

CITY OF CRAIG
COUNCIL AGENDA
August 1, 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 July 11, 2013

HEARING FROM THE PUBLIC

- Open for public comment
- Final Reading and Public Hearing Ordinance No. 655, City of Craig F/Y 2013 Supplemental Operating Budget
- Final Reading and Public Hearing Ordinance No. 656, Modifying Sections 15.44.140 Meter installation mandatory

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

- APCM June Report
- APCM July Newsletter
- Steve Silver Status Report
- Division of Forestry Schedule of Timber Sales
- Craig EMS Concerns- From City of Klawock

READING OF CORRESPONDENCE (cont.)

- Re: Craig EMS Concerns- From Mayor Watson

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- Ordinance No. 655, City of Craig F/Y 2013 Supplemental Operating Budget
- Ordinance No. 656, Modifying Sections 15.44.140 Meter installation mandatory
- Resolution 13-15, Harbor Rates Changes
- Resolution 13-16, Water Meter Installation

UNFINISHED BUSINESS

- Final approval of POWHA agreement

NEW BUSINESS

- Transaction Fees for Credit Card Use for Sales Tax remittance
- Consider new design for Main St.

ADJOURNMENT

ROLL CALL

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

Staff present: Jon Bolling, Administrator; Nicole Robison, Aquatic Manager; Kassi Knock, City Clerk; Ron Macintosh, Public Works Director; Joyce Mason, Treasurer; Brian Templin, City Planner; Otis Gibbons, Parks and Public Facilities; Daniel Nelson, Harbormaster; R.J. Ely, Police Chief. Amy Marshall, Librarian;

Audience present: L. Radke, Taylor Robison, and Pete Rice.

CONSENT AGENDA

The consent agenda was presented, it contained:

- City Council Minutes of June 6, 2013
- City Council Minutes of July 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

HEAD/DOUVILLE

moved to approve the consent agenda as written.
MOTION CARRIED

HEARING FROM THE PUBLIC

REPORTS FROM CITY OFFICIALS

Mayor- Nothing to report.

Administrator- Added to his written report that there is a hearing for the road to the mines. It is scheduled for July 19th. Steve Silver said it is unlikely they will have a witness to address the bill.

Treasurer- The City has received the PILT payment as well as Revenue Sharing payment.

Aquatic Manager- Provided a written report.

City Clerk- Provided a written report. Next meeting scheduled for August 1st.

City Planner- Provided a written report.

EMS Coordinator- Driving class went well; Chaundell also has an ETT class scheduled later in the month.

Harbormaster- Absent

Police Chief- Provided a written report. R.J. added that the Police Department had their State Audit last week through Alaska Public Safety Information Network (APSIN) and came in between 1% and 2% of the best in the State. New officer is beginning his second week and is doing great.

Public Works- Normal construction, water plant is working well.

Parks and Rec- Absent

Library- Provided a written report. Amy received National Science Foundation Grant for the adult reading program in the amount of \$2,500. Amy is also going for Libri Grant which is \$2,500 for children's books.

IFA- will be paving the parking lot of the Hollis terminal some time near the beginning of August. Public will be notified as construction approaches.

Mike Douville would like to revisit the Harbor Rates that were adopted in May. Specifically the doubling of the rate for transient moorage if you don't pay prior to leaving as well as charging each boat in the harbor. Mayor Watson and Jim See are in agreement with Mike on this issue. Jon has spoken with Daniel on this issue already, and it has not been put in to effect. Jon will bring this to the next meeting as a Resolution for amendments.

READING OF CORRESPONDENCE

Construction Concerns- Otis Gibbons

Otis read a letter he had prepared outlining the handout provided to the Council. Jon has suspended any more construction main street between 7th and 9th until this issue is resolved. The street will not be paved this year like it was scheduled to be. Otis would like to remove the curb that is/will be causing the problem. This would be a 13,000 dollar item being removed from the streets. The council wants staff to go back to the engineer to come up with a solution to the issues raised by Otis.

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

Ordinance 654, Utility Rates

PIERCE/DOUVILLE

moved to adopt Ordinance 654.

MOTION CARRIED

UNFINISHED BUSINESS

NEW BUSINESS

Comments to the Alaska Redistricting Board

The Redistricting Staff may not be taking comments, and Jon is confident that the Mayor's letter should suffice, but will submit his as well if that is what the Council requests. The council decided that the Mayor's comments were sufficient.

Change Order, Tanner Crab Court Subdivision and Salmonberry Subdivision Development

SEE/PIERCE

moved to approve the Tanner Crab Court/Salmonberry Subdivision contract Change Order No. 1 increasing the contract amount by 28,750.

MOTION CARRIED

Direction on POW Hatchery Association Operation Agreement 2013-2014

Jon explained that the hatchery will be working with the city to apply for additional funding through the King Salmon Mitigation Funds which would cover one year of operations for the hatchery. Cost recovery for Port St. Nick. The price for cost recovery kings has dropped substantially. Jim would like to see the Hatchery invoicing the City for payments. Jim would like to see Coffman Cove paying 18% of the electrical costs as well. The council intends that the city will come up with additional cash contribution to the hatchery.

ADJOURNMENT

DOUVILLE/RICE:

Moved to adjourn at 8:05 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>		
Total Revenues	\$ 3,856,960	\$	3,428,862	\$	428,098
 <u>01 11 Administration</u>					
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)
 <u>01 25 Aquatic Center</u>					
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
 <u>01 12 Council</u>					
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>		
<u>01 17 EMS</u>					
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

Facilities & Parks

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)

01 18 Fire Department

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>		
<u>01 19 Library</u>					
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
<u>01 13 Planning</u>					
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
<u>01 16 Police</u>					
<u>Expenditures</u>					
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>		
<u>01 15 Public Works</u>					
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
<u>01 24 Recreation</u>					
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>
<u>Enterprise Fund</u>			
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	
<u>Garbage</u>			
Total Revenues	\$ 338,000	\$ 338,000	\$ -
<u>Expenditures</u>			
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)
<u>Harbor</u>			
Revenues	\$ 267,000	\$ 240,750	\$ (6,250)
<u>Expenditures</u>			
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>
<u>JTB Industrail Park</u>			
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
Uilities 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>
<u>Sewer</u>			
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
Uilities 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>
<u>Ward Cove Cannery</u>			
Revenues	\$ 6,500	\$ 6,500	\$ -
<u>Expenditures</u>			
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>
<u>Water</u>			
Total Revenues	\$ 253,200	\$ 268,500	\$ (15,300)
<u>Expenditures</u>			
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
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator 
Date: July 26, 2013
RE: Ordinance 656 and Resolution 13-16

Included on the agenda for the council's August 1 meeting are Ordinance No. 656 and Resolution No. 13-16. Both documents pertain to installation of water meters to currently unmetered services in Craig.

Ordinance No. 656. This ordinance modifies section 15.44.140.B of the Craig Municipal Code to allow the city to charge water customers the cost of installing meters to currently unmetered services. The current code language requires that the city bear that cost. As staff and the budget committee prepared the current year budget documents, one goal set for the fiscal year was to meter all remaining unmetered services (about 45 services remain unmetered). At the time staff recommended charging the water customers the cost of the metering materials, with the city assuming the costs to install the materials. Staff's rationale for this approach is that unless a given customer uses substantially more water than does the typical metered customer, the owner of the newly metered service will pay less each month with the metered service than without it. Staff also added that the materials cost could be added to each unmetered customer's billing over several months to reduce the hardship of having to come up with the materials cost, which ranges from \$780 to \$1,050 depending upon the size of the water service.

Currently the municipal code does not provide for the city to charge water customers for a conversion to a metered service. The ordinance, if adopted, enables the city to assess the cost of converting the service to the water customer.

Resolution 13-16. This resolution sets the fees for water meter installation. The fees are based on staff's research into the costs of the metering materials. The costs set out in the resolution reflect the cost to obtain the parts and have them shipped to Craig. There is no mark up over the city's actual cost, and the costs set out in the resolution do not include costs to install the meters.

I did receive two comments on the proposed changes, both from owners of unmetered water services. Greg Shapley came by the office concerned about the cost of the metering materials to the property owner. He understands the city's desire to meter all accounts, and believes that the city should assume the cost to convert the services. Greg also said that he wished the city would take up matters like this outside the busy time of the commercial fishing season. Wayne Sanger called me about this same matter. Wayne suggested that it would be more cost effective for the property owners to pay a higher rate for unmetered services, beyond the margin that unmetered services already pay over metered services. He also expressed concern that the cost of the metering components might be too much for some water service customers to pay.

The council last set fees for water services by resolution in 2002 (copy attached). The costs included in that resolution are now outdated because they have risen substantially in the past eleven years.

Recommendation

Adopt Ordinance No. 656 and Resolution 13-16.

**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 26, 2013
RE: August Staff Report

1. POW Vocational/Technical Facility

Construction is underway on the project, and will continue well into 2014.

The advisory committee working on the project sent a proposal to the City of Klawock that the facility be governed by a private non-profit corporation that would manage the building and the activities within it, as well as be eligible for various funding sources needed to pay for those operations. The committee is waiting for a response to this proposal from the Klawock city council. If the City of Klawock, which owns the building, approves the approach recommended by the advisory committee, efforts to form the non-profit will begin in earnest.

2. Street Paving Project

Work continues on Phase III of the project. AIC, the project contractor, is contractually bound to complete all work on the project by August 31, 2013.

3. Wood Drying Project

As I reported last month, 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.

4. Chinook Salmon Mitigation Grants

The city is waiting for grant agreements from the State of Alaska for two Chinook Salmon Mitigation Fund grants: one to expand the ice storage area at the Craig Public Ice House; and the other to replace the float at the boat launch ramp at the JT Brown Industrial Park.

Ice House

I have not yet determined how best to go about this project. The city undertook a design/build approach with the recently completed project at the ice house that added a second ice producing drum. I may elect to take a design/build approach again, but have not made a decision on this. While the city was awarded the maximum amount of funding allowed under the grant, the current rough cost estimate puts the project price well above the grant award for the project. Staff is working on finding additional funds.

Launch Ramp

The Alaska Department of Fish and Game, via contract with an engineering firm, completed design work on the launch ramp project, as well as all construction drawings and specifications. If the resulting bids are at or below the engineer's estimate, sufficient funding is in place to build the project. City staff is working with ADF&G's design contractor to post public notices soliciting construction bids. I expect to have bid results to the council by the September 5 city council meeting.

5. Mines on POW

On July 19, a hearing on a bill, HR 587, was held in the US House before the Resources Committee. The bill, if passed, directs the US Forest Service to identify a road corridor from the existing POW road system to the mine prospects at Niblack and near Bokan Mountain. The hearing had one witness, a representative from the US Forest Service, who testified that the agency would prefer that the bill not pass into law, and recommended focusing on transportation of workers, goods and services by boat rather than by road. Mayor Watson provided written testimony in support of the bill. City staff, and Steve Silver, the city's lobbyist, assembled a packet of supporting documents for the hearing. The bill remains in committee. A companion bill in the US Senate remains in committee awaiting a hearing. Mr. Silver hopes that the committee will schedule a hearing on the bill in September.

On a related note, a meeting organized by Heatherdale Resources, the company conducting exploration at the Niblack Mine site, is set for this Monday July 29th at the Craig Tribal Hall at 1:00 pm. Heatherdale called the meeting to discuss the operations and update island residents on the status of the mine.

6. Borough Study Follow Up

The Prince of Wales Community Advisory Council discussed the borough study at its July 23 meeting. The membership was asked to meet in locally to identify which class of borough would be the best fit for POW Island, should the island move toward borough formation. The seven members present at the July meeting all agreed that a home rule class borough is the best fit for POW Island. This option requires a significant extra step in the borough formation process: writing a charter that governs borough authority. The perceived benefit to this extra step is that the individual communities can write into the charter requirements that the borough convey certain payments, borough entitlement lands, and other existing benefits to the communities on POW. The POWCAC also agreed to come to the September meeting with a list of the three mostly likely ways to fund a borough. I expect that the membership will look to the borough study for guidance as each community considers funding options.

7. Meeting with Craig City School District Superintendent

I met recently with Mr. Jack Walsh, the new superintendent for the Craig City School District. We discussed school district and city funding and budgeting practices, the wood boiler project, and several other topics. I encouraged Mr. Walsh to attend a council meeting soon to introduce himself. He agreed to do so.

8. Other Items

City staff is working on many other projects. I will include a more complete report on current grants and projects in September or October, when the full council returns for regular meetings.

9. 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 July, 2013

Date: August 1st, 2013

The month of July was fairly uneventful for the Aquatic Center. We taught one session (8 class days) of swimming lessons, 9 children attended. Added into our new fee schedule, to meet demand, we have provided opportunity for private swimming lessons; as soon as private lessons were offered, we had a family sign up. We are hopeful that our new program will prove itself to be useful to the pool and public!

Pool manager Nicole Robison conducted a Lifeguarding class towards the end of the month, 3 people attended, we are excited to have some more friendly faces working at the pool!

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

Best wishes to all,

Nicole Robison
Aquatic Center Manager

City of Craig Memorandum

Date: July 22, 2013
To: Mayor Watson, Craig City Council
From: Kassi Knock, City Clerk
Re: August Clerk's Report

Elections are fast approaching, and according to the CMC, this month is when I address any issues or concerns with the Council. The only speed bump I have hit so far is that Kim Baxter; Election Judge Extraordinaire will not be able to assist in the elections process this year as she will be out of town. Nevertheless she has been very helpful so far, and I am confident elections will run smoothly. Kim provided a list of potential election judges for this year. I will bring back the final list to the Council next month for approval.

That being said here are the seats up for election.

Mayor- 2 year term

Council member- 2- three-year terms

Joni Kuntz
Wanda Rice

School Board- 2-three-year terms

Dolores Owen
Michael Kampnich

School Board- 1- one-year term

Kim Scheidecker

Declaration of Candidacy forms are available at City Hall beginning August 2- August 30th 2013. Please call or email with any questions.

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: July 26, 2013
RE: Planning Department Staff Report

1. Firehall Replacement. The RFP for design/architectural services is set to run in the Ketchikan, Juneau and Anchorage Papers until August 14th with a bid opening scheduled for August 20th.
2. Water/Wastewater Master Planning. The RFP for engineering services to complete new water and wastewater master plans is complete. I am working with the public works director regarding the timing to have all sewer collection lines cleaned and inspected. Once we have set a date to have that work complete we will advertise the RFP for planning services.
3. North Fork Lake Dam Improvements. We have been working with the contractor (Ketchikan Ready Mix) on their contract submittals in order to start work on this project.
4. Tanner Crab/Salmonberry Subdivision. Work is going along well on the project. All materials and supplies needed to complete the project have arrived and are ready. We are working with the contractor to schedule him back to complete the work. I recently asked two MAI certified appraisers who the city has worked with in the past to provide quotes to complete appraisals on the property. Horan and Company provided a quote of \$4,900 to appraise 12 lots. Julie Dineen did not provide a quote. This comes out to about \$410 per lot which will be included in the sale price of each lot. I will continue to work on the proposed method of land sale so that we can proceed with the sales this winter as planned.

CRAIG EMS DEPARTMENT



July 25,2013

- We continue to hold bimonthly meetings with our Physician Sponsor, Dr. Copass. We have invited Dr. Ballard to join us for a meeting when he is available.
- We have training on Wednesday nights. 2 -3 weeks per month. We cover topics and skills that will comply with the 48 CME required hours of training to recert in the state of Alaska.
- We are starting an ETT class Monday nights .
- I have cleaned up Ambulance #2. The interior was stripped of all paperwork and outdated notices glued to the walls and labels that were peeling off due to weather changes and dampness. The carpet on the ceiling was coming down for the same reasons, damp and cold conditions. I have set it up as a BLS ambulance with our bariatric stretcher (350 lbs +) and extraction supplies. I don't think its feasible to stock both ambulances with duplicate supplies. I will keep #1 as an ALS ambulance and our primary ambulance. I am still looking to house both ambulances together. I do not feel it is acceptable to ask volunteers to take an extra 20 – 30 minutes to go get the second ambulance in another location, bring it back and clean it, then take it somewhere else to park it, in addition to a call that will already take 1 or more hours, especially when they leave work to volunteer for us. I would appreciate any suggestions on building another garage or moving the second fire truck to the web loft to accommodate our needs until a fire hall can be built.

Chaundell

**CITY OF CRAIG
MEMORANDUM**



Date: July 25th, 2013
To: Honorable Dennis Watson, Craig City Council
Fr: RJ Ely, Police Chief
Re: Staff Report

RJ Ely

ACTIVITY

Activity from June 1st – July 25th, 2013. Dispatch Center took the following amount of calls for service:

Craig	1,933
Klawock	575
AST	7

911 hang up or miss dials are still increasing. I'm working with AP&T and cell companies to help identify these calls, so matter can be addressed.

DEPARTMENT OF MOTOR VEHICLES

Motorcycle road tests are increasing, as well several CDL road tests have taken place. DMV is having issues with getting computers to Craig DMV. Should have shortly.

DISPATCHER(S)

Kathy Kelley has been hired as a Part Time / Fill In Dispatcher. She will began training on Saturday July 27th, 2013.

OFFICER(S)

Ofc. Peterson has been hired and is fitting in well. He is progressing well through the F.T.O.

A few applications have been received and background investigation(s) are ongoing.

Craig Officers attended training on Advanced Technology Crimes; Smart Phones and ways of collecting data, even if deleted.

OTHER

Case are still high in numbers and juvenile crimes have increased.

Another drug operation was closed down and several arrests / charges have been filed. This was a joint effort, between Craig Police Department and Alaska State Troopers Drug Unit.

Due to recent events with Crime Star Database, I will have to be looking at upgrading or changing certain files, to accommodate 11 years worth of data.

XP Software is no longer being supported with Tec Support, Updates, etc. I will be looking at upgrading all computers with windows 7, throughout the next year.

Memo

To: Mr. Mayor, Craig City Council

From: Ron McIntosh, Public Works Director

CC: Jon Bolling, City Administrator

Date: July 26, 2013

Re: Public Works Council Report for August 1, 2013

Activities currently in progress are:

Administrative

1. Information compilation for Garbage collection and Equipment acquisition is ready for Council discussion. Timing and attendance to be scheduled.
2. Selection of the inspection equipment for the Master Plan creation, sewer camera inspection and Water main leak detection equipment completed. Work is scheduled.
3. Over seeing activities of AIC on Phase 3 Paving..

Plants and Operations

1. Water Treatment Plant is matching production with Silver Bay processing. Clean operations so far in 2013.
2. Downtown lift station is under continuous maintenance due to issues with disposable cleaning rags(wipes). Material will not process through the pumps.

Disposition of Main Street between Ninth and 7th street.(see attachment A)

These activities are some of the current issues being addressed by Public Works. Department services continue on a daily basis.

Thank you,

RCMc

Craig Recreation City Council Report, August 1, 2013

Dear Mayor Watson, Council Members: Don Pierce, Wanda Rice, Joni Kuntz, Mike Douville, Jim See and Greg Head.

I am back from my medical appointments in Denver and my PET Scan was free of cancer. I feel like I have been on hold for the last 7 months. I am working part time and trying to heal.

Currently we are starting the Summer Soccer Program, we have a Swap Meet on August 3rd.. For all Rec Activities, Children under 8 must have a parent attend.

Youth/Rec Center Activities continue. Amy is using the rec center for movies, legos and crafts. Shelby Beck and Paula Price put on a 2 day Spanish camp on July 24 and 25 from 10-3 for kids.

At the Craig City Gym There is still Volleyball open gym on Tuesdays and Thursdays at 7pm for ages 14 and up. Rollerskating and Rollerblading is held on Friday nights! 7pm Thanks to Paula Price! Enjoy a family night or send the kids. We have lots of skates to choose from admission is \$1 and rent skates Music, games and fun for the whole family. There is Parent tot gym weekdays from 10:30 to 12:30. Aerobics mornings, Karate Tuesday, Thursday and Friday at 5pm.

The 4th of July went well. Thanks to the 4th of July committee, Hannah Basinet, Betty Kubik, Kelli Douville and Charlene Wolf. The Craig 4th of July Celebration 2013 was a blast! the Kids fishing derby was sponsored by Log Cabin Sports and run by Jay and Rhonda Kingery. Samantha Wilson and the Mormon Missionaries helped out at the derby and on the 4th noon with the Greasy pole winner Maverik Ballard taking home \$75. 4th of July Queen was Hali Bennet and our King was Ben Moots, Fireworks was fantastic thanks to Carl Benolken and the crew.

The Firecrcker run started out the 4th, Jamin Knowlton came in first for the fellows, with Melissa Castle taking the honors for the gals. The most patriotically dressed adult was Katie Dawley, with Madison Stumpf sporting the most red, white and blue for the youth. Both took home fireworks packages from BoomTown Fireworks. Judy OConnor and Wanda Frazier organized the Parade. the ballpark, was a blast! games races and booths, A pie throw, the bouncy house and a EMS had a dunk tank this year and the Moose donated the proceeds of the beergarden to the ems! Jim Seley mc'd the races with help from Mormon Elders, and Samantha Wilson, and the Presbyterian Church had a crew of helpers with Cindy Glore and ann james. The 4th of July committees Betty Benolkin. And Hannah Basinet, Charlene Wolf and Kelly Douvilee maning the Bouncy house. The Grand Prize Winner was Bessie Singeltery who took home a rt on the IFA for 2, a \$250 shopping spree at Tongass Trading and a night at the Narrows. We also gave away rt on Island Air Express, ow on Harris Air, Extra Tuff boots from the Clothes Co. A Buffer from Napa and Gift certificates from 2 girls fishing, the Camo shop and Savy wear. The winner of the Duck Race on July 6th was Bredhott from Hollis taking home \$615. It was a great 4th of July.

Fishing Derby, 2013 North Cove Harbor followed by the Greasy Pole



Crowning of the Royalty



Fireworks!





Library Report to the Council for July 2013
Number are reflective of 7/1/13 – 7/24/13

Patron Visits: 1,924
Circulations: 2,210
Computer Use: 503
Program Attendance: 320
Reference Questions: 614
Proctoring: 4 Test for 2 Students

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

Workshops: Building Websites Like Hollywood Builds Movies! (7/9)
Brass Tacks Business Basics (7/25)

Events: Parasites & Creepy Crawlies with Stacey Mank (7/2)
Gold In Them Pans! (Gold Panning) (7/5)
Salt Chuck Mine Tour (7/6)
2nd Annual Stuffed Animal Sleepover! (7/12-13)
Robot Garage (7/15)
World Civ 101 – A Travelogue (7/17)
African Dance with The Cowles Performing Arts Center (7/22)
Minecraft Mondays (ongoing)
Robot Garage REDUX! (7/26)

Upcoming Events: Local Author Visit/Reading: Yolanda Kelly (8/2)
Turtle Tots (TBA)
The Magic of Science! (8/12)
Sci-Fi Monday & Astronomy Night (Perseid) (8/12)
Sexting & Texting: Safe Social Media (8/14)
Music of Inner Asia (8/19)
Shellfish, Beavers, & Bears... Oh MY! (8/19)
A Museum At Work (Career Opportunities) (8/24)

Grants in writing process: Crossett (\$3,000 request)
LIBRI (Children's Books) (\$2,500 request)

Highlights:

Sixteen participants took part in the Salt Chuck Mine tour on Saturday, July 6th. Forest Service Archaeologist Tim Marshall provided an overview of the historic use of the site as well as information about ongoing work at the site by the Federal and State governments.

Paul Dawson presented his travelogue "World Civ 101" at 7pm on Wednesday, July 17th. It was well attended by both adults and teens.

The 2nd Annual Stuffed Animal Sleepover on July 12th – 13th was a resounding success with 26 critters spending the night at the library. A video is available on the library's website: www.craigpubliclibrary.org
The children are looking forward to the THIRD Annual Stuffed Animal Sleepover! Many thanks to volunteers Kathleen Lawton and Moira Marshall!

Following is a collage of pictures from the library's various programs this July.

I hope you will visit the library's website: 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 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).

**Because of continued theft of DVDs from the library's shelves, the library staff, in consultation with other Alaskan libraries and the Alaska State Library, has made the decision to pull physical DVDs from the shelves. Supplies to house DVDs in sleeves which will be put in cases upon checkout are on order from Amazon. It was quickly evident in the consultation process that The Craig Public Library is one of the last libraries in Alaska to house physical DVDs in public spaces. Since June 1st, DVDs totaling more than \$400 have been stolen. Rather than risk further loss, staff pulled DVD Collection on Thursday, July 25th and is notifying patrons that we are working as quickly as possible to get the DVDs back into circulation. **



July 10, 2013

sent via email

Ms. Joyce Mason
Treasurer
City of Craig
P.O. Box 725
Craig, Alaska 99921

Dear Ms. Mason,

Enclosed is the June 2013 report for the City of Craig, which includes a listing of portfolio assets, purchases and sales. As this report coincides with the end of a calendar quarter, performance data is included.

At month-end, the market value of the account was \$9,189,279. Based upon the composition of the portfolio, the expected annual income, excluding dividends on equities, is \$88,538.

Our monthly commentary is attached.

Please call if you have any questions regarding this month's report.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Wagnon", is positioned above the name and title of Bert Wagnon.

Bert Wagnon
Senior Vice President

A handwritten signature in blue ink, appearing to read "E. D. Rose", is positioned above the name and title of Evan D. Rose.

Evan D. Rose
President and CEO

cc via email: Mr. Jon Bolling, City Administrator

CITY OF CRAIG

Account Statement - Quarter Ending June 30, 2013

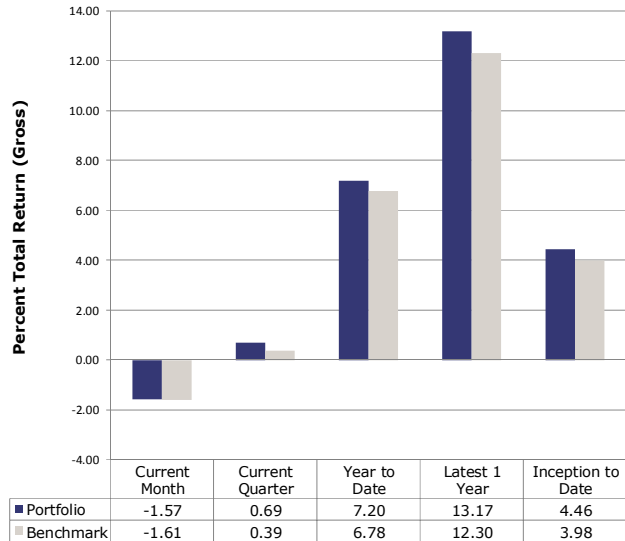


ACCOUNT ACTIVITY

Portfolio Value on 03-31-13	9,248,404
Contributions	0
Withdrawals	-123,191
Change in Market Value	-3,928
Interest	21,670
Dividends	46,325
 Portfolio Value on 06-30-13	 9,189,279

INVESTMENT PERFORMANCE

**Current Account Benchmark:
Equity Blend**

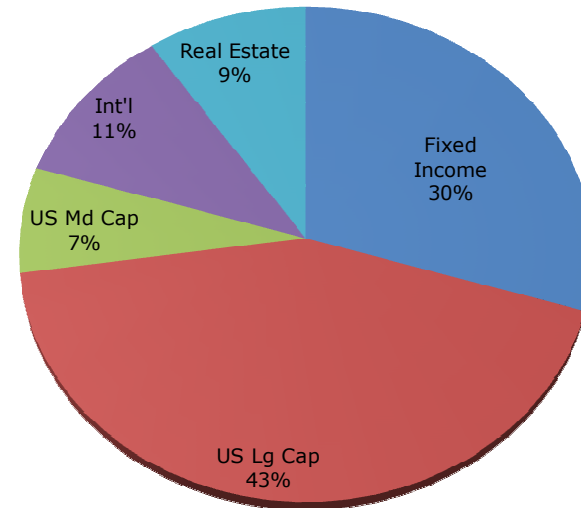


Performance for Periods One Year and Greater are Annualized

MANAGEMENT TEAM

Director of Client Relations:	Laura Bruce, CFP®, ChFC Laura@apcm.net
Your Portfolio Manager:	Bert Wagnon Jason Roth
Contact Phone Number:	907/272 -7575

PORTFOLIO COMPOSITION



Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
June 30, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
100,000	US TREASURY NOTES 0.125% Due 09-30-13	99.93	99,934	100.01	100,008	1.09	125	31	0.09
150,000	US TREASURY NOTES 0.250% Due 11-30-13	100.00	150,006	100.06	150,088	1.63	375	32	0.11
40,000	US TREASURY NOTES 1.250% Due 10-31-15	98.51	39,405	101.84	40,738	0.44	500	84	0.45
150,000	US TREASURY NOTES 0.625% Due 08-31-17	99.79	149,684	97.94	146,917	1.60	937	313	1.13
100,000	US TREASURY NOTES 3.750% Due 11-15-18	106.48	106,480	111.79	111,789	1.22	3,750	479	1.46
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	110.63	110,633	1.20	3,500	447	1.85
200,000	US TREASURY NOTES 1.375% Due 05-31-20	98.88	197,766	96.51	193,016	2.10	2,750	233	1.92
150,000	US TREASURY NOTES 1.625% Due 11-15-22	98.79	148,189	93.35	140,028	1.52	2,437	311	2.42
	Accrued Interest				1,931	0.02			
			995,502		995,149	10.83		1,931	
AGENCIES									
50,000	FHLB US GOVT AGENCY 5.250% Due 06-18-14	100.80	50,401	104.87	52,437	0.57	2,625	95	0.20
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	109.92	109,924	1.20	3,750	979	1.92
	Accrued Interest				1,074	0.01			
			151,811		163,435	1.78		1,074	
FNMA & FHLMC									
20,366	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	104.56	21,295	104.91	21,365	0.23	815	68	1.89
	Accrued Interest				68	0.00			
			21,295		21,433	0.23		68	
ASSET-BACKED SECURITIES									
100,000	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	107.25	107,250	104.23	104,227	1.13	3,800	169	0.54
	Accrued Interest				169	0.00			
			107,250		104,396	1.14		169	
COMMERCIAL MORTGAGE-BACKED SECURITIES									
80,555	WACHOVIA BK COML MTG TR 4.925% Due 08-01-41	95.78	77,157	100.31	80,806	0.88	3,967	331	1.51

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
June 30, 2013

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
5,057	FRN - BANC AMER COML MTG TR 2007-5 5.434% Due 02-10-51 Accrued Interest	100.55	5,085	99.89	5,051	0.05	275	23	4.64
					354	0.00		354	
			82,242		86,211	0.94			
CORPORATE BONDS									
100,000	CATERPILLAR FINANCIAL 6.125% Due 02-17-14	100.12	100,125	103.54	103,538	1.13	6,125	2,280	0.50
50,000	TOYOTA MOTOR CREDIT CORP 1.000% Due 02-17-15	100.85	50,423	100.66	50,328	0.55	500	186	0.59
100,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	97.18	97,176	106.38	106,380	1.16	4,750	1,583	0.89
100,000	HSBC FINANCE CORP 5.500% Due 01-19-16	100.21	100,206	109.86	109,858	1.20	5,500	2,475	1.55
50,000	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16	99.98	49,990	103.65	51,825	0.56	1,050	125	0.82
50,000	BANK AMER CORP 5.625% Due 10-14-16	107.18	53,592	110.63	55,315	0.60	2,812	602	2.25
50,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	117.91	58,955	114.05	57,024	0.62	2,812	594	1.25
50,000	STATOIL ASA 3.125% Due 08-17-17	107.07	53,533	105.51	52,757	0.57	1,562	582	1.74
100,000	UNITED PARCEL SERVICE 5.500% Due 01-15-18	121.23	121,230	115.08	115,083	1.25	5,500	2,536	2.01
100,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	99,572	115.18	115,176	1.25	5,750	2,396	2.25
75,000	UNITED HEALTH GROUP INC 6.000% Due 02-15-18	121.46	91,093	117.44	88,083	0.96	4,500	1,700	2.03
75,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	88.27	66,205	114.70	86,025	0.94	4,219	703	2.39
100,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	116.51	116,514	118.76	118,757	1.29	7,500	2,833	3.77
100,000	VERIZON COMMUNICATIONS 6.350% Due 04-01-19 Accrued Interest	125.02	125,020	118.64	118,637	1.29	6,350	1,587	2.82
					20,183	0.22		20,183	
			1,183,636		1,248,971	13.59			
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
24,685	SPDR S&P 500 ETF TRUST	137.86	3,403,111	160.42	3,959,968	43.09	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
5,496	ISHARES S&P MIDCAP 400	69.71	383,101	115.50	634,788	6.91	NA		

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
June 30, 2013

<u>Quantity</u>	<u>Security</u>	<u>Average Cost</u>	<u>Total Average Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Annual Income</u>	<u>Accrued Interest</u>	<u>Yield to Maturity</u>
INTERNATIONAL FUNDS/ETF									
27,627	VANGUARD MSCI EAFE ETF	37.73	1,042,293	35.60	983,521	10.70	NA		
REAL ESTATE									
12,857	VANGUARD REIT ETF	56.44	725,700	68.72	883,533	9.61	NA		
CASH AND EQUIVALENTS									
	DIVIDEND ACCRUAL		23,155		23,155	0.25			
	FEDERATED GOVERNMENT OBLIGATION		84,720		84,720	0.92			
			107,875		107,875	1.17			
TOTAL PORTFOLIO			8,203,816		9,189,279	100	88,538	23,778	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 06-01-13 To 06-30-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
U.S. TREASURY				
06-05-13	06-06-13	US TREASURY NOTES 1.375% Due 05-31-20	100,000	99,132.81
				99,132.81
DEPOSITS AND EXPENSES				
CASH AND EQUIVALENTS				
06-03-13	06-03-13	CASH PAYABLE		98,632.81
06-03-13	06-03-13	CASH PAYABLE		11.27
				98,644.08
				98,644.08
DIVIDEND				
DOMESTIC LARGE CAP EQUITY FUNDS/ETF				
06-21-13	07-31-13	SPDR S&P 500 ETF TRUST		20,713.68
DOMESTIC MID CAP EQUITY FUNDS/ETF				
06-26-13	07-02-13	ISHARES S&P MIDCAP 400		2,441.53
INTERNATIONAL FUNDS/ETF				
06-28-13	06-28-13	VANGUARD MSCI EAFE ETF		15,056.72
REAL ESTATE				
06-28-13	06-28-13	VANGUARD REIT ETF		8,112.77
				46,324.70
INTEREST				
AGENCIES				
06-18-13	06-18-13	FHLB US GOVT AGENCY 5.250% Due 06-18-14		1,312.50

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 06-01-13 To 06-30-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
ASSET-BACKED SECURITIES				
06-15-13	06-15-13	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17		316.67
CASH AND EQUIVALENTS				
06-03-13	06-03-13	FEDERATED GOVERNMENT OBLIGATION		0.76
COMMERCIAL MORTGAGE-BACKED SECURITIES				
06-01-13	06-09-13	FRN - BANC AMER COML MTG TR 2007-5 5.434% Due 02-10-51		22.90
06-01-13	06-14-13	WACHOVIA BK COML MTG TR 4.925% Due 08-01-41		336.51
				359.41
FNMA & FHLMC				
06-01-13	06-14-13	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26		71.10
				2,060.44
PRINCIPAL PAYDOWNS				
COMMERCIAL MORTGAGE-BACKED SECURITIES				
06-01-13	06-14-13	WACHOVIA BK COML MTG TR 4.925% Due 08-01-41	1,437.92	1,437.92
FNMA & FHLMC				
06-01-13	06-14-13	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	963.93	963.93
				2,401.85

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 06-01-13 To 06-30-13

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASED ACCRUED INTEREST				
U.S. TREASURY				
06-05-13	06-06-13	US TREASURY NOTES 1.375% Due 05-31-20		22.54
				22.54
WITHDRAW				
CASH AND EQUIVALENTS				
06-12-13	06-12-13	FEDERATED GOVERNMENT OBLIGATION		2,335.17
06-12-13	06-12-13	FEDERATED GOVERNMENT OBLIGATION		2,312.10
06-28-13	06-28-13	FEDERATED GOVERNMENT OBLIGATION		243.75
				4,891.02
				4,891.02

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG
From 06-01-13 Through 06-30-13

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
06-01-13	963.93	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	1,007.91	963.93	-43.98
06-01-13	1,437.92	WACHOVIA BK COML MTG TR 4.925% Due 08-01-41	1,377.26	1,437.92	60.66
TOTAL GAINS					60.66
TOTAL LOSSES					-43.98
			2,385.17	2,401.85	16.68

Alaska Permanent Capital Management Co.

CASH LEDGER***CITY OF CRAIG****From 06-01-13 To 06-30-13*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
CASH PAYABLE					
06-01-13			Beginning Balance		-98,644.08
06-03-13	06-03-13	dp	Transfer from	FEDERATED GOVERNMENT OBLIGATION	98,632.81
06-03-13	06-03-13	dp	Transfer from	FEDERATED GOVERNMENT OBLIGATION	11.27
06-30-13			Ending Balance		0.00
DIVIDEND ACCRUAL					
06-01-13			Beginning Balance		0.00
06-21-13	07-31-13	dp	Dividend	SPDR S&P 500 ETF TRUST	20,713.68
06-26-13	07-02-13	dp	Dividend	ISHARES S&P MIDCAP 400	2,441.53
06-30-13			Ending Balance		23,155.21
FEDERATED GOVERNMENT OBLIGATION					
06-01-13			Beginning Balance		259,778.31
06-01-13	06-09-13	dp	Interest	FRN - BANC AMER COML MTG TR 2007-5 5.434% Due 02-10-51	22.90
06-01-13	06-14-13	dp	Interest	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	71.10
06-01-13	06-14-13	dp	Paydown	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	963.93
06-01-13	06-14-13	dp	Interest	WACHOVIA BK COML MTG TR 4.925% Due 08-01-41	336.51
06-01-13	06-14-13	dp	Paydown	WACHOVIA BK COML MTG TR 4.925% Due 08-01-41	1,437.92
06-03-13	06-03-13	wd	Transfer to	CASH PAYABLE	-98,632.81
06-03-13	06-03-13	wd	Transfer to	CASH PAYABLE	-11.27

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 06-01-13 To 06-30-13

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
06-03-13	06-03-13	dp	Interest	FEDERATED GOVERNMENT OBLIGATION	0.76
06-05-13	06-06-13	wd	Purchase	US TREASURY NOTES 1.375% Due 05-31-20	-99,132.81
06-05-13	06-06-13	wd	Accrued Interest	US TREASURY NOTES 1.375% Due 05-31-20	-22.54
06-12-13	06-12-13	wd	Withdrawal	from Portfolio	-2,335.17
06-12-13	06-12-13	wd	Withdrawal	from Portfolio	-2,312.10
06-15-13	06-15-13	dp	Interest	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	316.67
06-18-13	06-18-13	dp	Interest	FHLB US GOVT AGENCY 5.250% Due 06-18-14	1,312.50
06-28-13	06-28-13	dp	Dividend	VANGUARD MSCI EAFE ETF	15,056.72
06-28-13	06-28-13	dp	Dividend	VANGUARD REIT ETF	8,112.77
06-28-13	06-28-13	wd	Withdrawal	from Portfolio	-243.75
06-30-13			Ending Balance		84,719.64



QUARTERLY PERSPECTIVES

ECONOMY & FINANCIAL MARKETS

When it rains, it pours.

Despite the terrific weather we have been having here in Alaska the financial markets had a pretty wet and soggy June. Thunderstorms arrived later in the month when Federal Reserve Chairman Ben Bernanke offered that the Fed would be easing up on the gas pedal by beginning to taper its bond buying program (known as quantitative easing or QE) in September. The Fed is planning to gradually decrease the amount purchased each month and, if all goes as planned, terminate the program about a year from now.

While he didn't say he was tapping on the brakes, Bernanke's comments still rattled the bond markets and yields quickly jumped almost 0.5%. Bonds lost -1.6% in June as measured by the Barclays Aggregate Index and have lost -2.4% over the first half of the year. The ten year Treasury bond ended the quarter yielding 2.49% compared to 1.76% at year end. Thirty year mortgage rates have surged over 1% in the past two months to 4.5%.

The Bond markets overseas did worse partly owing to a stronger U.S. dollar (weaker foreign currencies). The Barclays Global Treasury ex U.S. Index of developed country bond markets, lost -1.2% in June and is off -6.7% year to date.

TIPS bonds have been poor performers given rising interest rates and tame inflation. Reported CPI inflation is up only +1.4% in the U.S. and has been generally quite low across the globe. In addition most commodity markets are weak and workers have little bargaining power given high unemployment rates. Treasury Inflation Protected Securities lost -3.6% in June and were down -7.4% year to date.

Stocks dropped as well with the S&P 500 ending the quarter at 1,606, about -3.5% off its May all-time highs. It lost -1.3% in June, but has posted a +13.8% total return year to date. Small and midcap stocks have done slightly better so far in 2013.

U.S. REITs finally came down to earth after having outperformed most asset classes for months. Granted the commercial real estate sector is improving, but prices got ahead of the fundamentals. Investors were looking to REITs as a high yielding bond substitute. When interest rates rose, REIT prices got clobbered. The REIT index was off -1.9% in June and even more in May, but is still up +6.4% year to date.

Developed international equity markets have been on a roller coaster for some time now. Despair in Europe and euphoria in Japan pretty much sums it up. The land of the rising sun has embarked on an epic program of monetary and fiscal stimulus to jolt the economy out of its lethargy. It seems to be working – for now. The Nikkei is up +32.8% this year when priced in yen and +15.1% in dollars.

Meanwhile Europe may be exiting a mild recession. Still, the unemployment rate is 12.2%. The disparity between the north and south remains with Germany doing fine but the PIGS (Portugal, Italy, Greece and Spain) still struggling with high unemployment and negative economic growth. Budget deficits are improving but unrest in the streets persists, leading many to question "austerity" as a solution to persistent deficit/debt issues.

The MSCI Emerging Markets Index lost -6.4% in June and is off -9.6% year to date. In China, government efforts to cool real estate prices and financial speculation are slowing the economy. Brazil and Turkey are seeing unrest and protests. And a weaker Japanese yen upsets its other Asian emerging market neighbors (such as South Korea) as they become less competitive vis-a-vis Japan. We have to admit, underperformance in the Emerging Markets is not playing out per our forecast.

(Continued on page 2)

PORTFOLIO STRATEGY

(Continued from page 1)

The P/E for the Chinese equity market is now 7.7x, while it is 9.9x for the MSCI emerging equity markets as a whole. That's a pretty cheap valuation and compares favorably to 13.8x on the U.S. market.

Keep Calm and Carry On

As long as inflation remains in check and economic growth is modest the Fed will maintain its easy monetary policy. Besides, while QE may be tapering, ZIRP is still in place. That's the Zero Interest Rate Policy the Fed announced that keeps short rates close to zero until the unemployment rate gets down to 6.5% (it's 7.6% now). The Fed expects this to be in place through 2015.

Ten year government yields around 2.5% with inflation just above 1% seem ok to us. And we don't expect



Fed tightening anytime soon. So like the British in WWII, investors should keep calm and carry on.

We expect that interest rates will eventually rise but don't expect that to stop stocks from posting modest gains. Besides, we might be wrong – about bonds! Maybe high quality bond

yields at these levels are about right given a still fragile and modest U.S. and global growth environment. After all, inflation has been declining for several years now and it is quite low.

Recent market volatility can be unnerving, especially given lingering memories of the Panic of 2008, ongoing anxiety out of Europe and now the emerging markets, and not to mention unusual global central bank policies. Our best advice is to maintain a disciplined approach and to keep a balanced and diversified portfolio. Try to tune out all the market noise and stick to your

plan. We are doing that.

Jeff Pantages, CFA
Chief Investment Officer

What's Ulysses got to do with investing?

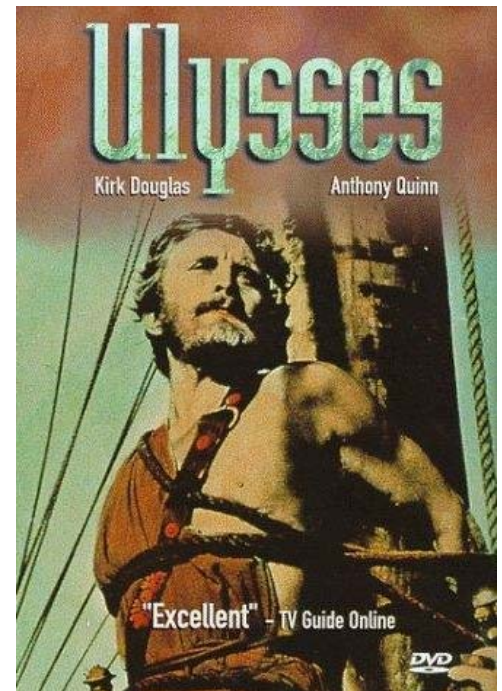
In Greek mythology, the Sirens were dangerous and beautiful creatures, portrayed as femme fatales whose enchanting music lured nearby sailors to be shipwrecked on the rocks or to jump overboard.

Ulysses was curious as to the Sirens' songs, so he had his sailors plug their ears with beeswax and tie him to the mast. He ordered his men to sail by the Sirens and leave him tied to the mast, no matter what. When he heard their beautiful song, he ordered the sailors to untie him, but they bound him tighter.

Investors can get sidetracked by both greed and fear. Panic in 2008 caused many to jump out of the market and sell at the bottom. Euphoria during the dotcom boom resulted in overexposure to overvalued stocks and optimistic (and unrealistic) return assumptions.

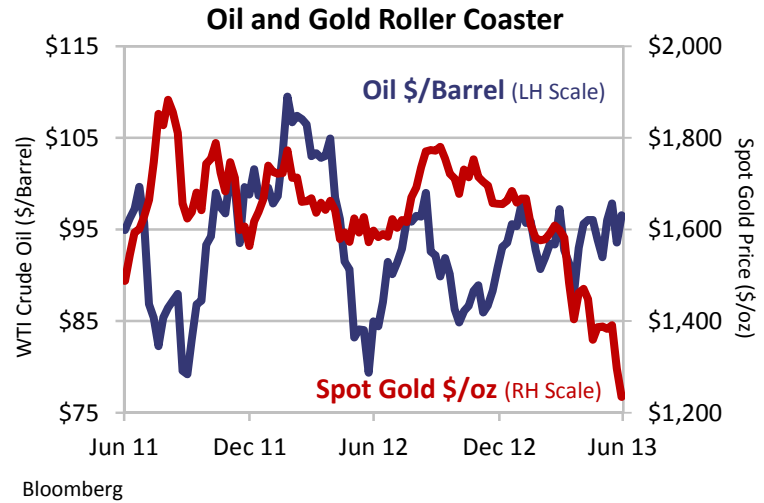
Clients need to stay true to their strategic long term asset allocation through thick and thin. They need to stay the course like Ulysses. Institutional clients should be true to their IPS, especially in volatile markets. That Investment Policy Statement outlines a long term strategy that has been thoughtfully crafted. Tie yourself to that IPS mast!

Individual clients should spend time with their financial planner up front and settle on a long term strategic allocation. This is probably the most important decision they will make. It is that initial allocation that largely drives performance going forward. Once it is set, stick to the plan, unless your specific circumstances change.

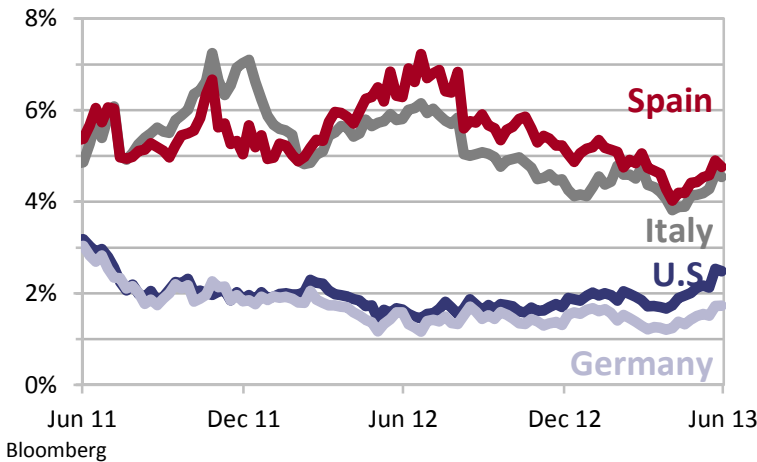


Bloomberg Consensus Forecasts

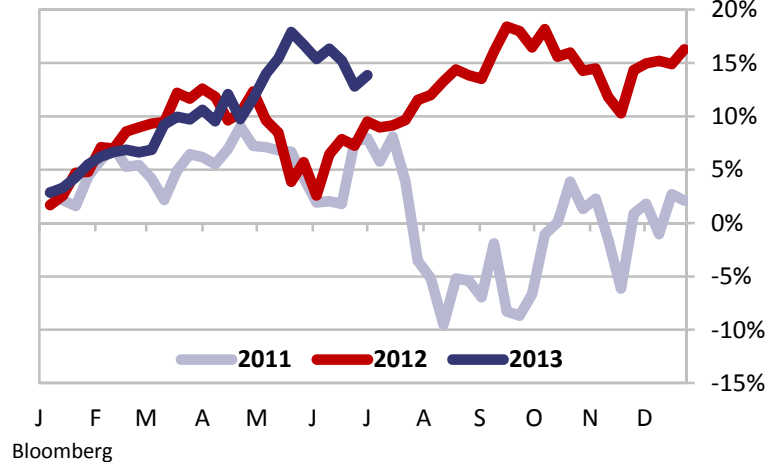
Data as of 7/8/13	2012	2013	2014	2015
Real GDP (% YoY)	2.2	1.9	2.7	3.0
CPI Inflation (% YoY)	2.1	1.5	1.9	2.2
Unemployment (%)	8.1	7.5	7.0	6.5
Fed Funds (%)	0.25	0.25	0.25	-
10-Yr Note (%)	1.76	2.41	2.76	-



10 Year Global Treasury Note Yields



S&P 500 Index Total Return



Municipal Bonds: Opportunity or Trap?

The city of Detroit recently announced it would miss a \$40 million unsecured-bond payment along with a proposed restructuring wherein some holders of the city's debt would receive pennies on the dollar. Add this to a few very high profile public bankruptcies like Stockton and San Bernardino, California along with Jefferson County, Alabama it is no wonder that municipal bond funds have seen withdrawals and muni yields have risen sharply over the past quarter.

Muni's now yield more than comparable Treasuries even before taking into account their tax exempt benefit. The question is whether this an opportunity or a trap?

First let's look at the underlying fundamentals. There are over 8,000 municipal issuers, very few defaults historically, and the fiscal performance of states and municipalities is improving.

However, unfunded health care and pension liabilities are cause for increasing concern. These are very 'hard' liabilities involving contractual and vested rights that can only be modified with great difficulty.

The pillars of credit analysis have always been an assessment of willingness and ability to pay. The ability of municipal issuers is improving along with the recovery in the economy. But we do wonder about their willingness. Will bondholders be asked to share in the pain to help fix some of these long term pension and health care obligations?

In any event, many municipals are attractively priced and we are selectively buying in client portfolios. We remain up in quality, favoring revenue bonds, and are vigilant as to signs of deterioration in credit.

Jason Roth
SVP, Portfolio Manager



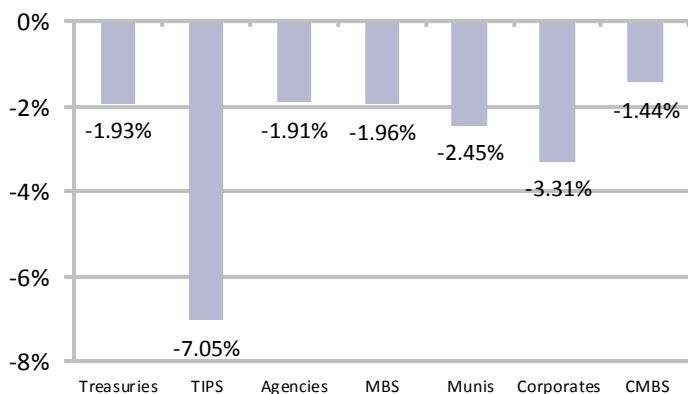
Bill Lierman, CFA
Portfolio Manager

■ The fixed income market had a difficult quarter as the Barclays U.S. Aggregate posted its worst quarterly return since 2004. The broad index of U.S. bonds was down -2.3% in Q2 and -2.4% YTD. The ten year Treasury yield jumped from 1.85% to 2.49% over the quarter.

■ Ten year TIPS yields (aka real yields) reached a low of -0.62% on May 2 and ended June at 0.45%, a move of +107

basis points (bps). Nominal 10 year yields were up only 59 bps over the same period, so the break-even rate (a measure of investor inflation expectations) between the two bonds fell to 2.04%.

Q2 2013 Bond Total Return



Barclays

■ Agency spreads widened out by 10 bps over the month on bonds with maturities of 5 years and out. Ten year Agencies yield almost 50 bps over Treasuries.

■ Legislation is gradually making its way through Congress that would eliminate Fannie Mae and Freddie Mac and shift more mortgage and credit risk to the private sector. Fannie and Freddie currently own or guarantee half of all U.S. mortgages and back nearly 90 percent of new ones.

■ Corporate bonds underperformed Treasuries as spreads widened. As measured by Barclays index data, the average spread on corporate bonds went from 136 to 152 basis points during Q2 and the excess return vs. Treasuries was -0.54%.

■ Municipals had their worst quarter since 1994 owing partly to poor liquidity in the market and mutual fund outflows. A pending default in Detroit didn't help matters. The Barclays Municipal 7 Year Index lost -2.5% in Q2 and is down -2.0% YTD.

■ Despite some equity market weakness in June, U.S. stocks posted solid gains during the first half of 2013. Small caps have led the way (+16.2%), with mid cap (+14.6%) and large cap (+13.8%) not far behind. Profits at S&P 500 companies are expected to be up about +4% in Q2 while estimates for revenue growth stand at a low +0.5%. Recently, many companies have issued negative guidance.

■ The U.S. has remained a relatively safe haven as Europe struggles with a mild but persistent recession and investors question the emerging markets' growth prospects. The MSCI EAFE Index managed to gain +4.1% in the first half, while emerging markets fell -9.6%. The Shanghai Composite is down -9.6% YTD and bouncing around its 2008 lows. Meanwhile Brazil's equity markets are off -28.4% YTD amid protests in regards to the rising cost of living.

■ The forward P/E ratio for the S&P 500 is now 13.8x—which is reasonable. The EAFE P/E stands at 12.5x and EM is at 9.9x next year's earnings. Both these valuations suggest cheapness.

■ Commodities continued to lose ground and fell -4.7% in June as measured by the Dow Jones-UBS Commodity Index. The index is down -10.5% this year. Energy has been the best sector, but is still down -2.0% in 2013. Precious and industrial metals have performed the worst this year, down -29.6% and -17.4%, respectively. Gold had its worst quarterly drop on record and is now just under \$1,250 an ounce compared to \$1,650 at year end.

Total Return (%) as of June 30, 2013

	Q2 2013	1 Year	3 Years	5 Years
Domestic Equities				
Large Cap S&P 500	2.9	20.6	18.5	7.0
Mid Cap S&P 400	1.0	25.2	19.5	8.9
Small Cap S&P 600	3.9	25.2	20.3	10.0
International Equities				
Developed MSCI EAFE	-1.0	18.6	10.0	-0.6
Emerging MSCI Emerging Markets	-8.1	2.9	3.4	-0.4
Other				
Commercial Property S&P U.S. REIT	-1.5	9.3	18.3	7.6
Commodities DJ-UBS Commodity	-9.5	-8.0	-0.3	-11.6
Fixed Income				
Total Bond Market Barclays Aggregate	-2.3	-0.7	3.5	5.2
1-3 Yr U.S. Treasury/Agency Barclays 1-3 Gov	-0.1	0.3	0.9	2.0
Int'l Treasury Barclays Global Tsy ex-US	-3.5	-2.5	4.4	3.0

Returns are annualized for periods greater than one year



Brandy Niclai, CFA
Portfolio Manager



Status Report

City of Craig

July 8, 2013

Submitted by

Steve Silver

Robertson, Monagle, and Eastaugh

General Background and Federal Appropriations Process

On this momentous Day, July 4, 2013, the Congress is in its recess to celebrate this holiday and is scheduled to return on July 8 to continue its work. At this point the federal budget is still being written in tandem by both Houses of Congress on separate tracks. This is the 3rd year that this process has been on this track because the Democratically controlled Senate and Republican controlled House of Representatives cannot agree on an overall budget document which normally provides the overview, binding instructions to the Appropriations Committees which actually write the federal budget. It is unclear how this will affect the final federal budget which must be approved by September 30 or the Congress will be forced to pass a “continuing resolution” (CR) which will fund the government at existing levels.

This continuing resolution is what the Congress passed at the end of last calendar year as part of its legislative package to avoid the so called “fiscal cliff.” Right now, both Alaska Senators are serving on the Appropriations Committee which makes them well placed to influence the federal budget approval process. Both the Senate and House are moving forward to pass bills out of Committee but there is little certainty what will happen after that. It seems unlikely that House and Senate can agree on a “top line” budget which would allow the Congress to pass a full budget either before or after September 30. Most observers expect the Congress to deal with this issue in the last quarter of the 2013 calendar year and the first quarter of the federal fiscal year which begins on October 1, 2013.

In the meantime, Congress is expected to pass a short term CR which will fund the government from October 1 until the Congress decides how to fund the federal government for the balance of the federal fiscal year. This issue will have to be dealt with since another date will really dictate Congressional action: that is the need to raise the federal debt limit which is expected to occur sometime in the last quarter of 2013. That date remains something of a moving target because the Treasury Department must determine when it can no longer use its existing spending authority based on a variety of issues including tax receipts, federal bond sales and payments, entitlement spending and the overall effect of the economy on federal spending.

A final word in this report on the federal budget process: while even more confusing than ever, the fact that both Sen. Murkowski and Sen. Begich are on the committees is very important. The Alaskans on this committee in the past have wielded enormous influence on the federal budget process and how it will affect Alaska. A variety of issues including those of tremendous importance to Ketchikan and southern Southeast Alaska are affected by the appropriations process including:

1. Federal timber policy which is changing rapidly and will affect the economy of Craig, Prince of Wales Island, and southern Southeast Alaska.
2. Secure Rural Schools Update.
3. Roadless litigation and policy issues.
4. Bokan Mtn. and Niblack Rd. .
5. FCC policy including rural broadband, Alaska federal support and the confirmation of at least two more FCC commissioners.

More discussion on these and other issues follows below:

Federal Timber Policy

A lot is happening on federal timber policy which will affect the Ketchikan business economy in addition to the ongoing Roadless litigation which will be discussed below.

1. **Tongass Five Year Review**—The USFS has completed a five year review of its current Tongass Land Management Plan. This is a little strange since the current administration has not been willing to implement the existing TLMP. It is widely

thought that this review is setting the stage to amend the policy to include the USFS long announced but not yet implemented so-called transition rule. That rule intends to eliminate traditional timber harvest by an as yet unannounced phase down of current timber sales by switching sales to young growth timber management. Most experts agree that the policy will not work and may damage the future of second growth timber sales in the future, about 30-50 years from now.

Nevertheless, the USFS seems determined to move forward on this policy. Regional Forester Beth Pendleton has recently announced this policy even though the comment for the 5 year review has just conclude and he USFS has not announced its response to the comments. This leaves one of the key issues under the review period apparently already decided. See attached Pendleton memo.

I expect this issue to become a major issue throughout Southeast Alaska and to involve Southeast Conference and its members as the year progresses. I will provide more information on this as it becomes available.

- 2. Sealaska Legislation**—The Senate Energy And Natural Resources Committee and House Natural Resources Committee have each approved and reported different versions of the Selaskas land legislation. The House bill is essentially identical to the bill which Congressman Don Young sponsored last year and which passed the House. However, the Senate did not act on the bill before the Congress adjured Con. Young is the sponsor of this bill which deals only with the Sealaska land selections. The Senate bill sponsored by Sen. Lisa Murkowski and cosponsored by Sen. Mark Begich, adds two other important titles to the bill. The first includes about 155,000 acres of federal set asides known as habitat conservation areas which will be managed similarly to the existing LUD II areas. The other title is a provision demanded by the Obama Administration to permit it to increase harvest of young growth areas before the normal time referred to Cumulative Mean Annual Increment (CMAI). This provision is very controversial among many timber experts, but the Obama Administration maintains that this is an absolute requirement for it to support the Senate bill which it currently does.

More consideration of the Sealaska bill is expected in the late summer or early fall. I will provide more information as soon as it is available.

3. **Big Thorne Timber Sales**—The USFS has announced the imminent sales of a larger than normal timber sale known as Big Thorne on Prince Wales Island. This sale could be significant if survives the typical appeal and timber litigation process. USFS Forest Supervisor Forrest Cole announced this sale recently in a luncheon address before the Ketchikan Chamber of Commerce. A Ketchikan Daily News article describing this address and sale are attached. I will provide more information on this sale as it becomes available.

The news report is that most of this sale will be on Prince of Wales Island and will most likely supply timber to the Viking mill.

Secure Rural Schools Legislation Update

The final status of the Secure Rural Schools program remains very uncertain. Virtually all parties seem to expect that this program will not be renewed for any long period of time.

The problem is in many states, including Alaska, but particularly rural Oregon, major services are being disrupted, curtailed, and ended by the budget crisis created by the current ending of the SRS program.

Sen. Murkowski and Sen. Ron Wyden(D-OR) have worked to find a temporary extension of the program until a new funding source can be implemented.

Sen. Murkowski remains skeptical that any SRS program can be passed, but she has cooperated with Sen. Wyden in his desire to pass a short extension of the current program. This extension is contained as part of the funds which are expected to be generated by the sale of federally owned helium. The funding which still must pass the House and be included in the federal budget is estimated to provide enough funding for a one year extension of the program including for Alaska communities such as Craig.

At this point this Helium sale bill has only been passed by the Senate Energy Committee. The bill has a long way to go and it is unclear what the prospects for passage will be and when such passage might occur. The details of this are sketchy at this point. The bill passed the Senate Energy Committee just before the July 4 recess and no specific details have yet been provided by the Committee.

I will provide more information on this as soon as it is available.

Roadless Litigation

The ongoing Roadless Litigation is now before the Circuit Court of Appeals for the District of Columbia. Most recently, the State of Alaska, the Craig, Ketchikan, and other intervenors and Alaska Forest Association have filed initial status documents with the Court of Appeals for the District of Columbia. This moves forward with the appeal of the initial decision by the D. C. District Court which ruled for the Federal Government which claimed that the appeal was not timely because it was not filed within in the first 6 years of the Roadless Rule. This decision was totally incorrect since it ignored the fact that during that 6 year period the State had obtained an out of court settlement which suspended the application of the Roadless Rule to Alaska. The 3 parties with the State in the lead have appealed this decision to the DC Circuit Court. At this point, no further schedule is available, but the Appeals Court should issue a scheduling order soon.

Niblack and Bokan Mtn. Road Legislation

The Senate and House are hopefully planning to schedule a hearing on a number of miscellaneous public land bills. This includes the parallel legislation to authorize the construction of a road to Bokan and Niblack Mtn. mines. The Alaska delegation is very committed to this bill and now that the Sealaska bill has been reported from the House Natural Resources and Senate Energy and Natural Resources Committees, the way is more clear for the hearing on these two bills.

My goals is to get a hearing scheduled in both Congressional Committees in September so that Mayor Watson and the witnesses from the mines can testify at the hearings during the same week in September. This is often not the case but I will do my best. I will report on the progress on this bill as information becomes available.

Federal Communications Issues

I am working closely with the Congressional Delegation to influence now breaking policy issue which could improve federal support for the Telephone Department. This involves at least 3 venues: potential federal legislation, the appointment of a new Federal Communications Commission (FCC) chairman and Republican board member and possible FCC action on rural broadband

support. Most of this activity is aided by the recent departure of former FCC chairman, who was unsympathetic to rural areas and particularly to Alaska's unique position in telephone support and favored using Universal Service Funds to aid broadband support in ways which hurt Alaska and other rural areas.

If this effort is successful, the changes can and hopefully will allow better and possibly less expensive telephone and broadband service to Craig and others on Prince of Wales Island.

1. New FCC commissioner—The President has announced the appointment of Ted Wheeler, a former DC lobbyist and head of a number of telecom trade associations. His appointment has set off a number alarm bells because Mr. Wheeler will need to divest himself of telecom stock that he holds and may have to recuse himself from issues which he has worked on personally. That is still being sorted out as part of his confirmation process.

In the meantime, I will work with the Congressional Delegation to get as many commitments as possible to revisit and revise the current FCC policy which harms KPU and other rural carriers in Alaska and the lower 48. In his confirmation hearing and in discussions with the Alaska Delegation, he has expressed sympathy for Alaska's needs but has made no commitments to change policy. This issue remains a work in progress.

2. Federal legislation—The Alaska delegation is considering introducing legislation which would fix some of the problems created by the FCC order on broadband and USF support. This is not an easy issue but it is serious enough for this issue to be front and center on the Delegation's telecom agenda. The legislation is still a work in progress, but I am working with KPU to develop this legislation to provide maximum benefit to KPU which has some different issues than some of the other AK and lower 48 carriers. I will provide more info on this issue as it becomes available.

3. FCC action—this issue is still in early development and cannot be brought forward until the new members of the FCC are appointed. However, I am working with the Congressional Delegation on

Preparing the ground for an amendment or a change in the current broadband order issued by the FCC last year. I will provide more information on this issue as it becomes available.

Conclusion

This concludes this quarterly report. I will provide more information on these and other topics to the Manager as information becomes available. I will file another quarterly report in early October for the period from July 1-September 30, 2013. Please let me know if you have any questions concerning this report.

MEMORANDUM
DEPARTMENT OF NATURAL RESOURCES

State of Alaska
DIVISION OF FORESTRY
Southern Southeast Area Office

TO: Reviewers

DATE: July 11, 2013

FILE: FYSTS 2013-2017

PHONE: 907-225-3070

FROM: Patricia Palkovic
Area Forester

SUBJECT: Draft FYSTS

Schedule of Timber Sales (CY 2013-2017)

Enclosed is the public and agency review draft of the Coastal Region's Southern Southeast Area Five-Year Schedule of Timber Sales for the period of January 1, 2013 through December 31, 2017. Please review and submit your comments to me no later than August 26, 2013.

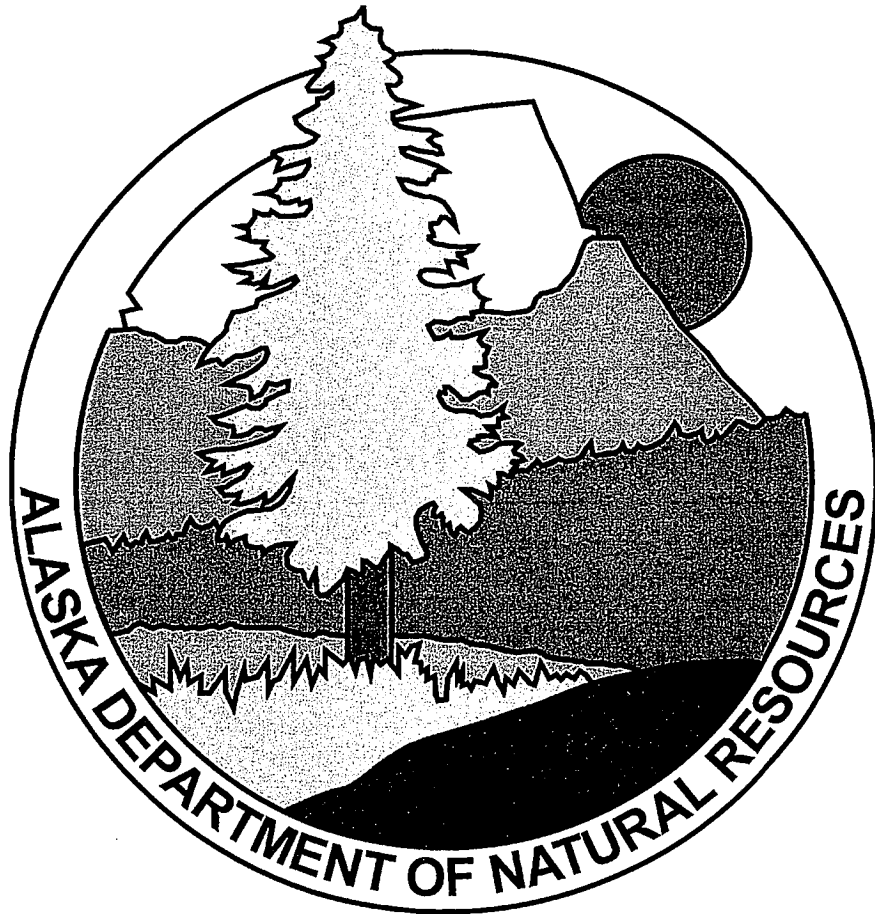
Comments should be sent to:

Area Forester
Southern Southeast Area
Division of Forestry
Alaska Department of Natural Resources
2417 Tongass Ave., Suite 213
Ketchikan, AK 99901

RECEIVED

JUL 15 2013

CITY OF CRAIG
CRAIG, ALASKA



**DIVISION OF FORESTRY
COASTAL REGION
SOUTHERN SOUTHEAST AREA**

**FIVE-YEAR SCHEDULE
OF
TIMBER SALES**

CALENDAR YEARS 2013 THROUGH 2017

Purpose of the Five-Year Schedule of Timber Sales

The Five-Year Schedule of Timber Sales (FYSTS) identifies areas where the Alaska Department of Natural Resources (DNR), Division of Forestry (DOF), Southern Southeast Area is considering pursuing timber sale planning. The Five-Year Schedule is meant to inform the public, timber industry, local governments, and other agencies of potential State timber sales. The Five-Year Schedule provides a basis for comment by the public and other governmental organizations. The Five-Year Schedule of Timber Sales is not developed as a decision document for particular timber sales.

This Five-Year Schedule of Timber Sales meets the statutory requirements of AS 38.05.113 and acts as a basis for allocating departmental resources in considering, designing and conducting timber sales. For planning purposes and consideration of the operating season, the volume and harvest information included in this document are based on the calendar year. This document does not represent harvest levels proposed by the University of Alaska or the Alaska Mental Health Land Trust. Their respective offices manage the University of Alaska and Mental Health Trust lands.

This FYSTS provides information to the public concerning development and use of the State's forest resources in the Division of Forestry's Southern Southeast Area for the period January 1, 2013–December 31, 2017 (portions of State's fiscal years 2013-2018). The Southern Southeast Area encompasses lands from Tracy Arm/Frederick Sound south to Dixon Entrance and Portland Inlet.

Salvage sales, emergency sales, sales of 160 acres or less, negotiated sales less than 500 thousand board feet (MBF), and personal use permits are exempt from the FYSTS requirements. All other timber sales must be included in one of the two five-year schedules preceding the sale. To give the public a responsible representation of DNR activities, the five-year schedule will also include, whenever practical:

1. All sales less than 160 acres that require a Forest Land Use Plan (FLUP).
2. Salvage sales and areas of contiguous small sale activity on at least one FYSTS preceding the sale unless waiting on the schedule will:
 - a. cause substantial losses of economic value on salvage sales under AS 38.05.117, or,
 - b. for sales less than 160 acres, preclude a local economic enterprise or forest management project that is in the State's best interest.

The Southern Southeast Area Office of the Division of Forestry bases the Five-Year Schedule of Timber Sales on lands that are available for timber harvest, as identified in the Area Plans. Area plans are long range planning documents prepared by the DNR to determine the acceptable different uses of State land in regional areas such as Prince of

Wales Island and Central/Southern Southeast. The areas targeted for timber harvest and development are quantified in this FYSTS based on aerial photo inventory. This is augmented by limited ground reconnaissance and historical knowledge accumulated by personnel working in the area. To meet the State mandate of sustained yield according to AS 38.04.910, the Division of Forestry has taken a conservative approach to developing the annual allowable cut. The Division of Forestry manages the annual allowable cut on a decadal basis and will not exceed its allowable annual cut as averaged on a ten-year basis.

All State timber sales must comply with the Alaska Forest Resources and Practices Act and Regulations; and the Alaska Land Act and Regulations. Further, all State timber sales must adhere to area wide land management policies for each management unit (Chapters 2 & 3) of the Prince of Wales Island Area Plan, the Prince of Wales Island Area Plan Amendment, or the Central/Southern Southeast Area Plan.

After adopting the Five Year Schedule of Timber Sales, the DOF will do more detailed fieldwork to assess and design proposed sales. Before any commercial timber sale of ten acres or larger is offered, the Division of Forestry will prepare a Forest Land Use Plan (FLUP) to determine whether or not the sale is in the State's best interest. The FLUP gives site-specific information for each sale describing the location, estimated timber volume, harvest methods, reforestation plan, access, and other potential uses of the sale area. Other State agencies and the public have the opportunity to review and comment on every Forest Land Use Plan per AS 11.05.945(a). Any concerns or mitigation needs that arise during the FLUP review period will be addressed by the Division of Forestry as part of the final decision on whether to continue with the sale planned or to take other action. The DOF will also develop a Forest Land Use Plan for any known area where there is likely to be a number of contiguous small sales. The Division of Forestry defines a small sale as a timber sale of less than 10 acres.

Timber Sale Land Base

The dominant public landowner in the area is the United States Forest Service (USFS). The dominant private landowners are the native village corporations and the regional native corporation, Sealaska Corporation.

The State land base in Southern Southeast Alaska includes the major islands of Mitkof, Kupreanof, Kuiu, Etolin, Wrangell, Prince of Wales, and Revillagigedo, and the surrounding smaller islands south of Fredrick Sound. In addition, the land base includes the mainland from Tracy Arm to Hyder. The Division of Forestry operates on two basic types of land in southern southeast Alaska; General Use (GU) lands and Southeast State Forest lands. The General Use land has been designated in the Areas Plans as being appropriate for timber harvest along with other multiple use activities. The Area Plans designate several different uses of land in addition to GU such as Habitat and Settlement. Unless specifically requested by DMLW or other state agencies, the Division of Forestry only manages for timber resources on GU and State Forest lands.

In 2010 and 2011, the Legislature designated the Southeast State Forest (SESF). The State's third and newest forest includes 48,472 acres of land located in southern southeast Alaska that originally was GU designated lands. Many of the Forest's 33 parcels are on Prince of Wales Island. Other parcels are located on Gravina, Heceta, Kosciusko, Revillagigedo, and Tuxekan islands. The remaining three parcels are located on the mainland.

By reserving the land ownership and designating it as State Forest lands, the Legislature defined the management intent of the parcels. While GU classified land allows for timber harvesting and other forestry activities, the State Forest designation focuses the long term use of the land to providing timber and other forest resources. The Division of Forestry has and will invest in an active manner to achieve the use of these forest resources. Examples of this investment include construction of roads and other infrastructure; and management actions such as pre-commercial thinning to improve tree growth and wildlife habitat.

The Division is in the process of preparing a Forest Management Plan for the Southeast State Forest, the plan will be completed within the year. The Forest Management Plan will replace past planning efforts for these lands under the Prince of Wales Island Area Plan, the Prince of Wales Island Area Plan Amendment, and the Central/Southern Southeast Area Plan.

Management Intent of the DOF Timber Sale Program

The Division of Forestry's management intent for Southern Southeast Area is to provide raw material for the local timber industry while maintaining the sustained yield of renewable resources. The intent of the timber sale program is to help support the wood product businesses in Alaska's southeastern communities. At the present time, most negotiated State timber sales in Southern Southeast Alaska require primary manufacture in the State, with emphasis on producing value-added and high value-added products. The percentage of required in-state manufacturing may vary in the future by timber sale. Resource protection, road construction costs, transportation costs, sale location, sale size, timber species and the world economy are all influences that affect the ability of a timber sale purchaser to process timber locally. The State will pursue processing as much of the timber locally as possible while maintaining a focus on delivering economically operable timber sales to local manufactories.

The timber industry in the past has been dependent on the USFS land base for a timber supply, but uncertainties involving the Tongass Land Management Plan over the last decade have made the fiber supply to the local mills erratic. This has not been conducive to maintaining a stable industry or providing wood for domestic products that are needed for community maintenance and growth. The State's land base cannot solely support the timber industry in its present form. However, it is the Division of Forestry's intent to try and fill timber supply gaps when possible. State timber sales will be targeted to offer opportunity to as many local processors as possible.

Small Timber Sales

The Division of Forestry may negotiate small timber sales (AS 38.05.115) while complying with regulations for these small sales as established in 11 AAC 71.045. Small mills have expressed an interest in small sales because they fit their mill capacity needs and are within their economic range. The Southern Southeast Area DOF will layout small sales as ground conditions and sale economics allow. The Division of Forestry will strive to accommodate as many operational small mills as possible while staying within our manpower and budget constraints.

Timber Harvest Methodology

The majority of the timber harvest in the region will be by the clear cut method. Given the patchwork of varying land uses allowed on State land by the area plans, the Division feels that clear cutting is an effective and safe silvicultural tool to use. The majority of the proposed timber sales in the FYSTS are less than 160 acres in area. Where the State timber sales have the potential to impact an area due to their size, location, or accumulated effect, they will be mitigated and managed through the FLUP process. Where economically practical with respect to a perceived need for specific species of timber, a selective harvest will be considered if the potential future value of the stand will not be degraded by this action.

The Division of Forestry is required to manage its' timber harvest on a sustained yield basis. "Sustained Yield" means the "achievement and maintenance in perpetuity of an annual or regular periodic output of the various renewable resources of the State land consistent with multiple use" (AS 38.04.910). The Division's policy is to define "regular periodic output" as output over a ten-year period. Based on proposed sales and 2003-2012 harvest data, sales through 2012 were within the "sustained yield" management objective. In most cases the total yearly volumes listed in this FYSTS exceed the allowable cut on a yearly basis; this is done for planning purposes and to allow leeway within the DOF's timber sales program in meeting possible market fluctuations.

The allowable cut calculation method that best utilizes existing information is the area regulation method. The area regulation method involves determining the net-forested acres available for harvest and dividing that number by the rotation period. The rotation period is the time it takes to grow a commercial stand of trees. A 100-year rotation has been the established standard for Southeast and will be used by the Division of Forestry. This rotation age could be adjusted in the future when more scientific information is available. Initial studies indicate that a rotation age as low as 70 to 80 years may be feasible on managed lands in Southern Southeast Alaska.

The Area Plans are the governing source for gross available acreage. The DNR has accounted for a variety of other uses for forest lands including but not limited to, recreation, fish and wildlife habitat. The Division of Forestry has estimated that out of this total land base, 49,542 acres can be considered for timber harvest. Acreage was

estimated from aerial photograph analysis and further augmented by limited ground reconnaissance and historical knowledge accumulated by personnel working in the area. Operable gross acreage was derived after reductions for 100 foot timber retention areas along known anadromous and high-value resident fish water bodies, exclusion zones listed in the area plans, and known eagle nesting sites. The operable gross acreage at this time is 46,673 acres. The Division will continue to adjust and refine the operable acreage based on fieldwork dependent upon staff availability and travel funds. When the total operable harvest acreage (46,673 acres) is divided by the 100-year rotation period, an annual allowable cut of 467 acres is derived. Based on DOF experience with the land and the timber base, an average volume of 26 MBF per acre was applied yielding an allowable cut of 12,135 MBF (12.135 MMBF) per year.

Narrative Summary of Five-Year Schedule Activities

Right-of-way sales, blowdown sales and sales less than ten acres in size are not generally located on the maps for this FYSTS. In many cases the location of these sales will depend on road construction within or adjacent to state lands, State subdivisions, timber sales in subdivisions, other local harvest activity, and any changes in the State land status.

The majority of the projected sales will occur on Prince of Wales Island. This schedule includes sale area maps for all potential sales over 10 acres in size for CY 2013-CY 2017. Due to a variety of reasons, including budget constraints, lack of personnel, sale program direction and market uncertainties, most of the sales in the last three years of this schedule are conceptual at this time. Photo layout and ground reconnaissance will begin as time and budgets allow. Annual harvest volumes for this Five-Year Schedule of Timber Sales are higher than the annual allowable cut on a yearly basis. This is done for planning purposes to allow leeway in DOF timber sales programs to meet possible market fluctuation. Under no condition will the annual allowable cut be exceeded over a ten year period.

2013 Calendar Year

Small Sales

These small sales will be located throughout Southern Southeast Alaska. Five to ten small sales totaling approximately 2,000 MBF (2.0 MMBF) of timber will be offered for Calendar Year 2013. These sales are intended to provide small operators with timber to continue operating and produce value-added and high value-added products to the benefit of their local communities.

North Thorne Bay #4 Sale

Located northeast of the City of Thorne Bay on Prince of Wales Island, this sale area will be an extension of the Thorne Bay #3 Sale road system. The sale will be south of the harvested Thorne Bay #3 timber sale. The goal of this sale will be to offer timber volume of approximately 4,300 MBF (4.3 MMBF) with approximately 1.7 miles of new road construction which will be closed at the end of operations.

Bostwick #1 Reoffer Sale

Located on Gravina Island west of the Ketchikan International Airport, the Bostwick #1 Reoffer sale would be comprised of three units which were not completed under the original contract. This sale is approximately 38 acres with an estimated volume of 1,300 MBF (1.3 MMBF) remaining and estimated road construction of 2.0 miles. This sale may be combined with the Bostwick #2 sale.

Bostwick #2 Sale

Located on Gravina Island west of the Ketchikan International Airport, the Bostwick #2 sale would be comprised of three units on the east side of Bostwick Creek. This sale is approximately 261 acres with an estimated volume of 5,700 MBF (5.7 MMBF) and estimated road construction of 3.0 miles. The DOF will work with the ADF&G, Habitat Division for bridge placement across Bostwick Creek. Critical habitat as outlined in the Central/Southern Southeast Area Plan will be protected. This sale may be combined with the Bostwick #1 Reoffer sale.

Heceta Second Growth Sale

The Heceta Second Growth Sale involves the commercial harvest of mixed old growth and second growth timber on Heceta Island, in the Camp Cove area. The timber sale will utilize existing roads for harvest activities. The sale contains an approximately 5,600 MBF (5.6 MMBF) of timber.

2014 Calendar Year

Small Sales

These small sales will be located throughout Southern Southeast Alaska. Five to ten small sales totaling approximately 2,000 MBF (2.0 MMBF) of timber will be offered for Calendar Year 2014. These sales are intended to provide small operators with timber to continue operating and produce value-added and high value-added products to the benefit of their local communities.

Vallenar Bay Sales

Located on Gravina Island near Vallenar Bay, the sale consists of approximately three harvest areas that are mixed old growth and second growth. As per the Central Southern Southeast Area Plan, no harvest will occur within 100 feet of privately owned land. Approximately 5,650 MBF (5.6 MMBF) of second growth timber and 6,180 MBF (6.1 MMBF) of old growth timber could be harvested from this area for a total harvest of 11,830 MBF (11.8 MMBF) on 589 acres. An estimated 4.4 miles of new road construction and 1.8 miles of reconstruction may be required.

To enable use of the new State Forest lands, the Legislature in 2013 authorized the expenditure of 5 million dollars to construct a road from the existing Gravina road system to the Vallenar Bay parcel. In preparation for the Vallenar Bay sales and the state forest management plan, the Division of Forestry will be investigating the practical requirements, the neighboring land ownership interest, and the requirements of facilitating a connection between the State's Bostwick parcel and the Vallenar Bay parcels by a forest road.

South Thorne Bay #4 Sale

Located on the Kasaan Peninsula of Prince of Wales Island, this sale will be an extension of the South Thorne Bay #3 road system. Approximately 283 acres adjacent to the South Thorne Bay #3 timber sale have been identified for harvest. The goal of this sale will be to offer one sale of approximately 5,660 MBF (5.6 MMBF). An estimated 2.6 miles of road construction will be required for this sale.

Beach Road #2 and #3 Sales

Located northeast of the city of Thorne Bay on Prince of Wales Island, these sale areas are north and east of the Thorne Bay #2 sale that was sold in 2004. Two harvest units consisting of approximately 90 acres of timber containing 1,500 MBF (1.5 MMBF) remain as potential harvest units and will require an estimated 1.0 miles of new road construction. Both units will be accessed from the logging road constructed for the Thorne Bay #2 timber sale.

Naukati Area Sales

Located on Prince of Wales Island near the town of Naukati, this sale area consists of three harvest areas which will be sold in two to four sales. The harvest areas total approximately 119 acres containing an estimated 3,100 MBF (3.1 MMBF) of timber and may require the construction of a short spur road into each unit.

2015 Calendar Year

Small Sales

These small sales will be located throughout Southern Southeast Alaska. Five to ten small sales totaling approximately 2,000 MBF (2.0 MMBF) of timber will be offered for Calendar Year 2015. These sales are intended to provide small operators with timber to continue operating and produce value-added and high value-added products to the benefit of their local communities.

Kosciusko Island

Located on state lands surrounding the community of Edna Bay on Kosciusko Island, the Kosciusko Sale consists of approximately three harvest areas that are mixed old growth and second growth. Approximately 6,580 MBF (6.5 MMBF) of second growth timber and 7,120 MBF (7.1 MMBF) of old growth timber could be harvested from this area for a total harvest of 13,700 MBF (13.7 MMBF) on 685 acres. An estimated 3.0 miles of new road construction may be required within the units.

In addition to assisting in the future management of the State Forest parcels, a variety of infrastructure is needed in the Edna Bay area to efficiently and safely move the timber. The development of this infrastructure may occur in conjunction with the sale or prior to the sale being offered. In preparation for this sale, the Division of Forestry will be investigating the practical requirements along with the neighboring land ownership interest and issues associated with the infrastructure development.

Camp Cove/Heceta East Sale

The Camp Cove sale is located on Heceta Island. It covers approximately 220 acres and contains an estimated 5,700 MBF (5.7 MMBF) of timber. The sale will be comprised of multiple units and will require the construction of an estimated 2.2 miles of road. The DOF issued a preliminary decision for the Camp Cove portion of this sale in a FLUP published on September 23, 2002. The DOF has delayed the decision process on this sale based on comments and recommendations of the Office of History and Archaeology/State Historic Preservation Office (SHPO). This sale is presently being operationally



**DIVISION OF FORESTRY
COASTAL REGION
SOUTHERN SOUTHEAST AREA**

**FIVE-YEAR SCHEDULE
OF
TIMBER SALES**

CALENDAR YEARS 2013 THROUGH 2017

reevaluated after SHPO made the Division of Forestry aware of USFS documented cultural sites adjacent to the proposed site.

Thomas Bay Sale

The intent is to offer this sale in conjunction with a nearby USFS sale. The sale area is located at Thomas Bay northeast of Petersburg, Alaska and is comprised of both old growth and second growth units. The total estimated volume to be harvested is 13,800 MBF (13.8MMBF) on 816 acres, of which 4,700 MBF (4.7 MMBF) is old growth and 9,100 MBF (9.1MMBF) is second growth. Due to the sale location and second growth component, this sale will likely be sold under AS 38.05.120. As per the Central/Southern Southeast Area Plan, harvest operations will not occur within 500 feet of the coastline or within 300 feet of Patterson River. As currently designed, 3.7 miles of road will require reconstruction and approximately 1.7 miles of new road will be constructed.

2016 Calendar Year

Small Sales

These small sales will be located throughout Southern Southeast Alaska. Five to ten small sales totaling approximately 2,000 MBF (2.0 MMBF) of timber will be offered for Calendar Year 2016. These sales are intended to provide small operators with timber to continue operating and produce value-added and high value-added products to the benefit of their local communities.

South Thorne Bay #5

Located on the Kasaan Peninsula of Prince of Wales Island, this sale will be an extension of the South Thorne Bay #3 road system. Approximately 100 acres in the area surrounding South Thorne Bay #3 timber sale have been identified for harvest. The goal of this sale will be to offer one sale of approximately 2,000 MBF (2.0 MMBF). An estimated 1.2 miles of road construction will be required for this sale.

Port Dolores Sale

Located on the north coast of Sumez Island directly west of the northwest coast of Dall Island this harvest area is dependent on making an agreement with the USFS to construct 1500 feet of road on federal land in order to access the existing road system. Hauling of timber would most likely occur to Port Refugio. An estimated 13,400 MBF (13.4 MMBF) would be harvested within this sale area on 670 acres broken into five units. In order to harvest the units 4.7 miles of road will need to be constructed on state lands.

Coffman Cove Sales

Multiple areas along the USFS 3030 road south of Coffman Cove, on Prince of Wales Island, have been identified for potential timber harvest. The Division of Forestry has started layout of this sale and estimates a sale volume of 3,500 MBF (3.5 MMBF) for the first sale based on aerial photos. The DOF is working with the ADF&G, Habitat Division, for the identification and protection of anadromous fish streams in these areas. Multiple mid-sized and small sales are planned for this area.

2017 Calendar Year

Small Sales

These small sales will be located throughout Southern Southeast Alaska. Five to ten small sales totaling approximately 2,000 MBF (2.0 MMBF) of timber will be offered for Calendar Year 2017. These sales are intended to provide small operators with timber to continue operating and produce value-added and high value-added products to the benefit of their local communities.

Coffman Cove Sales

Multiple areas along the USFS 3030 road south of Coffman Cove, on Prince of Wales Island, have been identified for potential timber harvest. The Division of Forestry has started layout of this sale and estimates a sale volume of 3,000 MBF (3.0 MMBF) for the second mid-size sale based on aerial photos. Multiple mid-sized and small sales are planned for this area.

Little Coal Bay Sale

Located on Kasaan Bay, west of Baker Point, the Little Coal Bay sale is comprised of four units on either side of the existing road system. This sale is approximately 126 acres with an estimated volume of 2,500 MBF (2.5 MMBF). The sale is to be a mix of both helicopter and conventional shovel logging systems.

North Hollis Sale

Located on Prince of Wales Island to the north of the community of Hollis, the North Hollis sale area will consist of approximately three units totaling 159 acres. The goal of this sale will be to offer timber volume of approximately 3,500 MBF (3.5 MMBF) and will require approximately 1.7 miles of road construction.

Kitkun Bay Sale

Kitkun Bay is located within Cholmondeley Sound on the southeast side of Prince of Wales Island. This sale will potentially operate in an area of approximately 280 acres. The DOF proposes helicopter logging the area. The sale will likely be sold as a mixed export and domestically marketed sale to obtain adequate stumpage returns to pay for the cost of helicopter logging. The majority of the wood would be flown to barges located on the north shore of Kitkun Bay. If access to the area can be negotiated with the adjacent land owner (Kootznoowoo) some volume may be harvested conventionally or volumes may be flown to existing or newly constructed roads

Leask Cove Sale

Leask Cove is located at the north end of George Inlet on Revillagigedo Island. Development of this Timber Sale is dependent on the Department of Transportation constructing a connection road between the Leask Lake area and the Shelter Cove area, funding was provided for the construction of this road through a statewide road bond initiative in 2012. Proposed sale area consist of ten clear cut areas totaling 88 acres containing an estimated 3,300 MBF (3.3 MMBF) of timber. The construction of an additional 1.8 miles of spur road will be required access these units.

Earlwest Cove Sale

Earl West Cove is located on the east shore of Wrangell Island. Split into four harvest units the potential sale area totals 535 acres. An estimated total volume of 9,600 MBF (9.6MMBF) will removed from the area and a potential 4.4 miles of road could be constructed to access the harvest areas.

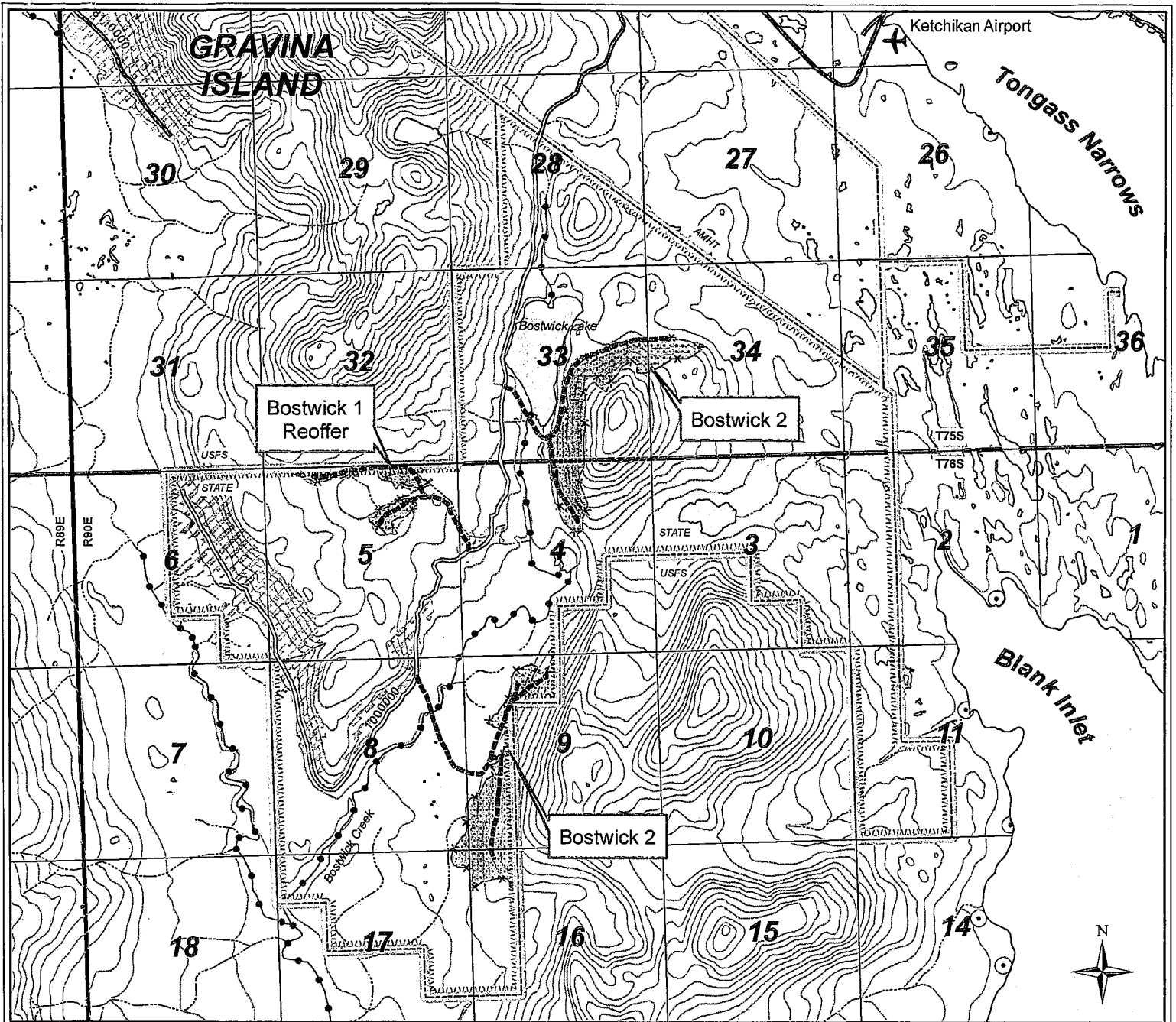
Southern Southeast Alaska
Five-Year Schedule of Timber Sales
CY 2013-2017

<u>Calendar Year</u>	<u>Timber Sale Name</u>	<u>Estimated Volume (MBF)</u>
2013	Small Sales	2,000
	Heceta 2 nd Growth	5,600
	North Thorne Bay #4	4,300
	Bostwick #1 Reoffer	1,300
	Bostwick #2	<u>5,700</u>
	Subtotal	18,900
2014	Small Sales	2,000
	Vallenar Bay **	11,830
	South Thorne Bay #4	5,660
	Beach Road #2 and #3	1,500
	Naukati	<u>3,100</u>
	Subtotal	24,090
2015	Small Sales	2,000
	Kosciusko Island **	13,700
	Camp Cove/Heceta East	5,700
	Thomas Bay **	<u>13,800</u>
	Subtotal	35,200
2016	Small Sales	2,000
	South Thorne Bay #5	2,000
	Coffman Cove	3,500
	Port Dolores **	<u>13,400</u>
	Subtotal	20,900
2017	Small Sales	2,000
	Coffman Cove	3,000
	Little Coal Bay	2,500
	North Hollis	3,500
	Kitkun Bay	3,000
	Leask Cove **	3,300
	Earlwest Cove **	<u>9,600</u>
	Subtotal	26,900

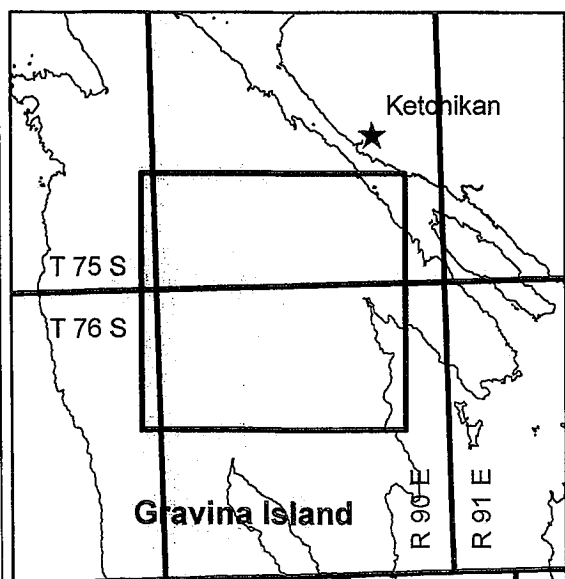
** Indicates all or parts of area not noticed in prior FYSTS

Southern Southeast Alaska
Five Year Schedule of Timber Sales
List of Supporting Maps

Bostwick Area
Coffman Cove Area
Earl West Area
Heceta Island Area
Kitkun Bay Area
Kosciusko Island Area
Leask Cove Area
Little Coal Bay Area
Naukati Area
North Hollis Area
North Thorne/Beach Road Area
Port Delores Area
South Thorne Bay Area
Thomas Bay Area
Vallenar Area



0 2,000 4,000 8,000 12,000 Feet 1 inch = 4,000 feet Contour Interval = 100 Feet



1 in = 4 miles Vicinity Map (C.R.M.)

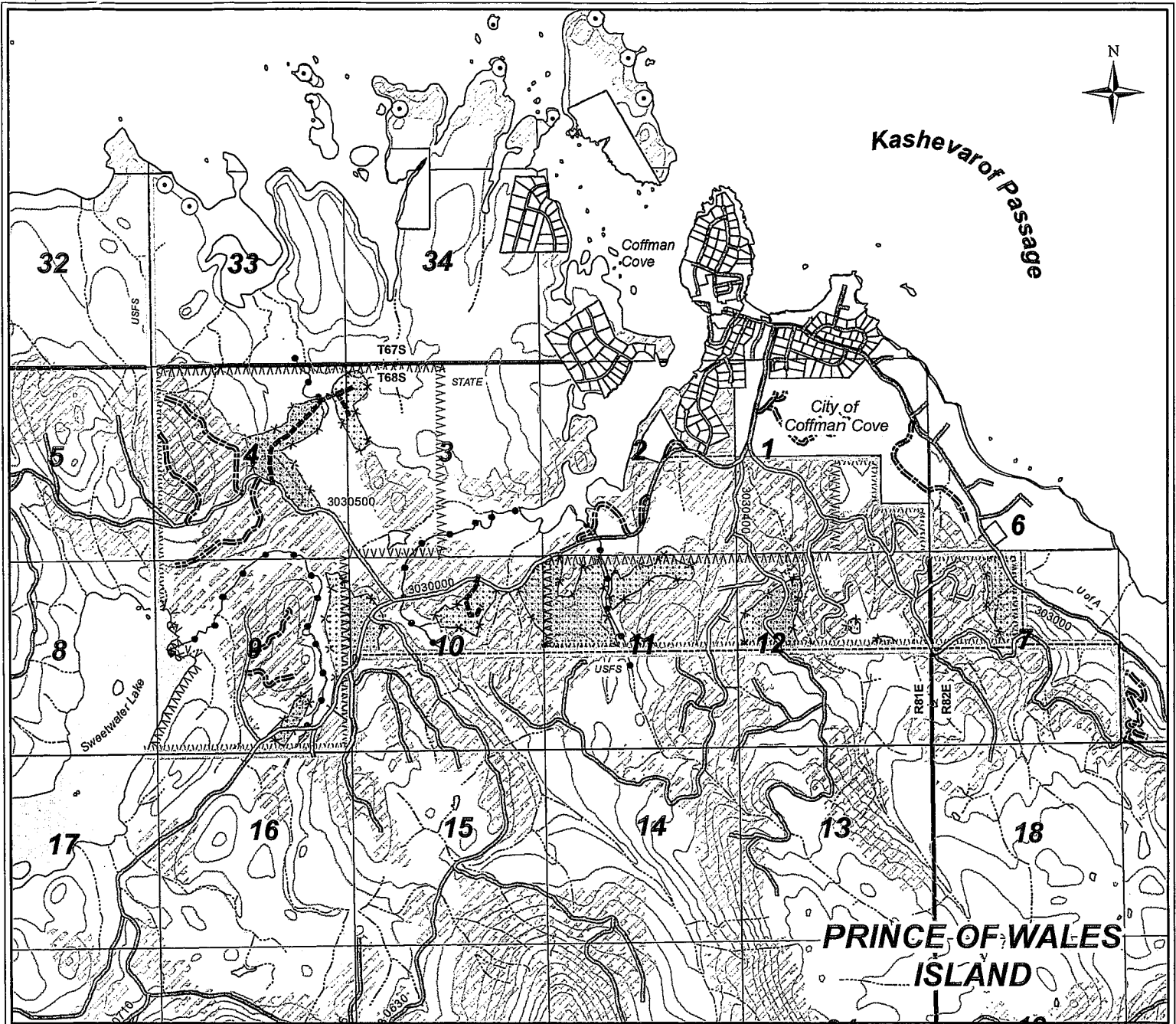
Legend

- Proposed Harvest
- Previously Harvested
- Lakes
- Southeast State Forest
- Property Line
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

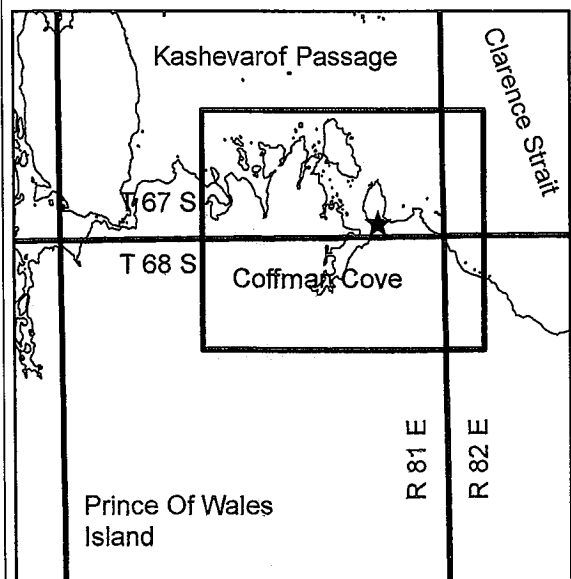
**BOSTWICK AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017**



Division of Forestry



0 2,000 4,000 8,000 12,000 Feet 1 inch = 4,000 feet Contour Interval = 100 Feet



1 in = 3 miles **Vicinity Map** (C.R.M.)

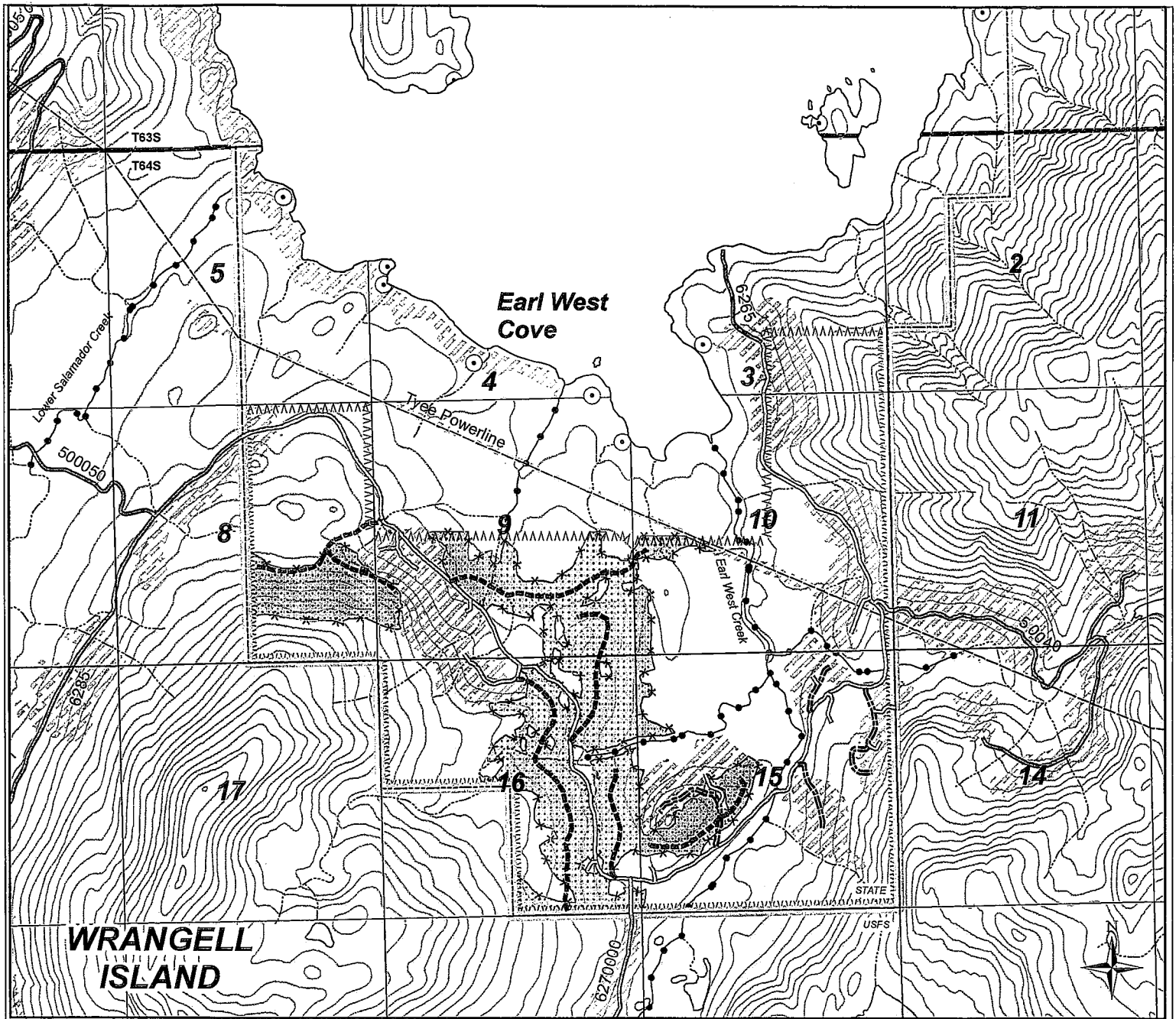
Legend

- Proposed Harvest
- Previously Harvested
- Lakes
- Subdivisions
- Southeast State Forest
- Property Line
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

**COFFMAN COVE AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017**



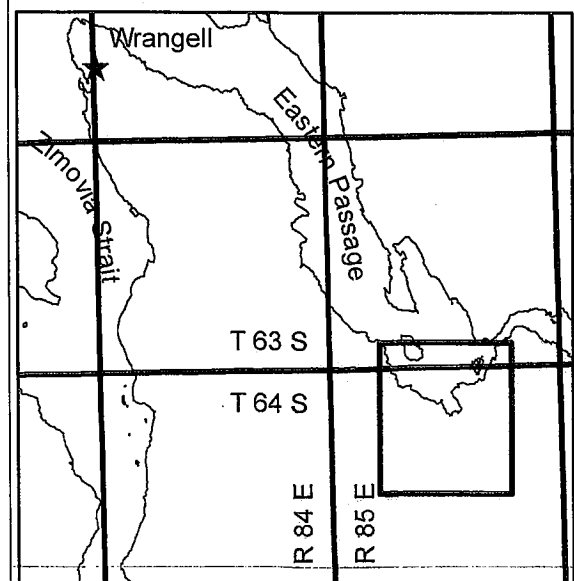
Division of Forestry



0 1,000 2,000 4,000 6,000 Feet

1 inch = 3,000 feet

Contour Interval = 100 Feet



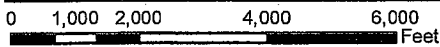
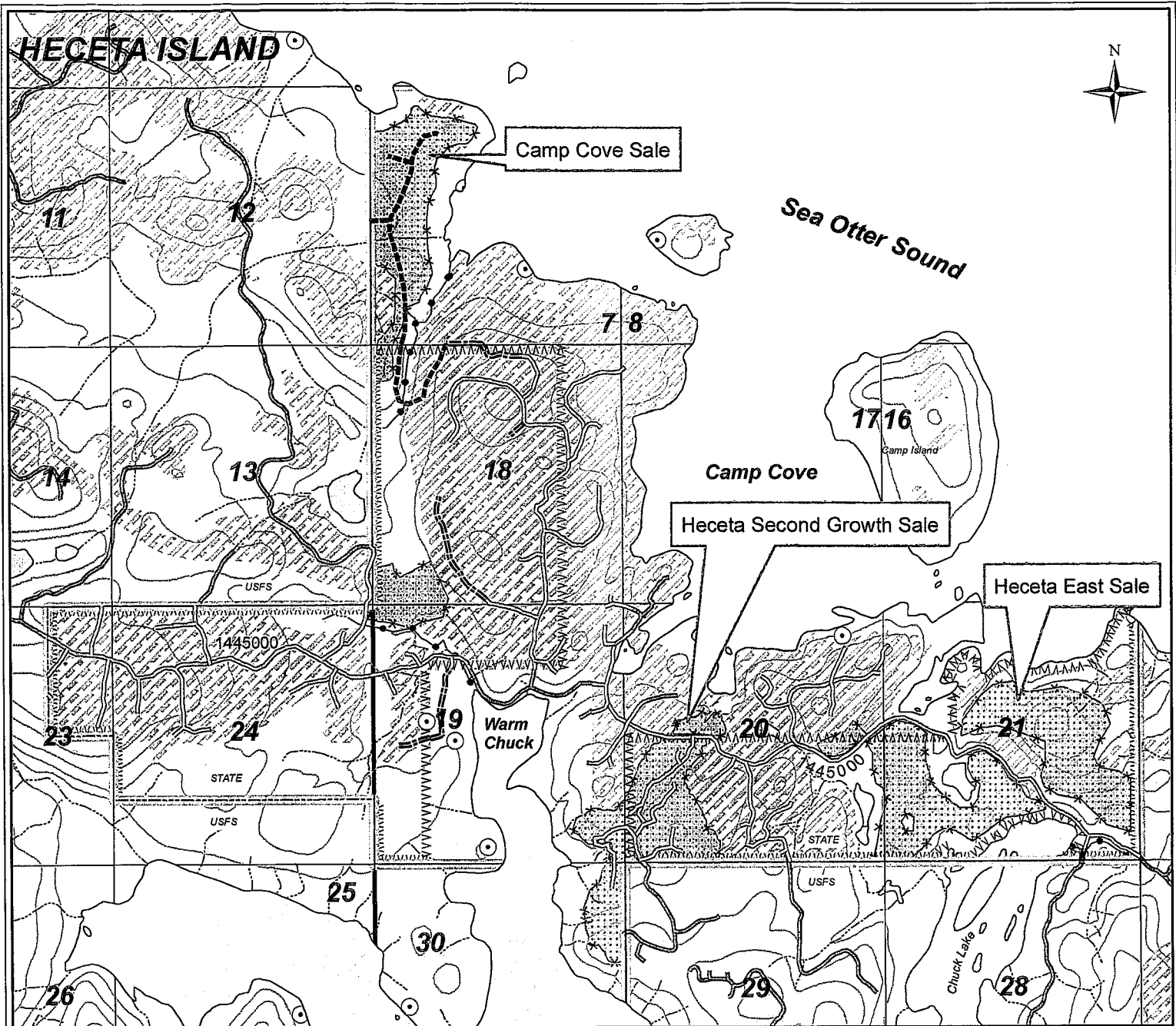
1 in = 5 miles Vicinity Map (C.R.M.)

- Legend**
- Proposed Harvest
 - Previously Harvested
 - Lakes
 - Southeast State Forest
 - Property Line
 - Existing Road
 - Closed Road
 - Proposed Road
 - Cataloged Anadromous Stream
 - Streams
 - Power Line
 - Eagle Nests

EARL WEST AREA FIVE YEAR SCHEDULE OF TIMBER SALES CALENDER YEARS 2013-2017

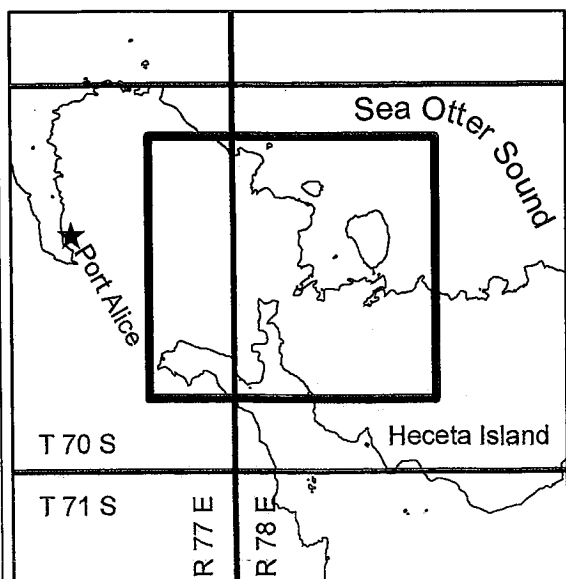


Division of Forestry



1 inch = 3,000 feet

Contour Interval = 100 Feet



1 in = 3 miles

Vicinity Map

(C.R.M.)

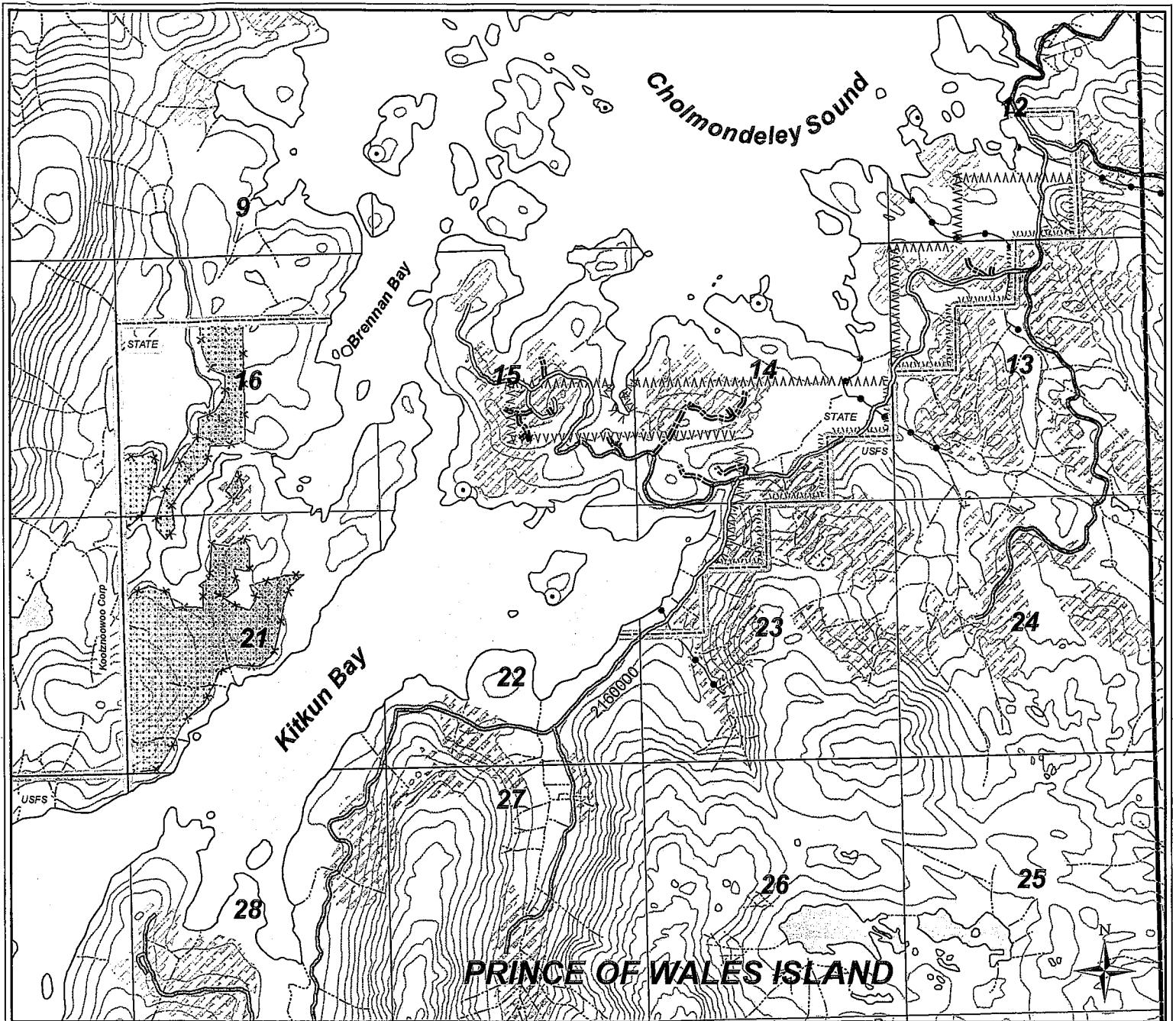
Legend

- Proposed Harvest
- Previously Harvested
- Lakes
- Southeast State Forest
- Property Line
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

**HECETA ISLAND AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017**



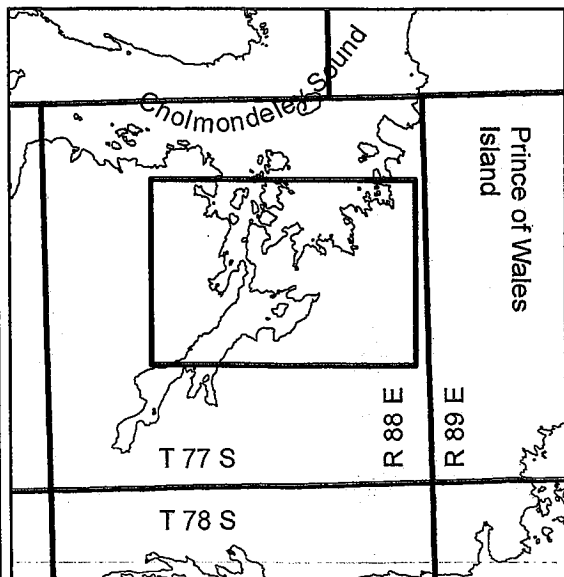
Division of Forestry



0 1,000 2,000 4,000 6,000
Feet

1 inch = 3,000 feet

Contour Interval = 100 Feet














1 in = 3 miles

Vicinity Map

(C.R.M.)

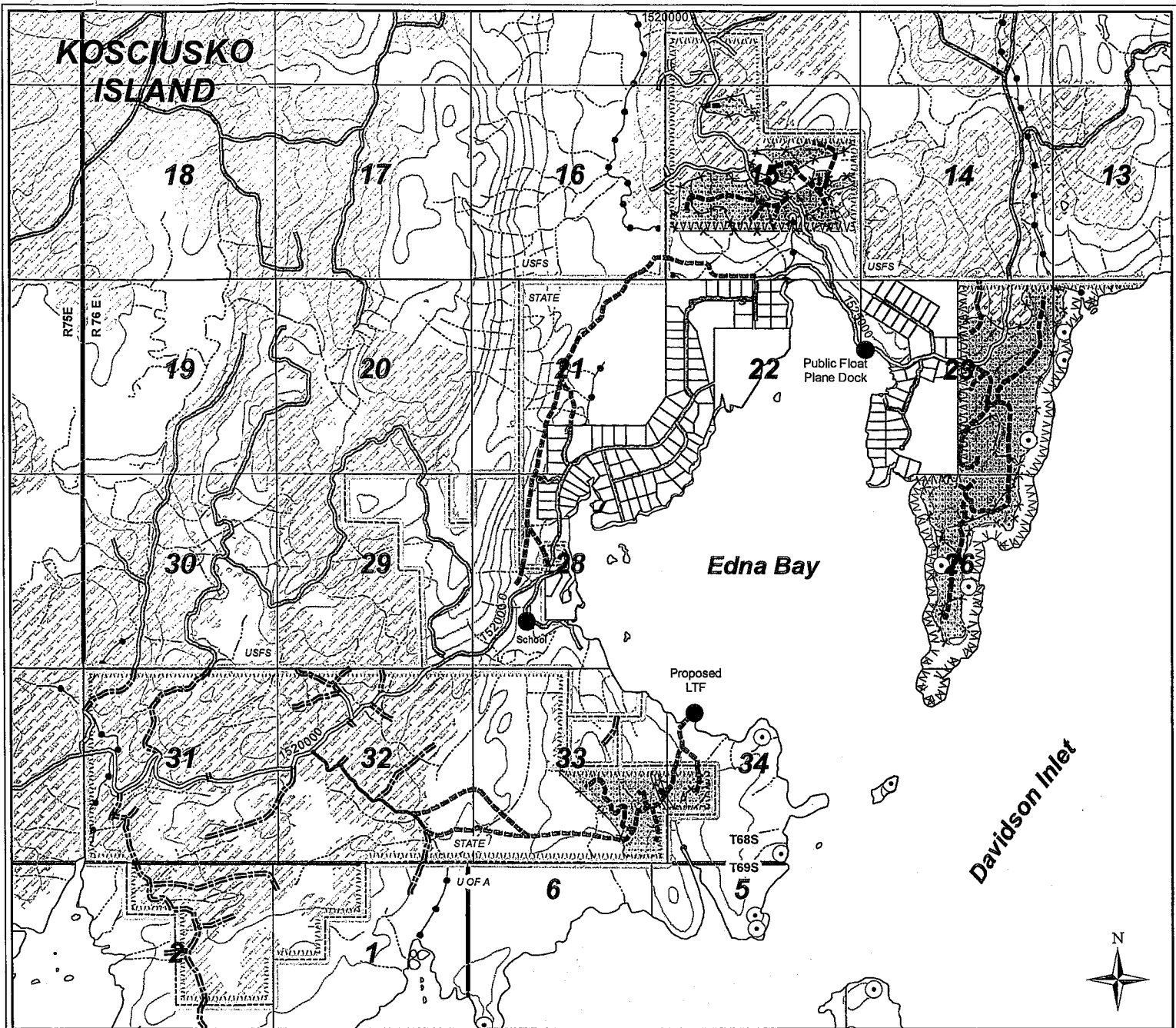
Legend

-  Proposed Harvest
-  Previously Harvested
-  Lakes
-  Southeast State Forest
-  Property Line
-  Existing Road
-  Closed Road
-  Proposed Road
-  Cataloged Anadromous Stream
-  Streams
-  Eagle Nests

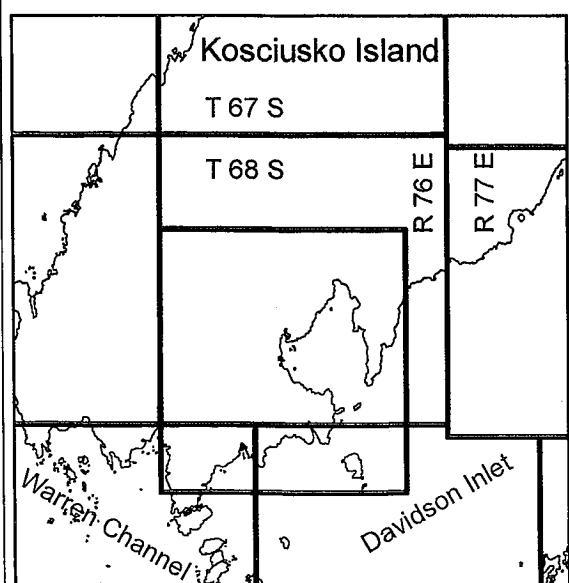
**KITKUN BAY AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDAR YEARS 2013-2017**



Division of Forestry



0 2,000 4,000 8,000 12,000 Feet 1 inch = 4,000 feet Contour Interval = 100 Feet



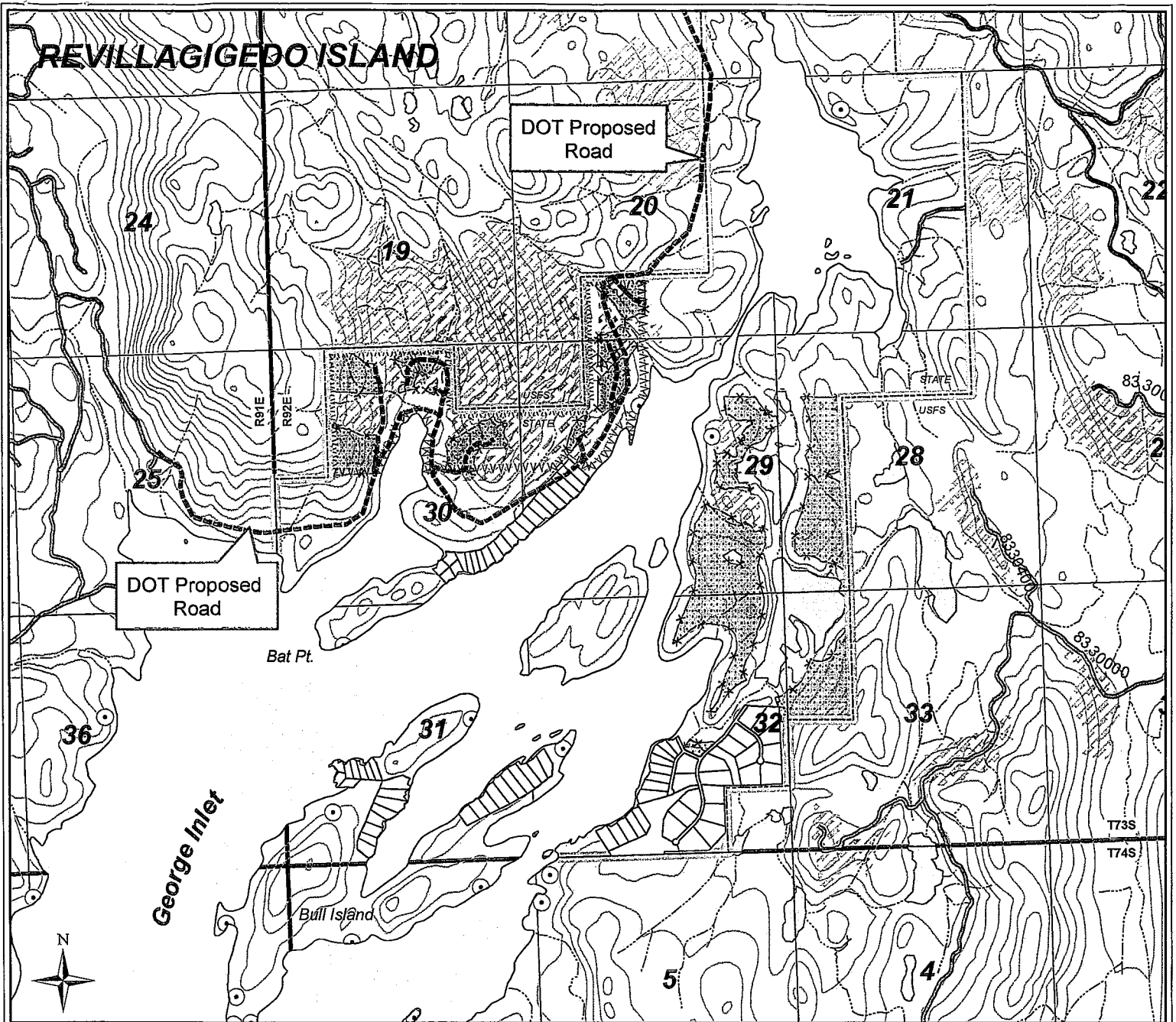
Legend

- Proposed Harvest
- Previously Harvested
- Lakes
- Subdivisions
- Southeast State Forest
- Property Line
- Proposed Reconstruction
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

**KOSCIUSKO ISLAND AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017**



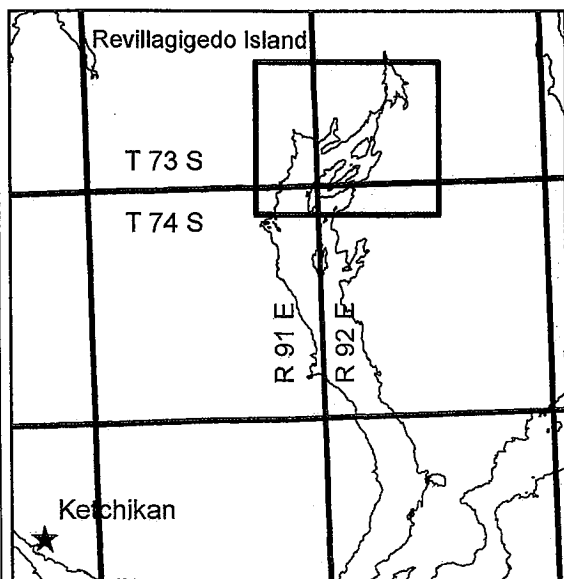
Division of Forestry



0 1,000 2,000 4,000 6,000 Feet

1 inch = 3,000 feet

Contour Interval = 100 Feet



1 in = 5 miles Vicinity Map (C.R.M.)

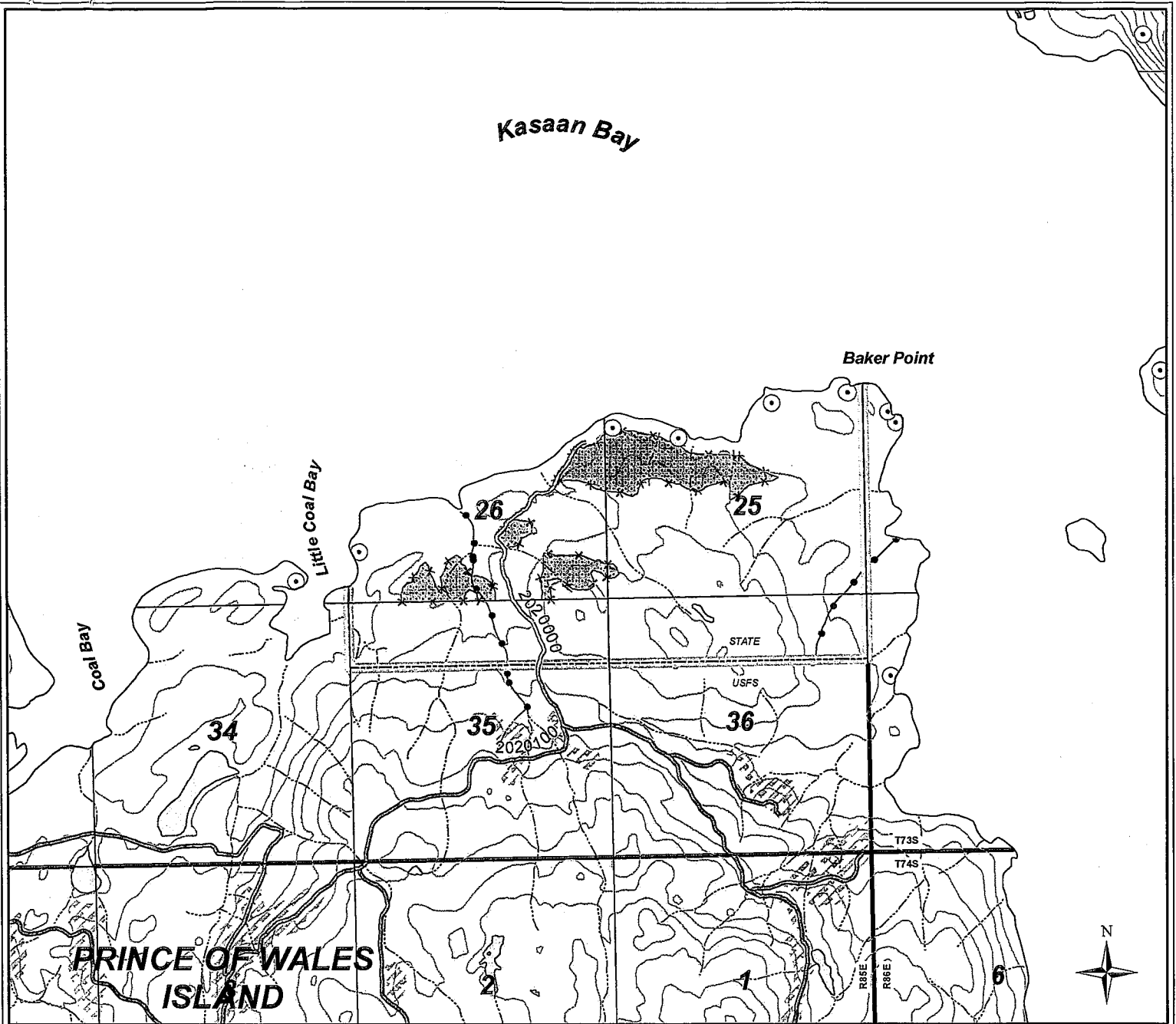
Legend

- Proposed Harvest
- Previously Harvested
- Lakes
- Subdivisions
- Southeast State Forest
- Property Line
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

**LEASK COVE AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017**



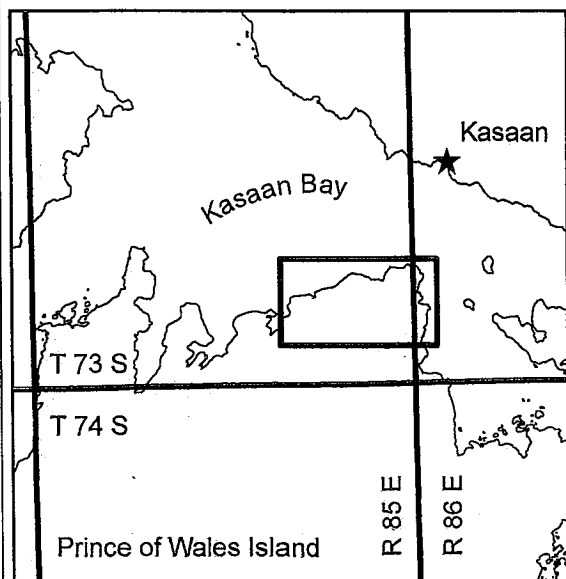
Division of Forestry



0 1,000 2,000 4,000 6,000 Feet

1 inch = 3,000 feet

Contour Interval = 100 Feet



1 in = 3 miles

Vicinity Map

(C.R.M.)

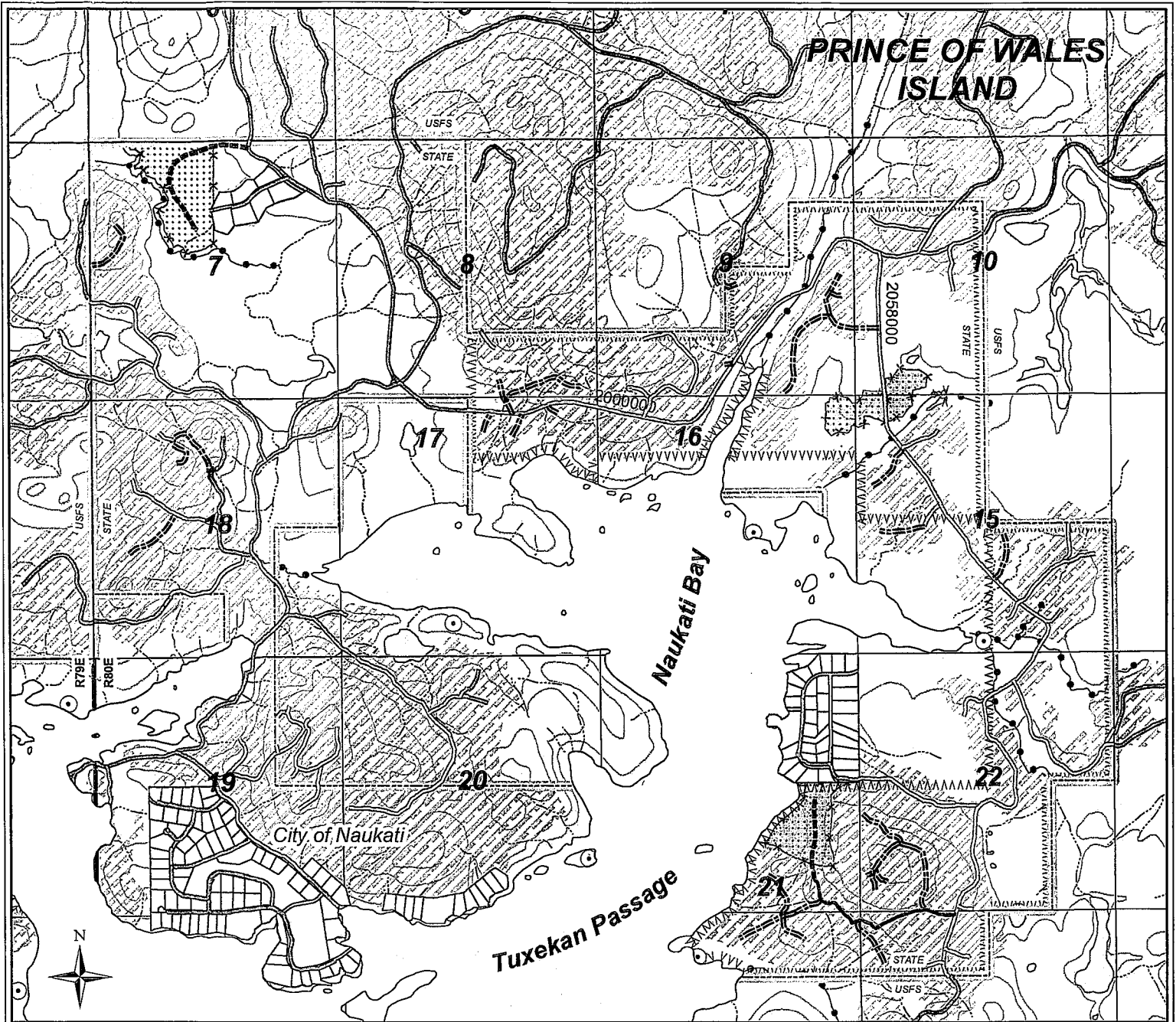
Legend

- Proposed Harvest
- Previously Harvested
- Lakes
- Southeast State Forest
- Property Line
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

LITTLE COAL BAY AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017



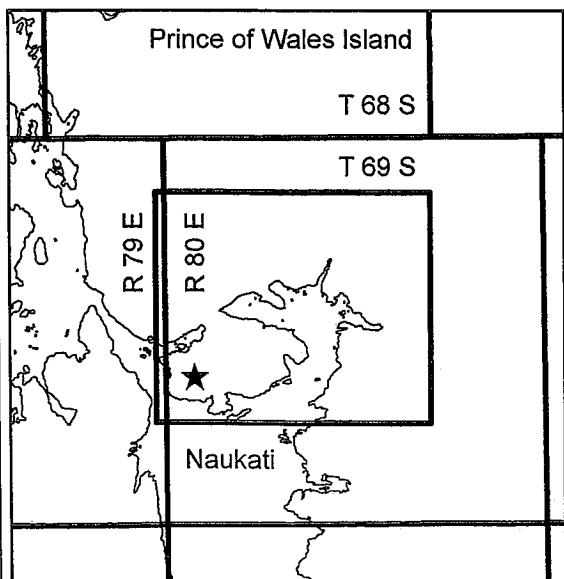
Division of Forestry



0 1,000 2,000 4,000 6,000 Feet

1 inch = 3,000 feet

Contour Interval = 100 Feet



1 in = 3 miles

Vicinity Map

(C.R.M.)

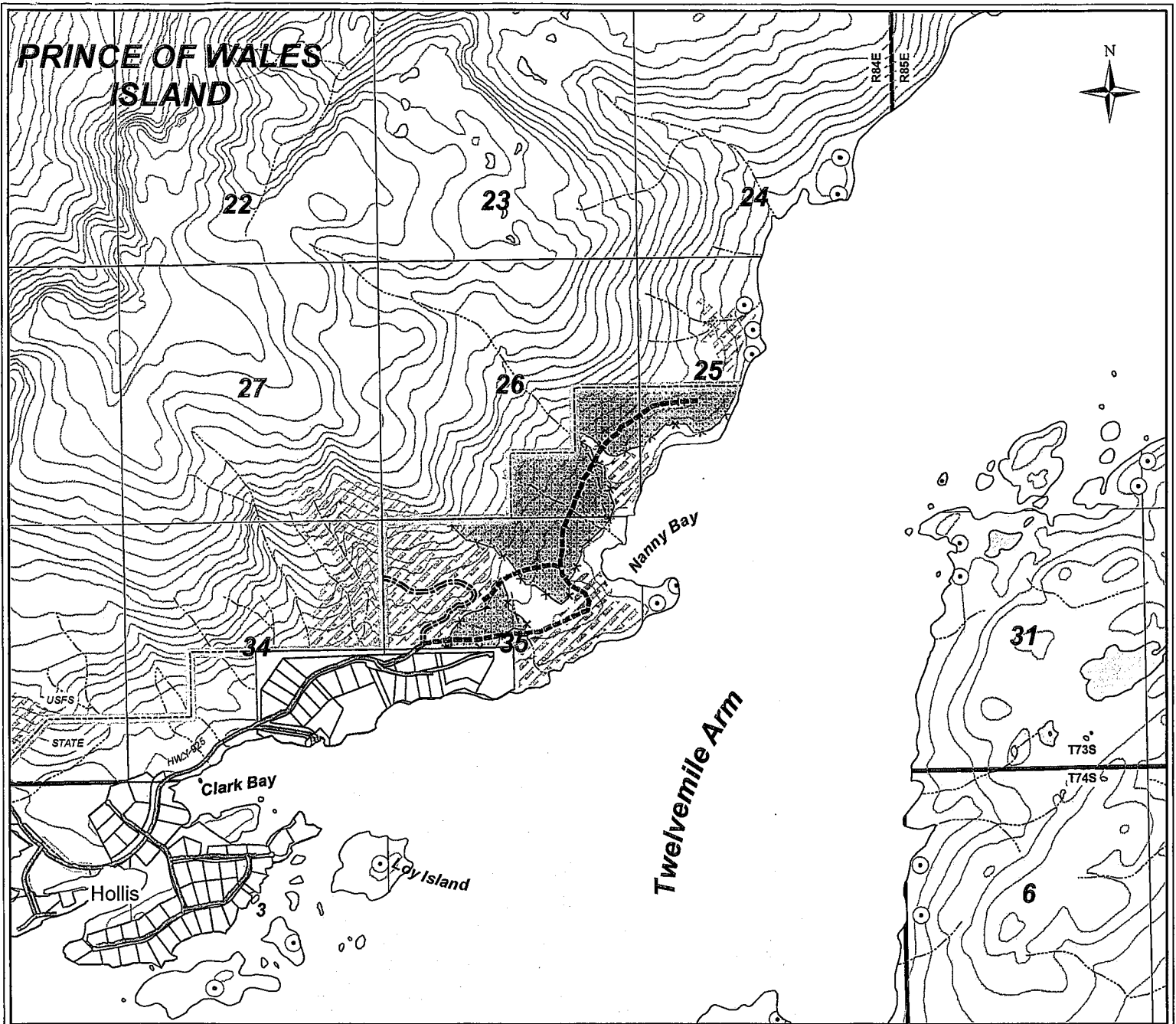
Legend

- Proposed Harvest
- Previously Harvested
- Lakes
- Subdivisions
- Southeast State Forest
- Property Line
- Proposed Reconstruction
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

**NAUKATI AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017**



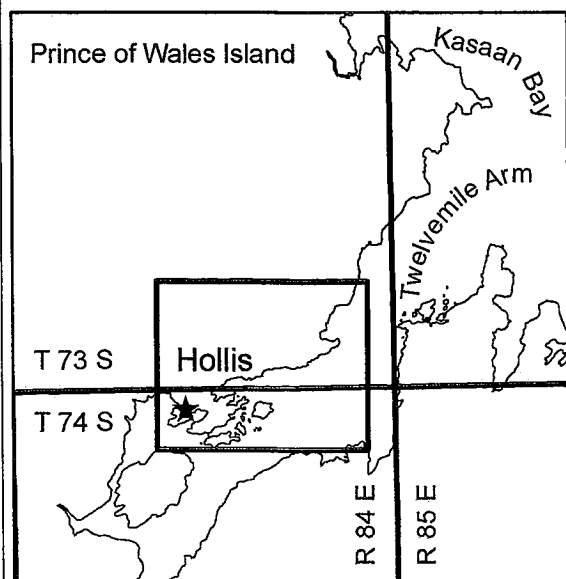
Division of Forestry



0 1,000 2,000 4,000 6,000 Feet

1 inch = 3,000 feet

Contour Interval = 100 Feet



1 in = 3 miles

Vicinity Map

(C.R.M.)

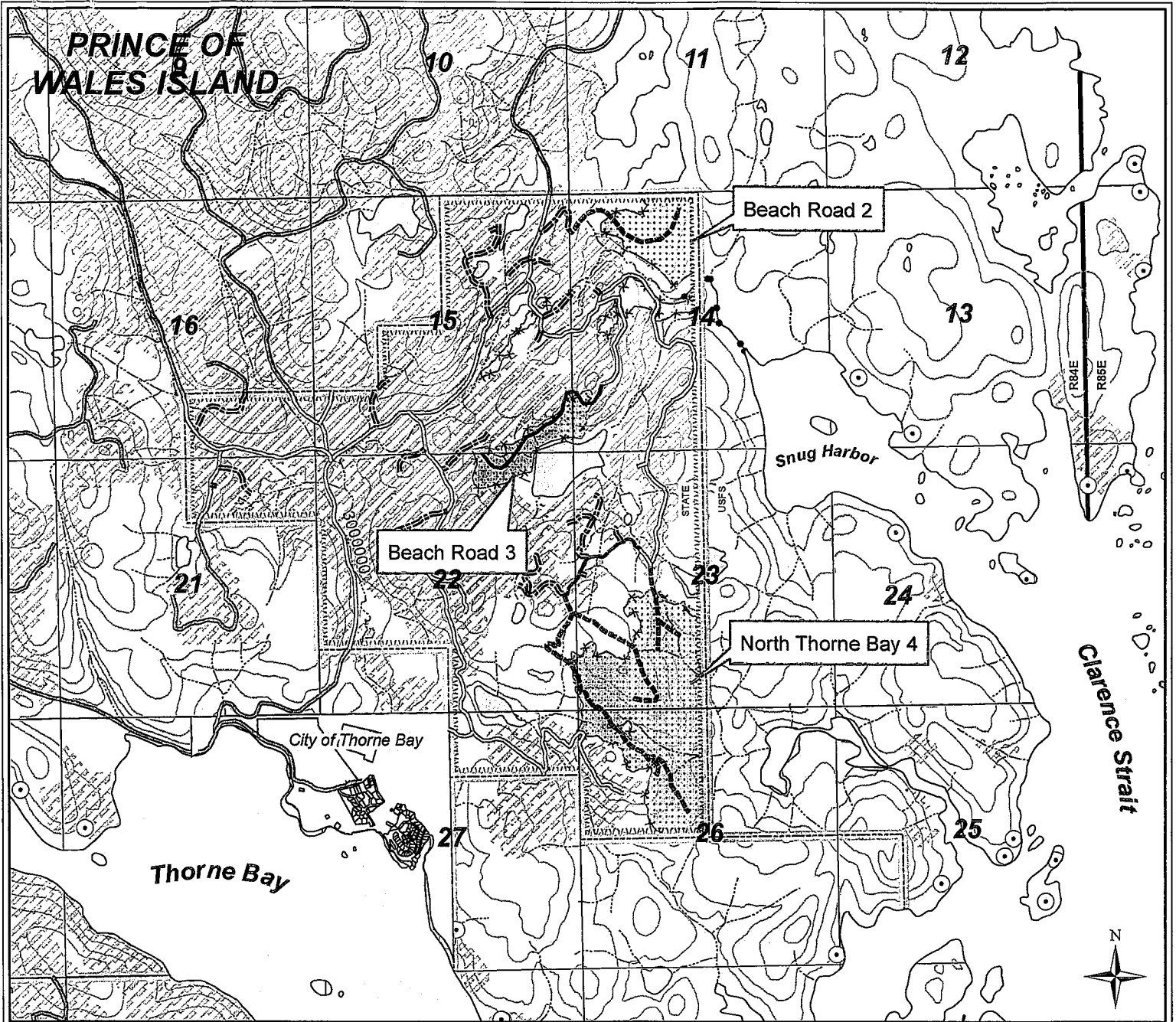
Legend

- Proposed Harvest
- Previously Harvested
- Lakes
- Subdivisions
- Southeast State Forest
- Property Line
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

**NORTH HOLLIS AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017**



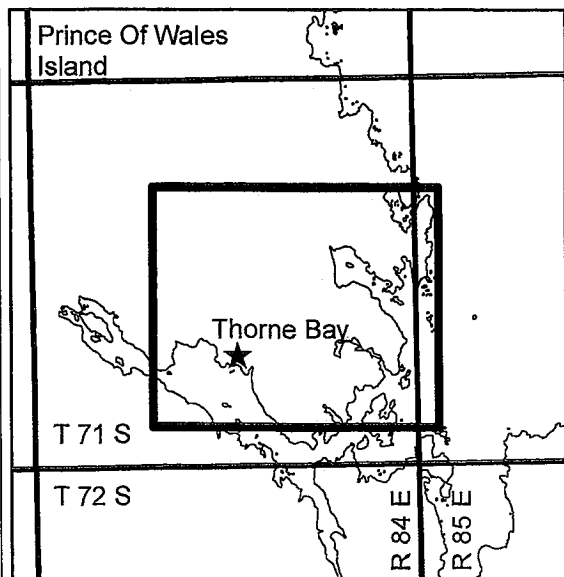
Division of Forestry



0 1,000 2,000 4,000 6,000 Feet

1 inch = 3,000 feet

Contour Interval = 100 Feet



1 in = 3 miles

Vicinity Map

(C.R.M.)

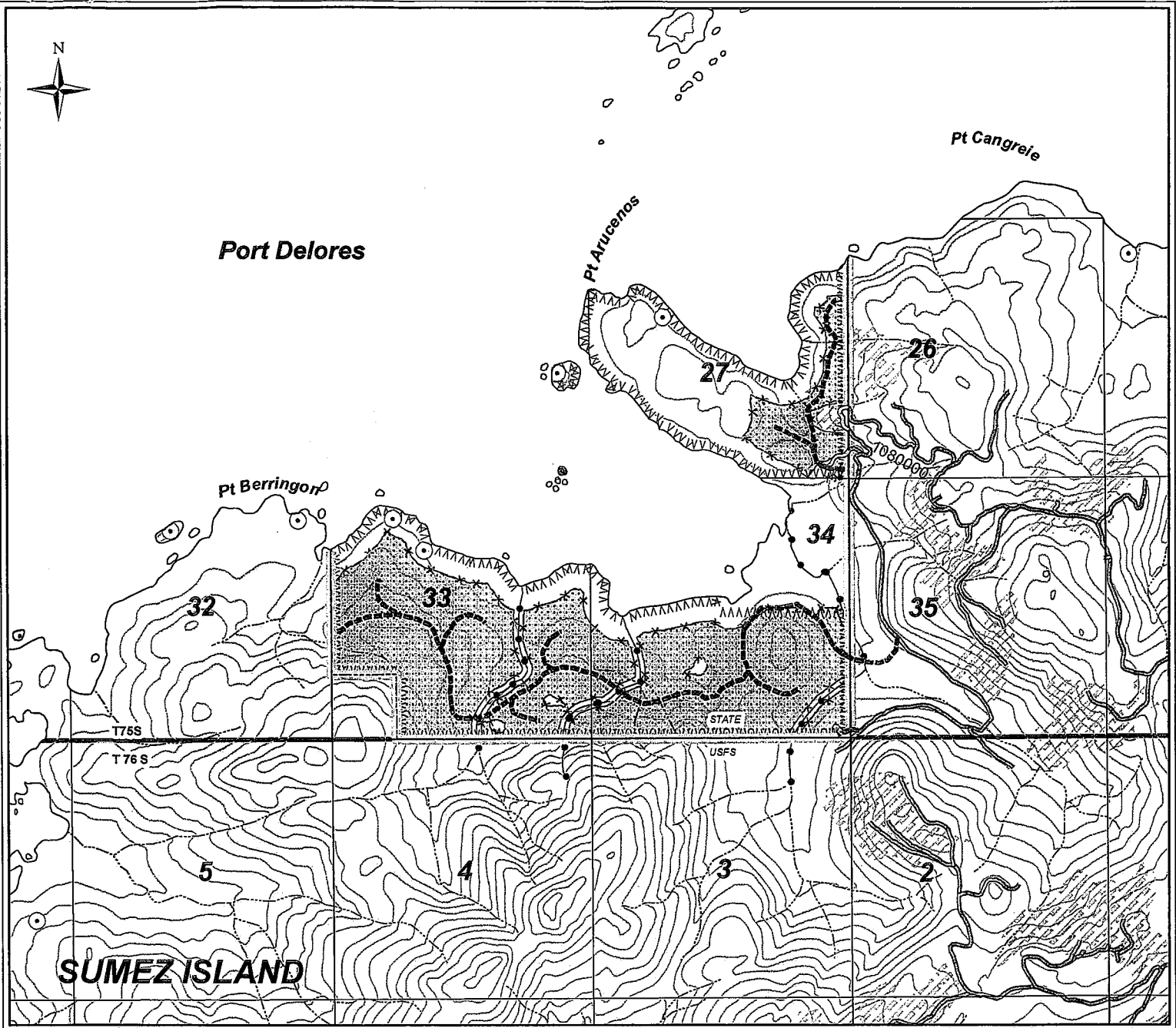
Legend

- Proposed Harvest
- Active Harvest
- Previously Harvested
- Lakes
- Southeast State Forest
- Property Line
- Proposed Reconstruction
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

**NORTH THORNE BAY/
BEACH ROAD AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDAR YEARS 2013-2017**



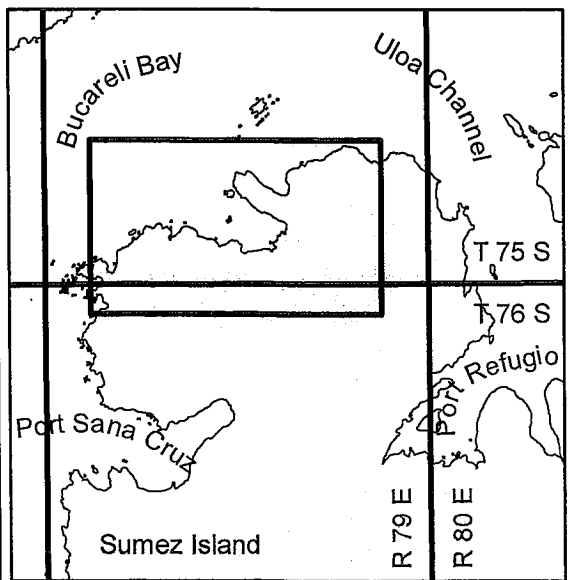
Division of Forestry



0 1,000 2,000 4,000 6,000 Feet

1 inch = 3,000 feet

Contour Interval = 100 Feet



1 in = 3 miles Vicinity Map (C.R.M.)

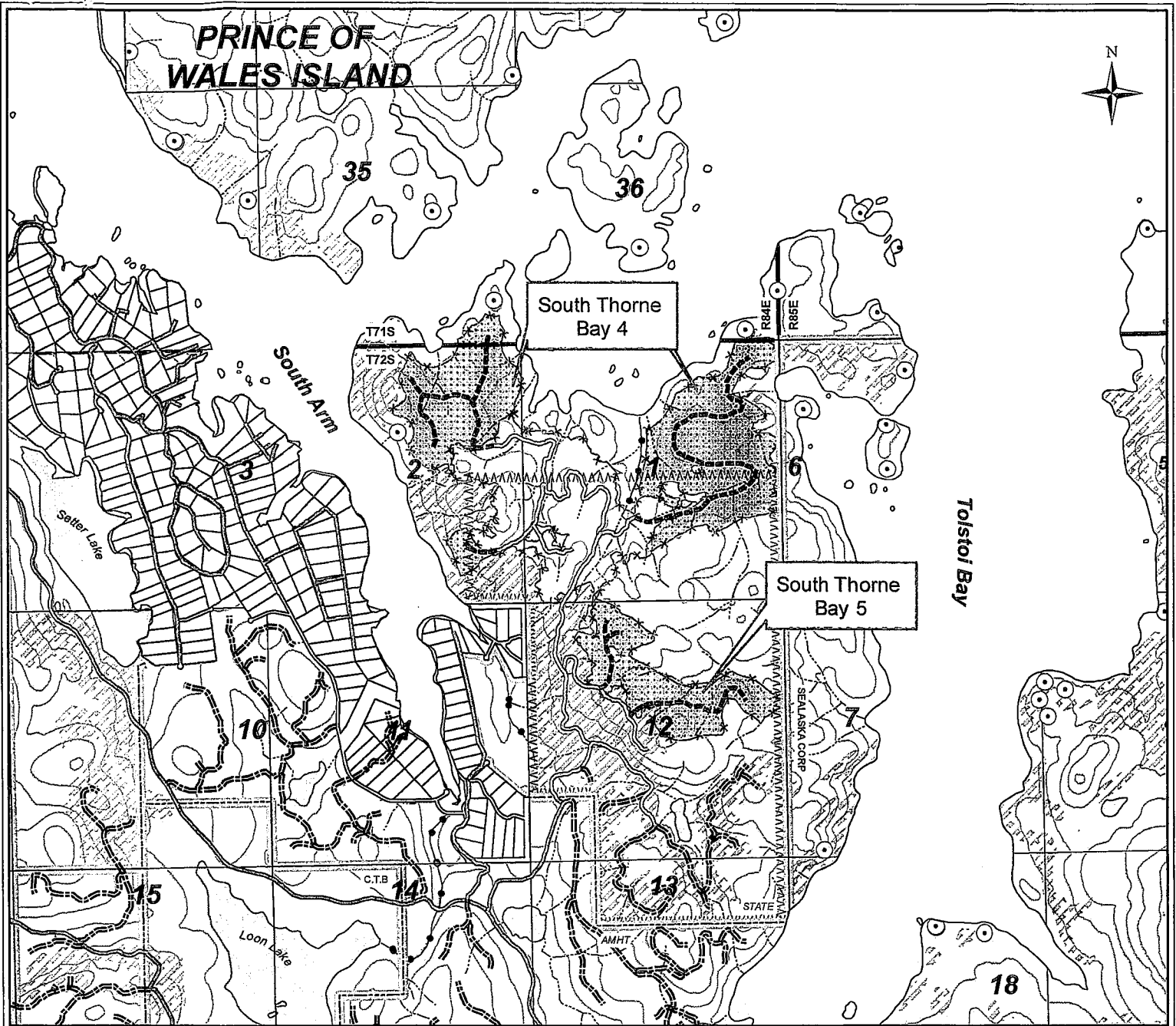
Legend

- Proposed Harvest
- Previously Harvested
- Lakes
- Southeast State Forest
- Property Line
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

**PORT DELORES AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017**



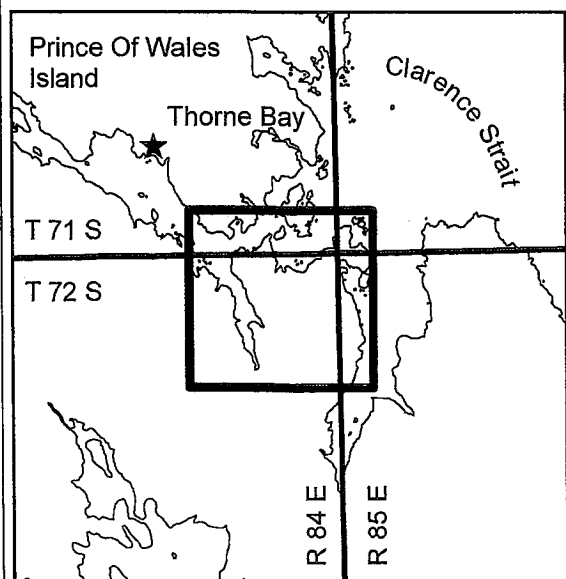
Division of Forestry



0 1,000 2,000 4,000 6,000 Feet

1 inch = 3,000 feet

Contour Interval = 100 Feet



1 in = 3 miles

Vicinity Map

(C.R.M.)

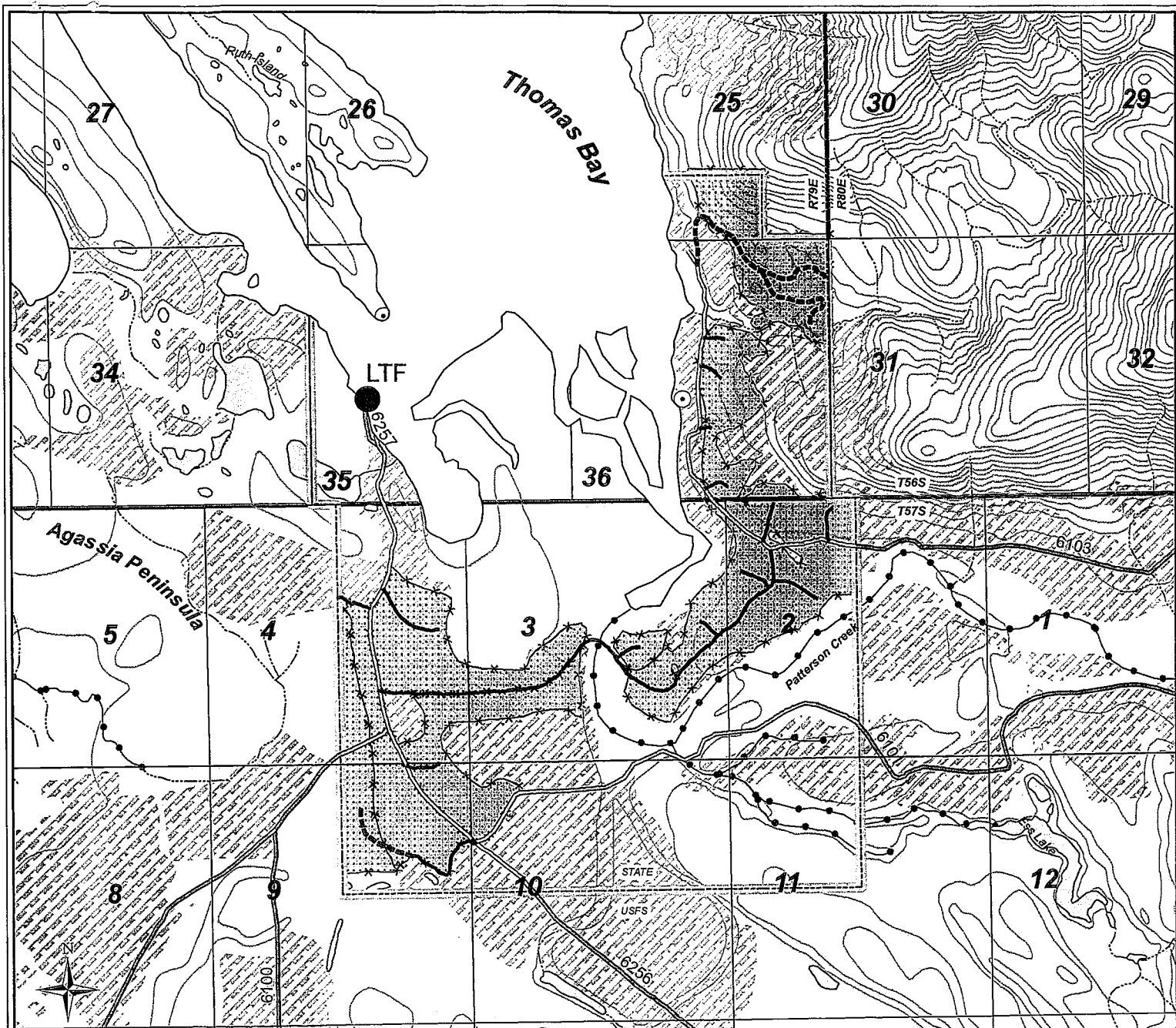
Legend

- Proposed Harvest
- Active Harvest
- Previously Harvested
- Lakes
- Subdivisions
- Southeast State Forest
- Property Line
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

**SOUTH THORNE BAY AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017**



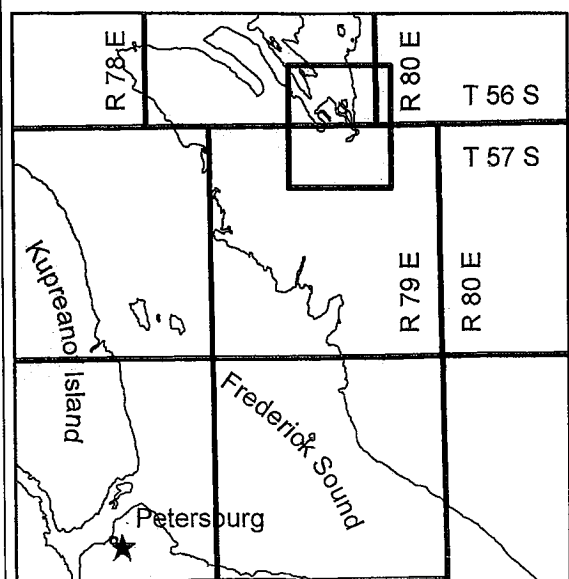
Division of Forestry



0 1,000 2,000 4,000 6,000 Feet

1 inch = 3,000 feet

Contour Interval = 100 Feet



1 in = 5 miles

Vicinity Map

(C.R.M.)

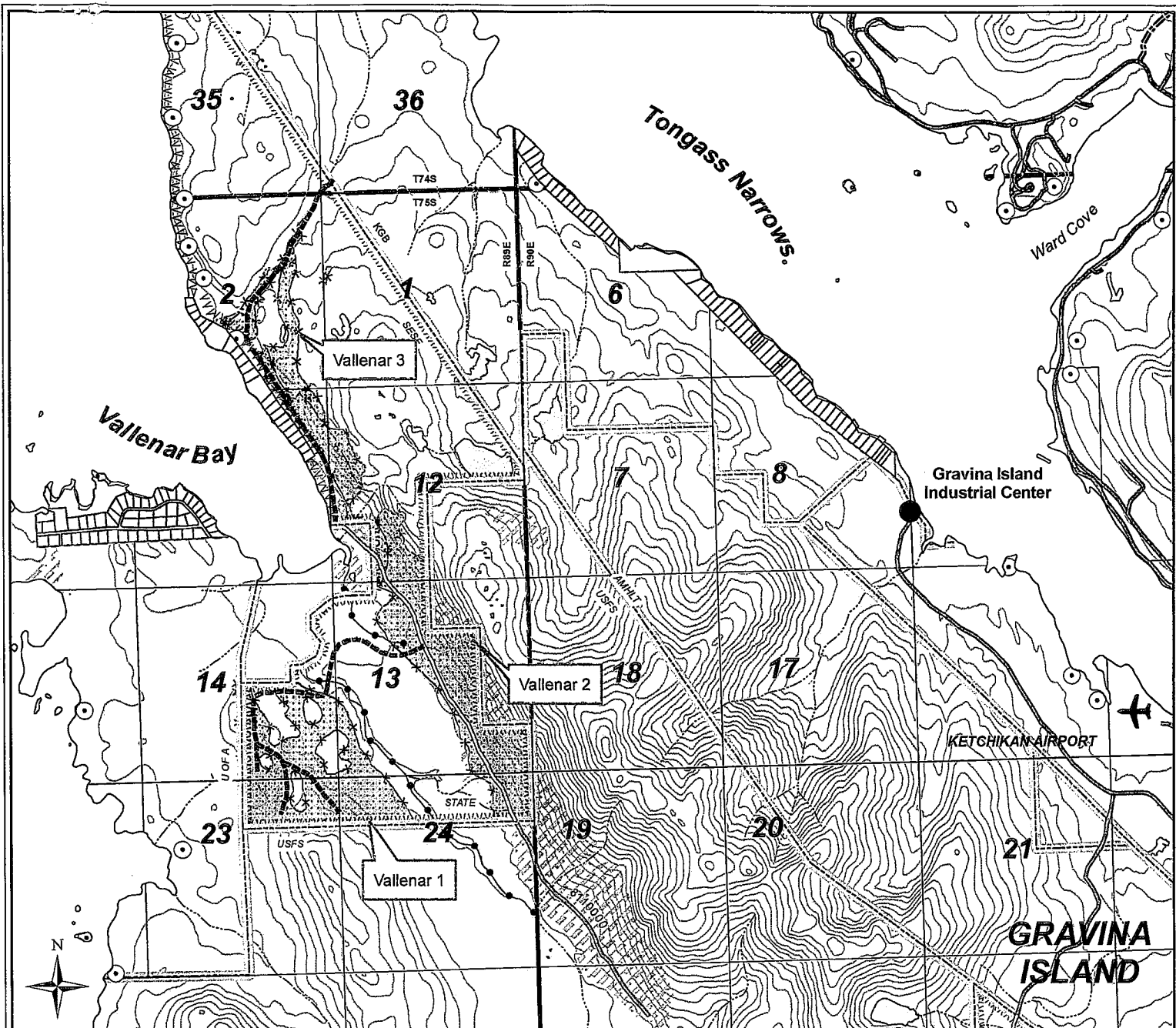
Legend

- Proposed Harvest
- Previously Harvested
- Lakes
- Southeast State Forest
- Property Line
- Proposed Reconstruction
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

**THOMAS BAY AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017**



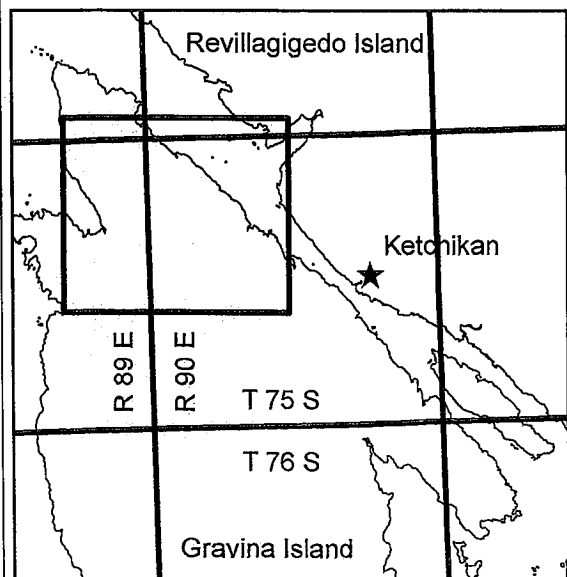
Division of Forestry



0 2,000 4,000 8,000 12,000 Feet

1 inch = 4,000 feet

Contour Interval = 100 Feet



Legend

- Proposed Harvest
- Previously Harvested
- Lakes
- Subdivisions
- Southeast State Forest
- Property Line
- Existing Road
- Closed Road
- Proposed Road
- Cataloged Anadromous Stream
- Streams
- Eagle Nests

**VALLENAR BAY AREA
FIVE YEAR SCHEDULE
OF
TIMBER SALES
CALENDER YEARS 2013-2017**



Division of Forestry

CITY OF KLAWOCK ALASKA

PO Box 469
Klawock AK 99925

Phone# (907)755-2261
(907)755-2262
Fax# (907)755-2403

"Site of the First Salmon Cannery in Alaska"

June 26, 2013

Dennis Watson, Mayor
City of Craig
P.O. Box 725
Craig, AK 9992

Re: Craig EMS

Dear Mayor Watson:

This letter is regarding Craig EMS and its recent decision to begin providing ground ambulance transport from Alicia Roberts Medical Center ("ARMC").

As I am sure you are aware, in Alaska, emergency medical services are regulated by the Department of Health and Social Services. The relevant statutes define emergency medical services as "the provision of emergency medical care and transportation of the sick and injured." AS 18.08.200. A municipality can establish a department and provide emergency medical services to its residents. Additionally, under AS 29.35.020(a), a municipality has the power to provide emergency medical services outside its municipal boundaries and regulate those services to the extent that the jurisdiction in which they are located does not regulate them. However, before providing services inside the boundaries of another municipality, the approval of the other municipality must be given by ordinance. Without prior approval by ordinance, a municipality is not permitted to provide emergency medical services in another municipality's city limits.

Craig EMS is currently operating in violation of AS 29.35.020 when it responds to a call for transport from ARMC because in order to do so, it must enter into Klawock's boundaries. Because Klawock has not authorized Craig to exercise this power inside its boundaries, Craig EMS is in violation of the statute.

Additionally, other Craig residents may be at risk while Craig EMS provides transports from ARMC since Craig EMS only has adequate staffing for one ambulance. Therefore, each time the ambulance leaves Craig city limits, Craig residents are left without an ambulance and the medical staff that can respond promptly to an emergency.

Finally, directing all Medicaid and Medicare patients to Craig EMS violates the intent of the federal patient choice regulations. Hospitals are required to inform patients of their freedom of choice for providers of post-hospital care. Additionally, Medicaid recipients may obtain services from any qualified Medicaid provider. Currently, Craig EMS and ARMC are effectively eliminating Medicaid and Medicare patients' ability to choose who will provide them with medical services by never referring any calls to Klawock EMS.

I write this letter knowing that Craig EMS continues to have difficulties with funding. My intent is not to put you in a position where you can no longer afford to have emergency services in Craig. I hope that in the coming weeks we can meet to discuss a potential agreement where Klawock EMS and Craig EMS can operate together to provide emergency medical services to the residents of Prince of Wales Island and ARMC. However, until that time, I must request that Craig EMS cease to provide emergency medical services within Klawock's boundaries in violation of AS 29.35.020.

If you have any questions, please feel free to contact me. I look forward to hearing from you. I have communicated with SEARHC about this issue as well and hope that they will agree to be a part of our discussions regarding provision of EMS services throughout the Island.

Sincerely yours,


Donald Marvin
Mayor

July 19, 2013



Mayor Don Marvin
City of Klawock
PO Box 469
Klawock, AK 99925

Dear Mayor Marvin:

I am in receipt of your June 26, 2013 letter regarding EMS transports to the Klawock Airport. This response addresses issues raised in your letter and includes an offer to meet to attempt to resolve your concerns.

Between January 1 and July 8 of this year, Craig EMS transported 8 patients to the Klawock Airport. The circumstance of each transport is provided below.

1. January 20: Female patient, attempted suicide, transported by Craig EMS. ARMC staff called for air medivac before Craig EMS arrived at ARMC. With patient already in the ambulance, and Craig EMS on scene, transported the patient to the airport.
2. May 1: Female cardiac patient, transported from PeaceHealth clinic to ARMC. Craig EMS sent to airport with patient.
3. May 12: Male patient, back injury. Requested Craig EMS transport him to airport.
4. May 24: Female patient transported from PeaceHealth clinic to airport.
5. June 13: Male patient requested Craig EMS transport him to the airport.
6. June 19: Female patient. Called by ARMC staff for transport.
7. June 20: Male patient requested Craig EMS transport him to the airport.
8. July 8: Female patient. ARMC staff requested Craig EMS transport.

As you can see, each of these transports was made because Craig EMS was already at or in route to ARMC, or because the patient or medical staff specifically requested Craig EMS transport. It is our understanding that in the time between January 1 and about July 8, there were approximately 110 patient transports between ARMC and the Klawock Airport.

I am uncertain why you assert that Medicaid and Medicare patients are all directed to Craig EMS. Craig EMS responds to medical transport needs regardless of a given patient's eligibility for Medicaid, Medicare, or any other payer coverage. Craig EMS staff maintains that it has never told medical providers to direct patients to Craig EMS transports based on insured status of the patient.

In addition, I am uncertain why you assert that Craig EMS "continues to have difficulties with funding." I do not recall the City of Craig notifying Klawock of financial problems with Craig EMS. The assertion is presumptuous and not supported in your letter.

Given the circumstances of the transports to the Klawock Airport between January and July 8 of this year, and the relatively small number of Craig EMS transports from ARMC to the Klawock Airport, it is apparent that these transports are incidental to Craig EMS operations. They are neither regular nor predictable, they do not constitute a significant proportion of Craig EMS ambulance runs, nor do they constitute a significant proportion of the total EMS medivac transports to the airport. The transports do not rise to the level of extraterritorial jurisdiction under AS 29.35.020. It is important to note here that from time to time the Craig and Klawock EMS squads do contact one another to request back up coverage between our communities when demand for EMS services is high. On those occasions when backup coverage is requested, the matter of extraterritorial jurisdiction is not raised by either EMS squad.

Your reading of AS 29.35.020, requires that the statute apply to both transports from ARMC and transports to ARMC. If the City of Klawock maintains that it must adopt an ordinance allowing Craig EMS to transport patients to and from ARMC, then we await notification of Klawock's adoption of the ordinance, and request that you send a copy of the ordinance to the City of Craig. I expect the City of Klawock will take immediate action to pass the ordinance. The health and safety of persons on Prince of Wales is the primary concern of our EMS squad, and we expect it is yours as well. No one should be denied EMS service, or have that service delayed, as a result of your interpretation of AS 29.35.020 and the City of Klawock not having immediately enacted an ordinance.

Perhaps the best approach for a resolution to this issue is that we include in our annual dispatch agreement a provision for EMS transport protocols between Craig and Klawock EMS. The dispatch agreement is in need of renewal anyway, and could provide a useful mechanism to address your concerns regarding EMS transports. City of Craig staff is prepared to meet with staff from the City of Klawock as soon as possible to work toward a resolution agreeable to both communities.

Feel free to contact me with any questions, or to arrange a time to meet on this.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Watson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mayor Dennis Watson

City of Craig Memorandum

To: City Mayor & City Council

From: Joyce Mason, Treasurer

Date: July 25, 2013

RE: Harbor Rates

At the last council meeting the council voiced concerns about the new policy to double harbor transient moorage charges if the fees are not paid in advance and have to be billed. I have revised the harbor rates to remove the statement "All Moorage Rates Double if Billed *Excluding Perm Moorage". The municipal code section 4.20.040 will remain in effect. This section states the city will charge a \$5.00 billing fee for services not paid by the twenty-fourth of the month the services are provided.

Also the Pressure Washer – Gas was published at the incorrect rate. The rate published was \$75 per hour and should be \$75 a day. This rate is for renting the power washer only and does not include harbor personnel. The rate per hour is \$35.00.

Recommendation: Moved to accept resolution 13-15, Fiscal Year 2014 Harbor Rates.

**CITY OF CRAIG
RESOLUTION 13-15**

AMENDING HARBOR RATES

WHEREAS, the City of Craig owns, operates, and maintains various harbor facilities and equipment; and

WHEREAS, the Harbor Department is an Enterprise Fund department within the City of Craig, and must raise revenues to cover its operational costs; and

WHEREAS, Harbor Department rates are set by the Craig City Council; and,

WHEREAS, the Craig Harbor Advisory Committee has considered and passed a motion in support of the proposed rate changes.

THEREFORE BE IT RESOLVED THAT the City of Craig council approves the harbor service rates as shown in Attachment A to this resolution, effective August 1, 2013.

APPROVED _____

MAYOR DENNIS WATSON

ATTEST _____
KASSI KNOCK, CITY CLERK

City of Craig Harbor Use Fee Schedule

Attachment A

Resolution 13-15
August 1, 2013

Boat Trailer Rental	1st Day	\$50.00
Boat Trailer Rental	2nd & thereafter	\$25.00
Grid Use	per day	\$15.00
Pressure Washer - Gas (Rental Only)	per day	\$75.00
Pressure Washer - Gas	per hour	\$35.00
Pressure Washer - Electric	per hour	\$30.00
Vessel Assist by harbor crew	per hour	\$100.00
Wash Down		\$10.00
Tarp Sale		\$95.00
Boat Yard Cleanup	per hour	\$50.00
Pump Out Boat w Manpower	per hour	\$75.00
Pump Rental	per Day	\$35.00
Outside Storage	per month	\$25.00
Container Rental	per month	\$50.00
Freezer Van Rental -35' included electricity	per month	\$35.00
Regular Van - 25'	per month	\$25.00
Boat and trailer storage - up to 25'	per month	\$10.00
Boat and trailer storage - 25' and up'	per month	\$20.00
Haul out	per foot	\$10.00
One Night Storage on Boat Haul out Trailer		\$35.00
Boat Storage up to 56 days	per foot per day	\$0.18
Boat Storage after 56 days	per foot per day	\$0.29
Boat Storage after one year	per foot per day	\$0.58
Freezer Storage at Ice House	per week	\$10.00
Freezer Storage at Ice House	per month	\$30.00
Freezer Storage at Ice House	per six month	\$120.00
Crane Usage	per 1/2 hour	\$15.00
Crane Usage	per hour	\$30.00
Wharfage Fee to off load product		
First 20,000 lbs.	0.005	\$100.00
2nd 20,000	0.0025	\$50.00
Over 40,000 lbs.	0.001925	\$77.00
Ice Sales	per ton	\$80.00
Live-aboard fee	per month	\$50.00
Daily transient moorage rates per Boat length	per foot	\$0.50
One Month Rate	per foot	\$4.00
Three Month Rate	per foot	\$7.60
Six Month Rate	per foot	\$10.50
One Year Rate	per foot	\$15.75
One Year Permanent Rate	per foot	\$15.75

Harbor Use Fee Schedule


Resolution 13-15

August 1, 2013

Transient Electrical Power

20 amp 120v	1st 15 days of the month	\$5.00
20 amp 120v	2nd 15 days of month	\$3.00
30 amp 120v	1st 15 days of the month	\$8.00
30 amp 120v	2nd 15 days of month	\$5.00
50 amp single phase	1st 15 days of the month	\$10.00
50 amp single phase	2nd 15 days of month	\$7.00
50 amp 3 phase		\$30.00
100 amp 3 phase		\$50.00

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator 
Date: July 26, 2013
RE: Ordinance 656 and Resolution 13-16

Included on the agenda for the council's August 1 meeting are Ordinance No. 656 and Resolution No. 13-16. Both documents pertain to installation of water meters to currently unmetered services in Craig.

Ordinance No. 656. This ordinance modifies section 15.44.140.B of the Craig Municipal Code to allow the city to charge water customers the cost of installing meters to currently unmetered services. The current code language requires that the city bear that cost. As staff and the budget committee prepared the current year budget documents, one goal set for the fiscal year was to meter all remaining unmetered services (about 45 services remain unmetered). At the time staff recommended charging the water customers the cost of the metering materials, with the city assuming the costs to install the materials. Staff's rationale for this approach is that unless a given customer uses substantially more water than does the typical metered customer, the owner of the newly metered service will pay less each month with the metered service than without it. Staff also added that the materials cost could be added to each unmetered customer's billing over several months to reduce the hardship of having to come up with the materials cost, which ranges from \$780 to \$1,050 depending upon the size of the water service.

Currently the municipal code does not provide for the city to charge water customers for a conversion to a metered service. The ordinance, if adopted, enables the city to assess the cost of converting the service to the water customer.

Resolution 13-16. This resolution sets the fees for water meter installation. The fees are based on staff's research into the costs of the metering materials. The costs set out in the resolution reflect the cost to obtain the parts and have them shipped to Craig. There is no mark up over the city's actual cost, and the costs set out in the resolution do not include costs to install the meters.

I did receive two comments on the proposed changes, both from owners of unmetered water services. Greg Shapley came by the office concerned about the cost of the metering materials to the property owner. He understands the city's desire to meter all accounts, and believes that the city should assume the cost to convert the services. Greg also said that he wished the city would take up matters like this outside the busy time of the commercial fishing season. Wayne Sanger called me about this same matter. Wayne suggested that it would be more cost effective for the property owners to pay a higher rate for unmetered services, beyond the margin that unmetered services already pay over metered services. He also expressed concern that the cost of the metering components might be too much for some water service customers to pay.

The council last set fees for water services by resolution in 2002 (copy attached). The costs included in that resolution are now outdated because they have risen substantially in the past eleven years.

Recommendation

Adopt Ordinance No. 656 and Resolution 13-16.

**CITY OF CRAIG
RESOLUTION 02-08**

**ADJUSTING THE FEES CHARGED BY THE CITY OF CRAIG WATER
DEPARTMENT FOR METER INSTALLATION**

WHEREAS, the City of Craig, Alaska Water Department installs water meters for utility customers within the City of Craig service area; and,

WHEREAS, the rates were established in 1985 to cover the costs incurred for the purchase of materials; and,

WHEREAS, the City of Craig deems it necessary to adjust the rates to reflect the current costs incurred by the City for meter installation.

WHEREAS, the City of Craig establishes the following rates for meter installation:

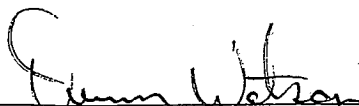
Size	New	Outside Retrofit	Inside Retrofit
3/4"	\$575	\$330	\$300
1"	\$720	\$475	\$450

NOW, THEREFORE, BE IT RESOLVED that the Craig City Council deems it necessary for the City of Craig to recover the costs incurred for the purchase of materials required to install water service meters.

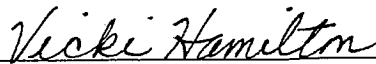
BE IT FURTHER RESOLVED that the Craig City Council approves the rate structure outlined in this document.

BE IT FURTHER RESOLVED that the adjusted rate structure becomes effective July 1, 2002.

Approved this 22nd day of May, 2002.



Mayor Dennis Watson



Vicki Hamilton, City Clerk



**CITY OF CRAIG
RESOLUTION 13-16**

**ADJUSTING THE FEES CHARGED BY THE CITY OF CRAIG WATER
DEPARTMENT FOR METER INSTALLATION**

WHEREAS, the City of Craig, Alaska Water Department installs water meters for utility customers within the City of Craig service area; and,

WHEREAS, the rates were established in 1985 and updated in 2002 to cover the costs incurred for the purchase of materials; and,

WHEREAS, the City of Craig deems it necessary to adjust the rates to reflect the current costs incurred by the City for meter installation.

WHEREAS, the City of Craig establishes the following rates for meter installation:

Size	Complete Meter Set for current service	Establish New Service
3/4"	\$780	\$1280
1"	\$1050	\$1550

NOW, THEREFORE, BE IT RESOLVED that the Craig City Council deems it necessary for the City of Craig to recover the costs incurred for the purchase of materials required to install water service meters.

BE IT FURTHER RESOLVED that the Craig City Council approves the rate structure outlined in this document.

BE IT FURTHER RESOLVED that the adjusted rate structure becomes effective August 1, 2013.

Approved this _____ day of _____, 2013.

Mayor Dennis Watson

Kassi Knock, City Clerk

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: July 30, 2013
RE: Draft Agreement, Port St. Nicholas King Salmon Hatchery

Attached you will find a draft agreement between the City of Coffman Cove, POW Hatchery Association, and the City of Craig. The agreement governs the raising and release of king salmon from the Port St. Nicholas hatchery facility.

As of today's date I am still working with Coffman Cove and POWHA to finalize the agreement. However I believe the attached draft is very close to the final terms. If there are minor changes that the other parties want included in the draft I will bring them to the council's attention at Thursday evening's meeting.

In short, the changes from the last meeting include a reduction of Craig's contributions based upon a grant that POWHA received for the king salmon program this year, and also a reduction based upon revenue from the cost recovery effort. I estimate the city's cash contribution to the hatchery for the king salmon program at \$40,000; about \$5,000 more than currently budgeted. The city has other in-kind contributions to the facility as well.

I am waiting for final agreement from both Coffman Cove and POWHA on the draft. However I expect no more than minor changes, if any, to the document by the time the council is ready to consider approval of the document at its August 1 meeting.

Recommendation

Approve the proposed FY 2014 Port St. Nicholas king salmon hatchery operating agreement.

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, 2013 through June 30, 2014

The City of Coffman Cove, City of Craig, and Prince of Wales Hatchery Association agree to perform the following tasks by June 30, 2014, 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.);
- 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 1st);
- 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.
- 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, and train POWHA staff to perform the yearly maintenance tasks;
- 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.
- Provide funds to cover 81.25 % of annual operating budget in four approximately equal quarterly payments to POWHA. The total payment shall be the difference between \$45,500 and the amount received by POWHA in cost recovery of PSN Chinook salmon.

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";

- Provide funds to cover 18.75 % of annual operating budget (\$10,500) 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;

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 otherwise) 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

City of Craig Memorandum

To: City Mayor & City Council

From: Joyce Mason, Treasurer

Date: July 26, 2013

RE: Sales Tax Collection

It is becoming more and more popular to pay for fees and services to the city by credit card. Each transaction the city accepts costs the city approximately 2 to 4 percent depending on the type of card for service fees and interchange fees. The Alaska Air retail card that most residents and business have is one of the higher costing cards.

I would like the council to discuss the merits of charging a transaction fee if businesses use a credit card for remitting sales tax. This fee would only be for sales tax collection, not other services the city provides. The sales tax rate was established to fund services for the city and the 2% to 4% paid to the credit card companies reduces services we can provide.

Recommendation: Advise the staff to prepare resolution to implement credit card transition fees or leave policy as is.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: July 30, 2013
RE: Design Options for Main Street Improvements

At its July 11 meeting, the city council directed staff to come up with options for making improvements to Main Street between Seventh and Eighth Streets. The council gave staff this direction after hearing concerns raised by Otis Gibbons over the design and elevation of the road.

In response to the council's direction, staff directed R&M Engineering to draw up alternative designs. Two such designs are attached, titled Option 1 and Option 2. Please note that on the drawings, Main Street is shown in the horizontal, and Seventh Street is in the vertical.

Option 1

This option (page EX1) is a variation of the existing street design. The option keeps the concrete valley gutter that is already in place, adds valley gutter to the north side of the street per the original design, and adds drainage structures on the south side of Main Street, between the existing valley gutter and the adjacent property lines. Please note that the property lines on the drawing are shown as a one long dash and two short dash line type. This design proposes to catch storm water from the area between the valley gutters and the nearest property lines. The storm water would be re-routed to a point farther down Main Street, where it would eventually feed into an existing underground storm drain. There are a number of spot elevations recorded on the drawing to show the slope of the terrain near the drainage structures. In addition to collecting rainwater, this approach also allows some on-street parking. The cost of material and freight with this approach is about \$1,800. Not included in the cost estimate is the value of the city's public works crew to install the improvements.

Option I Estimated Cost

Catch basins & PVC pipe	\$500
Freight to Craig	\$500
D1	<u>\$800</u>
Total	\$1,800

This option also requires receiving permission from the owners of the Hamilton and Whalebone Apartment lots to allow city staff to place enough D1 to fill and shape portions of the front of these lots to orient storm water flow toward the catch basins. This effort does not require a large quantity of fill or staff time, but it does require consent of the property owners.

Option 2

This option (page EX2) returns the Main Street elevation to a point slightly below its original elevation, up to six inches from the original ground. The option eliminates the existing valley

gutter on the south side of the street up to about station 19+25, and the engineer states that some of the north side valley gutter must be removed as well. This option tilts about 200 linear feet of Main Street to the north so that storm water from the asphalt surface runs to an existing french drain near the northeast corner of the intersection of Seventh and Main Streets. The original design has the street crowned so as to shed storm water from the center of the road to the road shoulders. A design showing the sloped and crowned design options is found at the bottom of page EX2.

This option eliminates all valley gutter from the length of Main Street between Eighth Street and Seventh Street. Staff estimates about a \$9,000 cost to complete this option

Option II Estimated Cost

Survey Costs to contractor	\$1,000
Base prep. to contractor	\$550
Demolition cost	\$2,500
Excavation	\$2,800
Driveway preparation	\$1,650
Saw cuts and other prep.	<u>\$500</u>
Total	\$9,000

As noted above, this option includes the removal of up to 330 linear feet of valley gutter, which was installed at a cost of about \$20,000. However, staff thinks it can reduce a bit of the overall linear footage of the gutter that would require demolition.

Pages EX2-2 and EX2-3 show the elevation difference of the road and shoulder surface of the original ground and for Option I and Option II.

If given direction on August 1, staff believes it can implement either option this field season.

Recommendation

Both options work from a design standpoint. The council should choose one of the options and direct staff to implement that choice.

From: Ron McIntosh
To: "Jon Bolling";
Subject: FW: 7TH AND MAIN REVISIONS
Date: Tuesday, July 30, 2013 7:38:41 AM
Attachments: doc20130729163255.pdf

From: Robert Badgett [mailto:rbadgett@rmketchikan.com]
Sent: Monday, July 29, 2013 4:47 PM
To: Ron McIntosh
Cc: 'Mike McKimens'; trevorsande@rmketchikan.com
Subject: 7TH AND MAIN REVISIONS

Ron,

Per your request I have developed a few options that will help to ensure not additional runoff will flow onto the property at the corner of 7th and Main.

Option #1- consist building the road per the original design plan and then installing two area drains to pick up any stormwater flow from the adjacent property prior to it flowing into the Otis's driveway.

Option #2 – consists of removing the existing valley gutter in front of Otis's place, cutting down the existing grade in front of Otis's place, and construction the road in this Area as a shed section to the north in order to ensure the higher stormwater flows generated from paving the road do not flow down Otis's driveway. Some Items you need to be aware of with this option are as follows;

- 1) The new road profile will generate at a minimum 80 cy of additional excavation (this does not include any over excavation if we find that the existing material at subgrade is unsuitable for building on), in order to ensure the edge of the road on the south side Main is not perched so high that we will not be able to tie into the existing driveways.
- 2) Prior to performing this we may want to verify the existing depth of the water line in this immediate area in order to ensure that once we have cut the existing road down we still provide the minimum required depth of cover to ensure the water lines don't freeze.
- 3) In addition to removing the valley gutter on the south side we will need to remove a portion of the valley gutter on the north side, due to the proposed new road grade. (see cross sections).
- 4) Based my calculations I am estimating having to remove approximately 330 lf of existing valley gutter, and 80 cubic yard of existing road bed in

order to install the proposed D1 and pavement.

If you have any additional questions give me a call,

Regards

Robert Badgett, PE

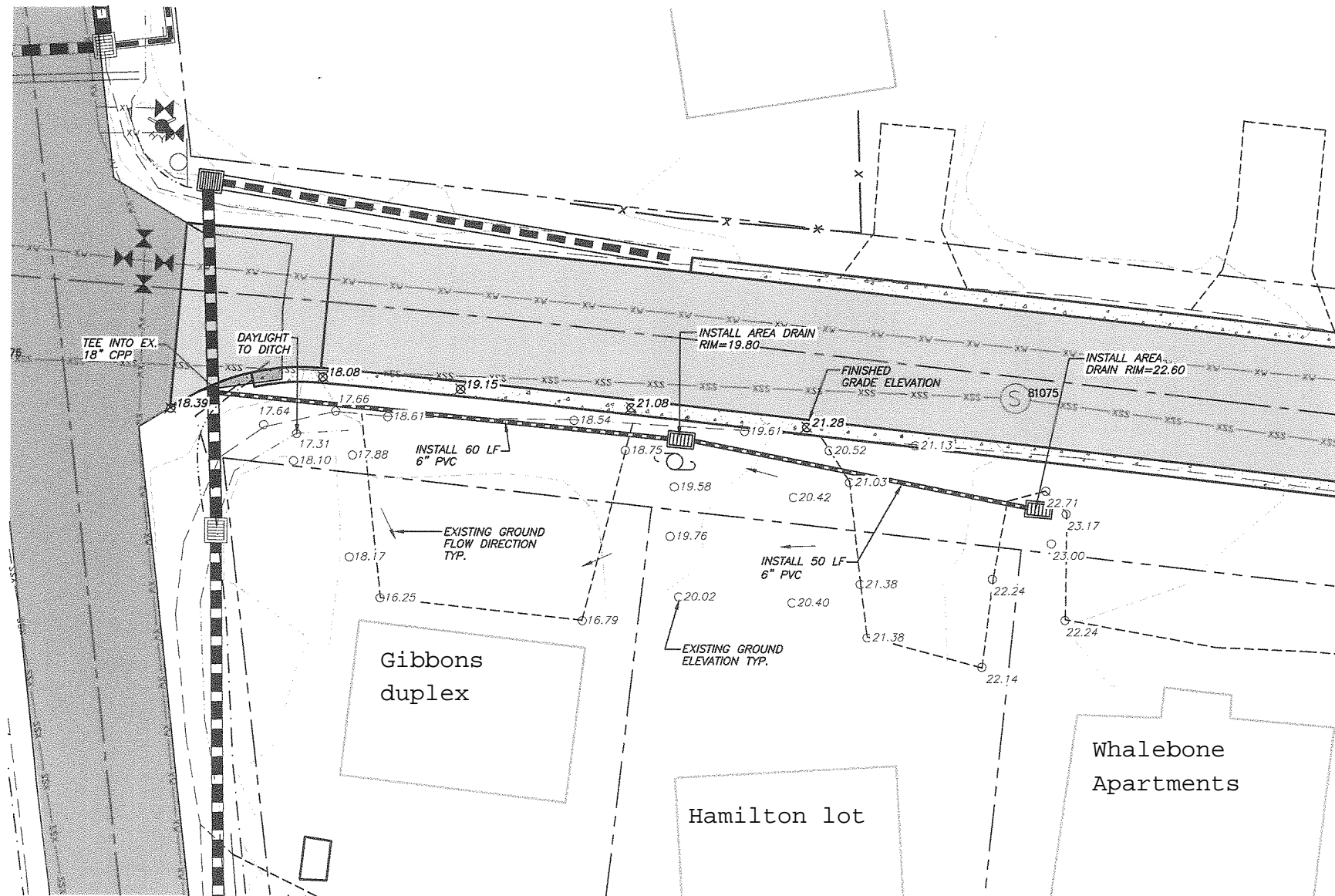
R&M Engineering-Ketchikan, Inc.

355 Carlanna Lake Rd.

Ketchikan, AK 99901

Ph: 907-225-7917 ext. 104

rbadgett@rmketchikan.com



8/9/12	1	REVISED PLANS PER CITY	RKB
9/12/12	2	PER CONTRACTOR COMMENTS	RKB
11/13/12	3	PER CONTRACTOR REQUEST	RKB
11/29/12	4	REVISED INCORRECT GRADE REVISION	RKB

Designed: RKB	Approved: RKB
Drawn: RKB	Date: 7/27/13
Checked: TSS	PROJECT #: 092709.03

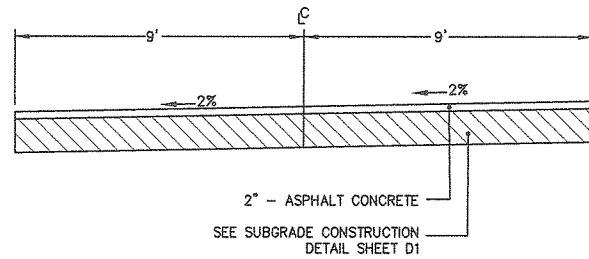
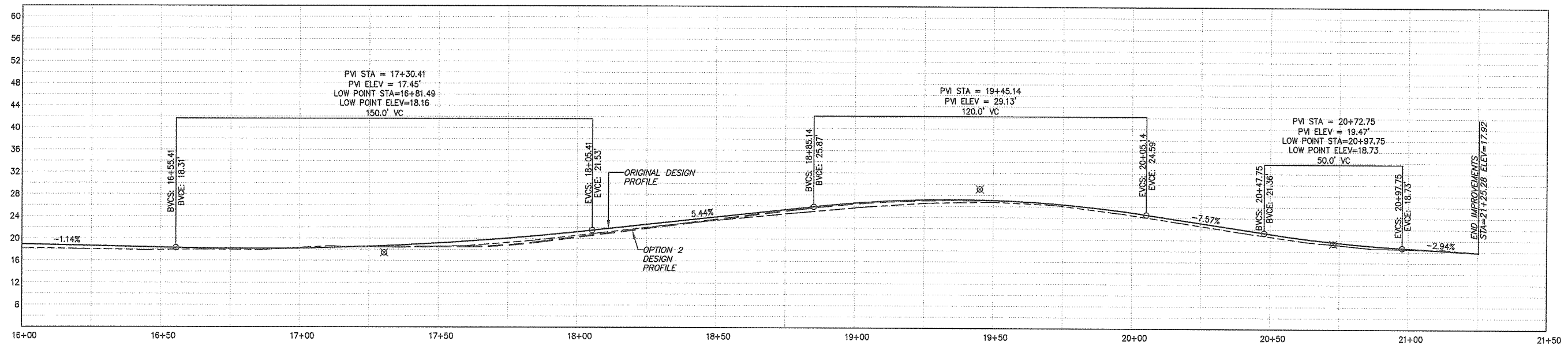
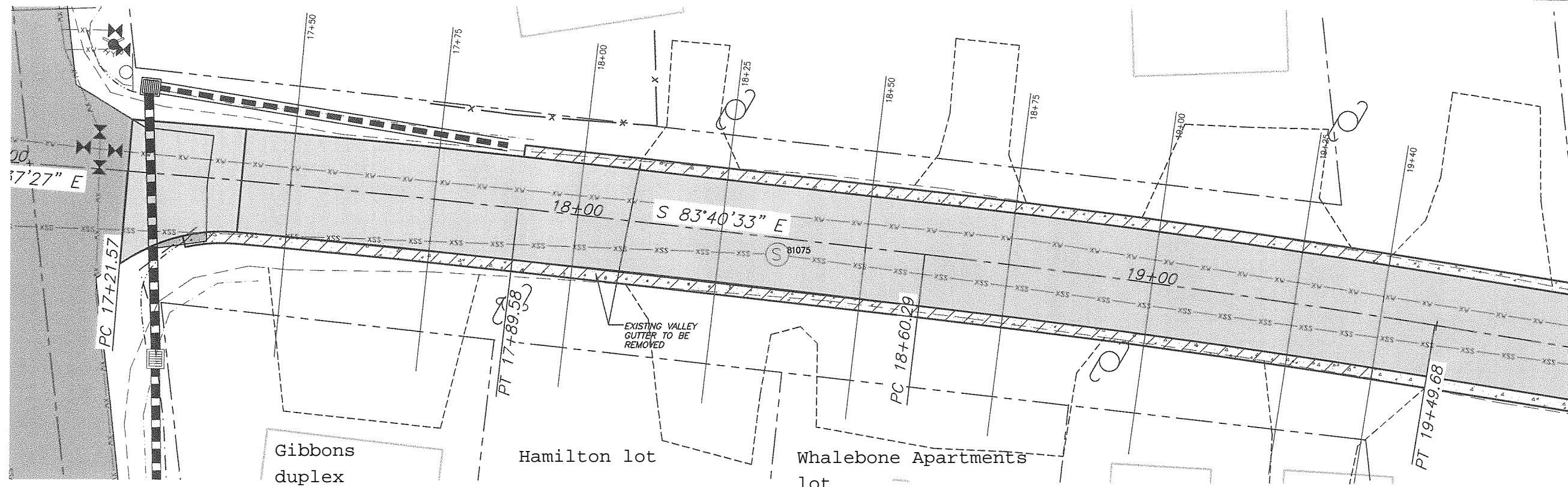
R&M ENGINEERING-KETCHIKAN, INC.
 355 CARLANNA LAKE ROAD
 KETCHIKAN, ALASKA 99901

Client: CITY OF CRAIG
 PO BOX 725
 CRAIG, ALASKA 99921

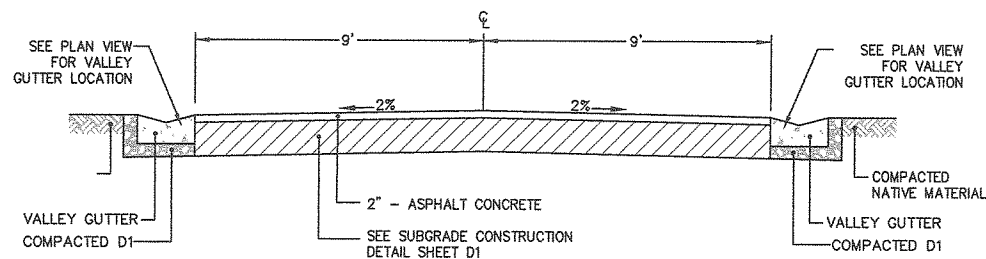
Project: CRAIG CITY STREETS PAVING
 PHASE III

Sheet Description: **7TH AND MAIN REVISION
 OPTION 1 EXHIBIT MAP**

Sheet No. **EX1**



MAIN STREET TYPICAL SECTION
 STA 17+17 - 19+25
 NOT TO SCALE



MAIN STREET TYPICAL SECTION
 STA 17+45 - EOP
 NOT TO SCALE

8/9/12	1	REVISED PLANS PER CITY	RKB	Designed: RKB	Approved: RKB
9/12/12	2	PER CONTRACTOR COMMENTS	RKB		
11/13/12	3	PER CONTRACTOR REQUEST	RKB	Drawn: RKB	Date: 7/27/13
11/29/12	4	REVISED INCORRECT GRADE	RKB	Checked: TSS	PROJECT #: 092709.03
REVISION					

R&M
 R&M ENGINEERING-KETCHIKAN, INC.
 355 CARLANNA LAKE ROAD
 KETCHIKAN, ALASKA 99901

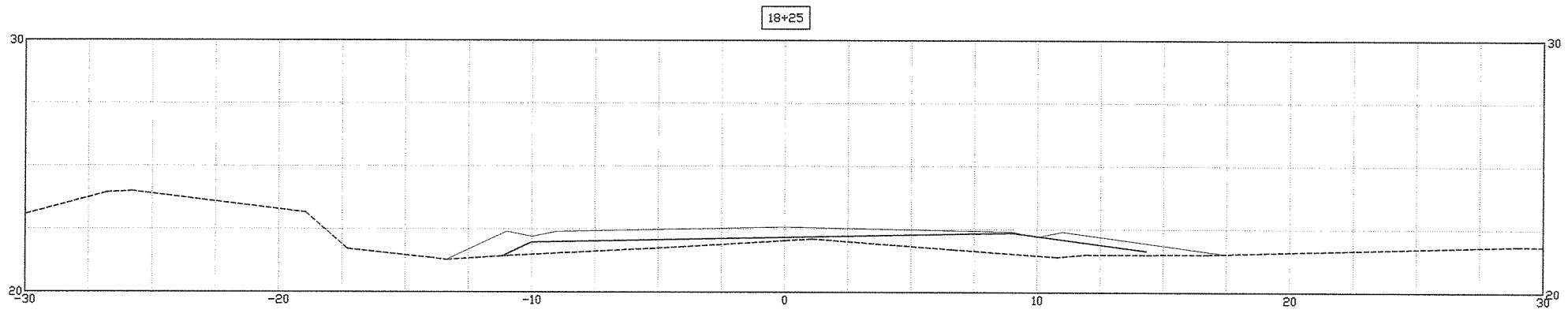
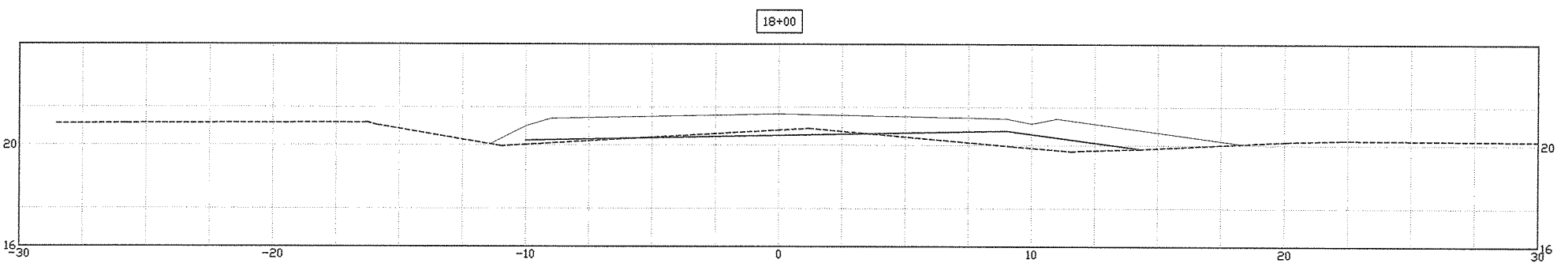
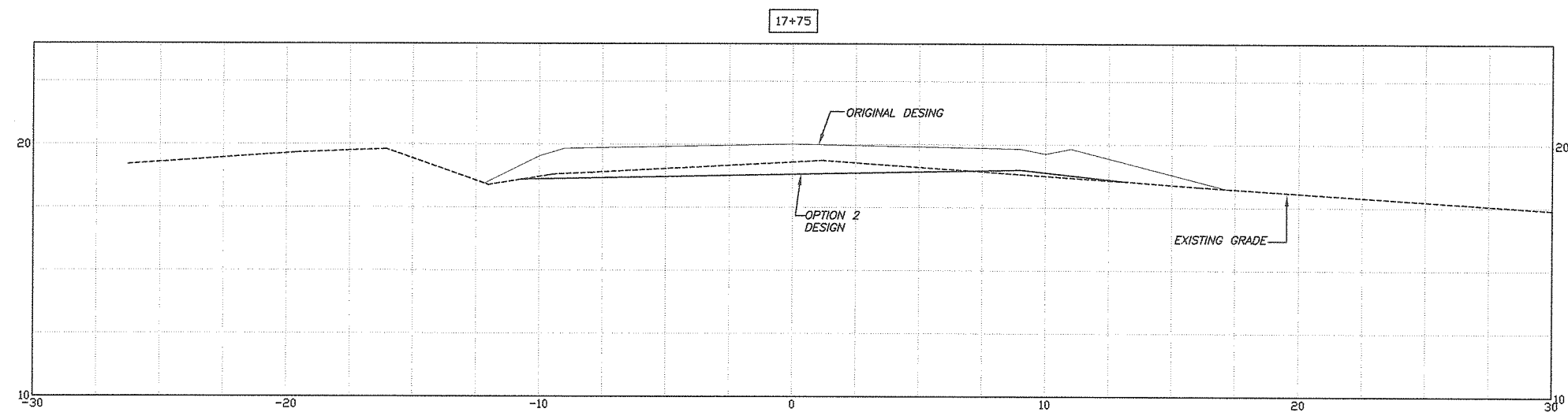
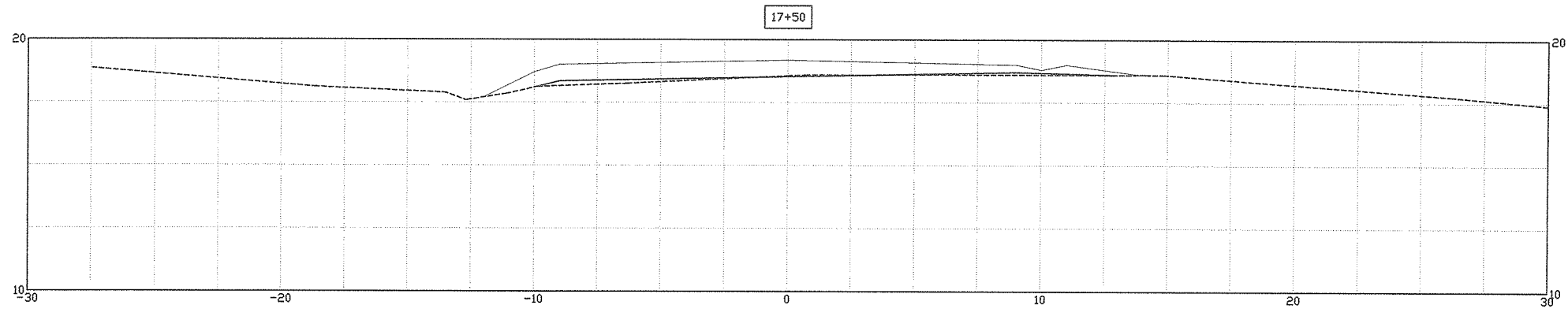
Client: CITY OF CRAIG
 PO BOX 725
 CRAIG, ALASKA 99921

Project: CRAIG CITY STREETS PAVING
 PHASE III

Sheet Description: 7TH AND MAIN REVISION
 OPTION 2 EXHIBIT MAP

Sheet No.
 EX2





8/9/12	1	REVISED PLANS PER CITY	RKB	Designed: RKB	Approved: RKB
9/12/12	2	PER CONTRACTOR COMMENTS	RKB		
11/13/12	3	PER CONTRACTOR REQUEST	RKB	Drawn: RKB	Date: 7/27/13
11/29/12	4	REVISIED INCORRECT GRADE	RKB	Checked: TSS	PROJECT #: 092709.03
		REVISION			

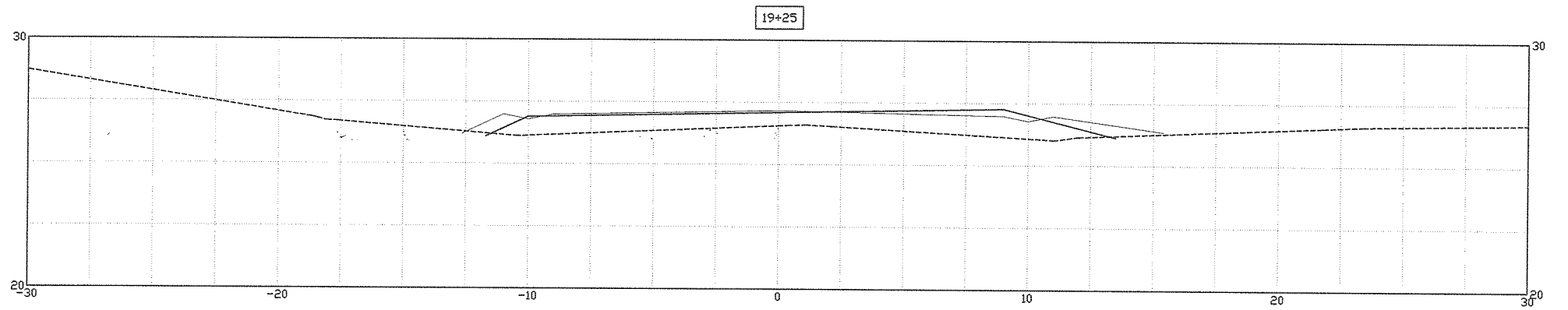
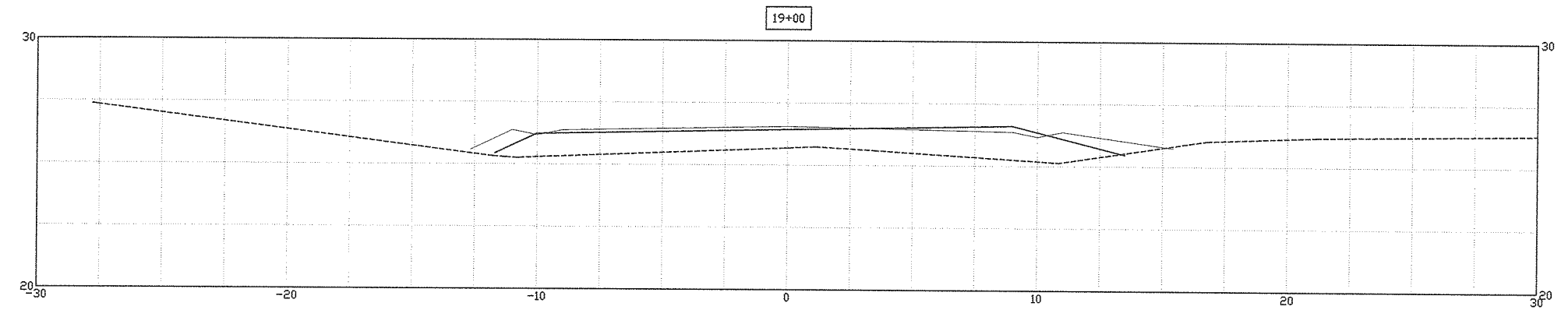
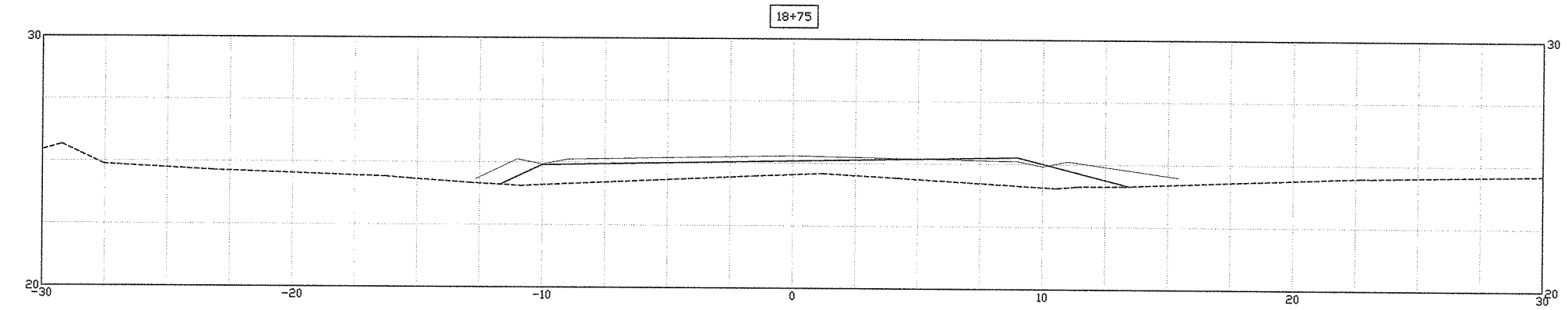
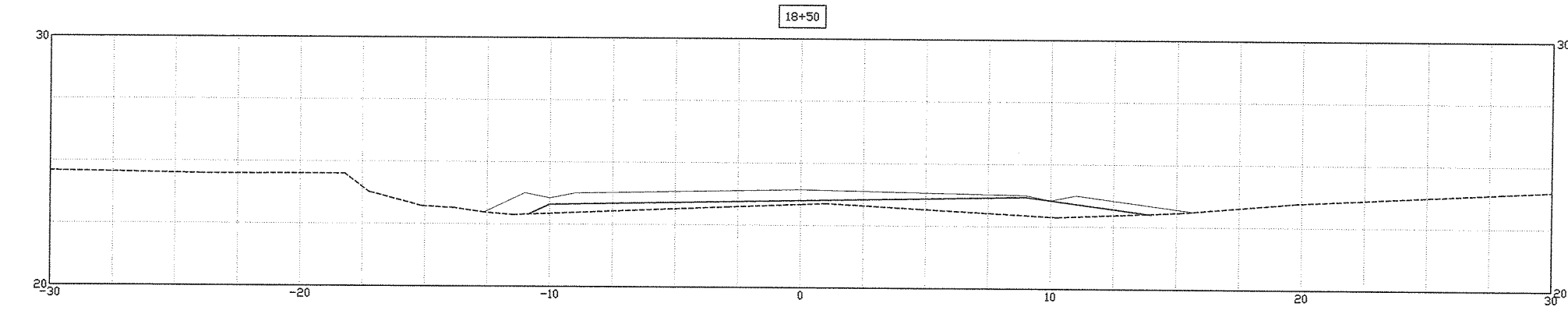
R&M ENGINEERING—KETCHIKAN, INC.
355 CARLANNA LAKE ROAD
KETCHIKAN, ALASKA 99901

Client: CITY OF CRAIG
PO BOX 725
CRAIG, ALASKA 99921

Project: CRAIG CITY STREETS PAVING
PHASE III

Sheet Description: 7TH AND MAIN REVISION
OPTION 2 CROSS SECTIONS

Sheet No. EX2-2



8/9/12	1	REVISED PLANS PER CITY	RKB
9/12/12	2	PER CONTRACTOR COMMENTS	RKB
11/13/12	3	PER CONTRACTOR REQUEST	RKB
11/29/12	4	REVISED INCORRECT GRADE REVISION	RKB

Designed: RKB
 Approved: RKB
 Drawn: RKB
 Date: 7/27/13
 Checked: TSS
 PROJECT #: 092709.03

R&M ENGINEERING-KETCHIKAN, INC.
 355 CARLANNA LAKE ROAD
 KETCHIKAN, ALASKA 99901

Client: CITY OF CRAIG
 PO BOX 725
 CRAIG, ALASKA 99921

Project: CRAIG CITY STREETS PAVING
 PHASE III

Sheet Description: 7TH AND MAIN REVISION
 OPTION 2 CROSS SECTIONS

Sheet No. EX2-3

Multiple files are bound together in this PDF Package.

Adobe recommends using Adobe Reader or Adobe Acrobat version 8 or later to work with documents contained within a PDF Package. By updating to the latest version, you'll enjoy the following benefits:

- Efficient, integrated PDF viewing
- Easy printing
- Quick searches

Don't have the latest version of Adobe Reader?

[Click here to download the latest version of Adobe Reader](#)

**If you already have Adobe Reader 8,
click a file in this PDF Package to view it.**