

CITY OF CRAIG
COUNCIL AGENDA
MARCH 20, 2014
COUNCIL CHAMBERS 7:00 P.M

ROLL CALL

Mayor Dennis Watson, Greg Head, Joni Kuntz, Jim See, Don Pierce, Mike Douville and Jan Storbakken

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 February 6, 2014

HEARING FROM THE PUBLIC

- Open for public comment
- Resolution 14-04, 2014 Tax Free Day
- Resolution 14-05, 2014 Parental Alienation Awareness Day

REPORTS FROM CITY OFFICIALS

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

READING OF CORRESPONDENCE

- POW Health Network community support
- Dispatch services for Hollis
- Catholic Community Service Quarterly Expenditure Report
- AK Division of forestry plan for Southeast State Forest
- APCM January Report
- APCM February Report
- POW Shooting Club

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- Resolution 14-04, 2014 Tax Free Day
- Resolution 14-05, 2014 Parental Alienation Awareness Day

UNFINISHED BUSINESS

1. USACE Continuation

NEW BUSINESS

1. Consider approval of proposal for king salmon cost recovery at Port St. Nicholas
2. Consider appropriation or improvements to Lot 92B, Port St. Nicholas Subdivision
3. Consider letter of support for marine debris funding request
4. Award of bid Port St. Nicholas 12” water main replacement design
5. Approval of FY13 Financial Audit
6. Consider approval of 2014 operation agreement with POWHA

ADJOURNMENT

CITY OF CRAIG
COUNCIL MEETING
THURSDAY February 6, 2014

ROLL CALL

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

Staff present: Jon Bolling, City Administrator; Joyce Mason, Treasurer; Nicole Robison, Aquatic Manager; Kassi Bateman, City Clerk; Brian Templin, City Planner; Daniel Nelson, Harbormaster; Ron Macintosh, Public Works Director; Victoria Merritt, Parks and Recreation; Otis Gibbons, Parks and Public Facilities

Audience present: Taylor Robison, Leonard Williams, Dee Ginter, Jason Norris, and Chris Floyd

CONSENT AGENDA

The consent agenda was presented, it contained:

- City Council Minutes of January 16, 2013

PIERCE/DOUVILLE moved to approve the consent agenda as written.
MOTION CARRIED

Brian requested that Resolution 14-03 be moved until after the first item under New Business as they are correlated. Council approved the change.

HEARING FROM THE PUBLIC

Leonard Williams mentioned that the flag pole at the Post Office has been down for three years, and although the top is on order, Leonard would like to see a letter sent to the Post Master General to move things along.

REPORTS FROM CITY OFFICIALS

Mayor- Mayor Watson was in Juneau last week and met with the working forest group and others to look at making changes to the State Forest Practices Act. Mayor Watson also spent time at Southeast Conference to deal with the up and coming changes to the Tongass Land Use Management Plan. The announcement is out to get in the group. Southeast Conference is looking for representatives from the tribes and villages. Mayor Watson was able to spend some time on Capitol Hill and Senator Steadman had a good idea of what will be in the Capital Budget.

IFA- the IFA was put in the Governor's budget for \$500,000 a year appropriation for five years running. Dennis will be loading projects into CAPSIS for the IFA in order to acquire the remaining \$250,000 deficit in the operating budget. The IFA is looking at raising the adult walk-on ticket cost. The IFA will hold the ferry for Island teams this week.

Administrator- Provided a written report.

Treasurer- Provided a written report. Sales tax is mostly in and is down slightly from last year.

Aquatic Manager- Provided a written report.

City Clerk- Kassi thanked Jan Storbakken for her volunteer work with the clinic records last week.

City Planner- Provided a written report. Brian also mentioned that there were changes made in CAPSIS adjusting the dollar amount of some of our capital projects to match the cost estimates as well as adding in the school district projects as we are required to do. Although the school projects were attached to the bottom of our project list, the dollar amount of the school projects is less than many of ours which increases the chances of those projects being funded.

EMS Coordinator- Absent excused.

Harbormaster- Provided a written report.

Police Chief- Absent excused.

Public Works- The RFP for the St. Nick Water Main replacement is sent to DEC for approval and will be running the ad shortly.

Parks and Rec- Provided a written report. Victoria may be starting Yoga classes soon and will keep everyone posted on the times.

Library-Absent excused.

Parks and Public Facilities- Provided a written report.

READING OF CORRESPONDENCE

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- 1) Resolution 14-03, 18 month access permit for Pat Murphy, Lot 5 Salmonberry Subdivision**

PIERCE/ HEAD

moved to approve Resolution 14-03.

ROLL CALL VOTE

MOTION CARRIED UNANIMOUSLY

UNFINISHED BUSINESS

NEW BUSINESS

- 1) Consideration of terms of sale of Lot 5 Salmonberry Subdivision to Pat and Judith Murphy**

PIERCE/KUNTZ

moved to approve the sale of Lot 5 Salmonberry subdivision to Pat and Judith Murphy under the terms and conditions of the current land sale and the additional conditions provided by the City Planner.
MOTION CARRIED UNANIMOUSLY

2) Presentation by US Army Corps of Engineers on proposed harbor at cannery property

Jason Norris, planner; Dee Ginter, Hydrology and Chris Floyd, environmental resources, presented a status report on the project.

3) Request for proposals for inspection, engineering and design services for Craig Aquatic Center

PIERCE/KUNTZ

moved to direct staff to solicit for proposals for inspection, engineering and design services for Craig Aquatic Center.

Jim mentioned that we currently lose money on the Craig Aquatic Center. Before putting more funds into the building he would like to see a plan for the Aquatic Center to at least pay for itself.

MOTION CARRIED UNANIMOUSLY

4) Alaska Power & Telephone proposed rate increase

Jon briefly summarized his memo concerning the AP&T rate increase. It will be a long process for the Regulatory Commission to decide whether or not to approve the 18 percent rate increase, interim rate increase or another rate to be determined. Jon has copies of the information that has been filed by AP&T and is looking for direction as to whether or not the council would like to participate in the petition to intervene. Jim is concerned that there wasn't enough public notice about the increase and the comment period, and also that the rates keep climbing instead of being lower, as promised by AP&T. Greg explained that we don't really have a choice but to participate in the petition to intervene, as this increase will be forcing businesses to close. The rest of the council agreed.

5) Appointment of Budget Committee Members

Jan and Don will be there for sure, Mike and Dennis will be alternates.

Jim is curious about the skiff issue that was brought up when the harbor rates increased, and would like to discuss it again throughout the budget process and come up with a solution.

6) Appointment of Harbor Committee Members

PIERCE/KUNTZ

moved to appoint Kathy Peavey and Tim O'Conner to the Harbor Committee.

MOTION CARRIED UNANIMOUSLY

ADJOURNMENT

HEAD/DOUVILLE:

moved to adjourn at 8:04 p.m.

MOTION CARRIED

APPROVED _____

MAYOR DENNIS WATSON

ATTEST

KASSI BATEMAN, CITY CLERK

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: February 24, 2014
RE: Resolution 14-04

Attached you will find Resolution 14-04. The resolution authorizes a sales tax free day in Craig. Also attached is a letter from POW properties requesting that the council authorize the tax free day.

Section 3.08.020.E.25 of the Craig Municipal Code provides for the city council to authorize, by resolution, a day where sales that are normally subject to the city's sales tax are exempt from the tax. The attached resolution provides for the sales tax free day on Saturday April 12, 2014. The resolution also sets out conditions for tax exempt sales on April 12.

The council has authorized a sales tax free day for several consecutive years now. If the council approves the resolution, city staff will work to promulgate the conditions of the event to local merchants.

Prince of Wales Properties
P.O. Box 492
Craig, AK 99921-0492
(907)401-0015

February 21, 2014

City of Craig
P.O. Box 725
Craig, AK 99921-0725

RECEIVED
FEB 24 2014
CITY OF CRAIG
CRAIG, ALASKA

Re: Request for Tax Relief Day on April 12, 2014

Dear Administrative Staff & Council Members,

I am writing to you on behalf of Prince of Wales Properties. Similar to previous years, I am requesting the City of Craig consider allowing a Sales Tax Free day on Saturday, April 12, 2014 in accordance with City of Craig Ordinance No. 593.

This one day event has been well received in previous years. Although the discount to the customer is small, the gesture by the City of Craig to allow this event continues to be substantial.

Thank you for your consideration on this matter.

Best Regards,


Mark Beardsley

CITY OF CRAIG

RESOLUTION NO. 14-04

INITIATING THE 2014 SALES TAX FREE DAY

WHEREAS, Ordinance No. 593 provides for a sales tax free day in the Craig Municipal Code; and

WHEREAS, Saturday, April 12th has been chosen as the 2014 tax free day; and,

WHEREAS, Tax Free Day will benefit the Craig residents and other Island shoppers, and provide local merchants a marketing opportunity.

NOW THEREFORE BE IT RESOLVED that April 12th be established as tax-free day for 2014 during normal business hours, subject to the following conditions:

- 1) The promotion does not include the payment of rents and leases;
- 2) All sales made on the tax-exempt day must be recorded like any other exempt sale, and the record from that day submitted with the businesses quarterly sales tax return.
- 3) Sales are limited to stock on hand items only
- 4) Participation in the promotion by local merchants is voluntary.

APPROVED _____

MAYOR DENNIS WATSON

ATTEST _____
KASSI BATEMAN, CITY CLERK

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Kassi Batemen, City Clerk
Date: March 14, 2014
RE: Resolution 14-05

Submitted by Jan Storbakken, Resolution 14-05 proclaims the City of Craig's support in the 8th annual Parental Alienation Awareness Day taking place April 25, 2014.

Recommended Motion

Move to approve Resolution 14-05.

Dear Mayor Watson,

9 Feb 2014

With the interest in raising awareness of a deeply difficult but avoidable social problem, may the date April 25 2014 be proclaimed in Craig to acknowledge and participate in the eighth annual Parental Alienation Awareness (Bubbles of Love) Day.

Briefly,

Parental Alienation is a form of psychological/emotional abuse where one parent impedes the relationship between the other parent and the child/children.

It can often occur within the conflict of divorce, and children are the ones with the most to lose.

Parental Alienation, or PA (also referred to as Hostile Aggressive Parenting, or HAP) occurs when the child/children feel forced to take sides and are encouraged by one parent to choose to reject the other parent. Court battles often loom or used as threats. The damage caused deeply disables the targeted parent's love and can sever ties with extended family and friends as well.

It is difficult for the children to remain neutral, since they cannot please both parents simultaneously, especially in front of one another. In PA cases the child/children align with and favor that parent who appears to promise them the most security, support and often extrinsic rewards. They might also align to favor a hostile parent to prove loyalty or avoid rejection.

The Target Parent is effectively sidelined and often totally rejected by the children due to the influence of the Favored Parent during formative years, and often into adulthood.

The children in these situations are manipulated psychologically and emotionally and to varying degrees, earning a lifetime of confusion if awareness of this form of emotional abuse remains in the dark. Learning the signs and vocabulary of PA is the first step towards recognizing it and mending the most fundamental of relationships... that of a loving parent and child.

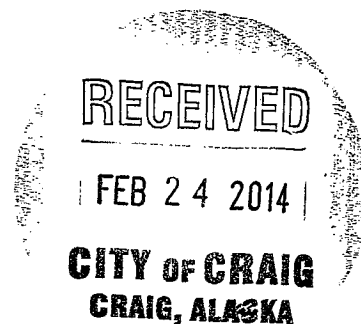
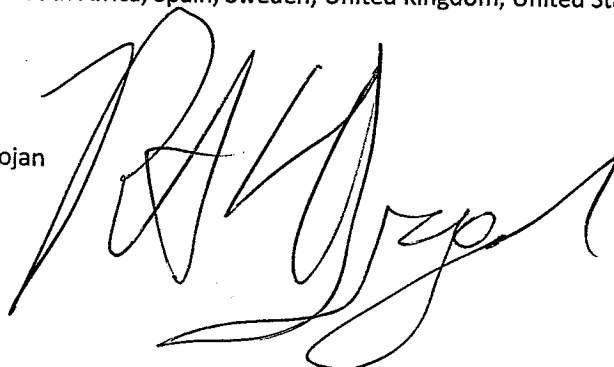
Every child has the right to love and be loved by BOTH parents. PA is a worldwide epidemic that thrives here in Craig for all sorts of reasons, and only once recognized, can our citizens learn how to prevent it, avoid it and recover from it.

Parental Alienation Awareness Day 2007-2013:

PARTICIPATING COUNTRIES: Austria, Australia, Belgium, Bermuda, Brazil, Canada, Costa Rica, Czech Republic, England, Finland, Germany, Holland, Ireland, Italy, Mexico, New Zealand, Poland, Portugal, Slovak Republic, Singapore, South Africa, Spain, Sweden, United Kingdom, United States.

Sincerely,

Richard Trojan





WHAT CAN YOU DO IF YOUR CHILD IS BEING ALIENATED?

- Do not argue or get defensive with your child, it creates bad feelings and is not likely to change his/her mind.
- Let your child know that you have a different understanding of the situation and you would be willing to share your perspective if and when the child is interested.
- Continue, in any possible way, to let the child know that he/she is loved.
- Control your own anger and stay calm, even when hurt or frustrated.
- Hold yourself to the highest possible standard of behavior (do not give the alienating parent ammunition).
- Work on improving your own parenting skills.
- Always call/pick up the child at scheduled times, and be there even if you know the child won't be available.
- Create positive experiences/memories with your child.
- Provide mental health treatment for yourself and your child with professionals experienced with parental alienation.
- Build a support network with friends, family, community resources, and support groups.
- Become educated and help others involved with your child to learn more about parental alienation.
- Attempt to work constructively with the other parent, either directly or through mediation.
- Continue to attempt positive communication, on a regular basis, even if the child rejects or ignores it.

WHAT NOT TO DO

- Do not ignore the problem—it will not go away.
- Never give up hope and never give up on your child.

HOW CAN YOU HELP A CHILD AND HIS/HER REJECTED PARENT?

If you are a teacher, counselor, coach, clergyman, parent of the child's friend, friend, or family member:

- Listen to the child, without negating what the child is saying, regardless of how outlandish it may be (that is the child's reality) and then encourage the child to hear the rejected parent's point of view. Appeal to the child's maturity by saying that is the way mature people handle conflicts.
- Appeal to the child's intellect by encouraging him/her to carefully consider ideas or statements that are blatantly false or outlandish.
- Point out to the child how persuasive advertising can influence a person's thinking and try to relate that to the child's thinking about the rejected parent.
- Look for books or movies that can stimulate discussion about the importance of two parents and the sadness of having only one parent.
- If appropriate, invite both the child and rejected parent to the same function, making the child aware that the rejected parent is valued and appreciated.
- Look for opportunities to provide positive input about the targeted parent.

66 ...extending through the years of childhood and adolescence in his [or her] relations with both parents, [a child] builds up working models of how attachment figures are likely to behave towards him in any variety of situations, and on those models are based all his expectations, and therefore all his plans, for the rest of his life.

-John Bowlby, *Separation, Anxiety, and Anger*

The information provided in this pamphlet is based in part on the following works:

Baker, A.J.L. (2007). *Adult children of parental alienation syndrome: Breaking the ties that bind*. NY: W.W. Norton.

Clawar, S.S. & Rivlan, B. (1991). *Children held hostage: Dealing with programmed and brainwashed children*. Chicago, IL: American Bar Association.

Dannell, D. (1998). *Divorce Casualties: Protecting your children from parental alienation*. Lanham, MD: Taylor Trade.

Rand, D., Rand, R., & Kopetski, L. (2005). *The Spectrum of Parental Alienation Syndrome Part III: The Kopetski Follow-up Study*. American Journal of Forensic Psychology, 23(1), 15-43.

Warshak, R. (2001). *Divorce poison: Protecting the parent-child bond from a vindictive ex*. NY: HarperCollins.

PARENTAL ALIENATION!



Undermining and interfering with a normal child-parent bond.

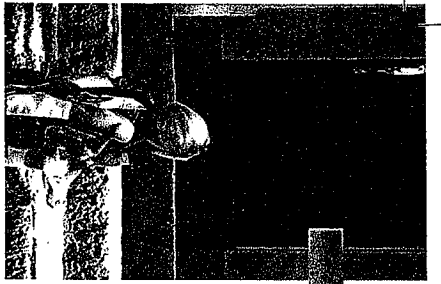


National Child Abuse Hotline
1-800-4-A-CHILD



www.PAAwareness.org

Parental Alienation Awareness, www.PAAwareness.org



WHAT IS PARENTAL ALIENATION?

A conflicted family dynamic that draws a child into siding with one parent, changing a previously good relationship with a now rejected parent in order to do battle. The child may become preoccupied with criticisms of the rejected

parent, which are normally inconsequential, exaggerated, or unfounded in reality. A parent may understand the theoretical importance of the other parent in the life of the child, but believes his or her case is the exception.

ALIENATING BEHAVIORS INCLUDE:

Badmouthing the rejected parent, such as

- Speaking negatively about a parent to, or in front of, the child.
- Inaccurately or untruthfully telling the child about the rejected parent, or suggesting they are unsafe or dangerous.
- Exaggerating minor flaws in the rejected parent.
- Inappropriately confiding adult information with the child.

Interfering in a child's contact with a rejected parent, such as

- Throwing out gifts and letters from the rejected parent.
- Calling excessively during time with the rejected parent.
- Early pickups or late drop offs for time with the rejected parent.
- Forbidding any reference to, or photos of the rejected parent.
- Scheduling activities that compete with time with the rejected parent.
- Monitoring or forbidding communication or time with the rejected parent.

Manipulating a child to reject a parent, such as

- Withdrawing love, including guilt for having fun or feeling love toward a rejected parent.

Undermining child's relationship with the rejected parent, such as

- Asking the child to spy on or keep secrets from the rejected parent.
- Forcing the child to choose between parents.
- Creating conflict between the child and the rejected parent.
- Interrogating the child after time with a rejected parent.
- Providing the child with inappropriate information about finances, marriage or divorce issues.
- Accusing the rejected parent of causing emotional pain to the favored parent that the child should help to heal.
- Giving the child parental decision making authority, i.e. whether to visit with the rejected parent.

Undermining the rejected parent's role in the child's life, such as

- Refusing to provide the child's information (medical, educational, etc.), to the rejected parent.
- Not inviting/informing the rejected parent of important events: (awards, honors, graduations, etc)
- Refusing to provide others with the rejected parent's contact information.
- Rewriting history to reduce a rejected parent's role in the child's life.

AN ALIENATED CHILD OF PARENTS IN CONFLICT MAY:

- Express relentless, unambiguous hatred toward the rejected parent and their side of the family.
- Obsessively parrots the favored parent without regard for their own historical experiences.
- Refuse to spend time, visit, or communicate with the rejected parent.
- Hold negative beliefs about the rejected parent that are inconsequential, exaggerated, or unfounded in reality.

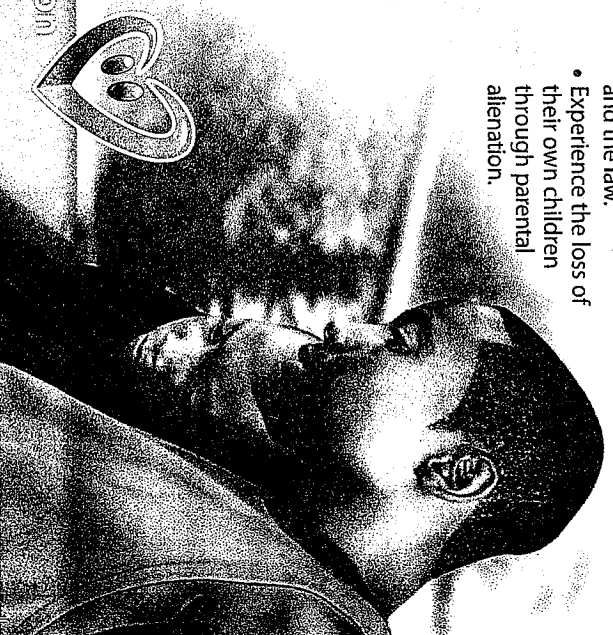
- May lack the capacity to feel guilty about inconsiderate or cruel behaviors toward the rejected parent, or to forgive any past conflicts.

ALIENATION? WHY WOULD THE CHILD BELIEVE THE ALIENATING PARENT?

- The child feels the need to protect a parent who is depressed, anxious, or needy.
- The child wants to avoid the anger or rejection of the alienating parent.
- The child has unresolved feelings about the rejected parent and the divorce.

ALIENATED CHILDREN MAY GROW UP TO BECOME ADULTS WHO:

- Have trouble trusting others.
- Have low self-esteem.
- Have difficulty sustaining intimate relationships.
- Experience shame for hurting the rejected parent.
- Suffer from depression.
- Engage in substance abuse to relieve the pain of parental alienation.
- Are more likely to experience divorce.
- Are more likely to have difficulty with authority and the law.
- Experience the loss of their own children through parental alienation.



KIDS NEED BOTH!

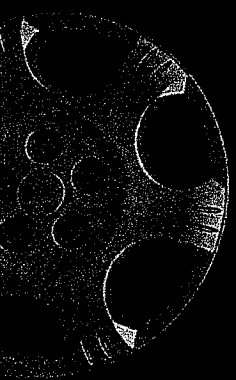
Bubbles of LOVE

KIDS COME FIRST!



Parental Alienation Awareness and Education

Parental Alienation Awareness in Alaska



**Blow some
bubbles for
Love
on April 25!**

**Stop what you are doing at NOON and blow
soap bubbles in/outside for 10 minutes,
and watch the love grow!**

**Let's have some fun and raise those
bubbles high to show your love for all the
children around the globe.**



Sponsored by PWD for PWD and all Children

For more information please visit www.BubblesofLoveDay.com

Parental Alienation Syndrome, Child Custody & Emotional Child Abuse

Keeping a loving parent away from their children because you feel like it; is called Parental Alienation. Manipulating, lying and controlling, projecting, gas lighting on another parent is called Domestic Abuse, when this happens to a child it is called Child Abuse.

What kind of a parent wants to destroy their own children so much that they cant breathe and they cannot grow through personal development. When other people are roped into this vicious circle its called Domestic Abuse by Proxy. If you could not see a parent you loved dearly how would you feel? Parental Alienation is Emotional Child Abuse. Why would anyone willfully hurt another person never mind a defenseless child?

(SAMPLEDRAFTPROC)

Town/City/State/Country OF _____
Executive Department
In the Name and By the Authority of the Town/City/State/Country
of _____

PROCLAMATION

WHEREAS: alienating behaviors are often found in high conflict divorce and custody situations;

WHEREAS: these behaviors, such as speaking negatively about a parent to or in front of a child, interfering with communication and visitation, and discussing inappropriate information with a child, such as details of the marriage, court proceedings, or financial matters, can not only destroy the bond between a loving parent and child, but can cause mental and emotional harm to the child; and

WHEREAS: Parental Alienation takes advantage of the suggestibility and dependency of children; and

WHEREAS: Parental Alienation deprives children of their right to love and be loved by both parents; and

WHEREAS: Parental Alienation is considered harmful to children as the alienating tactics used on the children are confusing, frightening, and rob children of their sense of security; and

WHEREAS: Professionals agree that the problem of Parental Alienation is damaging to children and can affect them into adulthood with tragic consequences; and

WHEREAS: There are more than 2.4 million divorced North Americans including the parents of more than one million children under the age of eighteen, with nearly as many unmarried couples with children separating; and

WHEREAS: With awareness comes education and understanding, and the power to stop the abuse of innocent children caught in the crossfire of the people they love:

NOW, THEREFORE, I, _____, Governor of the Town/City/State/Country of _____, do hereby proclaim April 25th, 2020, as

PARENTAL ALIENATION AWARENESS DAY

In (Town/City/State/Country) _____.

In Testimony Whereof, I have hereunto
Subscribed my name and caused the great
Seal of the state of _____ to be affixed.
Done at (location) this (date)

**CITY OF CRAIG
RESOLUTION 14-05**

**DECLARING APRIL 25, 2014
“PARENTAL ALIENATION AWARENESS DAY”**

WHEREAS: alienating behaviors are often found in high conflict divorce and custody situations;

WHEREAS: these behaviors, such as speaking negatively about a parent to or in front of a child, interfering with communication and visitation, and discussing inappropriate information with a child, such as details of the marriage, court proceedings, or financial matters, can not only destroy the bond between a loving parent and child, but can cause mental and emotional harm to the child; and

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WHEREAS: There are more than 2.4 million divorced North Americans including the parents of more than one million children under the age of eighteen, with nearly as many unmarried couples with children separating; and

WHEREAS: With awareness comes education and understanding, and the power to stop the abuse of innocent children caught in the crossfire of the people they love:

NOW, THEREFORE, BE IT RESOLVED, the City of Craig Alaska does hereby proclaim April 25th, 2014, as **PARENTAL ALIENATION AWARENESS DAY.**

ADOPTED BY THE CRAIG CITY COUNCIL THIS TWENTIETH DAY OF MARCH, 2014.

Mayor Dennis Watson

Kassi Bateman, City Clerk

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: March 14, 2014
RE: March Staff Report

1. Craig Aquatic Center

As the council will recall there is one current vacancy and two pending vacancies at the Craig Aquatic Center: the manager position, and the lifeguard/swim coach position. We now have eight applications for the manager position to date, and will continue to accept applications until the position is filled.

As to the lifeguard/swim coach position vacancy, Aquatic Center manager Nicole Robison is following up on work references of a candidate in Ohio, who she interviewed last month. Volunteers from the swim club have taken on club coaching duties until we can get the lifeguard/coaching vacancy filled.

Aquatic Center staff continues to take public input on the project to upgrade and possibly expand the Craig Aquatic Center. City staff has also published the request for proposals for design and engineering services for the project. Proposals are due Tuesday, March 25, and staff plans to score the submittals and present the results at the April 3 city council meeting.

2. Ice House Expansion Project

As I have already reported to the council, the state agency managing the \$120,000 of grant funding for this project is agreeable to delaying the work proposed for this project until after the 2014 commercial fishing season. They are also willing to consider allowing the city to negotiate the terms of the work with a third party, given that the conventional method of soliciting bids to complete the construction work failed to produce an affordable result. During the week of February 24 I spoke a representative from a general contracting company that specializes in refrigeration work, including ice house projects. On March 13 he traveled to Craig to look over the ice house and the proposed work. When we met during his visit he reported that his company will prepare a proposal for the city to consider that would expand the ice bin and replace the ice rake and delivery system, consistent with our goal for the project. I will bring that proposal to the council for consideration.

3. POW Hatchery Association

The council's March 20 meeting contains an agenda item to consider approval of the 2014 king salmon cost recovery effort at Port St. Nicholas, and is addressed in a separate cover memo in the packet.

In February POWHA received word that it was awarded two grants from the Southeast Alaska Chinook Salmon Hatchery Enhancement Grants program. The first grant totals \$107,000, to be used to repair the pipeline that feeds water from Klawock Lake into the hatchery facility there. The second, totaling \$103,400, is earmarked for use at the Port St.

Nicholas king salmon facility, to cover operational and some capital costs needed for the king salmon program.

4. POWCAC Update

The March POWCAC meeting agenda includes, so far, the follow items.

1. Review of Alaska home rule borough charters
2. Presentation from POW Health Network
3. Alaska Division of Forestry: draft management plan presentation for the SE State Forest
4. Sealaska Minerals Program Update – Mr. Steve Buckley

Other items may well be added to the agenda. The meeting is set for Tuesday, March 25 at Thorne Bay City Hall.

As a reminder to the council, POWCAC is also preparing for a special trip to Ketchikan, in response to their invitation, to meet in April to discuss issues of common concern. That trip will include a same day over-and-back trip on the IFA ferry, with the POWCAC meeting held at the borough offices.

5. Craig City School District Budget

At the city council/school board budget workshop yesterday evening, Craig Schools Superintendent Jack Walsh presented information on the fiscal outlook for the Craig City School District for the coming year. District revenues over the last few years are down around 21 percent, from about \$8.2 million to about \$6.7 million. The reduction is due primarily to declining student enrollment, but reductions to the Federal Impact Aid program, and the end of two sizable program grants also contribute to declining revenues. The superintendent reported at the workshop that this reduction in revenue forces the district to look at staff reductions for the coming fiscal year.

Mr. Walsh also reported that the district may well ask the city council to increase the amount of local financial support to the district sometime after Fiscal Year 2015. City cash payments to the district for the last several years totaled about \$550,600.

6. Edna Bay Petition for Incorporation

In 2013 Edna Bay submitted a petition to the Alaska Local Boundary Commission to incorporate as a second class city. The LBC staff recently issued its preliminary report on the petition, and at this point recommends that the LBC approve the petition to incorporate. The Edna Bay petition relies a great deal on volunteer labor to meet the proposed city's staffing needs. The petition also relies heavily on dollars in a community fund that Edna Bay residents have saved over the years. That fund, along with anticipated state-generated revenues from the municipal revenue sharing program, the federal payment in lieu of taxes program, and locally generated dollars from the community's harbor, are what Edna Bay residents believe will keep city operations funded.

Edna Bay hopes to benefit from incorporation by gaining title to some state-owned land on Kosciusko Island. The community also hopes to have a greater degree of control over federal actions on the island, including any subsequent land selections made by Sealaska. The community also sees incorporation as a means to retain as much local control as

possible in the event that a POW borough forms. The LBC will likely make a final decision on the petition later this year.

7. North Fork Lake Dam

Revised design drawings went to the Alaska Dam Safety Office the week of February 24. We think this version of the drawings will be acceptable to the State of Alaska. Once the office issues its final approval we will work with the contractor, Ketchikan Ready Mix, and with POWHA to establish a work schedule to have the job completed this year.

8. Travel Schedule - 2014

August: Personal travel, approximately two weeks.

September 17-19: SE Conference annual meeting in Wrangell.

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

City of Craig Memorandum

Date: March 6, 2014
To: Mayor Watson and Craig City Council
From: Kassi Knock, City Clerk
Re: Clerks Report

Records Destruction

I am still working at the old clinic to clear out boxes and destroy records that are obsolete.

Newsletter

The winter 2014 newsletter went out in February, and the next one is scheduled for the beginning of June announcing the summer activities, 4th of July, and projects around Craig. If you have any suggestions for content in the upcoming newsletter please let me know.

Safety

Next month our Premium Credit Application is due to our insurance company APEI. Each department provides a semi-annual safety inspection for their buildings which is compiled with our safety meeting notes, training documentation and target solutions reports in order to get a substantial break in our insurance rate. The semi-annual inspections have given me an idea of what each department is in need of. We have two upcoming CPR courses for employees due the interest.

Elections

Lauri Wilson our Region I Elections Supervisor is putting together the 2014 Election Worker training for Coffman Cove, Hydaburg, Kasaan, Klawock and Craig taking place in July here in our council chambers.

Clerks Training/ Certification

I have applied for the Clerks Institute scholarship, and will find out this month if I have been awarded or not. I have had all of my past training, credits and work experience evaluated by the International Institute of Municipal Clerks and attending the NW Clerks Institute this summer will complete all requirements for my Certified Municipal Clerk designation.

These are the major things I have been working on, but there are many other things happening that I am a part of. If you have any questions or comments please don't hesitate to contact me.

KB

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: January 30, 2014
RE: Planning Department Staff Report

1. Firehall Replacement. The design committee has continued to meet with the architect. The design committee has reviewed and approved the 50% design drawings, construction narrative and detailed cost estimate from the architect. The architect is now working on the 95% design set which will include all mechanical, electrical, civil and architectural drawings. The construction cost estimate for the facility is approximately \$3.8 million. The committee will continue to meet with the contractor as needed through the 95% and final design phases of the project.
2. Water/Wastewater Master Planning. DOWL HKM is continuing to work through the master plan updates. DOWL had an engineer visit at the end of February to conduct a site visit related to the feasibility of hydroelectric power generation from the raw water line at the water treatment plant. The most recent progress report from DOWL is attached for the council's information. At this point we appear to be on budget for the project.
3. Tanner Crab/Salmonberry Subdivision. Most sales have been completed. Based on action by the council at a previous meeting Pat and Judith Murphy released their claim on Lot 2, Salmonberry and made a substantial payment on Lot 5, Salmonberry. Lot 2, Salmonberry was subsequently advertised and reopened for sale over the counter. Lee Zwagerman submitted an application and earnest payment immediately upon the sale opening up. Lee has until early May to make full payment on the lot. With this lot sale all of the lots have sold except two of the waterfront lots at Salmonberry Subdivision. Staff will continue to advertise these lots for sale over the counter.
4. Trade of land with Jim Dennis. The city has been trying to purchase or trade for Tract F-3, USS 2327 which is a narrow lot on the water side of West Hamilton Drive owned by Jim Dennis. When the lots for the residential land sale were appraised staff approached Jim again to see if he was interested in trading for one of the city owned residential lots. Jim said he was interested in one of the lots on Tanner Crab Court and the council approved the trade. In December Jim cleared up some title issues with on Tract F-3 that were required in order to complete the sale. On February 27th deeds were signed and a check for \$1,404.00 (the difference in land values) was issued to Jim. The city now has title to Tract F-3. Primarily this lot will be used to expand the city right-of-way along this section of Hamilton Drive but can also be used if the city chooses to fill in the tideland portion of the lot.
5. Cannery Site Harbor Study. Staff is continuing to work with the USACE on the study for a new harbor in Craig. At this point one of the decision points is whether or not to proceed with the USACE process. This discussion is included on the agenda for the

March 20, 2014 council meeting. We were recently informed that the USACE has secured \$350,000 in funding for the federal share of the investigation for next year in the President's budget.

6. Pool Improvements. The city received some reallocated legislative funding during the last session for pool improvements. The aquatic center is almost 20 years old and the current facility is in need of several upgrades and repairs. There has also been discussion over the years about adding to the building to increase the fitness area, include a multi-purpose room and install a racquetball court. A request for proposals was published and is currently being advertised. The RFP will close March 25, 2014. A pre-submittal meeting was held on March 12th at the pool. The aquatic center manager, facilities manager and city planner were present to walk prospective bidders through the facility and answer questions. Jensen Yorba Lott was the only firm who sent a representative. Armando DeGuzman from JYL and city staff spent several hours going through the facility and answering questions. A questionnaire was sent to Craig residents and has been available on the city web site, at the pool and at city hall for several weeks. The purpose of the questionnaire is to solicit public information about equipment, programs, hours of operations and other things that will help city staff make decisions about changes to the pool moving forward. Pool staff has collected about 45 questionnaires and has held three public meetings. There is one more public meeting scheduled, with the planning commission on March 27th. In part, the public input would be used to direct a contractor on what expansion the city would like to see.
7. Capital Project Requests. The state legislature is currently working on the state capital budget. We submitted seven projects to the state legislature for consideration: road improvements (\$1.5 million), purchasing public works heavy equipment (\$600,000), new firehall construction (\$2.5 million), harbor design/construction (\$12 million) library expansion/replacement design and engineering (\$150,000), Craig School District Energy Upgrades (\$135,000) and Craig School District Replacement Freezer and Cooler (\$15,000). We also submitted a request for upgrading emergency radio communications on Prince of Wales Island. This item was requested by Rep. Peggy Wilson and Rep. Jonathan Kreiss-Tomkins' offices as an island wide project. At this point a draft budget is not available so we do not know which items, if any are included for Craig. We have had some discussions with Rep. Kreiss-Tomkins and Sen. Stedman's offices regarding the value of partial funding for some of our projects. The draft capital budget should be available for review early in April. We also submitted three appropriations requests to the federal delegation: road improvements (\$1.5 million), harbor construction (\$12 million) and pump station replacements (\$850,000). Staff will continue to look for opportunities in federal appropriations to fund these projects.

Craig Water and Sewer Master Plans
 Weekly Progress Update
 Week of March 3-7, 2014

Past Week's Activities

- Condition Assessment
 - Boreal Controls, Carson Dorn, and DOWL HKM all working on draft sections for memorandum.
- Projected Growth Summary
 - Water model is nearly complete.
 - DOWL HKM drafted sections of the projected growth summary memo.
- Regulatory Compliance Review
 - Water and wastewater regulatory compliance memos are drafted and ready for submittal to City.
- Hydroelectric Analysis
 - Site visit complete.
 - Power costs and usage at water plant are being analyzed.
 - Obtained power and water usage at hatchery.
- Mapping
 - First draft of mapping is complete.

Following Week's Activities

- Finish drafts of projected growth summary and condition assessment memos.

Estimated Completion Status

Task #	Task Title	Estimated Percent Complete (%)
1	Condition Assessment	60
2	Projected Growth Summary	60
3	Regulatory Compliance Review	80
4	Capital Project Development	0
5	Capital Project Cost Estimation	0
6	Master Plans	30
7	Comprehensive System Wide Maps	70
8	Hydroelectric Feasibility Study	40
9	City Council Presentation	0

Schedule For Completion

Deliverable Title	DOWL HKM Submittal	City Review Due By
Regulatory Compliance Memos	March 7, 2014	March 21, 2014
Projected Growth Summary	March 14, 2014	March 28, 2014
Condition Assessment Memo	March 14, 2014	March 28, 2014
Capital Improvement Project Memos	April 14, 2014	April 25, 2014
Draft Master Plan	May 1, 2014	May 8, 2014
Final Master Plan	May 15, 2014	

Craig Water and Sewer Master Plans
Weekly Progress Update
Week of March 3-7, 2014

Specific Questions/Challenges:

- We appreciate all of the information that has been provided so far. To complete our analysis on lift stations, a little more info is needed. Please let us know if the following is available:
 - Measured flow rates for each pump
 - Design Flow Rate
 - Pump hp, voltage and phase for pumps
 - Static head from bottom of wet well to force main invert into discharge manhole

CITY OF CRAIG MEMORANDUM

To: Craig City Council

From: Daniel Nelson

Date: March, 20 2014

The harbor crew is continuing with the replacement of the planking in north Cove. Finger float 50-51 N.C. was damaged from the last big wind storm and a cleat tore out and the torsion bar broke. Materials are being staged and plans are set to rebuild the float this week. The harbor is a major infrastructure and there are much needed upgrades. The electrical system is worn out and not meeting the demands that are required for vessels draw full power. The water and fire system needs to be replaced. North Cove harbor is still eligible for a Municipal harbor Facility Grant Program. It is managed by the DOT&PF, the state provides a 50/50 match funding. The maximum is \$5 million with a minimum of \$50,000. North cove falls in to a tier 1 which is a previously owned state harbor, this puts us at the top of the list over other harbor that have never been owned by the state in the past. So that puts them in tier 2. The city needs to consider a renovation of North Cove using this grant, new electricity, new water, new LED lights and a drive down ramp. Integrating a drive down ramp in to north cove is a possibility. The harbor is used every day of the year and brings in money for local business and tax revenue for the city. The more vessel traffic we have the more money they spend in town. It's time we do something to make sure that the harbor is going to remain in a good working condition for years to come to insure that we can support the future vessel traffic that will in return support our fisher men and our community. Planning for the future is the best thing we have to offer this great city.

New lights have been wired in to the upper web loft. Some new leaks have shown up in the past few weeks in the roof so as soon as we get some good weather we need to replace some panels. The web loft is used year round, many fisherman appreciate having a place to repair their nets in a dry area. The city needs to consider a new roof for the web loft.

We are ramping up for another great summer and looking forward to a busy one.

During this budget time please feel free to talk with me about items you feel need to be added and addressed this next fiscal year.

**CITY OF CRAIG
MEMORANDUM**



Date: March 13th, 2014
To: Honorable Dennis Watson, Craig City Council
Fr: RJ Ely, Police Chief
Re: Staff Report

RJ Ely

ACTIVITY

Activity for Month of February 2014. Dispatch Center took the following amount of calls for service:

Craig	729
Klawock	271
AST	16

DEPARTMENT OF MOTOR VEHICLES

DMV is staying busy and drop off's are still being utilized daily

DISPATCHER(S)

Linda Arrant has completed training and is now certified to issue TWIC Cards. Have one dispatchers that will be going through jail guard training.

OFFICER(S)

Officer Peterson is currently in the Police Academy and progressing well.

Ofc. D'Amelio is progressing through F.T.O. and should be released soon.

OTHER

I've completed the training and am now certified to issue TWIC Cards.

All equipment for issuing TWIC Cards / Hazmat Fingerprint has arrived and should be installed by the end of March.

Arrests / Jail Mandates are up for January/February – three times higher than last year.

All officers completed WSIN Training.

AST has moved into Craig, West Wind Plaza.

Klawock has hired a fourth officer, Val Maxwell has returned to Klawock PD.

Library Report to the Council for February 2014
Numbers are reflective of 2/1/14 – 2/28/14

Patron Visits: 1,755 (Closed 2/17 (Holiday), 2/10 3pm-5pm, and 2/11 10-12pm due to power outage/internet outages)

Circulations: 2,090

Computer Use: 555

Program Attendance: 134

Reference Questions: 329

Proctoring: 3 Tests for 3 Students

Meetings: 1 Webinar: DigitalLearn

1 Webinar: GeekWeird – Teen Participation

1 Webinar: Summer Library Program: SPARK a Reaction

Programs:

Hot Reads for Cold Nights (through 2/28)

Killing Us Softly: Advertising & Image with Stephanie Haseltine (2/5)

Visiting Glacier Bay (Jr. Ranger Badges for Toddler-Preschool Story Time!) (2/7)

Pushing The Limits: Adult Reading & Video Program!
Connections with Erik Larson's *Thunderstruck* discussion (2/12/14), other programs TBA

America's Signs & Symbols with The Smithsonian (Rescheduled for 2/10 because of the landslide)

SCWBI (Children's Book Writers Group) (2/13)

No School Kids Movie at Craig Rec (2/14)

Scientists in Action! Beetles & Bugs with The Denver Museum (2/18)

No School Kids Movie at Craig Rec (2/18)

For The Rights of All: Ending Jim Crow in Alaska (special movie screening and discussion courtesy of The Alaska Chapter of The League of Women Voters) (2/18)

Tween & Teen Pac-Man Races at The City Gym! (2/19)

Killing Us Softly: Advertising & Image Part II (2/19)

History in the First Person: Living Under Jim Crow (2/26)

Tax Season Assistance in Cooperation

with Tlingit-Haida Housing Authority. Dates are: 2/4, 2/11, 2/25, 3/4, 3/18, and 4/1 all 3:30pm – 6:30pm and Saturday, March 22nd from 9am – 3pm at The Craig Rec Center. These are FREE of charge to the public and are opportunities to meet with tax professionals.

Upcoming Programs:

Read Like A GEEK! Youth & Teen Reading Program (March)

Teen Tech Week – 3D Printer Build (3/8 – 3/14)

3rd Annual Pi-Einstein Day Celebration (3.14)

Invertebrates in SPACE! With The Denver Museum (3/5)

Comic Book Author J. Torres (3/5)

A Tailor President Mends A Nation: Andrew Johnson (National Park Service Series on The Presidents in Crisis)(3/6)
 Dressing for Space with The National Air & Space Museum (3/12)
 Careers in Media (3/13)
 Timon of Athens with Juneau Public Bard-a-Thon (3/13)
 Smithsonian Spotlight on Yupik Artist Drew Michael (3/13)
 The Tempest with Juneau Public Bard-a-Thon (3/15)
 Protecting Cultural Collections: Emergency Preparedness (3/20)
 Pushing The Limits – Nature – Reading, Video, Discussion Adult STEM Program (3/22)
 Exxon Valdez: 25 Years Later (3/24)
 The Truman Doctrine (NPS Series Continues) (3/25)
 Introduction to Opera with The Cleveland Institute of Music (3/27)
 What was on the Menu One Million Years Ago? Early Human Diets with Smithsonian's Dr. Briana Pobiner (3/27)

Grants in writing process:

Public Library Assistance Grant (State)
 Cooperative Library Grant (State)
 21st Century Community Learning Centers (State)

Grants awaiting decision:

ALSC Summer Reading Grant (\$3,000)
 YALSA Summer Reading Grant (\$2,000)
 ALSC (Association for Library Service to Children) Bookapalooza

Grants Received:

YALSA Teen Tech Week Grant (Craig Only) (\$1,000)

NOTEWORTHY:

Community and Island-Wide Library Use Survey to assist in the planning process for Library Project is available ONLINE and in Print form We have received 33 responses to date.
 The 3D Printer is COMPELTE. There will be a write-up at the National Level of YALSA and The American Library Association.
 Author Dan O'Neill will be traveling to Craig in mid-May, supported by The National Science Foundation's Pushing The Limits Grant. He will be presenting in 3 venues in Craig before heading back to Ketchikan where he will be involved with some presentations at The Ketchikan PL.
 Planning continues for the 2014 Summer Library Program – Fizz Boom READ! SPARK a Reaction! and Literary Elements.



Parks & Public Facilities

3/14/2014

Staff Report - February - March 2014

To: Craig Mayor and City Council

From: Otis Gibbons

Installed new thermal glazing in City Gym

Dealt with problems resulting from roof snow guard failure at New Clinic

Performed routine maintenance and repairs on city buildings and facilities, including:

- Repair and upgrade emergency lighting – various buildings
- Replace and repair exterior lights – various buildings
- Dealt with Alarm and sprinkler system issues at Jail
- Repaired furnace problems at Jail
- Fixed plumbing issues in cells 4 & 5 at Jail
- Dealt with no heat issues at Harbormaster bldg.
- Fixed other problems and needs on various city facilities

I attended a two day workshop on Biomass Heating Integration and Hydronics sponsored by Alaska Center for Energy and Power, held March 3rd and 4th in Anchorage. Very informative with a lot of useful information.

JOINT RELEASE

For Immediate Release

Media Contacts:

Michael Jenkins, mjenkins@searhc.org, (907) 463-6666 (SEARHC Corp. Communications Director)
Stacy Smith, stacys@searhc.org, (907) 364-4514 (SEARHC Public Relations Specialist)
Gretchen Klein, info@powhealthnetwork.org, (907) 617-7635 (Network Director, POW Health Network)

Prince of Wales Health Network Looks to Funding the Future

Prince of Wales, February 04, 2014 – The Prince of Wales Health Network is a collaborative effort between Southeast Alaska Regional Health Consortium (SEARHC) Alicia Roberts Medical Center, State of Alaska Craig Public Health Center, Community Connections, Alaska Island Community Services (AICS) and PeaceHealth Medical Group Prince of Wales.

The mission of the Prince of Wales Health Network (POWHN) is to build a strong and sustainable network of healthcare organizations collaborating to strengthen the healthcare system on Prince of Wales Island and increase access to quality healthcare for all island residents far into the future.

Since the Network's inception six years ago, partner agencies have collaboratively addressed several health care issues that are important to the people of POW. Last year the Network launched an immunization initiative that resulted in an improvement in immunization rates of 13 percent in just 9 months. Another successful initiative has been the creation of the POW Behavioral Health Coalition, a committed group of community members and mental health agency staff who meet regularly to discuss and address domestic violence, mental health and substance abuse issues that are facing Prince of Wales Island Communities.

Specialist clinics have increased to the island including clinics for psychiatry, orthopedics, colonoscopy, women's health, and optometry. On average 15 patients are seen each day during these visiting clinics. So, instead of each patient traveling outside POW to see a specialist, patients may setup an appointment on the island. Not only is that an enormous cost saving measure, but there has also been a 10 to 20 percent increase in patient visits in the participating clinics.

In addition to improvements to healthcare, POW Health Network partners have been able to provide outreach and education to the communities in a number of ways including the distribution of quarterly and monthly updates on visiting clinics, events, and educational opportunities. Other examples of outreach and education by the Network include a Health Resource Guide and Youth Activities Guide, advertising, radio interviews, and increased online connections related to Behavioral Health, Veterans services, Nutrition, Immunization, Chronic Pain Management, and Domestic Violence Prevention.

"I am honored to be part of such an amazing partnership in this region of Alaska," says Executive Director Gretchen Klein. "Sometimes we just don't know how to access resources, and through this collaborative effort we're seeing some extremely positive outcomes."

Network partners have also provided support for several important health care events on the island including: an Early Education Fair, Continuing Medical Education Training opportunities for community members and providers, health fairs, a marathon, the National Get Outdoors Day Fishing Derby for Kids, the Coffman Cove Seafood Festival and Arts Event, and a Veterans' Day Celebration.

"The Health Network has been a wonderful opportunity to identify needs and come up with solutions with a global holistic perspective. It has been a rewarding process to be able to address mental and behavioral health needs, social support systems, family wellness, acute and chronic care as well as preventive services with a united front. I am very excited about the great potential we have with this unique network of dedicated and caring health care providers and community members." says Steering Committee Member Colleen Watson RN, PHN.

For the past six years, the POW Health Network has been funded in large part through a generous grant from the Health Resources Administration. That grant will run out as of May 2014 and the Network is looking to the future.

Funding the future of the Network will come in several ways. In addition to thousands of dollars worth of in-kind donations, the five key partners in the Network have also collectively committed to \$36,000 in cash funding and \$71,000 of in-kind support. PeaceHealth has also agreed to be the Host Organization of the POW Health Network and has established the POW Health Network fund at the Alaska Community Foundation (ACF) to efficiently accomplish this role.

The POW Health Network is also calling on individuals, tribes, and businesses to help the Network continue this extraordinary work by helping to raise the remaining \$24,000 necessary to enable the Network to become self-sustaining and continue its work for POW. This can be done with support from the community.

Tax-deductible donations can be directed to the POW Health Network fund at the Alaska Community Foundation at www.alaskacf.org or by mail to ACF, 3201 C Street, Suite 110, Anchorage, Alaska 99503.

For more information and to learn how you can help, visit www.powhealthnetwork.org, contact Gretchen Klein at 617-7635, or contact ACF directly at 907-334-6700.

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Photo Caption:

POW Health Network Steering Committee. Pictured left to right: Candace Winkler, Alaska Community Foundation – CEO, Carly Allen, Alaska Island Community Services, Kara McCory, Public Health RN - POW Health Network Immunization Initiative Chair, Joyce Moore, Alicia Roberts Medical Center – Director, Abbie Blackshire, - Community Connections - Deputy Director, Gretchen M. Klein, POW Health Network - Executive Director, Dr. Janice Sheufult, SEARHC Medical Director, Michele Budd, PeaceHealth Vice President of Patient Care. Steering Committee members not pictured: Mark Walker, Alaska Island Community Services - Executive Director, Dr. Patrick Ballard, PeaceHealth Medical Group – Physician, Bess Clark, Community Connections - Executive Director, Dr. Peter Rice, PeaceHealth Medical Group – Physical, Colleen Watson, POW Public Craig Clinic -RN

Photo credit: Photo by Keturah Sadowski

Prince of Wales Health Network

Building a sustainable network of healthcare organizations collaborating to strengthen the healthcare system on Prince of Wales Island.



www.powhealthnetwork.org

HOLLIS COMMUNITY COUNCIL
P O Box 706, Craig, Alaska 99921-0706

To: Craig City Council

Cc: Jon Bolling

Re: Dispatch Services for Hollis

As you are aware, Keith Michaels of the Hollis Volunteer Fire Department has been negotiating with Chief Ely regarding the procurement of Craig dispatch services for Hollis first responders. As this has been in the works for some time, and with Hollis being pretty much without reliable communications, the Hollis VFD is anxious to come to an agreement with Craig as soon as possible.

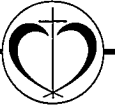
The Hollis Community Council requests that the Craig City Council take action to work out the details and provide Chief Ely with direction on this issue so we can begin working together in the near future.

We wish to thank Chief Ely for his time and involvement in this process and to Brian Templin for his efforts in making Forest Service frequencies available to us.

Sincerely,

Budd Burnett

Budd Burnett
President



Dignity • Care • Compassion

419 6th Street

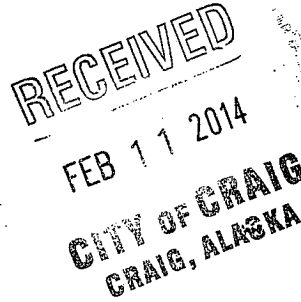
Juneau, AK 99801

Telephone: 907.463.6100

Fax: 907.586.9018

www.ccsjuneau.org

January 31, 2014



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

Dear Mr. Bolling:

A copy of the Quarterly Expenditure Reports for Southeast Senior Services' Craig/Klawock Program is enclosed. These reports cover the second quarter period from October 1, 2013 through December 31, 2013.

The following services were provided during the second quarter of Fiscal (FY) 2014:

- * 46 individuals received 1,562 home-delivered meals.
- * 62 individuals received 799 congregate meals.
- * 28 individuals received 1,051 unassisted rides.
- * 7 individuals received 249 assisted rides.
- * 7 individuals received 44 assisted/unassisted rides to/from Hydaburg.
- ** 14 individuals received 25 assisted/unassisted rides to/from the Hollis ferry.
- ** 3 individuals received 65 hours of Family Caregiver Support Homemaker services.
- ** 1 disabled individual, under the age of 60, received 48 home-delivered meals funded by the Medicaid Waiver Program.

** The Hollis ferry rides are provided through a DOT Purchased Services Grant and Family Caregiver Support Homemaker services are provided through funds available through a Title VI Caregiver Support grant.

On behalf of Craig/Klawock seniors, I would like to thank you for your continued support of the Craig/Klawock Senior Program.

Sincerely,


Karleen Jackson
Interim Executive Director

KJ/hi

Enclosures



Description	1st Quarter Actual	2nd Quarter Actual	Year to date Actual
4001 T3 NSIP	\$ 569.27	\$ 364.41	\$ 933.68
4003 DOT Rides	\$ -	\$ 1,720.74	\$ 1,720.74
4033 T3 Nutrition & Transportation	\$ 15,990.14	\$ 15,990.15	\$ 31,980.29
4100 City of Craig	\$ 1,237.75	\$ 1,237.80	\$ 2,475.55
4364 Title VI-Care Giver Support	\$ 3,464.61	\$ 3,079.65	\$ 6,544.26
4365 Title VI-NTS	\$ 18,742.26	\$ 18,742.26	\$ 37,484.52
4369 Title VI-NSIP	\$ 533.22	\$ 533.22	\$ 1,066.44
4410 Congregate Meal Contr-Over 60	\$ 40.68	\$ 116.66	\$ 157.34
4411 Congregate Meal Contr-Under 60	\$ 43.73	\$ 69.27	\$ 113.00
4412 Home Deliv Meal Contr-Over 60	\$ 72.92	\$ -	\$ 72.92
4414 Transportation Contr-Over 60	\$ 144.37	\$ 83.84	\$ 228.21
4415 Transportation Contr-Under 60	\$ 14.58	\$ 7.29	\$ 21.87
4553 Medicaid	\$ 7,487.37	\$ 5,283.09	\$ 12,770.46
4600 In-Kind Revenue	\$ 972.00	\$ 972.00	\$ 1,944.00
4990 Miscellaneous Revenue	\$ -	\$ -	\$ -
Total Revenue	\$ 49,312.90	\$ 48,200.38	\$ 97,513.28
6110 Salaries & Wages Expense	\$ 21,648.33	\$ 18,015.04	\$ 39,663.37
6115 Substitute Wages Expense	\$ 4,814.13	\$ 5,466.77	\$ 10,280.90
6120 Payroll Taxes & Benefits	\$ 3,576.25	\$ 3,230.25	\$ 6,806.50
6220 Staff Travel & Training	\$ -	\$ -	\$ -
6223 Mileage	\$ -	\$ 88.74	\$ 88.74
6224 Reimbursable Travel	\$ 304.00	\$ (1,113.80)	\$ (809.80)
6310 Facility Rent	\$ 2,365.00	\$ 1,170.00	\$ 3,535.00
6311 In-Kind Rent	\$ 972.00	\$ 972.00	\$ 1,944.00
6320 Phone Service Charges	\$ 457.02	\$ 528.89	\$ 985.91
6410 Office Supplies	\$ 40.80	\$ 34.53	\$ 75.33
6420 Postage	\$ 63.10	\$ 39.20	\$ 102.30
6440 Vehicle Supplies	\$ 315.99	\$ 13.96	\$ 329.95
6450 Program Supplies	\$ 1,368.56	\$ (1,416.19)	\$ (47.63)
6470 Household Supplies	\$ 1,386.83	\$ 392.05	\$ 1,778.88
6475 Home Delivery Containers	\$ 165.31	\$ 1,276.04	\$ 1,441.35
6480 Raw Food	\$ 14,733.67	\$ 12,272.32	\$ 27,005.99
6485 Fundraising	\$ -	\$ -	\$ -
6490 Gas & Oil	\$ 1,291.69	\$ 4,375.42	\$ 5,667.11
6510 Vehicle Repair	\$ 1,100.27	\$ 1,375.54	\$ 2,475.81
6520 Non-vehicle repair	\$ -	\$ 109.00	\$ 109.00
6610 Professional Services	\$ 500.00	\$ 142.00	\$ 642.00
6620 Vehicle Insurance	\$ 126.28	\$ 229.24	\$ 355.52
6630 Property & Liability Insurance	\$ 42.66	\$ 85.32	\$ 127.98
Total Expenditure	\$ 55,271.89	\$ 47,286.32	\$ 102,558.21
Excess Revenues over (under) Expenses	\$ (5,958.99)	\$ 914.06	\$ (5,044.93)



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Natural Resources

DIVISION OF FORESTRY
Southern Southeast Area Office

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

RECEIVED

JAN 31 2014

CITY OF CRAIG
CRAIG, ALASKA

January 28, 2014

Public Notice

Planning Underway for Southeast State Forest

The Alaska Department of Natural Resources, Division of Forestry (DOF) is seeking public input about how people are using the state lands located within the recently established Southeast State Forest (SESF). The DOF will use this information during the development of a draft state forest management plan. The state legislature designated the first units of the SESF in 2010, and added additional units in 2011. The primary purpose for these legislatively designated lands is timber production. Before being designated a state forest, forestry uses were allowed on these lands according to guidance from area plans.

The DOF is preparing a draft forest management plan. A draft forest inventory and maps of the state forest are available at <http://forestry.alaska.gov/stateforests.htm#sesf>.

To be most useful to the DOF during the initial drafting of the forest management plan please submit your input by March 3, 2014. Comments should be mailed to Jim Schwarber, Forest Planner, Division of Forestry, 3700 Airport Road, Fairbanks, Alaska 99709, or emailed to james.schwarber@alaska.gov. Please contact Clarence Clark at (907) 225-6619 or by email at clarence.clark@alaska.gov, if you have questions. When the draft of the forest plan is ready for public review, the DOF will announce a formal public comment period. The DOF will be holding meetings in adjacent communities during the planning period.



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

February 6, 2014

sent via email

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

Dear Ms. Mason,

Enclosed is the January 2014 report for the City of Craig, which includes a listing of portfolio assets, purchases and sales.

At month-end, the market value of the account was \$9,704,100. Based upon the composition of the portfolio, the expected annual income, excluding dividends on equities, is \$94,251.

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

Sincerely,

Bert Wagnon
Senior Vice President

Evan D. Rose
President and CEO

cc via email: Mr. Jon Bolling, City Administrator

Alaska Permanent Capital Management Co.
PORTFOLIO SUMMARY AND TARGET
CITY OF CRAIG
January 31, 2014

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (34.0%)	2,963,367	30.5	20% to 45%
Cash (0.0%)	112,997	1.2	na
Subtotal:	3,076,364	31.7	
EQUITY (66%)			
US Large Cap (40.0%)	4,096,358	42.2	30% to 50%
US Mid Cap (6.0%)	574,301	5.9	0% to 10%
Developed International Equity (10.0%)	1,091,543	11.2	5% to 15%
Real Estate (10.0%)	865,533	8.9	5% to 15%
Subtotal:	6,627,736	68.3	
TOTAL PORTFOLIO	9,704,100	100	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
January 31, 2014

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
40,000	US TREASURY NOTES 1.250% Due 10-31-15	98.51	39,405	101.68	40,674	0.42	500	128	0.28
175,000	US TREASURY NOTES 0.625% Due 07-15-16	100.11	175,185	100.31	175,547	1.81	1,094	51	0.50
150,000	US TREASURY NOTES 0.625% Due 08-31-17	99.79	149,684	98.72	148,078	1.53	937	399	0.99
300,000	US TREASURY NOTES 1.875% Due 09-30-17	102.89	308,672	103.06	309,189	3.19	5,625	1,916	1.02
100,000	US TREASURY NOTES 3.750% Due 11-15-18	106.48	106,480	110.72	110,719	1.14	3,750	808	1.43
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	109.48	109,477	1.13	3,500	754	1.89
200,000	US TREASURY NOTES 1.375% Due 05-31-20	98.88	197,766	96.49	192,984	1.99	2,750	476	1.97
50,000	US TREASURY NOTES 1.625% Due 11-15-22	98.79	49,396	92.71	46,355	0.48	812	175	2.56
150,000	US TREASURY NOTES 2.500% Due 08-15-23	97.85	146,777	98.81	148,219	1.53	3,750	1,732	2.64
	Accrued Interest				6,440	0.07			
			1,277,404		1,287,683	13.27		6,440	
AGENCIES									
50,000	FHLB 5.250% Due 06-18-14	100.80	50,401	101.94	50,969	0.53	2,625	314	0.15
150,000	FNMA* 0.800% Due 02-28-18	98.26	147,390	98.33	147,493	1.52	1,200	510	1.22
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	109.89	109,887	1.13	3,750	1,292	1.74
	Accrued Interest				2,115	0.02			
			299,201		310,465	3.20		2,115	
FNMA & FHLMC									
16,891	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	104.56	17,661	106.51	17,991	0.19	676	56	2.20
	Accrued Interest				56	0.00			
			17,661		18,047	0.19		56	
ASSET-BACKED SECURITIES									
100,000	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	107.25	107,250	102.48	102,482	1.06	3,800	169	0.64
	Accrued Interest				169	0.00			
			107,250		102,651	1.06		169	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
January 31, 2014

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
CORPORATE BONDS									
100,000	CATERPILLAR FINANCIAL 6.125% Due 02-17-14	100.12	100,125	100.19	100,194	1.03	6,125	2,790	1.61
100,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	97.18	97,176	104.33	104,330	1.08	4,750	1,979	0.73
100,000	HSBC FINANCE CORP 5.500% Due 01-19-16	100.21	100,206	108.41	108,408	1.12	5,500	183	1.16
50,000	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16	99.98	49,990	103.41	51,707	0.53	1,050	213	0.60
50,000	BANK AMER CORP 5.625% Due 10-14-16	107.18	53,592	111.29	55,645	0.57	2,812	836	1.35
50,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	117.91	58,955	112.75	56,375	0.58	2,812	828	0.85
50,000	STATOIL ASA 3.125% Due 08-17-17	107.07	53,533	106.32	53,158	0.55	1,562	712	1.29
100,000	UNITED PARCEL SERVICE 5.500% Due 01-15-18	121.23	121,230	115.11	115,112	1.19	5,500	244	1.55
100,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	99,572	115.65	115,653	1.19	5,750	2,875	1.69
75,000	UNITED HEALTH GROUP INC 6.000% Due 02-15-18	121.46	91,093	116.30	87,227	0.90	4,500	2,075	1.80
75,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	88.27	66,205	115.47	86,600	0.89	4,219	1,055	1.82
50,000	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	100.48	50,239	100.63	50,313	0.52	1,050	41	1.97
100,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	116.51	116,514	121.97	121,969	1.26	7,500	3,458	2.79
100,000	VERIZON COMMUNICATIONS 6.350% Due 04-01-19	125.02	125,020	118.42	118,422	1.22	6,350	2,117	2.52
	Accrued Interest				19,407	0.20			
			1,183,452		1,244,521	12.82		19,407	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
22,990	SPDR S&P 500 ETF TRUST	137.86	3,169,436	178.18	4,096,358	42.21	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
4,388	ISHARES S&P MIDCAP 400	69.71	305,867	130.88	574,301	5.92	NA		
INTERNATIONAL FUNDS/ETF									
27,627	VANGUARD MSCI EAFE ETF	37.73	1,042,293	39.51	1,091,543	11.25	NA		

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
January 31, 2014

<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>
REAL ESTATE									
12,857	VANGUARD REIT ETF	56.44	725,700	67.32	865,533	8.92	NA		
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATION		112,997		112,997	1.16			
TOTAL PORTFOLIO			8,241,261		9,704,100	100	94,251	28,187	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 01-01-14 To 01-31-14

Trade Date	Settle Date	Security	Quantity	Trade Amount
PURCHASES				
CORPORATE BONDS				
01-28-14	01-31-14	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	50,000	50,239.50
U.S. TREASURY				
01-14-14	01-15-14	US TREASURY NOTES 1.875% Due 09-30-17	150,000	154,130.86
				204,370.36
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
01-31-14	01-31-14	MANAGEMENT FEES		2,426.02
				2,426.02
INTEREST				
ASSET-BACKED SECURITIES				
01-15-14	01-15-14	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17		316.68
CASH AND EQUIVALENTS				
01-02-14	01-02-14	FEDERATED GOVERNMENT OBLIGATION		0.59
CORPORATE BONDS				
01-15-14	01-15-14	UNITED PARCEL SERVICE 5.500% Due 01-15-18		2,750.00
01-19-14	01-19-14	HSBC FINANCE CORP 5.500% Due 01-19-16		2,750.00
				<u>5,500.00</u>

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 01-01-14 To 01-31-14

Trade Date	Settle Date	Security	Quantity	Trade Amount
FNMA & FHLMC				
01-01-14	01-14-14	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26		57.47
U.S. TREASURY				
01-15-14	01-15-14	US TREASURY NOTES 0.625% Due 07-15-16		546.87
				6,421.61
PRINCIPAL PAYDOWNS				
FNMA & FHLMC				
01-01-14	01-14-14	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	349.88	349.88
				349.88
PURCHASED ACCRUED INTEREST				
CORPORATE BONDS				
01-28-14	01-31-14	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19		40.83
U.S. TREASURY				
01-14-14	01-15-14	US TREASURY NOTES 1.875% Due 09-30-17		826.75
				867.58
SALES, MATURITIES, AND CALLS				
CORPORATE BONDS				
01-28-14	01-31-14	TOYOTA MOTOR CREDIT CORP 1.000% Due 02-17-15	50,000	50,341.50

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 01-01-14 To 01-31-14

Trade Date	Settle Date	Security	Quantity	Trade Amount
DOMESTIC MID CAP EQUITY FUNDS/ETF				
01-09-14	01-14-14	ISHARES S&P MIDCAP 400	1,108.0000	147,997.97
				198,339.47
SOLD ACCRUED INTEREST				
CORPORATE BONDS				
01-28-14	01-31-14	TOYOTA MOTOR CREDIT CORP 1.000% Due 02-17-15		227.78
				227.78
WITHDRAW				
CASH AND EQUIVALENTS				
01-02-14	01-02-14	FEDERATED GOVERNMENT OBLIGATION		300.00
01-31-14	01-31-14	DIVIDEND ACCRUAL		22,535.95
				22,835.95
				22,835.95

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG
From 01-01-14 Through 01-31-14

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
01-01-14	349.88	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	365.84	349.88	-15.96
01-09-14	1,108.0000	ISHARES S&P MIDCAP 400	77,233.52	147,997.97	70,764.45
01-28-14	50,000	TOYOTA MOTOR CREDIT CORP 1.000% Due 02-17-15	50,423.50	50,341.50	-82.00
TOTAL GAINS					70,764.45
TOTAL LOSSES					-97.96
			128,022.86	198,689.35	70,666.49

Alaska Permanent Capital Management Co.

CASH LEDGER**CITY OF CRAIG**

From 01-01-14 To 01-31-14

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
DIVIDEND ACCRUAL					
01-01-14			Beginning Balance		22,535.95
01-31-14	01-31-14	wd	Transfer to	FEDERATED GOVERNMENT OBLIGATION	-22,535.95
01-31-14			Ending Balance		0.00
FEDERATED GOVERNMENT OBLIGATION					
01-01-14			Beginning Balance		90,660.31
01-01-14	01-14-14	dp	Interest	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	57.47
01-01-14	01-14-14	dp	Paydown	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	349.88
01-02-14	01-02-14	wd	Withdrawal	from Portfolio	-300.00
01-02-14	01-02-14	dp	Interest	FEDERATED GOVERNMENT OBLIGATION	0.59
01-09-14	01-14-14	dp	Sale	ISHARES S&P MIDCAP 400	147,997.97
01-14-14	01-15-14	wd	Purchase	US TREASURY NOTES 1.875% Due 09-30-17	-154,130.86
01-14-14	01-15-14	wd	Accrued Interest	US TREASURY NOTES 1.875% Due 09-30-17	-826.75
01-15-14	01-15-14	dp	Interest	UNITED PARCEL SERVICE 5.500% Due 01-15-18	2,750.00
01-15-14	01-15-14	dp	Interest	US TREASURY NOTES 0.625% Due 07-15-16	546.87
01-15-14	01-15-14	dp	Interest	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	316.68
01-19-14	01-19-14	dp	Interest	HSBC FINANCE CORP 5.500% Due 01-19-16	2,750.00

Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 01-01-14 To 01-31-14

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
01-28-14	01-31-14	wd	Purchase	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	-50,239.50
01-28-14	01-31-14	wd	Accrued Interest	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	-40.83
01-28-14	01-31-14	dp	Sale	TOYOTA MOTOR CREDIT CORP 1.000% Due 02-17-15	50,341.50
01-28-14	01-31-14	dp	Accrued Interest	TOYOTA MOTOR CREDIT CORP 1.000% Due 02-17-15	227.78
01-31-14	01-31-14	dp	Transfer from	DIVIDEND ACCRUAL	22,535.95
01-31-14			Ending Balance		112,997.06



ALASKA PERMANENT
CAPITAL MANAGEMENT
Registered Investment Adviser

March 7, 2014

sent via email

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

Dear Ms. Mason,

Enclosed is the February 2014 report for the City of Craig, which includes a listing of portfolio assets, purchases and sales.

At month-end, the market value of the account was \$10,029,011. Based upon the composition of the portfolio, the expected annual income, excluding dividends on equities, is \$88,115.

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

Sincerely,

Bert Wagnon
Senior Vice President

Evan D. Rose
President and CEO

cc via email: Mr. Jon Bolling, City Administrator

Alaska Permanent Capital Management Co.
PORTFOLIO SUMMARY AND TARGET
CITY OF CRAIG
February 28, 2014

Asset Class & Target	Market Value	% Assets	Range
FIXED INCOME (34%)			
US Fixed Income (34.0%)	2,855,470	28.5	20% to 45%
Cash (0.0%)	221,980	2.2	na
Subtotal:	3,077,451	30.7	
EQUITY (66%)			
US Large Cap (40.0%)	4,282,807	42.7	30% to 50%
US Mid Cap (6.0%)	602,911	6.0	0% to 10%
Developed International Equity (10.0%)	1,156,466	11.5	5% to 15%
Real Estate (10.0%)	909,376	9.1	5% to 15%
Subtotal:	6,951,560	69.3	
TOTAL PORTFOLIO	10,029,011	100	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
February 28, 2014

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
U.S. TREASURY									
40,000	US TREASURY NOTES 1.250% Due 10-31-15	98.51	39,405	101.66	40,664	0.41	500	167	0.25
175,000	US TREASURY NOTES 0.625% Due 07-15-16	100.11	175,185	100.39	175,684	1.75	1,094	136	0.46
150,000	US TREASURY NOTES 0.625% Due 08-31-17	99.79	149,684	98.91	148,371	1.48	937	3	0.94
300,000	US TREASURY NOTES 1.875% Due 09-30-17	102.89	308,672	103.16	309,468	3.09	5,625	2,349	0.98
100,000	US TREASURY NOTES 3.750% Due 11-15-18	106.48	106,480	110.65	110,648	1.10	3,750	1,098	1.41
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	109.50	109,500	1.09	3,500	1,025	1.87
200,000	US TREASURY NOTES 1.375% Due 05-31-20	98.88	197,766	96.71	193,422	1.93	2,750	687	1.94
50,000	US TREASURY NOTES 1.625% Due 11-15-22	98.79	49,396	93.16	46,578	0.46	812	238	2.50
150,000	US TREASURY NOTES 2.500% Due 08-15-23	97.85	146,777	99.21	148,816	1.48	3,750	145	2.59
	Accrued Interest				5,848	0.06			
			1,277,404		1,288,999	12.85		5,848	
AGENCIES									
50,000	FHLB 5.250% Due 06-18-14	100.80	50,401	101.50	50,751	0.51	2,625	532	0.33
150,000	FNMA* 0.800% Due 02-28-18	98.26	147,390	98.49	147,741	1.47	1,200	10	1.19
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	109.95	109,950	1.10	3,750	1,604	1.70
	Accrued Interest				2,146	0.02			
			299,201		310,588	3.10		2,146	
FNMA & FHLMC									
16,618	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	104.56	17,376	106.85	17,755	0.18	665	55	2.08
	Accrued Interest				55	0.00			
			17,376		17,811	0.18		55	
ASSET-BACKED SECURITIES									
100,000	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	107.25	107,250	102.27	102,272	1.02	3,800	169	0.62
	Accrued Interest				169	0.00			
			107,250		102,441	1.02		169	

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
February 28, 2014

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
CORPORATE BONDS									
100,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	97.18	97,176	104.06	104,065	1.04	4,750	2,375	0.70
100,000	HSBC FINANCE CORP 5.500% Due 01-19-16	100.21	100,206	108.31	108,314	1.08	5,500	642	1.05
50,000	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16	99.98	49,990	103.39	51,694	0.52	1,050	300	0.56
50,000	BANK AMER CORP 5.625% Due 10-14-16	107.18	53,592	111.01	55,506	0.55	2,812	1,070	1.34
50,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	117.91	58,955	112.29	56,144	0.56	2,812	1,062	0.89
50,000	STATOIL ASA 3.125% Due 08-17-17	107.07	53,533	106.43	53,215	0.53	1,562	61	1.23
100,000	UNITED PARCEL SERVICE 5.500% Due 01-15-18	121.23	121,230	114.78	114,780	1.14	5,500	703	1.56
100,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	99,572	115.56	115,561	1.15	5,750	479	1.64
75,000	UNITED HEALTH GROUP INC 6.000% Due 02-15-18	121.46	91,093	115.96	86,967	0.87	4,500	200	1.81
75,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	88.27	66,205	115.46	86,592	0.86	4,219	1,406	1.77
50,000	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	100.48	50,239	100.73	50,365	0.50	1,050	128	1.94
100,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	116.51	116,514	122.48	122,483	1.22	7,500	333	2.64
100,000	VERIZON COMMUNICATIONS 6.350% Due 04-01-19	125.02	125,020	118.54	118,537	1.18	6,350	2,646	2.45
	Accrued Interest				11,406	0.11			
			1,083,327		1,135,631	11.32		11,406	
DOMESTIC LARGE CAP EQUITY FUNDS/ETF									
22,990	SPDR S&P 500 ETF TRUST	137.86	3,169,436	186.29	4,282,807	42.70	NA		
DOMESTIC MID CAP EQUITY FUNDS/ETF									
4,388	ISHARES S&P MIDCAP 400	69.71	305,867	137.40	602,911	6.01	NA		
INTERNATIONAL FUNDS/ETF									
27,627	VANGUARD MSCI EAFE ETF	37.73	1,042,293	41.86	1,156,466	11.53	NA		
REAL ESTATE									
12,857	VANGUARD REIT ETF	56.44	725,700	70.73	909,376	9.07	NA		

Alaska Permanent Capital Management Co.
PORTFOLIO APPRAISAL
CITY OF CRAIG
February 28, 2014

<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>
CASH AND EQUIVALENTS									
	FEDERATED GOVERNMENT OBLIGATION		221,980		221,980	2.21			
TOTAL PORTFOLIO			8,249,834		10,029,011	100	88,115	19,625	

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 02-01-14 To 02-28-14

Trade Date	Settle Date	Security	Quantity	Trade Amount
DEPOSITS AND EXPENSES				
MANAGEMENT FEES				
02-28-14	02-28-14	MANAGEMENT FEES		2,507.25
				2,507.25
INTEREST				
AGENCIES				
02-28-14	02-28-14	FNMA* 0.800% Due 02-28-18		600.00
ASSET-BACKED SECURITIES				
02-15-14	02-15-14	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17		316.67
CASH AND EQUIVALENTS				
02-03-14	02-03-14	FEDERATED GOVERNMENT OBLIGATION		0.81
CORPORATE BONDS				
02-01-14	02-01-14	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18		2,875.00
02-15-14	02-15-14	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19		3,750.00
02-15-14	02-15-14	UNITED HEALTH GROUP INC 6.000% Due 02-15-18		2,250.00
02-17-14	02-17-14	STATOIL ASA 3.125% Due 08-17-17		781.25
				<hr/> 9,656.25

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 02-01-14 To 02-28-14

Trade Date	Settle Date	Security	Quantity	Trade Amount
FNMA & FHLMC				
02-01-14	02-14-14	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26		56.30
U.S. TREASURY				
02-15-14	02-15-14	US TREASURY NOTES 2.500% Due 08-15-23		1,875.00
02-28-14	02-28-14	US TREASURY NOTES 0.625% Due 08-31-17		468.75
				2,343.75
				12,973.78
PRINCIPAL PAYDOWNS				
FNMA & FHLMC				
02-01-14	02-14-14	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	272.86	272.86
				272.86
SALES, MATURITIES, AND CALLS				
CORPORATE BONDS				
02-17-14	02-17-14	CATERPILLAR FINANCIAL 6.125% Due 02-17-14	100,000	100,000.00
				100,000.00
SOLD ACCRUED INTEREST				
CORPORATE BONDS				
02-17-14	02-17-14	CATERPILLAR FINANCIAL 6.125% Due 02-17-14		3,062.50
				3,062.50

Alaska Permanent Capital Management Co.
TRANSACTION SUMMARY
CITY OF CRAIG
From 02-01-14 To 02-28-14

Trade Date	Settle Date	Security	Quantity	Trade Amount
WITHDRAW				
CASH AND EQUIVALENTS				
02-18-14	02-18-14	FEDERATED GOVERNMENT OBLIGATION		7,325.91
				7,325.91

Alaska Permanent Capital Management Co.
REALIZED GAINS AND LOSSES
CITY OF CRAIG
From 02-01-14 Through 02-28-14

Date	Quantity	Security	Avg. Cost Basis	Proceeds	Gain Or Loss
02-01-14	272.86	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	285.31	272.86	-12.45
02-17-14	100,000	CATERPILLAR FINANCIAL 6.125% Due 02-17-14	100,125.00	100,000.00	-125.00
TOTAL GAINS					0.00
TOTAL LOSSES					-137.45
			100,410.31	100,272.86	-137.45

Alaska Permanent Capital Management Co.

CASH LEDGER***CITY OF CRAIG****From 02-01-14 To 02-28-14*

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
FEDERATED GOVERNMENT OBLIGATION					
02-01-14			Beginning Balance		112,997.06
02-01-14	02-01-14	dp	Interest	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	2,875.00
02-01-14	02-14-14	dp	Interest	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	56.30
02-01-14	02-14-14	dp	Paydown	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	272.86
02-03-14	02-03-14	dp	Interest	FEDERATED GOVERNMENT OBLIGATION	0.81
02-15-14	02-15-14	dp	Interest	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19	3,750.00
02-15-14	02-15-14	dp	Interest	UNITED HEALTH GROUP INC 6.000% Due 02-15-18	2,250.00
02-15-14	02-15-14	dp	Interest	US TREASURY NOTES 2.500% Due 08-15-23	1,875.00
02-15-14	02-15-14	dp	Interest	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	316.67
02-17-14	02-17-14	dp	Interest	STATOIL ASA 3.125% Due 08-17-17	781.25
02-17-14	02-17-14	dp	Sale	CATERPILLAR FINANCIAL 6.125% Due 02-17-14	100,000.00
02-17-14	02-17-14	dp	Accrued Interest	CATERPILLAR FINANCIAL 6.125% Due 02-17-14	3,062.50
02-18-14	02-18-14	wd	Withdrawal	from Portfolio	-7,325.91
02-28-14	02-28-14	dp	Interest	FNMA* 0.800% Due 02-28-18	600.00

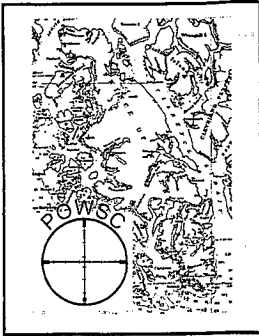
Alaska Permanent Capital Management Co.

CASH LEDGER

CITY OF CRAIG

From 02-01-14 To 02-28-14

Trade Date	Settle Date	Tran Code	Activity	Security	Amount
02-28-14	02-28-14	dp	Interest	US TREASURY NOTES 0.625% Due 08-31-17	468.75
02-28-14			Ending Balance		221,980.29



POW Shooting Club

Prince of Wales Shooting Club
P.O. Box 982
Craig, Alaska
99921
Powshootingclub@gmail.com

3/11/2014

Jon Bolling City Administrator
City of Craig
P.O. Box 725
Craig, Alaska
99921

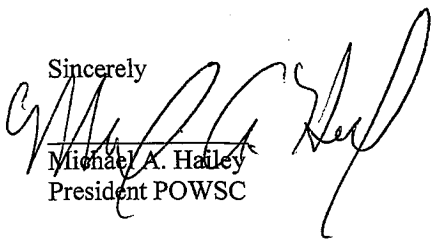
Dear Mr. Bolling,

The executive committee of the Prince of Wales Shooting Club (POWSC) would like to thank the City of Craig for their donation of \$500 in 2013. The City's donation was used to purchase hardware that will be used in the construction of our firing line shelters. POWSC has been active, seeking other donations, and grants to build our range. We have been notified of a grant of \$25,000 from the Friends of the NRA, and expect those monies to be available for our use by May.

We would like the City of Craig to consider funding two CONEX Containers in 2014. These containers would be used for secure storage of targets, and supplies. The Law Enforcement community had mentioned, their need for a place to store their supplies, and an area in one of these containers will allow that. The projected cost the two containers is \$5100.00 delivered dockside in Seattle. An offer of a discounted barge delivery to Thorne Bay by AML, and free local delivery to the range site from Arrowhead Transfer makes getting these containers in service possible.

The POWSC remains committed to providing a safe and professional location for our local Law Enforcement Officers to maintain their marksmanship skills and ongoing qualifications. We also feel that our facility offers some much needed recreational opportunities to local citizens. It is our firm belief that the availability of a public range will discourage gun owners from shooting in unsafe areas such as open gravel pits, and private land. Citizens need a place where they can safely practice with their firearms, and we believe our range fills that need. The City of Craig's help in funding this project will make for a safer more secure community. With all of the above mentioned items in mind we would respectfully ask for any and all financial help the City of Craig could give.

Sincerely


Michael A. Hailey
President POWSC

RECEIVED

MAR 11 2014

CITY OF CRAIG
CRAIG, ALASKA

CITY OF CRAIG MEMORANDUM

To: Mayor and Craig City Council
From: Brian Templin, City Planner
Date: January 30, 2014
RE: USACE Harbor - Study Continuation

As the council is aware the city has been working with the US Army Corps of Engineers on a feasibility and environmental study to develop a harbor at the Ward Cove cannery site. The USACE has completed most of the economic and concept design/cost phase of the project. When we started the project with the USACE the council and staff directed the USACE to do the economic study up front in order to determine the likelihood of future federal funding for the project before the city spent money on significant design and permitting work. The USACE agreed to do the economic study first and to bring the results to the city to determine if it was in the city's interest to continue the process with the USACE.

At the February 6, 2014 council meeting the USACE gave a presentation on the findings to date including the estimated cost of the project and potential federal benefits. Based on the preliminary economic data the project has a cost benefit ration of between 2:1 and 3:1, which makes it a competitive project for federal construction funding.

Completion of the USACE study is necessary to qualify for USACE construction funding for the project. The USACE funds a portion of the cost of general navigation features (i.e. breakwaters, basin dredging, etc.) but does not provide funding for local service facilities (upland support facilities, parking, piling, floating docks, ramps, etc.). A complete breakdown of what percentages the USACE funds for construction can be found on page 7 of the attached *Craig Harbor Feasibility Study Update, January 30, 2014* (hereinafter "study update") which was presented to the council in February. Based on discussion with USACE staff after the presentation in February the city may be eligible (depending on final approved harbor depth) for 80/20 funding of the general navigation features rather than the 65/35 that is shown in the study update. This would result in additional federal funding for the project.

The study update figures for the small basin show a total construction estimate as follows:

Small Basin Cost (at 65/35 cost share)

Cost Category	Total Cost	Federal Share	Non Federal Share
Local Service Facilities	\$ 6,712,000.00	\$ -	\$ 6,712,000.00
General Navigation Features	\$ 23,802,000.00	\$ 15,471,300.00	\$ 8,330,700.00
Aids to Navigation	\$ 13,000.00	\$ 13,000.00	\$ -
Interest During Construction	\$ 1,075,000.00	\$ 698,750.00	\$ 376,250.00
Total	\$ 31,602,000.00	\$ 16,183,050.00	\$ 15,418,950.00

If the city is eligible for an 80/20 cost share the small basin cost would be estimated as follows:

Small Basin Cost (at 80/20 cost share)

Cost Category	Total Cost	Federal Share	Non Federal Share
Local Service Facilities	\$ 6,712,000.00	\$ -	\$ 6,712,000.00
General Navigation Features	\$ 23,802,000.00	\$ 19,041,600.00	\$ 4,760,400.00
Aids to Navigation	\$ 13,000.00	\$ 13,000.00	\$ -
Interest During Construction	\$ 1,075,000.00	\$ 860,000.00	\$ 215,000.00
Total	\$ 31,602,000.00	\$ 19,914,600.00	\$ 11,687,400.00

For the small basin harbor that was presented in February the potential federal construction funding is estimated to be between \$16 million and \$20 million. The non-federal (state, private, local, etc.) share of the construction would be between \$11 million and \$15 million. If we choose not to complete this process with the USACE we would most likely not be eligible for federal funding for construction of the new harbor and would have to rely on non-federal sources for the entire construction cost.

The USACE still has to finalize the cost estimate, select a tentatively preferred basin plan and calculate the benefits and cost benefit ratio of that selection to complete the economic phase of the study and confirm the data shown above.

The next phase of the USACE study includes completion of the environmental assessment required for their construction funding participation. The city has been using a legislative grant acquired specifically to fund the non-federal share of the study. There are sufficient funds to complete the economic phase and the environmental phase of the project and to still have about \$150,000 of the legislative grant available for the design phase and finalizing the study. The USACE has already secured funding for this federal fiscal year and has secured about \$350,000 in federal funding for their share of the study for the next fiscal year.

As the council knows this process has been slow and is very expensive but as the preliminary cost estimate shows the amount of potential federal funding for construction is very significant, especially if the city can qualify the project for an 80/20 cost share. The city also has the option of stopping the study at any point. The next phase of the study, the environmental assessment, will be useful whether the city completes the process with the USACE or stops the study later and completes the project without USACE involvement. Completion of the next phase of the study will also not require appropriation of additional funds since we currently still have legislative grant funding expressly for this purpose.

The council should discuss the merits of continuing the study with the USACE and make a decision about continuing the study.

Recommendation: Move to continue the USACE Harbor Feasibility Study through the Environmental Assessment Phase using existing funding appropriated for that purpose and review the city's further participation at the conclusion of the Environmental Assessment.

Craig Harbor Feasibility Study Update:

The cost-share agreement between the Corps of Engineers and the City of Craig is to conduct a feasibility study for navigation improvements in Craig. The focus of the study efforts to date has been: economics, preliminary engineering design, and estimated cost. In order for a Corps project to be approved, the project must be economically justified by demonstrating a benefit to cost ratio greater than 1.

The following sections provide a current summary of the study.

Economic Benefits:

Following is the Corps' initial estimate of the without project condition at Craig. The without project condition details what economic losses (also referred to as damages) would occur if the project were not built. These are preliminary estimates based largely on the Craig Small Boat Harbor Survey, input from city staff, and a November 2012 planning charrette. The Corps will refine the calculations as the study progresses. This computes economic benefits for a project in terms of avoided (economic) damages. If a harbor design can address all of the avoided damages, the economic benefits support a project cost of \$67.8 million or less. Typically, harbor projects are capable of capturing most, but not all, of the avoided damages.

Table 1. Rough Order of Magnitude Avoided Damages for Craig Navigation Improvements

Avoided Damages to:	Net Present Value	Average Annual Damages
Vessels	\$ 12,275,000	\$ 502,000
Vessel Delays	\$ 29,657,000	\$ 1,213,000
Subsistence Harvest	\$ 2,950,000	\$ 121,000
Travel Costs	\$ 18,793,000	\$ 768,000
Existing Infrastructure	\$ 4,089,000	\$ 174,000
Total	\$ 67,764,000	\$ 2,778,000

Note: Present value calculations are based on a 50-year project period of analysis and the Federal fiscal year 2014 discount rate of 3.50 percent.

- **Avoided Vessel Damages.** Results from the Craig Small Boat Harbor Survey (as of April 3, 2013) found that 13 percent of vessels using Craig Harbor were subject to vessel damages beyond normal wear and tear. Survey results also showed an average of 3.8 incidents of damages per vessel per year, and a repair cost of about \$2,200 per vessel. The rough-order-of-magnitude vessel damages that could be avoided annually to the fleet using Craig harbor are \$502,000.

- **Vessel Delays.** Survey results also showed that various vessel classes (commercial fishing, charter, and subsistence vessels) experienced delays in Craig harbor ranging from 0.5 to 24 hours per vessel, per year. To quantify the potential avoided damages, the Corps used estimates from previous studies for hourly vessel operating costs and the value of boaters’ time (opportunity cost of time). Applying these values to the Craig Harbor fleet results in annual potential avoided delays of \$1,213,000.
- **Subsistence Harvest.** Improved navigation at Craig would allow Craig residents to have greater opportunity to harvest subsistence resources. Using subsistence harvest data from the Alaska Department of Fish and Game (ADF&G) for Craig in comparison to nearby communities, the Corps estimated that Craig’s subsistence harvest per capita could increase by approximately 8 percent. Utilizing subsistence harvest replacement values from ADF&G to quantify this additional harvest results in \$121,000 of additional subsistence harvest annually.
- **Avoided Travel Costs.** Survey results also provided information on boaters who would use Craig were there moorage available. The proportion of vessels which would relocate combined with estimates of vessel operating costs, distances traveled, and the value of boaters’ time results in \$768,000 annually of travel costs which could be avoided with navigation improvements at Craig.
- **Avoided Damages to Existing Infrastructure.** Overcrowded harbors can result in additional wear and tear to float systems and other harbor infrastructure. This is typically manifested as additional repair work to the float system, or a decreased useful life of the floats. Utilizing assumptions from the Craig harbormaster and previous Corps studies, this analysis found that the average annual cost of the reduced life of harbor infrastructure is \$174,000.

Moorage Demand

This analysis also calculated an estimate of the demand for moorage at Craig by utilizing survey results and information from the Craig harbormaster. Based on that data, approximately 748 vessels would use moorage facilities at Craig. This includes existing harbor users and boaters who indicated that they would relocate to Craig if there was additional moorage space. Following is an estimate of the number of vessels by vessel length and type of moorage.

Table 2. Estimated Craig Moorage Demand by Moorage Type and Vessel Length

Moorage Type	Vessel Length, feet					Total
	0-22'	23-32'	33-45'	45-58'	>58'	
Permanent	36	69	104	48	2	260
Transient	30	39	140	206	44	460
Boat Launch	25	3	0	0	0	28
Total	92	112	244	255	46	748

Harbor Configurations

Based on the moorage demand analysis, the Corps developed three different footprints for the harbor design. We used two different methods to estimate what size harbor for consideration.

Method 1: looks at the demand for permanent moorage only. It uses waitlisted vessels, the number of vessels that are 4-feet or greater in length than their assigned stall, and survey responses indicating a desire to permanently moor at Craig. This is a total of 148 vessels of varying lengths as shown in Table 3.

Table 3 – Small Harbor Configuration

Vessel length	0 - 20'	21' - 27'	28' - 36'	37' - 45'	46 - 60'	>60' ¹	total
Number of vessels on waitlist	5	18	25	15	9	1	73
Number of vessels in stalls too small ²	0	3	17	13	22	0	55
Number of new vessels from survey responses	0	2	4	7	7	0	20
Sum of vessels by length	5	23	46	35	38	1	148

Note: 1. The vessel on the waitlist that is greater than 60-feet is listed as a 120-foot vessel.

2. Vessels that are 4-feet or longer than the stall were counted for this evaluation.

Source: Craig harbormaster records as of July 25, 2013.

Method 2: determines the total permanent and transient vessel moorage demand at Craig. This method uses the percent of vessels owners indicating a preference for moorage at Craig from the survey results sample. Those sample percentages are then applied to the population of permit holders surveyed. This results in demand for moorage of 508 vessels in varying lengths. See Table 4.

Table 4 –Large Harbor Configuration

Vessel Length	0-20'	21-27'	28-36'	37-45'	46-60'	>60'	Total
Permanent	0	25	24	27	27	0	103
Transient	5	6	55	97	207	35	405
Total	5	31	79	124	234	35	508

Method 1 was used to define the small harbor configuration, and Method 2 was used for the large. The harbor configurations are based on planning charette input from the City of Craig, community, and potential harbor users. The medium sized harbor configuration accommodates 340 vessels of varying lengths.

Final configuration of the harbor floats will be conducted during the Pre-Construction Engineering and Design (PED) phase, which occurs after the feasibility study is complete. The conceptual designs for purposes of feasibility analysis are a 10-acre, 25-acre, and 42-acre harbor basin that will accommodate 160, 340, and 546 vessels identified as having an interest in mooring at Craig. (The number of vessels is based on the moorage demand and the rough configuration of the floats within each of these designs.)

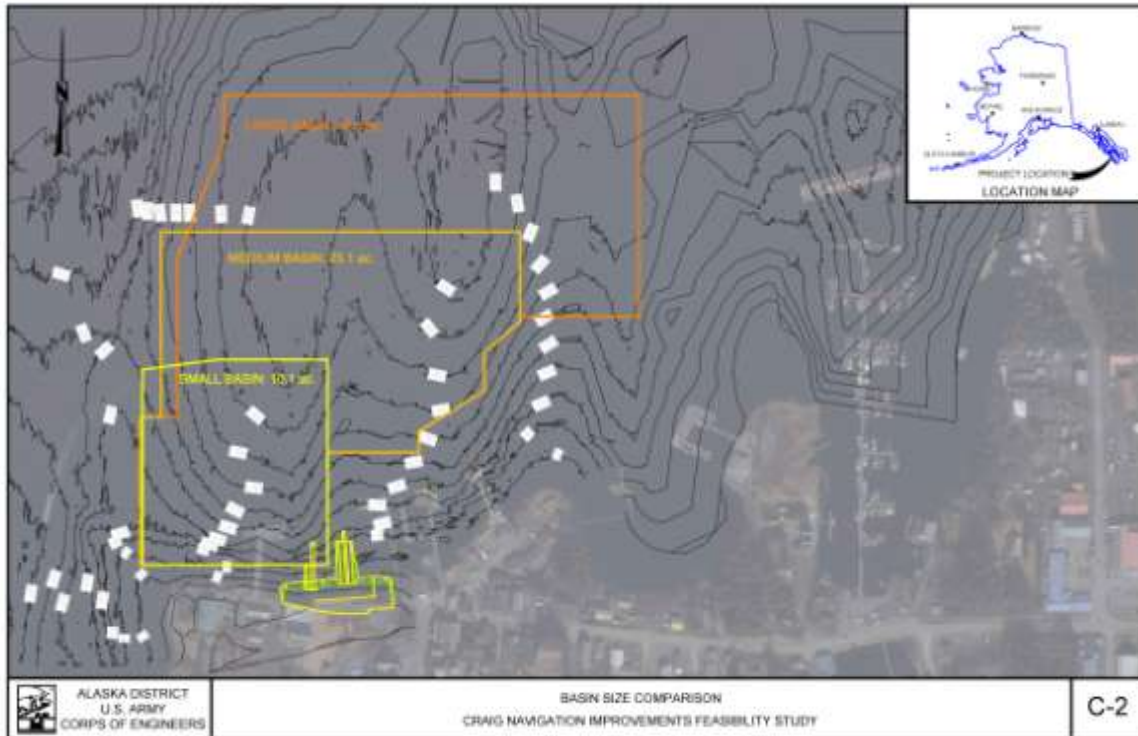


Figure 1 Craig Harbor Small, Medium, Large Footprints

Potential Harbor Costs

Harbor costs include mobilization/demobilization, dredging, hydro/topo surveys, breakwaters, piles, floats, boat launch, and navigation aids. These costs are being developed further and will undergo certification by the Corps' Cost Center of Expertise. See Table 5.

Table 5 –Preliminary Cost Estimates

Cost category	Alternative		
	1	2	3
Local Service Facilities	\$ 6,712,000	\$ 12,154,000	\$ 16,553,000
General Navigation Features	\$ 23,802,000	\$ 39,964,000	\$ 41,396,000
Aids to Navigation	\$ 13,000	\$ 13,000	\$ 13,000
Real Estate	\$ -	\$ -	\$ -
Interest During Construction	\$ 1,075,000	\$ 1,835,000	\$ 2,040,000
Total Project Cost	\$ 31,602,000	\$ 53,966,000	\$ 60,002,000

Not included in this table is periodic maintenance for rock replacement, dredging, and anode replacement. Maintenance adds cost of about \$16,000, \$31,000, and \$54,000 annually respectively to the 3 alternatives.

Still to be done is to compare the benefits to the costs and make sure that the potential benefits can be attributed to each of the alternatives. Given that we've identified about \$67 million in potential benefits, it appears that all alternatives could have positive benefit to cost ratios. However, Corps guidance states that the Corps' selected plan (known as the National Economic Development or NED plan) is the alternative that achieves the highest net benefits (total benefits minus total costs). This work is still to be accomplished.

Preliminary Conclusions

The economic analysis shows that there is moorage demand and potential benefits for a project that could provide for a harbor of 400 to 500 vessels at a cost of \$50 to \$60 million. As stated before, further work is needed to define the exact project, but the preliminary indication show the project is viable. Smaller alternative may also prove to be viable as well, so an important next step is to determine the interest of Craig as a non Federal sponsor in proceeding with the remainder of the effort needed for project authorization.

Project Next Steps

Finish Feasibility Study

The goal right now is to finish the Feasibility Study. The Feasibility Study will be completed when approved by Corps HQ and submitted to the US Army Corps of Engineers for signature. There are a number of steps to get to this point including multiple rounds of reviews and approvals. A signed chief's report is tentatively scheduled for July 2015 based on the current schedule. Steps to get there are outlined in the following table.

Activity	Schedule	Complete
FCSA signed		July 11, 2012
Review plan approved		October 30, 2012
Planning Charette		November 6-8, 2012
Alternatives Milestone		November 8, 2012
Tentatively Selected Plan Milestone	IPR – need to schedule with HQ/OWPR – March ??	
Concurrent ATR/Public review	April 2014	
ATR Certification	July 2014	
Agency Decision Milestone	October 2014	
MSC forward to HQ	January 2015	
Civil Works Review Board	February 2015	
Chief's Report	July 2015	

The cost-share for completion of the Feasibility Study will continue to 50 percent Federal and 50 percent non-Federal. The City and the Corps are working on getting the Work-in-Kind document submitted to the Corps financial personnel.

Once we get a signed Chief's report, we can move on to the next phases of the project.

Pre-Construction Engineering and Design

Pre-Construction Engineering and Design (PED) is estimated in the \$500,000 to \$1 million range. The cost-share for PED is 75% Federal and 25% non-Federal. So the City's contribution to the project for PED would be in the neighborhood of \$125,000 to \$250,000.

Construction

Cost-share percentages for the Construction phase are a little more complicated and fall out roughly as follows:

Table 6 – Construction Cost-Sharing Percentages

Construction Cost Sharing	Federal	Non-Federal
Local Service Facilities		100%
General Navigation Features	65%	35%
Aids to Navigation	100%	
Real Estate		100%
Interest During Construction	65%	35%

If the current cost estimates were to remain unchanged (they won't but this is a good estimate), the City's contribution to the construction of this project would be as follows:

Table 7 – Construction Cost-Sharing Amounts

Apportionment of Construction Costs	Alternative		
	1	2	3
Federal cost	\$ 16,183,050	\$ 27,182,350	\$ 28,246,400
Non-Federal sponsor cost	\$ 15,418,950	\$ 26,783,650	\$ 31,755,600
Total Project Cost	\$ 31,602,000	\$ 53,966,000	\$ 60,002,000

Advancement of the project from the Feasibility Phase to the PED phase, and finally to construction is dependent upon Congressional authorization and appropriation of funding. This is also dependent on availability of funds for both the Federal and non-Federal sponsor.

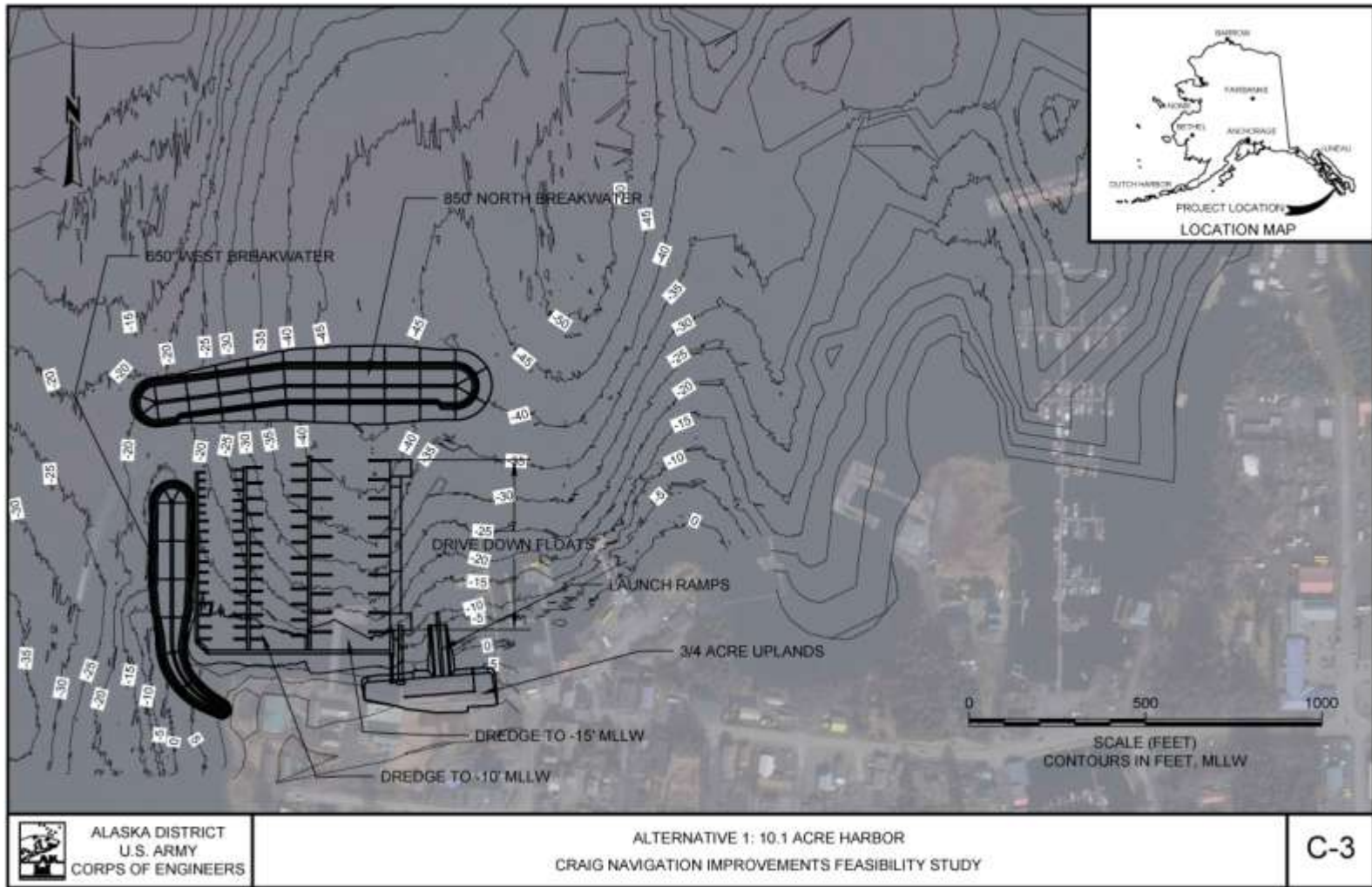


Figure 2 – Alternative 1 layout

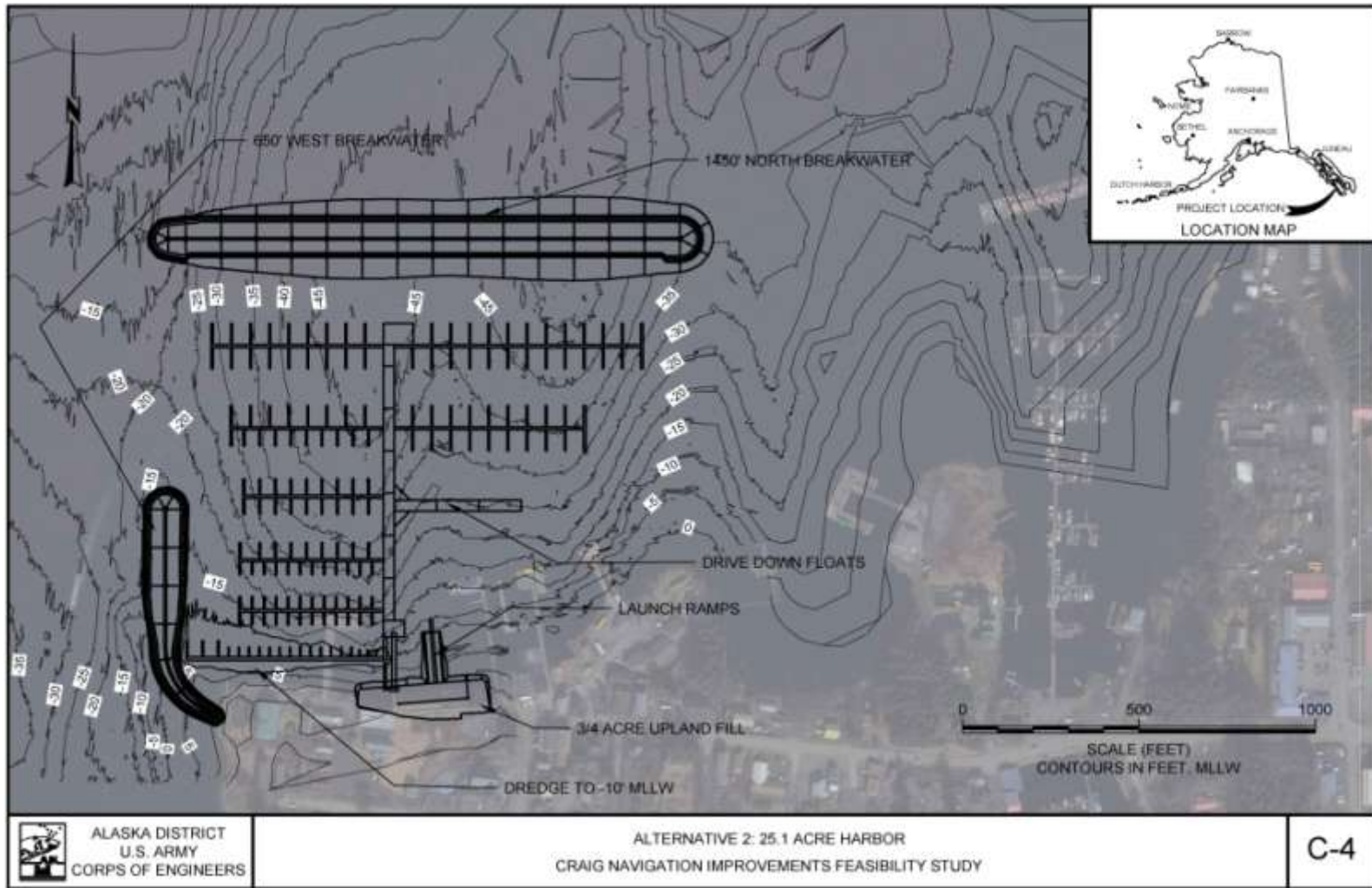


Figure 3 – Alternative 2 layout

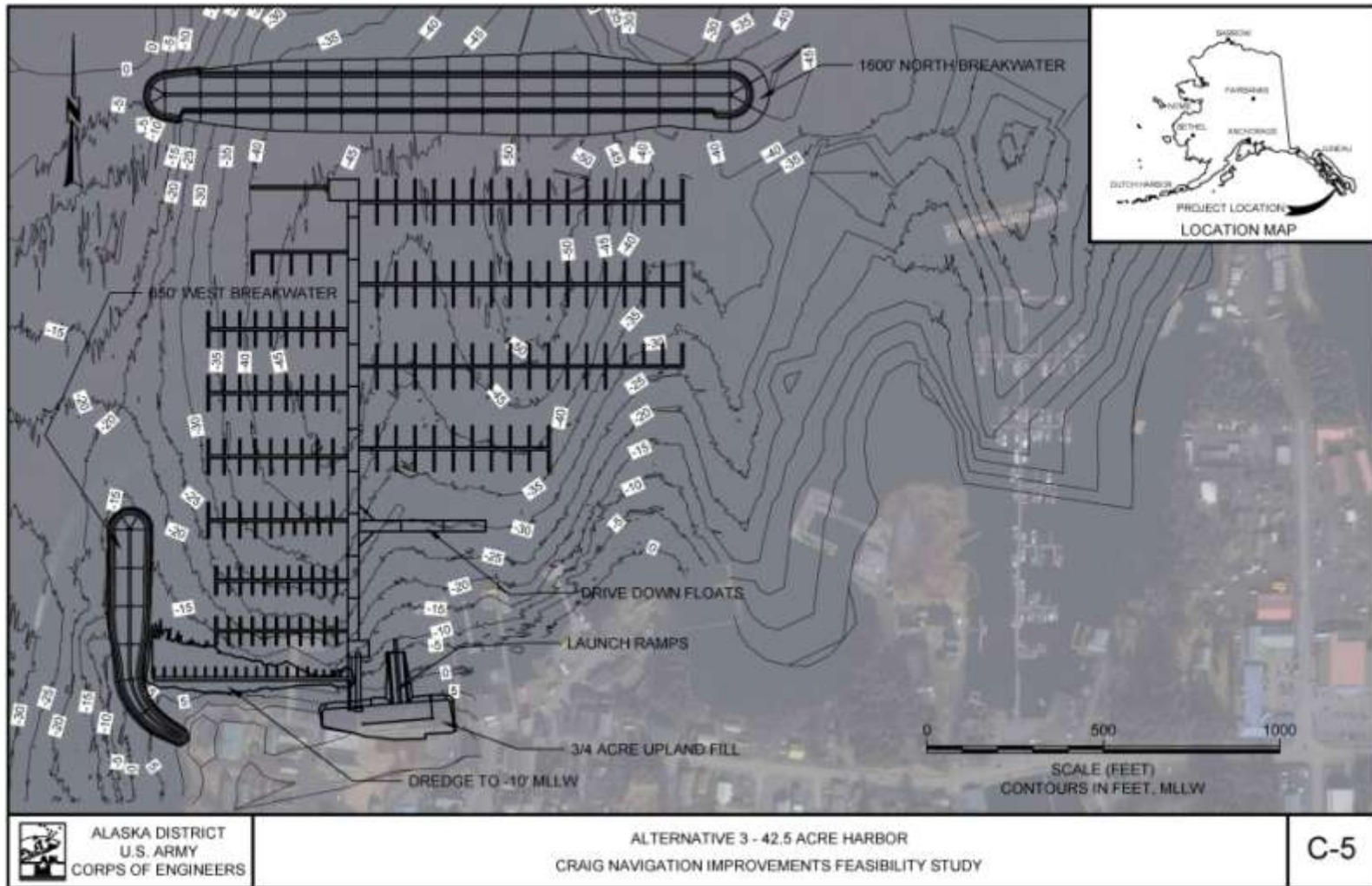


Figure 4 – Alternative 3 layout

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: February 24, 2014
RE: Consider Approval of Proposal for King Salmon Cost Recovery at Port St. Nicholas

On January 16, 2014 the City of Craig, in cooperation with the POW Hatchery Association, published a request for proposals seeking responses from individuals or groups interested in fishing hatchery-released king salmon returning to Port St. Nicholas this year. The city received one proposal in response to the solicitation, from Mr. Mike Bobo. A copy of his proposal is attached.

Essentially the proposal calls for the same terms as were in place in 2013: the fisherman receives 55 percent of the gross revenue from the sale of the fish, and POW receives 45 percent. Mr. Bobo is responsible for catching the salmon, using a drift gillnet and his own fishing boat, and for marketing the fish to get the most favorable price. The City of Craig, for its part, agrees to supply ice, at no charge, from the Craig Public Ice House to Mr. Bobo for use in the cost recovery fishery. POWHA supplies the documentation needed for Mr. Bobo to sell the fish, collects the money from the sale of the fish, and then pays Mr. Bobo his share of the receipts.

The late-starting 2013 cost recovery effort netted POWHA only about \$5,000. The table below summarizes the results of last year's cost recovery efforts.

PSN Cost Recovery Results, June 13- July 10, 2013

	No. of Kings <u>Caught</u>	Landed <u>Pounds</u>	Gross <u>Receipts</u>	Overall <u>price/lb</u>
Totals	314	4499	\$11,970.00	\$2.66

With an earlier start (May 1) expected this year, and with the experience that Mr. Bobo brings with him from fishing Port St. Nicholas in 2013, it is my hope that the fishery will bring in substantially more funding for POWHA in 2014.

On Wednesday, February 19 I met with POWHA representative Jeff Lundberg to review the proposal. As always, I had hoped for more than one proposal in response to our solicitation in order to better judge the merits of the one proposal we did receive. The city and POWHA could post the solicitation again in the hopes of receiving additional proposals, but I think the likelihood receiving additional responses to the request for proposals is low. At the conclusion of our February 19 meeting, Mr. Lundberg and I concluded that the city and POWHA should accept Mr. Bobo's cost recovery proposal.

Recommendation

Award, by motion the 2014 Port St. Nicholas king salmon cost recovery contract to Mr. Mike Bobo, and direct city staff to work with Mr. Bobo and POWHA staff to finalize the agreements necessary to begin the cost recovery effort no later than May 1, 2014.



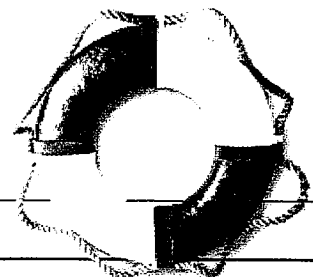
PORT ST. NICHOLAS KING SALMON COST RECOVERY PROPOSAL 2014

The Prince of Wales Hatchery Association (POWHA)/City of Craig are seek written proposals for the harvest of returning king salmon in the Port Saint Nicholas Special Harvest Area. I clearly understand purpose of the cost recovery effort is to raise operating capital to support the operation of the Port St. Nicholas Chinook salmon hatchery. For 2014 the POW Hatchery Association expects the return of adult king salmon from the 2009, 2010, and 2011 brood years. Based on smolt releases from the target brood years, hatchery staff anticipates a return of approximately 3,000 king salmon to the terminal harvest area.

In compliance with commercial fishing regulations issued by the Department of Fish and Game, I would use the minimum sized seven-inch mesh size gill net. After using a 300 fathom gill net in the summer of 2013 in the Port Nicholas Cost Recovery Project, I have purchased a new 200 fathom net to better fit the size and shape of the bay, fast changing winds, the many personal use crab pots, local area docks, and the anchored hatchery net pens. Using a more appropriate sized (200 fathom) net will allow for a longer drift meaning additional time in the water per set. Again this summer, I would personally contact the subsistence users that have crab pots at the head of the bay and work closely with them to avoid potential conflicts and foster support for the hatchery efforts.



Michael J. Bobo
PO. Box 373
10.5 Port St. Nicholas Road
Craig, Alaska 99921
1.907.301.6271
mb4570@gmail.com
FV MoonSpirit



PORT ST NICHOLAS HATCHERY PROPOSAL 2014

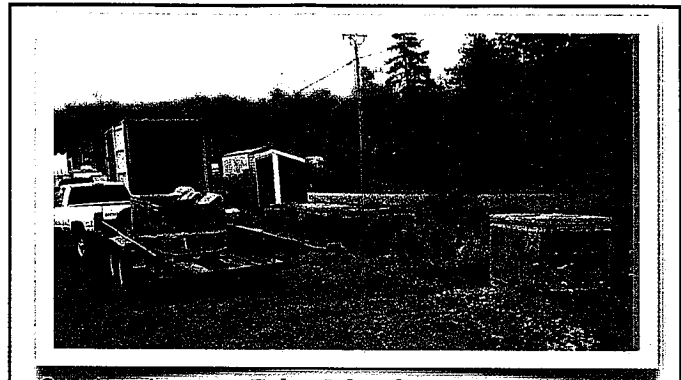
Proposed Approximate Dates for Cost Recovery Efforts

Beginning May 1, 2014, I would like begin to prospect with one or two sets a day to assess if King Salmon have arrived. Last year the contract was not issued until mid June and I think that affected possible numbers in the overall catchment and the ability to catch a greater number of fish at their highest grade and market value. The harvest would end some time around mid July or later if fish numbers and buyers price are adequate.

Frequency of Fishing Efforts

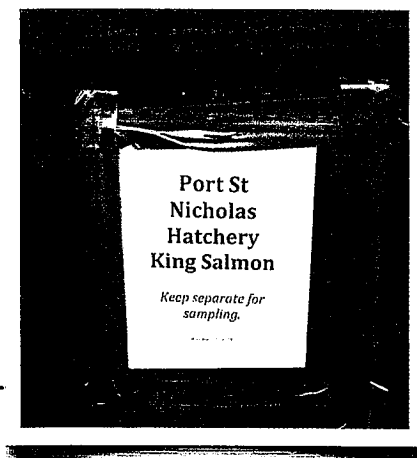
Fishing days are dependent on local weather, the location of fish buyers and transportation schedules. If the fish buyer is off island, you can fish three consecutive days then ship via road (AML or NorthLand) to Inter-Island Ferry to connect to Alaska Marine Hwy. Ferry. If the ferry schedules don't match up on the 4th day or you don't have enough fish to profitably ship by ferry, a tender operating out of Coffman Cove was made available (usually every 3 days) to move fresh fish. An important note, an off island buyer/processor has to have the fish no later than 4th day.

If buyer/processor is local in Craig or Klawock, you can fish daily. This year, I have vested time to garner potential commitments for outlets for daily/weekly fish deliveries to lodges and local commercial buyers to allow for consistent daily fishing.



Staging Area on False Island

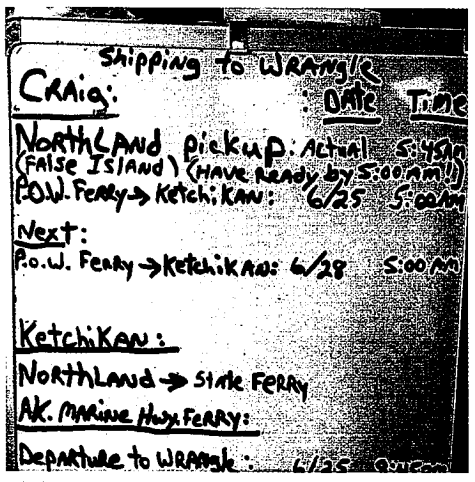
Successful coordination for delivery of fish most often was transported by truck to Coffman Cove. This required a staging area with access to a locking van, a forklift, 6 totes and a trailer for transport. Each day after fish were caught, they are removed from the slush ice on the boat to be placed in layers of ice in fish totes for transport. After 3 days fishing time, the fish iced in totes, and labeled on the outside of tote as "Port St. Nicholas Hatchery King Salmon" - "Keep separate for sampling" are transported to the buyer via one of the methods described in the section "Frequency of Fishing Efforts". Then I contact Anne Reynolds, the sampling biologist, to let her know they've been shipped and the expected arrival schedule to buyer.



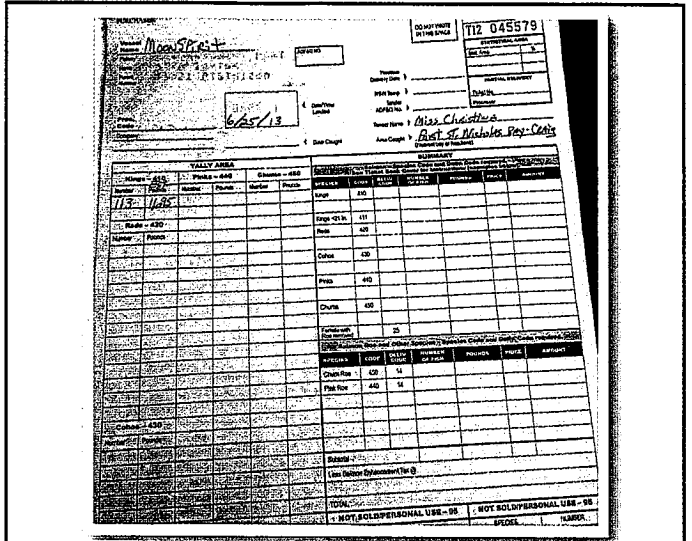
PORT ST. NICHOLAS HATCHERY PROPOSAL 2014

Proposed Percentage Of Revenue

There is a lot of time spent handling, and transporting (2 to 3 people, 8 totes, 16ft. trailer, truck & a forklift) involved in this operation in order to capture maximum benefit to both parties and that's after boat, fuel, and fishing time. If the off island buyer has the best price, his tender doesn't start until mid June out of Coffman Cove so by starting in May fishing (assuming fish are in) I'll have to find a boat out of Coffman Cove or Wrangle to transport fish to buyer. Also there is time involved in effort to solicit potential buyers such as charters/lodges and local commercial buyers/processors. If the fish are bought locally by non-commercial fishery buyers it still requires a lot of time, handling, transportation and a different fish ticket book same as the hatchery uses. There is always a few unexpected issues to deal with to make this work out. I assume all costs for operation of the fishing vessel, nets, trailers, fuel and crew members. Minimum percentage to the fisherman and boat shares has to be 55%.



Coordinating ferry schedules.



Coordinating ferry schedules.

Management of Fish Tickets

I keep accurate records of each fish caught daily and copies of fish tickets that accompany fish to processor. Each delivery of fish must have a fish ticket imprinted with the cards provided showing the specie of salmon, actual count of fish in shipment, and the estimated weight. The fish ticket is placed in a zip lock bag and put inside the clearly labeled tote. Once fish reach buyer, the buyer weighs and counts the fish, makes an adjusted accurate fish ticket and submits copies to ADF&G, and to POWHA or the City along with a payment. POWHA or City issues copy of fish ticket along with check for the agreed upon percentage within 7 days to fisherman.



PORT ST. NICHOLAS HATCHERY PROPOSAL 2014

Working Knowledge and Prior Success with Salmon Harvest

Fishing 2013 in Port St. Nicholas Bay for the Hatchery doing Cost Recovery was successful considering the late contract start dates of mid June. Had the season started May 1st, I think it could've been much, much better with greater numbers of brighter and higher market value fish. We were very successful in setting up the fish handling and storage operation at False Island to maximize the quality of each shipment, and very successful managing the logistics for transportation to and from Coffman Cove to meet the buyer's tender schedule.

We found fishing in Port St. Nicholas Bay had many obstacles to be aware of and we successfully managed to catch King Salmon despite the hazards. Mapping the bottom contours and monitoring the temperature of the water (very warm in 2013) we were able to understand the route the fish were using to get to the head of the bay, when they were moving and why the king salmon were using that route. We were successful in locating salmon in different areas at different times of the day.

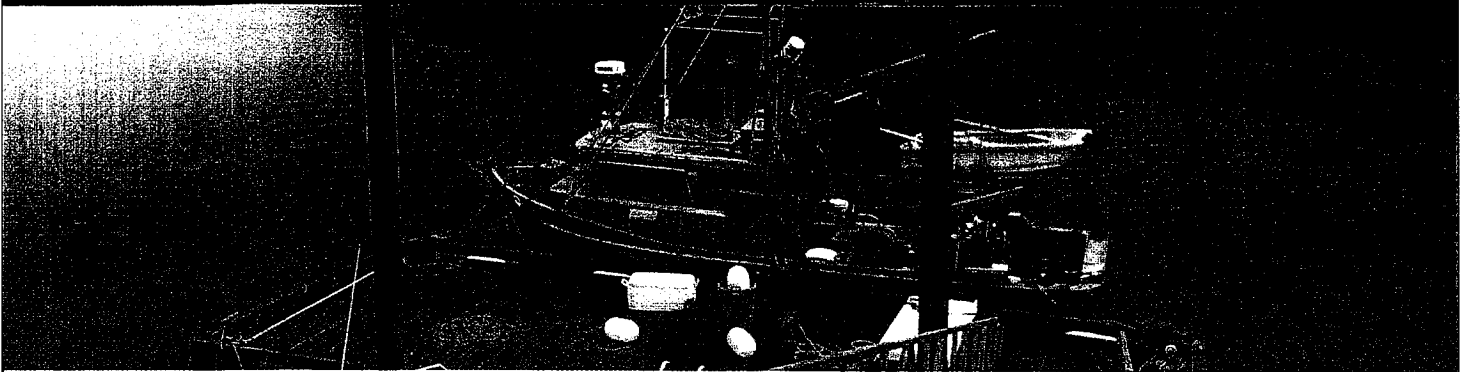
Our 34' combination boat is for power troll and drift net fisheries. We power troll in the winter, spring and summer for all species of salmon. We have a good working relationship and reputation for quality handling of salmon with the local processor. I also have successfully commercial fished as a crew member for salmon with a drift gill net in Clarence Strait with Brian Castle on his 42' boat, Renegade.

Working Knowledge and Success with Storage and Transport of Salmon

I had seven totes provided by Sea level Seafoods stored at False Island, a 16' flatbed trailer and the use of a forklift when needed. I also had a 20' container van spotted by Northland Freight to support a larger volume of King Salmon that could potentially fill the van. These fish could be shipped via ferries to Ketchikan or Wrangell. The 6 totes were filled with city provided ice and 1 tote was left empty. I also staged 3 totes with ice at near the fishing area on my dock in Port St. Nicholas Bay. If needed at the end of the day, I would either off load fish at my nearby dock in staged totes full of ice or if I had enough fish on the boat I would motor in to the city dock at night and use the crane to off load brailer bags, packing fish with ice in totes for transport loaded on the trailer, re-ice the boat put things away then sleep on the boat until daylight. After 3 days of fishing, I would head in early on the morning of the 4th day, I would forklift however many totes of iced fish we had in the container van to the trailer and drive to Coffman Cove to meet Sea Level Seafoods tender by noon and off load the full totes and replaced those with empty totes and headed back to Craig and prepared for another three days fishing.



PORT ST NICHOLAS HATCHERY PROPOSAL 2014



Dear City of Craig,

Please consider this proposal as my commitment to providing quality services to further the Port St Nicholas Salmon Cost Recovery Project. Living locally and being a commercial fisherman, I value and understand the need for its sustainability. I view my efforts to support the project, provide flexibility, and my desire to see the local use of the hatchery fish to encourage a sense of ownership for its success in our community. Craig can be

proud of a sustainable project that betters businesses in their own community.

More details and information can be provided about local businesses that are interested in buying fish to be a part of making this a sustainable project.

Thank you for the opportunity to present my proposal.

Mike Bobo

F/V MoonSpirit

It is too early for firm market prices for this season's fish. We cannot commit to the number of brights, blush or darks that will arrive in Port St. Nicholas Bay to fill these requests. This process is beginning early enough this year for there to be greater numbers of bright salmon.

CONTACT	DATES/EMAIL	REPSONSES
Wild Fishery	wildfish@aptalaska.net	1100 pounds for local use 5000-10,000 pound for client order
Shelter Cove	dave@sheltercove.com	300 pounds for restaurant (Bright s and Blush)
Waterfall Resort	Mike@WaterfallResort.com chuck@waterfallresort.com	
Fireweed Resort	fireweed@aol.com	
King Fisher	rico@aptalaska.net	
Craig Fisheries	craigmanagers@ecphillipsalaska.com	
Sea Level Seafoods	vphillips@pacseafood.com	Buyer in 2013- Still Interested
Silver Bay Seafoods	Ricahrd.Riggs@silverbayseafoods.com	
SPC (Seafood Processing Co-op)	spcak@gci.net	Will take unlimited amount

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: February 24, 2014
RE: Consider appropriation or improvements to Lot 92B, Port St. Nicholas Subdivision

In the fall of 2012 I received a telephone call from Mr. Scott Leslie, who owns a lot (Lot 92B) on the uphill side of the Port St. Nicholas Road. Leslie called me because construction crews on the Port St. Nicholas Road had made some physical changes to his driveway and his lot that he had not consented to. He asked for the city's help in addressing the matter.

After subsequently meeting in person with Leslie and staff from CTA, it became apparent to me that there is some validity to Leslie's claim. Specific claims of merit include: 1) the re-routing of Leslie's driveway across a portion of his western neighbor's lot without that neighbor's written permission; 2) the rerouting of his eastern neighbor's driveway across a portion of his lot without Leslie's consent; and, to a lesser extent, 3) the need to stabilize the bank near where his lot borders on the Port St. Nicholas Road (the bank had been steepened to accommodate the eastern neighbor's driveway across Leslie's property). Leslie has other, less significant grievances regarding work along the portion of the Port St. Nicholas Road that border his lot.

City staff was able to resolve item 1) when Leslie's neighbor to the west, Botelho, graciously agreed to provide a driveway easement across his property, at no cost, to legitimize the presence of Leslie's driveway on Botelho's property. The other two items remain unresolved.

In an attempt to resolve Leslie's grievances I met with him on a couple of occasions. I made some tentative offers to Leslie to address the areas where I felt the PSN road project had failed to address Leslie's legitimate concerns. In the end those offers included the following

1. Payment to Leslie for the portion of his lot that is now part of the driveway for his neighbor to the east. Based on appraisals of other easements acquired for the PSN Road project, the fair market value for the easement is about \$976.
2. Hire a contractor to stabilize the bank fronting the PSN Road, using rip-rap rock.

Leslie subsequently wrote the attached summary of costs and delivered it in an e-mail where he also stated he would accept a cash payment to him instead of the city contracting to complete the two tasks listed above. Leslie proposes a one-time cash payment of \$5,670.93. A copy of his e-mail and attachment are included with this memo. There is some benefit to the City of Craig in considering acceptance of Leslie's offer. The construction of a retaining wall includes some uncertainty as to material quantities and cost of machine and operator time to build, and is likely to cost at least as much as Leslie details in his attachment. In addition, if Leslie constructs a retaining wall himself, it becomes his responsibility to operate and maintain the wall in perpetuity.

To be candid, I do not believe I would have agreed to Leslie's terms if the effort to secure property owner agreements to the driveway changes and retaining wall if my discussions with him had occurred in advance of the field work on the Port St. Nicholas Road. The good faith negotiation is difficult after the unapproved work is already in place.

If the council approves this appropriation, the funding will come from the portion of the city's national forest receipts grant that is earmarked for road improvements. Staff will then write a formal agreement for Leslie's signature before issuing payment to him.

Recommendation

Approve, by motion, a payment of \$5,670.93 to Mr. Scott Leslie to settle easement and other issues related to construction at and near his property at Lot 92B, Port St. Nicholas Subdivision.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Jon Bolling, City Administrator
Date: February 21, 2014
RE: Request for Letter of Support – Beach Clean Up Efforts

Mayor Watson asked that the attached project summary be presented to the council for consideration of a letter of support. The project summary, prepared by Mr. David Gaudet of the Alaska Marine Stewardship Foundation (AMSF), was sent to Mayor Watson to seek local support for the request.

The proposed project requests funding from the Alaska Legislature to continue efforts to remove what is commonly referred to as marine debris from outer coast beaches from Dixon Entrances to Kayak Island, and also on beaches further west.

If funded, the proposal specifies that a portion of the work will take place on the outer coast of POW. The AMSF has conducted marine debris-clearing work on the west coast of POW in prior years and based on the attached description hopes to complete more such work as flotsam from the 2011 earthquake and tsunami in Japan is projected to build up on west coast beaches.

If the council so directs, staff will draft a supporting letter for submission to the Alaska Legislature. In the meantime, feel free to contact me if any of you have questions about the attached proposal.

Project Title: Alaska Marine Stewardship Foundation - Removing Marine Debris from the 2011 Tohoku Tsunami from four Gulf of Alaska Locations

TPS Number: 62069

Priority: 1

Agency: Commerce, Community and Economic Development
Grants to Named Recipient (AS 37.05.316)

Federal Tax ID: 680567328

Grant Recipient: Alaska Marine Stewardship Foundation

FY2015 State Funding Request: \$750,000

Future Funding May Be Requested

Brief Project Description:

Remove marine debris from four uncleaned areas on the Gulf of Alaska coast that have received large deposits of marine debris including debris from the 2011 Tohoku tsunami.

Funding Plan:

Total Project Cost:	\$750,000
Funding Already Secured:	(\$0)
FY2015 State Funding Request:	<u>(\$750,000)</u>
Project Deficit:	\$0

Explanation of Other Funds:

The Alaska Marine Stewardship Foundation (AMSF) has used a portion of funding from a FY 12 Department of Commerce, Community and Economic Development grant (10-CIAP-008) to fund projects within the tsunami affected area (\$225,683 in 2012 and \$258,613 in 2013). That grant does not have any cleanup operational funds left for 2014.

Funding was provided by the Alaska Legislature to Gulf of Alaska Keeper in 2013 but no cleanups were conducted in these areas that are in this request.

Detailed Project Description and Justification:

Marine Debris in Alaska is one of the most visible environmental problems of our time. But the good news is that local Alaskans with relatively low technology have the ability to solve it. Almost 3.0 million documented pounds of debris have been removed from Alaska's coast, most of that prior to the arrival of any of the debris generated by the 2011 Tohoku tsunami. With a million visitors per year coming to Southeast Alaska on cruise ships, this area of the state is particularly high profile. While the State has funded marine debris clean up in the Central Gulf Coast, this proposal asks legislators to provide \$750,000 for an efficient, effective debris clean-up projects using community-based experts from Kayak Island to Dixon Entrance and the Shelikof side of Afognak and Shuyak Islands where tsunami debris has now accumulated.

Clearly, marine debris is damaging to fish and wildlife and pollutes our reputation for pristine beaches and natural resources. Much of the existing Alaska coastal marine debris is generated by land based activities, originating from outside of Alaska, as well as from maritime activities such as shipping and fishing. Alarmingly, now Alaska is faced with Japanese tsunami debris which is expected to bring monumental amounts of trash to our shores. A recent Seagrant report projects 75% of the debris from the tsunami that makes landfall will do so in Alaska, an estimated 30 to 375 million lbs. The report projects that the greatest densities of debris would be deposited along the Gulf of Alaska coast primarily at all of the great capes which has been validated by State of Alaska aerial surveys.

The Alaska Marine Stewardship Foundation (AMSF), a 501 (c) 3 non profit, has been conducting marine debris cleanup since 2003. We have the longest history of coordinating effective large scale marine debris projects. Our success lies in our ability to work with community-based local fishermen and non-profits for cleanup. Since 2003 we've built strong partnerships with state and federal agencies to carefully catalog and clean thousands of miles of coastline.

During the summer of 2012, the Alaska Department of Environmental Conservation (ADEC) conducted an aerial survey from the southern tip of Southeast Alaska to the middle of the Alaskan Peninsula. That aerial survey documented large volumes of buoys and foams from the tsunami as well as debris deposited prior to the tsunami in agreement with the projections from the Washington Sea Grant. The more than 8,000 photographs from the ADEC survey were subjectively rated on a scale of 1 to 5 (densest) for density of debris. The National Oceanic and Atmospheric Administration's Marine Debris Program (NOAA) worked with the ADEC to produce maps of the surveyed area that density depicted the density in colors with red being an area with heavy deposits of debris and green, lighter deposits. The areas of the Eastern Gulf were rated among the highest accumulations of debris for the State. Additionally, they were among the top ten priorities by a subsequent ADEC and NOAA workshop attended by state, federal and tribal governments as well as Non-Governmental Organizations including AMSF.

During 2013, the AMSF contracted several local contractors to clean portions of some of the highly prioritized areas. More than 43 metric tons of debris were removed in less than two week periods and significant debris remains and more is coming. This work is relatively inexpensive and efficient because local contractors can take advantage of good weather opportunities.

This marine debris clean up will be conducted by Sitka Sound Science Center, Cape St. Elias Lighthouse Keepers, Island Charters and Blue Fox Bay Lodge to clean high priority areas along Kayak Island, Kruzof Island, Outer Coast of Prince of Wales, and Afognak and Shuyak Islands. AMSF is requesting a total of \$750,000 to continue this critical work. Our experienced locally-based Alaskan contractors include fishermen, non profits and lodge owners are poised to hit the beaches on good weather days which makes this work incredibly more efficient than using contractors from other places.

Project Timeline:

The project would begin in August 2014 and continue until December 2015.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

NA

Grant Recipient Contact Information:

Name: David Gaudet
Address: P.O. Box 2105765
Auke Bay, AK 99821
Phone Number: (907)957-0218
Email: marinedebris@ak.net

This project has not been through a public review process at the local level and it is not a community priority.

Removing Marine Debris from the 2011 Tohoku Tsunami from four Gulf of Alaska Locations

Alaska Marine Stewardship Foundation

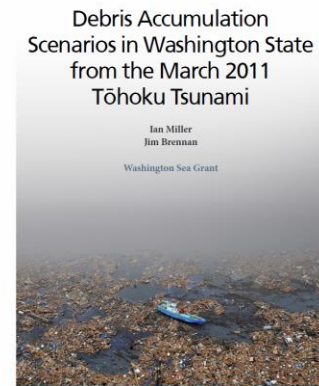
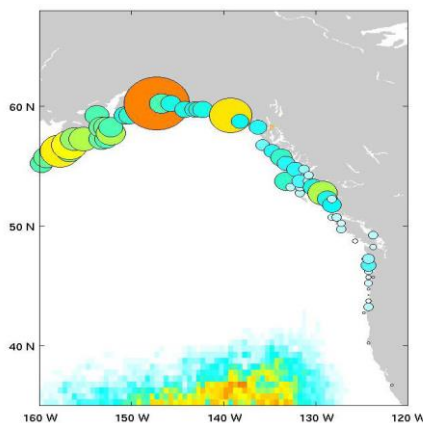
2014 CAPSIS Attachment

In March 2011, a tsunami at Tohoku Japan washed 5 million tons of material from homes and businesses into the Pacific Ocean. An estimated 1.5 million tons was expected to float and be swept into the North Pacific Gyre where it could make its way to the west coast of North America. The debris was not expected to arrive until 2013, however, the Alaska Marine Stewardship Foundation (AMSF) began to receive reports of unusual debris in November of 2011. A monitoring program was established by AMSF utilizing experienced marine debris cleanup contractors. Throughout the winter, on an opportunistic basis, the type and volume or weight of debris thought to be from the tsunami was recorded and it was found that significant amounts of debris were appearing on the beaches near Craig, Sitka and Yakutat

(<http://www.alaskamsf.org/wp-content/uploads/2013/02/Results-of-the-2012-MCAF-Japanese-Tsunami-Monitoring-Program.pdf>). Once summer arrived, reports from beachcombers, fishermen and contractors verified the observations. In particular, large buoys, both foam and plastic, and insulation foam from buildings and appliances were noted.

A report by the Washington Sea Grant program, Debris Accumulation Scenarios in Washington State from the March 2011 Tohoku Tsunami, projected that 75% of the debris from the tsunami that make landfall will do so in Alaska, an estimated 30 to 375 million lbs.

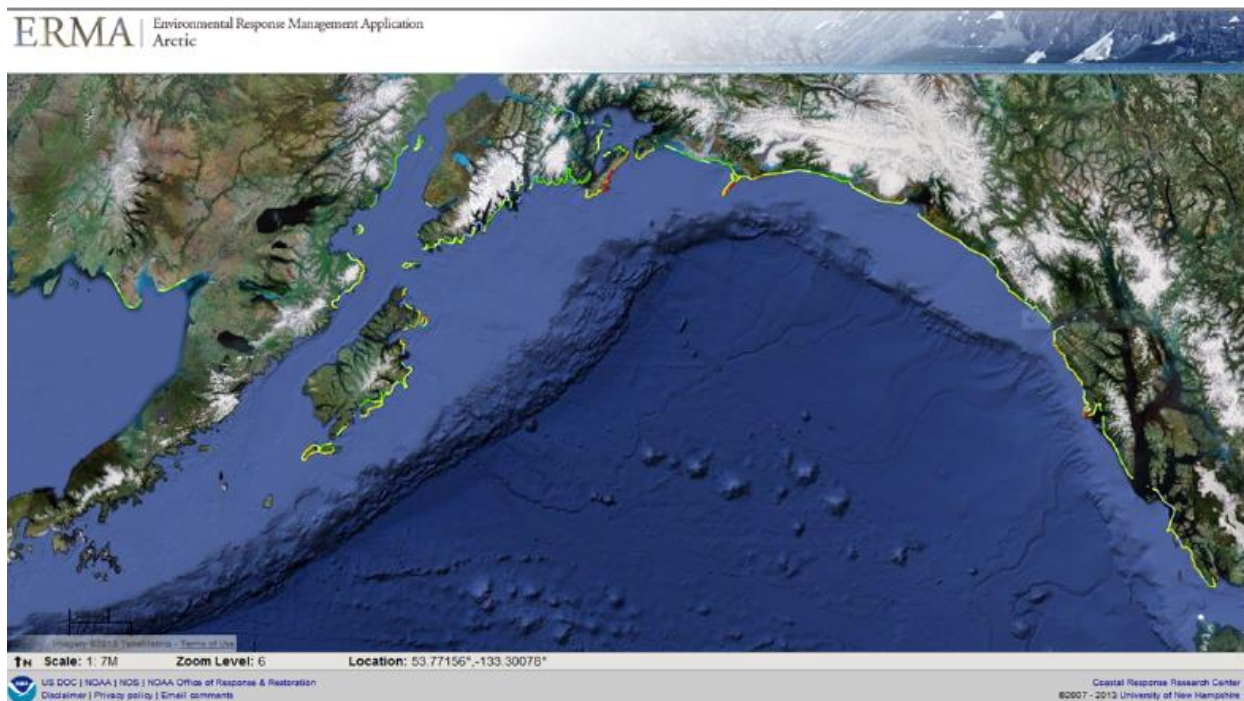
They projected that the greatest densities of debris would be deposited along the Gulf of Alaska coast primarily at all of the great capes.



During the summer of 2012, the Alaska Department of Environmental Conservation conducted an aerial survey from the southern tip of Southeast Alaska to the middle of the Alaskan Peninsula. It documented large volumes of buoys and foams from the tsunami as well as debris deposited prior to the tsunami in agreement with the projections from the Washington Sea Grant.

It was now clear that there were significant deposits of marine debris in the surveyed area and likely in other areas not surveyed, much of which came from the Tohoku tsunami.

The more than 8,000 photographs from the ADEC survey were subjectively rated on a scale of 1 to 5 (densest) for density of debris by a single person. The National Oceanic and Atmospheric Administration's Marine Debris Program (NOAA) worked with the ADEC to produce maps of the surveyed area that density depicted the density in colors with red being an area with heavy deposits of debris and green, lighter deposits. It did not differentiate between tsunami and other debris.



Again, it confirmed that the major deposits of marine debris were on the great capes and the shores perpendicular to the dominant winds of the Gulf of Alaska (the northern shores). Many miles of coast were inundated with debris and the problem was how to determine the areas in which to begin cleanups.

The ADEC and NOAA sponsored a workshop to prioritize the order in which areas should be cleaned based on the density of debris and the importance of the area for fish and wildlife and cultural uses. They brought together a number of participants from state, federal and tribal governments as well as Non-Governmental Organizations (NGO) for the purpose of ranking the rankings. The Director of AMSF participated in these discussions. The result was a paper titled Proceedings: Alaska Marine Debris 2013 Shoreline Prioritization Workshop January 17, 2013.

The report was published in early 2013 as a working document. Federal and State agencies have been refining estimates of fish and wildlife and cultural importance of the areas. However, these revisions have not resulted in any significant changes to the ranking of the areas. In particular, there were nine areas that ranked as the most important for immediate cleanup.



PROCEEDINGS:

ALASKA MARINE DEBRIS

2013 SHORELINE PRIORITIZATION WORKSHOP

January 17, 2013

Report Issued April 2013

NOTE: This document was prepared by NOAA and the Alaska Department of Environmental Conservation based on hard work and input from prioritization workshop participants who represented many agencies and entities. A list of workshop participants is at Appendix B on pages 28-29.

Workshop Priority Ranking	Segment Name	Segment Region
1	Kayak Island	Eastern Gulf of Alaska
2	Outer Montague	Prince William Sound
3	Outer Hinchinbrook	Prince William Sound
4	Shuyak and North Afognak Islands (to Pillar Cape)	Kodiak Archipelago
5	Outer Island to Gore Point (including Gore Point)	Central Gulf of Alaska
6	Cape Yakataga to Kayak Island	Eastern Gulf of Alaska
7	Cape Muzon to Suemez Island	Southeast Alaska
8	Baker, Noyes, Lulu, San Fernando and Western Prince of Wales Islands	Southeast Alaska
9	Kruzof Island	Southeast Alaska

During 2013, the AMSF contracted several local community based contractors to clean portions of some of the highly prioritized areas. Based on project reports submitted to AMSF as a part of the contract, a total of 85,505 lbs of debris, much of it from the tsunami were removed.

2013 AMSF Contracted Prioritized Tsunami Cleanups

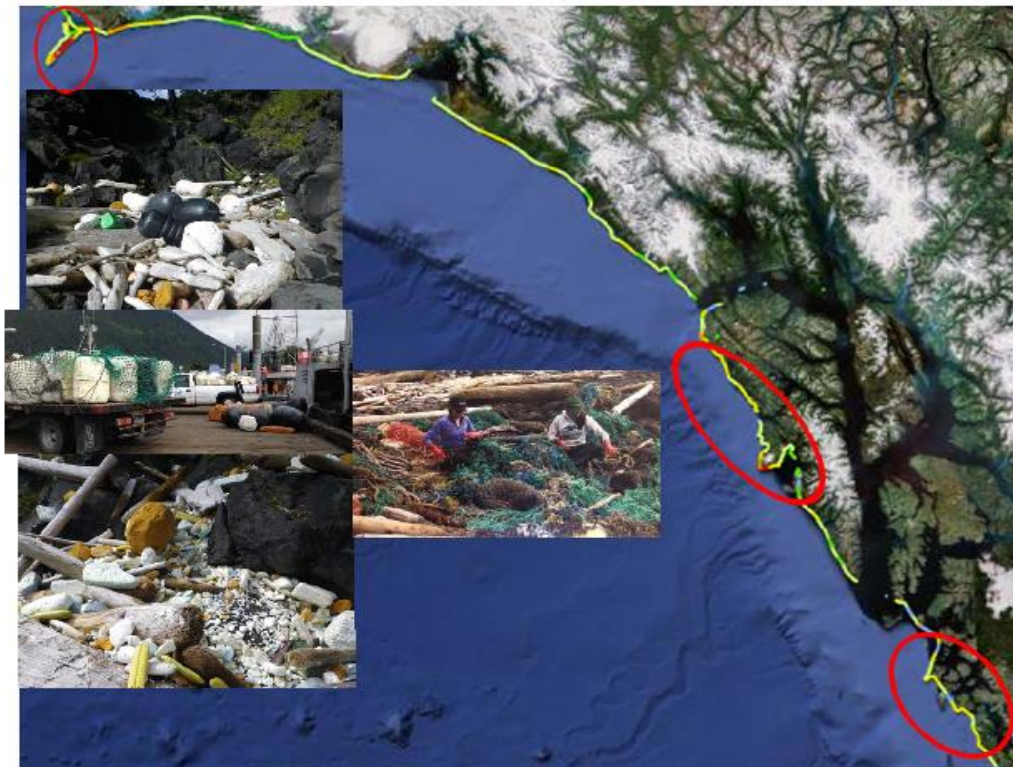
Segment	Priority	Contractor	Result
Cape Yakataga to Kayak Island	6	Cape St Elias Lightkeepers Association	54,616 lbs
Baker, Noyes, Lulu, San Fernando and Western Prince of Wales	8	Island Charters	19,370 lbs (ongoing)
Kruzof Island	9	Sitka Sound Science Center	11,821 lbs
Total			85,805 lbs

The Island Charters project is continuing during the first part of 2014, however, the estimated cost for these three projects is \$150,000. A large amount of debris remains in these areas and AMSF would like to continue the work it has begun in these areas as well as at the confluence of Shuyak and Shelikof Straits where a large amount of debris has passed through Shuyak Strait to cover beaches on Afognak and Shuyak Islands. AMSF is requesting a total of \$750,000 to continue this work. The money would be distributed to the contractors as follows:

Segment	Priority	Contractor	Cost
Kayak Island	1	Cape St Elias Lightkeepers Assn	\$400,000
Baker, Noyes, Lulu, San Fernando and Western Prince of Wales	8	Island Charters	\$75,000
Kruzof Island	9	Sitka Sound Science Center	\$200,000
Afognak and Shuyak Islands		Blue Fox Bay Lodge	\$75,000
Total			\$750,000

Contractor Profiles

Sitka Sound Science Center – SSSC is a nonprofit 501c(3) based in Sitka. They have been conducting beach cleanup of marine debris and tsunami debris along the outer coast of Baranof, Chichagof and Kruzof Islands in partnership with the F/V Cherokee since 2008. They have extensive experience in the difficult terrain of Kruzof Island, Priority area 9. Together they have removed over 80,000 of debris and repurposed recyclable floats, Styrofoam buoys, and nets. The SSSC crew found the first invasive species reported in Alaska from tsunami debris, Megabalanus rosa found at Yamani Cove in the summer of 2013. They also have an extensive outreach and education program reaching all Sitka school district students, 10,000 summer visitors annually, and other audiences through Sitka Whalefest and visiting field courses.



Areas of highest accumulation (red line) from ariel survey and top 10 priority for cleanup in the eastern Gulf of Alaska (Kayak, Kruzof, western Prince of Wales) with examples from Kruzof.

Cape St Elias Lightkeepers Association – Based in in Cordova, the Cape St Elias Lightkeepers Association (CSELA) is a non-profit that maintains the Cape St Elias Lighthouse on Kayak Island. The principal contractor also operates Orca Adventure Lodge in Cordova. They are lifelong Alaskans who have been based along the Gulf of Alaska coast. They conducted an AMSF sponsored cleanup from Cape Suckling to Seal River that removed 54,616 lbs of debris in 2013. They used a combination of their own fixed wing aircraft, helicopter and landing craft to collect and transport the debris where it was cataloged and recycled and/or disposed of. They are very familiar with all the difficulties of working on Kayak island where they conducted a small cleanup in 2012. They are uniquely qualified to conduct work on Kayak Island

Island Charters – Island Charters is owned by Kathy Peavey of Craig Alaska. They have been conducting marine debris cleanups in Priority area 8 since 2009. They have commercial fished and recreated in the area for a much longer period. They have removed more than 80,000 lbs of debris during this time.

Blue Fox Bay Lodge – Blue Fox Bay Lodge is located near the confluence of Shuyak and Shelikof Straits. The operator, Colleen Rankin, is a long time resident of the area. Prior to contracting with AMSF for marine debris cleanups she had been conducting small scale ones on her own. Her year around outdoor interests allow her to keep track of debris levels on many beaches and to plan her cleanups accordingly when weather allows.

AMSF would provide the project supervision at 10% of the costs (included in the \$750,000 request) and would ensure: that all permitting is provided, all debris is sorted and weighed, data is entered into the AMSF Alaska statewide database and provide detailed reports for the Legislature.

Additional information on AMSF as well as reports from projects can be found on the website at:

www.alaskamsf.org

or by contacting:

Dave Gaudet
Director
marinedebris@ak.net
907-957-0218

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Brian Templin, City Planner
Date: March 13, 2014
RE: PSN Water Line Replacement Design – Contract Award

February 26, 2014 staff opened bids for the Port St. Nicholas 12” Water Main Replacement Design/Engineering project. There were two bidders that submitted bids on each project. The bids were as follows:

1. R&M Engineering, Ketchikan
 - a. Design - \$13,400
 - b. Construction Management/Inspection - \$11,060
 - c. Total: \$24,460
2. DOWL HKM
 - a. Design - \$57,669
 - b. Construction Management/Inspection- \$21,029
 - c. Total: \$78,698

Both bidders are qualified and submitted complete bids. R&M Engineering was the low bidder on both parts of the project. The city planner and public works director met and scored both bids based on price and experience/qualifications. The total scores were as follows:

1. R&M Engineering – 190
2. DOWL HKM - 100

Staff has discussed the merits of having the contractor conduct the construction management/inspection services or having the public works director and city planner represent the city and conduct construction management and inspection services. Staff determined that the project was such that the public works director could perform all oversight and inspections necessary and that the public works director and planner could perform all construction management. Award of bid item 2 is not required.

There is an additional 500 linear feet of ductile iron water line that would be appropriate to design at this time. Staff intends to ask the firm awarded the contract for a quote to perform the additional work. If the quote is reasonable staff will prepare a change order for the council's approval.

The city will be using EPA grant funds and DEC funds (loans and grants) to complete the design work included in this contract and construction work resulting from this design.

Recommendation: Move to direct staff to take the following actions:

1. Award a contract to R&M Engineering in an amount not to exceed \$13,400 to complete design services for replacement of 2300 linear feet of water line along Port St. Nicholas Road
2. Direct staff to get a quote to complete design for an additional 500 linear feet of water line along Port St. Nicholas Road

March 12, 2014

To: City Mayor and City Council

From: Joyce Mason

Our auditor, Christine Harrington has completed the fiscal year 2013 financial audit. I have included a copy of the audit for your review.

The city had no reportable issues this year as to the financial reporting or the city operations. The best section and the easiest to understand, is the Management Discussion and Analysis section. This section summarizes the activity for the year.

If you have any questions as you review the audit please contact me.

Recommendation: A motion to accept the City of Craig fiscal year 2013 audit as presented by Christine Harrington, CPA.

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Jon Bolling, City Administrator
Date: March 14, 2014
RE: Consider Approval of POWHA Operating Agreement for FY 2015

Attached you will find the draft operating agreement between the City of Craig and the POW Hatchery Association for the fiscal year beginning July 1, 2014. The agreement governs operations at the king salmon hatchery facility based on city-owned property adjacent to the Craig Water Treatment Plant at 5.3 mile of the Port St. Nicholas Road. The council has reviewed and considered entering into similar operating agreements with POWHA since at least 2006.

The attached agreement differs from the current in two areas. Under the POWHA heading in Section 1, POWHA proposes reducing the amount of smolts released by the hatchery into Port St. Nicholas from 260,000 to 200,000. POWHA hatchery manager Jeff Lundberg told me in an e-mail recently that the smolt release number in previous agreements is too high a concentration for POWHA to properly rear in the round ponds available at the PSN site. Mr. Lundberg asserts that a maximum of about 200,000 smolts raised will result in a better quality fish released which he hopes will increase ocean survival.

A second change from the current year agreement better defines the time of the particular cost recovery effort funds that offset the city's annual contribution to support the PSN king salmon facility.

Another potential change not in the draft agreement is the fact that POWHA recently won a fisheries enhancement grant from the Southeast Alaska Chinook Salmon Mitigation Program. The grant, totaling \$103,400, is meant to cover operating costs at the facility for about a year. Given this one-time grant is meant to cover the same costs as the city's contribution under the attached draft agreement, the opportunity exists for the coming year to build a cash reserve for the PSN king salmon facility. I asked Mr. Lundberg about POWHA putting the funds into a reserve. He stated that he would put the matter to the POWHA board of directors for their March 18 meeting. I hope to have a response from POWHA on the reserve idea in time for the council's March 20 meeting. If agreed to by all parties, the attached draft agreement should include a new section detailing the actions needed to set up the reserve fund.

Recommendation

That the council discuss the merits of the proposed reserve fund for POWHA operations at the PSN king salmon hatchery, and give direction to staff on the matter, and on the terms of the draft operational agreement as a whole.

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, 2014 through June 30, 2015

The City of Coffman Cove, City of Craig, and Prince of Wales Hatchery Association agree to perform the following tasks by June 30, 2015, 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~~ 200,000 smolts per year to City of Craig— (this is based on production from ~~320,000-330,000~~ 270,000-280,000 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
- 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 to POWHA. The total payment shall be the difference between \$45,000 and the amount received by POWHA in cost recovery of PSN Chinook salmon in calendar year 2014.

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, 2014
- 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 other wise) or other amounts will be withheld from payments due to the Hatchery, it being understood that the Hatchery is solely responsible.

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

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

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

City of Craig, Alaska

Prince of Wales Hatchery Association

By: _____
Jon Bolling, City Administrator Date

By: _____
Jeff Lundberg, POWHA Date

City of Coffman Cove

By: _____
Misty Fitzpatrick, City Administrator Date