

CITY OF CRAIG  
COUNCIL AGENDA  
July 11, 2013  
COUNCIL CHAMBERS 7:00 P.M

**ROLL CALL**

Mayor Dennis Watson, Greg Head, Joni Kuntz, Jim See, Don Pierce, Mike Douville and Wanda Rice

**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.*

- City Council Minutes of June 6, 2013
- City Council Minutes of June 20, 2013
- Introduction and first reading of Ordinance No. 655, City of Craig F/Y 2013 Supplemental Operating Budget
- Introduction and first reading of Ordinance No. 656, Modifying Sections 15.44.140 Meter installation mandatory

**HEARING FROM THE PUBLIC**

- Open for public comment
- Final Reading and Public Hearing Ordinance 654, Utility Rate Changes

**REPORTS FROM CITY OFFICIALS**

Mayor  
Administrator  
Treasurer  
Aquatic Manager  
City Clerk  
City Planner  
EMS Coordinator  
Harbormaster  
Police Chief  
Public Works  
Parks and Rec  
Library

**READING OF CORRESPONDENCE**

- Heceta Second Growth Timber Sale, SSE 1315-K
- 2012 Craig Consumer Confidence Report
- Tongass National Forest releases Big Thorne ROD

## **READING OF CORRESPONDENCE (cont.)**

- Construction Concerns- Otis Gibbons

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

- Ordinance 654, Utility Rate Changes

## **UNFINISHED BUSINESS**

## **NEW BUSINESS**

- Comments to the Alaska Redistricting Board
- Change Order, Tanner Crab Court Subdivision and Salmonberry Subdivision Development.
- Direction on POW Hatchery Association Operation Agreement, 2013-2014.

## **ADJOURNMENT**

## **ROLL CALL**

Councilmember Don Pierce called the meeting to order at 7:00 p.m. and the roll was taken. Present were, Jim See, Greg Head, and Mike Douville. Absent excused were Dennis Watson, Wanda Rice, and Joni Kuntz.

**Staff present:** Amy Marshall, Librarian; Kassi Knock, City Clerk; Ron Macintosh, Public Works Director; Joyce Mason, Treasurer; Brian Templin, City Planner; Nicole Robison, Aquatic Manager; Dave Nelson, Public Works; Tony Nelson, Public Works; Jose Cervera, Public Works; Leslie Nelson, Public Works; Daniel Nelson, Harbormaster; Cole Anderson, Public Works; R.J. Ely, Police Chief.

**Audience present:** L. Radke, A. Deering, Millie Schoonover, Selena Jaeger, Mary Hailey, Mark Hailey, Keith Jaeger, Dawn Nelson, Taylor Robison.

## **CONSENT AGENDA**

The consent agenda was presented, it contained:

- City Council Minutes of May 16, 2013

HEAD/DOUVILLE

moved to approve the consent agenda as written.

MOTION CARRIED

## **HEARING FROM THE PUBLIC**

Dave Nelson was present to speak about the employee vacation status changes included in Resolution 13-13. He would like to see this item tabled until the staff can come to an agreement on vacation status. Mr. Nelson read a letter he had written on this topic.

Millie Schoonover was present to represent Shaan Seet for the item under Reading of Correspondence. Mrs. Schoonover would also like to mention that the bottom of 3rd Street is getting worse. Ron explained that the water main scheduled to come up the street will be installed sometime next week. That should improve the condition of the road in that area.

Mary Hailey was present to comment on the raise of the water rates. Mrs. Hailey was concerned because Port St. Nick is not represented on the City Council and she would like to see some sort of "At Large" seat with limited voting rights for the Port St. Nick residents. Mrs. Hailey is also concerned about how late the public was notified of the increase, and the dramatic increase that is being presented.

## **REPORTS FROM CITY OFFICIALS**

**Mayor-** Absent

**Administrator-** Absent

**Treasurer-** Joyce reported gearing up for the end of the fiscal year, and wrapping up all items for that.

**Aquatic Manager-** Provided a written report. Selena Jaegger was disappointed that the aquatic center was shut down for such a long period of time all at once. Nicole explained that because they cannot provide restroom facilities during the construction time they cannot only open the weight room. The dust and fumes as well as the pool being drained are health concerns for citizens.

**City Clerk-** Provided a written report.

**City Planner-** Sales agreement added to the agenda. Tyler rental brought sales agreement on Monday. Work on Tanner Crab Ct. going well. Ron and Brian have been looking at the heights of curbs and discussing the construction happening around town.

**EMS Coordinator-** Chaundell is continuing to have the monthly meetings with Dr. Copus. The firehall floor has been painted, and the gravel out front has improved parking for the EMS and Fire vehicles.

**Harbormaster-**Daniel reported 32 hauls and 28 splashes last month. The Harbor department has an open position which will be posted this month. Sitka Electric was able to assess the electrical issues at the Harbor and will be sending a quote to Daniel to bring before the Council. The ice machine will be working over the summer after some repairs. The Harbor Department is replacing some of the finger floats this month as well.

**Police Chief-** Provided a written report. Currently two officers down, and positions are being advertised.

**Public Works-** Normal water/wastewater activities, clean up week went well. Construction is picking up which is keeping Public Works busy.

**Parks and Rec-** Victoria has returned from Colorado, and would like to thank everyone who helped her with activities in her absence. Victoria mentioned that the Craig High School Gym is open while the pool is closed for the public to use. June 21<sup>st</sup> is the blessing of the fleet and June 22<sup>nd</sup> is the swap meet. Volleyball is on Facebook and has been overseen by Jose Cervera.

**Library-** 1,412 patron visits, 531 hours on computers, 167 in programs, 173 certifications, 2,438 active patrons. Summer reading program is starting up; numbers are down for last month due to construction. Calendar of events can be found on the Library webpage.

## **READING OF CORRESPONDENCE**

Mike Douville would like to discuss the Shaan Seet Boat Storage letter. As it is city policy not to compete with private enterprise, Mike would like to see more boats being hauled to Shaan Seet's storage. Daniel would like to add that when he first began working he had an agreement with James to provide the public with the option of the city boat storage or Shaan Seet boat storage. Daniel will gladly put boats in their storage yard, however he does feel that it is not his responsibility or the City's responsibility to provide business for Shaan Seet. Mike would like the administration to review the issue and provide an opinion.

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

### **Resolution 13-10, Mill Levy**

HEAD/SEE

moved to approve Resolution 13-10 Mill Levy.

MOTION CARRIED

### **Resolution 13-12, Employee Pay Classification**

HEAD/DOUVILLE

moved to approve Resolution 13-12, Employee Pay Classification.

MOTION CARRIED

### **Resolution 13-13, Employee Handbook Update**

DOUVILLE/HEAD

moved to approve Resolution 13-13, Employee Handbook Update.

Jim See mentioned that the new policy for vacation status makes it easier to manage the hours. Dave Nelson explained that the anniversary hours are paid out the upcoming year for the prior year's earning.



DOUVILLE/HEAD

withdrew motion and second until further discussion on vacation status at the administration level takes place.

DOUVILLE/HEAD

moved to approve Resolution 13-13 without section 302 Annual Leave (Vacation) Benefits.

MOTION CARRIED

**Ordinance 654, Utility Rates**

DOUVILLE/HEAD

moved to adopt Ordinance 654.

Mike Douville asked why Port St. Nick is so much higher than within city limits. Joyce explained that the only reason she can think of is that when the city went online they had Port St. Nick rates calculated to be 2.5 times more than within city limits, and it has not ever been changed. Greg Head is in favor of putting this item on the next agenda after Jon returns.

DOUVILLE/HEAD

withdrew motion and second.

**UNFINISHED BUSINESS**

**Consider appropriation from Endowment fund to Craig Land Development fund**

Mike Douville would like for the City to use some funds from the Endowment fund for economic development. Brian will take a look at what it will take to finish the jobs at Tanner Crab and Elizabeth Court. This item will be brought to the next agenda with full council attendance.

**Approval of Sale of Lot 6, Park Place Subdivision to Tyler Rental**

HEAD/SEE

moved to approve the final terms of the sale of Lot 6, Park Place Subdivision to Tyler Rental with Joyce Mason as signer of the agreement.

MOTION CARRIED

**NEW BUSINESS**

**Boat yard metal building purchase**

SEE/DOUVILLE

moved to authorize the purchase of boat yard metal building materials from Olympic Metal building for \$24,900.00.

MOTION CARRIED.

**ADJOURNMENT**

HEAD/SEE:

Moved to adjourn at 7:57 p.m. MOTION CARRIED

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR DENNIS WATSON

\_\_\_\_\_  
ATTEST  
KASSI KNOCK, CITY CLERK

## **ROLL CALL**

Mayor Dennis Watson called the meeting to order at 7:00 p.m. and the roll was taken. Present were, Don Pierce, Jim See, Mike Douville, and Greg Head. Absent excused were Joni Kuntz and Wanda Rice.

**Staff present:** Joyce Mason, Treasurer; Nicole Robison, Aquatic Manager; Kassi Knock, City Clerk; Ron Macintosh, Public Works Director; Brian Templin, City Planner.

**Audience present:** L. Radke, Taylor Robison.

## **CONSENT AGENDA**

The consent agenda did not contain any items for approval.

## **HEARING FROM THE PUBLIC**

**Introduction and first reading of Ordinance No. 655, City of Craig F/Y 2013 Supplemental Operating Budget**

## **READING OF CORRESPONDENCE**

There were no comments.

## **UNFINISHED BUSINESS**

### **NEW BUSINESS**

#### **Approve Sealed Bid for North Fork Dam Improvements**

PIERCE/HEAD

moved to accept Ketchikan Ready Mix and Quarry Inc.'s bid not to exceed \$198,200 to complete construction of the North Fork Lake Dam Improvements.

**MOTION CARRIED**

These improvements will increase our water storage both for the treated water and hatchery operations. Ketchikan Ready-Mix and Quarry's bid was substantially lower than the other bids received.

#### **Approve Sealed Bid for Ward Cove Cannery Site Work**

PIERCE/SEE

moved to accept Mick's Excavating Service's bid to complete the Cannery Point Site Work, Craig Cannery Property for an amount not to exceed \$5,694 and direct staff to issue a notice to proceed for the work.

**MOTION CARRIED**

**ADJOURNMENT**  
DOUVILLE/HEAD:

Moved to adjourn at 7:09 p.m. MOTION CARRIED

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR DENNIS WATSON

ATTEST

\_\_\_\_\_  
KASSI KNOCK, CITY CLERK

June 17, 2013

To: City Council

From: Joyce Mason, Treasurer

Re: Supplemental Budget

---

Attached is the ordinance to adopt the supplemental budget for our current fiscal year, 2013. According to AS 29.35.100 a supplemental budget is prepared to authorize payments of appropriations not previously approved in the original budget.

The highlights of the changes for the supplemental budget are as follows:

- The general fund revenues were \$428,098 **higher** than the original budget. This was mainly due to additional sales tax revenue, fish tax, Debt reduction grant from Dept. of Education, and state jail contract funding.
- Administration Personnel expenditures decreased from staff turnover. The capital item was the replacement of the computer server and additional desktops.
- The Aquatic Center had additional expenditures due to boiler and pool maintenance. The remaining boiler debt was paid with Dept. of Education grant in the amount of \$150,250. Pool Lifts were also purchased that authorized by the council.
- The EMS department replaced ambulance equipment.
- The fire department was able to use Title III funds to replace turnouts and air packs. The operating budget was decreased for the turnout funds.
- Parks and Facilities had planned to install new entry for city hall but it was not able to be completed this year.
- The police department's salaries and benefits were under budget due to staff turnover. The department received additional operating funds from the state of Alaska in the amount of 16,000. New equipment for the jail was purchased and covered personnel costs previously included in the city's budget.
- The revenues for the Utilities (Garbage, Sewer, Water) in Enterprise fund dropped slightly.
- The personnel expenses for the utility departments were increased because the overlap of the old and new Public Works Director.
- The Wastewater (Sewer) Department had major repairs on the plant that were not budgeted in the amount of \$26,500. New pumps were installed for \$2,150.
- The Water treatment plant replaced the medium in the water trains and performed additional repairs for the amount of \$18,730. Pumps were also replaced for \$4,329.
- The harbor department received a legislative grant for shop building for \$25,000 and this was not completed so it was transferred to a reserve account. The harbor also purchased boat motors for \$21,327 and vehicle for \$11,514.
- The \$103,522 excess revenues will close to the fund balance.

Enclosed is also a worksheet that details the comparison of the original budget and the supplemental budget for your information.

**Recommendation:** Approve first reading of Ordinance number 655, FY 2012 Supplemental Budget.

CITY OF CRAIG

ORDINANCE NO. 655

PROVIDING FOR THE ADOPTION OF THE FISCAL YEAR 2013 SUPPLEMENTAL  
OPERATING BUDGET

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

Section 1. Classification. This ordinance is a non-code ordinance and is not of a general and permanent nature and shall not become a part of the code of the City of Craig, Alaska.

Section 2. Effective Date. This ordinance shall become effective immediately upon adoption.

Section 3. Authorization and Appropriation. The appropriations identified in "Attachment A" hereto are adopted and authorized for the period of July 1, 2012 through June 30, 2013 and are the budget for that period. The Administrator may modify line item expenditures within an authorized appropriation to another line item in any amount which would not annually exceed ten (10) percent or \$10,000, whichever is more.

Section 4. Unexpended Balances. All unexpended balances lapse as of June 30, 2013.

APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
MAYOR DENNIS WATSON

\_\_\_\_\_  
ATTEST: KASSI KNOCK, CITY CLERK

## Attachment A

City of Craig  
 FY 2013 Supplemental Budget  
 June 2013

	<u>Revised</u>		<u>Original</u>		<u>Change</u>
	<u>Budget</u>		<u>Budget</u>		
<b>Total Revenues</b>	\$ 3,856,960	\$	3,428,862	\$	428,098
 <b><u>01 11 Administration</u></b>					
Expenditures					
Personnel Expenditures	\$ 285,933	\$	315,846	\$	(29,912)
Benefits Expenditures	166,133		202,642		(32,058)
Contract Expenditures	122,050		122,050		0
Travel & Expenditures	13,100		13,100		0
Materials Expenditures	18,600		12,260		6,340
Utilities Expenditures	17,450		16,250		1,200
Repairs & Maint Expenditures	3,500		2,500		1,000
Other Expenditures	27,538		39,408		(11,870)
Capital & Debt Expenditures	35,000		7,000		28,000
Total Expenditures	\$ 689,304	\$	731,056	\$	(37,300)
 <b><u>01 25 Aquatic Center</u></b>					
Expenditures					
Personnel Expenditures	\$ 174,029	\$	168,717	\$	5,313
Benefits Expenditures	82,172		89,230		(7,058)
Contract Expenditures	4,600		3,500		1,100
Travel & Expenditures	4,000		2,500		1,500
Materials Expenditures	24,600		20,100		4,500
Utilities Expenditures	123,200		120,200		3,000
Repairs & Maint Expenditures	33,000		12,000		21,000
Other Expenditures	3,476		11,250		(7,774)
Capital & Debt Expenditures	315,633		148,516		167,117
Total Expenditures	\$ 764,710	\$	576,013	\$	188,698
 <b><u>01 12 Council</u></b>					
Expenditures					
Personnel Expenditures	\$ 14,700	\$	14,700	\$	-
Benefits Expenditures	40,764		55,506		(14,741)
Contract Expenditures	2,500		2,500		0
Travel & Expenditures	3,650		7,650		(4,000)
Materials Expenditures	150		150		0
Utilities Expenditures	0		0		0
Repairs & Maint Expenditures	0		0		0
Other Expenditures	384		550		(166)
Capital & Debt Expenditures	0		0		0
Total Expenditures	\$ 62,148	\$	81,056	\$	(18,907)

## Attachment A

City of Craig  
 FY 2013 Supplemental Budget  
 June 2013

	<u>Revised</u>		<u>Original</u>		<u>Change</u>
	<u>Budget</u>		<u>Budget</u>		
<b><u>01 17 EMS</u></b>					
Expenditures					
Personnel Expenditures	\$ 38,958	\$	36,000	\$	2,958
Benefits Expenditures	41,624		41,103		521
Contract Expenditures	11,060		11,060		0
Travel & Expenditures	5,500		5,500		0
Materials Expenditures	16,650		16,050		600
Utilities Expenditures	4,700		3,444		1,256
Repairs & Maint Expenditures	1,000		7,000		(6,000)
Other Expenditures	1,283		5,050		(3,767)
Capital & Debt Expenditures	22,500		8,750		13,750
Total Expenditures	\$ 143,275	\$	133,957	\$	9,318
<b><u>Facilities &amp; Parks</u></b>					
Expenditures					
Personnel Expenditures	\$ 101,332	\$	110,580	\$	(9,248)
Benefits Expenditures	49,945		50,346		(401)
Contract Expenditures	3,600		7,200		(3,600)
Travel & Expenditures	0		0		0
Materials Expenditures	6,800		6,800		0
Utilities Expenditures	15,300		15,300		0
Repairs & Maint Expenditures	9,500		9,500		0
Other Expenditures	4,999		7,000		(2,001)
Capital & Debt Expenditures	5,500		7,000		(1,500)
Total Expenditures	\$ 196,976	\$	213,726	\$	(16,750)
<b><u>01 18 Fire Department</u></b>					
Expenditures					
Personnel Expenditures	\$ -	\$	-	\$	-
Benefits Expenditures	5,264		5,264		0
Contract Expenditures	9,000		9,000		0
Travel & Expenditures	3,500		3,500		0
Materials Expenditures	1,250		1,250		0
Utilities Expenditures	5,200		5,200		0
Repairs & Maint Expenditures	2,000		2,000		0
Other Expenditures	1,962		2,800		(838)
Capital & Debt Expenditures	\$ 500	\$	5,200	\$	(4,700)
Total Expenditures	\$ 28,676	\$	34,214	\$	(5,538)

## Attachment A

City of Craig  
 FY 2013 Supplemental Budget  
 June 2013

	<u>Revised</u>		<u>Original</u>		<u>Change</u>
	<u>Budget</u>		<u>Budget</u>		
<b><u>01 19 Library</u></b>					
Expenditures					
Personnel Expenditures	\$ 52,168	\$	49,640	\$	2,527
Benefits Expenditures	37,730		12,248		25,482
Contract Expenditures	1,900		2,900		(1,000)
Travel & Expenditures	1,235		1,235		0
Materials Expenditures	12,350		11,350		1,000
Utilities Expenditures	6,800		6,800		0
Repairs & Maint Expenditures	1,000		1,000		0
Other Expenditures	411		1,500		(1,089)
Capital & Debt Expenditures	1,500		1,500		0
Total Expenditures	\$ 115,094	\$	88,173	\$	26,920

**01 13 Planning**

Expenditures					
Personnel Expenditures	\$ 43,282	\$	43,282	\$	3,800
Benefits Expenditures	40,451		41,002		(552)
Contract Expenditures	2,000		2,000		0
Travel & Expenditures	500		500		0
Materials Expenditures	2,050		2,050		0
Utilities Expenditures	0		0		0
Repairs & Maint Expenditures	0		0		0
Other Expenditures	1,200		1,700		(500)
Capital & Debt Expenditures	0		0		0
Total Expenditures	\$ 89,483	\$	90,534	\$	2,748

**01 16 Police**

<b><u>Expenditures</u></b>					
Personnel Expenditures	\$ 486,166	\$	499,364	\$	(13,198)
Benefits Expenditures	264,908		318,306		(53,398)
Contract Expenditures	3,800		1,000		2,800
Travel & Expenditures	4,000		1,000		3,000
Materials Expenditures	35,200		32,830		2,370
Utilities Expenditures	34,600		34,600		0
Repairs & Maint Expenditures	6,000		6,000		0
Other Expenditures	21,520		22,900		(1,380)
Capital & Debt Expenditures	16,000		3,000		13,000
Total Expenditures	\$ 872,194	\$	919,000	\$	(46,806)



## Attachment A

City of Craig  
 FY 2013 Supplemental Budget  
 June 2013

	<u>Revised</u>		<u>Original</u>		<u>Change</u>
	<u>Budget</u>		<u>Budget</u>		
<b><u>01 15 Public Works</u></b>					
Expenditures					
Personnel Expenditures	\$ 115,022	\$	94,868	\$	20,154
Benefits Expenditures	48,733		54,410		(5,677)
Contract Expenditures	500		500		0
Travel & Expenditures	1,175		1,175		0
Materials Expenditures	11,000		9,000		2,000
Utilities Expenditures	27,500		31,300		(3,800)
Repairs & Maint Expenditures	7,000		6,700		300
Other Expenditures	2,490		8,050		(5,560)
Capital & Debt Expenditures	4,000		2,000		2,000
Total Expenditures	\$ 217,420	\$	208,003	\$	9,417
<b><u>01 24 Recreation</u></b>					
Expenditures					
Personnel Expenditures	\$ 38,803	\$	35,303	\$	3,500
Benefits Expenditures	26,827		27,172		(345)
Contract Expenditures	3,500		3,500		0
Travel & Expenditures	0		0		0
Materials Expenditures	6,150		2,400		3,750
Utilities Expenditures	19,900		23,900		(4,000)
Repairs & Maint Expenditures	800		800		0
Other Expenditures	1,002		3,100		(2,098)
Capital & Debt Expenditures	1,000		3,651		(2,651)
Total Expenditures	\$ 97,982	\$	99,826	\$	(1,844)
Total Departments Expenditures	\$ 3,277,262	\$	3,175,558	\$	109,956
Net Assets before Transfers	\$ 579,698	\$	253,304	\$	318,142
Transfers					
School	(250,000)		(250,000)		0
To Balance Enterprise Fund	(176,302)		(8,882)		(167,420)
To Capital Harbor Fund	(75,000)		0		(75,000)
Endowment Fund	120,000		120,000		0
Hatchery	(35,000)		(35,000)		0
Transfer to Equipment Reserve			(24,000)		
PERS Floor Penalty	(59,874)		(55,422)		
Net Assets	\$ 103,522	\$	-		103,522

## Attachment A

City of Craig  
 FY 2013 Supplemental Budget  
 June 2013

	<u>Revised</u> <u>Budget</u>	<u>Original</u> <u>Budget</u>	<u>Change</u>
<b><u>Enterprise Fund</u></b>			
Revenues	\$ 1,451,700.00	\$ 1,459,750.00	\$ (8,050.00)
Expenses	1,628,002.00	1,468,632.00	159,370.00
Net Income(Loss)	\$ (176,302.00)	\$ (8,882.00)	\$ (167,420.00)
Transfer from General Fund	\$ 176,302.00	\$ 8,882.00	
<b><u>Garbage</u></b>			
<b>Total Revenues</b>	\$ 338,000	\$ 338,000	\$ -
<b><u>Expenditures</u></b>			
Personnel Expenditures	51,805.00	48,824.00	2,981.00
Benefits Expenditures	40,754.00	34,361.00	6,393.00
Contract Expenditures	230,000.00	230,000.00	0.00
Travel & Expenditures	800.00	0.00	800.00
Materials Expenditures	4,400.00	2,200.00	2,200.00
Utilities Expenditures	6,000.00	4,000.00	2,000.00
Repairs & Maint Expenditures	4,000.00	2,000.00	2,000.00
Insurance & Other Expenditures	2,550.00	6,400.00	(3,850.00)
Capital & Debt Expenditures	0.00	2,000.00	(2,000.00)
Total Expenditures	340,309.00	329,785.00	10,524.00
Excess Revenue Over (Under)			
Expenditures	\$ (2,309)	\$ 8,215	\$ (10,524)
<b><u>Harbor</u></b>			
Revenues	\$ 267,000	\$ 240,750	\$ (6,250)
<b><u>Expenditures</u></b>			
Personnel Expenditures	112,921.00	112,951.00	(30.00)
Benefits Expenditures	78,995.00	80,834.00	(1,839.00)
Contract Expenditures	2,600.00	0.00	2,600.00
Travel & Expenditures	3,650.00	5,700.00	(2,050.00)
Materials Expenditures	15,478.00	15,482.00	(4.00)
Utilities Expenditures	36,100.00	34,875.00	1,225.00
Repairs & Maint Expenditures	10,500.00	2,000.00	8,500.00
Insurance & Other Expenditures	22,049.00	21,775.00	274.00
Capital & Debt Expenditures & Transfers	68,420.00	17,670.00	50,750.00
Total Expenditures	350,713.00	291,287.00	59,426.00
Excess Revenue Over (Under)			
Expenditures	\$ (83,713)	\$ (50,537)	\$ (65,676)

## Attachment A

City of Craig  
 FY 2013 Supplemental Budget  
 June 2013

	<u>Revised</u> <u>Budget</u>	<u>Original</u> <u>Budget</u>	<u>Change</u>
<b><u>JTB Industrail Park</u></b>			
Total Revenues	\$ 332,000	\$ 344,000	\$ (12,000)
<u>Expenditures</u>			
Personnel Expenditures	38,809.00	32,409.00	6,400.00
Benefits Expenditures	16,457.00	12,946.00	3,511.00
Contract Expenditures	0.00	0.00	0.00
Travel & Expenditures	425.00	0.00	425.00
Materials Expenditures	5,061.00	5,061.00	0.00
Utlities Expenditures	32,000.00	30,000.00	2,000.00
Repairs & Maint Expenditures	5,996.00	5,996.00	0.00
Insurance & Other Expenditures	5,996.00	22,900.00	(16,904.00)
Capital & Debt Expenditures & Transfers	190,220.00	192,570.00	(2,350.00)
Total Expenditures	<u>294,964.00</u>	<u>301,882.00</u>	<u>(6,918.00)</u>
Excess Revenue Over (Under) Expenditures	<u>\$ 37,036</u>	<u>\$ 42,118</u>	<u>\$ (5,082)</u>
<b><u>Sewer</u></b>			
Total Revenues	\$ 255,000	\$ 262,000	\$ (7,000)
Personnel Expenditures	104,365.00	95,150.00	9,215.00
Benefits Expenditures	50,470.00	48,219.00	2,251.00
Contract Expenditures	7,400.00	5,000.00	2,400.00
Travel & Expenditures	3,600.00	325.00	3,275.00
Materials Expenditures	8,300.00	4,000.00	4,300.00
Utlities Expenditures	40,100.00	42,400.00	(2,300.00)
Repairs & Maint Expenditures	5,000.00	2,000.00	3,000.00
Insurance & Other Expenditures	5,675.00	10,606.00	(4,931.00)
Capital & Debt Expenditures & Transfers	90,196.00	59,997.00	30,199.00
Total Expenditures	<u>315,106.00</u>	<u>267,697.00</u>	<u>47,409.00</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (60,106)</u>	<u>\$ (5,697)</u>	<u>\$ (54,409)</u>

## Attachment A

City of Craig  
 FY 2013 Supplemental Budget  
 June 2013

	<u>Revised</u> <u>Budget</u>	<u>Original</u> <u>Budget</u>	<u>Change</u>
<b><u>Ward Cove Cannery</u></b>			
Revenues	\$ 6,500	\$ 6,500	\$ -
<b><u>Expenditures</u></b>			
Personnel Expenditures	0.00	0.00	0.00
Benefits Expenditures	0.00	0.00	0.00
Contract Expenditures	2,000.00	2,000.00	0.00
Travel & Expenditures	0.00	0.00	0.00
Materials Expenditures	0.00	0.00	0.00
Utilities Expenditures	6,000.00	2,100.00	3,900.00
Repairs & Maint Expenditures	1,900.00	1,900.00	0.00
Insurance & Other Expenditures	500.00	500.00	0.00
Capital & Debt Expenditures & Transfers	2,000.00	2,000.00	0.00
Total Expenditures	<u>12,400.00</u>	<u>8,500.00</u>	<u>3,900.00</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (5,900)</u>	<u>\$ (2,000)</u>	<u>\$ (3,900)</u>
<b><u>Water</u></b>			
Total Revenues	\$ 253,200	\$ 268,500	\$ (15,300)
<b><u>Expenditures</u></b>			
Personnel Expenditures	119,800.00	97,260.00	22,540.00
Benefits Expenditures	55,215.00	49,931.00	5,284.00
Contract Expenditures	7,000.00	7,000.00	0.00
Travel & Expenditures	3,000.00	1,190.00	1,810.00
Materials Expenditures	34,500.00	41,000.00	(6,500.00)
Utilities Expenditures	51,300.00	51,100.00	200.00
Repairs & Maint Expenditures	5,000.00	5,000.00	0.00
Insurance & Other Expenditures	5,195.00	11,000.00	(5,805.00)
Capital & Debt Expenditures	33,500.00	6,000.00	27,500.00
Total Expenditures	<u>314,510.00</u>	<u>269,481.00</u>	<u>45,029.00</u>
Excess Revenue Over (Under) Expenditures	<u>\$ (61,310)</u>	<u>\$ (981)</u>	<u>\$ (60,329)</u>

**CITY OF CRAIG  
ORDINANCE NO. 656**

**AMENDING SECTIONS 15.44.140 OF THE  
CRAIG MUNICIPAL CODE**

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

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted hereby shall become a part of the code of the City of Craig, Alaska.

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 Sections 15.44.140 of the Craig Municipal Code by deleting the ~~struck~~ text, as follows:

**15.44.140 Meter installation mandatory.**

B. The city, at its discretion ~~and expense~~, may require the installation of meters on existing services.

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR DENNIS WATSON

ATTEST \_\_\_\_\_  
KASSI KNOCK, CITY CLERK

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: July 3, 2013  
RE: Ordinance No. 656

---

Attached you will find Ordinance No. 656. The ordinance strikes two words from Section 15.44.140.B of the Craig Municipal Code, enabling the city to bill water customers for the cost of materials to install water meters on existing unmetered water services. The proposed code change is intended to make the Craig Municipal Code consistent with the city's intent to convert all remaining unmetered water services to metered services during fiscal year 2014.

During the budgeting process, staff and the budget committee included conversion of all unmetered services to metered as a work item for the Public Works Department for FY 2014. Staff estimates the materials cost to install a meter to an existing ¾" water service at \$758. The cost of materials to install a one-inch meter is about \$1,050. The approximate labor and equipment cost of \$438 is not included in the estimate. With about 45 unmetered services in Craig, the materials cost to convert the unmetered ¾" services is about \$34,100.

Given that the owners of the converted services will pay about \$46 less per month for water and sewer services than they pay under the city's current rate structure, staff and the budget committee agreed that the property owner should bear the cost of the meter components. From the current language of CMC Section 15.44.140.B, it is apparent that the city may not charge the property owner for the cost to change an existing water service to metered status. Deleting the language from the code allows staff to assess to the property owner the component cost of the meters.

During the budgeting process, staff discussed assessing the unmetered property owners the materials cost over time, to avoid a large lump sum bill. With the council's concurrence, staff will add the materials cost of the conversion to monthly water bills over some period of time, perhaps up to twelve months from the date that the meter is installed.

### **Recommendation**

Approve Ordinance No. 656 at first reading.

## CITY OF CRAIG MEMORANDUM

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: July 8, 2013  
RE: Ordinance No. 654: Utility Rate Changes

---

At its June 6 meeting, the council considered approval of Ordinance No. 654. The ordinance changes the rate structure for water and wastewater services offered by the city. The council took no action at the meeting.

As the council is aware I was out of town on the meeting date. I did listen to the recording of the meeting to familiarize myself with the public and council comments regarding the ordinance. Those comments focused on the overall increase in the cost of water service under the proposed new rate structure, and the water rate charged to residents of Port St. Nicholas.

### New Water and Wastewater Rate Structure

Ordinance No. 654 marks a significant change to the water and wastewater rate structure the city has used for the past twenty years. Rather than allocating 8,000 gallons of water per customer per billing cycle at a flat rate, the new structure increases the cost of water and wastewater for every 1,000 gallons used. One goal in the new structure is to encourage conservation of water to keep the city's water and wastewater systems operating costs as low as possible. Given the goal, the proposed new structure makes sense: the more water one uses, the more one pays. With an 8,000 gallon monthly minimum, there is less incentive to limit water use than if one pays a fee per every 1,000 gallons of water used.

Having said that, though, the potential cost increase to customers under the new structure is quite real. A household that typically uses 8,000 gallons of water each month will see its cost of water rise sharply, from \$21.50 to \$39.60, and its wastewater bill increase from \$35.00 to \$53.60. Based on a review of all water customers, the typical household on the Craig water system uses about 4,000 gallons per month. Under the proposed structure, the typical customer will see the monthly rate climb from \$21.50 to \$26.80 for water, and from \$35.00 to \$40.80 for wastewater. For a few customers—those who use 2,000 gallons or less each month—the monthly bill is less than under the prior rate structure. The proposed change to the rate structure will have its largest impact on those customers who use more than 4,000 gallons per month. Water customers that are unable to reduce water usage from the current 8,000 gallons per month volume will see substantial increases in the cost of the service. The tables below reflect the current and proposed rates for water and wastewater for customers using between 1,000 and 10,000 gallons per month. In addition, you will find attached a spreadsheet showing the water and wastewater rates for several Southeast Alaska communities for a typical household that consumes 4,000 gallons of water per month.

ORDINANCE NO. 654

ADOPTING UTILITIES RATES FOR WATER AND SEWER

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

Section 1. Classification. This ordinance is of a general and permanent nature and the code sections adopted hereby shall become a part of the code of the City of Craig, Alaska.

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 July 1, 2013.

Section 4. Repeal. This ordinance repeals Schedule "B" of Ordinance No. 618, which Schedule is incorporated by reference in Craig Municipal Code Section 15.16.010 and Schedule "C" of Ordinance No. 618 which Schedule is incorporated by reference in Craig Municipal Code Section 15.48.010.

Section 5. Action. (a) The Schedule "B," Sewage Service Rates and Schedule "C" Water Rates, is hereby adopted and incorporated by reference in Craig Municipal Code Sections 15.16.010 and 15.48.010.

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR DENNIS WATSON

ATTEST \_\_\_\_\_  
KASSI KNOCK, CITY CLERK



SCHEDULE "A"  
(Incorporated by reference in 8.04.040)

**GARBAGE RATES**

The following rates per month are adopted effective July 1, 2013.

I. SERVICE

# Pick-up per week	Can Customers	Multi-unit Dumpster	Business Dumpster
One (1)	\$28/can	\$48/unit	\$ 106.00/dumpster
Two (2)	\$56/can	\$96/unit	\$212.00/dumpster
Three (3)	\$84/can		\$318.00/dumpster
Additional	\$7.00/can/week	\$28.00/pick-up/week	\$28.00/pick-up

II. NOTES

- (1) Garbage service outside municipal boundaries will be provided at the discretion of the Director of Public Works. Charges will be on a case-by-case basis.
- (2) Arrangements may be made for regular pick-up of garbage in cartons, boxes, bales, or other non-standard units at a rate of \$52.00 per cubic yard subject to the approval of the City.
- (3) The minimum sanitation charge for residential, commercial and industrial customers shall be the rate for one pick-up per week. All locations in the City of Craig that receive water and sewer services will be charged garbage pick up fees at least at the minimum charge.
- (4) Multiple family dwelling units and mobile home parks will be charged for residential service per unit regardless of the use of dumpsters or cans. However, the per-unit residential service charge for multiple family residential developments of three (3) or more dwelling units and mobile home parks that use dumpsters shall be reduced by ten percent (10%) per unit. Multiple family residential and mobile home parks that fall under this provision will be billed at the "Multi-unit Dumpster" rate in the schedule above.
- (5) The City of Craig will provide residential garbage pick-up services free of charge; one can per week, to residents who are 65 or older. This exemption applies only to the address at which the customer resides.
- (6) Charges for additional cans and pick-up services will be charged at \$7.00 per additional can per pick up for residential customers and \$28.00 per pick up for dumpsters.
- (7) Additional charges of \$7.00 will apply to cans over the maximum rate of 38 gallons and or exceeding 75 pounds as stated in the City of Craig municipal code 8.04.020.

SCHEDULE "B"  
(Incorporated by reference in 15.16.010)

**SEWER RATES**

The following rates are adopted effective July 1, 2013 (unchanged since July 1, 2010).

I. UNMETERED SERVICE

One equivalent dwelling unit (EDU) shall be \$62.00. EDUs shall be calculated for uses as shown in Schedule "C."

Processing, industrial, cold storage, and electrical generation plant rates shall be set by individual agreement approved by the City Council and shall be structured to follow the \$62.00 per EDU for wastes discharged into the sewerage system.

Multiple service EDUs shall be 81% of the first EDU, i.e., for multiple services, as defined in Schedule "C," the rate shall be 81% of \$62.00, or \$50.25, for each additional EDU above the first EDU.

II. METERED SERVICE

All service except mobile home parks- \$28.00 per unit of the physical structure, unoccupied or occupied.

Mobile Home Parks- under 10 units, base unit price is \$200.00.

10 to 25 units, base unit price is \$400.00

26-50 units, base unit price is \$1,000.00

Over 50 units, base unit price is \$2,000.00

All units with a meter will be charged a base unit prices and \$3.20 per 1000 gallons consumption.

The wastewater rates (base rate and usage rate) will increase 2% each year for the next five (5) years.

SCHEDULE "C"  
(Incorporated by reference in 15.48.010)

**WATER RATES**

The following monthly rate is adopted effective July 1, 2013 (unchanged since January 1, 2010):

**I. UNMETERED SERVICE**

One Equivalent Dwelling Unit (EDU) shall be \$43.41.

**Section A.**

USER TYPE	MONTHLY RATE
Single family residence	\$43.41
Multiple family	43.41
Trailer park	43.41
Restaurant	43.41/ per 6 seats
Delicatessen, bar, tavern, lounge	43.41/ per 30 seats
Hospital/clinic	43.41/ per 3 beds
Auto service station	43.41/ per 4 fuel pumps
Theater, meeting hall, church	43.41/ per 200 seats
Hotel	43.41/ per 16 occupant beds
Laundry, Laundromat	43.41/ per 2 washing machines
School, elementary	43.41/ per 20 students
School, high	43.41/ per 15 students
Store, other retail or service commercial activity	43.41/ per 9 employees

**Section B.**

LINE SIZE	EDU		RATE		MONTHLY CHARGE
5/8" - 3/4"	1.0	x	\$43.41	=	\$43.41
1"	2.5	x	43.41	=	\$108.52
1 1/4"	3.5	x	43.41	=	\$151.93
1 1/2"	5.0	x	43.41	=	\$217.05
2"	8.0	x	43.41	=	\$347.28
3"	16.0	x	43.41	=	\$694.56
4"	25.0	x	43.41	=	\$1,085.25
6"	50.0	x	43.41	=	\$2,170.50
8"	80.0	x	43.41	=	\$3,472.80

These charges are monthly and may be adjusted to a single EDU or multiple-user EDU rate off-season when requested by the customer and approved by the City.

### Section B.

Seafood processing plants that exceed one million (1,000,000) gallons monthly will be charged \$3.20 per thousand for the first one million gallons and \$2.69 per 1000 gallons for the gallons over one.

Where monthly water usage does not exceed one million gallons, the rate established in Section A of "II METERED SERVICE" shall apply.

### Section C.

Multiple-user EDU: For each EDU after the initial first EDU, the rate shall be 81% of the first EDU, i.e., for multiple services, as defined in Section A, the rate shall be 81% of \$41.35, or \$33.49. A multiple-user EDU rate is applied to commercial or commercial and residential users where two or more separate services receive water through a standard 3/4 inch service tap.

### Section D.

**As referenced in Section 15.40.080, the City does not charge for standby water service on fire protection systems, metered or unmetered.**

## II. METERED SERVICE

Effective January 1, 1994 all commercial users and mobile home parks as defined in Title 18, Craig Land Development Code will be required to install metered water service. Exceptions to this provision will be on a case-by-case basis.

### Section A

#### **Inside City Rate:**

Except as provided below in Section B, the monthly base rate per meter except mobile home parks- \$14.00 per meter.

Mobile Home Parks base rate under 10 units- \$100.00

Base rate 10 to 25 units- \$200.00

Base Rate 26-50 units- \$500.00

Base rate over 50 units- \$1,000.00

All units with a meter will be charged a base rate and \$3.20 per 1000 gallons consumption.

The water rates (base rate and usage rate) will increase 2% each year for the next five (5) years.

All unmetered services will convert to metered services during fiscal year 2014, with the owner purchasing the meter and the City of Craig Public Works Department installing the meters.

#### **Outside City Rate:**

Base rate per meter- \$35.00

All services outside city limits will be charged a base rate plus \$8.00 per 1000 gallons consumption.

The water rates (base rate and usage rate) will increase 2% each year for the next five (5) years.

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: July 3, 2013  
RE: July Staff Report

---

### **1. Follow up from June**

I am grateful to the city for the three weeks allotted me in June for time away from work. I will begin work the week of July 8 on items that came before the council while I was away, including:

- Placement of hauled boats at the JT Brown Marine Industrial Park;
- Changes to employee accrual of annual leave;
- Changes to harbor rate structure;
- Proposed changes to the rate charged for water services.

### **2. POW Vocational/Technical Facility**

Construction is underway on the project. As I reported to the council in May, the Klawock City Council awarded the construction bid for the project to ASRC McGraw Custom Constructors.

The project's advisory committee is scheduled to meet again July 29 to continue work on the governance and curriculum components of the project.

### **3. Street Paving Project**

Work continues on Phase III of the project. Public Works Director Ron McIntosh is overseeing the work on a day to day basis. The most recent construction schedule prepared by the contractor puts a completion date for the work at the end of July.

City staff discovered recently that when the contractor removed a culvert from Cedar Street, and went to empty the culvert of the debris inside, a wood paddle was among the items lodged inside the culvert. About two months after the paddle was removed from the culvert city staff was notified of the paddle's existence, and consistent with the contract documents staff contacted the State Historic Preservation Office. An archeologist from the State of Alaska looked over the paddle and determined that it is likely an artifact (culturally modified and more than 50 years old). There remains some doubt among the locals of its artifact status. In any case, the paddle, which by any standard is very rudimentary, was offered to the Craig Tribe, and the tribe took possession of it. Because the paddle was found in a culvert, and not buried in the ground, the general belief is that the area in Cedar Street where it was found does not appear to hold other cultural items.

### **4. Wood Drying Project**

Staff at Viking Lumber continues to work on installation of the wood drying equipment. Most of the company's staff time recently was devoted to erecting the steel frame of the metal building that will cover the drying equipment. The due date for having the

equipment operational remains approximately August 24. The first lease payment of some \$24,000 is due within 30 days of that date.

### **5. Chinook Salmon Mitigation Grant Applications**

City staff was notified recently that two of our applications for funding were successful. The grant awards total \$179,100 toward the cost to replace the float and fish cleaning floats at the public boat launch at the JT Brown Marine Industrial Park, and \$120,000 toward the cost to increase the ice storage area within the Craig Public Ice House. Neither of the grant awards funds the total cost of either project. For the float project, the State of Alaska Department of Fish and Game will come up with the balance of the estimated \$600,000 cost to replace the floats piling, and other materials. For the ice house project, I have yet to identify a source for the balance of the cost of the project. The city does have some funding set aside in a reserve account for harbor projects, but staff still has work to do to better pin down the project costs and the best way to go about getting the project done.

### **6. Mines on POW**

Exploration efforts at the Niblack and Bokan Mountain mine prospects at Bokan Mountain continue this summer. The bills in Congress that would start the process to develop road access from the island's road system to the mines have yet to be scheduled for a hearing. Based on conversations with city lobbyist Steve Silver, we have asked our congressional delegation for a September hearing on the bills, but no hearing dates are set yet, in part because much of the resource committees' time on both the house and senate side are tied up with the Sealaska bill and other federal land legislation.

### **7. Borough Study Follow Up**

The Prince of Wales Community Advisory Council discussed the borough study at its May meeting in Kasaan. The communities agreed to come back at the July POWCAC meeting, set for Whale Pass on July 23, after discussions locally in each community about which of the classes of boroughs might be the best fit for POW. Each member will share their view on this topic at the Whale Pass meeting, and decide on the next course of action.

### **8. Travel Schedule**

September 16-19, 2013: Southeast Conference annual meeting in Sitka.

If the council has questions regarding these items feel free to contact me anytime.

**CITY OF CRAIG**  
**MEMORANDUM**  
**AQUATIC CENTER**

To: Craig City Council

From: Nicole Robison, Aquatic Center Manager

RE: Monthly report for June, 2013

Date: July 3<sup>rd</sup>, 2013

---

Our major event for the month of June was our annual shut down, We drained the large pool and did grout work around the perimeter, we finished with the grout in the pool ahead of schedule and decided to grout the floors of our locker room showers which badly needed it. During the pool's closure ADA handicap lifts were installed and are working just as we had planned. In preparation to re-open the facility we chipped and sanded rough spots in the paint around the inside of the pool, painted the inside of the pool and changed out an underwater light, we painted the locker room floors, touched up the walls and re-painted the pool's deck. All in all, our closure was a success, we re-opened on the 18<sup>th</sup> of June as scheduled.

As I had mentioned in my last report, we ordered new grates for around the pool, we were hoping they would make it in time to be installed before our re-open date, they ended up arriving *the day* we re-opened, such is life! We have been coming in on weekends and installing the new grating system part by part, we are very close to being complete! The new grates look awesome 😊

I have attached some pictures (not all) from our shut down, enjoy!

Last but not least, the last day of June was Corky's retirement date! We will miss him and all he has done for our facility, best wishes to Corky on his retirement and future adventures!

If there are any questions regarding the pool, please feel free to e-mail us at [pool@craigak.com](mailto:pool@craigak.com) or call 826-2794, we would love to assist you.

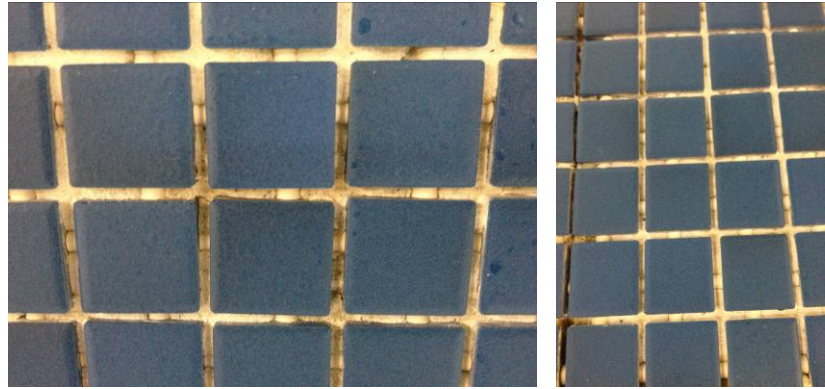
Best wishes to all,

Nicole Robison  
Aquatic Center Manager





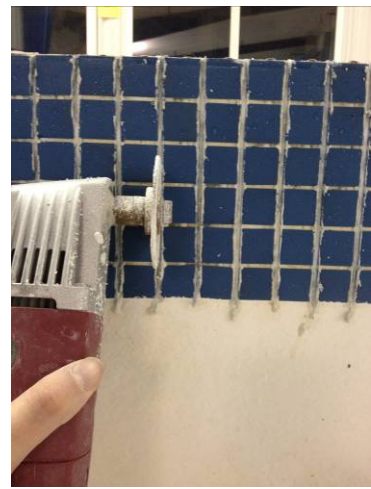
Above: Draining the pool!



Above: This was the condition of the pool's grout before we started  
Below: Grinding grout- 4 people for 14 hours  
Dedication!



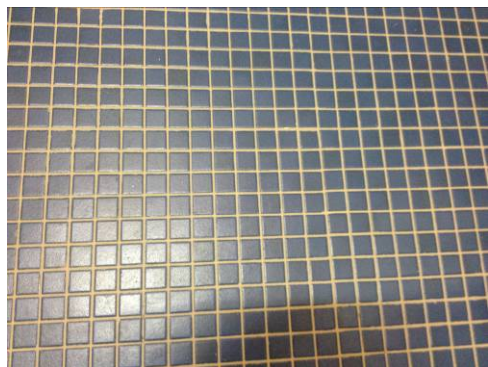
Above: Before / Below: After



Below: Grout- finished product!



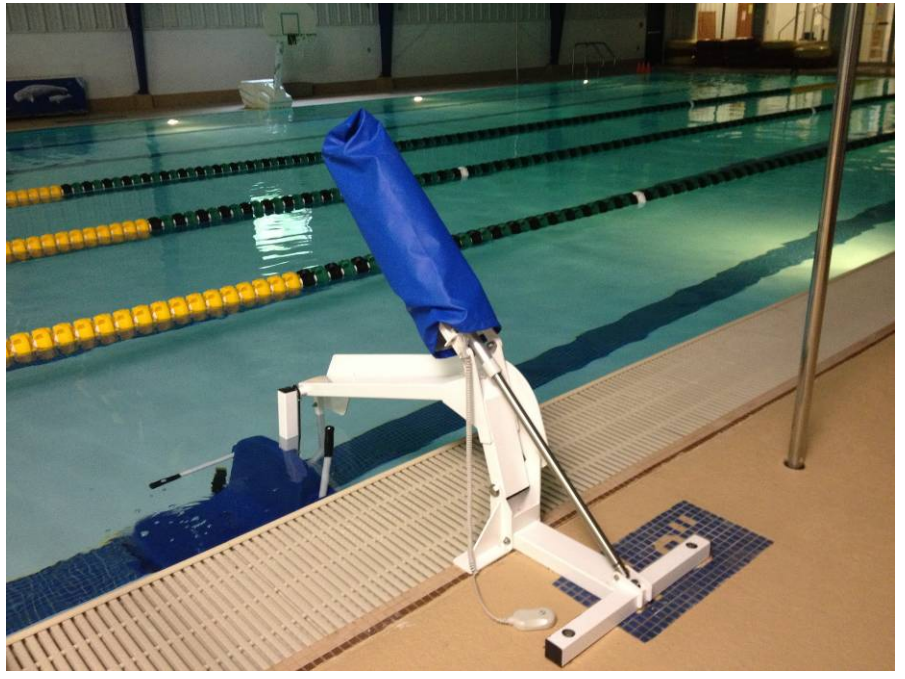
Below: Painting the locker rooms



Below: Out with the old, in with the new! Underwater light



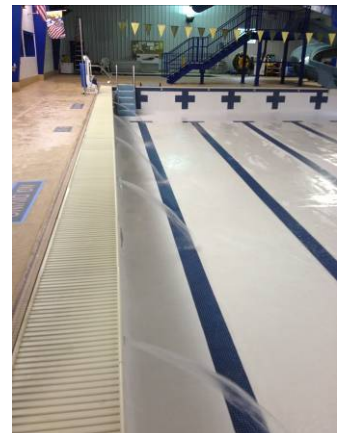




Above: big pool handicap lift  
Below: hot tub handicap lift



Below Left to Right: Painting the deck and filling the pool in preparation to re-open!



# City of Craig Memorandum

Date: July 2, 2013

To: Mayor Watson, Craig City Council

From: Kassi Knock, City Clerk

Re: Clerk's Report

---

Last month I had the opportunity to attend the Northwest Clerks Institute in Tacoma, Washington. I attended Professional Development I last year, and was there for PD II this year. The institute provides classes varying in topics throughout the week, all tailored to the City Clerks position. This year the courses included;

### What Color is Your Desk

This course was instructed by Ellen Langan of Langan and Associates, Organizational Consultants. The course covered varying filing methods, scheduling tricks and tips to making the most out of your work day. I can utilize the knowledge from this course in my everyday work by envisioning the best way to set up the filing system in my office as everyone uses my office for records. The instructor also provided information on ways to schedule your time and emphasized the importance of prioritizing the workday. The instructor also asked us to self-audit our systems in place in our offices.

### Understanding Yourself and Others

This was one of our many personnel courses throughout this institute. It was also instructed by Ellen Langan. We spend a good deal of time looking at the different personality types and understanding what personality type we are personally, as well as our coworkers and the public. We discussed extroversion vs. introversion and also looked at meetings that will accommodate these preferences. There was group work throughout, which allowed us to look at situations that arise in our workplace and which way would be the most productive way to work with corresponding personality styles.

### Managing Human Resources

This course was instructed by Janice Corbin with Sound Employment Solutions, LLC. Throughout the course we went through; hiring practices of employers, job descriptions, interviewing, harassment, retaliation and other HR topics. This course was not fully related to my position, but many smaller communities had clerks that handle the HR portion of their city. This course was interesting and expanded my knowledge of Human Resources and what is acceptable in the workplace.

### Financial Management and Budgeting

This course was instructed by Toni Nelson, Director of Professional Services. Although this course wasn't directly related to my position, it was a great course because it was educational for me to see the way governmental accounting works and also the budgeting process. We did a group exercise with a small background story for a city and were asked to balance the budget. This was an interesting process for me especially because we had about 6 differing opinions in our group. It was an eye opening experience especially when you have individuals with strong opinions of why more money should be allotted to certain departments, as well as which to cut. I enjoy attending training for my own position, but courses such as this and the human resources

# City of Craig Memorandum

course give me more of an idea of the other positions in the city and a better opportunity to understand their day to day tasks.

## Advanced Records Management

This course was absolutely beneficial for me. The instructor was Barbara Benson, the Records Manager for the University of Washington. Barbara was an excellent instructor and was able to explain more about records retention than I had been trained in previously. The most difficult part of records retention is educating staff on what is considered a record, and electronic records are especially difficult. It is a laborious and time consuming task to sift through the records found in email files, but an absolutely necessary task in order to keep with the records retention schedule. Barbara touched on records destruction holds as well as various other situations that can arise with records retention that aren't planned, and can put a hold on your destruction schedule.

## Keys to Good Supervision

This was an all-day course instructed by Dr. De Hicks. This was one of the best courses in the institute. Dr. Hicks discussed the power of assumptions and expectations in the work place. He also explained the kind of goals that are productive. Specific, measurable, achievable, resourced, and time anchored. This put in to perspective the goals I have in my position, and how I can change them to be easier to obtain. Dr. Hicks also spent a great deal of time educating the class on supervising and working with supervisors. When asked to complete a task it is important for me to clarify expectations, timelines, general guidelines of what my supervisor does or doesn't expect out of the task. I am working on becoming a more efficient employee and producing work that is closer to the idea my supervisor has for each task.

## Resolve

This course was instructed by Rhonda Hilyer of Agreement Dynamics. This course focused mainly on conflict resolution, and ways to prevent conflict in the workplace. This course, like Dr. Hicks was based upon different personality types. It was important in this class to understand what type of personality the other party had, and from that decide the most productive way to deal with the conflict.

## Creating a Personal Vision Statement

Dema Harris was the instructor for the last segment of the Institute. This course involved self-reflection, and creating a vision for future endeavors. Dema also went over the criteria for obtaining the Certified Municipal Clerk delegation. This was a great way to wrap up the week of training, and as always it is a pleasure to work with Dema.

Upon returning to the office I am implementing my knowledge from training, and picking up on the repetitive tasks usually mentioned in my report. I would like to thank the Council and City Administrator for allowing me to attend this training. I have benefited greatly from the advanced training this institute offered.

## CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: July 3, 2013  
RE: Planning Department Staff Report

---

1. US Army Corps of Engineers Study. **The USACE will be conducting the bulk of the field work this summer for the economic and environmental feasibility study. This will include work on and around the cannery site.**
2. City Website. The updated web site, twitter account and Facebook page are running well. We had some minor problems with access to documents but have switched file sharing programs and the issue seems to be fixed. If you have any comments, questions or suggestions about the website information please contact Kassi or myself.
3. Tsunami Public Information. Staff has been continuing to work on the city's emergency warning system. Alaska Division of Homeland Security and Emergency Management officials have been very busy with extreme spring flooding in western Alaska and have not finished grant paperwork yet.
4. Firehall Replacement. The planner is currently working on the RFP for architect/design services for this project.
5. Tanner Crab/Salmonberry Subdivision. Work is going along well on the project. The Tanner Crab sitework is substantially finished and pipe and concrete have been ordered for utility installation. Elizabeth Court has been cleared and grubbed and some sitework has been completed. Ron and I have made some field adjustments to Elizabeth Court to make lot access easier. The proposed changes will also reduce the amount of rock needed for the project. We have a major overrun on rock quantities on Tanner Crab due to a difference in the method used by the engineer and the contractor. There is a change order to account for the difference included as an action item for the 7/11 council meeting. We do not know yet what difference there will be on Elizabeth Court. Between the field changes and any overrun due to the difference in calculations we may have a change expected on that project as well. I have asked two appraisers for quotes to appraise the 12 lots in this project and one city owned lot on T&H Street for sale this fall/winter. I will continue to work with the council on a sale method that will encourage local purchase and construction of residential homes.



**CITY OF CRAIG  
MEMORANDUM**



**Date:** July 1<sup>st</sup>, 2013  
**To:** Honorable Dennis Watson, Craig City Council  
**Fr:** RJ Ely, Police Chief  
**Re:** Staff Report

*RJ Ely*

**ACTIVITY**

Activity for June 2013. Dispatch Center took the following amount of calls for service:

Craig	1,224
Klawock	320
AST	6

911 calls for June, 184 of which 62 were actual 911 calls. I've notice an increase in miss dialing 911, pocket dials or hang up calls to 911.

**DEPARTMENT OF MOTOR VEHICLES**

DMV Drop Off's have increased and traffic into DMV Office is increasing. Wait times are not bad and Department is still awaiting the arrival of 2 DMV License Testing Computers.

**DISPATCHER(S)**

Still looking to fill the Part Time / Fill In Dispatcher Position. Have had people apply, but for various reasons, no offer has been made yet.

**OFFICER(S)**

Several applications have been received. Most applicants are not APSC Certified or even eligible to be certified.

A part time Police Officer has been hired, to help out while I attempt to fill the two police officer positions. Martin "Marty" Peterson will arrive in Craig, weather permitting on July 2<sup>nd</sup>, 2013. I've worked with Peterson in the past and he has worked seasonal positions in Alaska and Wisconsin. He has a "Seasonal" Wisconsin Police Academy, but it's not recognized by Alaska. Peterson is interested in a full time position with Craig Police Department and is willing to sign a long term contract with the City. He will be evaluated and if appears that he will be a good fit for the department and community, will see about picking up full time and having him attend a winter academy.

**OTHER**

Extra funding was approved by Department of Corrections.

I've acquired two fully loaded, 2008 Ford Expeditions, lights, gun racks, everything but a radio and new Stripping included. Both obtained for same cost as with a used, older model crown vic that Department has acquired in the past. One is currently on the island and the other is in Wrangell.

Cases and calls are still high in numbers, compared to last year at this time. Drug cases are increasing and we now have synthetic marijuana and bath salts being used on the island. We currently have two pending cases, involving both synthetic marijuana and bath salts.

## Library Report to the Council for June 2013

Patron Visits: 1,838  
Circulations: 2,235  
Computer Use: 519  
Program Attendance: 379  
Reference Questions: 486  
Proctoring: 6 Test for 5 Students

Summer Reading Programs:

- School-Age Mondays 10am
- Dinosaur Club Thursdays 10am
- Archaeology Club Wednesdays 2pm-4pm
- LEGO and More Club Tuesdays 2pm-4pm
- Teen Night Wednesdays 7pm
- Kids Movie Thursdays 2pm
- Toddler-Preschool Storytime Fridays 10am

Workshops:

- Certified Food Protection Manager Workshop (4/3)
- Laurels & Lyrics: Library of Congress Poetry Resources (4/4)
- Middle Eastern Belly Dance (4/6)
- Sleuthing With Maps: Library of Congress (4/10)
- Balto: History, Huskies, & Health in Alaska (4/13)
- Lego Robotics (4/23)
- Gathering Community Stories: Library of Congress (4/25)
- Ishmael Hope: Native Storyteller (4/25)

Staff Training: Privacy and Confidentiality in Libraries (6/7)

Events: Kids Fishing Day (6/8)

Upcoming Events:

- 2<sup>nd</sup> Annual Stuffed Animal Sleepover! (7/12-13)
- Salt Chuck Mine Tour (7/6)
- World Civ 101 – A Travelogue (7/17)
- Robot Garage (7/15)
- Minecraft Mondays (ongoing)

June Workshops:

- Adobe Photoshop (6/12)
- Graphic Design Workshop (6/3)
- InDesign Workshop (6/4)
- Pearl Harbor & The Bombing of Unalaska (6/4)
- Environment & Culture of Tibet (6/5)
- Who Lives Where? (Alaska SeaLife Center) (6/7)
- Turning A Novel Into A Play (6/17)
- Digital Discretion (6/18)
- Soil Detectives (6/24)
- Recipe for Soil (6/28)
- Brass Tacks Business Basics Workshop (6/27)

Grants:	IMLSFY14	\$7,000.00
	PLAGFY14 (State)	\$6,600.00
	NSF (see attached)	\$2,500 plus materials/training

#### Highlights:


We currently have 183 signed up for the Summer Reading Program. The library is involved in a number of “drop in” mini-camps this summer—including a Dinosaur Club for the Toddler-Preschool Crowd and an Archaeology Club for the School Age (upper elementary and middle school) group. Teen nights are either a movie or a craft. Last month, we made t-scarves (a way to reuse old t-shirts and make scarves). This month, Christina Barlow has volunteered to coordinate a craft with the teens, and we’ll also be exploring papercrafts (beads, necklaces, etc.) For the adults, the library is hosting a tour of The Salt Chuck Mine on Saturday, July 6<sup>th</sup>. Meet at Annie Betty’s at 9am. Tim Marshall, who has been conducting extensive research at and about the site will be leading the tour. Paul Dawson will be presenting his travelogue “World Civ 101” at 7pm on Wednesday, July 17<sup>th</sup>. The drop-in LEGO group has been WILDLY popular with kids of all ages.

Attached is the award letter from Califa and The National Science Foundation for the *Pushing The Limits* STEM grant. This is an award for adult programming at the library, and consists of a \$2,500 award plus materials and training for staff. Apparently, it was an incredibly competitive process, and our library was one of 75 in the nation who succeeded in securing the grant!

Also attached is the new format for the weekly library flyer. I hope you will visit the library’s website: [www.craigpubliclibrary.org](http://www.craigpubliclibrary.org) to see the new layout. Because advertising space in town is shrinking along with budgets for ink (which is increasing in cost), I’m going to produce one flyer per week with everything going on at the library on it. I also use Facebook [https://www.facebook.com/craig.libe?ref=tn\\_tnmn](https://www.facebook.com/craig.libe?ref=tn_tnmn) and <https://www.facebook.com/TheCraigPublicLibrary> and Twitter <https://twitter.com/CraigAKLibrary> as well as a Google Calendar: <http://www.craigpubliclibrary.org/calendar.html> to advertise (in addition to flyers around town and PSAs and appearances on KRBD’s POW Report).



# This Week At The Craig Public Library



 The Craig Public Library  
**Club LEGO and MORE!**


**TUESDAYS**  
June 18th—August 27th  
2pm—4pm  
@ The Library  
OR  
The Craig Rec Center  
(depending on the number of participants)

Just DROP IN!  
No Need to Sign Up!

Come Build & Experiment With Us!

It's all part of the Craig Public Library's Summer Program. Check us out online at [www.craigpubliclibrary.org](http://www.craigpubliclibrary.org)


 The Craig Public Library  
**Teen Movie Night**

**BEAUTIFUL CREATURES**  
DARK SECRETS WILL COME TO LIGHT

It's all part of the Craig Public Library's Summer Program. Check us out online at [www.craigpubliclibrary.org](http://www.craigpubliclibrary.org)

WEDNESDAY, JULY 3rd  
7pm  
Craig Rec Center

FREE ADMISSION  
FREE POPCORN  
DOOR PRIZES





 The Craig Public Library




There's **GOLD** In Them-Thar Pans!

PAN FOR REAL GOLD with us this week during Toddler-Pre-school Story Time! Weather willing, we'll be outdoors with REAL Pay Dirt and REAL Pans to try our luck! Will we see a flash in the pan??

Join us!

**Friday, July 5th**  
10am!

It's all part of the Craig Public Library's Summer Program. Check us out online at [www.craigpubliclibrary.org](http://www.craigpubliclibrary.org)

 The Craig Public Library  
CUE MUSIC ... 2

**ARCHAEOLOGY CLUB**

BE PART OF THE TEAM!

GRADES 4-8  
HANDS-ON ADVENTURE!


DIG IT! FOR REAL!

July 3rd - August 14th  
10am - Noon

It's all part of the Craig Public Library's Summer Program. Check us out online at [www.craigpubliclibrary.org](http://www.craigpubliclibrary.org)

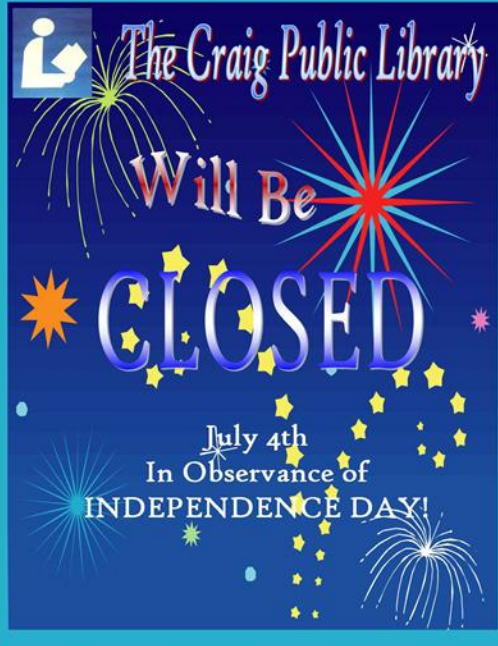





 The Craig Public Library

Will Be  
**CLOSED**

July 4th  
In Observance of  
INDEPENDENCE DAY!






 The Craig Public Library

**Salt Chuck Mine Tour**

Join Forest Service Archaeologist Tim Marshall for a Guided Tour of the mining landscape around Salt Chuck!

Meet at Annie Betty's at 9am  
Saturday, July 6th  
Call 826-3281 for more information

It's all part of the Craig Public Library's Summer Program. Check us out online at [www.craigpubliclibrary.org](http://www.craigpubliclibrary.org)

**Wednesdays**

**Saturday**





June 20, 2013

Craig Public Library  
PO BOX 769  
Craig, AK 99921

Dear Amy K Marshall:

I am pleased to inform you that your application for a grant to offer *Pushing the Limits* programming during the fiscal year 2013-2014 has been approved.

You will receive a check for \$2500 in late 2013. These funds must be spent on costs related to implementing your *Pushing the Limits* programming no later than September 30, 2014. Given the timing of the funds, programs should be offered between February and July, 2014. Previous awardees have generally had a regular monthly schedule (e.g., the first Thursday of each of four successive months), but you should of course feel free to do what you believe will work best for your community.

In early August, 2013, you will receive additional information about the project and online support materials, as well as the program and professional development DVDs. In the meantime, feel free to contact Wendy Cao at [wcao@califa.org](mailto:wcao@califa.org) and 650-349-5538 if you have any questions.

You will also be interested to learn that we will be presenting a *Pushing the Limits* session at the ARSL conference in Omaha. It will be from 3:00-4:00 PM on Friday September 27 in the Nebraska Room. I encourage you to attend and to come up and say hello afterwards.

Congratulations! Along with the entire *Pushing the Limits* team, I look forward to working with you in the year ahead.

Sincerely,

Al Bennett

*Pushing the Limits* Project co-PI, representing ARSL

cc: Linda Crowe  
Dan Rockmore  
Al Bennett



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

## Department of Natural Resources

DIVISION OF FORESTRY  
Southern Southeast Area Office

2417 Tongass Avenue, Suite 213  
Ketchikan, Alaska 99901  
Main: 907.225.3070  
Fax: 907.247.3070

### TIMBER SALE PROSPECTUS

Heceta Second Growth Timber Sale, SSE 1315-K

RECEIVED

JUN 27 2013

**CITY OF CRAIG  
CRAIG, ALASKA**

#### INTRODUCTION:

This Prospectus is intended to furnish sufficient information to enable prospective bidders to decide whether further investigation of the sale is warranted. Descriptions, estimates and other information within this Prospectus are not a part of the contract unless otherwise stated. Should the Prospectus be in error or contradict the sample contract, the sample contract governs. Prospective bidders are urged to examine the timber sale and to make their own estimates. Quantities and quality of timber in the contract are not guaranteed. The sale area and sample contract should be reviewed prior to submission of a bid.

#### LOCATION AND AREA:

The Heceta Second Growth Timber Sale is located approximately four miles southeast of the Port Alice Log Transfer Facility (LTF). The sale area is legally defined as occupying portions of Sections 19, 20 and 30, T.70S., R.78E., C.R.M. In this area the Division of Forestry is offering one clear-cut unit composed of approximately 137 acres. The clearcut unit is shown on the attached Sale Area Map and is designated on the ground by the State with pink "timber harvest boundary" flagging.

This proposed sale is situated on uplands approximately 100 to 300 feet elevation above sea level. The terrain is gently undulating with rolling hills. There are short pitches (less than 100 feet in length) of 40-50 percent slopes. The harvest units generally may be harvested using ground based systems including shovels and rubber-tired or track skidders.

#### VOLUME AND DESCRIPTION OF TIMBER:

The timber sale was cruised in the spring of 2011 by the Division of Forestry using the Atterbury Cruise System. The sale information and volumes represented in this document and the reports are estimates only. Within the clearcut unit there is an estimated total of 5,607 thousand board feet (MBF) of merchantable timber. The total estimated sawlog volume in this sale consists of approximately 76 MBF of Sitka spruce old growth sawlogs; 2,334 MBF Sitka spruce second growth sawlogs; 2,137 MBF of western hemlock old growth sawlogs, and 759 MBF of western hemlock second growth sawlogs. Another 301 MBF of mixed species utility logs is



estimated to exist within the clearcut unit. The timber sale cruise report which contains the State's estimate of timber type, quantity, and quality for this sale, along with the sort and grade parameters which were applied during the cruise, is available upon request from the Division of Forestry, Southern Southeast Area office.

The volumes harvested within this sale will be 100% scaled. All prices per thousand will be based on species and will not be dependant upon the age classification of the tree.

The State does not warranty the total volume that may be cut in the sale or the appraised value, nor does it warranty map accuracy, species distribution, grade, quantity, quality or merchantability of the timber in the sale. It is the Bidders's responsibility to make its own determination regarding the value, volume and operability of the sale.

#### ACCESS:

The sale is accessed by the Port Alice LTF located on Heceta Island. From the Port Alice LTF, the sale area is approximately 4 miles southeast along the Forest Service Port Alice Road (FDR 14). Floatplane and limited boat access to the sale area may also be obtained via the USFS dock at the Camp Island Development area. There is an existing road system throughout the sale unit and no construction of roads is required to harvest the unit. Closure of 1.0 mile of existing State spur roads is required by end of operations.

Road use agreements required by the USFS or any other landowners will be the responsibility of the Purchaser. Any agreements required for the use of the LTF will also be the responsibility of the Purchaser.

#### BIDDING:

This is a SEALED BID SALE. To qualify for bidding, all bidders must submit a copy of their current Alaska Business License with their sealed bid. Sealed Bids must be submitted on forms provided by the Division of Forestry, marked on the outside with the timber sale name and number, and addressed to the Southern Southeast Area Office, Alaska Division of Forestry, 2417 Tongass Avenue, Suite 213, Ketchikan, AK 99901. Sealed Bids will be accepted until the bid opening, at **4:30 P.M. prevailing time, July 22, 2013**. Sealed bids may also be presented in person to the Southern Southeast Area Forester, Patricia Palkovic, before the bid opening. All bids must be in the physical possession of the Southern Southeast Area Forester before the bid opening. Bidders are responsible for assuring that their complete bid package is delivered on time.

The State reserves the right to reject any or all bids. Unless all bids are rejected, the State will award the sale to the responsible qualified bidder offering the highest total bid for the timber as determined by the State using the State's bid sheet. The bidder will submit prices per MBF. The bidder's submitted price per MBF times the Division of Forestry's estimate of timber volume will be the minimum that the Purchaser will pay for the timber in the sale area regardless of the quantity of timber removed. In the final accounting of the contract, the successful bidder will be responsible for payment of the actual timber harvested as it was scaled or the minimum bid price, whichever is greater. The minimum acceptable total bid price for the timber is \$1,075,000.00.

**BIDS MUST BE SUBMITTED ON FORMS PROVIDED BY THE STATE AND CAN BE OBTAINED AT THE SOUTHERN SOUTHEAST AREA OFFICE IN KETCHIKAN.**

If a tie in the high sealed bid occurs, the successful bidder will be determined by lot at the time of bid opening.

If bidding as an agent for an individual, partnership, or corporation, the agent must submit with the bid a notarized power-of-attorney authorizing such agency. No agent may represent more than one principal, or bid in competition with the agent's principal.

#### BID GUARANTEE:

A deposit in the amount of 10% of the total bid will be required at the time bids are submitted. The successful bidder's deposit will be credited towards the Advanced Stumpage Payment due to the State. Deposits from unsuccessful bidders will be returned at the time the sale is awarded. The deposit furnished by the high bidder whose bid was declared acceptable will be retained as liquidated damages if the Bidder does not sign the contract; and furnish a satisfactory performance bond and advance stumpage payment within 30 days of receipt of the contract. The 10% bid deposit shall be in the form of certified check, cashier's check, money order, or any combination of these.

#### PERIOD OF CONTRACT:

All contract obligations shall be completed within three years from execution of the contract. In order to protect water, soil, or environmental quality, the State reserves the right to temporarily suspend operations.

#### BONDS:

A Performance Bond will be deposited with the State upon execution of this contract. The amount of the Performance Bond will be \$20,000.00.

The PURCHASER shall deposit the bond with the State either in the form of a cashier's check or money order made payable to the STATE or as a certificate of deposit with all rights except the interest assigned to the State. If the bond is in the form of cash or check the STATE shall place the Performance Bond in a separate State account and all interest on the Performance Deposit shall accrue to the benefit of STATE.

#### PAYMENT:

An Advance Stumpage Payment will be due at the signing of the contract in the amount of \$275,000 less the bid deposit. Subsequent payments will be based on a total monthly scale with stumpage payment due to the State prior to 15<sup>th</sup> of each month for the previous month's scale. The Advance Stumpage Payment will be applied to the last stumpage payment or combination of payments depending upon the Purchaser's current operation plan.

#### CONTRACT REQUIREMENTS AND STIPULATIONS:

The Purchaser will have 30 days from the receipt of the contract to sign, notarize, and return it to the Southern Southeast Area Forester.

### OPERATING PLAN:

An Operating Plan is required to be submitted at least two weeks in advanced of start of operations; within five business day after receipt, the plan will be reviewed by the State for compliance with appropriate management plans, the sale contract, and the State's best interest. The requirements of the Operating Plan are set out in the contract and will reflect the Purchaser's plans and operations at all times.

### PRIMARY MANUFACTURE:

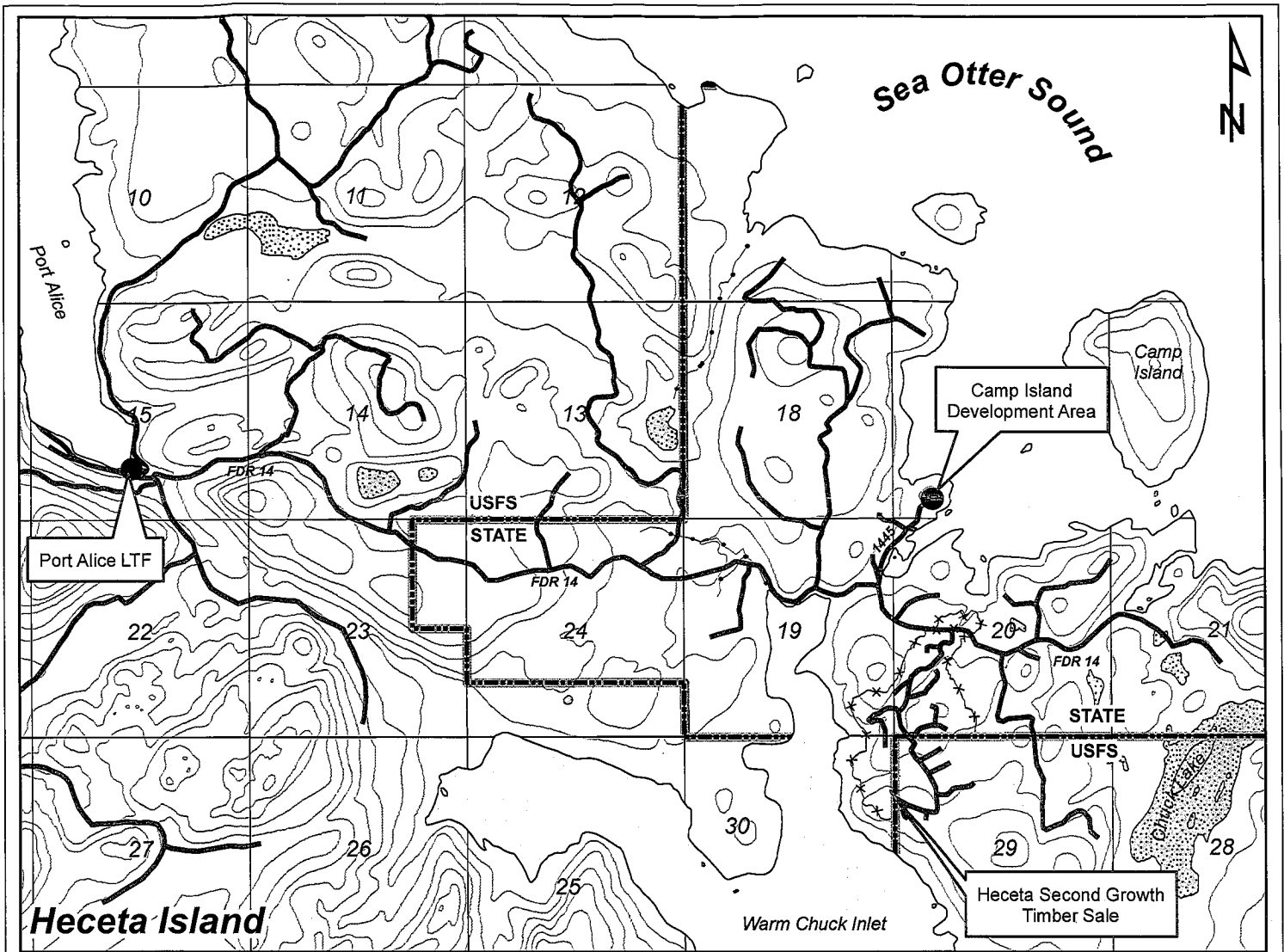
Primary manufacture of logs from this sale is not required.

### RESERVATIONS:

The State reserves the right to waive technical defects in this Prospectus and reject any and all bids and that, unless all bids are rejected, the sale will be awarded to the responsible qualified bidder offering the highest bid. The State reserves the right to award the timber for the amount of the next highest bidder if the Director considers the highest bidder unqualified to fulfill the requirements of the contract, or if the contract is not executed by the highest bidder. The State also reserves the right to waive any informality in the bids received whenever the waiver is in the best interests of the State. The State will reject a bid containing or submitted with a condition or qualification on or a material alteration of the terms as specified in the notice of sale, or which is not in accordance with the law.

### GENERAL:

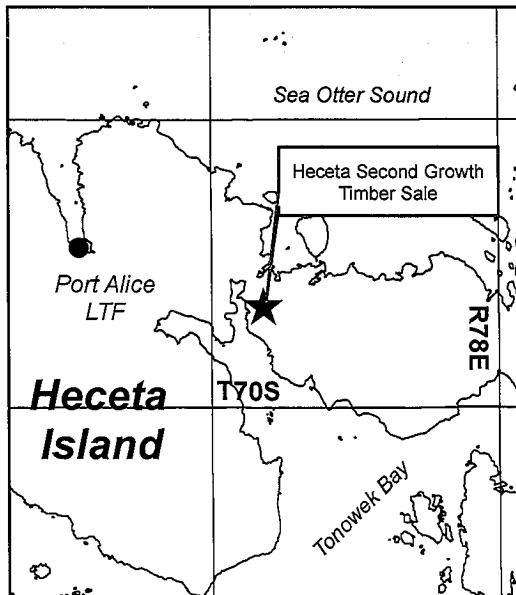
Further information, including copies of this Prospectus, Bid Form, Sale Area Map, Timber Sale Cruise, and a sample contract may be obtained by writing to Patricia Palkovic at the Southern Southeast Area Office, Alaska Division of Forestry, 2417 Tongass Avenue, Suite 213, Ketchikan, AK 99901, or by calling (907) 225-3070. The information and documents may also be picked up in person by visiting the Southern Southeast Area Office.



0 2,000 4,000 6,000 8,000 Feet  
 1 inch = 4,000 feet

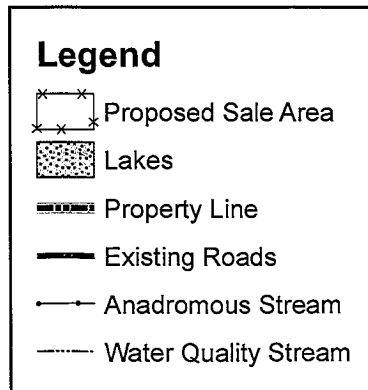
T70S R78E C.R.M

Contour Interval = 100 feet



Vicinity Map  
 1 inch = 4 miles

# SSE-1315K HECETA SECOND GROWTH TIMBER SALE AREA MAP



DIVISION OF FORESTRY



July 01, 2013  
Eric Burg  
Southeast Drinking Water Program  
State of Alaska  
Department of Environmental Conservation  
43335 Kalifornsky Beach Rd. Ste. 11  
Soldotna, AK 99669

VIA CERTIFIED MAIL

Re: City of Craig  
2012 Consumer Confidence Report  
PWS # AK2120193

Dear Eric:

The 2012 City of Craig Consumer Confidence Report and Consumer Confidence Report Certification Form are enclosed for your files. The 2012 CCR was posted on various bulletin boards around town and a copy was hand delivered to the public library on 7/1/2013. One thousand copies of this CCR were delivered to the Craig Post Office on 7/1/12. In addition, the 2012 CCR will be included in the July 2013 council packet.

Please contact me at 907-826-3405 if you have any questions and as always, thank you for your assistance.

Sincerely,

A handwritten signature in black ink that reads "Ron McIntosh". The signature is stylized and cursive.

Ron McIntosh  
City of Craig  
Public Works Director

Phone: 907 826-3405  
Fax: 907 826-3410  
Email: [publicworks@craigak.com](mailto:publicworks@craigak.com)

Enclosures: Copy 2012 CCR  
CCR Certification Form

## 2012 Annual Drinking Water Quality Report Public Water System ID# AK2120193 City of Craig, Alaska

In 1996 amendments were made to the Safe Drinking Water Act and passed by Congress that required the Environmental Protection Agency (EPA) to mandate the requirement of public water systems to provide each customer with an annual water quality report! Therefore, in compliance with that requirement, the City of Craig Water Department is proud to present to you the 2011 Annual Drinking Water Quality Report. This report is designed to inform you about the quality of water and services we deliver to you every day. Our constant goal is to provide you with a safe and dependable supply of drinking water. We want you to understand the efforts we make to continually improve the water treatment process and to protect our water resources. We are committed to ensure the quality of the drinking water for the City of Craig..

*We are pleased to report that our drinking water is safe and meets both Federal and State requirements.*

### WATER SYSTEM

A **Sanitary Survey** of Craig's water system was conducted on October 25th, 2011 by the South East Alaska Regional Health Consortium. The purpose of this survey was to conduct an onsite review of the water source, and the facilities, equipment, operation, and maintenance of the public water system. No deficiencies were noted. The survey is routine and required by law every 3 years.

Also, a **Status Component Inspection** of our public water treatment system was conducted by a three person ADEC Drinking Water Program inspection team on May 3rd, 2010, the goal of which was to provide us with an assessment of our current operational status and most importantly provide us with a current assessment of the filtration and inactivation credits for our system. This helps to clarify the current status of our system, and provides needed information for any future plant upgrades, modifications, or planned development that would affect treatment capacity and long term sustainability. Based on the inspection, our system was awarded treatment credits equal to or above the minimum requirements for Filtration of both *Giardia* and *Cryptosporidium* and also Total Inactivation of *Giardia* and Virus. What this means according to the report from ADEC dated January 21, 2011 is that at the time of the inspection, our system was in full compliance with existing surface water treatment rules.

### WATER SOURCE

Our water source is surface water drawn from 104 acre, North Fork Lake located 10-½ miles from Craig at an elevation of 660ft at the existing dam in the Saint Nicholas drainage basin. The 3.42 square mile watershed is in a roadless area on National Forest Land. A security gate paid for with Homeland Security funds is installed at 1.8 mi on the waterline spur road that restricts access to the lake and impoundment area. Access beyond the gate is allowed on a case by case basis and arrangements must be made either through the City of Craig at 907 826-3405 or Shaan Seet Incorporated at 907 826-3251. A 4.5mile long 12" Ductile Iron water lines carries raw water from the lake to the City of Craig Water Treatment plant where it is then filtered and pumped to the 870,000 gallon water storage tank to be distributed to the consumer! The Tongass Land Management Plan classifies this area as a Municipal Watershed Land Use Designation. Information on the Municipal Watershed LUD can be obtained by contacting Matt Anderson, Craig District Ranger at 826-3271.

The Alaska Department of Environmental Conservation completed a **Source Water Assessment** for our public drinking water on March 14, 2003. This assessment defines the area around our drinking water source that is critical to the quality of our drinking water and identifies potential and existing sources of



contamination within this area. Based on the information gathered, ADEC rated our drinking water source susceptibility to contaminants "**very high**", (*A rating of high to very high is typical for all systems with surface water catchment areas*). The assessment identified potential and current sources of contaminants that include a gravel road, potential lake turnover, landslide potential, and potential beaver habitat. Combining the susceptibility of the surface water source with the contaminant risk, the water system received a vulnerability rating of "**medium**" for volatile organic compounds, synthetic organic chemicals, other organic chemicals, and heavy metals, cyanide and other inorganic chemicals; and "**very high**" for bacteria and viruses, nitrates and/or nitrites.

The City of Craig does testing for all of these contaminants on a regular basis. Vulnerability assessments for public water systems can be used by local governments and community groups to decide where efforts are needed to protect their sources of public drinking water from contamination. Copies of the completed assessment for our water system are available to the public at the following locations:

- ❖ Craig City Hall, 500 Third Street;
- ❖ Craig Public Library, 504 Third Street;
- ❖ Craig City Shop, 202 Cold Storage Road; and
- ❖ Craig Water Treatment Plant, 5 ¼ mile Port Saint Nicholas Road

### **NEED MORE INFORMATION?**

If you have any questions about this report, and want to learn more about your drinking water or your water utility, please contact Treatment Plant Operator, Les Nelson (826-3406) or Public Works Director, Ron McIntosh (826-3405). The Craig City Council is the governing body for our water system. For the opportunity to participate in decision making you can attend any of the regularly scheduled council meetings. Meetings are normally held on the first and third Thursdays each month at 7PM in the Council Chambers at 500 Third Street.

### **ABOUT DRINKING WATER**

Sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water before we treat it include:

- ❖ Microbial contaminants, such as viruses and bacteria, which may come from human activities or wildlife.
- ❖ Inorganic contaminants, such as salts, fluoride and metals, which can be naturally occurring or result from mining or industrial activities. Craig water is no longer tested for asbestos since there is no asbestos pipe in the distribution system. Fluoride occurs naturally at about 0.2 mg/L
- ❖ Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban stormwater runoff and residential uses. (Pesticides and herbicides have never been detected in our source water).
- ❖ Organic chemical contaminants, including synthetic and volatile organic chemicals, which are byproducts of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff and septic systems or disinfection byproducts, such as Total Trihalomethane (TTHM) and Haloacetic Acid (HAA5). These byproducts are a result of using chlorine to disinfect the city's drinking water. Of the over 60 VOCs tested, TTHMs and HAA5s are the only VOCs detected and have been at a level below the MCL in all but three of the quarterly samples since testing began. They are not considered an immediate health risk at these levels.
- ❖ Radioactive contaminants, which can be naturally occurring or be the result of oil and gas production and mining activities. (Radioactive contaminants have never been detected in our source).

In order to ensure that tap water is safe to drink, the Environmental Protection Agency prescribes regulations, which limit the amount of certain contaminants in water provided by public water systems.

Food and Drug Administration regulations establish limits for contaminants in bottled water, which must provide the same protection for public health.

### WATER QUALITY

All drinking water, including bottled water, may contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the EPA's Safe Drinking Water Hotline at 1-800-426-4791.

### TEST RESULTS TABLE

The City of Craig routinely monitors for over 60 constituents in your drinking water according to Federal and State laws. The State allows us to monitor for some contaminants less than once per year because the concentrations of these contaminants do not change frequently. Some of our data, though representative, is more than one year old. Our sampling frequency complies with Federal and State drinking water regulations.

For your information the table below lists all the regulated drinking water contaminants that we detected during the 2011 calendar year. The presence of these contaminants in the water does not necessarily indicate that the water poses a health risk. The table contains goals for public health (MCLG), the amount detected, and the usual sources of such contamination. Definitions for the abbreviations used in the table are listed following the table.

### REQUIRED MONITORING

TABLE OF DETECTED REGULATED CONTAMINANTS								
Contaminant	Units	MCL	MCLG	Craig Water	Range of detection's	Sample Date	Violation	Typical Source of Contaminant
<b>Inorganic Contaminants - Reduced Monitoring in Effect - 1 complete analysis every 9 years (next due: by 2019)</b>								
<b>Gross Alpha &amp; Uranium - Next Sample Date to be Determined</b>								
Combined Uranium	ug/L	30	N/A	-0.04	N/A	4/11/2005	No	Naturally present in the environment
Radium-226	pCi/L	5	N/A	-0.01	N/A	4/11/2005	No	Naturally present in the environment
Radium-228	pCi/L	5	N/A	-0.90	N/A	4/11/2005	No	Naturally present in the environment
Gross Alpha, Incl. Radon	pCi/L	15	N/A	0.17	N/A	4/11/2005	No	Naturally present in the environment
<b>TTHM's &amp; HAA5s - one sample quarterly</b>								
Total Trihalomethanes (TTHM)	UG/L	80	N/A	59.18	22.70-97.30	Running Annual Average	NO	By-product of drinking water chlorination
Haloacetic Acids (HAA5)	UG/L	60	N/A	36.98	16.50-77.10	Running Annual Average	NO	By-product of drinking water chlorination
<b>Total Organic Carbon</b>								
Source Water TOC	ppm	N/A	N/A	4.74	3.54-7.15	Running Annual Average	NO	Naturally present in the environment
Treated Water TOC	ppm	TT	N/A	1.18	0.75-1.81	Running Annual Average	NO	Naturally present in the environment
Source Water Alkalinity	ppm	N/A	N/A	0.00	0.0-0.0	Running Annual Average	NO	Naturally present in the environment

TOC Removal (TT)	ppm	40 %	N/A	75.25	71.11-78.81	Running Annual Average	NO	TOC provides a medium for the formation of disinfection by-products. Removal rates reflect the optimization of our treatment process.
<b>VOCs – one complete sample annually</b>								
Volatile Organic Contaminants	ppb	Variable	N/A	0	N/D	6/7/2010	NO	By-products of drinking water chlorination & discharge from chemical plants or other Industry
<b>Lead &amp; Copper (Tap water samples were collected from 10 area residences as required. None were found to exceed the Action Level in 2011. 90<sup>th</sup> percentile values are shown.)</b>								
Sample Dates	Units	AL	MCLG	# Of sites above the AL	90%	Violation		
June 2011- Copper	ppm	1.3	1.3	0	0.01850	NO		Corrosion of household plumbing systems, erosion of natural deposits
June 2011- Lead	ppm	.015	.015	0	0.00096	NO		Corrosion of household plumbing systems, erosion of natural deposits
<b>Turbidity - for the period January 1, 2012 - December 31, 2012 (continuous monitoring)</b>								
	MCL	MCLG	Level found	Range	Sample Date	Violation	Typical Source of Contaminant	
Turbidity	TT = 5 NTU	0	0.66 NTU	N/A		NO	Soil runoff	
	TT = percentage of samples <0.3 NTU		99.59 %	N/A				

## DEFINITIONS

In the table above you found many terms and abbreviations you might not be familiar with.

To help you better understand these terms we've provided the following definitions:

*Action Level (AL)* - The concentration of a contaminant, which, if exceeded, triggers treatment or other requirements that a water system must follow.

*Maximum Contaminant Level* - The "Maximum Allowed" (MCL) is the highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

*Maximum Contaminant Level Goal* - The "Goal" (MCLG) is the level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

*Parts per million (ppm) or Milligrams per liter (mg/l)* - One part per million corresponds to one minute in two years or a single penny in \$10,000.

*Parts per billion (ppb) or Micrograms per liter* - One part per billion corresponds to one minute in 2,000 years, or a single penny in \$10,000,000.

*Nephelometric Turbidity Unit (NTU)* - Nephelometric turbidity unit is a measure of the clarity of water. Turbidity in excess of 5 NTU is just noticeable to the average person.

*Non-regulated Contaminant (Nrl)* - Monitoring is voluntary

*Treatment Technique (TT)* - A treatment technique is a required process intended to reduce the level of a contaminant in drinking water.

Micrograms per Liter (µg/L) - One Microgram per liter is 100 times a milligram per liter (mg/l).

## ABOUT MCL'S

MCL's are set at very stringent levels. To understand the possible health effects described for many regulated constituents, a person would have to drink 2 liters, (7.57 gallons), of water every day at the MCL level for a lifetime to have a one-in-a-million chance of having the described health effect.

## **WHAT DOES THIS MEAN?**

As you can see by the table on pages 3 and 4, our system had no monitoring violations of regulated contaminants. We're proud that your drinking water meets or exceeds most all Federal and State requirements. We have learned through our monitoring and testing that some constituents have been detected. The EPA has determined that your water IS SAFE at these levels.

## **SPECIAL HEALTH CONCERNS**

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Drinking Water Hotline (800-426-4791).

## **IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER**

### **TTHM's & HAA5's**

On January 1, 2004 quarterly sampling for Total Trihalomethanes and Haloacetic Acid contaminants became required for our drinking water. The Maximum Contaminant Level for Trihalomethanes was set at 80ppb in 2005. The Maximum Contaminant Level for Haloacetic Acids is set at 60ppb. The city sampled for these contaminants in our distribution system where the water remains the longest, (maximum residence time) in 2011.

Compliance for these contaminants is based on an average of the past four quarterly samples. We monitor for Total Organic Carbon and Alkalinity Quarterly and also continue disinfection profiling on a weekly basis. We will continue to monitor for these additional contaminants as required by state and federal law in order to provide you with the best water possible.

### **What should I do?**

No action on the part of the public is required unless you have questions or concerns, in which case you can call City Hall at 826-3275

### **Lead and Copper Testing**

EPA's national primary drinking water regulations require all public water systems serving 50,000 or fewer people to keep copper concentrations below 1.3 parts per million (ppm) and lead concentrations below 15 parts per billion (ppb) in more than 90 percent of tap water samples (the EPA "action level"). In the 2011 round of sampling, all samples for lead and copper were below the EPA action level. The optimal corrosion control treatment achieved during this test cycle allows us to continue reduced monitoring. The next lead and copper sampling will occur in the summer of 2014.

### **Information regarding Lead in Drinking Water**

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. The City of Craig is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking.

If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline at 1-800-426-4791 or on the web at [www.epa.gov/safewater/lead](http://www.epa.gov/safewater/lead).

### **Comprehensive Performance Evaluation**

A comprehensive performance evaluation or (CPE) is a thorough evaluation and analysis of the design, administration, operation, and maintenance practices of a water treatment facility as these components relate to achieving optimized performance at the facility. The objective of a CPE is to determine if significant improvements in performance can be achieved without major capital expenditure. With support from City of Craig personnel, the Alaska Department of Environmental Conservation and the Alaska Training and Technical Assistance Center, (ATTAC), conducted a training workshop at the City of Craig Water Treatment Facility from April 25<sup>th</sup> to April 28<sup>th</sup>, 2006 and produced a report on the results of their CPE. A Copy of that report can be obtained by contacting the City of Craig, Public Works Department.

For more information on this subject or any other water related subject please contact Ron McIntosh at 826-3405, Leslie Nelson at 826-3406, or write to City of Craig, P.O. Box 725, Craig AK 99921  
You may also contact Eric Burg with the ADEC Drinking Water Program at 907.262-3420 or write to Dept. of Environmental Health, Drinking Water Program P.O. Box, 43335, Soldotna, AK 99669, for any technical questions you may have.

### **The Craig public water system currently holds monitoring waivers for:**

2011-2013	Synthetic Organic Contaminants including Pesticides and Herbicides
Indefinite	Asbestos
2011-2019	Inorganics

### **The Craig public water system currently has sample reductions for:**

Nitrates	Reduced to once annually
VOC's	Reduced to once annually
Lead & Copper	Reduced to 10 samples once every 3 years, (Next due in 2014).
TOC/Alkalinity	Reduced to one sample set per quarter

### **Current & Future Water Treatment Plant & System Upgrade Needs & Projects**

- ❖ Upgrade and update the Supervisory Control and Data Acquisition (SCADA) system.
- ❖ Removal of sludge from the upper settling pond.
- ❖ Annual Sacrificial Cathodic Protection System inspection of 870,000 gal PSN water storage tank.
- ❖ The replacement of corroded 10"DI water main along Craig-Klawock Highway is now complete.
- ❖ Raise the level of dam on North Fork Lake to increase the amount of source water.
- ❖ Replacement of corroded 12"DI raw water supply main from North Fork Lake to the water treatment plant.
- ❖ Recondition treatment trains and there media filter materials as well as structural corrections.
- ❖ Develop the Request for Proposal for the Water/Waste Water master Plan for the City of Craig.

The City of Craig Water Department will do everything possible to keep the highest possible quality and quantity of water flowing to all of its customers this summer!



# Big Thorne Project

Date: June 28, 2013

**Topic:** Big Thorne Project, Thorne Bay Ranger District, Tongass National Forest

## Background:

In 2010, the Forest Service proposed a Transition Framework that emphasizes a stewardship approach to support natural resource-based employment opportunities and rural development in Southeast Alaska. Providing enough timber harvest and stewardship projects for several years could allow timber operators to obtain necessary financial backing for retooling to utilize young-growth timber volume while offering stable employment to Southeast Alaska communities throughout the transition.

The initial Federal Register Notice of Intent (NOI) for the Big Thorne Project was published on February 11, 2011 and a scoping letter was sent to the project mailing list in February 2012. Public scoping meetings were held in Thorne Bay, Naukati, Coffman Cove, and Craig, Alaska, in late February and early March 2011. The DEIS was published in late October 2012.

**Issue:** The Tongass National Forest has released its Record of Decision (ROD) for the Big Thorne Timber Sale Final Environmental Impact Statement (FEIS). This decision allows the harvest of 148.9 MMBF of timber, which includes 6,186 acres of old growth and 2,299 acres of young growth, with 842 acres reserved for small sales. The project area is distributed over about 232,000 acres in Southeast Alaska on Prince of Wales Island, around the community of Thorne Bay and south of Coffman Cove. None of the harvest occurs in inventoried roadless areas. Economists estimate the Big Thorne project could provide an opportunity for 600-689 jobs in logging, sawmilling, transportation, and support businesses.

## Key Points:

- The ROD selects Alternative Three with modifications. When compared to the Draft EIS, Alternative 3:
  - Includes 723 fewer acres of old growth timber and 273 fewer acres of young growth timber.
  - Reduces even-aged harvest (clear-cutting) of old growth timber by 23 percent, which is expected to lessen effects to biodiversity.
  - Allows construction of 46.1 miles of new road and reconstruction of 36.6 miles of existing NFS road, 10 fewer miles of road than proposed in the Draft Alternative Three.
  - Requires the closure of 15 miles of road, in or adjacent to, the Honker Divide during wolf trapping season, December 1 to May 1, in order to help maintain wolf sustainability.
  - Allows for 1,798 acres harvested in deer winter range, 587 fewer acres than proposed in the Draft EIS, Alternative 3.
  - Limits the annual harvest of timber in the North Big Salt Lake subwatershed to less than 20 percent in areas harvested within the past 30 years.
- Under this ROD, modifications have been made to some small Old Growth Reserves. A determination has been made that they are comparable to the goals and objectives of the Standard and Guides, as well as appendices D and K of the forest plan.
- The ROD allows for the project to be offered as a stewardship contract, which provides for the exchange of goods for services, or the use of timber receipts to fund watershed restoration projects in the Big Thorne project area.
- The project provides a sustained level of timber supply to meet annual and planning cycle demand.
- Using stewardship contracting allows the agency to foster continued collaboration, build capacity, and reduce the risk to contractors by allowing for longer-term contracts while accomplishing a wide range of watershed restoration projects on Prince of Wales Island.
- The project assists in keeping timber operators in business and the existing mills operating and encourages investment in the wood products industry as it transitions to include more young-growth harvests.
- The Big Thorne project area on Prince of Wales is in near proximity to existing Alaska road systems and sawmills, which provides economic efficiencies for the sales permitted by this decision.
- The Tongass National Forest Big Thorne Record of Decision is a critical step in the diversification of Southeast Alaska's economy that allows for a steady shift from old-growth timber harvests to young-growth harvests and forest restoration.

- The Big Thorne decision permits a 6- to 10-year supply of timber, which could provide stability to the industry, sustain jobs, and give sawmills the opportunity to retool to process smaller-diameter timber and to seek new markets. Meanwhile, the Forest Service will invest planning efforts in young-growth timber.

**Contact:** Forrest Cole, Forest Supervisor, Tongass National Forest (907) 228-6200  
Beth Pendleton, Regional Forester, Forest Service Alaska Region (907) 586-8863

DRAFT



# Tongass National Forest

USDA Forest Service

## News Release

### For Immediate Release

**Contact:** Rosann Fillmore (others, page 3)

**Email:** rdfillmore@fs.fed.us

With 1 photo, 1 map

**Link:** <http://1.usa.gov/11layid>

**Phone:** (907)-228-6201

**Twitter:** @TongassNF

### Tongass National Forest releases Big Thorne ROD

**KETCHIKAN, Ak., July 1**— The Tongass National Forest issued its Record of Decision (ROD) and Final Environmental Impact Statement (FEIS) for the Big Thorne Project today. The decision allows for the harvest of 148.9 million board feet from approximately 6,186 acres of old-growth and 2,299 acres of young-growth near Thorne Bay and Coffman Cove on Prince of Wales Island within the Thorne Bay Ranger District.

The Forest Service believes the action could help stabilize the timber industry in Southeast Alaska as the Tongass makes a shift toward young growth timber harvests in the future.

“The Big Thorne decision is a critical step in the Tongass National Forest’s transition to young growth timber management,” explained Forrest Cole, forest supervisor. “By providing a stable supply of timber to the industry now, we are giving the Forest Service and the industry the breathing space needed to prepare for the transition to young growth timber,” said Cole.

“A stable supply of wood helps the industry have confidence in their wood supply over the next several years. The Big Thorne project also allows the Forest Service time to prepare young growth projects for offer in the immediate future.”

The Forest Service projects that Big Thorne will support over 600 annualized jobs and provide opportunities for a variety of sale sizes, supplying opportunities for small local operators and larger operators in Southeast Alaska.

The Big Thorne Decision allows for a 6- to 10-year supply of timber, which could provide stability to the industry and sustain jobs while giving sawmills an opportunity to retool to process young growth timber and seek new markets. Meanwhile the Forest Service will invest its planning efforts in young growth timber projects.

The longer term supply will also give the industry time to investigate the current demand for young growth wood products and cultivate markets with the greatest potential for future sales.

“The Forest recognizes the importance of this project and its effects on the people in the region, particularly to communities on Prince of Wales Island,” said Cole. “Timber plays an important role in the economy and culture of Southeast Alaska.”



## **Big Thorne ROD**

### **Page 2 of 3**

The release of the Big Thorne FEIS and ROD represents a critical juncture in the cooperative work of the Tongass National Forest, Southeast Alaska communities, the timber industry, and other stakeholders as they begin the logical transition to young growth timber harvests.

The Big Thorne project will be offered as a stewardship contract, which allows the Forest Service to foster continued collaboration and reduce risk to contractors by allowing contracts with terms up to 10 years.

Equally important, offering Big Thorne under the stewardship contracting authority enables the agency to apply the anticipated timber receipts toward the completion of important landscape restoration and enhancement activities. These stewardship projects offer another opportunity for job creation in Southeast Alaska.

In early 2011, several local communities and partners worked with the Thorne Bay District Ranger to identify priority projects which will help meet the desired conditions for the area. Some of those projects are now being proposed for the Big Thorne stewardship contract.

The Forest Service will be holding public meetings in Thorne Bay, Coffman Cove, and Ketchikan to discuss the overall project and provide an opportunity for local businesses and partners to consider how their earlier plans can be implemented now and in future contracts.

The forest supervisor has selected Alternative 3 from the FEIS, with modifications. The selected alternative differs from the description of Alternative 3 found in the Draft EIS. It includes fewer acres of old growth timber and even-aged harvest. It requires the closure of 15 miles of road near Honker Divide during wolf trapping season, from Dec. 1 to May 1. It allows the construction of 10 fewer miles of road, but allows key roads to remain open for one to five years after the harvest.

The Final Environmental Impact Statement and Record of Decision can be found online at <http://www.fs.usda.gov/tongass/>. A 45-day appeal period is required after the release of the ROD, followed by up to 45 days for response to any appeals.

###

**Cutline:** A Forest Service employee examines a tree on the Thorne Bay Ranger District as the Final Environmental Impact Statement for the Big Thorne Project is prepared.

**List of Contacts**

**Tongass National Forest**

Forrest Cole, Forest Supervisor, (desk) 908-228-6281, (cell) 907-617-5545  
[fcole@fs.fed.us](mailto:fcole@fs.fed.us)

Jason Anderson, Acting Deputy Forest Supervisor, (desk) 907-228-6282;  
(cell) 907-723-7064; [jasonanderson@fs.fed.us](mailto:jasonanderson@fs.fed.us)

Rachelle Huddleston-Lorton, Thorne Bay District Ranger, (desk) 907-828-3210;  
(cell) 907-254-3032; [rhuddlestonlorton@fs.fed.us](mailto:rhuddlestonlorton@fs.fed.us)

Rosann Fillmore, Acting Public Affairs Officer, (desk) 907-228-6201;  
(cell) 435-650-4149; [rdfillmore@fs.fed.us](mailto:rdfillmore@fs.fed.us)

**Other Contacts**

Jim Gould, Mayor, City of Thorne Bay, (desk) 907-828-3380; (cell) 907-254-0122;  
[mayor@thornebay-ak.gov](mailto:mayor@thornebay-ak.gov)

Carolyn Duncan, City of Coffman Cove, 907-329-2233; [carolyn@ccalaska.com](mailto:carolyn@ccalaska.com)

Karen Petersen, University of Alaska, Cooperative Extension, Thorne Bay, 907-828-3207;  
[khpetersen@alaska.edu](mailto:khpetersen@alaska.edu)

*USDA is an equal opportunity provider and employer.*





# Drainage Issues on Main St between 7<sup>th</sup> and 8<sup>th</sup>

*Otis Gibbons*

I have lived in this neighborhood for over thirty years. Having built my current home across the street from this site more than fifteen years previously, I was well aware and intimately familiar with drainage issues in the area. So I was extremely careful and conscientious in detailing the drainage of this project, especially for a below grade garage. There is a complete system of perimeter foundation drains with perforated pipe, filter fabric and drain rock. There are also a separate gutter/downspout drain lines, and a trench drain system across the doorways to the garage, that drains to a wet well with a backup pump if needed.

The trench drain across the door is sized to handle just the run off from the driveway/off street parking spaces on the north end of the building. I have had to be extremely watchful in order to ensure that the drainage continues to work well. This has included cutting out portions of concrete and hand digging under the sidewalk to reconfigure the trench drain outfall to match city grading practices. I also purchased a heat tape melting system for the trench drain to prevent the drain from freezing and then flooding the garage. I have brought in an excavator to build up the berm at the top of the drive way, to prevent all of the street's water from coming in when ploughed snow blocks the normal drainage. I have spent many hours shoveling ploughed snow from blocking the street drainage. And trying to keep the melted snow and slush from trying to overwhelm my trench drain system, when the street gutter becomes blocked. I have tried to keep the plough and grader operators informed as to the volatility of the situation, with good results.

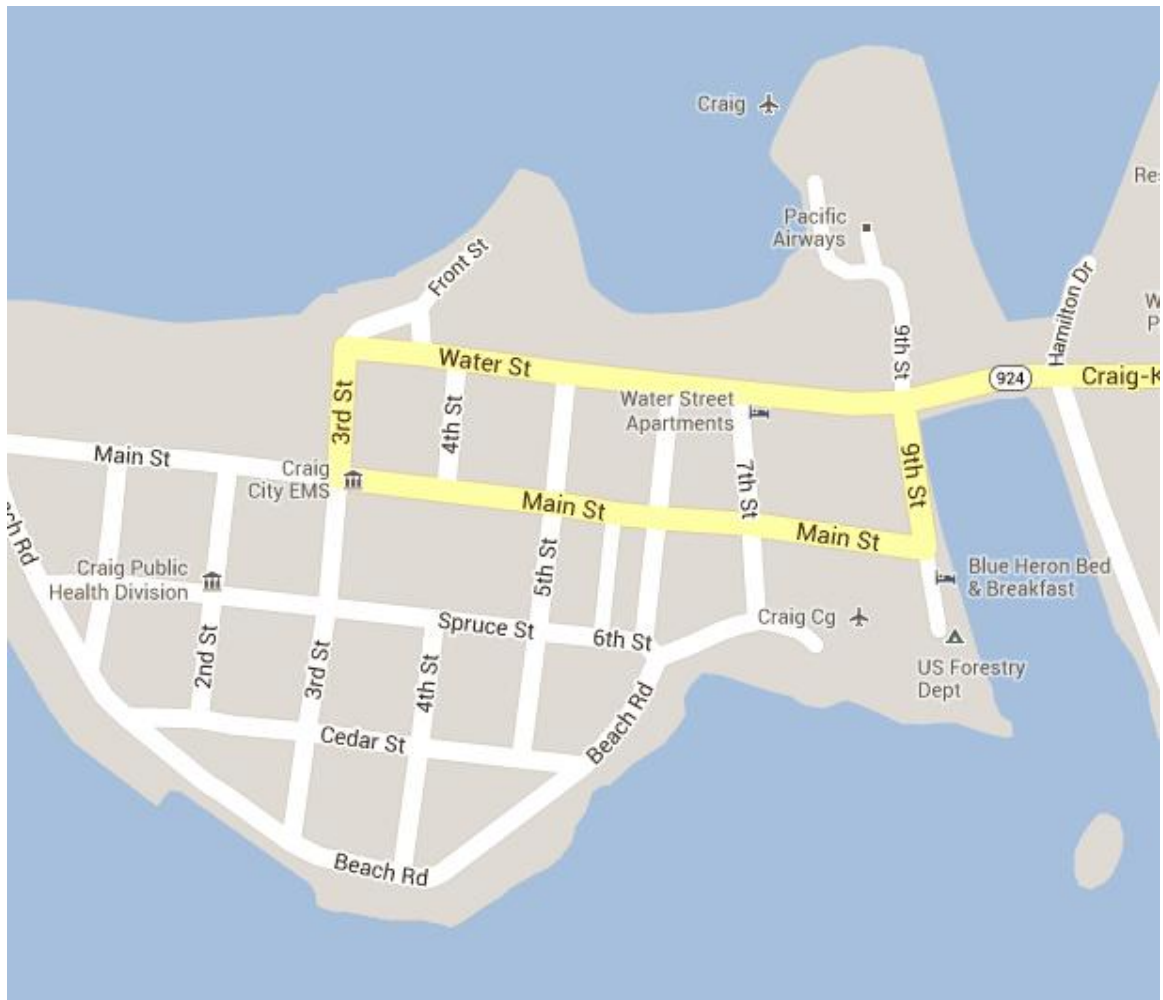


When the project to rework and pave 7th St. came about, I was extremely leery of any effects that it might have on the drainage that is so critical for my property. So I spent quite some time pouring over the plans and trying to interpret what the effects might be. It seemed that they might be completely ignoring the effects that the water coming down

## Drainage Issues on Main St between 7<sup>th</sup> and 8<sup>th</sup>

*Otis Gibbons*

Main St. would have on the drainage at the intersection of 7<sup>th</sup> and Main. It seemed that the raising of the grade of 7<sup>th</sup> could act as a dam and collect a lot of water at the eastern edge of the 7<sup>th</sup> St. pavement. I discussed this with the planner, and he said that the catch basin on the 7<sup>th</sup> street side of the NE corner should handle that side of Main, and the french drain along the west side of my duplex's lot (801 Main) should handle the other side. The latter proved to work, but the catch basin was too high and had been a medium puddle became a lake on the N side of Main at the intersection. I was extremely watch full of whether this lake would breach the crown of road and overcome the drainage at the foot of the duplex's driveway. Thanks to the city grader operators maintaining the crown of the street, this never happened.



Last year, in preparations for paving more of the city, a new catch basin and french drain was installed on the north side of 7<sup>th</sup> from the intersection to about the mid point of the second lot in. The french drain has cured the lake problem.

The drainage along 7<sup>th</sup> st. seemed to be working, and the Main st. drainage was now working well. The only issue that I noticed were the chuck holes developing over the culvert was installed on the east side of the intersection, where they hadn't properly compacted the backfill. I was told this would be fixed before paving. I was relieved to

## **Drainage Issues on Main St between 7<sup>th</sup> and 8<sup>th</sup>**

*Otis Gibbons*

have the drainage issues at the intersection and around my lot resolved. Consequently I made the mistake of letting my guard down.

At a very busy time for me, I failed to notice the grade as they formed up and poured the valley gutter along the south side of Main St.. To my horror, it completely ignored all of the existing working drainage in the area between 7<sup>th</sup> and 8<sup>th</sup> on Main. But was configured so as to act as a diversionary dam and totally reverse the flow of drainage from the parking lot at Whalebone apts., and the driveway at the Hamilton trailer (803 & 805 Main). Instead of the current flow towards the street, this drainage would now flow backwards towards the Apt. building and the Hamilton trailer and continue on down the hill towards my garage doors.

I have not been able to figure out how this happened on this block of Main St. and have not been given any reason why it is either necessary or appropriate. The other side of the hill on Main St. from 8<sup>th</sup> to 9<sup>th</sup> (going towards the Forest Service) fairly closely follows the original grade of the street and its drainage patterns.

Whether this was an oversight, a miscalculation, or a mistake, and/or a failure of the reviewers and/or inspectors to catch this error, doesn't matter to me. I just ask that this bad section of valley gutter from 8<sup>th</sup> to 7<sup>th</sup> be removed, before it can cause any damage to my property. I have offered to bring in my 15,000# capacity fork lift and load out the offending sections of valley gutter for possible repurposing or disposal. I also ask that the original grades and drainage of the street be restored and any improvements only be made if they don't risk damaging the critical working drainage of the area.



## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: July 3, 2013  
RE: Comments to the Alaska Redistricting Board

---

The Alaska Redistricting Board, which is responsible for redrawing election district boundaries in Alaska, restarted its work recently after a lengthy series of appeals to and decisions by an Anchorage Superior Court.

As the board considers the many draft plans now before it, it is also accepting additional public comment on the drafts. Friday, July 12, the day after the next council meeting, may be the last time the public has a chance to submit comments to the board.

While the city provided comments some time ago to the board, the fact that it is following the Superior Court's direction to redraw its last approved map means that the city should again weigh in on the matter. The Prince of Wales Community Advisory Council recently submitted updated comments on the various plans now subject to board review. In short, POWCAC continues to ask the board to keep POW Island in a single house district, and to maintain its senate district entirely within Southeast Alaska.

The city should articulate the same position. Our house district should include all of POW Island. Making it so reinforces the notion that POW Island communities have common socio-economic needs, as a geographically distinct area, that merit placement in a single house district. In addition, after spending ten years in a ridiculously oversized senate district that ranged from Southeast Alaska to points above the Arctic Circle, to communities in the lower Yukon River drainage, it is apparent that geographically smaller and regional senate districts are more functional for both the senator and the electorate than large, multi-regional senate districts.

The attached draft letter is based on the comments submitted by POWCAC. Also attached are the Southeast Alaska portions of several of the plans under consideration by the redistricting board.

### **Recommendation**

That the city council direct staff to send comments to the redistricting board emphasizing the need for POW's placement in one house district, and within a Southeast Alaska senate district.

July 11, 2013

Mr. John Torgerson, Chairman  
Alaska Redistricting Board  
411 West 4th Avenue, Suite 302  
Anchorage, AK 99501

Dear Mr. Torgerson:

The City of Craig writes today to reaffirm its support for placement of all of Prince of Wales Island placed in a single house district. Accordingly, the city supports the adoption of Alaska Redistricting Board Option B, Option C, Option D, Option E, Option G, or the Gazewood & Weiner plan.

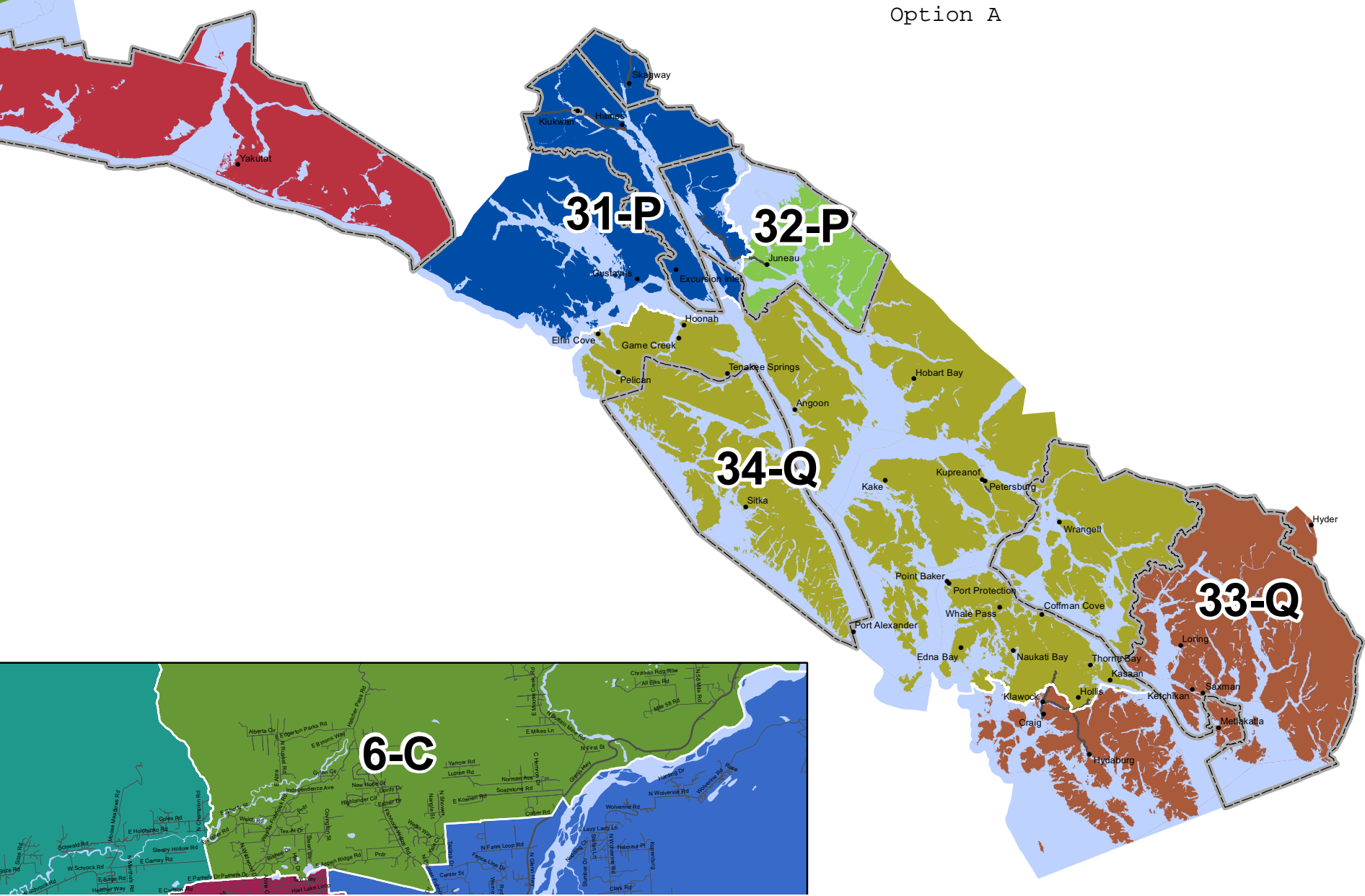
While Board Option F keeps POW in a single house district, it also pairs the island the house district that includes Kodiak and the Aleutian Chain to form an unworkably large senate district that is unlikely to best serve our interests.

The other plans reviewed to date, including the plans submitted by Calista, AFFER, and the Ketchikan Gateway Borough, do not have our support.

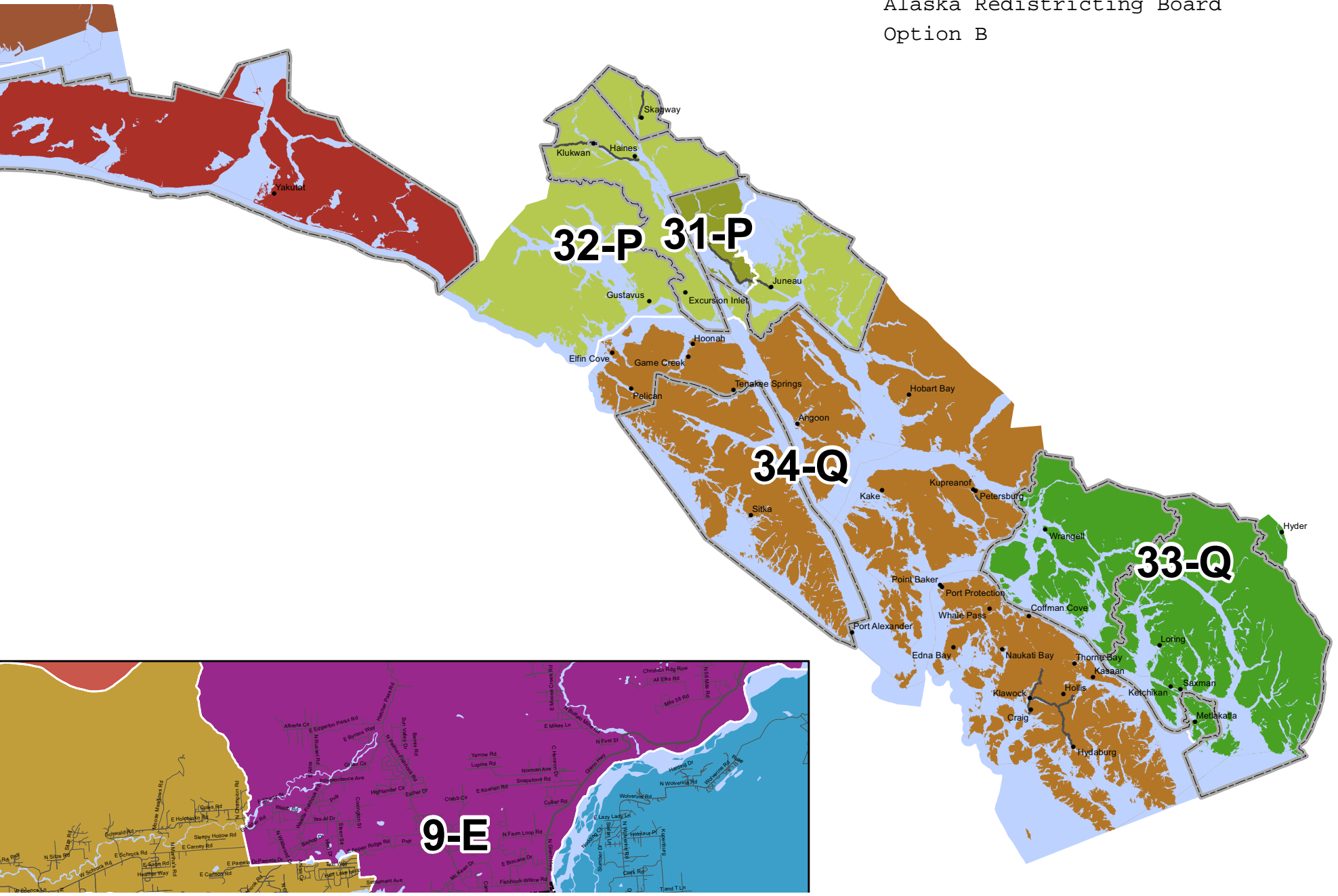
We encourage the board to select one of the six redistricting plans that keep Prince of Wales Island in a single house district and keep our senate district within Southeast Alaska.

Sincerely,

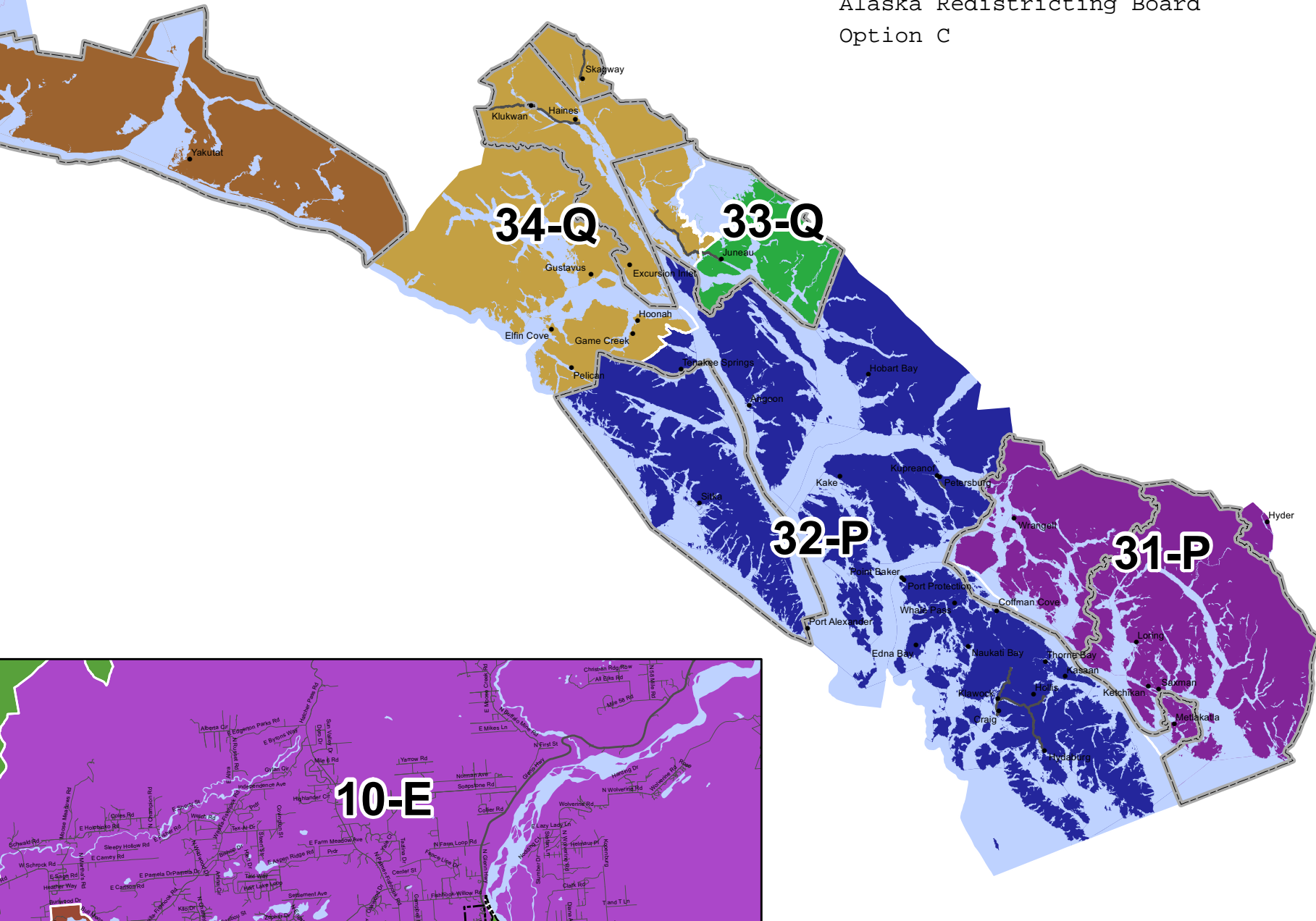
Alaska Redistricting Board  
Option A



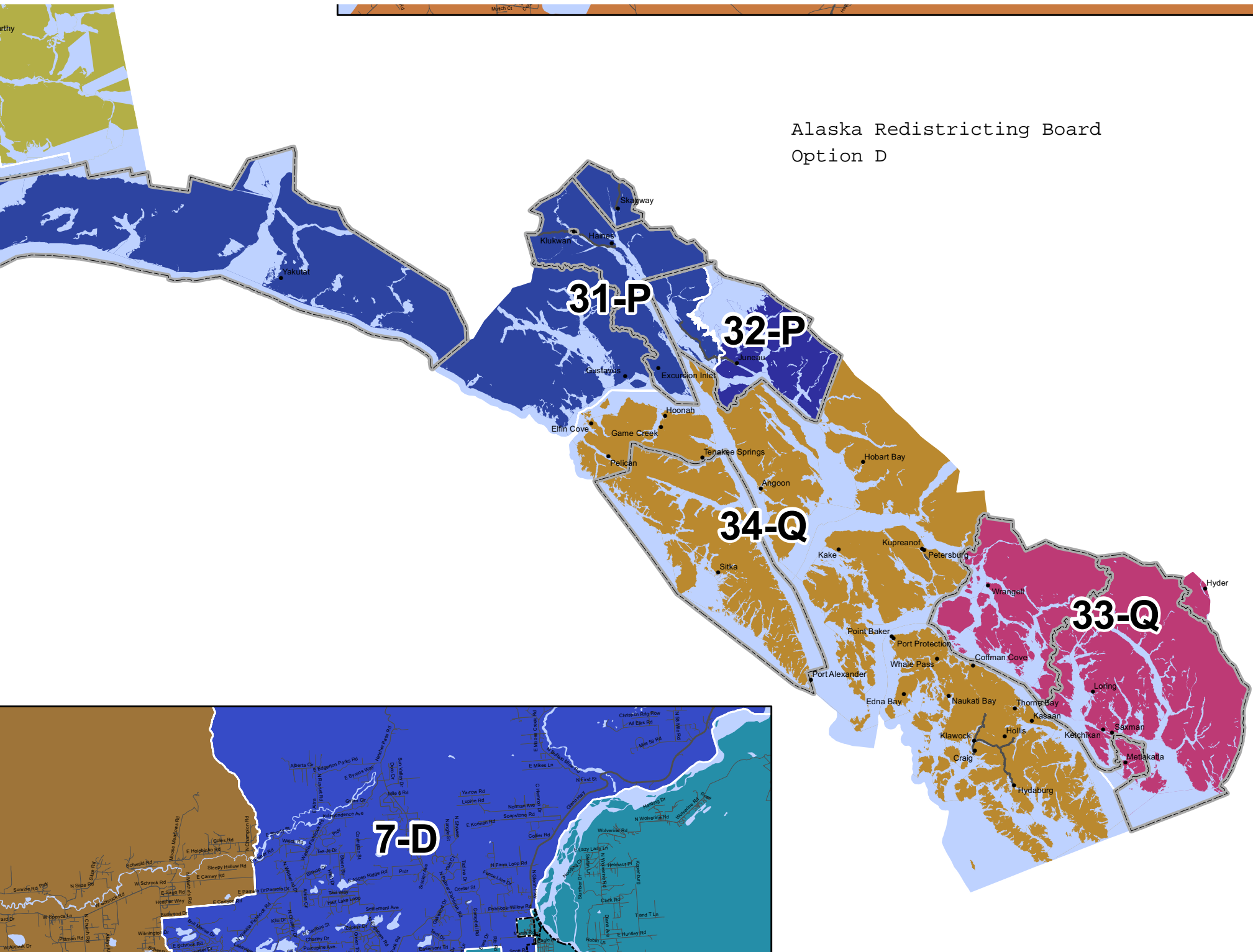
Alaska Redistricting Board  
Option B



Alaska Redistricting Board  
Option C

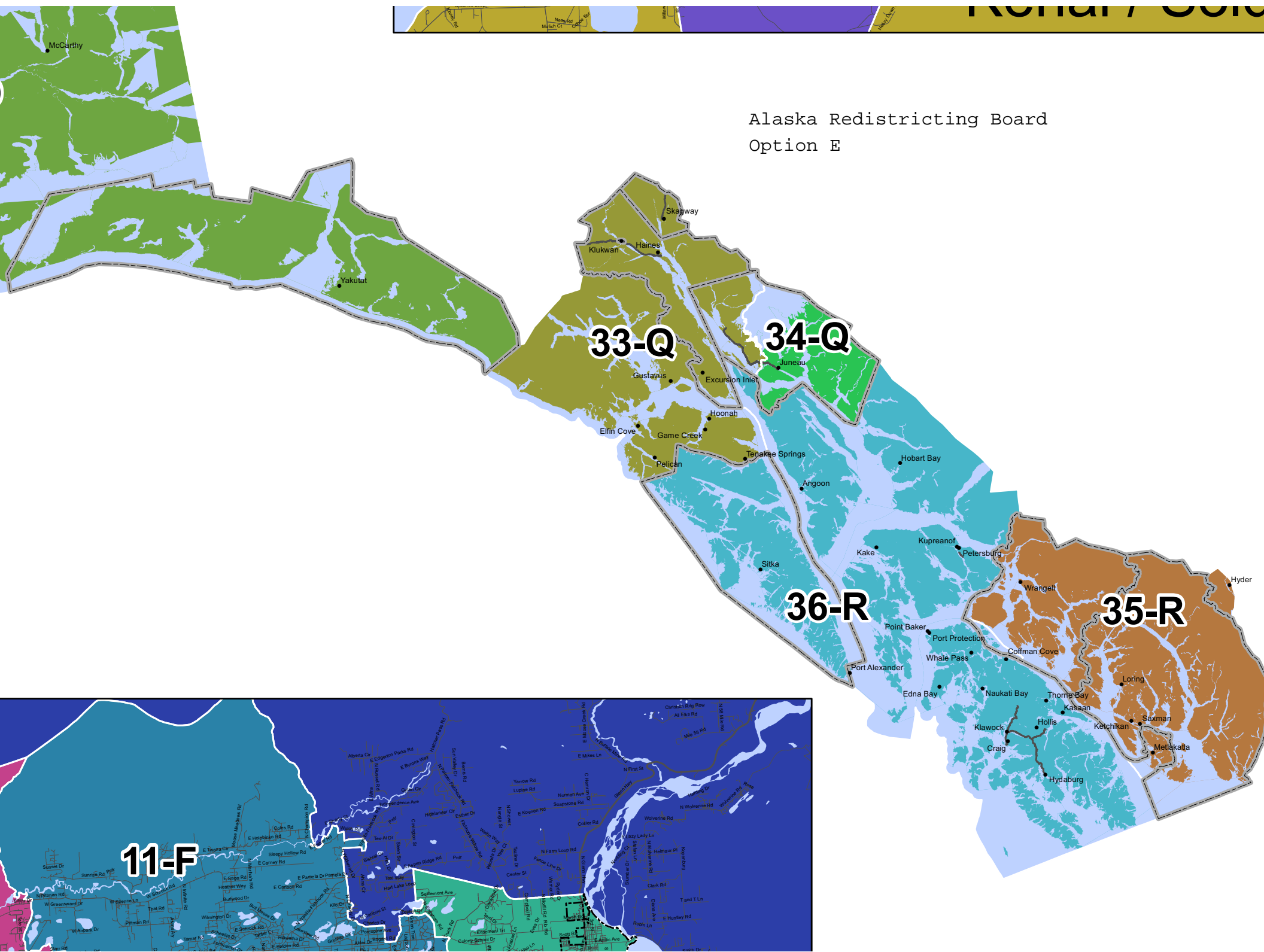


Alaska Redistricting Board  
Option D





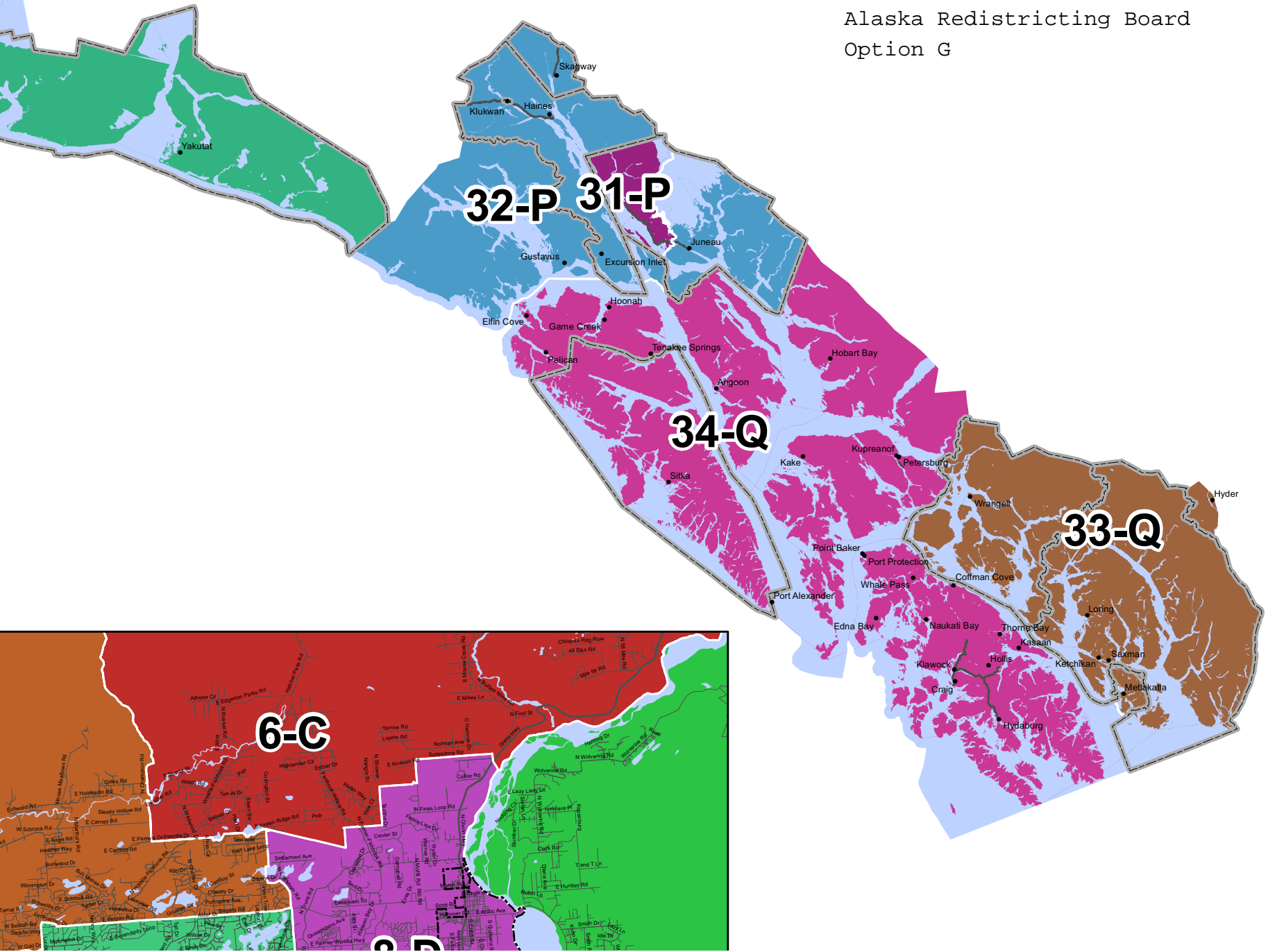
Alaska Redistricting Board  
Option E



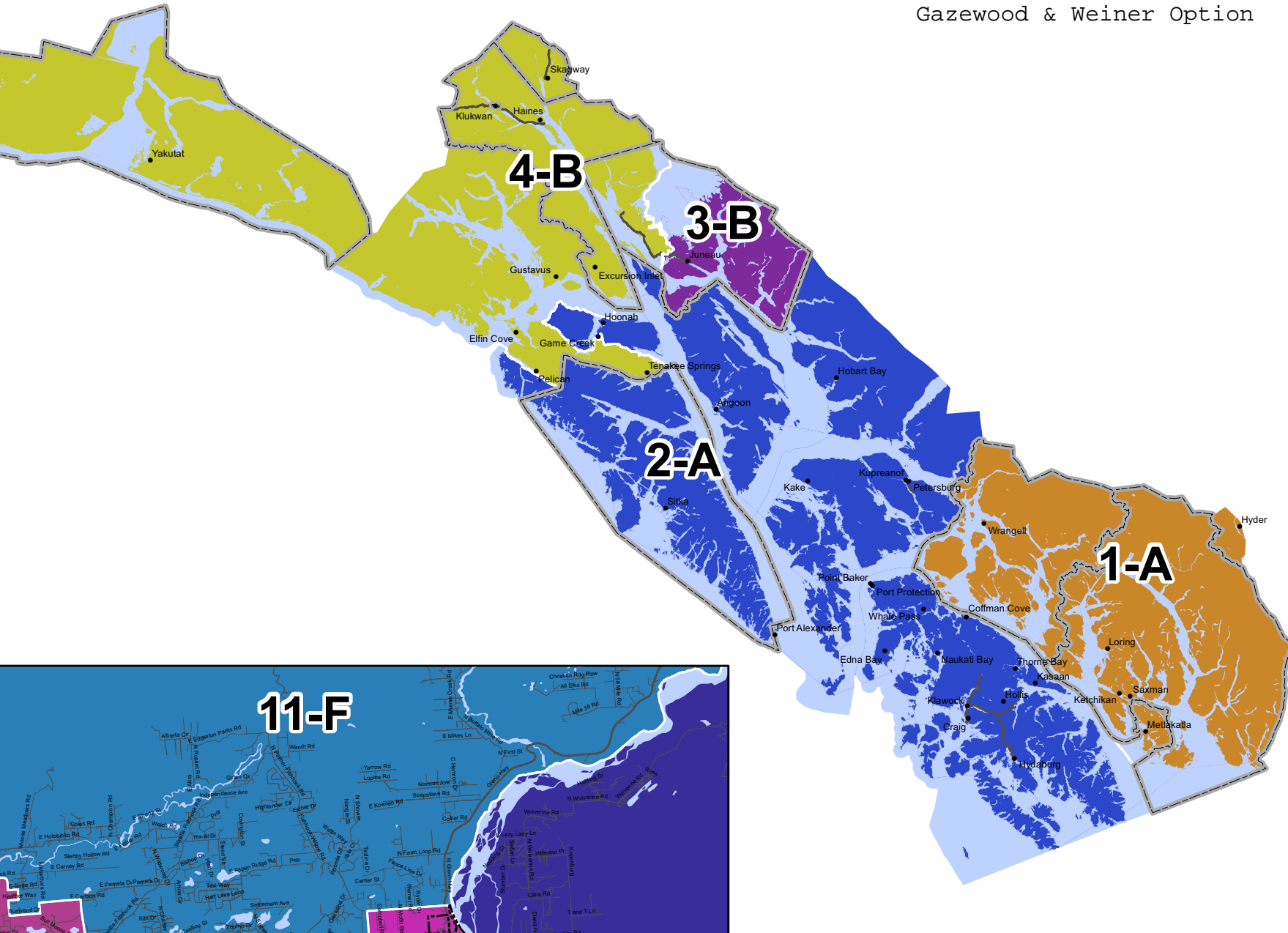




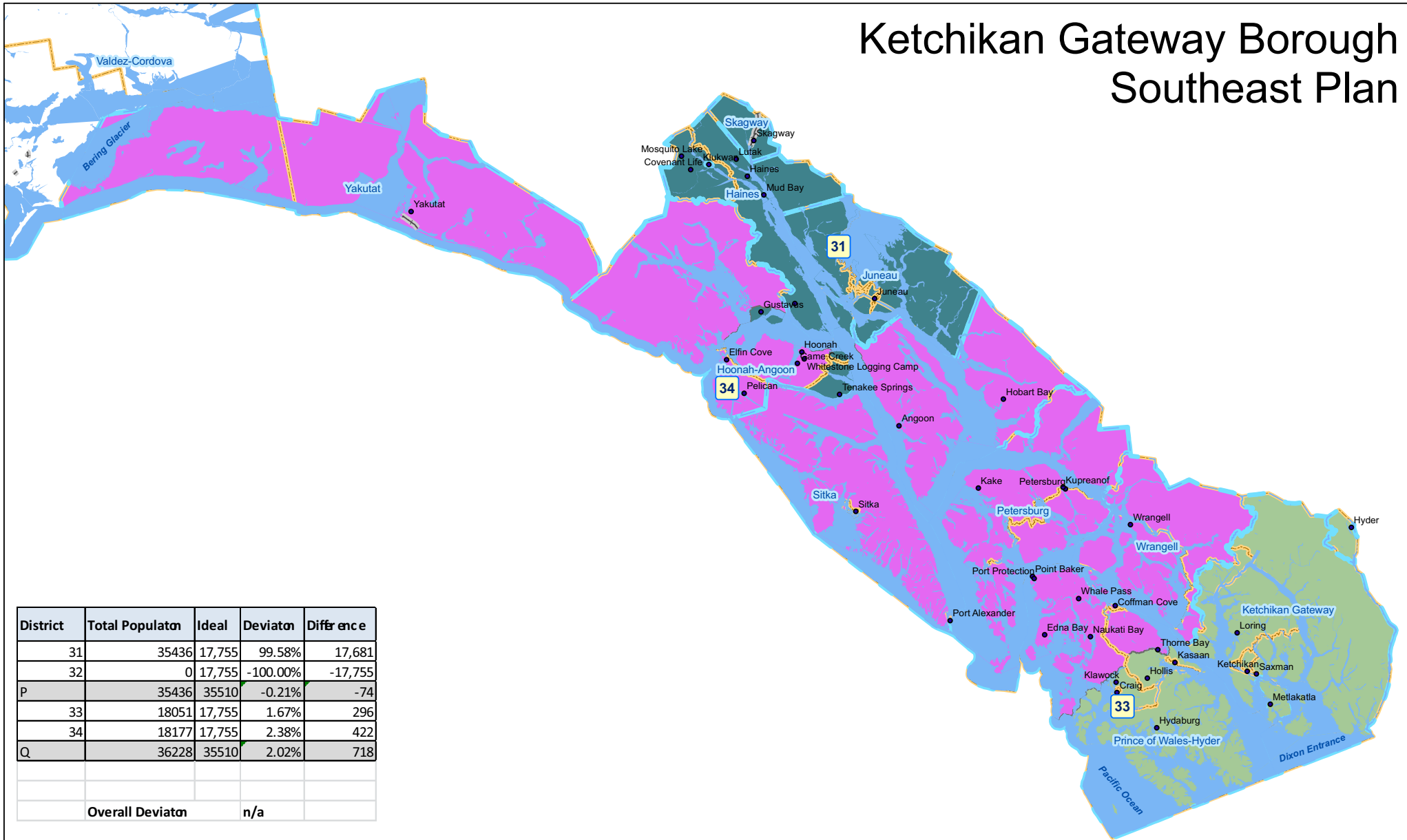
Alaska Redistricting Board  
Option G



Gazewood & Weiner Option

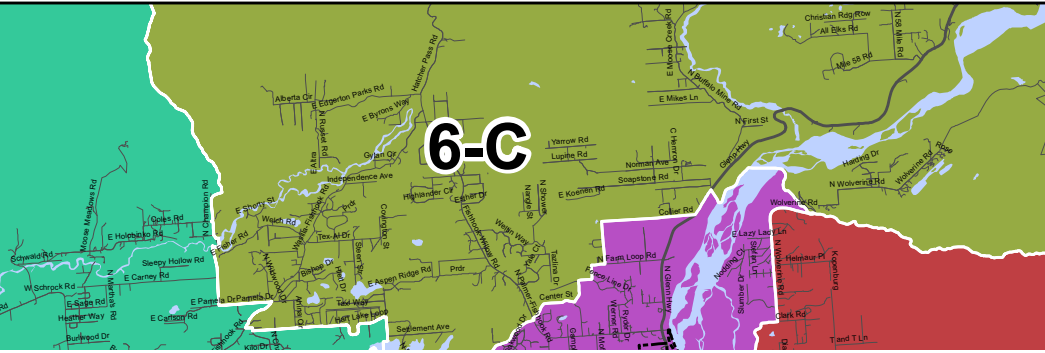
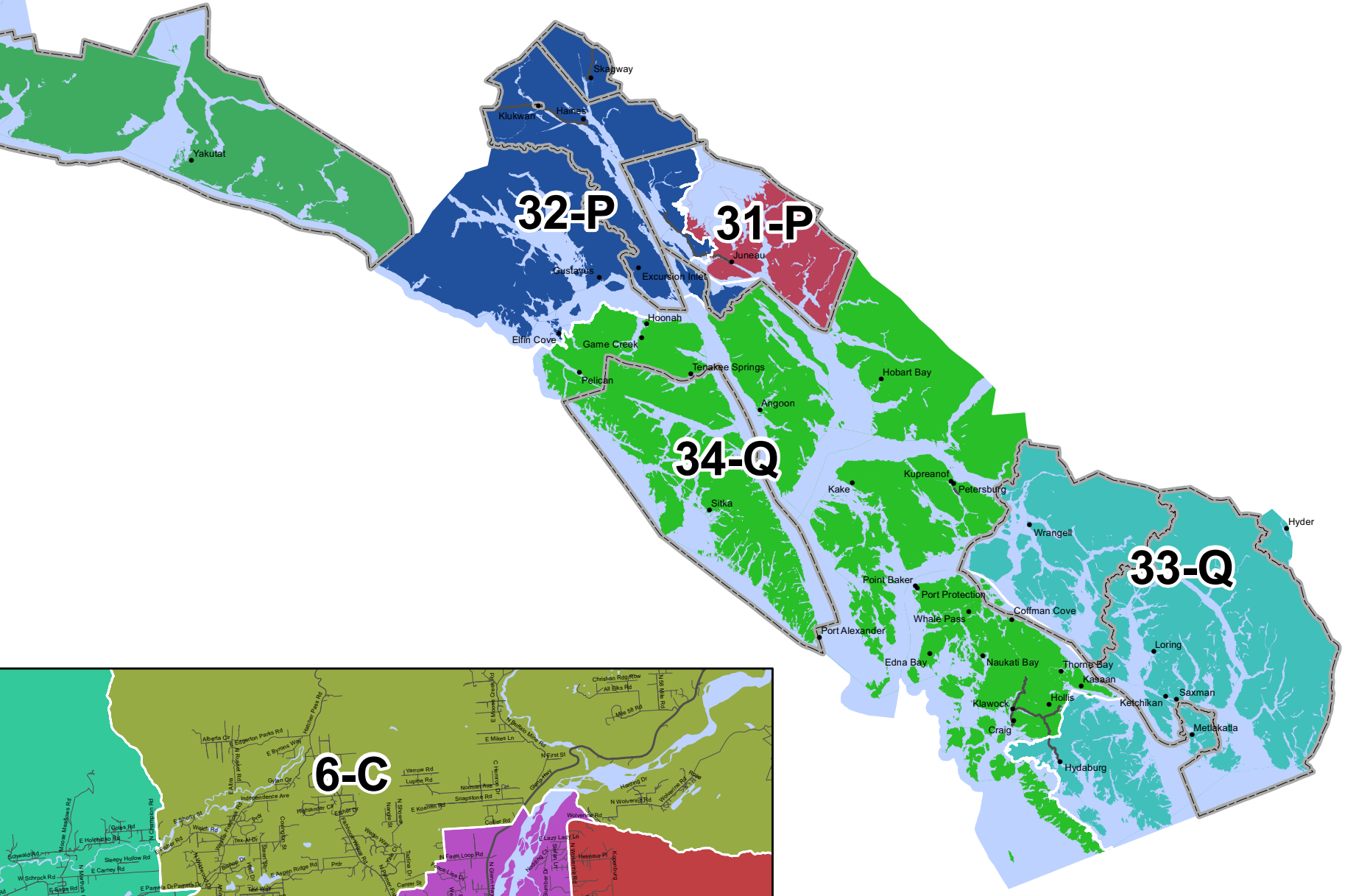


# Ketchikan Gateway Borough Southeast Plan



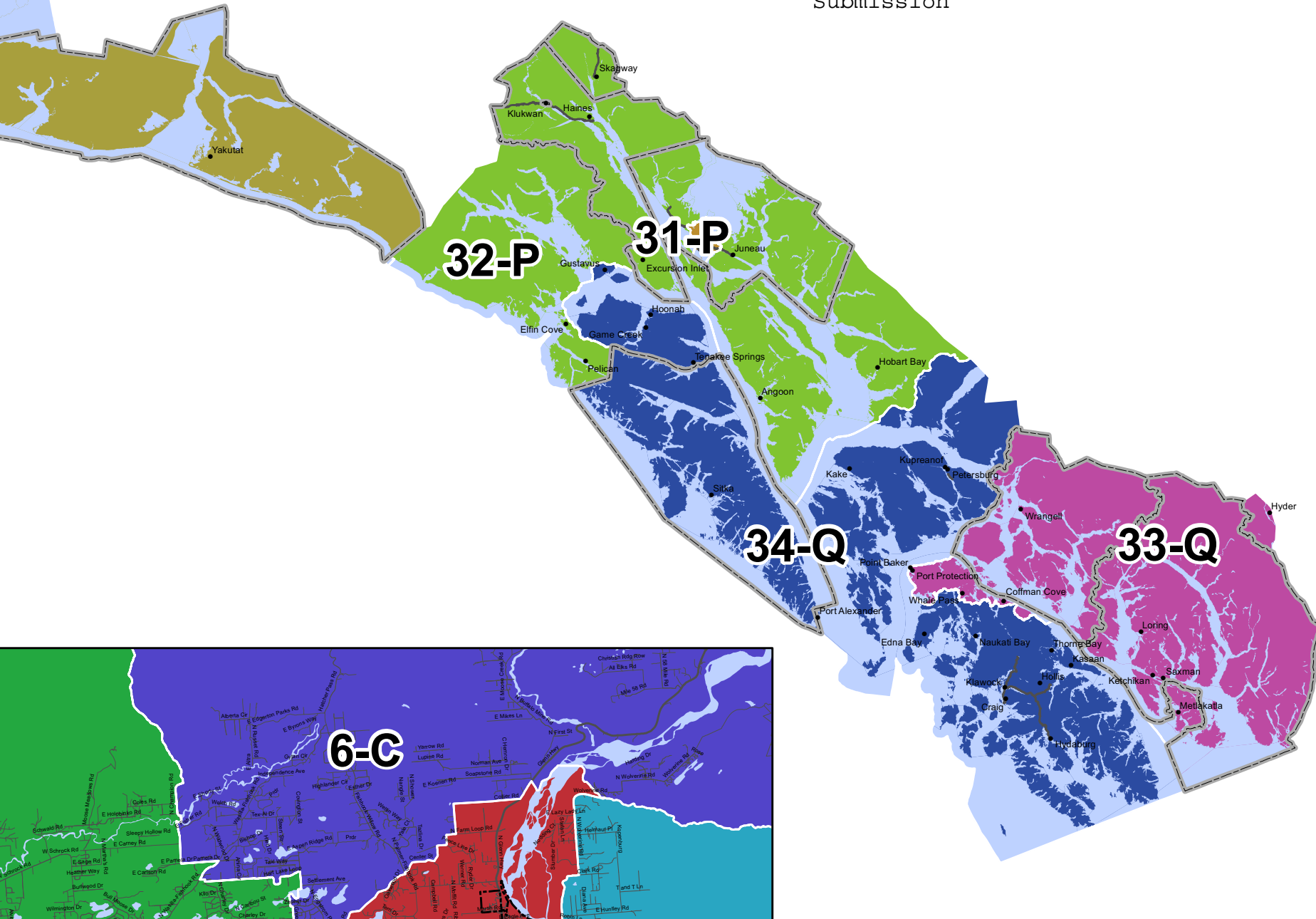
District	Total Populatøn	Ideal	Deviatøn	Differ ence
31	35436	17,755	99.58%	17,681
32	0	17,755	-100.00%	-17,755
P	35436	35510	-0.21%	-74
33	18051	17,755	1.67%	296
34	18177	17,755	2.38%	422
Q	36228	35510	2.02%	718
	<b>Overall Deviatøn</b>	<b>n/a</b>		

Calista Option





Alaskans for Fair and Equal Redistricting  
Submission



## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: July 3, 2013  
RE: Change Order – Tanner Crab/Elizabeth Court Utility Improvements

---

The council approved a contract for \$195,000 to complete sitework on Tanner Crab Court and Elizabeth Court and utility installation on Tanner Crab Court to B-3 Contractors Inc.

B-3 has completed most of the sitework on Tanner Crab Court and is waiting for materials to install the utilities and complete the sitework. In the process of completing the sitework B-3 had more waste material to excavate and more rock to put in place than what was estimated in the plans.

The difference between the engineer's estimated amount and the actual amount by B-3 is due primarily to two things:

1. We had the engineer dig a series of test holes to estimate quantities during design. This method gives a good estimate but can have some discrepancy if the full cross section of material is significantly different than the test holes dug at centerline. There appears to be some areas of the project where the actual cross section required removal of more material than was indicated by the test holes and subsequently placement of more rock to fill the excavated areas.
2. After asking the engineer about the discrepancy between the estimate and actual quantities the engineer told the Public Works Director that the quantities that were included in the estimate were based on in place, compacted rock quantities. The contractor bid the job based on quantities of rock purchased from the rock source and moved to the site. Since the rock loaded and moved to the site was not compacted in resulted in a volume difference between the engineer's estimate and the actual amount of rock used.

Since the job was bid on quantity basis this difference results in additional cost to the city. B-3 has provided truck tickets showing quantities moved and has weighed some loads to confirm the amounts billed. The difference includes an additional 150 cubic yards of material that was removed and additional 750 yards of rock that were hauled to the site. The total increase of the contract amount is \$28,750.00. This amount is based on line item costs and actual quantities.

There may be some adjustment to the Elizabeth Court work as well. We have made a field change that will result in less rock but will very likely run into the same difference in quantity estimate methods. We will bring this information back to the council as a separate change order if needed.

Recommendation: Move to approve the Tanner Crab Court/Salmonberry Subdivision contract Change Order No. 1 increasing the contract amount by \$28,750.

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: July 3, 2013  
RE: Direction on POW Hatchery Association Operation Agreement, 2013-2014.

---

Attached you will find a draft operating agreement regarding the Port St. Nicholas king salmon facility.

Among the draft terms of the agreement is one that asks the city to assume accounts payable responsibility for the facility (that responsibility currently rests with the POW Hatchery Association), and a commitment from the city to provide up to \$56,875 in cash to POWHA for operational costs at the site. The agreement also calls for other contributions by the city to support the PSN facility, including electricity and heating costs, among others; the city already includes these contributions to the facility, so their inclusion in the 2013-2014 agreement is not unusual. The city's out of pocket cost for these additional services amounts to about \$5,000.

The agreement endeavors to divide the operating costs between Coffman Cove and Craig, based on the percentage of fish each community receives from the PSN facility. For the 2013-2014 operating year, 81.25 percent of the fry will be released at Port St. Nicholas. The balance will be released at Coffman Cove. The \$56,875 figure is POWHA's estimate of 81.25 percent of the facility's operating costs.

In FY 2013, and for FY 2014, the council budgeted \$35,000 in cash support, which is paid out quarterly to POWHA. A cash contribution of \$56,875 would require a council appropriation of an additional \$21,875 in general fund dollars to the hatchery.

The terms proposed in the operating agreement are for the purposes of discussion with the hatchery. Hatchery manager Dan Goodness has told me he is open to other ideas, but emphasizes that the bare bones cost to operate the PSN facility is about \$66,000. A copy of recent e-mail correspondence between Dan and me is attached.

On a related note, this is the first year that city staff has directly participated in organizing the cost recovery effort. Staff made this effort at the request of the POWHA staff and board. Brian Castle and Mike & Cheryl Bobo teamed up to fish the kings this year. As of July 1, the cost recovery effort at PSN, using a drift gillnet, brought in 274 king salmon. That cost recovery effort will continue as long as the participants believe it is likely that enough returning king salmon can be caught to make the effort worthwhile. The first 44 fish netted the hatchery about \$1,332, or about \$30 per fish. Whatever amount of money is raised through cost recover can be deducted from the \$56,875 that POWHA expects from the City of Craig to support the facility. I am not particularly optimistic at this point that the cost recovery efforts will yield much more funding for POWHA this year.



Obviously it is in the city's interest to see that the PSN facility earns as much as possible from cost recovery. Last year's cost recovery efforts yielded virtually nothing for POWHA, and it is too soon to tell what the cost recovery effort will earn in 2013. My inclination is to set the city's cash contribution at the established \$35,000 figure and wait to see where the cost recovery revenue comes to before considering an additional appropriation. In any case, there comes a point at which it is not in the city's interest to keep shoveling money at the PSN facility's operational cost. The level of financial support is a policy call that the council will have to make at some point soon.

**Recommendation**

Provide direction to staff as to what level of financial and in-kind support to provide to POWHA for the PSN king salmon hatchery facility.

OPERATION AGREEMENT  
Between the  
CITY OF COFFMAN COVE, CITY OF CRAIG, & POW HATCHERY ASSN.  
for the  
PORT ST. NICHOLAS/COFFMAN COVE KING SALMON PROGRAM  
July 1, 201~~3~~<sup>2</sup> through June 30, 201~~3~~<sup>4</sup>

The City of Coffman Cove, City of Craig, and Prince of Wales Hatchery Association agree to perform the following tasks by June 30, 201~~3~~<sup>4</sup>, in support of the Port St. Nicholas/Coffman Cove King Salmon Programs.

Section 1. The parties agree to perform the following tasks.

**POWHA Agrees To:**

- Hire, train and manage employment of a Fisheries Technician for the site; this is a full time job; it is understood that the Technician will be living on site in the trailer provided by POWHA
- Hire, train and manage employment of two Technicians every year, during February, for CWT;
- Provide qualified personnel for hatchery maintenance and repairs, when necessary;
- Purchase all needed supplies on a yearly basis (fish food, chemicals, tools, etc.); invoices to be paid by City of Craig accounting department.
- ~~Take care of accounting for PSN project;~~
- Obtain eyed eggs each fall, for yearly production of chinook fry (this is dependent on yearly cost to operate, roughly \$70,000, to be secured each year, no later than July 1<sup>st</sup>);
- Hatch, rear, transport, and release chinook smolts each year, as outlined in Annual Management Plan with ADF&G; 60,000 smolts per year to Coffman Cove, and 260,000 smolts per year to City of Craig. (this is based on production from 320,000-330,000 eyed eggs each fall)
- Install and maintain weir on Port Saint Nick River, ~~and perform cost recovery operations. Funds generated to go into a “Fish Fund”, to be used for yearly operating costs of project;~~
- Provide technical and logistical support to both Craig and Coffman Cove for duration of the project;

**City of Craig Agrees To:**

- Provide continuous supply of biologically safe, high pressure water for hatchery operations;
- Perform yearly maintenance on pressure reducing valves in Mechanical Room of hatchery;
- Take care of accounting for PSN project;
- Provide electricity, diesel fuel, and propane for the hatchery site;
- Continue to donate the \$1.00 per year for the lease to the grounds of the facility;
- Perform cost recovery. Funds generated to go into a “Fish Funds” account, to be used for yearly operating costs of project. ~~Purchase 30,000 coded wire tags for yearly smolt program (approx. \$3,000);~~
- Provide funds to cover 81.25 % of annual operating budget (\$56,875) no later than June 30, 2013 ~~Pay an additional \$32,000 to POWHA.~~

**City of Coffman Cove Agrees To:**

- Continue to allow POWHA the use of all hatchery equipment purchased by the City of Coffman Cove (Dodge flatdeck truck, fish transfer trailer system, fish pump, fish counter, etc.) as outlined in “Inventory List”;

- ~~Purchase 30,000 coded wire tags for yearly smolt program (approx. \$3,000);~~
- ~~Provide funds to cover 18.75 % of annual operating budget (\$13,125) no later than June 30, 2013~~
- Install and maintain weir on the Coffman Cove Creek, and perform cost recovery operations. Funds generated through cost recovery to go into a “Fish Fund”, to be used for yearly operating costs of project;
- ~~Pay an additional \$2,000 to POWHA.~~

Section 2. The parties hereto expressly agree that the POW Hatchery Association shall be and is an independent contractor and is not an employee or agent of the City of Coffman Cove or the City of Craig, and is, therefore, entitled to no insurance coverage, whether worker’s compensation or otherwise, and no other benefits accorded to city employees. No withholding, FICA, or other taxes (whether income sales or other wise) or other amounts will be withheld from payments due to the Hatchery, it being understood that the Hatchery is solely responsible.

Section 3. No claim for additional work, services or materials, not specifically and expressly requested and authorized as provided for in this Agreement, or by a written amendment thereto signed by all parties, done or furnished by the Hatchery, will be allowed or paid by the Cities, and Hatchery expressly waives any claim therefore.

Section 4. Hatchery agrees to keep and maintain in full force during the entire period of the project or work called for herein, broad form comprehensive public liability insurance with limits of not less than three hundred thousand (\$300,000.00) combined single limit insuring Hatchery, and include the City of Coffman Cove and the City of Craig as an additional named insured, from any and all claims for bodily injury and death, and for property damage, that may arise out of, or in relation to, this Agreement. Such insurance shall require the insurance company give not less than thirty (30) days prior written notice to Cities prior to any cancellation, non-renewal or reduction in the amount of coverage of such insurance coverage. Each policy, or certificate of the policy, together with evidence of payment of premiums, shall be deposited with the cities prior to execution of this Agreement by the cities, and on renewal of the policy not less than twenty (20) days before expiration of the term of the policy.

**WHEREFORE** the parties have entered into this Agreement the date and year first above written at the City of Craig, Alaska.

**City of Craig, Alaska**

**Prince of Wales Hatchery Association**

By: \_\_\_\_\_  
Jon Bolling, City Administrator      Date

By: \_\_\_\_\_  
Dan Goodness, POWHA      Date

**City of Coffman Cove**

By: \_\_\_\_\_  
Misty Fitzpatrick, City Administrator      Date

Jon

**From:** Daniel Goodness [mailto:dgoodness@hotmail.com]  
**Sent:** Thursday, June 13, 2013 10:01 AM  
**To:** Jon Bolling; Misty Fitzpatrick  
**Subject:** PSN Operating agreement / FY 2014

Good morning, Jon and Misty.

I have attached a copy of the FY 2013 agreement, which we are operating under now, as well as the proposed FY 2014 agreement, with suggested changes by me, in red. I have also attached a copy of the PSN budget agreed upon by the Board of Directors, at the beginning of this calendar year.

I have a few candidates for the culturist / technician position, and I hope to hire a full time employee soon. We have kept costs at a minimum for as long as possible. The present employee makes \$11 / hour, with no benefits. The full time culturist will no doubt make \$13 / hour or more, with benefits. The real costs to operate each year are starting to "materialize", for lack of a better word. There are 320,000 fry, and we expect to purchase and feed the full amount budgeted for this, over \$10,000 per year for feed alone. With a full time employee, we will soon be paying \$35,000 per year for labor alone.

On a very positive note- there is a Chinook Mitigation grant for \$10,000 per year, for feed and labor. This effectively reduces the budgeted amount to \$55,000 for a year of operation.

With only two weeks before the present contract ends, I would like to suggest that you both please look again at the draft for 2014 that I created, and suggest any changes to this that we can all agree upon.

If you both like the concept of contributing a percentage of the total amount, and we can assume that this year, with the Chinook Mitigation contribution of \$10,000, the budget is "reduced" to \$55,000, then the Coffman Cove contribution of 18.75 % is closer to \$10,300, and the City of Craig contribution of 81.25 % is closer to

\$44,700.

As we go into a full scale program, we will need the absolute minimum of \$45,000 per year, for feed and labor. \$7,000 is needed for tags, and tagging supplies. Add to that the shipping costs for the feed, other hatchery supplies, the telephone and internet.....you can see my point. It all adds up.

I'm hoping that we can arrive at a consensus on the wording of the new contract, prior to July 1st. Susan Callender, our Accounting Manager, is working on creation of a new checking account, for the PSN payables. We will soon have a balance in this account, and as soon as this comes about, I will share this with you both. If we can work together to supply this account with funding needed for yearly operation, as suggested in our budget, then it should be straightforward to operate this facility.

Thank you for considering this letter.

Dan

Daniel F. Goodness, Manager  
Prince of Wales Hatchery Association  
PO Box 554  
Craig, Alaska 99921

Phone: (907) 755-2231

Fax: (907) 755-2440

---

From: jbolling@aptalaska.net

To: dgoodness@hotmail.com; coffmancove@ccalaska.com

Subject: RE: PSN Operating agreement / FY 2014

Date: Tue, 2 Jul 2013 10:04:39 -0800

Hi Dan.

I read the draft operation agreement for 2013-2014.

1. In the fourth bulleted item under the POWHA section, and the third bulleted item under the City of Craig section, the agreement calls for the City of Craig to pay invoices for supplies used at the PSN facility. Why do you want the city to take responsibility for making and tracking these payments through our accounting department? It looks like these costs would be in addition to the large cash lump sum payment called for in the agreement, since that lump sum payment is due on June 30, and the invoices for supplies will come in over the course of the operating year. The supplies cost would also be in addition to the other cash and in-kind contributions listed in the draft agreement. Is that correct?

2. Under the first bulleted item in the City of Craig section, how do we determine what biologically safe water is?

3. The council has authorized payment of \$35,000 in cash for PSN king salmon expenses, plus the funding for PSN king salmon facility included in the operating budget for the water department, which includes the electricity, propane, and diesel costs. I cannot commit to the \$56,875 called for in the agreement without direction from the council. I have included the draft agreement on the agenda for the council's July 11 meeting to get direction from them on the funding and other terms.

4. If the city agrees to perform cost recovery, we may not want the funds to go into a "Fish Fund". We may wish to designate the funds somewhere else, like the water department budget. Does it matter to POWHA how we designate the funds, so long as the receipts from cost recovery go to support the PSN king salmon project?

**From:** Daniel Goodness  
**To:** Jon Bolling; Misty Fitzpatrick;  
**Subject:** RE: PSN Operating agreement / FY 2014  
**Date:** Tuesday, July 02, 2013 11:47:33 AM

---

Good morning, Jon. Thanks for your reply. I'll do my best to provide answers to your questions below.

1) Susan Callender has recently opened a checking account, to be used for tracking all deposits and debits for the chinook program. It's not critical that the City of Craig take care of paying the chinook bills. If this suggestion is over the top, then we can perhaps agree that accounting for the chinook program will continue to be taken care of by the POWHA Accounting Department. Having a separate checking account is something that was needed long ago. It was not my intent to suggest that the cost of supplies would be in addition to the annual contribution. I'm sorry if this wasn't well spelled out.

2) Biologically safe water doesn't contain harmful gases, such as supersaturated nitrogen. Supersaturated nitrogen in the pipeline has recently (during the past years) caused chinook to develop "gas bubble disease", which causes mortality. This problem developed when the pipeline was damaged during road construction efforts.

Repairs to the pipeline were evidently not sufficient, to prevent atmospheric nitrogen to enter the pipeline, during a time when the pipe is shut down. We now realize that following a shut down, such as during the cleaning of a Johnson Screen, we cannot depend on the water flowing into the hatchery to be "biologically safe" until a period of 5 hours have passed. (We purchased a total gas meter, and can now monitor the status of saturation.) During that 5 hour period of time, we must provide oxygen gas to the ponds and raceways, to provide life support. This is a reasonable plan during cold weather, when the water temp is cool, and the water can hold the gas supplied to it by air stones. During very warm weather, when the water is warm, the water cannot absorb the oxygen nearly as effectively, making for a potentially dangerous situation.

How can the pipeline be made safe again? I know that this fall the level of the dam will be raised. A second water supply will be added,

so that pipeline shutdowns for Johnson screen maintenance can be avoided. Perhaps that alone will allow for continuous flows down the pipe, and into the hatchery. If the pipeline must be shut down for other reasons, the possibility of nitrogen entering the pipeline continues to exist. My only suggestion for making this right is to completely seal the breaks where they happened, so that no atmospheric nitrogen can enter the pipeline again. If this is not possible, then perhaps there can be no guarantee of "biologically safe" water. "Continuous supply of water" can perhaps be the key concept for this item?

3) The POWHA Board of Directors agreed to a yearly operating budget of \$65,742. A Chinook Mitigation grant will allow for us to get \$10,000 reimbursed from the State for "feed and labor" this year.

This brings the projected cost to operate down to \$55,742. We have the full complement of around 320,000 fry, at an average size of 6 grams per fish, in the inventory. Coffman Cove is slated to get 60,000 chinook, half of which are tagged. Craig is slated to get the rest, 30,000 of which will be tagged. I have hired a technician who is now living at the trailer on the site. He will be a full time employee.

I intend to request another 320,000 to 330,000 eyed eggs by August this year, the donation from Whitman Lake Hatchery. We are pretty much returning to "full time, normal production".

I understand that the City Council has authorized \$35,000 for operation this year. My suggestions in red, in the draft, were simply an attempt at "fair cost sharing", by the two entities who will benefit from the adult production. If the City council of Craig, or the Coffman Cove City council would like to suggest another way of looking at fairness of sharing the costs, I am open to suggestions.

This was my best attempt. Bottom line is this: It's only sensible that the two entities receiving the smolts, and the future adult production, somehow cover the yearly operating costs of the smolt production, as outlined in the budget.

There has been cost recovery ongoing this past week or two. Mike Bobo has been gillnetting. We received a check from Pacific Seafoods, for \$2,960.00, for the first 44 fish to be delivered to



Wrangell. The gillnetters get 55% of this, and POWHA gets 45%. This means that \$1,332 will be deposited into the chinook account. There will be more checks, too. It's unknown how much more money will be generated, but the POWHA portions will go into the chinook checking account.

4) If the City of Craig conducts cost recovery next year, it matters not to me what the name of the account is that the funds go toward. In years to come, the returns of adults should increase, and the money generated may adequately support the Craig portion of the chinook contract, with money to spare, for whatever project needs funding, be it the Water Treatment Plant, road construction, etc.

It only seems appropriate that the operating costs of the chinook program be covered each year by funds put forth by the City of Craig, and the City of Coffman Cove combined. POWHA can only be considered to be the entity operating the facility, not funding it.

I sincerely did not want my draft of the FY 2014 operating agreement to be confusing. Months ago, I wanted to offer my opinions on how the agreement could be modified, in the interest of fairness. What I changed, in red, were *suggestions only*. Jon, Here's a simple suggestion- take last year's operating agreement, and make / track changes to it, like I did, which reflects *your* vision of a doable agreement, and send this to myself and Misty. I can easily share this with the POWHA Board of Directors, and Misty can share this with the Coffman Cove City Council. I'm certain that we can all eventually agree on an equitable arrangement.

Daniel F. Goodness, Manager  
Prince of Wales Hatchery Association  
PO Box 554  
Craig, Alaska 99921

Phone: (907) 755-2231  
Fax: (907) 755-2440