collins, Max Smith, Douglas Smith, Brenda Leask, Colton Tipton, Chris Reiton, Rusty Reynolds, Raina, Stella Schwegel and accompanied by many more, came before the council to voice their support on the Skatepark item.

Rusty Reynolds also gave an update on the Craig Child Care Centers financial situation.

REPORTS FROM CITY OFFICIALS

UNFINISHED BUSINESS

1. Consider Options for Craig Aquatic Center Propane Boilers Purchase

After many questions by the council for Doug Ward, the council were split on whether to buy new boilers or fix the current ones. The council requested that Doug speak with other cities in southeast to see if any of them use the same systems. And to also, research reviews on the potential new boiler systems.

CREIGHTON/KAMPNICH

move to defer until next meeting with more information.

MOTION CARRIED UNANIMOUSLY

NEW BUSINESS

1. Update on Port St. Nicholas Road Fee Litigation

No decision yet from Superior Court.

2. Skateboard Park Site Selection

No objection to moving the Skateboard park site selection item up on New Business.

After discussion from the council and questions to Brian Templin. The council unanimously decided to go with the recommended site.

CREIGHTON/BAZINET

move to set aside the southern portion of Tract D-2, Crab Cove Subdivision for the development of a skateboard park

MOTION CARRIED UNANIMOUSLY

3. Consider approval of Port St. Nicholas Road plan of Work and Public Comments

SEE/CREIGHTON

move to adopt the Annual Plan of Work as presented by staff

MOTION CARRIED UNANIMOUSLY

4. Consider Proposal from Southern Southeast Regional Aquaculture Associations re: Port St. Nicholas Hatchery Agreement.

KAMPNICH/SEE

move to authorize the City Administrator to negotiate with SSRAA to reach an accommodation.

MOTION CARRIED UNANIMOUSLY

5. Review EMS Volunteer Responder Incentives

After some discussion from the council and questions asked to Chaundell, the council has agreed to the incentives with a couple of changes regarding the amount of calls per tier. The council would like to see this item come back as a Resolution next meeting with a budgeting report to see where the money will come from.

6. Follow Up from Alaska Permanent Capital Management

Jon gave a short recap on what needs to happen going forward. The Council decided to readdress this matter in 6 weeks after the council members have had time to individually think on the item.

7. Consider upgrade to New Ice House Drum

Hans gave an explanation and what the options are, after discussion the council moved forward with the recommended motion.

SEE/MCKINLEY

move to approve \$17,138 and \$3,000 for Ice House upgrades

MOTION CARRIED UNANIMOUSLY

8. Consider Award, Craig Harbor Conditions Survey Work

CREIGHTON/KAMPNICH

move to award the Craig Harbor Conditions Survey Work to PND

MOTION CARRIED UNANIMOUSLY

COUNCIL COMMENT

No council comments were made.

ADJOURNMENT

CREIGHTON/BAZINET

move to adjourn at 9:40p.m.

MOTION CARRIED UNANIMOUSLY

APPROVED on the 20th of February 2020

MAYOR TIMOTHY O'CONNOR

ATTEST

JILLIANCARL,CITYCLERK



File Code: 1920 (8602300)

Date: FEB 03 2020

RECEIVED
FEB 10 2020

The Honorable Tim O'Connor
Mayor
City of Craig
Post Office Box 725
Craig, Alaska 99921

Dear Mayor O'Connor:

Thank you for your letter of December 12, 2019, to U.S. Department of Agriculture Secretary Sonny Perdue regarding the Tongass National Forest Timber Program. Secretary Perdue has asked the Forest Service to respond. I appreciate your continued commitment and interest in sustaining the timber industry in Southeast Alaska. I apologize for the delayed response.

The U.S. Department of Agriculture's Forest Service remains committed to facilitating the transition to primarily young growth harvest on the Tongass National Forest, while also ensuring timber industry viability. This strategy includes continuing to prepare old growth bridge timber sales until the majority of the timber program can be offered in young growth sales.

One critical step in this transition is implementing the Prince of Wales Landscape Level Project. I commend the city for its participation and leadership in the collaborative Prince of Wales Landscape Assessment Team. The team served a critical role in developing this important project that will provide a steady and sustainable supply of young growth sales from the Prince of Wales Landscape Assessment Project area. Young growth timber will be an increasing component of the larger timber sales scheduled to be offered over time.

I look forward to your continued involvement and input as we continue to work on this project and other forest management activities on the Tongass National Forest.

Sincerely,

VICTORIA CHRISTIANSEN
Chief





Southeast Senior Services

A Division of Catholic Community Service, Inc.



Helping elders in Southeast Alaska stay healthy, safe and independent

January 31, 2020

Mr. Jon Bolling
City Administrator
City of Craig
PO Box 725
Craig, AK 99921

RECEIVED
FEB 07 2020

Dear Mr. Bolling:

We want to thank the City of Craig for its generous support of our Craig/Klawock Senior Center. We are pleased to report the following services provided by our Craig/Klawock Senior Center staff in the second quarter of the Fiscal Year 2020:

- * 16 senior citizens received 661 home-delivered meals.
- * 67 senior citizens received 1,075 congregate meals.
- * 57 senior citizens received 1,735 rides.

Please contact me at (907)463-6154 or Marianne.mills@ccsjuneau.org if you would like additional information.

Sincerely,

Marianne Mills
Program Director

MM/acb





THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

Division of Community and Regional Affairs
Anchorage

550 W 7th AVE, STE 1650
Anchorage, AK 99501-3510
Main: 907.269.4501
Toll free: 877.769.4539
Fax: 907.269.4563

RECEIVED
JAN 22 2020

January 14, 2020

Mr. John Bolling, City Administrator
City of Craig
P.O. Box 725
Craig, AK 99921

SUBJECT: Population Determination for FY2021 DCCED Financial Assistance Programs

Dear Mr. Bolling:

The Department of Commerce, Community, and Economic Development annually certifies the population of each municipality, community, and reserve in the State of Alaska for use in various financial assistance programs based upon population estimates prepared by the State Demographer at the Department of Labor and Workforce Development. For the [COMM] the following population will be used for all FY21 programs the department administers.

The population of the Craig has been determined to be 1074

If you do not agree with the population determination, you may request a population adjustment by submitting a written request and substantiate the request by completing either of the two approved methods: Head Count Census Method or Housing Unit Method. The request must include a resolution from the governing body proposing a corrected population total.

If you choose to request a population adjustment, please review the Head Count Census and Housing Unit Method manuals the department has published to assist you with this process. These manuals are available at <http://commerce.alaska.gov/wcb/dcra/> or you may also contact the department for a copy of the manuals.

The request for adjustment and completed census documentation must be postmarked no later than April 1, 2020, and submitted to:

Department of Commerce, Community, and Economic Development
Division of Community and Regional Affairs
Attn: Grace Beaujean
550 West 7th Avenue, Suite 1640
Anchorage, AK 99501

LISA MURKOWSKI
ALASKA

COMMITTEES:
ENERGY AND NATURAL RESOURCES
CHAIRMAN
APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR,
ENVIRONMENT, AND RELATED AGENCIES
CHAIRMAN

HEALTH, EDUCATION, LABOR,
AND PENSIONS

INDIAN AFFAIRS

Dr. Neil Jacobs
Acting Administrator
National Oceanic and Atmospheric Administration
1315 East-West Highway
Silver Spring, MD 20910

Mr. Chris Oliver
Assistant Administrator for Fisheries
National Oceanic and Atmospheric Administration
1315 East-West Highway
Silver Spring, MD 20910

Dear Acting Administrator Jacobs and Assistant Administrator Oliver:

With my support for the comments submitted by communities and organizations in Alaska, I write to urge you to provide additional analysis and greater consideration of the economic impacts of the proposed rule to designate critical habitat for the Mexico and Western North Pacific Distinct Population Segments (DPSs) of humpback whales in Alaska waters near Kodiak and the Aleutian Islands. Furthermore, I strongly urge you to exclude Southeast Alaska from the proposed critical habitat designation for the Mexico DPS. The National Marine Fisheries Service (NMFS) is in the process of designating critical habitat under the Endangered Species Act (ESA) for the threatened Mexico DPS, endangered Western North Pacific DPS, and endangered Central America DPS of humpback whales, pursuant to a 2018 settlement agreement.¹ Under NMFS's proposed rule,² Southeast Alaska (Unit 10) is included as part of the Mexico DPS critical habitat designation—despite the fact that this inclusion provides no meaningful conservation benefit to the Mexico DPS.

The Endangered Species Act (ESA) section 4(b)(2) states that critical habitat shall be designated and revised on the basis of the best scientific data available after taking into consideration economic impacts, impacts on national security, and any other relevant impacts of specifying particular areas as critical habitat.³ After reviewing the proposed rule, I am concerned that the potential impacts of designating critical habitat in the active fishing regions included in Units 1-6 and Unit 8 have not been adequately analyzed or considered by NMFS. Additionally, by including Unit 10 in the recommended Mexico DPS humpback whale critical habitat, the proposed rule does not reflect an accurate and appropriate consideration of the best available science and of economic

¹ *Center for Biological Diversity et al. v. National Marine Fisheries Service, et al.*, No. 3:18-cv-01628-EDL (N.D. Cal.).

² Endangered and Threatened Wildlife and Plants: Proposed Rule to Designate Critical Habitat for the Central America, Mexico, and Western North Pacific Distinct Population Segments of Humpback Whales. 84 Fed. Reg. 54354 (October 9, 2019)

³ 16 U.S. Code § 1533(b)(2)(2012)

United States Senate

WASHINGTON, DC 20510-0203
(202) 224-6665
(202) 224-5301 FAX

February 7, 2020

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ANCHORAGE, AK 99501-1956
(907) 271-3735

250 CUSHMAN STREET, SUITE 2D
FAIRBANKS, AK 99701
(907) 456-0233

800 GLACIER AVENUE, SUITE 101
JUNEAU, AK 99801
(907) 586-7277

44539 STERLING HIGHWAY, SUITE 203
SOLDOTNA, AK 99669
(907) 262-4220

1900 FIRST AVENUE, SUITE 225
KETCHIKAN, AK 99901-6059
(907) 225-6880

851 EAST WESTPOINT DRIVE, SUITE 307
WASILLA, AK 99654-7142
(907) 376-7665

impacts. Negative economic impacts of Unit 10's inclusion clearly outweigh any conservation benefits to Mexico DPS humpback whales, and by no means will Mexico DPS humpback whales face a risk of extinction as a result of excluding Southeast Alaska from the critical habitat designation. It is therefore imperative that you use the authority described under ESA section 4(b)(2) and delegated to the Assistant Administrator for Fisheries⁴ to exclude from Unit 10 from Mexico DPS humpback whale critical habitat in the final rule.

I. Including Unit 10 in the critical habitat designation provides no conservation benefit to Mexico DPS humpback whales

While the critical habitat review team (CHRT) found that Unit 10 was of “medium” conservation value to Mexico DPS whales, we believe this rating does not reflect the best available science. Designating Unit 10 as critical habitat does not provide meaningful conservation benefits to Mexico DPS whales.

1. The best available science shows that Mexico DPS humpback whales have a mere 2% likelihood of migrating to Southeast Alaska or Northern British Columbia (BC).⁵ This simple fact—that this area is used by an extremely minor, and ultimately insignificant proportion of the Mexico DPS—seems to have been given far less attention than appropriate in development of the proposed rule. The Draft Biological Report refers to this 2% likelihood, which functionally represents the summed probabilities of a Mexico DPS whale moving into either Unit 10 or a substantial area of BC waters outside the U.S. Exclusive Economic Zone, simply as “low.”⁶ The report places undue emphasis instead on the proportion of whales in Unit 10 that were confirmed, by photographic matches of individually identifiable tail flukes, to have been seen in Mexico waters (8.5%) as part of the Structure of Populations, Levels of Abundance and Status of Humpbacks (SPLASH) study.⁷ This raw match proportion is subject to bias and does not reflect the actual percentage of Southeast Alaska humpback whales that are members of the Mexico DPS, which has been estimated as about 6%.⁸ This amounts to an extremely minor proportion (<5%) of the Mexico DPS, consistent with the *extremely low* probability of a humpback whale moving between Mexico and Southeast Alaska.⁹ Much larger numbers of Mexico DPS whales are concentrated elsewhere.¹⁰

⁴ Department Organization Order 10-15 (5/24/04). NOAA Organization Handbook, Transmittal #34, May 31, 1993

⁵ Wade, P. R. 2017. Estimates of abundance and migratory destination for North Pacific humpback whales in both summer feeding areas and winter mating and calving areas revision of estimates in SC/66b/IA21. IWC Scientific Committee Report SC/A17/NP/11.

⁶ National Marine Fisheries Service. May 2019. Draft Biological Report for the Proposed Designation of Critical Habitat for the Central America, Mexico, and Western North Pacific Distinct Population Segments of Humpback Whales (*Megaptera novaeangliae*). pg 95

⁷ Calambokidis, J., E. A. Falcone, T. J. Quinn, A. M. Burdin, P. J. Clapham, J. K. B. Ford, C. M. Gabriele, R. Leduc, D. K. Mattila, L. Rojas-Bracho, J. M. Straley, B. L. Taylor, J. Urbán-Ramirez, R. D. Weller, B. H. Witteveen, M. Yamaguchi, A. Bendlin, D. Camacho, K. Flynn, A. Havron, J. Huggins, and N. Maloney. 2008. SPLASH: Structure of Populations, Levels of Abundance and Status of Humpback Whales in the North Pacific. *Cascadia Research*. For U.S. Department of Commerce, Western Administrative Center, Seattle, WA. AB133F-03-RP-00078.

⁸ Neilson, J.L., Gabriele, C.M. and Taylor-Thomas, L.F. 2018. Humpback whale monitoring in Glacier Bay and adjacent waters 2017: annual progress report. Natural Resource Report NPS/GLBA/NRR—2018/1660. US Department of the Interior, National Park Service, Fort Collins, Colorado, USA.

⁹ Wade, P. R. 2017, at 9

¹⁰ Id, at 9

2. The CHRT has conflated Mexico DPS whales with Hawaii DPS whales in Unit 10. This mistaken approach is how a region used by such a minor proportion of the Mexico DPS was assigned any meaningful conservation value for this specific population segment. The vast majority of humpbacks that feed in Southeast Alaska travel to Hawaii, not Mexico, for winter.¹¹ These Hawaii whales are not listed under the ESA. Evidence of their healthy population status was sufficiently robust to warrant examination of the humpback whale species-wide ESA listing, and the Hawaii DPS was subsequently identified and de-listed with great confidence (98%) that it was not at risk of extinction.¹² However, this proposed rule bases its analysis of Unit 10's importance to Mexico DPS whales on the feeding behavior of Hawaii DPS whales. The Draft Biological Report states that Unit 10 was drawn to include a humpback whale Biologically Important Area (BIA) in Southeast Alaska, and the presence of the BIA was a significant factor in scoring the unit's conservation value for the Mexico DPS.¹³ The Southeast Alaska humpback BIA was delineated based on whale sightings from 1991 to 2009^{14,15}—sightings of whales that are now known to nearly all be members of the Hawaii DPS. Whales feeding in this region are overwhelming not part of the Mexico DPS or any other ESA-listed DPS. Designating this region as critical habitat based on use by the Hawaii DPS severely undermines the delisting action NMFS took for this population segment just 4 years ago, while providing no conservation benefit to Mexico DPS whales.

3. There is scientific uncertainty as to whether the Mexico DPS is likely to become an endangered species within the foreseeable future throughout all or a significant portion of its range. While NMFS originally stated that the Mexico DPS did not warrant listing under the ESA in its 2015 proposed rule to revise humpback whales' species-wide listing,¹⁶ it listed the Mexico DPS as threatened in the final rule.¹⁷ This change was based on a new, lower abundance estimate that was presented in a 2016 International Whaling Commission Scientific Committee paper.¹⁸ The final rule stated this estimate, which was based on a spatial multi-strata (MS) model, was likely more accurate than an estimate from an alternative model (Chapman-Peterson) in the paper because the MS model used more sighting data and was less subject to bias from capture heterogeneity (i.e., variation in the likelihood of

¹¹ Id, at 9

¹² Endangered and Threatened Wildlife and Plants: Endangered and Threatened Species; Identification of 14 Distinct Population Segments of the Humpback Whale (*Megaptera novaeangliae*) and Revision of Species-Wide Listing. 81 Fed. Reg. 62260 (September 8, 2016)

¹³ NMFS 2019. Draft Biological Report. pg 81

¹⁴ Dahlheim, M.E., White, P.A. and Waite, J.M., 2009. Cetaceans of Southeast Alaska: distribution and seasonal occurrence. *Journal of Biogeography*, 36(3), pp.410-426.

¹⁵ Ferguson, M.C., Curtice, C. and Harrison, J., 2015. 6. Biologically Important Areas for Cetaceans Within US Waters-Gulf of Alaska Region. *Aquatic Mammals*, 41(1), p.65-78.

¹⁶ Endangered and Threatened Wildlife and Plants: Endangered and Threatened Species; Identification of 14 Distinct Population Segments of the Humpback Whale (*Megaptera novaeangliae*) and Revision of Species-Wide Listing. 80 Fed. Reg. 22304 (April 21, 2015)

¹⁷ 81 Fed. Reg. at 62260

¹⁸ Wade, P. R., T. J. Quinn II, J. Barlow, C. S. Baker, A. M. Burdin, J. Calambokidis, P. J. Clapham, E. A. Falcone, J. K. B. Ford, C. M. Gabriele, D. K. Matilla, L. Rojas-Bracho, J. M. Straley, B. Taylor, J. Urbán R., D. Weller, B. H. Witteveen, and M. Yamaguchi. 2016. Estimates of abundance and migratory destination for North Pacific humpback whales in both summer feeding areas and winter mating and calving areas. IWC Scientific Committee Report SC/66b/IA/21.

photographically identifying or “capturing” a particular whale). However, the rule did not mention that the paper also included a third modeling approach (Chao), and that the study authors stated it was “more difficult to decide whether the Chao or MS estimates are better.”¹⁹ The Chao model explicitly accounted for individual capture heterogeneity, unlike the MS model, which instead assumed that any bias from capture heterogeneity was canceled out by using data from both summer and winter (because capture likelihood may vary in different ways each season).²⁰ However, some behaviors and features that determine how easily individual whales can be successfully approached, photographed, and identified affect capture likelihood in similar ways in both seasons and were not completely controlled for by SPLASH survey protocols.²¹ If summer and winter capture likelihoods are correlated, MS estimates are negatively biased, and Chao estimates that fully account for capture heterogeneity are more accurate. The Chao model also more directly addresses the question of how large the Mexico DPS is by using only winter data. The additional summer data in the MS model introduces more model terms and complication, and does not necessarily lead to a better abundance estimate for the Mexico DPS—which is defined by where animals spend winter only. The Chao model predicted that the Mexico DPS included 4,910 individuals, 50% more than the MS model abundance estimate (3,264) that led NMFS to list the Mexico DPS as threatened. While this MS estimate and a subsequent revision to it²² have scientific validity, the Chao model does as well. There is a very reasonable chance that the Mexico DPS is significantly larger than NMFS stated in the listing rule, such that the DPS is *not* threatened with becoming endangered and would not benefit from additional conservation actions.

4. NMFS does not anticipate that designating critical habitat in Unit 10 will result in any new conservation actions or project modifications. While the proposed rule acknowledges uncertainty around future implications of designating critical habitat, it emphasizes that baseline conservation actions already prevent federal actions from destroying or adversely modifying the critical habitat of ESA-listed humpback whales.²³ Protections must be in place to prevent jeopardy to the whales themselves, and these include protections for the prey essential feature of the proposed critical habitat. As stated in the Draft Economic Analysis, “the conservation efforts identified by NMFS to avoid jeopardy would also result in avoiding adverse modification of critical habitat.”²⁴ Designating critical habitat in Unit 10 is unlikely to have conservation benefits for the very limited number of Mexico DPS whales in the region because it is unlikely to result in any additional conservation measures. The Draft Economic Analysis notes that analyzing the potential for adverse modification rather than

¹⁹ Id, at 25

²⁰ Barlow, J., Calambokidis, J., Falcone, E.A., Baker, C.S., Burdin, A.M., Clapham, P.J., Ford, J.K., Gabriele, C.M., LeDuc, R., Mattila, D.K. and Quinn, T.J., 2011. Humpback whale abundance in the North Pacific estimated by photographic capture-recapture with bias correction from simulation studies. *Marine Mammal Science*, 27(4), pp.793-818.

²¹ Smith, T.D., Allen, J., Clapham, P.J., Hammond, P.S., Katona, S., Larsen, F., Lien, J., Mattila, D., Palsbøll, P.J., Sigurjónsson, J. and Stevick, P.T., 1999. An ocean-basin-wide mark-recapture study of the North Atlantic humpback whale (*Megaptera novaeangliae*). *Marine Mammal Science*, 15(1), pp.1-32.

²² Wade, P. R. 2017, at 8

²³ 84 Fed. Reg, at 54375

²⁴ Industrial Economics, Incorporated for NMFS. September 24, 2019. Economic Impacts Associated with the Designation of Critical Habitat under Consideration for Humpback Whales: Draft Report. pg 2-12

for jeopardy may be more “straightforward” and make consultations simpler, but will likely have no impact on outcomes.²⁵ Making NMFS’s work more straightforward is not a conservation benefit to the Mexico DPS.

II. Economic impacts of designating humpback whale critical habitat in Southeast Alaska were not properly described or taken into consideration.

Southeast Alaska will experience significant economic impacts if designated as humpback whale critical habitat, and it risks facing costs that would be devastating to its small communities. Appropriate weighing of economic impacts vs. conservation benefits clearly shows that Unit 10 should be excluded from the designation.

1. If included as critical habitat, Unit 10 faces the highest economic costs overall of any area and the vast majority of costs to small entities. This rule’s Draft Economic Analysis shows that Unit 10 would bear 17-25% of all quantified, annualized costs of designating humpback whale critical habitat, as well as **75% of all costs** to small businesses, small organizations, and small government jurisdictions.²⁶ The concentration of these costs in a unit that comprises just 13% of the 175,812 nmi² proposed critical habitat for the Mexico DPS—and is seasonally occupied by less than 5% of whales in this DPS—is alarming.
2. Costs to Unit 10 are unquestionably higher and more burdensome than stated in the Draft Economic Analysis. While the economic report concludes that Unit 10 would face an extreme proportion of the designation’s most impactful costs, it fails to reflect these costs and their effects in appropriate absolute terms. The only costs quantified were those of additional administrative effort that will be required to complete ESA section 7 consultations after the designation is finalized. For small entities, this was estimated to cost \$4,900 per year. This comes nowhere close to the total costs local governments and small businesses and organizations in Southeast Alaska would face with this additional regulatory hurdle. Expanded consultations lead to project time delays that come at great expense, as municipalities in Unit 10 have reported in public comment on this rule. Regulatory uncertainty will also undermine investment and may preclude activities and projects that would substantially benefit communities. If designation of critical habitat does result in new conservation measures beyond what is required to avoid jeopardy, costs will be higher still. Such measures could block or significantly reduce opportunities for commercial fishing, tourism, maritime transit, in-water construction, hatchery operations, and hydroelectric projects which are essential for the economic and cultural well-being of small communities in Southeast Alaska. This region is different than most of the coastal United States, and is almost completely under federal control. As a result, nearly all economic activity or resource development has a federal nexus requiring a permit, approval, or license from the federal government. With rural economies and no road connections, Southeast Alaska is especially vulnerable to harm from restrictions on seafood harvesting, vessel transit, and shoreline infrastructure. The Draft Economic Analysis admits that assuming critical habitat designation will not result in project modifications or fishery management changes may have caused *potentially major* underestimations of costs.²⁷ If these

²⁵ Id, at 2-4

²⁶ Id, at 5-2

²⁷ Id, at 6-1

assumptions prove false and costs are indeed far larger than predicted, it will be economically devastating for Southeast Alaska.

3. NMFS did not appropriately weigh the economic impacts of critical habitat designation against conservation benefits. Rather than considering the economic impacts—both quantitative and qualitative—of designation in each unit and weighing them against conservation benefits, NMFS simply deemed all economic impacts “very low” based on estimates of direct administrative costs alone. The proposed rule emphasizes how low these costs are by comparing them to the estimated costs of other recent, similar critical habitat designations—but fails to note that those estimates accounted for potential project modifications, which were dismissed in this proposed rule as unlikely and too difficult to quantify. It is wrong for NMFS to ignore all economic impacts besides direct administrative costs in its cost-benefit assessment. The inevitable costs of time delays and regulatory uncertainty, as well as the possible, potentially enormous costs of new conservation measures, are extremely important. Yet they are given no mention in the Draft ESA Section 4(b)(2) Report’s weighing of economic impacts against benefits of designation.²⁸ A proper analysis would recognize total foreseeable costs of designation, perhaps through including an additional qualitative economic metric incorporating indirect costs, risks, and economic vulnerability. NMFS’s approach to weighing conservation benefits against economic impacts in this rule amounted to writing off all costs as insignificant and recommending exclusion of “low” conservation value areas based only on their conservation status. “Low” regions had essentially no conservation value and would have been unreasonable to include as critical habitat under any circumstances; their exclusion does not represent a sufficient consideration of economic impact. A valid consideration would result in exclusion of Unit 10—even if this unit did have moderate conservation value for the Mexico DPS—given the total costs and economic risks the region stands to face.

III. Potential economic impacts from future conservation actions were not explained, analyzed, or considered.

Alaskans understand that designating critical habitat for a species may result in future restrictions to fisheries. This was the case in 1993, when NMFS designated critical habitat for Steller sea lions in the Gulf of Alaska, Bering Sea, and Aleutian Islands. At the time of the designation, NMFS noted in its proposed rule that the “direct economic and other impacts resulting from this proposed critical habitat designation are expected to be minimal.”²⁹ After the designation was finalized, however, NMFS and the North Pacific Fishery Management Council limited Alaska groundfish fisheries after concluding that these fisheries were likely to adversely modify SSL critical habitat.³⁰ These restrictions have resulted in higher costs for fishermen, additional regulatory burdens, and the closure of important fishing areas.

In its proposed rule to designate critical habitat for WNP and Mexico DPS humpback whales around Kodiak Island and in the Eastern Aleutians, NMFS notes that “the costs quantified in the

²⁸ NMFS, September 2019. Draft ESA Section 4(b)(2) Report: In Support of the Proposed Designation of Critical Habitat for the Mexico, Central America, and Western North Pacific Distinct Population Segments of Humpback Whales (*Megaptera novaeangliae*). Pgs 22-28

²⁹ 58 Fed. Reg at 17188

³⁰ 68 Fed. Reg at 203

economic analysis include only the additional administrative effort associated with consideration of potential impacts to critical habitat” as part of NMFS’s Section 7 consultation duties. The rule also outlines the many activities with a Federal nexus that could invite restrictive conservation actions as a result of the designation, including commercial fishing. NMFS did not identify any probable conservation recommendations that would likely be made to avoid adverse modification of the proposed critical habitat as a result of activities like commercial fishing, but solicits “public comments and relevant data that would further inform this analysis.” Consistent with the comments submitted by coastal communities and fishing organizations that have been negatively impacted by other critical habitat designations, I urge you to engage closely with these stakeholders to evaluate, analyze, and consider the potential economic impacts of any future conservation actions that could result from this proposal and negatively affect Alaska’s fisheries.

IV. Conclusion

The ESA allows the Secretary (or delegated authority) to exclude any area from a critical habitat designation if the benefits of exclusion outweigh the benefits of inclusion, so long as it will not result the extinction of the species of concern.³¹ It is extremely clear that Southeast Alaska should be excluded from the Mexico DPS humpback whale critical habitat designation. There are no relevant benefits of designating this region as critical habitat. Very few Mexico DPS whales feed in this area; it is unclear whether the Mexico DPS should be ESA-listed at all; and the designation is not expected to result in new, beneficial conservation measures. The negative impacts of designation, however, are severe. They include project time delays and regulatory uncertainty that would be very costly to isolated rural communities, which already face significant federal regulations related to protected resources. Similar impacts to communities on Kodiak Island and in the eastern Aleutians have not been adequately considered, especially with regard to future conservation actions affecting commercial fisheries. Should critical habitat designation lead to new conservation measures for Alaska’s fisheries, the costs to these communities could be massive. Southeast Alaska has raised its voice in opposition to designation based on residents’ informed, personal knowledge of the costs it would entail and of how little it would benefit ESA-listed whales. I add my voice to the urgent request that NMFS exclude Unit 10 from the Mexico DPS critical habitat designation, and provide additional analysis of the economic impacts of this designation on all Alaskan communities with rural fishery-based economies.

Sincerely,



Lisa Murkowski
United States Senator

CC: The Honorable Wilbur Ross, Secretary of Commerce
Governor Mike Dunleavy, State of Alaska
Commissioner Doug Vincent-Lang, Alaska Dept. of Fish and Game

³¹ 16 U.S. Code § 1533(b)(2)(2012)

United States Senate

February 6, 2020

Dr. Neil Jacobs
Acting Assistant Secretary for Oceans and Atmosphere
National Oceanic and Atmospheric Administration

Dear Dr. Jacobs,

I write to express serious concern regarding the National Marine Fisheries Service, Office of Protected Resource's overly expansive proposed critical habitat designation in Alaska for Humpback Whales. As a result of a 2018 settlement agreement, NMFS is in the process of designating critical habitat for the threatened Mexico Distinct Population Segment (DPS), endangered Western North Pacific DPS, and endangered Central America DPS of humpback whales.¹ Alaska is home to abundant waters along its coasts, which, in some cases, serve as feeding grounds for humpback whales. Maintaining high quality habitat for not only ESA listed species, but all species, is necessary. Even in the absence of a critical habitat designation, humpback whale abundance in the North Pacific appears to be increasing,² which speaks to existing management provisions being a success. For the Mexico DPS, the proposed rule would designate 175,812 square nautical miles as critical habitat, though this DPS is listed as threatened with a high level of uncertainty. The following lays out my concerns regarding the unsupported and unnecessarily large area proposed for critical habitat designation in this proposed rule.³

1. Economic impacts

Economic cornerstones for Alaska include oil and gas production, tourism, and fisheries. Consequentially, Alaska is also highly reliant on functional marine transportation, ports, and harbors for both industry and the state's numerous islanded communities that are only accessible by boat or plane. Additional layers of regulation and federal oversight may create an increased burden on residents of small coastal communities. Within this proposal, the analysis of economic impacts does not discuss significant costs in both lost opportunities and in future consultations that may result due to the proposed critical habitat designation.

The potential impacts to Alaskans' livelihoods from this rule must be considered beyond what is captured in this analysis. To this point, I would remind you of Alaska's past experience with the Steller sea lion critical habitat designation in 1993.⁴ That rule stated, "the direct economic and other impacts resulting from this proposed critical habitat designation are expected to be minimal."

¹ *Center for Biological Diversity et al. v. National Marine Fisheries Service, et al.*, No. 3:18-cv-01628-EDL (N.D. Cal.).

² Calambokidis, J. et al. 2008. SPLASH: Structure of Populations, Levels of Abundance and Status of Humpback Whales in the North Pacific. Cascadia Research. For U.S. Department of Commerce, Western Administrative Center, Seattle, WA. AB133F-03-RP-00078.

³ Endangered and Threatened Wildlife and Plants: Proposed Rule to Designate Critical Habitat for the Central America, Mexico, and Western North Pacific Distinct Population Segments of Humpback Whales. 84 Fed. Reg. 54354 (October 9, 2019).

⁴ Federal Register Volume 58, No. 61, April 1, 1993, at 17181.

Experience tells us that impacts related to Steller sea lion fishing closures were not minimal, and to date the costs associated with maintaining harbor infrastructure under this critical habitat designation continues to be a burden. As additional regulations can be applied across all critical habitat areas designated, without regard for negative impacts, evaluation of conservation ‘savings,’ or assessment of costs to activities such as commercial fishing, it is essential that the economic analysis accurately reflects those potential impacts.

Additionally, in December, the North Pacific Fishery Management Council was forced to close the Gulf of Alaska federal Pacific Cod fishery for 2020 due to Steller sea lion mandates regarding potential competition for prey, Pacific Cod in this case. The impacts of these past critical habitat designations show that it is paramount for critical habitat to be designated only in areas with clear, high conservation savings. Designated areas must demonstrate conservation benefits that are clearly additive to recovery for the species. I believe that this proposed rule creates undue burden on Alaskans with diluted and uncertain conservation benefits. Nowhere in the analysis is there an acknowledgement or discussion of potential fishery closure costs that could result from critical habitat designation.

In particular, the economic impacts of designating Mexico DPS critical habitat in Unit 10 on Southeast Alaskan residents and businesses may be significant in comparison to other areas in Alaska. According to the Draft Economic Analysis, Unit 10 would bear up to 25% of all quantified, annualized costs of designating critical habitat for the Mexico humpback whale DPS, along with 75% of the costs to small businesses, organizations and small governmental jurisdictions⁵. The conservation benefits in Unit 10, an area seasonally occupied by a minimal percentage of Mexico DPS humpback whales, does not offset the concentration of costs that is predicted. Unit 10 should be entirely excluded from the rule.

2. Conservation value uncertainty.

The NMFS conclusion that designating critical habitat will ultimately be beneficial is flawed given the vast areas proposed for designation. Including such a vast area dilutes the conservation value of the designated area proposed. The primary feeding grounds for the Mexico DPS are along the coasts of California, Oregon, and Washington,⁶ however, the proposed habitat designation is largely located in waters off of Alaska. This places a disproportionate burden on Alaskans. As a part of the Mexico DPS critical habitat designation, NMFS’s proposed rule includes Units 4, 6, and 10, which are categorized as having a medium conservation value rating – without scientific research showing these units offer a higher rate of use by the Mexico DPS resulting in a high or very high conservation value. I urge you to exclude those areas from the Mexico DPS critical habitat designation. Inclusion of Unit 6, even when the Draft Biological Report states that humpback whale densities are relatively low, shows that the analysis is weighted toward inclusion of critical habitat areas that are unnecessary. Additionally, some units are italicized to indicate a

⁵ Id, at 5-2.

⁶ Calambokidis, J., E. A. Falcone, T. J. Quinn, A. M. Burdin, P. J. Clapham, J. K. B. Ford, C. M. Gabriele, R. Leduc, D. K. Mattila, L. Rojas-Bracho, J. M. Straley, B. L. Taylor, J. Urbán-Ramirez, R. D. Weller, B. H. Witteveen, M. Yamaguchi, A. Bendlin, D. Camacho, K. Flynn, A. Havron, J. Huggins, and N. Maloney. 2008. SPLASH: Structure of Populations, Levels of Abundance and Status of Humpback Whales in the North Pacific. *Cascadia Research*. For U.S. Department of Commerce, Western Administrative Center, Seattle, WA. AB133F-03-RP-00078.

high level of uncertainty in the conservation rating given. **I suggest a final determination that reduces the area being designated. At the very least, excluding units with high levels of uncertainty for any DPS and Units 4, 6, and 10 (medium value) from the critical habitat designated under the Endangered Species Act (ESA) for the Mexico Distinct Population Segment (DPS) of humpback whales is warranted and appropriate.**

There is, again, particularly strong rationale to exclude Unit 10, Southeast Alaska, from the proposed habitat designation for the Mexico DPS in consideration of the 2% likelihood that Mexico DPS humpback whales migrate to Southeast Alaska or Northern British Columbia⁷. As explained in the Draft Biological Report,⁸ this low likelihood represents the proportion of Mexico DPS moving into either Unit 10 or Northern British Columbia – much of which are waters outside the U.S. Exclusive Economic Zone and outside the scope of what this proposed rule can encompass.

I would also highlight the remarkable recovery of the Hawaiian DPS. This DPS makes up the majority of humpbacks that feed in Southeast Alaska and are not listed under the ESA. In fact, it is the Hawaiian DPS's healthy population status that led to an examination of the humpback whale species-wide ESA listing, where the Hawaiian DPS was then identified and de-listed.⁹ I highlight this because the proposed habitat designation for the Mexico DPS bases the importance of Unit 10 on presence of a humpback whale Biologically Important Area (BIA) – which was a significant factor in the unit's medium conservation value scoring for the Mexico DPS. The Draft Biological Report also states that “the relative predicted probability of movement to this area by the Mexico DPS is low for this general area.” **Humpback whales feeding in Unit 10 are primarily not the Mexico DPS and as such, designating critical habitat here does not provide a meaningful conservation benefit to Mexico DPS humpback whales.**

3. Prey species definition is vague.

The proposed rule defines prey species as “primarily euphausiids and small pelagic schooling fishes of sufficient quality, abundance, and accessibility within humpback whale feeding areas to support feeding and population growth.” In discussing prey species, the Draft Biological Report then goes on to identify small pelagic fish, such as northern anchovy, Pacific herring, and Pacific sardine as critical prey. The Draft Biological Report later states that humpback whales also consume fish species such as juvenile pollock and Atka mackerel in some areas of Alaska. **Additional clarification on what species and life stages fall under critical prey must be articulated, as that will be necessary for future ESA Section 7 consultations.** Without this articulation, NMFS could interpret critical prey species inconsistently. This specificity has the potential to drastically change future impacts to fisheries.

⁷ Wade, P. R. 2017. Estimates of abundance and migratory destination for North Pacific humpback whales in both summer feeding areas and winter mating and calving areas revision of estimates in SC/66b/IA21. IWC Scientific Committee Report SC/A17/NP/11.

⁸ National Marine Fisheries Service. Mat 2019. Draft Biological Report for the Proposed Designation of Critical Habitat for the Central America, Mexico, and Western North Pacific Distinct Population Segments of Humpback Whales (*Megaptera novaeangliae*). Pg 95.

⁹ Endangered and Threatened Wildlife and Plants: Endangered and Threatened Species; Identification of 14 Distinct Population Segments of the Humpback Whale (*Megaptera novaeangliae*) and Revision of Species-Wide Listing. 81 Fed. Reg. 62260 (September 8, 2016).

4. Critical habitat outer limits are overly expansive.

This proposed rule draws the outer limits of some units along the 2,000 m isobath, while the outer limits of other units are drawn at 1,000 m isobath. An outer limit of 2,000 m isobath is excessive given the coast oriented feeding behavior of humpback whales. **Units included in the final rule should not extend beyond 1,000 m isobath.**

5. Long term monitoring plan.

Alaska is currently experiencing high variability in its marine environment and scientific projections remain limited in their ability to inform resilience efforts for marine mammal populations. Data on whale migration and DPS populations must be strengthened, as we find ourselves now in a situation where Alaskan communities are placed under economic burden due to a lack of data and poorly understood habitat correlations with potentially zero conservation savings to show for it. The data used in this proposed habitat designation is largely outdated and relies heavily on extrapolations on DPS movements and foraging behavior. **Long-term monitoring efforts are essential in understanding and identifying appropriate critical habitat for effective conservation and recovery of humpback whales.**

Conclusion.

It is clear that the area proposed as critical habitat for humpback whales is overly expansive and poorly supported due to a lack of data. Significant negative impacts can be expected as a result of designating the majority of the Gulf of Alaska's coastline, along with significant parts of the Aleutian Islands and Bering Sea. Under the ESA, exclusion of areas from a critical habitat designation is allowed if the benefits of exclusion outweigh the benefits of inclusions and the species of concern does not risk extinction as a result.¹⁰ Area exclusion considerations are appropriate, particularly in regard to the Mexico DPS, as it is not endangered and there is significant uncertainty in its threatened listing. In considering relevant benefits of designating critical habitat, only areas with an associated conservation rating of high or very high, with a high level of certainty, should be considered for designation as critical habitat areas. There are fundamental flaws in the analysis for this proposed rule that undermine a critical habitat designation's conservation objectives. In closing, the lack of data, along with the potential economic burdens that could result from this action should be better understood before this rule is implemented and Alaskans are forced to endure the results.

Sincerely,



Dan Sullivan
United States Senator

CC:

¹⁰ 16 U.S. Code § 1533(b)(2)(2012).

The Honorable Wilbur Ross, Secretary of Commerce
Dr. Lisa Manning, National Marine Fisheries Service
Governor Mike Dunleavy
Commissioner Doug Vincent-Lang, Alaska Department of Fish and Game

CITY OF CRAIG

Account Statement - Period Ending January 31, 2020



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

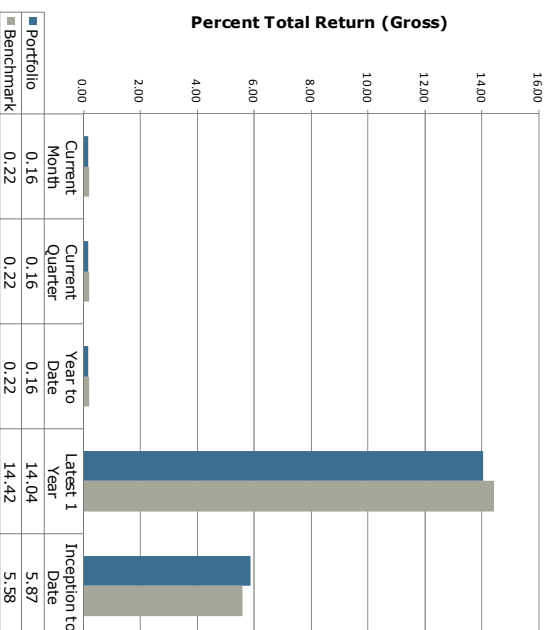
Portfolio Value on 12-31-19	11,350,092
Contributions	0
Withdrawals	-2,838
Change in Market Value	10,660
Interest	7,125
Dividends	376
Portfolio Value on 01-31-20	11,365,415

MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF® Amber@apcm.net
Your Portfolio Manager:	Bill Lierman, CFA®
Contact Phone Number:	907/272-7575

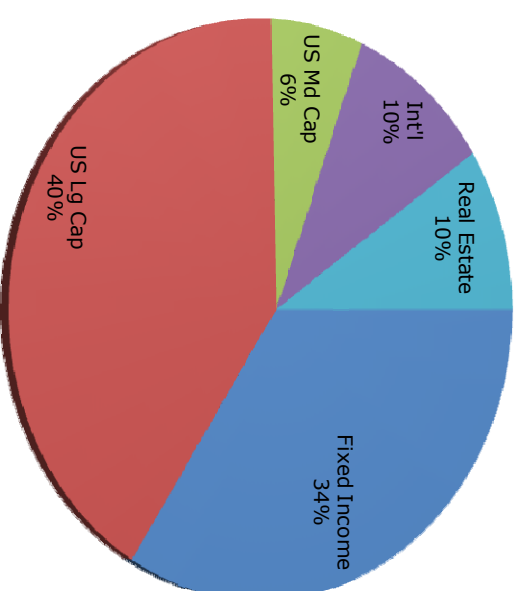
INVESTMENT PERFORMANCE

Current Account Benchmark:
Equity Blend



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Alaska Permanent Capital Management Co.
PORTFOLIO SUMMARY AND TARGET
CITY OF CRAIG
January 31, 2020

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (34.0%)	3,874,920	34.1	20% to 45%
Cash (0.0%)	35,656	0.3	na
Subtotal:	3,910,576	34.4	
EQUITY (56%)			
US Large Cap (40.0%)	4,575,001	40.3	30% to 50%
US Mid Cap (6.0%)	683,569	6.0	0% to 10%
Developed International Equity (10.0%)	1,103,563	9.7	5% to 15%
Subtotal:	6,362,132	56.0	
ALTERNATIVE INVESTMENTS (10%)			
Real Estate (10.0%)	1,092,706	9.6	5% to 15%
Subtotal:	1,092,706	9.6	
TOTAL PORTFOLIO	11,365,415	100	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG

January 31, 2020

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
FNMA & FHLMC									
3,243	FHLMC POOL G14203	104.56	3,391	104.64	3,394	0.03	130	11	1.55
	4,000% Due 04-01-26				11	0.00			
	Accrued Interest		3,391		3,404	0.03		11	
CORPORATE BONDS									
50,000	NBC UNIVERSAL MEDIA LLC	109.20	54,602	103.14	51,570	0.45	2,187	729	1.64
	4.375% Due 04-01-21								
50,000	AMERICAN EXPRESS CREDIT	99.92	49,962	100.76	50,381	0.44	1,125	269	1.63
	2.250% Due 05-05-21								
50,000	GILEAD SCIENCES INC	96.28	48,141	100.68	50,342	0.44	975	406	1.61
	1.950% Due 03-01-22								
50,000	UNITEDHEALTH GROUP INC	102.56	51,279	102.17	51,087	0.45	1,437	543	1.82
	2.875% Due 03-15-22								
50,000	COMCAST CORP	101.83	50,917	103.55	51,773	0.46	1,425	63	1.61
	2.850% Due 01-15-23								
50,000	AFLAC INC	106.03	53,016	106.76	53,381	0.47	1,812	232	1.56
	3.625% Due 06-15-23								
50,000	BANK OF NEW YORK MELLON	97.83	48,916	101.62	50,810	0.45	1,100	504	1.72
	2.200% Due 08-16-23								
50,000	JPMORGAN CHASE & CO	105.18	52,590	107.65	53,825	0.47	1,937	969	1.88
	3.875% Due 02-01-24								
50,000	METLIFE INC	105.46	52,732	107.62	53,811	0.47	1,800	555	1.71
	3.600% Due 04-10-24								
50,000	WELLS FARGO & COMPANY	99.88	49,941	106.07	53,033	0.47	1,650	651	1.92
	3.300% Due 09-09-24								
50,000	APPLIED MATERIALS INC	107.96	53,978	110.69	55,347	0.49	1,950	650	1.90
	3.900% Due 10-01-25								
50,000	TARGET CORP	96.45	48,223	104.25	52,127	0.46	1,250	368	1.77
	2.500% Due 04-15-26								
	Accrued Interest		614,300		633,429	0.05		5,939	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
14,220	SPDR S&P 500 ETF	153.23	2,178,955	321.73	4,575,001	40.25	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
3,410	ISHARES CORE S&P MIDCAP 400 ETF	112.16	382,478	200.46	683,569	6.01	NA		
INTERNATIONAL EQUITY FUNDS/ETF									
8,725	ISHARES ETF CORE MSCI EAFE	56.94	496,795	63.45	553,601	4.87	NA		
8,150	ISHARES MSCI EAFE INDEX FUND	61.71	502,904	67.48	549,962	4.84	NA		
			999,699		1,103,563	9.71			

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL

CITY OF CRAIG

January 31, 2020

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
REAL ESTATE & INFRASTRUCTURE									
12,175	JPMORGAN BETABUILDERS MSCI US REIT ETF	77.43	942,733	89.75	1,092,706	9.61	NA		
U.S. TREASURY									
75,000	US TREASURY NOTES 1.750% Due 10-31-20	99.91	74,933	100.13	75,097	0.66	1,312	335	1.57
150,000	US TREASURY NOTES 2.125% Due 08-15-21	99.45	149,169	101.08	151,623	1.33	3,187	1,472	1.41
50,000	US TREASURY NOTES 2.000% Due 08-31-21	100.69	50,343	100.95	50,476	0.44	1,000	423	1.39
75,000	US TREASURY NOTES 2.000% Due 10-31-21	99.92	74,943	101.06	75,797	0.67	1,500	383	1.38
100,000	US TREASURY NOTES 2.000% Due 11-15-21	99.76	99,762	101.12	101,125	0.89	2,000	429	1.36
175,000	US TREASURY NOTES 2.625% Due 12-15-21	101.92	178,364	102.32	179,067	1.58	4,594	602	1.36
100,000	US TREASURY NOTES 1.875% Due 01-31-22	100.10	100,101	101.02	101,023	0.89	1,875	5	1.35
200,000	US TREASURY NOTES 2.125% Due 06-30-22	98.10	196,209	101.92	203,836	1.79	4,250	374	1.32
100,000	US TREASURY NOTES 1.750% Due 07-15-22	99.89	99,894	101.03	101,027	0.89	1,750	82	1.32
150,000	US TREASURY NOTES 1.625% Due 11-15-22	97.79	146,686	100.85	151,278	1.33	2,437	522	1.31
150,000	US TREASURY NOTES 2.625% Due 02-28-23	99.73	149,593	103.95	155,923	1.37	3,937	1,666	1.31
125,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	123,590	104.11	130,132	1.14	3,125	1,444	1.31
170,000	US TREASURY NOTES 1.375% Due 08-31-23	99.92	169,867	100.23	170,393	1.50	2,337	997	1.31
115,000	US TREASURY NOTES 2.125% Due 03-31-24	98.81	113,630	103.24	118,724	1.04	2,444	832	1.32
100,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	100,227	104.60	104,598	0.92	2,375	1,097	1.33
130,000	US TREASURY NOTES 2.125% Due 11-30-24	102.02	132,625	103.70	134,814	1.19	2,762	476	1.33
75,000	US TREASURY NOTES 2.000% Due 02-15-25	100.63	75,469	103.19	77,396	0.68	1,500	693	1.34
175,000	US TREASURY NOTES 2.000% Due 08-15-25	98.46	172,301	103.36	180,873	1.59	3,500	1,617	1.37
55,000	US TREASURY NOTES 2.625% Due 12-31-25	101.31	55,718	107.01	58,857	0.52	1,444	127	1.39
100,000	US TREASURY NOTES 2.500% Due 02-28-26	100.40	100,397	106.41	106,410	0.94	2,500	1,058	1.40
100,000	US TREASURY NOTES 1.625% Due 05-15-26	101.05	101,055	101.31	101,313	0.89	1,625	348	1.41

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
January 31, 2020

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
200,000	US TREASURY NOTES 2.000% Due 11-15-26	98.10	196,199	103.68	207,368	1.82	4,000	857	1.43
125,000	US TREASURY NOTES 2.250% Due 11-15-27	95.20	118,996	105.84	132,300	1.16	2,812	603	1.45
80,000	US TREASURY NOTES 3.125% Due 11-15-28	102.02	81,613	113.39	90,710	0.80	2,500	536	1.49
125,000	US TREASURY NOTES 2.625% Due 02-15-29	99.82	124,774	109.48	136,851	1.20	3,281	1,516	1.50
50,000	US TREASURY NOTES 1.625% Due 08-15-29	99.35	49,673	100.97	50,486	0.44	812	375	1.52
70,000	US TREASURY NOTES 1.750% Due 11-15-29	99.71	69,800	102.08	71,457	0.63	1,225	262	1.52
	Accrued Interest				19,132	0.17			
			3,105,931		3,238,087	28.49		19,132	
CASH AND EQUIVALENTS									
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		35,656		35,656	0.31			
TOTAL PORTFOLIO			8,263,142		11,365,415	100	84,867	25,081	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 01-01-20 To 01-31-20

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
U.S. TREASURY				
01-28-20	01-29-20	US TREASURY NOTES 1.750% Due 11-15-29	35,000	35,352.68
				35,352.68
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
01-31-20	01-31-20	MANAGEMENT FEES		2,841.35
				2,841.35
DIVIDEND				
REAL ESTATE & INFRASTRUCTURE				
01-03-20	01-03-20	JPMORGAN BETABUILDERS MSCI US REIT ETF		375.60
				375.60
INTEREST				
CASH AND EQUIVALENTS				
01-15-20	01-15-20	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		3.14
CORPORATE BONDS				
01-15-20	01-15-20	COMCAST CORP 2.850% Due 01-15-23		712.50
FNMA & FHLMC				
01-15-20	01-15-20	FHLMC POOL G14203 4.000% Due 04-01-26		11.17
U.S. TREASURY				
01-15-20	01-15-20	US TREASURY NOTES 1.750% Due 07-15-22		875.00

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 01-01-20 To 01-31-20

Trade Date	Settle Date	Security	Quantity	Trade Amount
01-31-20	01-31-20	US TREASURY NOTES 1.875% Due 01-31-22		937.50
				1,812.50
				2,539.31
PRINCIPAL PAYDOWNS				
FNMA & FHLMC				
01-15-20	01-15-20	FHLMC POOL G14203 4.000% Due 04-01-26	106.62	106.62
				106.62
PURCHASED ACCRUED INTEREST				
U.S. TREASURY				
01-28-20	01-29-20	US TREASURY NOTES 1.750% Due 11-15-29		126.20
				126.20
WITHDRAW				
CASH AND EQUIVALENTS				
01-17-20	01-17-20	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		2,837.52
01-31-20	01-31-20	DIVIDEND ACCRUAL		22,325.29
				25,162.81
				25,162.81

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG
From 01-01-20 Through 01-31-20

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
01-15-20	106.62	FHLMC POOL G14203 4.000% Due 04-01-26	111.48	106.62	-4.86
TOTAL GAINS					0.00
TOTAL LOSSES					-4.86
			111.48	106.62	-4.86

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 01-01-20 To 01-31-20

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
01-01-20			Beginning Balance		48,625.56
01-03-20	01-03-20	dp	Dividend	JPMORGAN BETABUILDERS MSCI US REIT ETF	375.60
01-15-20	01-15-20	dp	Interest	COMCAST CORP 2.850% Due 01-15-23	712.50
01-15-20	01-15-20	dp	Interest	FHLMC POOL G14203 4.000% Due 04-01-26	11.17
01-15-20	01-15-20	dp	Paydown	FHLMC POOL G14203 4.000% Due 04-01-26	106.62
01-15-20	01-15-20	dp	Interest	US TREASURY NOTES 1.750% Due 07-15-22	875.00
01-15-20	01-15-20	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	3.14
01-17-20	01-17-20	wd	Withdrawal	from Portfolio	-2,837.52
01-28-20	01-29-20	wd	Purchase	US TREASURY NOTES 1.750% Due 11-15-29	-35,352.68
01-28-20	01-29-20	wd	Accrued Interest	US TREASURY NOTES 1.750% Due 11-15-29	-126.20
01-31-20	01-31-20	dp	Transfer from	DIVIDEND ACCRUAL	22,325.29
01-31-20	01-31-20	dp	Interest	US TREASURY NOTES 1.875% Due 01-31-22	937.50
01-31-20			Ending Balance		35,655.98
DIVIDEND ACCRUAL					
01-01-20			Beginning Balance		22,325.29
01-31-20	01-31-20	wd	Transfer to	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	-22,325.29
01-31-20			Ending Balance		0.00

CITY OF CRAIG - SCHOOL FUNDS

Account Statement - Period Ending January 31, 2020



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

ACCOUNT ACTIVITY

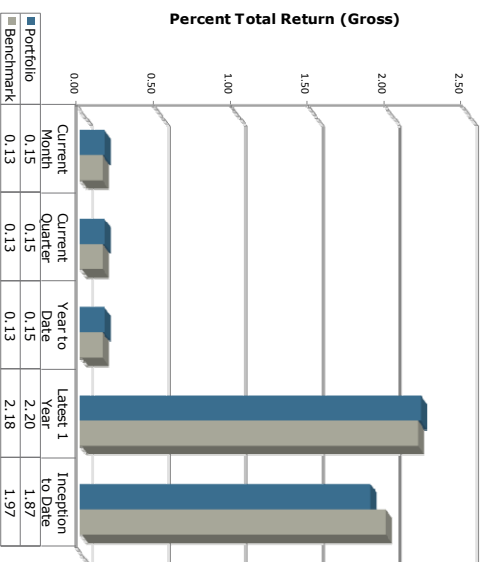
Portfolio Value on 12-31-19	3,458,273
Contributions	0
Withdrawals	-550,625
Change in Market Value	1,073
Interest	3,719
Dividends	0
Portfolio Value on 01-31-20	2,912,440

MANAGEMENT TEAM

Client Relationship Manager:	Amber Frizzell, AIF®
Your Portfolio Manager:	Amber@apcm.net
Contact Phone Number:	Bill Lierman, CFA®
	907/272-7575

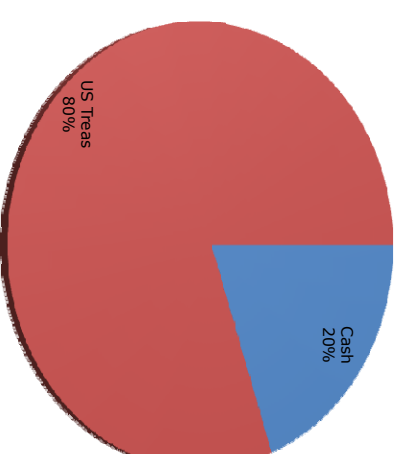
INVESTMENT PERFORMANCE

Current Account Benchmark:
T-Bill shown for reference



Performance is Annualized for Periods Greater than One Year

PORTFOLIO COMPOSITION



Fixed Income Portfolio Statistics

Average Quality: AAA Yield to Maturity: 1.57% Average Maturity: 0.41 Yrs

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG - SCHOOL FUNDS
January 31, 2020

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
440,000	US TREASURY NOTES 1.375% Due 02-29-20	99.88	439,465	99.97	439,862	15.10	6,050	2,560	1.76
480,000	US TREASURY NOTES 1.500% Due 04-15-20	100.32	481,517	99.97	479,850	16.48	7,200	2,144	1.65
565,000	US TREASURY NOTE 1.500% Due 06-15-20	99.96	564,794	99.97	564,823	19.39	8,475	1,111	1.58
340,000	US TREASURY NOTES 1.500% Due 08-15-20	99.63	338,740	99.95	339,840	11.67	5,100	2,356	1.59
500,000	US TREASURY NOTES 1.750% Due 11-15-20	100.11	500,561	100.15	500,740	17.19	8,750	1,875	1.56
	Accrued Interest				10,046	0.34			
			2,325,078		2,335,162	80.18		10,046	
TREASURY BILLS									
560,000	US TREASURY BILLS 0.000% Due 07-30-20	99.25	555,777	99.26	555,847	19.09	NA	0	1.49
CASH AND EQUIVALENTS									
	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		21,431		21,431	0.74			
TOTAL PORTFOLIO			2,902,286		2,912,440	100	35,575	10,046	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG - SCHOOL FUNDS
From 01-01-20 To 01-31-20

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
TREASURY BILLS				
01-31-20	01-31-20	US TREASURY BILLS 0.000% Due 07-30-20	560,000	555,777.48
U.S. TREASURY				
01-07-20	01-08-20	US TREASURY NOTE 1.500% Due 06-15-20	565,000	564,794.08
				1,120,571.56
INTEREST				
CASH AND EQUIVALENTS				
01-15-20	01-15-20	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		4.81
U.S. TREASURY				
01-15-20	01-15-20	US TREASURY NOTES 1.375% Due 01-15-20		3,781.25
01-31-20	01-31-20	US TREASURY NOTE 1.250% Due 01-31-20		3,500.00
				7,281.25
				7,286.06
PURCHASED ACCRUED INTEREST				
U.S. TREASURY				
01-07-20	01-08-20	US TREASURY NOTE 1.500% Due 06-15-20		555.74
				555.74
SALES, MATURITIES, AND CALLS				
TREASURY BILLS				
01-07-20	01-07-20	US TREASURY BILLS 0.000% Due 01-07-20	565,000	565,000.00

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG - SCHOOL FUNDS
From 01-01-20 To 01-31-20

Trade Date	Settle Date	Security	Quantity	Trade Amount
U.S. TREASURY				
01-15-20	01-15-20	US TREASURY NOTES 1.375% Due 01-15-20	550,000	550,000.00
01-31-20	01-31-20	US TREASURY NOTE 1.250% Due 01-31-20	560,000	560,000.00
				1,110,000.00
				1,675,000.00
WITHDRAW				
CASH AND EQUIVALENTS				
01-22-20	01-22-20	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		550,600.00
01-22-20	01-22-20	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT		25.00
				550,625.00
				550,625.00

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG - SCHOOL FUNDS
From 01-01-20 Through 01-31-20

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
01-07-20	565,000	US TREASURY BILLS 0.000% Due 01-07-20	563,744.42	565,000.00	1,255.58
01-15-20	550,000	US TREASURY NOTES 1.375% Due 01-15-20	544,923.09	550,000.00	5,076.91
01-31-20	560,000	US TREASURY NOTE 1.250% Due 01-31-20	558,024.20	560,000.00	1,975.80
TOTAL GAINS					8,308.29
TOTAL LOSSES					0.00
			1,666,691.71	1,675,000.00	8,308.29

Alaska Permanent Capital Management Co.
CASH LEDGER
CITY OF CRAIG - SCHOOL FUNDS
From 01-01-20 To 01-31-20

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT					
01-01-20			Beginning Balance		10,896.94
01-07-20	01-07-20	dp	Sale	US TREASURY BILLS 0.000% Due 01-07-20	565,000.00
01-07-20	01-08-20	wd	Purchase	US TREASURY NOTE 1.500% Due 06-15-20	-564,794.08
01-07-20	01-08-20	wd	Accrued Interest	US TREASURY NOTE 1.500% Due 06-15-20	-555.74
01-15-20	01-15-20	dp	Interest	US TREASURY NOTES 1.375% Due 01-15-20	3,781.25
01-15-20	01-15-20	dp	Sale	US TREASURY NOTES 1.375% Due 01-15-20	550,000.00
01-15-20	01-15-20	dp	Interest	CHARLES SCHWAB LIQUID BANK DEPOSIT ACCOUNT	4.81
01-22-20	01-22-20	wd	Withdrawal	from Portfolio	-550,600.00
01-22-20	01-22-20	wd	Withdrawal	from Portfolio	-25.00
01-31-20	01-31-20	dp	Sale	US TREASURY NOTE 1.250% Due 01-31-20	560,000.00
01-31-20	01-31-20	dp	Interest	US TREASURY NOTE 1.250% Due 01-31-20	3,500.00
01-31-20	01-31-20	wd	Purchase	US TREASURY BILLS 0.000% Due 07-30-20	-555,777.48
01-31-20			Ending Balance		21,430.70

CITY OF CRAIG MEMORANDUM

To: Mayor and City Council
From: Brian Templin, City Planner
Date: February 14, 2020
RE: Ordinance 724, Rezoning Lot 1A, Block 20, USS 1430 – Second Reading

Lot 1A, Block 20, USS 1430 is currently owned by Misty Fitzpatrick and Mike Burgess (dba Tongass Electric). This lot is located at 405 7th Street (behind the AP&T offices here in Craig). The property has a duplex structure and the previous owner was approved as a bed & breakfast under a conditional use permit. The current building has two apartments upstairs and a large garage on the ground floor. The property being considered for rezoning has residential property abutting on two sides and commercial property located on two sides (the AP&T offices are located across the alley on the north side of the property and Water Street Apartments are located to the east across the 7th Street Right of Way).

Mike and Misty applied to the Craig Planning Commission to rezone the property from Residential High Density-I to Commercial so that the existing building could be used as housing for themselves and their employees; a base of operations for Tongass Electric in Craig; and administrative office space for Tongass Electric.

The public hearing for the rezone was made as required in the Craig Municipal Code and the public hearing was held by the Craig Planning Commission on December 12, 2019. The commission had a lengthy discussion about parking and compatibility. John Moots (one of the neighboring residential property owners) asked that if the rezoning is approved that the owners be required to provide screening (fencing or vegetation) between the rezoned commercial property and the existing residential property. The Craig Municipal Code allows the city to require this screening between commercial/industrial property and adjacent residential property. The property owners and Mr. Moots agreed with the planning commission's recommendation for screening and will meet with the city planner to work out the details of the screening if the rezone is approved.

Property Zoning in Alaska is generally enacted by adoption of land use maps as part of the comprehensive planning process. Since the current land use maps were adopted by the council in early 2019 as part of the city's comprehensive plan update for the city, then any change to zoning/land use in Craig modifies those maps and must be adopted by the council. The Craig Municipal Code requires that the planning commission holds a hearing and makes a recommendation to the council and that the council consider the zone change by ordinance.

If the council chooses not to follow the planning commission's recommendation the council should state the specific findings that support the decision. These findings will be sent to the planning commission for further consideration.

Recommendation: Approve Ordinance 724 changing the zone of Lot 1A, Block 20, USS 1430 from Residential High Density – I to Commercial.

**CITY OF CRAIG
ORDINANCE No. 724**

REZONING LOT 1A, BLOCK 20, USS 1430, FROM RESIDENTIAL HIGH DENSITY-I TO COMMERCIAL ZONING

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CRAIG, ALASKA:

Section 1. Classification. This is a non-code ordinance.

Section 2. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance amends the official zoning map by rezoning Lot 1A, Block 20, USS 1430, as shown on Plat 91-60, Ketchikan Recording District, from Residential – High Density-I to Commercial Zoning.

PASSED AND APPROVED ON _____, 2020

MAYOR TIM O'CONNOR

ATTEST _____
JILLIAN CARL, CITY CLERK

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator and Brian Templin, Craig City Planner
Date: February 14, 2020
RE: Resolution No. 20-03

Attached you will find Resolution 20-03. This resolution states that the Craig City Council supports conveyance of a portion of state owned tideland (submerged land) for the purpose of constructing the breakwater and harbor at the Craig Cannery Site.

Staff has determined that this tideland will be occupied by the new harbor and breakwater. We have met by telephone with representatives from Alaska DNR/Mining Land and Water regarding the process for conveyance of the tideland and, if the council approves resolution 20-03, will complete applications necessary to work on the conveyance.

We will fine tune the amount of tideland to be conveyed as more precise data is available from the USACE.

This is not a new process for the city. The majority of the near shore tidelands in Craig were conveyed to the city under a similar process.

Recommendation

Adopt Resolution 20-03 supporting conveyance of tidelands in support of the Craig Downtown Harbor Project.

**CITY OF CRAIG
RESOLUTION NO. 20-03**

**SUPPORTING CONVEYANCE OF TIDELANDS FOR THE CITY OF CRAIG
DOWNTOWN HARBOR PROJECT**

WHEREAS, the City of Craig seeks to construct a harbor on its downtown waterfront;
and

WHEREAS, based on initial layout drawings provided by the US Army Corps of Engineers, a portion of harbor infrastructure will occupy state-owned tidelands within the Craig municipal boundaries; and,

WHEREAS, Alaska Statute 38.05.825 provides for the conveyance of state tidelands to municipalities; and,

WHEREAS, the city's downtown harbor project meets the criteria set out in AS 38.05.825 for the conveyance of state tideland to the City of Craig, with the conveyance subject only to those restrictions required by law; and,

WHEREAS, the public harbor proposed for construction on the subject tidelands is a use consistent with management measures found in the Department of Natural Resources Prince of Wales Island Area Plan; and,

WHEREAS, the Alaska Department of Natural Resources requires a supporting resolution from a community's governing body accompany an application for conveyance of tidelands.

NOW THEREFORE BE IT RESOLVED that the Craig City Council supports efforts to apply to the State of Alaska for, and receive title to, tidelands needed to construct the city's downtown harbor project.

APPROVED _____, 2020.

MAYOR TIM O'CONNOR

ATTEST _____
JILLIAN CARL, CITY CLERK

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: February 14, 2020
RE: Consider Award Tiers Schedule for EMS Responders

At its February 6 meeting, the city council reviewed a draft proposal for increasing stipends and other financial incentives to encourage more frequent responses to EMS calls by the EMS volunteers on the city's volunteer roster. In response to comments made at the February 6 meeting, staff presents here the revised stipend schedule via resolution for council consideration.

The staff cover memo from the February 6 meeting is attached. In that memo I voiced some preferences for using cash over the City Bucks concept in some cases. I also expressed some concern about maintaining control of the cost of the incentives. Those preferences and concerns remain as to the issuance of sales tax exempt cards and the proposed lifetime honors for 10+ years of responses (worth noting here is that if the council chooses to adopt the lifetime awards, subsequent ordinances will be needed to modify the exemption text in the Craig Municipal Code).

There is a need to manage the volunteer roster to encourage more participation in EMS calls. EMS Coordinator Chaundell Piburn developed the proposed incentive schedule in the resolution in the hope that the incentives will mean that the EMS squad can rely on a wider range of rostered EMS volunteers to respond to calls. The proposed incentives are in addition to many other changes adopted over the past several years that are intended to ensure local EMTs respond to calls in Craig.

Recommendation

That the council carefully review the proposed award tiers and move to adopt an award tier schedule for Craig EMS roster participants.

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 27, 2020
RE: Draft Incentives for EMS Responders

City staff met recently to identify specific incentives benefitting EMS responders. The incentives are meant to encourage Craig EMS volunteer squad members to answer emergency calls more often than is the case now, and to sign up for on-call shifts. A summary of what the tiered system may include is attached for council review.

The concept of the incentives revolves around the award of what are called “city bucks”. City bucks may be applied to any number of fee-based city services, all of which are identified in the attached tier schedule. Staff in the city’s finance department would track the accumulation and redemption of city bucks when they are presented to the city for use by the recipient.

The incentive schedule also includes a graduated rate of stipends for responders. The city already has in place a stipend schedule for EMS members who respond to calls. The attached tier schedule modifies the existing stipend schedule to increase the stipend amount incrementally the more that a given EMS squad member responds to calls for service.

Among the proposed incentives is a reduction of an emergency responder’s assessed value of a primary residence. Alaska statute 29.45.050.r allows a city to exempt, by ordinance, up to \$10,000 from an emergency responder’s property assessment. At the city’s six mill property tax rate, the exemption would lower the volunteer’s property tax bill by up to \$60.00.

The rewards in the tier system for response to calls would be awarded for the prior year’s response effort. Rewards for accepting on-call shifts would be compiled quarterly.

While some of the proposed city bucks awards would be largely cost-neutral to the city, most of the proposed awards would result in an actual loss of revenue across a number of city departments. Depending on how many EMS responders end up qualifying for city bucks benefits, it may be less work administratively to simply make cash payments to the responders rather than awarding city bucks. Staff estimates the additional cost to the EMS department would be around \$14,000 beyond what was spent for response stipends last year. In addition, the EMS volunteers would be free to spend the incentive awards in any way they choose, rather than just on city services.

I do have some concerns about awarding sales tax exempt cards, especially relative to the “Lifetime Honor” awards listed on page 2, in the tiered system because in issuing the card we lose some modicum of control over the cost of the benefit. A cash payout instead still rewards service and fixes our out of pocket costs.

The attachment and this cover memo are presented for council discussion. Staff is ready to record council response to the tiered award schedule and finalize for formal consideration by the council, probably by resolution, at a meeting in the near future.

**CITY OF CRAIG
RESOLUTION 20-04
Establishing EMS Response Stipends**

WHEREAS, the City of Craig supports volunteer Fire and EMS squads to respond to emergencies in Craig; and,

WHEREAS, the City of Craig emergency services department is primarily staffed by Volunteers; and,

WHEREAS, to help in recruiting and retaining volunteers the City of Craig is providing incentives to volunteer Fire and EMS members; and,

WHEREAS, the City has developed an incentives list based upon Fire and EMS volunteer participation.

NOW, THEREFORE, BE IT RESOLVED that the Craig City Council, hereby adopts the City of Craig EMS Reward Tiers shown on attachment "A".

APPROVED _____, 2020.

Tim O'Connor, Mayor

ATTEST _____
Jillian Carl, City Clerk

EMS Reward Tiers:

The reward tiers identified below is intended to build a reward system that encourages more responses to EMS calls and encourages Craig EMS squad members to commit to being officially "On call" for 12-hour shifts. Currently there are very few volunteers willing to commit to specific on-call shifts. Calls average between 1.5 hours to 2.5 hours in length. Medivac calls are always over three hours. We use the term "city bucks" in the reward column, which means credit with the city that the volunteer can redeem for either water/sewer/garbage, harbor fees, pool use, City Gym rental, recreation programs, EMS services, and property tax exemption. The reward schedule separates the actual responses with on call time rewards to encourage people to sign up for shifts.

Rewards are calculated out from previous years call response. On call time rewards will be awarded quarterly.

Tier I:

Participation on Calls	Reward
1- 10 calls per year	Stipend Per call (level A)

Level A stipends are \$25.00 for driver, \$30.00 for EMT 1 and \$35.00 for EMTII

Tier II:

Participation on Calls	Reward
11-20 calls per year	Stipend per call (level A) \$125.00 in cash or City Bucks

Level A stipends are \$25.00 for driver, \$30.00 for EMT 1 and \$35.00 for EMTII, EMT III & MICP

Tier III:

Participation on Calls	Reward
21-30 Calls per year	Stipend per call (level B) 6-month Pool Pass or \$250.00 in cash or City Bucks Partial property tax exemption per state statute

Level B Stipends are \$30.00 for driver, \$35.00 for EMT 1, \$40.00 for EMTII and \$45.00 for EMT III & MICP

Tier IV:

Participation on Calls	Reward
31 – 50 calls per year	Stipend per call (level C) Yearly pool-pass or \$500 cash or City Bucks Partial property tax exemption per state statute

Level C Stipends are \$35.00 for driver, \$40.00 for EMT I , \$45.00 for EMT II and \$50.00 for EMT III & MICP

Tier V:

Participation on Calls	Reward
50+ calls per year	Stipend per call (Level C) Yearly pool pass, plus Sales tax exempt card Partial property tax exemption per state statute

Level C Stipends are \$35.00 for driver, \$40.00 for EMT 1, \$45.00 for EMTII and \$50.00 for EMT III & MICP

Special Tier:

Lifetime Honor: **10+ years of Tier Four or Five**

Lifetime of tax-free card + Lifetime pool pass + Lifetime trash pick up

Signing up for shifts / or training hours

2 or more shifts per month = \$ 25.00 cash or City Bucks.

4 or more shifts = \$100.00 cash or City Bucks.

Training Hours

After 8 hours of specialized training = \$ 100.00 cash or city bucks.

Does NOT include regular CME or meeting nights. This is specialized Hazmat, or specialized training only where we ask medics or firefighters to take off work and use vacation time to attend a training.

EMT
Type

Based on Number of Calls in 2019

Month	Based on Number of Calls in 2019												0-14	14-30	31+	Total Stipend	II	III	IV	V	Total City Bucks	Totals		
	January	February	March	April	May	June	July	August	September	October	November	December											Total	
2 Volunteer	0	0	3	5	6	3	0	0	0	0	0	0	17	350	0	0	350	125	250	0	0	250	600	
3 Volunteer	0	0	0	0	0	0	0	0	1	1	1	3	6	150	0	0	150	125	0	0	0	125	275	
4 Volunteer	0	0	0	0	3	9	8	8	0	0	0	0	28	420	0	0	420	125	250	0	0	250	670	
5 Volunteer	0	1	2	0	0	0	0	0	1	0	0	0	4	100	0	0	100	0	0	0	0	0	100	
6 Volunteer	5	2	6	2	5	7	7	2	6	5	8	5	60	490	640	1350	2480	125	250	500	1000	1000	3480	
7 Volunteer	1	3	4	4	7	4	2	1	0	0	0	0	25	420	0	0	420	125	250	0	0	250	670	
8 Volunteer	1	0	0	1	0	0	0	0	0	0	0	0	1	30	0	0	30	0	0	0	0	0	30	
9 Volunteer	3	0	3	0	0	1	0	0	0	0	0	0	4	140	0	0	140	0	0	0	0	0	140	
10 Volunteer	0			1									1	25	0	0	25	0	0	0	0	0	25	
11 Volunteer	2	0		0		3	4	2	1				10	350	0	0	350	125	0	0	0	125	475	
13 Volunteer	3	7	4	5									16	490	0	0	490	125	250	0	0	250	740	
14 Volunteer	1	5	3	10	10	13	14	5	9	9	4	6	94	420	560	2560	3540	125	250	500	1000	1000	4540	
15 Volunteer	1		2	2	2			3		4	1	1	3	18	420	0	0	420	125	250	0	0	250	670
16 Volunteer	2					8	3	6	5	3	8	7	40	490	640	450	1580	125	250	500	0	500	2080	
													Total Stipend	10,495	Total City Bucks Incentive				4,000	=	14495			

EMT
Type

Based on Number of Calls in 2019

														I	III	IV	II	III	IV	V	Total Stipends	Total City Bucks	Total Reward	
Month	EMT Type	January	Februray	March	April	May	June	July	August	temeber	October	November	December	Total	0-14	14-30	31+							
1	Volunteer	3	5	4	5	3	5	5	6	13	10	7	15	93	490	720	3150	4360	125	250	500	1000	1000	5360
2	Volunteer	0	0	0	3	5	6	3	0	0	0	0	0	17	350	0	0	350	125	250	0	0	250	600
3	Volunteer	0	0	0	0	0	0	0	0	0	1	1	1	3	150	0	0	150	125	0	0	0	125	275
4	Volunteer	1	0	0	0	0	3	9	8	8	0	0	0	28	420	0	0	420	125	250	0	0	250	670
5	Volunteer	0	0	1	2	0	0	0	0	0	1	0	0	4	100	0	0	100	0	0	0	0	0	100
6	Volunteer	2	5	2	6	2	5	7	7	2	6	5	8	60	490	640	1350	2480	125	250	500	1000	1000	3480
7	Volunteer	1	3	4	4	7	4	2	1	0	0	0	0	25	420	0	0	420	125	250	0	0	250	670
8	Volunteer	1	0	0	1	0	0	0	0	0	0	0	0	1	30	0	0	30	0	0	0	0	0	30
9	Volunteer	3	0	3	0	0	1	0	0	0	0	0	0	4	140	0	0	140	0	0	0	0	0	140
10	Volunteer	0			1									1	25	0	0	25	0	0	0	0	0	25
11	Volunteer	2	0		0			3	4	2	1			10	350	0	0	350	125	0	0	0	125	475
12	Volunteer	2				7	6	9	7	11	7	13	4	64	490	640	1530	2660	125	250	500	1000	1000	3660
13	Volunteer	3	7	4	5									16	490	0	0	490	125	250	0	0	250	740
14	Volunteer	1	5	3	10	10	13	14	5	9	9	4	6	94	420	560	2560	3540	125	250	500	1000	1000	4540
15	Volunteer	1		2	2	2			3		4	1	1	18	420	0	0	420	125	250	0	0	250	670
16	Volunteer	2					8	3	6	5	3	8	7	40	490	640	450	1580	125	250	500	0	500	2080
Total Stipend																	17,515	Total City Bucks Incentive				6,000	23,515	

JBER Members EMS Incident Participation

Incident Year	Incident Month Name	Number of Runs	Percent of Total Runs
Incident Crew Member Full Name: Chaundell Piburn			
2019	January	5	1.04%
2019	February	4	0.83%
2019	March	5	1.04%
2019	April	3	0.62%
2019	May	5	1.04%
2019	June	5	1.04%
2019	July	6	1.25%
2019	August	13	2.70%
2019	September	10	2.08%
2019	October	7	1.46%
2019	November	15	3.12%
2019	December	15	3.12%
		Total: 93	Total: 19.33%
Incident Crew Member Full Name: Cody Ellison			
2019	March	3	0.62%
2019	April	5	1.04%
2019	May	6	1.25%
2019	June	3	0.62%
		Total: 17	Total: 3.53%
Incident Crew Member Full Name: Damien Pinnow			
2019	September	1	0.21%
2019	October	1	0.21%
2019	November	1	0.21%
2019	December	3	0.62%
		Total: 6	Total: 1.25%
Incident Crew Member Full Name: Duane Wood			
2019	May	3	0.62%
2019	June	9	1.87%
2019	July	8	1.66%
2019	August	8	1.66%
		Total: 28	Total: 5.82%
Incident Crew Member Full Name: James Carle			
2019	February	1	0.21%
2019	March	2	0.42%
2019	September	1	0.21%
		Total: 4	Total: 0.83%
Incident Crew Member Full Name: John Moots			
2019	January	5	1.04%
2019	February	2	0.42%
2019	March	6	1.25%
2019	April	2	0.42%
2019	May	5	1.04%
2019	June	7	1.46%
2019	July	7	1.46%
2019	August	2	0.42%
2019	September	6	1.25%
2019	October	5	1.04%
2019	November	8	1.66%
2019	December	5	1.04%
		Total: 60	Total: 12.47%
Incident Crew Member Full Name: Jozef Slowik			
2019	January	3	0.62%
2019	February	4	0.83%

Incident Year	Incident Month Name	Number of Runs	Percent of Total Runs
2019	March	4	0.83%
2019	April	7	1.46%
2019	May	4	0.83%
2019	June	2	0.42%
2019	August	1	0.21%
		Total: 25	Total: 5.20%
Incident Crew Member Full Name: Katie Rooks			
2019	March	1	0.21%
		Total: 1	Total: 0.21%
Incident Crew Member Full Name: Laura Hamme			
2019	February	3	0.62%
2019	May	1	0.21%
		Total: 4	Total: 0.83%
Incident Crew Member Full Name: Melyssa Nagamine			
2019	March	1	0.21%
		Total: 1	Total: 0.21%
Incident Crew Member Full Name: Minnie Ellison			
2019	May	7	1.46%
2019	June	6	1.25%
2019	July	9	1.87%
2019	August	7	1.46%
2019	September	11	2.29%
2019	October	7	1.46%
2019	November	13	2.70%
2019	December	4	0.83%
		Total: 64	Total: 13.31%
Incident Crew Member Full Name: Rebecca Moots			
2019	June	3	0.62%
2019	July	4	0.83%
2019	August	2	0.42%
2019	September	1	0.21%
		Total: 10	Total: 2.08%
Incident Crew Member Full Name: Robert Omstead			
2019	January	7	1.46%
2019	February	4	0.83%
2019	March	5	1.04%
		Total: 16	Total: 3.33%
Incident Crew Member Full Name: Timothy O'Connor			
2019	January	5	1.04%
2019	February	3	0.62%
2019	March	10	2.08%
2019	April	10	2.08%
2019	May	13	2.70%
2019	June	14	2.91%
2019	July	5	1.04%
2019	August	9	1.87%
2019	September	9	1.87%
2019	October	4	0.83%
2019	November	6	1.25%
2019	December	6	1.25%
		Total: 94	Total: 19.54%
Incident Crew Member Full Name: Trampus Conatser			
2019	February	2	0.42%
2019	March	2	0.42%
2019	April	2	0.42%
2019	July	3	0.62%

Incident Year	Incident Month Name	Number of Runs	Percent of Total Runs
2019	September	4	0.83%
2019	October	1	0.21%
2019	November	1	0.21%
2019	December	3	0.62%
		Total: 18	Total: 3.74%
Incident Crew Member Full Name: Venessa Richter-Russell			
2019	June	8	1.66%
2019	July	3	0.62%
2019	August	6	1.25%
2019	September	5	1.04%
2019	October	3	0.62%
2019	November	8	1.66%
2019	December	7	1.46%
		Total: 40	Total: 8.32%
		Total: 481	Total: 100.00%

Report Filters

Incident Date: is between '01/01/2019' and '12/31/2019'

Agency Name (Dagency.03): is in 'Craig Emergency Services'

Description

JBEM Members EMS Incident Participation

CITY OF CRAIG
MEMORANDUM

To: Craig City Council

From: Douglas Ward / PPF Manager

Date: February 13, 2020

RE: Consider Purchase Options for Propane Boilers at Craig Aquatic Center

At the February 6, 2020 City Council meeting, we discussed at length the current situation regarding the propane boilers at the Craig Aquatic Center. At the conclusion of these discussions, the city council requested more information to assist in help with making a decision on which alternative to pursue in resolving the current boiler situation.

The information requested was first, pictures of the failed boilers and the heat exchangers. Included are 26 various pictures of the boilers, heat exchangers, and glycol test strips.

Secondly, I suggested including some case studies. I have included 5 case studies. Although they may not be extremely helpful, there is some good information contained in them.

Thirdly, there was a request for information on how the other facilities in our area are heating their pools. Ketchikan heats their pool with oil fired boilers and heat exchangers. Their facilities representative states they were costly units. Wrangell Heats their pool with a heat exchanger system that is supplied from oil boilers in the High School adjacent to the facility. Petersburg heats their pool with electric boilers and heat exchangers. They inform me that they have recently spent considerable money in repairs due to leaks and freezing.

Lastly, I have included 2 quotes from authorized service providers in Alaska to replace and repair our existing machines. The first is from Ameresco out of Anchorage. The second is from Websters out of Fairbanks.

I have also contacted the facilities department at SEARHC in Klawock and asked how satisfied they are with the equipment they have installed that is supplied and supported by Stinebaugh & Co. This is the same company that distributes and supports the alternative boilers that I have proposed replacing ours with. They report that the new equipment is only a year old, but that they are happy with the equipment and the support provided by the company.

After further research, and obtaining this information you have requested, I am still recommending replacing the existing units with the Advanced Thermal Hydronics KN-6, and KN-10 boilers. This recommendation is based on warranty, expected service life, and being more robust boilers based on data researched.

ADDED EFFICIENCY TO THE

DWIGHT D. EISENHOWER AIRPORT

WICHITA, Kans. - It's a project that was a long time coming for Wichita. Recognized by many - especially Kansans - as the aviation capital of the country, the city's airport needed an upgrade to better reflect that title.

It had already been identified as one of the fastest growing airline hubs in the country, but travelers still decried some of its less comfortable areas. It was cramped, for one. Whether it was baggage checks or facility management, little was happening behind the scenes, and the electrical, heating, and cooling systems were outdated.

Aimed at easing travel through the airport and maximizing natural resources for the sake of both form and function, plans to rebuild the terminal began as early as the late nineties, and culminated in a \$200 million project to recreate what is now known as the Dwight D. Eisenhower National Airport.

The new terminal opened officially in June 2015 with a new ticketing wing, nearly 800 outlets and USB ports attached to new seating for charging mobile devices, a revised baggage area, and 12 boarding gates, each equipped with glass boarding bridges with pre-conditioned air and ground power for aircraft.

It's in the latter two areas of the airport's renovation - and its brand-new parking garage - that KN Series boilers and control systems are able to contribute the most. Near a large, automated baggage system outside of public view, a mechanical room holds the terminal's heating and cooling systems and the eight cast iron, two million BTU KN 20 boilers that carry the majority of the load.

The boilers are providing heating as well as de-icing in the service and tarmac areas. A key safety tactic, the de-icing system runs heat through an exchanger, then a glycol mix runs through piping in the ground to the tarmac. Each unit has its own pump, but the array is connected to common venting and fan systems. A separate project using three KN16 units was also completed in the parking garage, where they will be used to provide snow and ice melting in the structure and heat its offices.

It's a big job that consumes a vast amount of energy and, early on, administrators and engineers working on the project were keenly interested in curbing usage costs and dramatic spikes in those costs during colder months.

Cast iron boilers are known for their longevity, able to stay on - or off - for longer periods of time than those made with other materials such as stainless steel. As a result, they are particularly efficient with load matching, and they're also experiencing a bit of a renaissance of late in large construction projects due to their recyclability, cost effectiveness, and availability, in addition to the advent of more sophisticated control systems.

All of the KN units in both the terminal and parking garage, for instance, are networked together through HeatNet 3.0, an innovative airflow management system that allows the boilers to reach efficiencies as high as 99%.



[Download case study.](#)

[Product Used](#)



KN20

POLISH NATIONAL CATHOLIC CHURCH GETS A KN10 BOILER

When it was time to replace the 30 year old boiler at the Polish National Catholic Church in Woonsocket, R.I., the Church wanted a high efficiency boiler that would not only cut fuel consumption and save money, but one that would also qualify for rebates from the gas company.

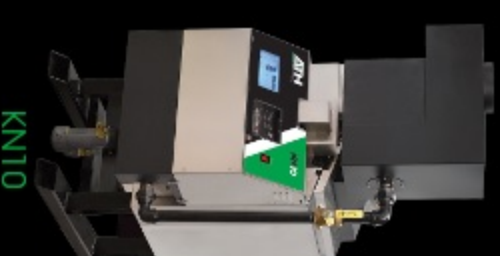
In addition, the boiler had to be small enough to be taken down a set of external stairs, through a church function room and into a very small boiler room in the basement of the church.

Their choice: the KN10, a high-performance, high-efficiency boiler with a modulating input up to one million BTU/hour. The KN10 is a cast iron commercial, gas-fired boiler specifically designed to condense in low temperature applications. The system features Tru-Flow technology to control the air-fuel mixture at all firing rates and venting conditions, and combines high efficiency (up to 93%) with a small footprint. It is ideal for use in demanding applications such as schools, hospitals, large apartment buildings and offices.



[Download case study.](#)

[Product Used](#)



KN10

HUNTER ELEMENTARY

HEATS UP WITH KN10 BOILER

When it comes to commercial boilers, the mantra of the day is high efficiency. The higher, the better – especially in these days of \$3-a-gallon gasoline and skyrocketing heating fuel costs.

It's bad enough for commercial business enterprises, but for schools and other entities that generally struggle with budgets, it's even worse. And while there's no relief in sight, there are options for facility managers who are looking to stretch their heating dollars.

Such is the case with the Joint School District of Meridian, Idaho. The Joint School District today serves over 30,000 students, and is the largest and fastest growing school district in Idaho. To keep up with growth and to ease overcrowding in other area schools, the district built the new Hunter Elementary School, which opened in the fall of 2005. Hunter Elementary is now home to nearly 800 students.

To meet the school's boiler needs, the school district required a high-efficiency system that is also easy to maintain – a tall order, to say the least. The answer was a state-of-the-art heat pump system that would economically serve the school's needs for a long time to come.

Hunter Elementary's new HVAC system was designed by Charles Paulin (PE) of Musgrove Engineering PA of Boise. He specified the heat pump system for long-term efficiency and life expectancy despite the increased up-front costs. The low-temperature hydronic system is ideal for condensing boilers, as they eliminate the need for low water temperature protection inherent with non-condensing boilers, and they generally offer higher operating efficiencies.

Buss Mechanical Services, also of Boise, was awarded the mechanical work for the project and owner Lenny Buss selected two KN10 boilers for the job.

'A real obstacle in this project was the sheetrocking on the underside of the structure,' said Buss. 'Since the sheetrock could not be installed until the roofing was completed, the mechanical installation time frame was greatly reduced. The key for the on-time completion of the total mechanical system was the fact that we prefabricated, on the floor, all overhead piping in the corridors.'

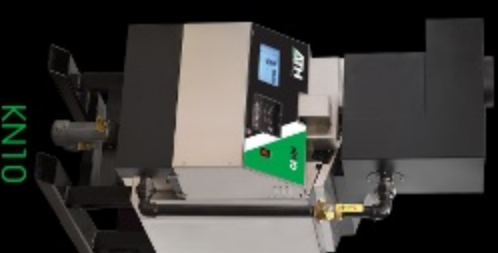
After the sheetrock was installed, we were able to hang our prefab piping quickly and stay on schedule.'

The KN10 is one of the newest commercial boilers from Advanced Thermal Hydraulics, a Mestek company. The commercial gas-fired cast iron condensing boiler features unique 'Tru-Flow' technology to control the fuel-air mixture at all firing rates and venting conditions. The combustion air is constantly measured to fine-tune the fuel gas flow for maximum efficiency. In addition, the boiler takes full advantage of the condensing feature by allowing it to operate at a system return water temperature of less than 128F with no return water temperature limitation. These boilers are capable of maintaining temperature differentials of up to 100F, and offer one of the best warranties in the market.



[Download case study](#)

[Product Used](#)



KN10

'The KN-10 was the natural choice for this project,' said Trevor Thompson of Columbia Hydronics Company, a manufacturers' representative firm with offices in Boise and throughout the West. 'The KN10 offers many unique features that go above and beyond the project requirements that will benefit the school district for years to come.' Besides the boiler system, the system includes two other significant pieces of equipment: the cooling tower and the circulating pumps required to move the fluid throughout the system.

The cooling tower specified is a Baltimore Aircoil (BAC) closed-circuit, evaporative cooling tower, which rejects heat from the building. The 160-ton BAC tower was specified because the evaporative cooling technology makes it possible to cool or condense to a lower temperature than simple dry-air cooling, saving space, equipment cost and energy consumption ' all important considerations for the Hunter Elementary project. The Hunter Elementary project required circulating pumps with a rating of 401 GPM, and for that task, Musgrove Engineering specified two Bell & Gossett Series 1510 base-mounted pumps.

To control this equipment, the project included a DDC control system, featuring BACNET protocol, by Automated Logic Corporation. This system, installed by Clima-Tech Corporation of Boise, provided the two-stage boiler operation, three-stage cooling tower operation, and lead/lag controls for the system pumps, as well as the system heat pumps and ventilation system controls.

Back on the boiler front, one of the key elements of the KN10 is that the boiler comes standard with full modulation. The result: reduced utility expenses for the life of the boiler. Although the KN10 can be fired on-off, the full modulation system offers the opportunity for the boiler to operate at higher efficiencies. This is a deviation from the standard boiler system design used throughout the school district where two boilers were enabled/disabled (on-off fired) by a building automation system rather than a modulating system.

As an example, the KN10's efficiency is approximately 88% at highfire, with return water temperatures near 60F as they will be in the heat pump loop. With the same water temperature, but with the boiler at 1/3 input, the operating efficiency jumps to nearly 98%.

'Modulation is now an integral part of the system,' said Thompson of CHC, 'and using the KN10 boilers did not require any changes to the original system design by Musgrove Engineering. The BAS is still only enabling/disabling each boiler as required by the building's heat pump loop temperature. However, each KN10 boiler includes an independent, factory-wired controller that smoothly modulates the boiler via a PID algorithm.'

The KN series now features three boilers with 600 MBH, 1,000 MBH, and 2,000 MBH ratings, with up to 5:1 capacity modulation, low CO and NOx emissions of less than 20 ppm to meet SCAQMD (rule 1146.2), and whisper quiet operation ' and all in a unit with a footprint of less than 29-inches wide.

'Our relationship with the Joint School District in Meridian Idaho is extremely valuable to us both professionally and personally,' said Paulin. 'When we consider equipment alternatives to our basis of design, we need to feel confident in the equipment and the local representation. To date, the KN-10 boilers have worked well and Columbia Hydronics has provided the support to make the equipment installation a success.'

PERFECT FIT

FOR FLATLEY COMPANY OFFICE BUILDING

The Flatley Company is one of New England's leading real estate development and management companies. The firm operates more than a dozen corporate office facilities in the greater Boston area including One Corporate Place in Danvers, Massachusetts, a four-story office facility built in the mid-1980s. When the original boiler in the Danvers facility started showing signs of aging, Flatley knew that it had to solve the problem before the winter heating season arrived.

The original heating system was comprised of a copper fin boiler connected to a heat pump loop that forced hot water through the various zones to provide baseboard heat throughout the building.

The new boiler had to be compatible with the existing heat pump system, require a minimal amount of plumbing and provide higher efficiency to minimize fuel consumption. Lastly, the new boiler also needed to fit into the small 12 x 12 foot boiler room.

Flatley turned to Sweeney-Rogers Corporation of Franklin, Massachusetts, a manufacturer's representative firm serving the plumbing, heating and HVAC industry.

The company specializes in commercial applications that require high efficiency solutions.

'After a thorough analysis of their system and needs, we recommended that they go with two KN6 cast-iron boilers,' said Mike Rogers of Sweeney-Rogers. 'This would provide Flatley with the same 1.2 million BTU of heating capacity, which was what the old system offered.'

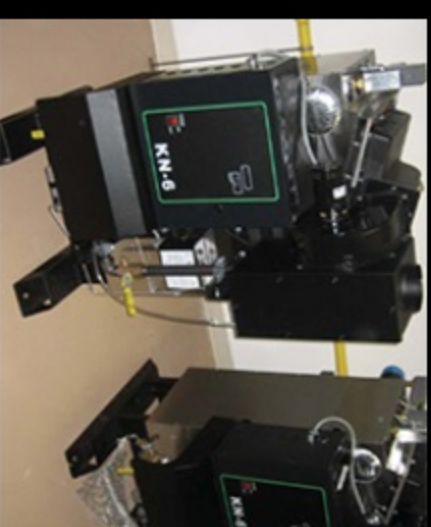
Most importantly, the new boilers are much better suited for the application and low water temperature in the existing system.

'Water temperature was really what killed the old system,' said Rogers. 'In a typical hydronic system with the old type of boiler, the water temperature would be in the 130 to 190F range, depending on the actual heating requirements of the building and the outside temperature. The problem was the temperature was much lower, around 80F, which required a condensing boiler for the system to work properly.'

Unlike the previous boiler, the KN6 is a condensing or high efficiency boiler that operates with lower flue gas temperatures, lower flue gas emissions and reduced fuel consumption by recovering the heat that would otherwise be lost up the flue.

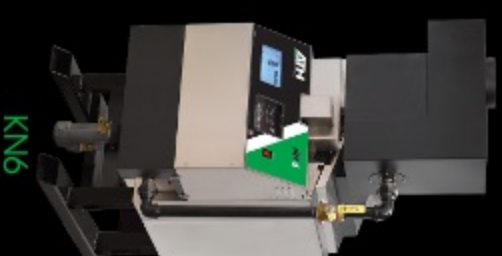
With a small footprint of less than 27-in. wide, Sweeney-Rogers was able to specify two boilers that had the same general footprint as the original boiler, and provided the owner with the added reliability and peace of mind of a redundant system.

High efficiency boilers typically operate at efficiencies of 85 to 95%, or about 10 to 15% higher than traditional boilers. This boiler design was ideal for The Flatley Company property and promised to provide an estimated 15% to 20% higher efficiency rating than the old boiler, resulting in significant potential fuel savings.



[Download case study.](#)

[Product Used](#)



KN6

CONDENSING CAST IRON PERFORMANCE

CAST IRON REVIVAL

The key to the success of the KN Series lies within the revolutionary design: every unit is engineered using a high mass, durable and resilient cast iron heat exchanger. Able to hold valuable latent heat longer than traditional materials used in other condensing boilers, cast iron provides superior longevity and reliability while increasing the cost effectiveness of installation, maintenance and energy consumption.

- 5x more wall thickness than stainless steel and aluminum
- Accepts 10:1 range of water flows (Variable Volume Systems)
- 100 PSI maximum working pressure

An ideal material for condensing boiler applications, cast iron is produced using casted metal, making the construction stronger than metals that are welded together. With fewer seams and joints, KN Series' cast iron heat exchangers can handle more heat and more stress. And with corrosion-resistant properties, cast iron is inherently less sensitive to both acidic and basic pH levels. With the strength, durability and longevity needed for today's most demanding boiler applications, the cast iron technology sets KN Series condensing boilers apart from the competition.



Go behind the scenes to see how KN Series Boilers are made.



MADE IN USA

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Brayton Drive
Anchorage, Alaska 99507-2127

Ph.: 907-278-1880
Fax: 907-278-1883

Date: 2-13-20

To: **Doug Ward**

Subject: Proposal for Mechanical work for City of Craig Alaska.

Ameresco is pleased to provide the following for installing new HX's (2) and assembling boilers and putting back on line:

Base Bid **\$7,712.00**

Our bid **will include** the following:

- 1) Replacement of Heat exchangers in Thermal Solutions 725C boilers (2).
- 2) Combustion & Function Testing of each boiler once put back together.
- 3) Travel, Room and Board.

Exclusions:

- 1) Heat Exchangers (Provided by others).
- 2) Permits
- 3) Any Hazardous materials or waste
- 4) Any Materials or parts that need replaced or defective.
- 5) Any Warranty

If you have any question, please feel free to contact me

Thanks,

Gary Gagnon

Ameresco VP of **Operations- 907-444-7666**

Douglas Ward

From: darren@webstersmechanical.net
Sent: Wednesday, February 19, 2020 2:06 PM
To: 'Douglas Ward'
Subject: budget number

Good day

Here is the budget number to replace the heat exchangers in the boilers .

Includes

Travel to and from Fairbanks to craig .

I have estimated a overnite stay both ways in Ketchikan

Going by the info you provided we will just need our hand tools and a bit of test equipment .

Lodging with in Craig

Scope

Day 1 onsite

Install provided heat exchanger in boiler that has the exchanger already removed . Complete reassembly and fire the boiler . If time start the removal of the exchanger from the boiler second boiler .

Day 2 onsite

Complete change out on second boiler . Fire up and test operation .

Day 3 on site

Check operation of both boilers

Check the delta t on both .

Take a glycol sample from system and send out for testing to find out the glycolic acid levels and the suspended metal concentration .

Check the condensate drain

Look over and check complete system to note or repair and system issues .

Clean up site .

Travel back to Fairbanks

Your location is a bit out of our normal service area but we can do it . The travel and lodging will be flexible in the final invoice . Not 100% sure on the logistics but we have it included .When we get back with the sample we will send out to be tested . It takes about three weeks to get the results back . It will tell us the condition of the glycol and if it can be treated or replaced . If possible you could send a sample and we could test before we come down .

Total \$9740.00

Thanks

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: January 31, 2020
RE: Update on Port St. Nicholas Road Fee Litigation

As the council recalls, the city is the defendant in litigation filed by a number of Port St. Nicholas property owners in Alaska Superior Court, regarding the proposed PSN Road fee ordinance.

As I note in my February 6th staff report, we await a decision on the litigation. There is no set timeline for the decision, meaning that the court could rule at any time.

I will keep the council posted if a decision is released before the council's February 20th meeting.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Brian Templin, Craig City Planner
Date: February 14, 2020
RE: USACE Presentation – Downtown Harbor Project

As the council is aware, we are working with the US Army Corps of Engineers (USACE) on design and eventual construction of a breakwater related to the downtown harbor project at the Craig Cannery Site.

As part of their design process the USACE is required to consult with other agencies regarding various impacts that the project may have.

On February 20th USACE staff met with Craig staff and the State Historic Preservation Office (SHPO) to consult on historic and cultural impacts of the project.

In addition to conducting their SHPO consultation USACE staff also met with city staff members regarding the overall project.

Ronnie Barcak, USACE Project Manager is scheduled to provide a short presentation and answer questions that the council may have at the February 20th council meeting.

No action from the council is required and the presentation is for informational purposes.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: February 14, 2020
RE: Consider Request for Support from Salmon Hatcheries for Alaska

Attached is an e-mail and copies of attachments to the e-mail from Kallander & Associates, a company representing the group Salmon Hatcheries for Alaska. The group asks the City of Craig to express its written support to the Board of Fisheries Hatchery Committee for ongoing hatchery production of salmon in Alaska. The committee is scheduled to meet March 7 in Anchorage. Comments are due by midnight Friday, February 21.

Salmon Hatcheries for Alaska advocate for ongoing implementation of the Joint Protocol on Salmon Enhancement (copy attached). That document is an agreement between the Alaska Department of Fish and Game and the Board of Fisheries to work closely on hatchery management.

The attachments to the e-mail provide pages of information in support of hatchery production.

The City of Craig has in the past supported efforts to perpetuate hatchery production of salmon. That support has come in the form of written letters and resolutions, as well as funding for hatchery raised king salmon at Port St. Nicholas.

At this point the council should consider the request for support, and provide direction to staff on if and how to respond to the e-mail. If the council wishes to make written comments to the BOF Hatchery Committee, staff will have something prepared by the day following the council meeting in order to comply with the official comment timeline.



**SALMON HATCHERIES
FOR ALASKA**

**BOARD OF FISHERIES HATCHERY COMMITTEE MEETING
March 7, 2020 - Anchorage, Alaska**

***All Letters of Support are due before midnight on Friday February 21.
Please submit directly to the Board of Fisheries via e-mail: dfg.bof.comments@alaska.gov***

Letters of Support Suggested Talking Points

Please modify language according to preference, region, specific fisheries, or anything else. Thank you.

- We support sustainable salmon fisheries and strong hatchery production in Alaska.
- We support the convening of the Salmon Hatcheries Committee Meeting and Joint Protocol on Salmon Enhancement.
- We support the intent of the Joint Protocol to highlight statewide perspectives to issues associated with hatchery production of salmon and to provide a forum for open discussion on hatchery topics to improve dialogue and transparency between the Board of Fisheries, ADF&G, fisheries stakeholders, and the public.
- The Alaska salmon hatchery program provides economic and ecological stability to our salmon returns, which fluctuate year to year. Salmon hatchery production supports our local economies, communities, and all user groups.

- The March 7, 2020 Board of Fisheries Hatchery Committee Meeting is a valuable opportunity to engage in dialogue, receive data and scientific updates from ADF&G, and to hear public comment.

Salmon Hatchery Economic & User Group Impacts

STATEWIDE IMPACTS

- Alaska's salmon hatcheries account for the annual equivalent of 4,700 jobs and \$218 million in total labor income, including all direct, indirect, and induced economic impacts. A total of \$600 million in annual economic output is connected to Alaska salmon hatchery production.
- The employment impact of 4,700 jobs is an annualized estimate.
- The number of people who earn some income from the harvest of hatchery-produced salmon is several times the annual average.
- More than 16,000 fishermen, processing employees, and hatchery workers can attribute some portion of their income to Alaska's salmon hatchery production. Thousands of additional support sector workers earn wages connected to Alaska hatchery production.
- The economic footprint of Alaska's hatcheries includes \$95 million in labor income associated with commercial fishing, \$82 million in labor income associated with processing, and \$25 million connected to hatchery operations.
- Non-resident sport harvest of hatchery salmon accounts for \$16 million in annual labor income created directly or indirectly by Alaska's hatcheries. This number is limited to impacts resulting from non-resident sport harvest of hatchery salmon and should be considered conservative.
- Clearly, resident sport/personal use/subsistence harvests of hatchery salmon have additional economic impacts as well as very significant social and cultural impacts in Alaska.

- Southeast Alaska hatcheries account for 2,000 jobs (annualized), \$90 million in labor income, and \$237 million in total annual output, including all multiplier effects.
- Prince William Sound hatcheries account for 2,200 jobs, \$100 million in labor income, and \$315 million in total annual output, including all direct, indirect, and induced effects.

ECONOMIC VALUE OF HATCHERIES

- Over a six year period, commercial fishermen harvested an annual average of 222 million pounds of hatchery-produced salmon worth \$120 million in ex-vessel value.
- Chum and pink salmon are the most important species – responsible for 39 and 38 percent of ex-vessel value, respectively – followed by sockeye (16 percent), coho (4 percent), and Chinook (2 percent).
- More than half of hatchery salmon ex-vessel value went to seiners (57 percent). Gillnetters pulled in 38 percent, while trollers caught 5 percent of hatchery ex-vessel value over the study period.
- Regionally, Prince William Sound (PWS) harvests of hatchery salmon generated \$69 million in ex-vessel value annually. Southeast harvests earned fishermen \$44 million on average, followed by Kodiak (\$7 million) and Cook Inlet (\$0.5 million) harvests.
- It should be noted that Cook Inlet Aquaculture Association (CIAA) is currently building up their pink production and the full impact of these additional investments will not be seen for several more years. In addition, CIAA maintains several flow control structures and a fish ladder – efforts that lead to additional (though unquantifiable) salmon production.
- As a percentage of statewide harvest value, hatchery-derived salmon represents 22 percent of total salmon ex-vessel value over the study period. This

percentage ranged from a high of 28 percent in 2013 to a low of 15 percent in 2016.

- Hatchery contribution was highest in PWS (65 percent) over the study period, followed by Southeast (31 percent), Kodiak (16 percent), and Cook Inlet (2 percent).

WHOLESALE VALUE

- The first wholesale value – the value of raw fish plus the value added by the first processor – of hatchery-produced salmon averaged \$361 million annually across the study period (six year period).
- Nearly four-fifths (79 percent) of hatchery-produced first wholesale value is estimated to come from common property fisheries, with the remainder deriving from cost recovery harvests.
- Hatchery-derived first wholesale value represents 24 percent of total statewide salmon first wholesale value over the study period. By species, nearly two-thirds of chum, one-third of pink, and close to two-fifths of coho (19 percent) and Chinook (18 percent) wholesale production value was derived from hatchery salmon over the study period.

HATCHERY IMPACTS TO SPORT, PERSONAL USE, AND SUBSISTENCE FISHERIES

- Coho, Chinook, and sockeye salmon are the most important hatchery-produced species for sport, personal use, and subsistence harvests. These species are produced in smaller numbers compared to pink and chum but are much more valuable on a per fish basis.
- On average, about 10,000 hatchery-origin Chinook, 5,000 chum, 100,000 coho, 19,000 pink, and 138,000 sockeye salmon are harvested annually in sport and related fisheries. These numbers are considered conservative due to limited sampling of sport and related harvests for origin (hatchery/non-hatchery), among other factors, so the total number is likely higher across the board.

- Sport harvests accounted for over 99 percent of the sport/personal use/subsistence harvest of hatchery-produced coho and Chinook. By contrast, most non-commercial hatchery sockeye were harvested by personal use and subsistence fishermen (80 percent), with only 20 percent caught by sport fishermen.
- As a percentage of statewide sport-caught fish, hatchery-origin salmon accounted for 17 percent of sport coho harvests, 13 percent of sport sockeye harvests, and 8 percent of sport Chinook harvests.

A Resolution in Support of the Alaska Salmon Hatchery Program

WHEREAS, the _____ benefits greatly from the State of Alaska Salmon Hatchery Program; and

WHEREAS, Alaska's salmon hatchery program has operated for 45 years and supplements wild salmon harvests throughout the state; and

WHEREAS, Alaska's salmon hatchery program is an example of sustainable economic development that directly benefits subsistence fishermen, personal use fishermen, sport fishermen, charter fishermen, commercial fishermen, seafood processors, as well as state and local governments, which receive raw fish tax dollars; and

WHEREAS, Alaska's salmon hatchery program employs strong scientific methodology and is built upon precautionary principles and sustainable fisheries policies to protect wild salmon populations; and

WHEREAS, Alaska Department of Fish and Game regulates hatchery operations, production, and permitting through a transparent public process and multi-stakeholder development of annual management plans; and

WHEREAS, returns of hatchery and wild salmon stocks follow similar survival trends over time and the largest returns of both hatchery and wild salmon stocks have largely occurred since hatchery returns began in about 1980; and

WHEREAS, there are no stocks of concern where most hatchery production occurs, indicating that adequate escapements to wild stock systems are being met in these areas over time; and

WHEREAS, Alaska hatcheries contributed an annual average of nearly 67 million fish to Alaska's commercial fisheries in the past decade; and

WHEREAS, Alaska hatcheries accounted for 34% of the total commercial salmon harvest in Alaska in 2018; and 59% of the total ex-vessel value in the Southeast region, 75% of the total ex-vessel value in the Prince William Sound region, 9% of the total ex-vessel value in the Cook Inlet region, and 25% of the total ex-vessel value in the Kodiak region in 2018; and (pg. 10 - 2018 ADFG enhancement)

WHEREAS, a [McDowell Group report](#) identifies the economic contribution in 2018 of Alaska's salmon hatcheries to be 4,700 jobs, \$218 million in labor income, and \$600 million in total economic output; and

WHEREAS, Alaska's salmon hatchery program has proven to be significant and vital to Alaska's seafood and sportfish industries and the state of Alaska by creating employment and economic opportunities throughout the state and in particular in rural coastal communities; and

WHEREAS, Alaska's salmon hatchery program is non-profit and self-funded through cost recovery and enhancement taxes on the resource and is a model partnership between private and public entities; and

WHEREAS, the State of Alaska has significantly invested in Alaska's salmon hatchery program and associated research to provide for stable salmon harvests and to bolster the economies of coastal communities while maintaining a wild stock escapement priority; and

WHEREAS, Alaska salmon fisheries, including the hatchery program, continue to be certified as sustainable by two separate programs, Responsible Fisheries Management (RFM) and Marine Stewardship Council (MSC);

THEREFORE BE IT RESOLVED that the _____ affirms its support for Alaska's salmon hatchery programs; and

FURTHER BE IT RESOLVED that the _____ supports unbiased and scientific methods to assess the interaction of Alaska's salmon hatchery programs with natural salmon stocks, such as the Alaska Hatchery-Wild Salmon Interaction Study which began in 2011 and is scheduled to conclude in 2023; and

FURTHER BE IT RESOLVED that the _____ calls on the Alaska Board of Fisheries to work with the hatchery community, the Alaska Department of Fish and Game and industry leaders to further its understanding of the importance of the Alaska salmon hatchery program to all Alaskans.

Approved and signed this the ___ day of _____ 2020.

**Alaska Board of Fisheries
and
Alaska Department of Fish and Game**

Joint Protocol on Salmon Enhancement
#2002-FB-215

Background: In actions taken in January 2001 and June 2002 the Alaska Board of Fisheries stated its intent to institutionalize a public forum to bring a statewide perspective to issues associated with hatchery production of salmon. Accordingly, the department and board agreed to enter into this joint protocol to coordinate department and board interaction on certain aspects of salmon hatchery policy and regulation.

Authorities: The commissioner of the Department of Fish and Game has exclusive authority to issue permits for the construction and operation of salmon hatcheries. The Board of Fisheries has clear authority to regulate access to returning hatchery salmon and to amend, by regulation, the terms of the hatchery permit relating to the source and number of salmon eggs. The Board of Fisheries' authorities also include the harvest of fish by hatchery operators and the specific locations designated by the department for harvest (see AS 16.10.440(b) and Department of Law memorandum to the board dated November 6, 1997).

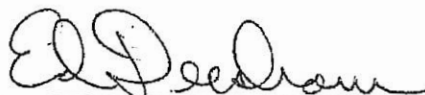
Statement of Intent: It is the intention of the commissioner of the Department of Fish and Game and the chairman of the Board of Fisheries that meetings be held on a regular basis wherein the department will update the board and the public on management, production, and research relating to Alaska's salmon enhancement program

Protocol: The joint department-board meeting on hatchery described here will take place at a mutually agreeable time and place during regularly scheduled meetings of the board. The meetings will provide a forum for open discussion on a mutually agreed upon agenda of hatchery topics. The agenda may include site-specific as well as regional or statewide hatchery issues. These salmon enhancement meetings will not be open for regulatory actions and no hatchery-related petitions or agenda change requests (ACRs) will be considered as action items. These meetings are open to the public. At its discretion and upon appropriate notice, the board may open the meeting to public comment.


The hatchery meetings will provide an opportunity for the board and the public to receive reports from the department on hatchery issues including: production trends, management issues, updates on hatchery planning efforts, wild and hatchery stock interactions, biological considerations, and research. Requests for report from the department may be made during the board's work session during meeting years when there is a hatchery forum scheduled.

As appropriate, the board and department may agree to invite other state and federal agencies, professional societies, scientists, or industry spokespersons to attend and to contribute information on particular topics, or sponsor other discussions, such as marketing or intrastate effects.

Dated: June 28, 2002



Ed Dersham, Chairman
Alaska Board of Fisheries



Frank Rue, Commissioner
Alaska Department of Fish and Game

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Brian Templin, Craig City Planner
Date: February 14, 2020
RE: Award of Contract, Seafood Outfall As-Built

As part of the Silver Bay Seafoods project an outfall line was constructed to carry seafood processing waste to deeper water as required by the Department of Environmental Conservation (DEC).

As a follow up the original construction, Alaska DNR/Division of Mining Land and Water (DMLW) requires the city to complete an as-built survey of the outfall line and mixing zone at the end of the line. Survey instructions were issued to the city in 2017.

We recently solicited for bids for the work. We received a total of four bids for the project.

Terrasond	\$69,800
R&M Engineering	\$16,420
Bell Engineering and Surveying	\$12,600 (apparent low bid)
Hughes and Associates	\$50,000

After the bids were opened, we were provided some additional data by Silver Bay Seafoods (and their contractor) for work on the line that they had done to meet DEC requirements. The data contained coordinates for sections of the outfall line. In consultation with DMLW the survey section has told us that if the data is verified and an as-built drawing is prepared then we can use the data provided to us and have a surveyor verify the data. This will result in significant cost savings on the overall project.

R&M Surveying has submitted a price of \$7,220 to complete the work. This money has not been appropriated in the budget so approval by the council will include appropriation of the funds.

As with all bids, the council has the right to choose to not award a bid for a project. Staff recommends that the council reject all bids for the project and move forward using the additional data provided as an alternative.

Recommended Motion: I move to reject all bids for the Seafood Outfall As-Built Survey and to direct staff to award a contract with R&M Engineering to verify existing data and complete an as-built survey for an amount not to exceed \$7,220.