

CITY OF CRAIG  
COUNCIL AGENDA  
JANUARY 15, 2015  
COUNCIL CHAMBERS 7:00 P.M

**ROLL CALL**

Mayor Dennis Watson, Hannah Bazinet, 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 November 6, 2014
- City Council Minutes of November 20, 2014
- City Council Minutes of December 4, 2014
- HOPE Gaming Permit Application

**HEARING FROM THE PUBLIC**

- Open for public comment
- Resolution 15-01, FY15 Shared Fish Tax
- Resolution 15-02, Capital Improvement Projects List
- USACE Presentation on Small Boat Harbor

**REPORTS FROM CITY OFFICIALS**

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

**READING OF CORRESPONDENCE**

- APCM November Report
- APCM December Newsletter
- Sitka Roads
- Steve Silver Big Thorne Litigation

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

- Resolution 15-01, FY15 Shared Fish Tax
- Resolution 15-02 Capital Improvement Projects List

## **UNFINISHED BUSINESS**

- Appointment of Prince of Wales Watershed Association Representative for City of Craig
- Craig Court House Bid Results

## **NEW BUSINESS**

- Proposed agreement with Alaska Department of Environmental Conservation
- Approval of FY14 Audit
- Burn Pit Report
- Forklift acquisition
- Street Broom acquisition
- Port St. Nicholas Change Order
- Surplus Equipment

## **ADJOURNMENT**

CITY OF CRAIG  
COUNCIL MEETING  
THURSDAY NOVEMBER 6, 2014

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**ROLL CALL**

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

**Staff present:** Jon Bolling, City Administrator; Joyce Mason, Treasurer; Kassi Bateman, City Clerk; Chaundell Piburn, EMS Coordinator; Brian Templin, City Planner; RJ Ely, Police Chief; Ron McIntosh, Public Works Director.

**Audience present:** Pat Tyner, Andy Deering, Lisa Radke, Dave Nelson, Melinda Bass.

**CONSENT AGENDA**

- None

**HEARING FROM THE PUBLIC**

- Resolution 14-20, Two-year access permit for Seafood Producers Cooperative.
- No Public Comment

**REPORTS FROM CITY OFFICIALS**

**Mayor/IFA-** Dennis will be traveling to the Alaska Municipal League this month in Anchorage. Last month was considerably better than the previous year for IFA traffic. Jim asked about any decrease in fuel. Dennis mentioned that the fuel rate has gone down.

**Administrator-** Provided a written report.

**Treasurer-** Joyce provided a first quarter revenue report as well as first quarter sales tax report for FY15. Joyce has also sent the information needed to the bond bank, and will they will be meeting November 21 to review our application.

**Aquatic Manager-** Absent.

**City Clerk-** Provided a written report, Kassi also added that there were 276 voters on Election day bringing the total number of voters with the questioned and absentee ballots to 479. Dennis will be absent for the next meeting November 20.

**City Planner-** Provided a written report. Brian also mentioned that he will be testing the tsunami sirens the first Wednesday of every month at noon.

**EMS Coordinator-** Provided a written report. Haunted house went well this year.

**Harbormaster-** Jon briefed the council on some of the projects for the harbor department.

**Library-** Provided a written report.

**Police Chief-** Provided a written report. RJ also reported that the police department has been experiencing computer issues, but should be back online tomorrow.

**Public Works-** Provided a written report.

**Parks and Rec-** Provided a written report. Victoria also mentioned the Roller Derby League that has been started here in Craig. Practices for the derby are Monday and Wednesday from 6pm to 8pm.

**Parks and Public Facilities-** Absent.

## **READING OF CORRESPONDENCE**

### **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

#### **Resolution 14-20, Two-year access permit for Seafood Producers Cooperative**

PIERCE/DOUVILLE

moved to approve Resolution 14-20.

Jim mentioned that this lease is slightly different than the usual city leases. Jon explained that the original calculations were done roughly six years ago and the city is able to charge any percentage of the value of the property that is desired.

MOTION CARRIED UNANIMOUSLY BY ROLL  
CALL VOTE

### **UNFINISHED BUSINESS**

#### **Final approval, modification of lease between the City of Craig and Silver Bay Seafoods**

PIERCE/KUNTZ

moved to approve Amendment No. 4 to the lease between the City of Craig and Silver Bay Seafoods.

MOTION CARRIED UNANIMOUSLY BY ROLL  
CALL VOTE

### **NEW BUSINESS**

#### **Consider PSN Chinook Salmon Cost Recovery Extension**

PIERCE/KUNTZ

moved to direct staff to negotiate a contract with Mr. Mike Bobo to engage in the 2015 Port St. Nicholas Chinook salmon cost recovery effort, with final terms of the contract subject to city council approval.

MOTION CARRIED UNANIMOUSLY BY ROLL  
CALL VOTE

**Consider Seafood Producers Cooperative Proposal on Ice House Operation**

Seafood Producers Cooperative provided a written offer for staffing the ice house this summer. Don is concerned that the amount of money that we would pay wouldn't include housing and meals as well as not being a local resident. Mayor Watson mentioned that it would be beneficial to have someone who is able to make maintenance checks and repairs to the ice house especially during a busy summer like the last two have been. The council requested to cap the offer at \$4,000 a month for the technician. The best opportunity to discuss raising the icehouse cost would be in the spring during the budget proposal time.

**Consideration of Termination of Lease with Promech Air**

PIERCE/SEE moved to direct staff to terminate the lease of space at the Craig Seaplane Terminal with Promech Air.  
MOTION CARRIED UNANIMOUSLY

Joyce would like to mention that Horan and Co will be conducting city-wide assessments of property, so if anyone is curious about the gentlemen walking their property please refer them to City Hall.

**EXECUTIVE SESSION**

PIERCE/SEE moved to enter into executive session.  
MOTION CARRIED UNANIMOUSLY

PIERCE/KUNTZ moved to adjourn the executive session, and reconvene the regular meeting.  
MOTION CARRIED UNANIMOUSLY

SEE/PIERCE moved to direct staff to prepare a bid for the State of Alaska.  
MOTION CARRIED UNANIMOUSLY

**ADJOURNMENT**

KUNTZ/STORBAKKEN: moved to adjourn at 8:16 p.m.  
MOTION CARRIED

APPROVED \_\_\_\_\_

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

ATTEST \_\_\_\_\_  
KASSI BATEMAN, CITY CLERK

CITY OF CRAIG  
COUNCIL MEETING  
THURSDAY NOVEMBER 20, 2014

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**ROLL CALL**

Chairman Don Pierce called the meeting to order at 7:00 p.m. and the roll was taken. Present were, Jim See, Joni Kuntz, Jan Storbakken, Hannah Bazinet and Mike Douville. Absent excused was Dennis Watson.

**Staff present:** Jon Bolling, City Administrator; Joyce Mason, Treasurer; Kassi Bateman, City Clerk; Brian Templin, City Planner;

**Audience present:** Paul Coffey, Millie Schoonover, Andy Deering, Lisa Radke, Dave Nelson, Melinda Bass.

**CONSENT AGENDA**

DOUVILLE/KUNTZ

moved to approve the consent agenda.  
MOTION CARRIED UNANIMOUSLY

**HEARING FROM THE PUBLIC**

- Resolution 14-21, Paul Coffey Resignation from CVFD
- Millie Schoonover was present on behalf of Shaan Seet regarding the bid process for the Court House. Millie felt that the City should not be competing against private entities for this project. Don mentioned that in the process for putting this out to bid, The City of Klawock was the only interested party. The City of Craig would like for the Court House to stay in Craig, as it is good for Craig's economy, as well as convenient for the Police Department and Troopers that have business there. Millie is also in favor of keeping the court here in Craig, but would like for the City to allow the private parties a chance to be awarded this bid. Jim also mentioned that the state was going to go directly to negotiations with Klawock, and the City of Craig requested a new bid process in order to give other interested parties in Craig the opportunity to keep the court here. Millie wanted to re-assure the City of Craig that Shaan Seet is interested in the bid, and plans to follow through with the process. Jon will contact the City of Klawock to discuss the possibility of their entering a bid in this process. Paul Coffey mentioned that more often than not, municipalities do oversee the court in their jurisdiction, so it isn't unusual for Craig or Klawock to be interested in this bid process.
- Paul Thibideau was present via teleconference to address the letter provided to the council. Paul would like to keep the court in his building, or discuss options for partnering with the City of Craig in order to come to an agreement that is beneficial to both parties.

**READING OF CORRESPONDENCE**

Joyce was able to attend the Bond Meeting in Anchorage, and the City of Craig's financials were all in order. The board was impressed with the information provided on Craig, and the Bond sale will likely take place in Spring 2015.

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

**Resolution 14-21, Paul Coffey Resignation from CVFD**

DOUVILLE/KUNTZ

moved to approve Resolution 14-21.

MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE

**UNFINISHED BUSINESS**

**Consider final terms: Extended agreement with Mr. Mike Bobo, Port St. Nicholas King Salmon Cost Recovery Effort 2015**

/KUNTZ

moved to approve the final terms of the extended agreement with Mr. Mike Bobo for the Port St. Nicholas King Salmon Cost Recovery Effort 2015.

Jim mentioned that at the hatchery meeting the question of whether or not the Hatchery board or City of Craig should be signing these documents. It was decided to have all three parties sign the documents- The City of Craig, the POW Hatchery representative, and Mike Bobo.

MOTION CARRIED UNANIMOUSLY

**USACE presentation on tentatively selected plan for small boat harbor**

CANCELLED

**NEW BUSINESS**

**EXECUTIVE SESSION**

STORBAKKEN/KUNTZ

moved to enter into executive session.

MOTION CARRIED UNANIMOUSLY

KUNTZ/STORBAKKEN

moved to adjourn the executive session, and reconvene the regular meeting.

MOTION CARRIED UNANIMOUSLY

SEE/KUNTZ

moved to direct staff to contact Paul Thibodeau and Shaan Seet Inc and notify them of the City of Craig's intent to bid on the project.

MOTION CARRIED UNANIMOUSLY

**ADJOURNMENT**

DOUVILLE/KUNTZ:

moved to adjourn at 8:02 p.m.

MOTION CARRIED

APPROVED \_\_\_\_\_

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

ATTEST \_\_\_\_\_  
KASSI BATEMAN, CITY CLERK



CITY OF CRAIG  
COUNCIL MEETING  
THURSDAY DECEMBER 4, 2014

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### **ROLL CALL**

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

**Staff present:** Jon Bolling, City Administrator; Joyce Mason, Treasurer; Kassi Bateman, City Clerk; Chaundell Piburn, EMS Coordinator; Brian Templin, City Planner; RJ Ely, Police Chief; Ron McIntosh, Public Works Director.

**Audience present:** Pat Tyner, Andy Deering, Lisa Radke, Dave Nelson, Melinda Bass.

### **CONSENT AGENDA**

The consent agenda was presented, it contained:

**2015 Gaming Permit Application for Craig Child Care Center**

PIERCE/DOUVILLE

moved to approve the consent agenda.

### **HEARING FROM THE PUBLIC**

- Resolution 14-22, POWCAC Transportation Priorities
- Resolution 14-23, Supporting Moratorium on Regulation of Water Discharge from Commercial Fishing Vessels
- Don mentioned that although he is currently the Prince of Wales Watershed Association representative, Jan is interested in taking his place, therefore Don would like to recommend that Jan attend the meetings. Kassi will put this on the next agenda for a vote.

### **REPORTS FROM CITY OFFICIALS**

**Mayor/IFA-** Dennis was at the Alaska Municipal League meeting last week. Dennis was presented with a three year revenue projection that was based on a cost for a barrel of oil that is currently inaccurate, therefore if the oil costs rise, there will likely be budget cuts throughout. Mike had a question about school funding that Jon will address under the Administrator's report.

**Administrator-** Jon elaborated on his report concerning the school funding. There is a floor amount and ceiling amount that a municipality has to fund their school district. The Ketchikan Superior Court ruled that the Ketchikan Gateway Borough was correct that the State of Alaska mandate to fund schools at a floor payment is unconstitutional, which means that the municipalities now have no floor amount, and are not compelled to provide funding to school districts in their area. The legislature is not obligated to provide this loss in funding to the school districts that suffer from this decision. Jon expects that the State will appeal the decision. Most municipalities were already funding the districts above the floor amount and some clear up to the ceiling amount.

**Treasurer-** Absent.

**Aquatic Manager-** Provided a written report and also mentioned that the new grates that have small breaks will be repaired at no cost to us.

**City Clerk-** Newsletter coming out beginning of January, Kassi will be on leave from January 8-18. The next scheduled meeting is January 15<sup>th</sup>.

**City Planner-** Absent.

**EMS Coordinator-** Submitted a written report, and would like to invite everyone to the City Christmas party and Paul Coffey's retirement party.

**Harbormaster-** Absent.

**Library-** Provided a written report.

**Police Chief-** Absent.

**Public Works-** Provided a written report.

**Parks and Rec-** Absent.

**Parks and Public Facilities-** Nothing new to report.

## **READING OF CORRESPONDENCE**

### **Kosciusko Project Public Comment Period**

Mayor Watson would like to be involved in this, and pending Council approval would like to draft a letter objecting to the section involving use of herbicides and consenting to the rest. The Council supported Mayor Watson drafting a letter.

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

### **Resolution 14-22, POWCAC Transportation Priorities**

PIERCE/KUNTZ

moved to approve Resolution 14-22.

MOTION CARRIED UNANIMOUSLY BY ROLL  
CALL VOTE

### **Resolution 14-23, Supporting Moratorium on Regulation of Water Discharge from Commercial Fishing Vessels**

STORBAKKEN/PIERCE

moved to approve Resolution 14-23.

MOTION CARRIED UNANIMOUSLY BY ROLL  
CALL VOTE

### **Resolution 14-24, Supporting the Coordinated Transportation Plan for Prince of Wales Island**

PIERCE/STORBAKKEN

moved to approve Resolution 14-24.

MOTION CARRIED UNANIMOUSLY BY ROLL  
CALL VOTE

**UNFINISHED BUSINESS**

**NEW BUSINESS**

**Consider grant agreement with Peace Health for POW Health Network staffing**

PIERCE/DOUVILLE

moved to authorize staff to enter in to a letter of agreement with the POW Health Network for Administrative Support and Clerical Services funding.

MOTION CARRIED UNANIMOUSLY

**POW Vocational-Technical Center Representative**

The City of Craig will need to appoint a representative for the Board of Directors for the POW Vocational-Technical Center. Joyce is interested in the position as representative. Mayor Watson expressed that without council objection, Joyce Mason would be appointed as Craig's representative.

**EXECUTIVE SESSION**

KUNTZ/BAZINET

moved to enter into executive session.

MOTION CARRIED UNANIMOUSLY

PIERCE/KUNTZ

moved to adjourn the executive session, and reconvene the regular meeting.

MOTION CARRIED UNANIMOUSLY

PIERCE/STORBAKKEN

moved to direct staff to negotiate the financing of bid for the Craig Court House project.

MOTION CARRIED UNANIMOUSLY

**ADJOURNMENT**

DOUVILLE/SEE:

moved to adjourn at 8:08 p.m.

MOTION CARRIED

APPROVED \_\_\_\_\_

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

ATTEST \_\_\_\_\_  
KASSI BATEMAN, CITY CLERK

**Organization Information**

Federal EIN 73-1668460	If renewing, enter gaming permit # 2722	Phone Number (907) 826-2581	Fax Number (907) 826-2584
Organization Name HOPE Helping Ourselves Prevent Emergencies		Website address www.hope4pow.org	Email address hopeprevention@aptaska.net
Mailing Address PO Box 145		City Craig	State AK Zip Code 99921
<b>Entity Type</b> (check one)		<b>Organization Type</b> (check one) for definitions see AS 05.15.690 and 15 AAC 160.995.	
<input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Association		<input checked="" type="checkbox"/> Charitable <input type="checkbox"/> Civic or service <input type="checkbox"/> Dog mushers' association <input type="checkbox"/> Educational <input type="checkbox"/> Fishing derby association <input type="checkbox"/> Fraternal <input type="checkbox"/> Labor <input type="checkbox"/> Municipality <input type="checkbox"/> Nonprofit trade association <input type="checkbox"/> Outboard motor association <input type="checkbox"/> Police or fire department <input type="checkbox"/> Political <input type="checkbox"/> Religious <input type="checkbox"/> Veterans <input type="checkbox"/> IRA/Native Village	
** Does the organization have 25 or more members, as defined in your articles of incorporation or bylaws, who are Alaska residents? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

**Members in Charge of Games**

Members in charge must be natural persons and active members of the organization or employees of the municipality and designated by the organization. Members in charge may not be licensed as an operator, be a registered pull-tab vendor or an employee of a vendor for this organization. If more than one alternate, attach a separate sheet.

Primary Member First Name Brenda	M.I. K	Primary Member Last Name Leask	Alternate Member First Name Shannon	M.I. G	Alternate Member Last Name Silverthorn
Social Security Number [REDACTED]		Email msbluebead@gmail.com	Social Security Number [REDACTED]		Email ssilverthorn@peacehealth.org
Daytime Phone Number (907) 755-2636	Cell Number (907) 254-8054	Fax Number (907) 826-2584	Daytime Phone Number (907) 286-3257	Cell Number (907) 484-6952	Fax Number (907) 826-3259
Home Mailing Address PO Box 272			Home Mailing Address PO Box 19441		
City Klawock	State AK	Zip Code 99925	City Thorne Bay	State AK	Zip Code 99919
Has the primary member passed the test? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Permit # under which test was taken: 2722	Has the alternate member passed the test? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Permit # under which test was taken: 2722

**Legal Questions**

\*\* These questions must be answered. If you answer Yes to either question, see instructions.

<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Does any member of management, or any person who is responsible for gaming activities, have a prohibited conflict of interest as defined by 15 AAC 160.954?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Has any member of management, or any person who is responsible for gaming activities, ever been convicted of a felony, extortion, or a violation of a law or ordinance of this state, or another jurisdiction, that is a crime involving theft or dishonesty, or a violation of gambling laws?
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We declare, under penalty of unsworn falsification, that we have examined this application, including any attachments, and that, to the best of our knowledge and belief, it is true and complete. We understand that any false statement made on the application or any attachments is punishable by law. By our signatures below, we, the primary member, the alternate member, and if applicable, the manager of gaming, agree to allow the Department of Revenue to review any criminal history we may have, in accordance with 15 AAC 160.934.

Primary Member In Charge's Signature <i>Brenda K. Leask</i>	Printed Name Brenda K Leask	Date 11/24/2014
President or Other Officer's Signature (see instructions) <i>Melissa Bergtold</i>	Printed Name Melissa Bergtold	Date 11/24/2014
Alternate Member In Charge's Signature <i>Shannon Silverthorn</i>	Printed Name Shannon Silverthorn	Date 11/24/2014
Manager of Gaming Signature	Printed Name	Date

DEPARTMENT USE ONLY
Validation #

Pay online with OTIS at [www.tax.alaska.gov](http://www.tax.alaska.gov) or make check payable to State of Alaska. New applicants must pay by check.

**Permit Fee**

The permit fee is based on the 2014 estimated gross receipts. Check the appropriate box.

<input type="checkbox"/> New applicant	\$20
<input type="checkbox"/> \$0 - \$20,000	\$20
<input type="checkbox"/> \$20,001 - \$100,000	\$50
<input checked="" type="checkbox"/> \$100,001 or more	\$100

Email Address: [dor.tax.gaming@alaska.gov](mailto:dor.tax.gaming@alaska.gov)

Mail to: Alaska Department of Revenue, PO Box 110420, Juneau AK 99811-0420

Gaming Permit # 2722	Organization Name HOPE Helping Ourselves Prevent Emergencies
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**Facility-Based Games (self-directed)** If more than two facilities, attach a separate sheet.

Facility Name HOPE	Physical Address 404 Spruce St	City Craig	State AK	Zip Code 99921
Facility Type (check one) <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased <input type="checkbox"/> Donated	Game Type (check all that apply) <input type="checkbox"/> Bingo <input checked="" type="checkbox"/> Raffle <input type="checkbox"/> Pull-tabs <input type="checkbox"/> Animal classic (chicken)* <input type="checkbox"/> Animal classic (rat race)* <input type="checkbox"/> Calcutta pool**			
Facility Name	Physical Address	City	State AK	Zip Code
Facility Type (check one) <input type="checkbox"/> Owned <input type="checkbox"/> Leased <input type="checkbox"/> Donated	Game Type (check all that apply) <input type="checkbox"/> Bingo <input type="checkbox"/> Raffle <input type="checkbox"/> Pull-tabs <input type="checkbox"/> Animal classic (chicken)* <input type="checkbox"/> Animal classic (rat race)* <input type="checkbox"/> Calcutta pool**			

**Area-Based Games** If more than two areas, attach a separate sheet. \*restricted game type \*\*see instructions for mandatory attachments

Area Prince of Wales Island	Game type (check all that apply) <input checked="" type="checkbox"/> Raffle <input type="checkbox"/> Contest of skill <input type="checkbox"/> Fish derby <input type="checkbox"/> Dog musher' contest <input type="checkbox"/> Special draw raffle ** <input type="checkbox"/> Big Bull Moose Derby <input type="checkbox"/> Classic/Other (specify) _____			
Area	Game type (check all that apply) <input type="checkbox"/> Raffle <input type="checkbox"/> Contest of skill <input type="checkbox"/> Fish derby <input type="checkbox"/> Dog musher' contest <input type="checkbox"/> Special draw raffle ** <input type="checkbox"/> Big Bull Moose Derby <input type="checkbox"/> Classic/Other (specify) _____			

**Manager of Gaming** Required only for self-directed pull-tabs and bingo.

Manager First Name	MI	Manager Last Name	Social Security Number	Daytime Phone Number
Home Mailing Address			Email	Mobile Phone
City	State	Zip Coded	Has the manager of gaming passed the test? <input type="checkbox"/> Yes <input type="checkbox"/> No	Permit # under which test taken

**Vendor Information** Attach 2015 vendor registration form(s) and fee(s) for each vendor listed below.

Bar or Liquor Store Name	Physical Address	City	State AK	Zip Code
Bar or Liquor Store Name	Physical Address	City	State AK	Zip Code
Bar or Liquor Store Name	Physical Address	City	State AK	Zip Code
Bar or Liquor Store Name	Physical Address	City	State AK	Zip Code
Bar or Liquor Store Name	Physical Address	City	State AK	Zip Code

**Operator Information**

Designate operator who will conduct activities on the organization's behalf. Attach signed operating contract(s). If more than one operator, operator location, or game type, attach a separate sheet.

Operator License # 54	Operator Thelma Wood	Facility Name Win City	Game Type(s) pull tabs
Physical Address 333 Cold Storage Rd Ste 104		City Craig	State AK Zip Code 99921

**Multiple-Beneficiary Permittee Information (MBP)**

Designate the MBP with which the organization has signed a partnership or joint venture agreement.

MBP Permit #	MBP Name	Facility Name	Game Type(s)
Physical Address		City	State Zip Code

**Dedication of Net Proceeds** Describe in detail how the organization will use the net proceeds from gaming activities.

Proceeds will fund prevention and advocacy programs to support victims of domestic violence and sexual assault on Prince of Wales Island. Expenses which will be covered include, but are not limited to: Prevention and advocacy staff payroll, educational materials, emergency safe shelter for victims.

Copy

# Alaska Gaming Operator Contract

This contract is made and entered into this 12<sup>th</sup> day of November, 2014 by and between Theilma Wood herein referred to as the "operator" and Helping Ourself's Prevent Emergency's (HOPE) a municipality or qualified organization permitted to conduct gaming activities under AS 05.15, herein referred to as the "permittee."

### WITNESSETH

#### 1. Operator's License

The operator holds a current Operator's License, number OL 54, issued by the Alaska Department of Revenue on the 23 day of December, 2013 under the provisions of AS 05.15 and regulations adopted under this chapter.

#### 2. Operator's Bond

The operator has posted a bond or security with the State of Alaska in the amount of \$ 25,000.00 under the provisions of AS 05.15.122(b) (5), AS 05.15.167 and regulations adopted under this charter.

#### 3. Operator's Liability Insurance

In conformity with AS 05.15.122(b)(4) and regulations adopted under this chapter, operator has obtained liability insurance for the following gaming locations, items, and minimum coverages:

Location: 333 Cold Storage Road, Suite 104A, Craig, Alaska 99921  
\$ 1,000,000.00 coverage each occurrence  
\$ 1,000,000.00 general aggregate

(attach additional sheets if necessary)

Should the liability insurance be cancelled for any reason, the operator shall immediately notify the State of Alaska, Department of Revenue, Tax Division, Gaming Group and the permittee of such cancellation. In the event of cancellation, the permittee reserves the right to terminate the contract under section 17 of this contract.

#### 4. Gaming Permit

The permittee holds a current permit, number 2722, issued by the Alaska Department of Revenue on the 31<sup>st</sup> day of December, 2013 under the provisions of AS 05.15 and regulations adopted under this chapter.

#### 5. Member in Charge

The permittee has designated Brenda Leask, whose address is P.O. Box 272, Klawock, AK 99925, a bona fide member of HOPE since April 2011, as primary member in charge of gaming, and is duly authorized to sign this contract with the operator referenced in paragraph 1. The permittee has designated Shannon Silverthorn, whose address is P.O. Box 19441, Thorne Bay, AK 99919, a bona fide member of Helping Ourself's Prevent Emergency's (HOPE) since August, 2010, as alternate member in charge of gaming. Both the primary and alternate members in charge have passed the test required by AS 05.15.122.

# Alaska Gaming Operator Contract

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## 6. Gaming Activities to be Conducted

The operator shall conduct the following activities on behalf of the permittee, at the following locations:

Activities	Location
<u>Pull Tab Sales</u>	<u>333 Cold Storage road, Suite 104A, Craig, AK 99921</u>
_____	_____
_____	_____

(attach addendum with additional activities and/or locations)

## 7. Operator Duties

The operator shall pay on behalf of the permittee all bona fide, necessary, and reasonable game-related expenses in the operation of the gaming activities, including:

\$ 820.00 per Month for rental of 333 Cold Storage Road, Suite 104A, Craig facility,  
\$ \_\_\_\_\_ per \_\_\_\_\_ for rental of \_\_\_\_\_ facility,  
\$ \_\_\_\_\_ per \_\_\_\_\_ for rental of \_\_\_\_\_ facility,  
\$ \_\_\_\_\_ per \_\_\_\_\_ for rental of \_\_\_\_\_ facility,  
\$ \_\_\_\_\_ per \_\_\_\_\_ for rental of \_\_\_\_\_ facility,  
and  
\$ \_\_\_\_\_ per \_\_\_\_\_ for rental of \_\_\_\_\_ equipment at \_\_\_\_\_ facility,  
\$ \_\_\_\_\_ per \_\_\_\_\_ for rental of \_\_\_\_\_ equipment at \_\_\_\_\_ facility,  
\$ \_\_\_\_\_ per \_\_\_\_\_ for rental of \_\_\_\_\_ equipment at \_\_\_\_\_ facility,  
\$ \_\_\_\_\_ per \_\_\_\_\_ for rental of \_\_\_\_\_ equipment at \_\_\_\_\_ facility,  
\$ \_\_\_\_\_ per \_\_\_\_\_ for rental of \_\_\_\_\_ equipment at \_\_\_\_\_ facility.

All expenses shall be itemized by the operator in its monthly reports to the permittee, the operator's quarterly reports, and annual reports to the department and the permittee. Authorized expenses are those defined in AS 05.15.160 and regulations adopted under this chapter. The operator shall be liable for all unauthorized expenses. Authorized expenses shall not exceed the limitations defined under AS 05.15.160(c) and AS 05.15.160(d). The operator shall make no claim to the net income stream from any gaming activity. (Attach additional sheets as necessary.)

## 8. Operator's Management Fee

The permittee shall pay the operator a fixed management fee of \$ 5,000.00 per month. This management fee may not be adjusted or connected to the receipts of the gaming activity. AS 05.15.160(a)(2)(B).

## 9. Payment of Net Proceeds

The operator shall pay net proceeds to the permittee each month by check in compliance with AS 05.15.087(a).

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# Alaska Gaming Operator Contract

## 10. Monitoring of Gaming Activities

As required by AS 05.15.112(c), the permittee's member(s) in charge agrees to monitor the gaming activities being conducted on the permittee's behalf by the operator to ensure compliance with the provisions of AS 05.15 and regulations adopted under this chapter. Nothing in this contract relieves the operator from the obligation to conduct the activities agreed to in this contract in compliance with AS 05.15 and regulations adopted under this chapter. The party who first becomes aware of a violation of AS 05.15 or regulations adopted thereunder shall notify the other party and the department of the violation. Both parties agree to work together to rectify any violations of law or regulations.

## 11. Permittee Prize Limitations

In accordance with the prize limitations under AS 05.15 and regulations adopted under this chapter, the permittee agrees to inform the operator when its prize limitations are met. Upon receipt of such notice, operator agrees to cease all gaming activities on behalf of the permittee for the remainder of the permit year. The operator agrees to notify the permittee when it becomes apparent that the annual prize limitations referenced above are about to be met or are met and agrees to cease all gaming activities on behalf of the permittee for the remainder of the permit year.

## 12. Ownership and Title to Gaming Items

The operator agrees that all gaming items, such as pull-tabs, bingo cards, pull-tab dispensers and containers, bingo ball-blowers, daubers, video equipment, cash registers, office supplies, food, beverage, fixed assets, furniture vehicles, etc., purchased on the permittee's behalf from the permittee's funds shall become the property of the permittee at the time of purchase. Should this contract be terminated, all gaming items owned by the permittee shall be immediately returned to the permittee free from lien or other adverse interest. If the operator wishes to retain an item purchased on behalf of an authorizing permittee, the operator must pay the permittee for the permittee's interest in that item on the full market value at the time of the contract termination.

## 13. Hold Harmless Clause

The operator agrees to indemnify and hold harmless the permittee, the permittee's members, volunteers, and employees from any loss or liability that results from negligence, misfeasance, or malfeasance of the operator or the operator's agents while acting for and on behalf of the permittee.

## 14. Books and Records

The operator and the permittee shall keep adequate books and records in accordance with AS 05.15 and regulations adopted under this chapter and shall account for all transactions in connection with the conduct of all contracted gaming activities. All such books and records, including supporting documentation, shall be open to inspection by either party or their authorized representatives during reasonable office hours.

## 15. Covenants

Both the permittee and the operator agree to comply with all provisions of AS 05.15 and regulations adopted thereunder.

## 16. Term

The term of this contract is from Jan 1st, 2015 until Dec 31st, 2015.

## 17. Termination of Contract

This contract may be terminated by either party upon 30 days written notice. Should this contract be terminated prior to its expiration date, both the operator and the permittee shall inform the department immediately of the termination.



# Alaska Gaming Operator Contract

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## 18. Time Element

Time is of the essence in all elements of this contract.

IN WITNESS THEREOF, the parties have signed this Operating Contract this 12<sup>th</sup> day of November, 2014, in the city of Craig, state of Alaska.

John Wood  
Operator

Ronda K. Seaski  
Primary Member in Charge

In the presence of:

Kellie Ebighausen  
Witness

Kellie Ebighausen  
Witness

This contract has been approved under the provisions of AS 05.15.115 and 15 AAC 160.220(d). Any amendments or addenda to the contract must be approved by the department prior to their implementation.

\_\_\_\_\_  
Approved by  
Tax Division, Department of Revenue

\_\_\_\_\_  
Date

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Date: December 18, 2013

To: Mayor & City Council

From: Joyce Mason

Re: FY15 Shared Fisheries Business Tax

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Resolution 15-01 requests the Alternative Allocation Method for the FY15 Shared Fisheries Business Tax payment from the Department of Commerce. The allocation method allocates 50% of the fish tax on an even distribution and 50% of the fish tax to be prorated by population. The total estimate for the FY15 tax was provided by the Department of Commerce. The second page of the resolution lists the estimate for the communities of Prince of Wales Island. The Department of Commerce has estimated the City of Craig will receive \$9,694.36.

This resolution is presented to the Council each year.

Recommendation:

Approve Resolution 15-01, Adopting the Alternative Allocation Method for the FY15 Shared Fisheries Business Tax for the Southern Southeast Fisheries Management Area.

**FMA 19: Southern Southeast Area**

**Alternative Method\***      Total allocation:      50% Divided      50% per capita  
    \$72,090.98      \$36,045.49      \$36,045.49

<b>Community</b>	<b>Population</b>	<b>50% divided share</b>	<b>50% per capita share</b>	<b>Calculated Allocation</b>
Craig	1242	\$4,505.69	\$2,647.40	\$7,153.08
Hydaburg	367	\$4,505.69	\$781.65	\$5,287.34
Kasaan	69	\$4,505.69	\$146.96	\$4,652.65
Ketchikan Boro**	5215	\$4,505.69	\$11,107.14	\$15,612.83
Ketchikan	8291	\$4,505.69	\$17,658.54	\$22,164.23
Klawock	799	\$4,505.69	\$1,701.75	\$6,207.43
Saxman	432	\$4,505.69	\$920.09	\$5,425.78
Thorne Bay	508	\$4,505.69	\$1,081.96	\$5,587.65
Totals	16924	\$36,045.49	\$36,045.69	\$72,090.98
Community Count	8			

\* All municipalities share 50% of allocation equally; share remaining 50% on a per capita basis.

\*\*Ketchikan Borough Population = Borough (13,686) - Cities of Saxman and Ketchikan

**CITY OF CRAIG  
RESOLUTION 15-01**

**A RESOLUTION ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE  
FY15 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT  
THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF  
SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN SOUTHERN  
SOUTHEAST FISHERIES MANAGEMENT**

WHEREAS, AS29.60.450 requires that for a municipality to participate in the FY15 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce that the municipality suffered significant effects during calendar year 2013 from fisheries business activities; and,

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce; and,

WHEREAS, 3AAC 134.070 provides for the use, at the discretion of the Department of Commerce, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and,

WHEREAS, The City of Craig proposes to use an alternative allocation method for allocation of FY15 funding available within the Southern Southeast Fisheries Management Area in agreement with all other municipalities in this area participating in the FY15 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED THAT: The City of Craig by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effect during 2013 of fisheries business activity in the Southern Southeast Fisheries Management Area.

Estimated FY15 Fish Tax Payments

FMA 19: Southern Southeast Area

Alternative Method*	Total		
	Allocation	50% Divided	50% per capita
	\$ 98,930.63	\$ 49,465.32	\$ 49,465.32

Community	Population	50% divided share	50% per capita share	Calculated Allocation
Craig	1,195	\$ 6,183.16	\$ 3,511.20	\$ 9,694.36
Hydaburg	405	\$ 6,183.16	\$ 1,189.99	\$ 7,373.15
Kasaan	75	\$ 6,183.16	\$ 220.37	\$ 6,403.53
Ketchikan Borough	5,132	\$ 6,183.16	\$ 15,079.06	\$ 21,262.23
Ketchikan	8,313	\$ 6,183.16	\$ 24,425.61	\$ 30,608.78
Klawock	786	\$ 6,183.16	\$ 2,309.46	\$ 8,492.62
Saxman	411	\$ 6,183.16	\$ 1,207.62	\$ 7,390.78
Thorne Bay	518	\$ 6,183.16	\$ 1,522.01	\$ 7,705.17
<b>Totals</b>	<b>16,835</b>	<b>\$ 49,465.32</b>	<b>\$ 49,465.32</b>	<b>\$ 98,930.63</b>
<b>Community Count</b>	<b>8</b>			

\*All municipalities share 50% of allocation equally; share remaining 50% on a per capita basis.  
 Ketchikan Borough Population = Total Borough less Cities of Ketchikan and Saxman populations.

PASSED and Approved this 15<sup>th</sup> day of January, 2015.

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

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Brian Templin, Craig City Planner  
Date: January 5, 2015  
RE: Capital Projects Resolution 15-02

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Attached you will find Resolution 15-02. The resolution identifies the city's capital project needs for 2015.

The council has annually adopted a capital projects resolution to guide lawmakers as they write capital project budgets. Listing out city priorities is useful in identifying what projects are important to Craig. It also allows legislators to match local priorities with existing or proposed funding programs.

Based on the approved list of capital projects, staff will begin working on project submissions for the state legislature (usually due in February) and the congressional delegation (usually due in February/March). Craig has been fortunate in past years to receive capital project funding through the state legislative budget process, through federal direct appropriations and through a variety of state and federal grant programs. Those projects were funded from lists provided to the state from prior year resolutions. There are a number of issues this year including state/federal budget shortfalls and a new governor that add to uncertainty to the capital projects process this year.

There are 17 projects listed on this year's resolution which include:

1. Craig Street Improvements. The city recently completed construction of Phase 3 and is in final design and solicitation for Phase 4 for street improvement and paving. We received \$600,000 in legislative funding during the last legislative session but that was \$900,000 short of our request and insufficient to complete all paving identified in Phase IV.
2. Public Works Heavy Equipment Purchase – Phase II. Public works needs to add some heavy equipment due to the number of newly paved streets and replace some other aging equipment. The city secured \$600,000 in funding in 2012 with the understanding that this would only fund a portion of the overall need and that additional funding would be requested in 2013. No funding was provided in 2013 or 2014. For several reasons we have broken the request into two sections this year and added project 3 – Public Works Heavy Equipment Storage. This has been included in the project description to the legislature the last two years but for funding flexibility we are choosing to show this as two items.
3. Public Works Heavy Equipment Storage – For the last two years we have included an option to build expanded storage for public works equipment. The public works covered and enclosed storage area was already crowded and new equipment coupled with the need to periodically house the second ambulance and third fire department vehicle are making it even more crowded. To allow for storing emergency vehicles without compromising storage for public works vehicles additional vehicle bays are needed at the public works yard. Due to the fact that there is likely less legislative funding this year than in past years it is advantageous to list this project separately.

4. Public Safety Building - Construction. The city completed design and engineering using a legislative grant from 2012. This funding will allow for construction of the newly designed building based on the architect's cost estimate.
5. Development of Craig Cannery Property and Harbor – Design/Construction. This request will be used as local match to complete the US Army Corps of Engineers feasibility study, final design for the new harbor and construction of navigation and harbor improvements.
6. Wastewater Pump Station Replacement. The request includes the replacement of aging sewer lift stations on Front Street, Cold Storage Road and Easy Street and increasing the water treatment capacity of the city treatment plant.
7. Prince of Wales Healthcare Building Expansion – Design/Construct. Community Connections (one of the current tenants of the building) has requested additional space to allow for services that they provide to the public. This expansion would include the expansion of the building for Community Connections and would include expansion of the existing parking lot.
8. Aquatic Center Repairs, Upgrade and Expansion. The condition assessment funded in 2012 for the Aquatic Center is complete and lists over \$3 million in repairs and renovations. While the bond will fund the majority of the high priority repair there are still several repair items and potential expansion of the facility that could be funded through other funding sources.
9. Complete Phase II Improvements in Klawock Airport Master Plan. This project includes utility, tarmac, apron and some navigational improvements at the Klawock Airport.
10. Covered Work Area (Harbor Department). Design, engineering and construction of a metal building at the Craig boat work area at the industrial park. The building would be used for indoor boat work areas and would be large enough to allow up to two boats (with poles still attached) at a time.
11. Debt Relief – POW Hatchery Association. This request includes debt retirement or improvements at the Klawock facility.
12. Float Plane Terminal Improvements. This project consists of improving the access road and parking lot surfaces. The project also includes potentially purchasing adjacent property to expand the size of the parking lot and potentially expanding terminal.
13. Connect Craig Tribal Hall to Wood Boiler. This request includes some funding to assist the Craig Community Association in augmenting their current heating system by connecting to the wood boiler. The tribe is currently working to secure some funding for the project.
14. Library Expansion Planning and Design. This includes planning, architecture and engineering to expand the current library facility.
15. Community Quota Entity Quota Share Purchase. This includes purchase of halibut IFQ to be held by the Quota Entity designated by the City of Craig. This entity would then lease IFQ poundage to local resident fishermen on an annual basis.
16. Craig-Klawock Separated Bike Path. This project would consist of an extension of the existing separated bike path from the Craig High School to Klawock.
17. POWER Building Renovation/Construction. This project includes the repairs and renovations of the POWER Building. Alternately the project may consist of construction of a new building for POWER. POWER has recently received some funds for repairs and

renovations but needs additional funds. The council should discuss the merits of renovating vs. constructing a new building. If funds are used to renovate the building then it is unlikely to get additional funds to build a new building in the near future. The city and POWER may find that the funds provided to POWER could be leveraged as local match for funding to construct a new building.

In addition to the items described above, Chaundell Piburn asked for one additional item to be added at the last minute. The item has not been added to the CIP resolution but a copy of it is attached to this memo for the council's discussion. Temporary storage for the second ambulance, fire vehicle and public works equipment can be handled separately or as part of one of the projects shown on the CIP resolution (i.e. Public Works Heavy Equipment Storage). The council should discuss how to handle the additional request.

As always the council has the opportunity to add projects, remove projects or rearrange project priorities on this list before adopting the resolution.

**Recommendation**

The council should discuss the priority of items shown on the attached resolution. Council should also discuss and provide direction regarding renovation or new construction as a policy direction regarding the POWER building. After council discussion, adopt Resolution 15-02.



**CITY OF CRAIG**  
**RESOLUTION 15-02**  
**Establishing Capital Projects for 2015**

WHEREAS, the City of Craig Council annually prepares a comprehensive capital improvement program for the City of Craig; and,

WHEREAS, the United States Government and the State of Alaska annually prepare budgets and appropriate funds to local governments and state and federal agencies for the implementation of local and state capital improvement projects; and,

WHEREAS, the Craig City Council has identified certain capital improvement project priorities for the City of Craig for calendar year 2015.

NOW, THEREFORE, BE IT RESOLVED that the following projects, set forth in order of priority, are established as the City of Craig's top priorities for capital improvement projects for calendar year 2015:

- |   |              |
|---|--------------|
| 1. Craig Street Improvements  | \$ 1,000,000 |
| 2. Public Works Heavy Equipment Purchase (Phase II)                 | \$ 350,000   |
| 3. Public Works Heavy Equipment Storage                             | \$ 250,000   |
| 4. Public Safety Building Construction                              | \$ 4,000,000 |
| 5. Development of Cannery property & Harbor Construction            | \$12,000,000 |
| 6. Wastewater Pump Station Replacement                              | \$ 850,000   |
| 7. Prince of Wales Healthcare Building Expansion – Design/Construct | \$ 1,250,000 |
| 8. Aquatic Center Repairs, Upgrade and Expansion                    | \$ 1,000,000 |
| 9. Complete Phase II Improvements in Klawock Airport Master Plan    | \$ 2,650,000 |
| 10. Covered Work Area Building (Harbor Department)                  | \$ 300,000   |
| 11. Debt Relief – POW Hatchery Association                          | \$ 500,000   |
| 12. Float Plane Terminal Access and Parking                         | \$ 500,000   |
| 13. Connect Craig Tribal Hall to Wood Boiler                        | \$ 500,000   |
| 14. Library Expansion Design and Engineering                        | \$ 150,000   |
| 15. Community Quota Entity quota share purchase                     | \$ 150,000   |
| 16. Craig-Klawock Separated Bike Path                               | \$ 4,100,000 |
| 17. POWER Building Renovation/Construction                          | \$ 200,000   |

APPROVED: January 15, 2015.

\_\_\_\_\_  
Dennis Watson, Mayor

ATTEST \_\_\_\_\_  
Kassi Bateman , City Clerk

Project Title: Craig - EMS Garage

Priority: 1

Agency: Commerce, Community and Economic Development

One-Time Need

Brief Project Description:

Purchase a building to provide Emergency storage of supplies and storage of a relief emergency vehicle.

Funding Plan:

Total Project Cost: \$150,000

Funding Already Secured: 0.0

FY2015 State Funding Request: 150,000

Detailed Project Description and Justification:

The City of Craig currently provides EMS and health clinic support to surrounding communities around POW. We provide EMS support to 12 surrounding small communities by sharing bulk quantities of supplies, and refilling oxygen tanks for ambulance calls. This helps small communities to save money keep fresh supplies in their ambulances. These communities are too small to charge for their ambulance calls, therefore have no income to support their supplies or needs. We also maintain the only oxygen regeneration system on the island which is available to all EMS squads, and 3 small community clinics, and 2 larger community clinics. This year, we are working towards providing a place to leave medical waste. We currently house the Southeast region EMS relief vehicle in our web loft, but would rather provide heated storage for it. It is a backup emergency vehicle for any service on the island.

Project Timeline: 18 months

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: January 6, 2015  
RE: Craig Harbor Study – Public Review Draft Presentation

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As the council is aware the city staff has been working with the US Army Corps of Engineers (USACE) on the environmental and economic feasibility study for a new harbor on the Craig Cannery Site. The USACE has completed the draft study and it is currently being advertised for comments. It will be out for comments for 30 days (starting January 5, 2015). The attached notice gives directions on how to access the online copy of the draft plan.

The USACE will give a short presentation and answer questions regarding the study at the January 15, 2015 council meeting. USACE staff will bring hard copies of the report for all council members at that time.

The council may make comments at the meeting, to staff or directly to the USACE using the email provided on the public notice.

No action is required from the council at this time.



Alaska District  
U.S. Army Corps of Engineers

Date Jan 5, 2015 Identification No. ER- 15-01  
Please refer to the identification number when replying.

## Civil Works Branch

# Public Notice

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### Environmental Assessment

### Craig Navigation Feasibility Study and Environmental Assessment

### Craig, Alaska

The U.S. Army Corps of Engineers (Corps) is proposing to construct navigation improvements at Craig, Alaska to relief overcrowded harbor conditions.

The recommended plan consists of a 10.1-acre basin protected by an “L-shape” breakwater that is approximately 1,933 feet in length. This design includes an overlapping gap in the western alignment to provide for fish passage. This design provides protection against waves from all westerly and northerly directions. This basin would be able to accommodate approximately 145 vessels depending on configuration and has an estimated total project cost of \$37.9 million.

The proposed construction of a new harbor as discussed in this document would have minor but largely controllable short-term environmental impacts. However, in the long term it would help improve the overall quality of the human environment. This assessment supports the conclusion that the proposed project does not constitute a major Federal action significantly affecting the quality of the human environment

Information on the proposed action and anticipated environmental effects are discussed in the EA. The EA and unsigned Finding of No Significant Impact (FONSI) are available for your review and comment in compliance with the Council on Environmental Quality’s regulation for implementing the procedural provisions of the National Environmental Policy Act. The EA is available on the Corps’ website at: <http://www.poa.usace.army.mil>. Click on the Reports and Studies button and look under Documents Available for Review, Civil Works. The EA is also available on the City of Craig website at: [www.craigak.com](http://www.craigak.com) and look for the Tweets section showing the link to the document or click on Items of Interest and Public Notices.

The comment period will close 30 days from the date of this notice. Written comments received on or before this date will become part of the official record. Please send electronic comments to [CraigHarbor.POA@usace.army.mil](mailto:CraigHarbor.POA@usace.army.mil). No public meeting is scheduled for this action. If you believe a meeting should be held, please send a written request to the address below during the 30-day review period explaining why you believe a meeting is necessary.

The FONSI will be signed upon review of comments received and resolution of significant objections. Please submit comments regarding the proposed action to the following address:

U.S. Army Corps of Engineers, Alaska District  
ATTN: CEPOA-EN-CW-ER  
P.O. Box 6898  
Joint Base Elmendorf-Richardson, Alaska 99506-0898

Notice is hereby given that the Corps will be applying for State Water Quality certification from the Alaska Department of Environmental Conservation (ADEC). ADEC may certify there is a reasonable assurance this proposed action and any discharge that might result will comply with the Clean Water Act, Alaska Water Quality Standards, and other applicable State laws. ADEC's certification may authorize a mixing zone and/or a short-term variance under 18 AAC 70. ADEC may also deny or waive certification.

Any person desiring to comment on this proposed action with respect to water quality certification may submit written comments to ADEC at the address below within 30 days from the date on this public notice.

Alaska Department of Environmental Conservation  
WQM/401 Certification  
555 Cordova Street  
Anchorage, AK 99501-2617  
Telephone: (907) 269-7564  
FAX (907) 269-7508

Please contact Mr. Christopher Floyd of the Environmental Resources Section at (907) 753-2700 or write to the Corps' address if you would like additional information concerning the proposed project. Comments or requests for further information may also be submitted electronically at the e-mail address: [CraigHarbor.POA@usace.army.mil](mailto:CraigHarbor.POA@usace.army.mil).

A handwritten signature in black ink, appearing to read "M. Noah for".

Michael Noah  
Chief, Environmental Resources Section

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: January 6, 2015  
RE: January Staff Report

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**1. Sealaska Lands Legislation**

As I reported to the council last month, the Sealaska lands bill was included in the military spending bill that passed Congress and was signed by the president in December. Sen. Murkowski's website includes a page with links to the bill text and land maps (<http://www.murkowski.senate.gov/public/index.cfm/sealaskalandbill>) showing the selection and conservation areas.

**2. Update on Big Thorne Timber Sale**

The parties to the case have filed their first round of briefs with the trial court. A status report from the city's attorneys on the Big Thorne litigation is in the January 19, 2015 city council packet.

**3. Court Ruling on Statewide School Funding Formula**

The Ketchikan Gateway Borough asked the Alaska Superior Court to reconsider its decision not to award millions in refunds to the borough for recent year contributions to its local school district. The Superior Court has yet to issue a decision in response to the request for reconsideration. Still no word from the State of Alaska on if it will file an appeal of the Superior Court decision that found the required local contribution to schools to be unconstitutional.

**4. Congressional Update**

a. Payment in Lieu of Taxes

Congress passed funding for the PILT program in December. The funded amount is about the same as the last fiscal year. That will maintain about \$220,000 in general fund revenue for the City of Craig in our next fiscal year budget from the program—an important source of income for the city's general fund.

b. Secure Rural Schools

Congress did not pass an appropriation for the Secure Rural Schools program, at least not yet. There is great uncertainty at this point if the program will be funded in the current fiscal year. The City of Craig is insulated, for now, from loss of SRS funding because it has money in reserve to make up the difference to the Craig City School District. I have attached a brief document I received in December that summarizes the status of the SRS program.

c. US Coast Guard Regulation Deferment

The expiration of the USCG moratorium on effluent emissions from small commercial fishing vessels was avoided at the last minute when Congress, as part of a larger package of bills, extended the moratorium for several more years. Failure to extend the moratorium would have subjected nearly all local commercial fishing vessels to significant new regulatory requirements for incidents that included rain and wave run off from the decks of these vessels.

### **5. US Mail Service to Craig**

As I reported to the council in November, the US Postal Service abruptly changed the way it distributes first class mail among the local air carriers that are eligible to carry the mail. This decision has negatively impacted Craig and may bring further negative impacts in the form of delayed daily mail service and further reductions in air service to Craig. In response to this I met in December with representatives from two local air carriers, who would like to work with the City of Craig to change the US Postal Service actions back to the long established practice of sharing the first class mail roughly evenly between the carriers. After gathering information at that meeting, and with the help of Steve Silver in Washington DC, I will formally contact US Postal Service personnel this month to ask that the old practice be reinstated.

### **6. Meeting with Rep. Kreiss-Tomkins**

Rep. Jonathan Kreiss-Tomkins met with Brian Templin and me this morning. We discussed the outlook for the next fiscal year's capital budget and talked about some of the items the city may request funding for in 2015/16. I also discussed with Rep. Kreiss-Tomkins the legislature's projected approach to the recently adopted marijuana initiative, the likely legislative reaction to the Alaska Superior Court decision regarding mandatory funding of local schools. I also walked Rep. Kreiss-Tomkins through the POWER building to give him an idea of the condition of the building and

### **7. Marijuana Regulation**

As the council is aware, Alaska voters in November approved an initiative that legalizes the possession, transport, and commercial sale of marijuana. The ballot measure now moves toward implementation. The implementation timeline below is one I received recently from the State of Alaska.

*November 4, 2014* – Statewide election held. Ballot Measure 2 passes 53% to 47%.

*November 24, 2014* – Vote certified by Division of Elections. Statutes will be enacted by operation of law 90 days later.

*January 20, 2015* – Legislature gavels in. Multiple bills related to the marijuana industry are anticipated.

*February 24, 2015* – Proposition 2 statutes are enacted. The nine month deadline for developing regulations begins.

*April 19, 2015* – Legislature scheduled to adjourn.

*November 24, 2015* – Deadline for the board to adopt regulations; if not adopted by this date, local governments have the option of establishing their own regulations. Final regulations package submitted to the Governor's Office and Department of Law for review and approval.

*February 24, 2016* – Board must start accepting applications and must act on them within 90 days of receipt of application. If the board has not adopted regulations, applications may be submitted directly to local regulatory authorities.

*March 26, 2016* – Tentative effective date of regulations; effective date will be 30 days after the Lt. Governor's Office files the approved regulations.

*May 24, 2016* – Initial marijuana industry licenses expected to be awarded.

The “board” referred to in the timeline above will be either the Alaska Alcoholic Beverages Control (ABC) Board, or a new Marijuana Control Board, depending upon the actions of the Alaska Legislature. In the meantime staff at the ABC Board will begin the process of writing regulations to implement the new law. According to an Alaska Municipal League presentation, among the areas of regulation that the board will focus on are the following.

- Create procedures for registration to operate a marijuana establishment;
- Fees for registration, renewal;
- Security requirements;
- Requirements to prevent sales to minors;
- Labeling requirements;
- Health and safety regulations;
- Reasonable restrictions on advertising and display of products;
- Civil penalties.

The recently adopted initiative provides municipalities with some authority over marijuana activity. Among the authorities cities have:

- Local government may prohibit marijuana cultivation, product manufacturing, testing, and/or retail stores.
- Local control is accomplished by enacting an ordinance or by a local voter initiative.
- Local government may designate a local regulatory authority to regulate marijuana facilities, and may require registration and payment of fees.
- “Local government” is defined to include all municipal and borough governments. The definition does not include unincorporated communities within unorganized boroughs.

Staff at the ABC Board tells me that, except for an outright prohibition on sales, municipalities may not regulate the sale and distribution of marijuana until the State of Alaska adopts regulations by the November 24 deadline. If the state fails to adopt regulations by that time, municipalities may adopt their own regulations. In response to this, at least one municipality, Juneau, is considering an ordinance to temporarily ban sales and related activities outright for one year, at which point the community hopes that the State of Alaska will have adopted regulations governing sale and distribution of marijuana, and Juneau can then decide what steps to take to oversee the activity. I expect that any state regulations and applications for marijuana dispensaries will be similar to those for alcohol permits: the ABC board will consider an applicant’s capacity to manage marijuana by examining the applicant’s criminal history, work experience, understanding of the state’s regulations, and related matters.

On a related note, the Alaska Municipal League’s February meeting in Juneau has an entire afternoon dedicated to options for municipalities. I plan to attend the meeting as training for use later in 2015.



The action under consideration by Juneau is in my view a wise move. It uses an authority provided by the initiative to the city to provide a predictable timeline for an eventual decision by the city council on how it will address commercial marijuana sales in Craig. It also puts the council out in front on this issue locally so that all involved understand that the ultimate decision making body on the issue of commercial marijuana sales in Craig is the city council. Given that the Alaska Legislature could make significant changes to the initiative that will affect how regulations are written, a moratorium allows the city to monitor and then evaluate the state's actions as it considers what steps to take locally without having to respond to unsolicited applications for commercial marijuana sales within a statutory deadline.

For the sake of public disclosure here, the council should know that I contributed money to the group that opposed Ballot Measure 2.

Unless the council gives me other direction, I will prepare an ordinance for consideration that establishes a moratorium on marijuana cultivation, product manufacturing, testing, and/or retail stores in Craig.

#### **8. Craig Ice House Project**

The project remains at a standstill. Alaska Marine Lines is scheduled to deliver the last major piece of equipment for the project—evaporator fans that keep the ice bin cold—the week of January 19. I have arranged for a technician to travel here that same week to evaluate the condition of the improvements made to date on the ice house, and then meet with city staff to plan a course to complete the project.

The project general contractor is in touch with me after a long absence (he has called me twice in a week) with promises to complete the work a few days after the last of the equipment arrives. I told him that because he has not performed as provided for in the contract for this job that I am considering cancelling the contract and taking other steps to complete the work. I have already started talking with other companies about completing the remaining work on the project, but have not yet cancelled the existing contract.

In the meantime, I am also set to meet on January 20 with representatives from Silver Bay Seafoods to work out an arrangement with them to restart their ice making equipment to provide ice to the local fishing fleet until our own ice house is operating reliably. After that meeting I will have an idea of the logistics and cost of continuing to work with Silver Bay Seafoods on this option.

I hope to have project options to report to the council on January 15.

#### **9. Travel Schedule**

February: To Juneau to attend Alaska Municipal League meeting.

March: To Juneau for SE Conference Mid-Winter meeting (tentative).

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

## Status of Secure Rural Schools (SRS)

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For the first time since the program's creation nearly 15 years ago, Congress has neither reauthorized nor extended the Secure Rural Schools (SRS) program. The lack of action has caught SRS supporters and communities by surprise. This memo explains the dynamic of the debate over the program, what may happen in the next Congress, and actions Wrangell can take to assist the efforts to revive the program next year.

First, it is worth taking a look at the history of the program. During the "timber wars" of the 1990s and Endangered Species Act debates over spotted owls, salmon and other species, timber-dependent communities experienced significant declines in their local economies as well as in the direct payments that came from the Forest Service that were tied to 25 percent of its timber sales receipts. Congress established the Secure Rural Schools Program to compensate for the decline in timber payments. Under the program's rules, communities could opt to use the old formula or a new more generous calculation. Given that timber sales and production have continued to decline, all Alaska-eligible communities and almost all timber communities elsewhere have consistently opted to receive funding under the SRS formula.

When Congress established and subsequently reauthorized SRS, it was meant as a "transitional" program to provide those payments while a timber policy was developed that would provide greater economic stability and certainty to timber-dependent communities. This would include amendments to forest management plans as well as enactment of legislation that would balance economic development with conservation protection. So SRS funding was set up on a sliding declining scale, with the hope and expectation that timber production would gradually increase along with resultant economic benefits to the communities, including a return to direct payments under the old formula. This scenario has not happened largely due to larger political dynamics involving lawsuits, administrative or legislative blocking actions by environmental and conservation organizations that continue to oppose timber production on Federal lands. Over the years, timber advocates have become frustrated with these roadblocks and also are growing more concerned that SRS payments have become more permanent than originally intended and have resulted in communities' not being as active as they should in pushing for timber reform legislation. In the interim, Congress has kept the SRS program going through a series of one year legislative extensions.

The House in this Congress has twice passed legislation, *HR 1526 -- Restoring Healthy Forests for Healthy Communities Act* (aka The Healthy Forests Bill), that would ensure greater timber harvest within half of sustainable yield levels, allow better access to timber that is dying or diseased, streamline environmental assessments, provide significant local government input and area management, and transition county payments back to the prior 25 percent formula. The bill was largely passed with Republican support (including from Rep. Don Young) but included some support from Western state

Democrats. However, the Senate did not take up counterpart legislation, largely due to opposition from the Obama Administration and the environmental community.

Up until midway through the Lame Duck session, the prospects for at least a one year extension of SRS looked promising. The original House tax extenders bill (HR 4) extended the program at its FY 2010 level, which if enacted would have resulted in boost in community payments relative to recent years funding. The counterpart Senate tax extenders bill also included SRS. But during negotiations between the House, Senate, and the Administrations concerns over the package's overall impact on the budget deficit (it included a number of permanent extensions to expensive tax credits such as the Research & Development credit) wound resulting in stripping out the permanent extensions as well as a number of the short-term extensions, including SRS. Program advocates looked to the FY 2015 "Cromnibus" to attach an extension (many of the same advocates were also lobbying for PILT extension as many communities are beneficiaries of both programs). A one year extension of PILT ended up being included, while SRS was dropped from the package.

While we do not know the entire story behind SRS being excluded, a dispute within the Oregon Delegation appears to be significant contributing factor. Oregon is the largest recipient of SRS funds. Several Oregon House Members favor enactment of the Healthy Forests Bill while Oregon's Senators prefer a more limited bill that focuses just on management of Federal forests on the eastside of the State. Once the SRS was dropped from the "Cromnibus," Rep. Greg Walden (R-OR), a strong supporter of the Healthy Forest Bill and the Representative from the eastside, issued a statement claiming that he had a commitment from the Speaker to move a reintroduced Healthy Forests Bill in the first quarter of 2015 which would include retroactive SRS payments. Sen. Ron Wyden (D-OR) issued a press release blaming the House Republican leadership for the SRS exclusion and stating he would press hard to extend the program starting in January.

The Alaska Delegation is very aware of the importance to SRS to Southeast AK communities and of its failure to be extended this year. Still, we think it is very important that they continue to be reminded, plus Senator-elect Sullivan will need to be educated once he takes office in January. We urge you at your next Assembly meeting to adopt a resolution that highlights the following – 1) the amount and percentage of the Borough's school budget that is derived from SRS annual payments; 2) the prospective cuts to school services and operations that could result from a failure to reinstate the payments; 3) and lastly, support for enactment of Healthy Forests/timber reform legislation that would expand local timber economies.

City Of Craig Memorandum

To: May Watson, and Craig City Council

From: Jessica Holloway, Aquatic Manager

RE: December Monthly Report

Date: January 5, 2015

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The replacement grates and hand held arrived and they were installed on the 1<sup>st</sup> of January. The new LED lights for the pool were put in during that week as well. The pool is very bright now. We are looking forward to when we can replace the lights along the east side.

The Biggest Loser contest starts on the 5<sup>th</sup> and will go through the end of March. Aqua aerobics starts on Tuesday the 6<sup>th</sup> and will be held on Tuesdays and Thursdays from 5:00-6:00 pm.

Zack was able to get a Master's Program started this month and has had between 3-9 people in the water for the program. He is running this program through the Wave Runners Swim Club and they are paying an additional rental fee for the use of the pool for the extra 3 hours a week. The Wave Runners annual swim meet is coming up and we will be closed to the public on January 17<sup>th</sup> & 18<sup>th</sup> for that weekend.

We are a little short of adult staff members right now and I have posted "Now Hiring" signs for the a couple positions that require a person to be over 18. Right now I am looking for one or two people to open in the mornings and an extra to be a "floater" for the evenings. I am hoping to get applicants for these positions in order to free up some of my time during the day. I have been opening and in turn when an employee calls in sick I have been the one to come back and work and sometimes that means an open to close shift. With hiring a person or two to open it will help in that area immensely.

I am working with Hydaburg School to arrange for them to have a second semester of the scuba class. They were in the pool almost every Friday last semester and are hoping to be able to continue the class for the rest of the year. We are starting up on SISD swim lessons on Fridays from 9am-10:30 am.

Please feel free to contact me with any questions or concerns @ 826-2794 or e-mail me @ [pool@craigak.com](mailto:pool@craigak.com)

Have a safe winter,

Jessica Holloway

# City of Craig Memorandum

Date: January 5, 2015  
To: Mayor Watson and Craig City Council  
From: Kassi Bateman, City Clerk  
Re: Clerks Report

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## Newsletter

The winter 2015 newsletter should be distributed prior to the January 15 council meeting. Again please let me know if you would like to see something in our next newsletter, tentatively set for April/May 2015.

## Safety

I am beginning work on the 2015 Premium Credit Application slowly but surely. We recently purchased equipment for "Safety Bomb Bags" for all city vehicles. The supplies in these bags should aid employees while they are out on the roads. These materials were reimbursable by our \$1,000 Safety Equipment Grant through APEI. The Department Managers and myself have been working together to have a "Staff-wide Safety Training Day" consisting of different safety topics running in multiple city buildings so staff is able to attend throughout the day depending on schedules. These trainings will count towards our Premium Credit Application as well.

## Office

The additional duties in the front office are going well. I am finally getting a good handle on the utility billing system and the billing process seems to be going well. Resale cards expired 12/31/14 so we are in the process of renewing all businesses cards. Senior exemption cards are also up for renewal this year, as they have a three year span. I have been working to familiarize myself with Vicki's system and help the Treasury staff to renew the expiring cards.

## Clerks Training/ Certification

I should be receiving my CMC designation this month, as I have fulfilled all the requirements. I know I keep repeating myself, but in the Clerk's profession this is a huge accomplishment and I would like to thank the Council and Administration for supporting my continuing education in this career field.

## Travel

I am meeting up with the Deputy City Clerk from Fairbanks to go on a cruise to Mexico and will be out of the office from January 8-19. During our trip we plan to work on strategies to better improve our municipalities, possible electronic records retention plans, upcoming elections procedures, and will both likely be working on minutes from the previous council meeting.....or maybe we'll just be having some Pina Coladas and hoping you all are managing without us ☺ See you all when I return.

KB

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council  
From: Brian Templin, City Planner  
Date: January 6, 2015  
RE: Planning Department Staff Report – January 2015

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1. Pool Improvements. We have been working with JYL on a fee estimate for design services for the contractor portion of the pool improvements based on their condition assessment and discussions with the council. The original contract with JYL to conduct the condition assessment allows us (but does not require us) to continue the contract with them for design services. Assuming that JYL's fee proposal is not out of line for design services this will allow us to quickly move to design in anticipation of work on the pool this year. As the council is aware the pool roof is in dire need of repair. We will also work on the heating system, air handling system, east wall, chemical storage and a number of other items in the same contract. Since the roof should be repaired sooner rather than later it is in our best interest to try to do the major work on the facility this summer. After talking to the Aquatic Center manager it has been determined that a long shutdown during the summer months (June – August) will have the least impact on swim lessons for the schools and the swim club activities. It is not know yet how much of this time will be needed to make the necessary repairs. I will bring the fee proposal and a full description of work and the process moving forward when JYL submits it to us.
2. Promech Air Lease. Based on the council's acceptance of Promech Air's request for termination of their lease they have moved out of the seaplane facility. We have issued an access permit to allow Taquaan Air use of the space previously occupied by Promech. The initial term of the access permit is six months with an option (at the city's discretion) to extend it for another six months. Taquaan is using the time to decide on whether to enter into a longer term lease. The access permit charges the same amount that Promech Air was paying but allows a portion of the monthly payment to be made with services. This is similar to arrangements made with other carriers when they first started using the facility. If we move to a lease of space in the future the option to make payment by services will likely go away.
3. Capital Projects. It's that time of year again for capital projects. The funding picture at the state level is very uncertain based on the new administration and low oil prices. CAPSIS nominations are due February 6<sup>th</sup> so we will be working on project requests for us and for the school district as in years past. The annual capital project resolution is being presented to the council for discussion and adoption.

# CRAIG EMS DEPARTMENT

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## January 2015

- ◆ EMS training calendar has been created for 2015 . ( see attached)
- ◆ We continue to provide community CPR & First Aid classes once per-month open to the public, in addition to privately booked classes.
- ◆ We conducted a drill on January 7, 2015 to show how long it takes to get the #2 ambulance from the web loft , fill it with supplies and get on scene . Last year, we need the number 2 ambulance on 24 calls, 8 of which were critical calls.
  1. It took medics 24.5 minutes to get the ambulance, and get to 521 W. Hamilton street
  2. Because the web loft is not a private building, when the ambulance gets moved, the battery switch is often left on, leaving it unable to start. ( in this case, it was just hard to start )
  3. The equipment and medication can not stay in an unheated ambulance, making it hard to obtain and restock after we are paged out.
  4. Our physician sponsor is not comfortable with this response time. He feels it is a big liability.
  5. I would like to make housing both our ambulances together a top priority for us this year. We need to respond in a decent time, under 10 minutes and have it stocked.

## Wednesday Training Schedule, 2015

**January 7:** ICS Training, Communications, and Safety

**January 14:** ALS Training: Advanced ICS- Leadership roles

**January 21:** 6 PM: Triage, MCIs and Medevac with practice at the airplane hangar.

**January 28:** 5:30 – 7: Team Meeting with Scenarios: Multiple Casualty incidents; Triage and ICS practice.

**February 4:** Free

**February 11:** ALS Training: Poisonings, Anaphylaxis & Overdose

**February 18:** Allergies, Poisonings

**February 25:** Team Meeting with Scenarios: Allergies, Poisonings, and Overdoses

**March 4:** Free

**March 11:** ALS Training: Drug Administration in Behavioral Emergencies, Glucometry, Patient Restraint, Violent and Agitated Patients

**March 18:** Altered Mental Status: Diabetes, Drugs and Alcohol, and Behavioral Emergencies.

**March 25:** Team Meeting with Scenarios: Altered Mental Status

**April 1:** Free

**April 8:** CPR Review with Advanced Code practice (BLS & ALS)

**April 15:** ALS Training: ECG Interpretation, Dysrhythmias

**April 22:** The Cardiac Patient: Assessment, Chest Pain treatment, Arrest preparation, and CPR & AED review

**April 29:** Team Meeting with Scenarios: Cardiac

**May 6:** Free

**May 13:** ALS Training: Endotracheal Intubation



**May 20:** Spinal Immobilization, Lifting & Moving Patients, Motor Vehicle accident extraction procedures- adult and pediatric

**May 27:** Team Meeting with Scenarios: Motor vehicle accidents

**June 3:** Free

**June 10:** ALS Training: Intravenous Access & Hemorrhage / Shock Protocol

**June 17:** Bleeding Control & Soft tissue injuries / wounds

**June 24:** Team Meeting with Scenarios: Soft tissue injuries, Wounds, Hemorrhage & Shock

**July 1:** Free

**July 8:** Emergency Childbirth, Gynecological Emergencies & Sexual Assault

**July 15:** ALS Training: Neonatal Emergencies, Abnormal Childbirth & Pediatric IVs, Pediatric IO, Pediatric Intubation

**July 22:** Pediatrics: Assessment, Considerations and types of emergencies

**July 29:** Team Meeting with Scenarios: Pediatrics, Childbirth

**August 5:** Free

**August 12:** ALS Training: Intraosseous access & Advanced / Severe Trauma.

**August 19:** Splinting & Musculoskeletal Injuries

**August 26:** Team Meeting with Scenarios: Trauma

**September 2:** Free

**September 9:** Airway: Assessment, Respiratory Distress, Respiratory Adjuncts, Ventilation,

**September 16:** ALS Training: Needle Decompression, Intubation Practice

**September 23:** Nebulizer, Chronic Respiratory Conditions

**September 30:** Team Meeting with Scenarios: Respiratory Distress

**October 7:** Free

**October 14:** ALS Training: Drug Administration & Medication Math

**October 21:** Neurological Assessment, Seizures & Strokes

**October 28:** Team Meeting with Scenarios: Seizures & Strokes

**November 4:** Free

**November 11:** ALS Training: Patient Assessment Drills: Developing Intuition

**November 18:** Patient Assessment Drills: Developing Intuition & Special Considerations for special patient situations

**November 24:** Team Meeting with Scenarios : Patient Assessment Drills & Patient Communication[This is TUESDAY because of Thanksgiving]

**December 2:** Free

**December 9:** Frostbite & SCUBA accidents

**December 16:** ALS Training: ALS in Environmental Emergencies - Practice Water Rescues

**December 23:** Hypothermia & AK Cold Water Guidelines

**December 30:** Team Meeting with Scenarios: Environmental Emergencies – Practice water Rescues?

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Michael Peel, Harbormaster  
Date: January 5, 2015  
RE: December/January Staff Report

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**Harbor Department:**

1. The Harbor Department is working hard to get North & South Cove as well as City Dock ready for the fast approaching winter season. We've been hard at work dealing with some broken water pedestals and electrical box issues but we're making excellent progress in addressing these issues. We will be using any decent day's weather wise to replace old planking on North & South Cove and City Dock.
2. In December harbor staff has worked on several projects including pumping out the breakwater and pressure washing floatplane dock as well as both North & South Cove docks. Staff has continued with replacing the broken lights and ballasts in North Cove to improve lighting conditions during this winter season. Our next goal is to address these same issues in South Cove as soon as possible.

**CITY OF CRAIG  
MEMORANDUM**



**Date:** January 9<sup>th</sup>, 2015  
**To:** Honorable Dennis Watson, Craig City Council  
**Fr:** RJ Ely, Police Chief  
**Re:** Staff Report / December 2014

*RJ Ely*

**ACTIVITY**

Activity from November 27, 2014 through December 31, 2014. Dispatch Center took the following amount of calls for service:

Craig	743	Up from last month	671
Klawock	393	Up from last month	348
AST	12	Down from last month	16
Craig Total for 2014	10,638	Total in 2013	10,559
Klawock Total for 2014	4,427	Total in 2013	3,264
AST Total for 2014	207	Total in 2013	89

**DEPARTMENT OF MOTOR VEHICLES**

Drop off service is still utilized a lot and several community members and others whom live on P.O.W. have expressed how much they appreciate this service and how flex-able Craig DMV is.

**DISPATCHER(S)**

Vanessa D.C. Booth has given her notice, resignation. Due to family, prior commitments and the shift work that is required at the PD, she isn't able to continue working. She expressed her appreciation of having the chance to learn everything she did and said that she now has a completely different outlook on what dispatchers and officers do, each and every day.

**OFFICER(S)**

I've obtained a few qualified officer applications and once backgrounds are completed, I hope to be making an offer soon.

**OTHER**

I attended Chiefs Meeting, APSC, SEACAD, FBI and other meetings and training in Anchorage.

Ofc. D'Amelio will be attending the re-certification Academy in January 2015.

2014 case load was comparable to past two years, as far as calls for service, investigations and traffic matters. Arrests were up, DUI's increased, DV relates crimes increased and alcohol related calls were also slightly higher.

TWIC Office, TSA Prescreen and Hazmat Fingerprinting is still being utilized. We still get a fair amount of people from Ketchikan and other communities coming to Craig, for our office is open more and longer.

# Memo

**To:** Mr. Mayor, Craig City Council

**From:** Ron McIntosh, Public Works Director

**CC:** Jon Bolling, City Administrator

**Date:** January 5, 2015

**Re:** Public Works Council Report for January 5, 2015

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Activities and status:

1. The Port St. Nicholas Water Main Replacement.  
The leak repair work has been completed with the mainline work to be done in the spring.
2. The solid waste collection dumpsters and truck are all to be here this week. The 48 and 64 gallon containers arrived the week before Christmas. Implementation for actual collection is scheduled for the week of February 2, 2015.
3. The North Fork Lake Dam Project is set to have a 2015 Preconstruction Conference this month for the 2015 construction season.
4. Equipment proposals for a fork lift and street broom.
5. Burn Pit utilization.

Public Works continues to address day to day operations and issues. If you have any questions or any specific issues, please feel free to contact me.

Thank you,

RCMc



Craig Recreation Department  
Craig City Council Report, January 2014

I will be in Colorado for my cancer check up and to see my family from January 2-12, and will be back to work on January 13<sup>th</sup>. I am recovering from my broken arm and back and looking forward to this new year.

2014 was a successful year for the Recreation Department. We started with a Winter 6 player Volleyball league, (Jose' Cevera) went to Elementary Basketball (Vanessa James, Christy House and Matt Burroghs) with Ballet (Tory Houser) and Gymnastics classes, (Julie McDonald and Mary Murphy) a Health Fair (Gretchen Klein), Spring Carnival 4<sup>th</sup> of July Committee, a Spring 4 on 4 Volleyball League, (Jose") Blessing of the fleet (Father JP), the 4<sup>th</sup> of July (4<sup>th</sup> of July Committee), Soccer Season (Father JP, Trampis and Trish Conatster and Mike Peele), Sumer Mini Camps (Mary Murphy, Ben Mank, and more) more Ballet (Tory Houser and Carol Mahara) and Gymnastics classes (Julie McDonald and Mary Murphy), After school program (with Neva Robertson and the Library), Harvest Festival( Stg. Medina, Shannon Silverthorn, Allie Peterson and more), Swap Meets, Fall and Winter Bazaars (with partner non profits)and started a Roller Derby class(Carol Mahara). There is also Yoga (Mary Murphy), skating and blading every Friday (Paula Price and Barb Moots), Derby on Monday and Wednesday, Volleyball open gym on Tuesday and Thursday and Karate (Annette Cole)Tuesday, Thursday and Friday (Jose'). All of these activities were done with volunteer help that is mentioned and many more. Please, don't believe that there is nothing to do in Craig!

I try to keep the public informed about what is happening in recreation. I still do my weekly radio show on KRBD Fridays at 8:45am, I maintain an online event calendar, a Craig Recreation Facebook page and a POW events page, submit activities to the Craig and Klawock and SE Island Schools, post signs at the Post office, AC Stores, JS, Annie Bettys and 1<sup>st</sup> Bank. I am writing a manual of how to do all the events and activities that are a part of the recreation department. I am working with the front office to clarify gym and rec center rentals, key and equipment loans and class and event sign up. I am available on my work cell phone 9am to 9pm daily.

2015 will see a Spanish Conversation Class at the Youth/Rec Center on Wednesdays at 6pm for beginners, with advanced conversation at 6:30 with Shelby Beck and Raphael Rameriz. A 4 on 4 Volleyball League will start January 15<sup>th</sup>. A Swap Meet on January 24<sup>th</sup>. After school will add an open gym for kids on Wednesday the 14<sup>th</sup> and a Middle School Mentors program on Thursdays and Friday Cooking, games and the gym. That should keep me busy, as well as planned cleaning in the storage areas at the City Gym and Rec Center. There is a new "The Art Center for Prince of Wales Island" with Jeri Rosenthol heading up classes, some will be held at the Craig Youth/Rec Center.

Happy 2015! Victoria Merritt

# CITY OF CRAIG

Account Statement - Period Ending November 30, 2014



ALASKA PERMANENT  
CAPITAL MANAGEMENT  
Registered Investment Adviser

## ACCOUNT ACTIVITY

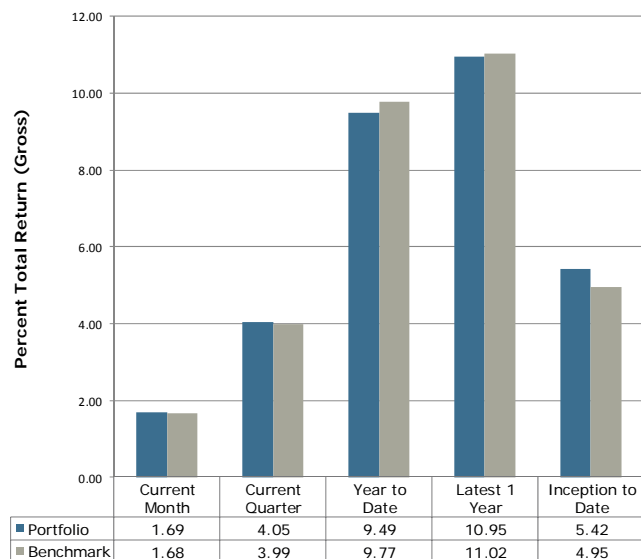
Portfolio Value on 10-31-14	9,127,309
Contributions	0
Withdrawals	-7,060
Change in Market Value	146,841
Interest	6,941
Dividends	0
Portfolio Value on 11-30-14	9,274,031

## MANAGEMENT TEAM

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

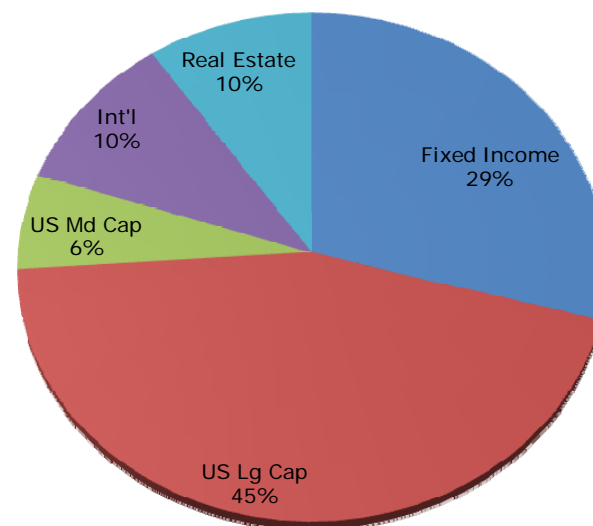
## INVESTMENT PERFORMANCE

Current Account Benchmark:  
Equity Blend



Performance is Annualized for Periods Greater than One Year

## PORTFOLIO COMPOSITION



Alaska Permanent Capital Management Co.  
**PORTFOLIO SUMMARY AND TARGET**  
***CITY OF CRAIG***  
*November 30, 2014*

<b>Asset Class &amp; Target</b>	<b>Market Value</b>	<b>% Assets</b>	<b>Range</b>
<b>FIXED INCOME (34%)</b>			
US Fixed Income (34.0%)	2,576,730	27.8	20% to 45%
Cash (0.0%)	131,180	1.4	na
<b>Subtotal:</b>	<b>2,707,910</b>	<b>29.2</b>	
<b>EQUITY (66%)</b>			
US Large Cap (40.0%)	4,153,324	44.8	30% to 50%
US Mid Cap (6.0%)	555,834	6.0	0% to 10%
Developed International Equity (10.0%)	955,869	10.3	5% to 15%
Real Estate (10.0%)	901,095	9.7	5% to 15%
<b>Subtotal:</b>	<b>6,566,121</b>	<b>70.8</b>	
<b>TOTAL PORTFOLIO</b>	<b>9,274,031</b>	<b>100</b>	



Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
*November 30, 2014*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
<b>U.S. TREASURY</b>									
125,000	US TREASURY NOTES 0.625% Due 08-31-17	99.79	124,736	99.45	124,316	1.34	781	199	0.83
300,000	US TREASURY NOTES 1.875% Due 09-30-17	102.89	308,672	102.83	308,484	3.33	5,625	958	0.86
100,000	US TREASURY NOTES 3.750% Due 11-15-18	106.48	106,480	109.69	109,687	1.18	3,750	166	1.23
50,000	US TREASURY NOTES 1.500% Due 10-31-19	99.40	49,701	99.99	49,996	0.54	750	64	1.50
50,000	US TREASURY NOTES 1.250% Due 10-31-19	97.43	48,717	98.87	49,433	0.53	625	54	1.49
100,000	US TREASURY NOTES 3.500% Due 05-15-20	104.04	104,039	109.80	109,805	1.18	3,500	155	1.62
215,000	U S TREASURY NOTES 2.125% Due 08-15-21	99.29	213,476	101.51	218,242	2.35	4,569	1,341	1.88
50,000	US TREASURY NOTES 2.000% Due 10-31-21	99.74	49,871	100.63	50,316	0.54	1,000	86	1.90
50,000	US TREASURY NOTES 1.625% Due 11-15-22	98.79	49,396	97.05	48,523	0.52	812	36	2.03
125,000	US TREASURY NOTES 2.500% Due 08-15-23	98.87	123,590	103.25	129,062	1.39	3,125	917	2.09
100,000	US TREASURY NOTES 2.375% Due 08-15-24	100.23	100,227	101.61	101,609	1.10	2,375	697	2.19
	Accrued Interest				4,671	0.05			
			1,278,907		1,304,147	14.06		4,671	
<b>AGENCIES</b>									
150,000	FNMA* 0.800% Due 02-28-18	98.26	147,390	100.09	150,132	1.62	1,200	310	0.77
100,000	FHLMC 3.750% Due 03-27-19	101.41	101,410	109.36	109,359	1.18	3,750	667	1.51
	Accrued Interest				977	0.01			
			248,800		260,468	2.81		977	
<b>FNMA &amp; FHLMC</b>									
14,001	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	104.56	14,640	106.95	14,975	0.16	560	47	1.95
	Accrued Interest				47	0.00			
			14,640		15,022	0.16		47	
<b>CORPORATE BONDS</b>									
100,000	JP MORGAN CHASE & CO 4.750% Due 03-01-15	97.18	97,176	101.07	101,068	1.09	4,750	1,187	0.51

Alaska Permanent Capital Management Co.  
**PORTFOLIO APPRAISAL**  
**CITY OF CRAIG**  
*November 30, 2014*

Quantity	Security	Average Cost	Total Average Cost	Price	Market Value	Pct. Assets	Annual Income	Accrued Interest	Yield to Maturity
100,000	HSBC FINANCE CORP 5.500% Due 01-19-16	100.21	100,206	105.30	105,297	1.14	5,500	2,017	0.81
50,000	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16	99.98	49,990	102.44	51,220	0.55	1,050	38	0.43
50,000	BANK AMER CORP 5.625% Due 10-14-16	107.18	53,592	107.92	53,961	0.58	2,812	367	1.33
50,000	CONOCOPHILLIPS CANADA 5.625% Due 10-15-16	117.91	58,955	109.11	54,555	0.59	2,812	359	0.72
50,000	STATOIL ASA 3.125% Due 08-17-17	107.07	53,533	105.02	52,510	0.57	1,562	451	1.24
100,000	UNITED PARCEL SERVICE 5.500% Due 01-15-18	121.23	121,230	112.29	112,291	1.21	5,500	2,078	1.46
100,000	WACHOVIA CORP GLOBAL MEDIUM 5.750% Due 02-01-18	99.57	99,572	112.93	112,933	1.22	5,750	1,917	1.55
75,000	UNITED HEALTH GROUP INC 6.000% Due 02-15-18	121.46	91,093	113.80	85,349	0.92	4,500	1,325	1.57
75,000	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	88.27	66,205	113.30	84,977	0.92	4,219	352	1.61
50,000	TOYOTA MOTOR CREDIT CORP 2.100% Due 01-17-19	100.48	50,239	100.78	50,391	0.54	1,050	391	1.90
100,000	GOLDMAN SACHS GROUP INC. 7.500% Due 02-15-19 Accrued Interest	116.51	116,514	119.85	119,850	1.29	7,500	2,208	2.50
					12,690	0.14			
			958,307		997,093	10.75		12,690	
<b>DOMESTIC LARGE CAP EQUITY FUNDS/ETF</b>									
20,045	SPDR S&P 500 ETF	137.86	2,763,434	207.20	4,153,324	44.78	NA		
<b>DOMESTIC MID CAP EQUITY FUNDS/ETF</b>									
3,853	ISHARES CORE S&P MIDCAP 400 ETF	69.71	268,575	144.26	555,834	5.99	NA		
<b>INTERNATIONAL EQUITY FUNDS/ETF</b>									
24,132	VANGUARD FTSE DEVELOPED MARKETS ETF	37.73	910,436	39.61	955,869	10.31	NA		
<b>REAL ESTATE</b>									
11,184	VANGUARD REIT ETF	56.44	631,270	80.57	901,095	9.72	NA		
<b>CASH AND EQUIVALENTS</b>									
	FEDERATED GOVERNMENT OBLIGATION		131,180		131,180	1.41			
<b>TOTAL PORTFOLIO</b>			<b>7,205,548</b>		<b>9,274,031</b>	<b>100</b>	<b>220,823</b>	<b>18,385</b>	

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF CRAIG**  
*From 11-01-14 To 11-30-14*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>PURCHASES</b>				
U.S. TREASURY				
11-10-14	11-12-14	U S TREASURY NOTES 2.125% Due 08-15-21	90,000	90,478.13
11-12-14	11-13-14	US TREASURY NOTES 2.375% Due 08-15-24	100,000	100,226.56
11-17-14	11-18-14	US TREASURY NOTES 2.000% Due 10-31-21	50,000	49,871.09
11-17-14	11-18-14	US TREASURY NOTES 1.500% Due 10-31-19	50,000	49,701.17
				290,276.95
				<b>290,276.95</b>
<b>DEPOSITS AND EXPENSES</b>				
MANAGEMENT FEES				
11-30-14	11-30-14	MANAGEMENT FEES		2,318.51
				<b>2,318.51</b>
<b>INTEREST</b>				
CASH AND EQUIVALENTS				
11-01-14	11-01-14	FEDERATED GOVERNMENT OBLIGATION		1.15
CORPORATE BONDS				
11-01-14	11-01-14	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18		2,109.38
11-18-14	11-18-14	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16		525.00
				2,634.38

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF CRAIG**  
*From 11-01-14 To 11-30-14*

Trade Date	Settle Date	Security	Quantity	Trade Amount
FNMA & FHLMC				
11-17-14	11-17-14	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26		47.41
U.S. TREASURY				
11-15-14	11-15-14	US TREASURY NOTES 3.750% Due 11-15-18		1,875.00
11-15-14	11-15-14	US TREASURY NOTES 3.500% Due 05-15-20		1,750.00
11-15-14	11-15-14	US TREASURY NOTES 1.625% Due 11-15-22		406.25
				4,031.25
				<b>6,714.19</b>

**PRINCIPAL PAYDOWNS**

FNMA & FHLMC				
11-17-14	11-17-14	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	221.40	221.40
				<b>221.40</b>

**PURCHASED ACCRUED INTEREST**

U.S. TREASURY				
11-10-14	11-12-14	U S TREASURY NOTES 2.125% Due 08-15-21		462.53
11-12-14	11-13-14	US TREASURY NOTES 2.375% Due 08-15-24		580.84
11-17-14	11-18-14	US TREASURY NOTES 2.000% Due 10-31-21		49.72

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
**CITY OF CRAIG**  
*From 11-01-14 To 11-30-14*

Trade Date	Settle Date	Security	Quantity	Trade Amount
11-17-14	11-18-14	US TREASURY NOTES 1.500% Due 10-31-19		37.29
				1,130.38
				<b>1,130.38</b>
<b>SALES, MATURITIES, AND CALLS</b>				
ASSET-BACKED SECURITIES				
11-17-14	11-17-14	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	100,000.000	100,000.00
CORPORATE BONDS				
11-20-14	11-25-14	VERIZON COMMUNICATIONS 6.350% Due 04-01-19	100,000	115,978.00
				<b>215,978.00</b>
<b>SOLD ACCRUED INTEREST</b>				
ASSET-BACKED SECURITIES				
11-17-14	11-17-14	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17		316.67
CORPORATE BONDS				
11-20-14	11-25-14	VERIZON COMMUNICATIONS 6.350% Due 04-01-19		952.50
				<b>1,269.17</b>

Alaska Permanent Capital Management Co.  
**TRANSACTION SUMMARY**  
***CITY OF CRAIG***  
*From 11-01-14 To 11-30-14*

Trade Date	Settle Date	Security	Quantity	Trade Amount
<b>WITHDRAW</b>				
CASH AND EQUIVALENTS				
11-17-14	11-17-14	FEDERATED GOVERNMENT OBLIGATION		7,059.53
				<b>7,059.53</b>

Alaska Permanent Capital Management Co.  
**REALIZED GAINS AND LOSSES**  
**CITY OF CRAIG**  
*From 11-01-14 Through 11-30-14*

<b>Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Avg. Cost Basis</b>	<b>Proceeds</b>	<b>Gain Or Loss</b>
11-17-14	100,000.000	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	107,250.00	100,000.00	-7,250.00
11-17-14	221.40	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	231.50	221.40	-10.10
11-20-14	100,000	VERIZON COMMUNICATIONS 6.350% Due 04-01-19	125,020.00	115,978.00	-9,042.00
TOTAL GAINS					0.00
TOTAL LOSSES					-16,302.10
			<b>232,501.50</b>	<b>216,199.40</b>	<b>-16,302.10</b>

Alaska Permanent Capital Management Co.

**CASH LEDGER**

***CITY OF CRAIG***

*From 11-01-14 To 11-30-14*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
<b>FEDERATED GOVERNMENT OBLIGATION</b>					
11-01-14			Beginning Balance		205,464.26
11-01-14	11-01-14	dp	Interest	GENERAL ELECTRIC CAP CORP. 5.625% Due 05-01-18	2,109.38
11-01-14	11-01-14	dp	Interest	FEDERATED GOVERNMENT OBLIGATION	1.15
11-10-14	11-12-14	wd	Purchase	U S TREASURY NOTES 2.125% Due 08-15-21	-90,478.13
11-10-14	11-12-14	wd	Accrued Interest	U S TREASURY NOTES 2.125% Due 08-15-21	-462.53
11-12-14	11-13-14	wd	Purchase	US TREASURY NOTES 2.375% Due 08-15-24	-100,226.56
11-12-14	11-13-14	wd	Accrued Interest	US TREASURY NOTES 2.375% Due 08-15-24	-580.84
11-15-14	11-15-14	dp	Interest	US TREASURY NOTES 3.750% Due 11-15-18	1,875.00
11-15-14	11-15-14	dp	Interest	US TREASURY NOTES 3.500% Due 05-15-20	1,750.00
11-15-14	11-15-14	dp	Interest	US TREASURY NOTES 1.625% Due 11-15-22	406.25
11-17-14	11-18-14	wd	Purchase	US TREASURY NOTES 2.000% Due 10-31-21	-49,871.09
11-17-14	11-18-14	wd	Accrued Interest	US TREASURY NOTES 2.000% Due 10-31-21	-49.72
11-17-14	11-18-14	wd	Purchase	US TREASURY NOTES 1.500% Due 10-31-19	-49,701.17
11-17-14	11-18-14	wd	Accrued Interest	US TREASURY NOTES 1.500% Due 10-31-19	-37.29



Alaska Permanent Capital Management Co.

**CASH LEDGER**

***CITY OF CRAIG***

*From 11-01-14 To 11-30-14*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Tran Code</b>	<b>Activity</b>	<b>Security</b>	<b>Amount</b>
11-17-14	11-17-14	dp	Sale	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	100,000.00
11-17-14	11-17-14	dp	Accrued Interest	GE CAPITAL CREDIT CARD MASTER NOTE 3.800% Due 11-15-17	316.67
11-17-14	11-17-14	dp	Paydown	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	221.40
11-17-14	11-17-14	dp	Interest	FHLMC 4.00% POOL G14203 4.000% Due 04-01-26	47.41
11-17-14	11-17-14	wd	Withdrawal	from Portfolio	-7,059.53
11-18-14	11-18-14	dp	Interest	BRITISH COLUMBIA PROV OF 2.100% Due 05-18-16	525.00
11-20-14	11-25-14	dp	Sale	VERIZON COMMUNICATIONS 6.350% Due 04-01-19	115,978.00
11-20-14	11-25-14	dp	Accrued Interest	VERIZON COMMUNICATIONS 6.350% Due 04-01-19	952.50
<b>11-30-14</b>			<b>Ending Balance</b>		<b>131,180.16</b>



# ALASKA PERMANENT CAPITAL MANAGEMENT

Registered Investment Adviser

DECEMBER 2014

## MONTHLY PERSPECTIVES

### ECONOMY & FINANCIAL MARKETS

#### Stocks and Bonds Rally as Oil Sinks

The big news driving financial markets in November was plummeting oil prices and ongoing monetary stimulus out of Japan and Europe. In contrast, the Federal Reserve's next move would seem to be tightening sometime next year. That combination, plus decent economic growth, and corporate earnings drove US stocks, bond prices, and the dollar higher.

Oil prices have slumped from a high of \$102 in June to \$66 at the end of the month. It is partly a weak demand story but mainly surging supply from the US. OPEC met and decided not to reign in production, in perhaps an effort to put marginal producers in the US out of business.

Economic growth in the US was revised up to 3.9% in the second quarter and most indicators are signaling a modest expansion. Growth has been tepid abroad and inflation is virtually non-existent. The lone exception is Russia where falling energy prices, sanctions, and a collapsing ruble have led to 8% inflation and recession as a distinct possibility.

The S&P 500 gained 2.4% in November and US stocks are up 14.0% year to date. The best performing asset class has been commercial property REITs which have bounced back from losses last year to a 27.8% gain in 2014.

International equities have not fared so well, mainly because the foreign exchange value of the dollar is up 9.2%. In other words foreign currencies have weakened, lowering dollar returns. The euro is off 10.5% year to date and the yen is down 12.1%.

For example, the MSCI EAFE index of developed country stock markets is up 7.5% year to date in local currencies but down -1.5% once translated back into dollars.

Commodity markets continued their losing streak last month. The Bloomberg commodity index was down -4.1% led by a -17.9% decline in oil prices. That broad based index is down -10.2% year to date.

#### The Bond Conundrum

At the beginning of the year the consensus forecast

called for higher interest rates. The Federal Reserve was scheduled to stop quantitative easing and increasingly likely to raise short term rates in 2015. That has happened, yet bond prices have rallied and ten year Treasury yields have fallen to 2.3%. The Barclays Aggregate bond index has provided a +5.9% total return year to date. What is going on?

It reminds me of comments by Alan Greenspan in 2006 when he puzzled over the fact that the Fed had raised short term rates and yet longer term bond yields fell, thwarting his attempts to tighten credit. He called it a conundrum.

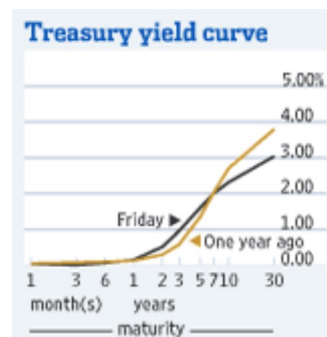
To some extent it is déjà vu all over again! There is global glut of savings in search of yield. Foreign yields are at multi-generational lows and 2.3% on Treasuries looks practically mouthwatering, especially with a stronger dollar boosting returns back to the home country.

On top of that you have sluggish global economic growth and virtually no inflation pressure. Globalization continues to keep a lid on prices and wage gains have been modest. Oil prices have collapsed. Inflation is below 2% and inflation expectations have dropped ½% over the past several months.

And a narrowing budget deficit has reduced the amount of Treasuries for sale while waves of retiring baby boomers are looking for interest income.

Of course we can always find explanations after the

fact. Perhaps it's best to view the bond market more like Winston Churchill's Russia: "a riddle, wrapped in a mystery, inside an enigma." Forecasting interest rates is treacherous.



Jeff Pantages, CFA  
Chief Investment Officer



**Bill Lierman, CFA**  
Portfolio Manager

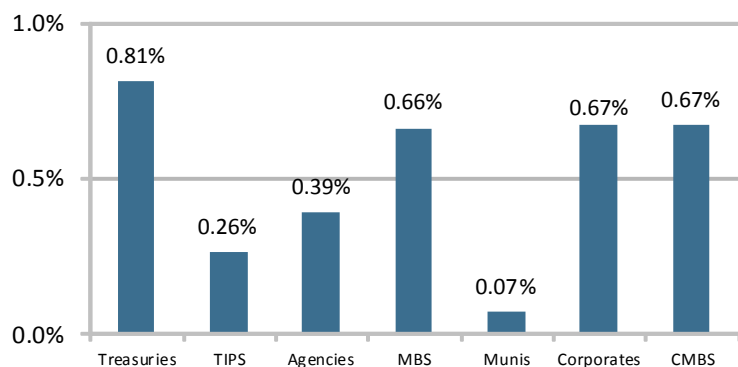
■ The U.S. Aggregate Index returned a 0.71% for the month. Spread product continued to lag Treasuries as investors trim risk in portfolios as year-end approaches.

■ Treasuries returned 0.81% for the month. The belly and the long end of the yield curve continue to see demand. The 10yr and 30yr interest rates declined 17 and 18 basis points, respectively. The 10

year sits at 2.17% and the 30 year is now below 3.00%

■ All corporate sub sectors underperformed Treasuries, with the Utility sector performing the worse. November was the fourth consecutive month that corporates underperformed Treasuries. The option adjusted spread of the Barclay's Credit Index sits at 118 basis points up from 95 basis points in July.

### November 2014 Bond Total Return



Barclays

■ The 7yr Municipal index returned 0.07% for the month. Lower quality credit outperformed high quality. The BBB index has returned a 13.55% for the year compared to 6.01% for the AAA index.

■ CMBS had a total return of 0.67% and was the only sector to outperform Treasuries. US commercial property has come full circle as prices have surpassed the peak in 2007. Moody's analyst Tad Philip points out that CMBS standards are beginning to slip.

■ 3 month Treasury bill yields 1 basis point. The timing of "lift off" in short-term rates has become more uncertain as worldwide deflation scares have become a norm. Economic data has been mixed. The FOMC will need a few more quarters to verify data before they become the first major central bank to raise rates.

■ The S&P 500 marched higher over the month, gaining another 2.7%. Nine of out of ten sectors were positive. Consumer stocks gained over 5% while Energy shares sold off another 8.9% and are now down 18.3% over the last three months.

■ Concerns over slowing economies and inflation at worrisomely low levels propelled additional easing moves. Overseas, European Central Bank President Mario Draghi reiterated his willingness to undertake more aggressive stimulus. Japan's Prime Minister Abe dissolved parliament and called for an early election as a referendum on his stimulus plans.

### Total Return (%) as of November 30, 2014

	One Month	Three Month	Six Month	Twelve Month
<b>Domestic Equities</b>				
Large Cap S&P 500	2.7	3.7	8.6	16.9
Mid Cap S&P 400	1.9	0.7	5.5	12.2
Small Cap S&P 600	-0.3	1.1	4.3	4.3
<b>International Equities</b>				
Developed MSCI EAFE	1.4	-4.0	-5.1	0.0
Emerging MSCI Emerging Markets	-1.1	-7.3	-0.8	1.1
<b>Other</b>				
Commercial Property S&P U.S. REIT	2.0	5.5	9.8	28.1
Commodities DJ-UBS Commodity	-4.1	-10.8	-15.6	-9.0
<b>Fixed Income</b>				
Total Bond Market Barclays Aggregate	0.7	1.0	1.9	5.3
1-3 Yr U.S. Treasury/Agency Barclays 1-3 Gov	0.2	0.4	0.4	0.8
Int'l Treasury Barclays Global Tsy ex-US	-1.0	-5.6	-5.2	-1.2

■ European equities increased over 3% while Japan gained over 6% in local currency terms. The strong dollar relative to foreign currencies has depressed those returns for U.S. dollar based investors 2.7% and 0.3% respectively. The developed country MSCI EAFE index finished up 1.4% in dollar terms.

■ The People's Bank of China cut rates in November in response to slowing economic conditions. The move sent local A shares (only available to local investors) soaring over 13% for the month. Positive returns from China and India were offset by weakness in Latin America. The MSCI Emerging Market Index closed down 1.1%.

■ Weakness in commodities intensified, the broad based Bloomberg Commodity index lost another 4.1%. Oil prices dropped sharply in the last day of the month when OPEC announced that it will maintain its production target (OPEC accounts for 40% of global production). Oil finished the month down over 18%.



**Brandy Niclai, CFA**  
Portfolio Manager

January 6, 2015

**Facing a tight budget, Sitka tears up road and replaces it with gravel  
*A city official says it would cost \$28 million to replace the city's most heavily used streets. Sitka's annual road budget is about \$1 million.***

By ROBERT WOOLSEY, KCAW

SITKA, Alaska - Sitka has torn up what is likely the first of many paved city streets and returned it to gravel.

The community has wrestled for years with how to pay to replace pavement put down during the heyday of the state's oil wealth in the 1980s. And so far, no one's come up with a plan for local funding that's acceptable to residents.

The public works department spent about a day removing the pavement from a quarter mile stretch of Anna Drive shortly before Christmas.

The move took residents by surprise, especially this one.

"We have initiated a program which we have affectionately dubbed the Back to the Future Roads Program," said Mark Gorman, Sitka's municipal administrator, at a recent assembly meeting.

"I so happen to be a resident on Anna Drive. The road has been turned from very bad asphalt to gravel, because we don't have the resources. And it's actually improved the safety of that drive."

Gorman says he didn't realize his street was going to be taken up until work actually started. But things were pretty bad: Cars would typically move far out of the correct lane to avoid the deep ruts in the pavement, which created a hazard on the hairpin turn. Now it's smooth gravel.

"It was potholed so bad we could not put in the patch and have it last very long," according to Michael Harmon, Sitka's director of public works. Although his department might have given a little better notice, he says Anna Drive was a no brainer. "It was really halfway to gravel. And so to make it safe and easy to travel, it was ready to transition. We had to do something."

And there are other streets on the list, Harmon says. When asked for specifics, he says Valhalla and Viking Way jump to the top, along with sections of Monastery Street. But he also shrugs and says it's a big list.

"There's hardly a road in our inventory that's in even good enough shape to overlay, and in my mind that's very bad."

Sitka has 24 miles of paved residential streets, and Harmon says they're all aging past the point of repair. Just to replace the most heavily used streets, the ones with curbs, sidewalks and gutters, like Lincoln and Lake streets, will cost \$28 million. Sitka's annual roads budget? Around \$1 million this year.

Harmon says saving Sitka's most used streets is his priority, but he's still trying to stretch pavement money further than physically possible.

“So even at \$1 million, that's 28 years just to get our curb, gutter, sidewalk streets. A road doesn't even last that long. And lane mile wise, that's missing 60-70 percent of our infrastructure.”

And if that's the rock, here's the hard place: Even in gravel, streets like Anna Drive are still expensive to maintain. According to Harmon, a complete reversion would not break even under the current budget.

“If we went to all gravel, I think we're facing a little over \$1 million a year just to maintain that, which is, again, more than we're putting into roads now.”

The reversion to gravel does have an upside. Harmon says that taking up old pavement is also the first step toward putting down new and it can be months or years, if a neighborhood decides to pull together and pave its street. So far that hasn't happened. The Gavan Hill subdivision, which has never had pavement, recently rejected forming a local improvement district for paving. Other funding alternatives, like a vehicle tax, have also met firm resistance from the public.

Harmon is a lifelong Sitka resident, however, and he remembers when gravel was the norm. “You can taste it in your teeth when you're riding a bike on a road like that, or walking on it. It finds its way into your house. I've talked to people who remember the days when it was gravel roads, and they talk about how their clothes were dusty and the whole inside of their house was totally different. So I know it would be a vast departure from the lifestyle that we know today.”

A vast departure, at least until Sitkans pull on to one of the community's three state funded highways. Sawmill Creek Road, Halibut Point Road, the roundabout and Harbor Drive have all been replaced over the last few years, as have several downtown streets that required sewer and water upgrades. The tab for all that work topped \$70 million. And Edgecumbe Drive is scheduled to be replaced next summer at mostly state expense. The cost will be \$5 million.

## Status Report on Pending Big Thorne Litigation

Please recall that we have filed to intervene in three cases for you as a member of the Defendant-Intervenor Group. We intervened in **SEACC v. USFS on October 27, 2014**. As we reported that to you in our last report on November 29, 2014, the court granted our Motion to Intervene on November 19, 2014.

Since then, we have moved to intervene and filed Joint Opposition briefs with the State and AFA in the other two cases:

1. **SEACC v. USFS** - This litigation seeks to set aside the entire 2008 Amended Forest Plan on the ground that the Forest Service violated NEPA by changing the 18 deer/sq mi standard to a guideline without explaining the significance of the change.

SEACC further complains that in the 18 deer/sq mi density requirement is not being met because the Forest Service has not adjusted down the volume of timber needed to meet market demand from that set forth in the 1997 and 2008 Forest Plans.

The Motion to Intervene in the case was filed on November 24, 2014 and is pending approval by the Court.

On December 19, 2014 we filed a Joint Opposition with the State of Alaska and AFA opposing SEACC's action for a permanent injunction against TLMP.

2. **Cascadia Wild lands v. Forrest Cole et. al.** --We also intervened on November 26, 2014 in the litigation brought by Cascadia Wild lands, Greenpeace, et al against the Big Thorne Sale. While there are differences, this case is fundamentally similar to SEACC's action against the Big Thorne Project in which we originally intervened.

On December 23, 2014 we filed a Joint Opposition with the State of Alaska and Alaska Forest Association opposing the permanent injunction requested by the environmental group plaintiffs in the *Cascadia* case.

### **Next Steps**

The schedule is particularly tight in order to allow the Court to rule, hopefully, in our favor before Viking wants to begin road building/logging in the spring.


Our two opposition briefs deal primarily with the issues raised regarding the viability of the wolf population should timber harvest and roadbuilding occur in the volume contemplated by the Forest Plan and/or the Big Thorne Sale. Both lawsuits fail to draw a distinction between the number of deer per square mile needed to prevent wolf eradication and the additional deer per square mile needed within Game Unit 2 to allow 60 wolves per year to be hunted and trapped. Our Joint Oppositions show that only 5 deer per square mile are needed to prevent wolf eradication.

Additionally, ADF&G has proposed a reduction of hunting and trapping of wolves from 60 per year to 25 that will be considered at the January Board of Game meeting. This will reduce the number of deer per square mile actually needed for all use categories. More importantly, it proves that the environmental groups have an adequate remedy at law to protect wolves – a petition to Alaska Board of Game – and are not entitled to injunctive relief.

Please let us know of any questions you might have regarding any of the three cases. Also let us know if you would like us to e-mail you any of the briefs we have filed.

Thanks for all your help in getting the three Motions to Intervene organized and filed. Happy holidays,  
Steve Silver and Jim Clark

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator   
Date: January 8, 2015  
RE: Appointment of City Representative to POW Watershed Association Board

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At a recent city council meeting, Councilman Don Pierce asked about appointing another person to represent the City of Craig at the POW Watershed Association board of directors. Jan Storbakken agreed to be considered for the appointment, and the council agreed to consider the appointment formally at a subsequent meeting.

Staff has scheduled the appointment for the council's January 15, 2015 meeting. All that is necessary to formalize the action is for the council, by motion, to appoint Jan to the position.

**Recommendation**

Appoint, by motion, Councilmember Jan Storbakken as the city's representative to the Prince of Wales Watershed Council.



## **CITY OF CRAIG MEMORANDUM**

To: Mayor and Craig City Council  
From: Brian Templin, City Planner  
Date: January 2, 2015  
RE: Craig Court Bid Results and Protest

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Bids for Craig Court Lease Space were opened on December 19, 2014 at the Craig Court's temporary location at the CTA and at the Alaska Court System (ACS) office in Anchorage. There were four bids submitted in Craig and one bid submitted to the Anchorage office. All bids were timely and contained all required items. Bid results were as follows:

1. City of Craig: \$13,333.33 per month
2. Paul Thibodeau: \$9,982.79 per month
3. City of Klawock: \$6,000.00 per month
4. Craig Tribal Association: \$6,814.00 per month
5. Blue Glacier, LLC: \$30,000.00 per month

The City of Klawock was declared the apparent low bidder with a monthly lease bid of \$6,000.00. Dawn Molina (ACS Procurement Officer) issued a notice of intent to award on December 22, 2014 and sent copies of all bids to interested parties on December 23<sup>rd</sup>. After reviewing the apparent low bid, staff found that there were a number of areas where Klawock's bid did not meet the requirements outlined in the invitation to bid.

Formal protests to the bid were due to the court no later than January 2<sup>nd</sup>. Staff sent an email to ACS on December 30<sup>th</sup> outlining the areas that were deficient in the low bid and asked for a response from ACS. ACS replied on December 30<sup>th</sup> acknowledging the request for information. The reply from ACS said that their duty was limited to production of documents and they would not be providing substantive responses to our questions. Since ACS would not respond to our questions we completed the formal bid protest and submitted it to the local court on January 2<sup>nd</sup>. As of January 6<sup>th</sup> the bid protest was being reviewed by the ACS legal department.

Under the ACS Procurement Guidelines the protest will be reviewed by the Fiscal Office and Staff Counsel. If they find that some or all of the protest items are valid then they will issue some remedy which may include disqualifying the low bid (and reviewing all other bids) or reissuing the solicitation entirely. If the initial review finds that there is no validity to the protest items then the Administrative Director of the ACS will review the protest and will either issue a written statement denying the protest or will have a hearing officer appointed. Staff will continue to keep the council updated as the protest moves forward. A copy of the protest letter is attached. Copies of all bids are available to the council if they would like to see them.

No council action is required at this time.



January 2, 2015

Ms. Dawn Molina  
Alaska Court System  
Facilities Department  
820 W. 4th Ave.  
Anchorage, AK 99501

Kimberly Rice  
Alaska Court System  
Craig District Clerk of Court  
1330 Craig- Klawock Highway  
Craig, AK 99921

RP: Protest of Bid Award, ITB No. CRG-L-14-0008

Dear Ms. Molina:

The City of Craig protests the above referenced invitation to bid. While the city does not wish to protest the bid award, the short duration between the Notice of Intent to Award and the deadline for filing a bid protest prevents our questions from being answered sufficiently before the protest deadline passes and all recourse for an administrative appeal is lost.

Per the Alaska Court System Notice of Intent to Award, dated December 22, 2014, this protest follows the format identified in Section 4-401 of the Alaska Court System procurement guidelines.

(1) Name, address and telephone number of the protester.  
City of Craig PO Box 725 - Craig, AK 99921. Telephone number 907-826-3275.

(2) Appropriate identification of the procurement.  
ITB No. CRG-L-14-0008.

(3) A statement of reasons for the protest.  
The apparent low bid does not meet the minimum requirements of the Invitation to Bid (ITB) in several areas, specifically:

- A. Tenant Reference. Section II of the bid document requires bidders to provide at least one reference from a tenant of the bidder. Did the ACS contact the State of Alaska tenant reference provided by bidder the prior to issue of its Notice of Intent to Award? If so, what did the State of Alaska contact report to the ACS? Does the apparent low bidder meet the requirement for responsible bidder as shown in the ITB Item 10 on page 2 of 6 (which incorrectly refers to ACS Procurement Guide Section 2-212, it should refer to Section 2-213)?
- B. Parking Requirement. Section D.2 of the ITB requires the bidder provide 41 parking spaces for use by the building tenants, law enforcement, and the public. While Section F states that

“up to 45” parking spaces are available the site plan provided by the ACS from the apparent low bidder does not show the required 41 parking spaces. The parking standard does not appear to be met. Has the ACS waived the required parking requirement clearly identified in the ITB documents? If not, how did the ACS determine from the submittal that the parking requirement is met?

- C. Seating Requirement. Section 9.A.3) of Part C of the ITB calls for the spectator seating area to provide a minimum of 35 seats. The floor plan provide by the ACS from the apparent low bidder shows seating accommodation for only 23. Has the ACS waived the required seating requirement clearly identified in the ITB documents? If not, how did the ACS determine from the submittal that the seating requirement is met?
- D. Jury Assembly Requirement. Section 9.C of Part C of the ITB calls for space for 80 persons for jury assembly. There are 32 seats, including jury box, in courtroom. This requires that the lobby area accommodate at least 48 persons. Per the 2009 IBC the required space for an A-3 Assembly Occupancy Area is 560 sf for seated use (7 nsf per occupant). The lobby shown is 195 sf. How did ACS determine that the lobby area is sufficient to house four dozen people?
- E. Public Restroom. The single, unisex restroom shown on the floor plan is inadequate for 80 people assembled in response to jury call. Per the 1997 Uniform Building Code a minimum of two toilet fixtures in men and women’s rooms (4 fixtures total) including one accessible fixture in each restroom is required for the building occupancy. ITB Section D (1)(B) requires public restrooms accessible from the lobby that meet occupancy code. The apparent low bid does not meet the public restroom standards required by the 1997 UBC. How does the apparent low bidder intend to meet the minimum UBC Code requirements adopted by the State of Alaska for restrooms and required by the ITB?
- F. Internet Capacity and Reliability. Report due diligence that ACS conducted regarding capacity and reliability of internet service to the proposed facility. Did ACS inquire with the provided tenant reference as to prior State of Alaska staff experience with internet service at the facility?
- G. Impact on other State Agencies. Did the ACS consider or consult with the Alaska State Troopers on the substantial additional cost of staff time to the Prince of Wales Alaska State Troopers Detachment in moving the ACS facility out of Craig, where the Department of Corrections contract jail facility is located?
- H. Space Requirements. The Invitation to Bid Section D(1)(A) outline space requirements for spaces within the leased area. The apparent low bid does not meet the minimum space requirements (as shown by the plans included with their bid) for the following areas:
  - a. Attorney Conference Room. Section D (1)(A)(1) requires 70 sf per conference room. The provided plans show 60 sf per conference room.
  - b. Court Room. Section D (1)(A)(3) requires 1,400 sf. The provided plans show 1,194 sf (including sound lock and secured storage). The undersized courtroom results in insufficient room for spectator seating as required in the ITB and discussed in Item C above.
  - c. Clerk’s Area. Section D (1)(A)(4) requires 350 sf. The provided plans show 157 sf. In addition to being below the required size shown in the ITB, 157 sf appears to be significantly undersized to hold three staff members, office equipment, files, etc.

- d. Jury Deliberation Room/Conference Room. Section D (1)(A)(10) requires 540 sf. The provided plans show 385 sf.
- e. Judge and Magistrate's Offices. Section D (1)(A)(11) and (15) require 150 sf for the Judge's Office and 185 sf for the Magistrate's Office as two separate areas. The provided plans show 200 sf total space in a single office for the Judge/Magistrate.

In addition to the required spaces that are below minimum standards, the public restrooms (discussed in Item E above) will require significantly more building area (approximately 200 sf more than currently shown) to meet code requirements. The apparent low bidder's drawing of the proposed space currently only provides 82% of the total net usable square footage (NUSF) required by the ITB. When the public restrooms are modified to meet code requirements the apparent low bidder's space only provides 75% of the required NUSF shown in the ITB. Has ACS waived the space requirements contained in the ITB? If so, were all bidders notified and given opportunity to amend their bids to allow for smaller spaces? Has ACS determined that the undersized spaces (particularly the courtroom, clerk's area and judge/magistrate offices) are sufficient to meet the court's needs?

- I. Jury Deliberation Area Adjacency and Sound Lock. ITB Section C(7) calls for "functional and spatial relationships established by ACS as shown on Appendix A, Courthouse Floor Plan". In addition the ITB clearly calls for sound isolation for the jury deliberation room. As shown on the plans provided by the apparent low bidder the jury access from the court space to the jury room requires that the jury pass behind the clerk's work station to access the hallway leading to the jury deliberation room. In addition the only sound vestibule shown in the jury deliberation area is for the restrooms and not the jury deliberation room. The jury deliberation room is not sound isolated from the hallway, clerk's coffee prep or judge/magistrate's office. Is the sound isolation shown for the jury deliberation room sufficient? If the requirement was waived were other potential bidders given opportunity to amend their bids?

(4) Supporting exhibits, evidence or documents to substantiate claims.  
Applicable ITB reference requirements provided in itemized claims above.

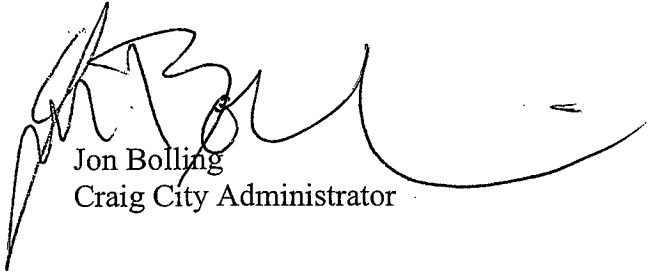
(5) The relief requested.

The City of Craig requests as relief:

1. Detailed written responses to the items listed in A through I, above and review checklists/scoresheets used to review the bids.
2. Reconsider the intent to award, and reissue to the bidder that meets the ITB requirements at the lowest cost to the ACS.
3. ACS stay procurement award pending final adjudication of the protest process. A stay of the procurement award will prevent the need for ACS to invalidate the notice of award if the protest is found valid and will not be detrimental to the states procurement process.
4. Assure fair application of the Invitation to Bid and Procurement Guide for all bidders.
5. Adjust the required schedule for occupancy to accommodate the bid opening extension, the protest period, protest consideration and final issue of award.

ITB CRG-L-14-0008 was made on short notice (issued 11/7/14 and originally scheduled for opening 12/8/14) and was later amended (Addendum #1) to extend the bid opening to 12/19/14 to allow bidders to fully review the requirements and prepare bids that met them. The City of Craig prepared a bid in good faith based on the published requirements in the invitation to bid. Since bids meeting the requirements have been submitted and made public it would be unfair to those bidders to restart the solicitation process. These factors should be taken into consideration when determining an appropriate remedy.

(6) Signature of the protestor or the protestor's representative.



Jon Bolling  
Craig City Administrator

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator   
Date: December 10, 2014  
RE: Proposed Agreement with Alaska Department of Environmental Conservation

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Attached you will find a proposed agreement between the City of Craig and the Alaska Department of Environmental Conservation.

The proposed agreement governs the cleanup of oil-contaminated soil discovered at the cannery property site where the old watchman's house once stood. The contaminated soil from that part of the cannery property site is now remediated and approved for final disposal.

In addition, the attached agreement references soil that may be contaminated on the balance of the cannery property. The city's obligations under the proposed agreement are found in items 1-5 on pages 8 and 9 of the document. Essentially these obligations are already issues that the city will have to address as the cannery property is further developed. Signing this agreement brings to a close the remediation of the watchman's house soil and establishes with DEC the city's ability to manage the remediation mostly in-house in the event that future contaminated soil is excavated from the cannery property. Our ability to remediate future contaminated soil in-house will lower the city's out of pocket costs for future remediation projects. The alternative is shipping contaminated soil to an approved remediation facility somewhere off-island, and at considerable expense.

The city's interests are best served by signing the agreement and sending it back to DEC.

**Recommendation**

Authorize staff to sign the attached Cleanup Complete Determination Agreement.

Recommended motion: I move to authorize staff to sign the Cleanup Complete Determination Agreement pertaining to Alaska Department of Environmental Conservation file number 1504.38.001.





THE STATE  
of **ALASKA**

GOVERNOR SEAN PARNELL

**Department of Environmental  
Conservation**

DIVISION OF SPILL PREVENTION & RESPONSE  
Contaminated Sites Program

410 Willoughby Ave Suite 303  
PO Box 111800  
Juneau, Alaska 99811-1800  
Main: 907-465-5210  
Fax: 907-465-5218

RECEIVED

OCT 22 2014

CITY OF CRAIG  
CRAIG, ALASKA

File No: 1504.38.001

October 16, 2014

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

RE: Decision Document; Craig Bulk Plant – Ward Cove Packing, Lot 1 Residence  
Cleanup Complete Determination with Institutional Controls

Dear Mr. Bolling,

The Alaska Department of Environmental Conservation, Contaminated Sites Program (DEC) has reviewed the environmental records for the referenced site. This decision letter explains the site history, cleanup activity and specific conditions required to effectively manage any remaining contamination. No additional remedial action is required as long as compliance with these conditions is maintained.

**Site Name and Location**

Craig Bulk Plant – Ward Cove Packing  
302 Main Street  
Craig, Alaska 99921  
Craig Cannery Subdivision

**Address of Contact Party**

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

**DEC Site Identifiers**

Hazard ID: 300  
File: 1504.38.001

**Regulatory Authority for Determination**

Title 18 Alaska Administrative Code 75

**Site Description and Background**

The property is five acres in size and is located at the end of a peninsula that extends from the western shoreline of Prince of Wales Island in Southeast Alaska. The highest point on the property is at the corner of Third and Main Streets. From there, the site slopes moderately to the west and the north to the shore of Bucareli Bay. Surface soil on the property is an organic peat and subsurface soil consists of poorly graded sand and gravel over bedrock. Groundwater flow follows site topography to the west and to the north at depths of between two and eight feet below ground surface (BGS).



The municipal water source for the City of Craig is North Fork Lake, located approximately ten air miles from the referenced property. Furthermore, all water users in Craig are connected to the municipal water system, there are no groundwater users in the city limits, or in close proximity to the referenced property. Ordinance requires future users of the referenced property to connect to the municipal water system for their water needs and no on-site water systems are allowed.

#### *Property Ownership History*

The property was originally platted concurrent with the Craig Townsite in the early 1920s as part of U.S. Survey 1429 and U.S. Survey 1429-A in 1922. Land use began with a fish cannery in the early 1920s. Columbia Wards Fisheries, a joint venture of Castle and Cooke and Wards Cove Packing, purchased the property from Libby McNeil in 1959. Wards Cove Packing (WCP) acquired full ownership interest in 1988. In 2006, ownership of the property was transferred to the City of Craig. The City Plan to redevelop the property into a mixed-use area began by subdividing the tract and establishing a commercial property in the southeast corner (Lot 1).

Structures in the lower yard along the western and northern waterfronts are associated with the fishing industry, consisting of a fish processing plant, bunkhouse, and machine shop buildings, a marine vessel winch house and carriage assembly, and a vessel maintenance and storage yard. Structures in the upper yard on Main Street consisted of concrete containment areas surrounding bulk fuel above ground storage tanks (ASTs), and a pump house with above-ground piping that extended to a fuel truck loading rack located in the northeastern corner of the property in the lower yard and to a vessel fuel dispensing station positioned on a wharf extending into the harbor.

The bulk fuel AST farm facility was initially constructed by Standard Oil of California, a corporate predecessor of Chevron, in the 1930s. It was operated by Chevron until 1986 when it was purchased by Ingram Oil. White Pass Alaska purchased Ingram Oil's assets in 1987 and by 1992 had replaced the old tanks with three new 26,000-gallon ASTs and two 12,000-gallon ASTs. Harbor Enterprises (d.b.a. Petro Marine) purchased the facility from White Pass in 1995 and operated it until December 1999, by which time Petro Marine had dismantled and scrapped all the ASTs from the site.

By late 2005, institutional controls were placed on the property title requiring any future users of the property utilize City water to prevent the use of groundwater from the site. By September, 2007, all groundwater monitoring wells were reportedly decommissioned.

In 2006, ownership of the property was transferred from WCP to the City of Craig. In a re-development plan to subdivide the former WCP property, Lot 1, located in the southeastern corner of the site property, was surveyed and zoned for mixed land use development. First Bank of Ketchikan purchased the property and planned to construct a new commercial bank building.

In the summer of 2008, the building that had been the original cannery manager's residence was moved west beyond the boundaries of Lot 1. In September, 2008, environmental consultants for First Bank advanced test pits in the footprint of the former residence on Lot 1 to observe soil conditions. In one of the test pits, excavation revealed strong odors of petroleum and sheen on subsurface water. An analytical sample of the stained soil had concentrations of diesel range (DRO) and residual range (RRO) hydrocarbons of 930 milligrams per kilogram (mg/kg) and 22 mg/kg, respectively. Results indicated the source was a heating oil tank formerly located next to the cannery manager's residence. On a Plat map of the former WCP property in Figure 1 below, a bold blue arrow points to the location of the former

cannery manager’s residence on Lot 1. The property is located on the corner of Main and Third Streets. The other two sides of the property slope moderately downward toward the shoreline of Klawock Inlet.

Figure 1. Former WCP Property Plat with new Lot 1 survey.

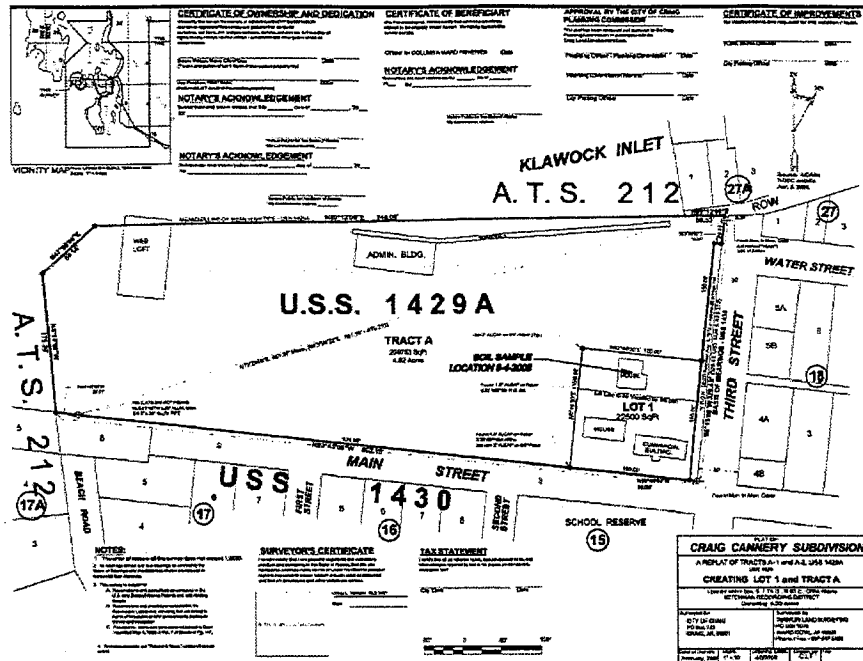
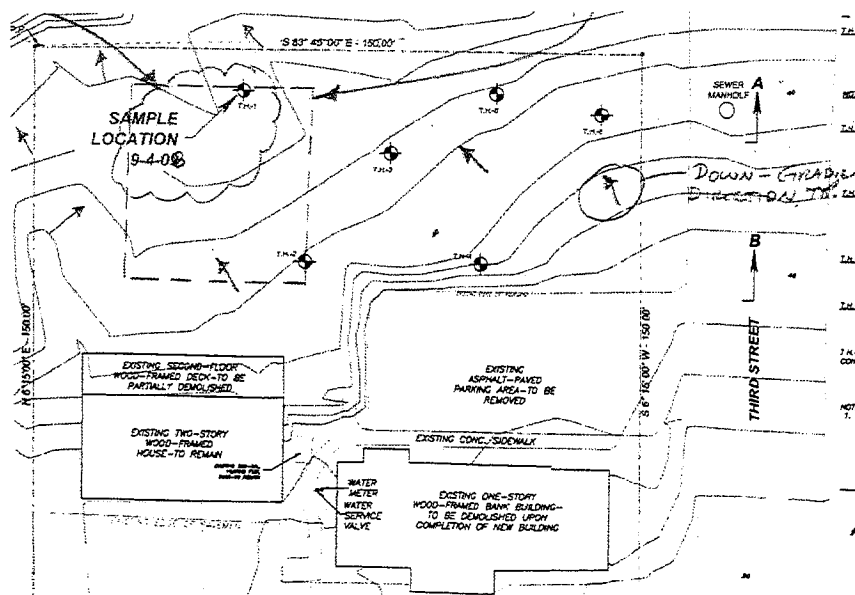


Figure 2 below is a slope contour map of Lot 1 displaying the initial analytical soil sample location, a broken line rectangle of the structure removed, two remaining structures, a parking lot and Third Street.

Figure 2. Lot 1 initial test pit sampling locations



**Contaminants of Concern**

The following petroleum contaminants of concern are those above cleanup levels that were identified during the course of the historical site investigation into the WCP property and the more recent investigation into Lot 1 as summarized in the Characterization and Cleanup Activities section of this decision letter.

- Gasoline Range Hydrocarbons (GRO)
- Diesel Range Hydrocarbons (DRO)
- Residual Range Hydrocarbons (RRO)
- Benzene
- Toluene
- Ethylbenzene
- Total Xylenes

**Cleanup Levels**

On August 4, 2000, DEC approved site-specific cleanup levels for the parameters listed in Table 1 below. The levels were calculated in accordance with 18 AAC 75.340 (e) (2) using sample data collected throughout the former WCP property, including Lot 1. All other soil contaminants of potential concern and all soil transported off-site for remediation are required to meet cleanup levels in 18 AAC 75.341 Table B1 and B2, Method Two Migration to Groundwater (MT/MTG) for soil in the over 40-inch rainfall zone. Groundwater cleanup levels are those specified in 18 AAC 75.345 Table C. Surface water sample data are required to meet Alaska Water Quality Standards for total aqueous (TAqH) and total aromatic (TAH) hydrocarbons. In 2002, DEC established a surface water point of compliance at the high tide line along the Klawock Inlet shoreline north and west of the WCP property. These cleanup levels are displayed in Table 1.

**Table 1.** Cleanup levels in milligram per kilogram (mg/kg) or liter (mg/L) & microgram per liter (ug/L)

Contaminant	Soil Alternative	Soil MT/MTG	Surface water levels	Groundwater levels
GRO	1,400 mg/kg	260	N/A	2.2
DRO	3,560 mg/kg	230	N/A	1.5
RRO	8,300 mg/kg	8300	N/A	1.1
Benzene	0.0683 mg/kg	0.025	N/A	0.005
Toluene	36.8 mg/kg	6.5	N/A	1.0
Ethylbenzene	49.5 mg/kg	6.9	N/A	0.7
Total Xylenes	81 mg/kg	63	N/A	10
TAqH	N/A	N/A	15.0 ug/L	N/A
TAH	N/A	N/A	10.0 ug/L	N/A

Soil boring log samples used to determine the site-specific soil cleanup levels had coarse grained sands and gravels in the subsurface with organic soils at the surface. The same soil horizons appeared during investigations throughout the site. With no significant differences in undisturbed soil, the calculated site-specific cleanup levels are therefore applicable to the entire site, including Lot 1.

## Site Characterization and Cleanup Activities

Site Investigation and Cleanup activities conducted under the regulatory authority of the Contaminated Sites Program began in 1987. These activities are described below beginning with historical site investigation and following with recent site investigation.

### *Historical Site Investigation*

Numerous site investigations were performed by various consulting firms representing Chevron and Wards Cove that eventually resulted in a DEC site closure determination in 2005. Soil and groundwater contamination was first discovered in early 1987 when Chevron notified DEC that a small pocket of soil stained by gasoline was observed in the AST tank farm upper operations area.

Between 1988 and 1993, Chevron installed and operated a bioventing system to treat contaminated groundwater and wells to sample and test for cleanup effectiveness. Chevron installed enhancements to the system in the early 1990s and the trend in sample monitoring results indicated a minor reduction in contamination. White Pass reportedly suspended operation of the groundwater treatment system to reduce operational costs during their ownership of the facility.

Environmental sampling investigation sponsored by WCP in 1994 through 1998 concluded that petroleum impacts to soil, surface water and groundwater were ongoing and consisted of GRO, DRO, RRO and BTEX hydrocarbon compounds extending from the AST containment areas on grade with Main Street one hundred feet downhill into the lower operations area. In August 1998, DEC requested Chevron begin investigation into reports of off-site migration from the site to the Bucareli Bay shoreline. Although an evaluation of groundwater data over the entire site concluded declining concentrations of contamination, DRO was still above cleanup levels in several of the monitor wells

In 1999, Chevron dismantled all structures associated with the two bulk fuel AST containment areas, including all the monitoring wells. In 2000, Chevron consultants excavated several thousand tons of petroleum-contaminated soil from the bulk fuel tank containment in the upper operations area, 300 tons from the steam shack, and 110 tons from the truck rack in the lower operations area. A volume estimated at 3,133 cubic yards of contaminated material was transported off-site and remediated locally by asphalt recycling. Chevron determined that a small volume of soil remains in the southwest portion of the steam donkey shack excavation with petroleum concentrations above alternative cleanup levels. This residual soil contamination exists as scattered pockets or thin layers above the clay layer.

In response to DEC request in 2000, Chevron installed new monitor wells and initiated new site investigation that continued through 2004. Test pit sampling in accessible locations identified discontinuous soil contamination above cleanup levels in the upper and lower operations areas. Groundwater monitoring continued through 2007 when data indicated groundwater impacts were reduced below cleanup levels. When the entire facility became permanently connected to municipal water and sewer, DEC determined that cleanup was complete and placed institutional controls on the property in a letter dated November 4, 2005. DEC confirmed in September, 2007, that Chevron completed decommissioning all monitor wells at the site.

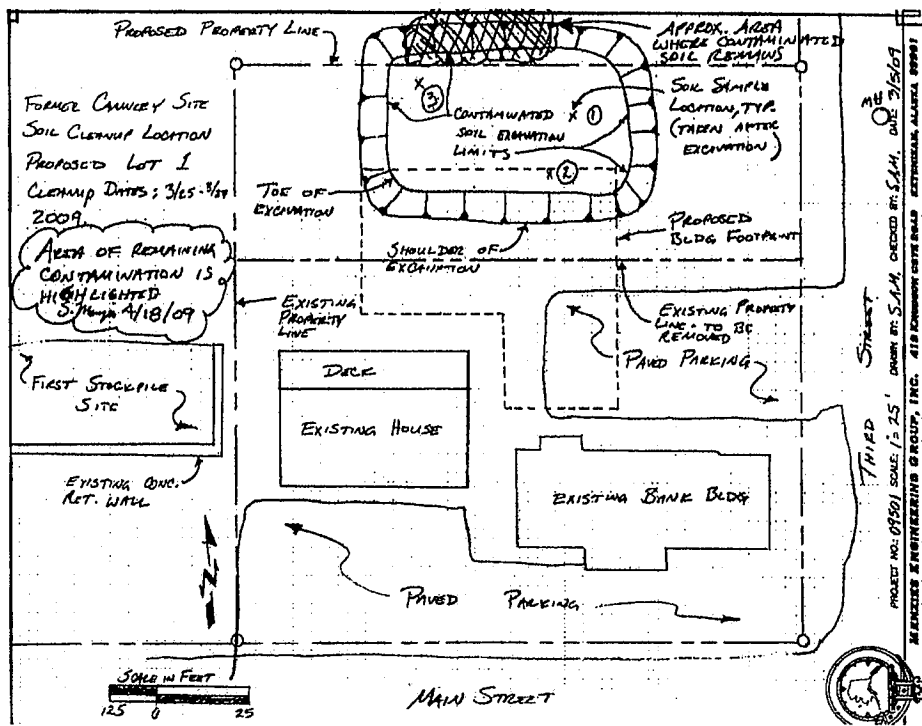
### *Recent Site Activity: Lot 1*

In 2005, DEC issued a conditional closure determination for multiple contaminant sources on the Craig Bulk Plant/Wards Cove Packing contaminated site, but the existence of contamination under the former cannery manager's residence was unknown at the time. As part of the redevelopment of the property, the

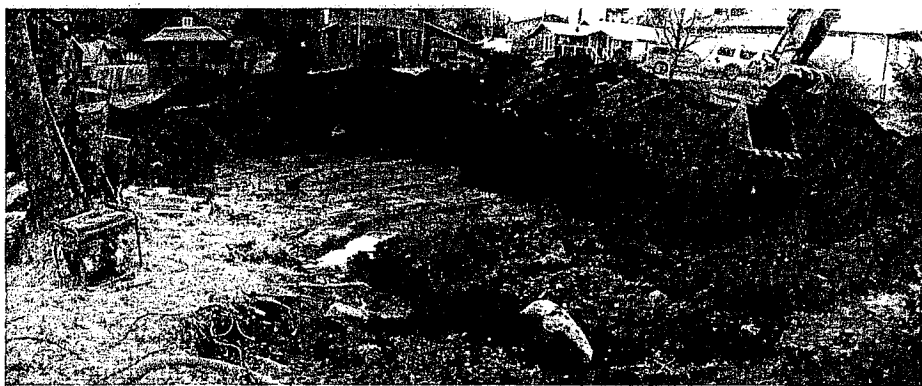
residence building was moved which revealed petroleum contamination in soil under the building. DEC approved a site investigation and cleanup plan submitted by Menzies Engineering Inc (Menzies) on behalf of the City of Craig (City) for the DEC Streamlined Cleanup Program.

Excavation of the contaminated soil on Lot 1 was completed on February 25-27, 2009. All soil determined by field screening to be contaminated was removed for off-site transport except for a thin lens of contaminated soil at a depth of three feet BGS on the pit sidewall extended beyond the north property line of Lot 1. The remaining contamination is deemed a de minimis extent and will attenuate below cleanup levels. Menzies collected three confirmation soil samples plus two duplicate samples from the excavation floor and walls in locations displayed in Figure 3.

Figure 3. Lot 1 drawing of excavation & confirmation soil samples in 2009.



Photograph 1. Lot 1 Removal Excavation view east toward Third Street



Contaminated soil began at an average depth of three feet and extended downward, on average, from between three and four feet BGS to the vertical limit of nine feet BGS. The soil confirmation samples were collected at depths between seven and nine feet BGS. Contaminated soil was loaded directly into trucks for transport to off-site locations. The City of Craig removed an estimated volume of 450 cubic yards and, with DEC approval, transported and stockpiled the contaminated soil to City owned property. The stockpiles were securely covered at locations with level ground surfaces. DEC approved a management plan to till and rake the soil on a regular basis to encourage natural attenuation of the soil as a biocell.

Laboratory analysis on the excavation pit confirmation soil samples included the site COCs GRO, DRO and RRO hydrocarbon ranges and BTEX compounds and, in addition, eighteen polycyclic aromatic hydrocarbon (PAH) compounds. Each of the samples had concentrations of these analytes below the laboratory reporting limits or the most conservative soil cleanup levels except for benzene. The benzene concentration in Sample 1 was between the Method Two Migration to Groundwater cleanup level and the approved alternative cleanup levels for benzene in soil. The highest concentrations detected in confirmation samples collected at the limits of the removal excavation in the remaining soil are displayed in Table 2 below.

**Table 2.** Highest concentrations in milligrams per kilogram (mg/kg) for Lot 1 confirmation soil samples

Hydrocarbon range and compounds of concern	Highest sample results	Sample name and depth BGS in feet	Alternative soil cleanup levels	Method Two MTG cleanup levels	Direct Contact and Ingestion cleanup levels
GRO	6.8	Sample 1 at 9	1, 400	260	1400
DRO	23	Sample 1 at 9	3,560	230	8250
RRO	9.5	Sample 1 at 9	8,300	9700	8300
Benzene	0.029	Sample 1D at 9	0.0683	0.025	120
Toluene	0.070	Sample 1 at 9	36.8	6.5	6600
Ethylbenzene	0.016	Sample 1 at 9	49.5	6.9	8300
Total Xylenes	0.106	Sample 1 at 9	81	63	16,600

In April, 2009, DEC issued a letter approving the site investigation and cleanup report for Lot 1. The objective of the approval decision was to facilitate redevelopment of the property. Management of the off-site contaminated soil biocells and institutional controls on the former WCP property remained.

*Contaminated Soil Biocells*

The 450 cubic yards of contaminated soil transported off-site was divided between two locations on property owned by the City. One biocell was constructed adjacent to Lot 1 on the former WCP property and the other biocell was constructed on an equipment stockyard parcel on Port St. Nicholas Road. The City implemented the biocell management plan to till and rake the soil on a regular basis to encourage aeration and microbial degradation of hydrocarbons in the soil. Since the soil was transported off-site for remediation, the Method Two Migration to Groundwater cleanup levels for soil in the over 40-inch rainfall zone are used to evaluate the soil for unrestricted use. In May 2014, DEC approved the sampling report submitted by Carson Dorn Inc. for analytical sampling of the biocells. The soil had COC concentrations below the applicable cleanup levels and DEC approved landspreading the soil on the off-site City owned property.

### **Cumulative Health Risk Calculation**

Pursuant to 18 AAC 75.325 (g), when detectable contamination remains on-site following a cleanup, a cumulative risk determination must be calculated. Cumulative risk from petroleum contamination of environmental media at the site is addressed using the BTEX and PAH analyte concentration data. Based on a review of the environmental record, DEC has determined that residual contaminant concentrations do not pose a cumulative human health risk.

### **Exposure Pathway Evaluation**

Following investigation and cleanup at the site, exposure to the remaining contaminants was evaluated using DEC's Exposure Tracking Model (ETM). Exposure pathways are the conduits by which contamination may reach human or ecological receptors. ETM results show all pathways to be one of the following: De Minimis Exposure, Exposure Controlled, or Pathway Incomplete. A summary of this pathway evaluation is included in Table 3 as Attachment A to this letter.

### **DEC Decision**

Remaining petroleum contamination on Lot 1 is below the most conservative cleanup level and soil on the property has unrestricted use. Restrictions on accessing groundwater on Lot 1, are also unnecessary.

Petroleum contamination remains on the rest of the former WCP property in soil and groundwater below approved alternative cleanup levels, but above the most conservative soil cleanup levels. DEC has determined there is no unacceptable risk to human health or the environment as long as the contamination is properly managed.

In order to insure proper management of the remaining soil contamination, DEC has determined that an institutional control (IC) agreement, signed by current and any future landowners and/or managers, is necessary for the remaining former Wards Cove Packing (WCP) property. This determination letter identifies the nature and extent of contamination remaining on these properties and establishes IC conditions that the owners and operators are subject to in accordance with this decision document. These conditions are as follows:

1. Any future change in land use may impact the exposure assumptions cited in this document. If land use and/or ownership changes, these management conditions may not be protective and DEC may require additional remediation and revised conditions. Therefore the City of Craig shall report to DEC every five years to document land use is unchanged, or report as soon as the City of Craig becomes aware of any change in land ownership and/or use, if earlier, with a written description and photographs of the condition of ground surfaces overlying the contamination with notation of any changes since the last report. The report can be sent to the local DEC office or electronically to [DEC.ICUnit@alaska.gov](mailto:DEC.ICUnit@alaska.gov).
2. Installation of groundwater wells on the former WCP property is restricted and requires coordination with DEC for approval, before any work begins.
3. Sub-surface soil contamination remains at the former AST site in the upper operations area and at the steam shack, drum pit, pipeline corridor and truck rack in the lower operation area of the former WCP property. When development and/or excavation requires disturbance in any of these areas, the soil must be evaluated and contamination addressed in accordance with a DEC approved work plan, before any work begins.

October 16, 2014

4. Any proposal to transport soil or groundwater off-site from the former WCP property requires DEC approval in accordance with 18 AAC 7.325(i). A “site” [as defined by 18 AAC 75.990 (115)] means an area that is contaminated, including areas contaminated by the migration of hazardous substances from a source area, regardless of property ownership
5. Movement or use of contaminated material in a manner that results in a violation of 18 AAC 70 water quality standards is prohibited.

The DEC Contaminated Sites Database is updated to reflect site status as detailed above, and will include a description of the contamination remaining at the site. Institutional controls will be removed in the future if documentation associated with a DEC approved Sampling and Site Characterization work plan can be provided that shows cleanup levels have been met. Management conditions 4 and 5 remain in effect after ICs are removed. This determination is in accordance with 18 AAC 75.380 and does not preclude DEC from requiring additional assessment and/or cleanup action if future information indicates that this site may pose an unacceptable risk to human health or the environment.

### Appeal

Any person who disagrees with this decision may request an adjudicatory hearing in accordance with 18 AAC 15.195 -18 AAC 15.340 or an informal review by the Division Director in accordance with 18 AAC 15.185. Informal review requests must be delivered to the Division Director, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 15 days after receiving the department’s decision reviewable under this section. Adjudicatory hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 30 days after the date of issuance of this letter, or within 30 days after the department issues a final decision under 18 AAC 15.185. If a hearing is not requested within 30 days, the right to appeal is waived.

**Please sign and return *Attachment B* to DEC within 30 days of receipt of this letter.** If you have questions about this closure decision, please contact the DEC project manager, Bruce Wanstall at (907) 465-5210 or at [bruce.wanstall@alaska.gov](mailto:bruce.wanstall@alaska.gov).

Sincerely,



Bruce Wanstall  
Remedial Project Manager  
State & Private Contaminated Sites Program

Attachment A: Table 3 – Exposure Pathway Evaluation  
Attachment B: Cleanup Complete-ICs Agreement and Signature Page\*  
Attachment C: Site Map

cc: Sally Schlichting, DEC Unit Manager, State & Private Program, via email  
DEC IC Unit, via email  
DEC SPAR Cost Recovery, via email at [dec.spar.cr@alaska.gov](mailto:dec.spar.cr@alaska.gov)



***Attachment A: Exposure Pathway Evaluation***

**Table 3 – Exposure Pathway Evaluation**

<b>Pathway</b>	<b>Result</b>	<b>Explanation</b>
Surface Soil Contact	Pathway Incomplete	Surface soil contamination has been removed and remediated off-site. There is no soil contamination remaining at the surface on the site above the direct contact cleanup levels.
Sub-Surface Soil Contact	De-minimis exposure	Soil contamination remains not accessible in the subsurface at levels between Method Two Table B2 Migration to Groundwater and human health ingestion levels and future excavation is not planned.
Inhalation – Outdoor Air	Pathway Incomplete	Contamination remains in the subsurface, but no volatile compounds are present at levels above outdoor inhalation screening levels
Inhalation – Indoor Air (vapor intrusion)	Pathway Incomplete	Buildings are present and any remaining volatile petroleum compounds concentrations are below laboratory reporting limits and/or the inhalation and migration to groundwater screening levels.
Groundwater Ingestion	Pathway Incomplete	COC concentrations in groundwater are between Table C and approved alternative cleanup levels. City of Craig ordinance requires residents to connect to municipal water and sewer.
Surface Water Ingestion	Pathway Incomplete	Potable surface water is not present on the property or in the urban area.
Wild Foods Ingestion	Pathway Incomplete	The site and the urban area are not a wild foods harvest area and none of the remaining contaminants have potential to bioaccumulate in flora or fauna.
Exposure to Ecological Receptors	Pathway Incomplete	Ecological receptors are present in off-site water bodies but groundwater samples are below the cleanup levels and concentrations of BTEX indicator compounds in soil are below cleanup levels.

Notes to Table 1: “De-minimis exposure” means that in DEC’s judgment receptors are unlikely to be affected by the minimal volume of remaining contamination. “Pathway incomplete” means that in DEC’s judgment contamination has no potential to contact receptors. “Exposure controlled” means there is an administrative mechanism in place limiting land or groundwater use, or a physical barrier in place that deters contact with residual contamination.

**Attachment B: Cleanup Complete-ICs Agreement and Signature Page\***

The City of Craig agrees to the terms and conditions of this Cleanup Complete Determination, as stated in this decision letter regarding the Craig Bulk Plant/Wards Cove Packing property, dated October 16, 2014. Failure to comply with the terms and conditions of the determination may result in DEC reopening this site and requiring further remedial action in accordance with 18 AAC 75.380.

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Signature of Authorized Representative, Title  
City of Craig

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Date

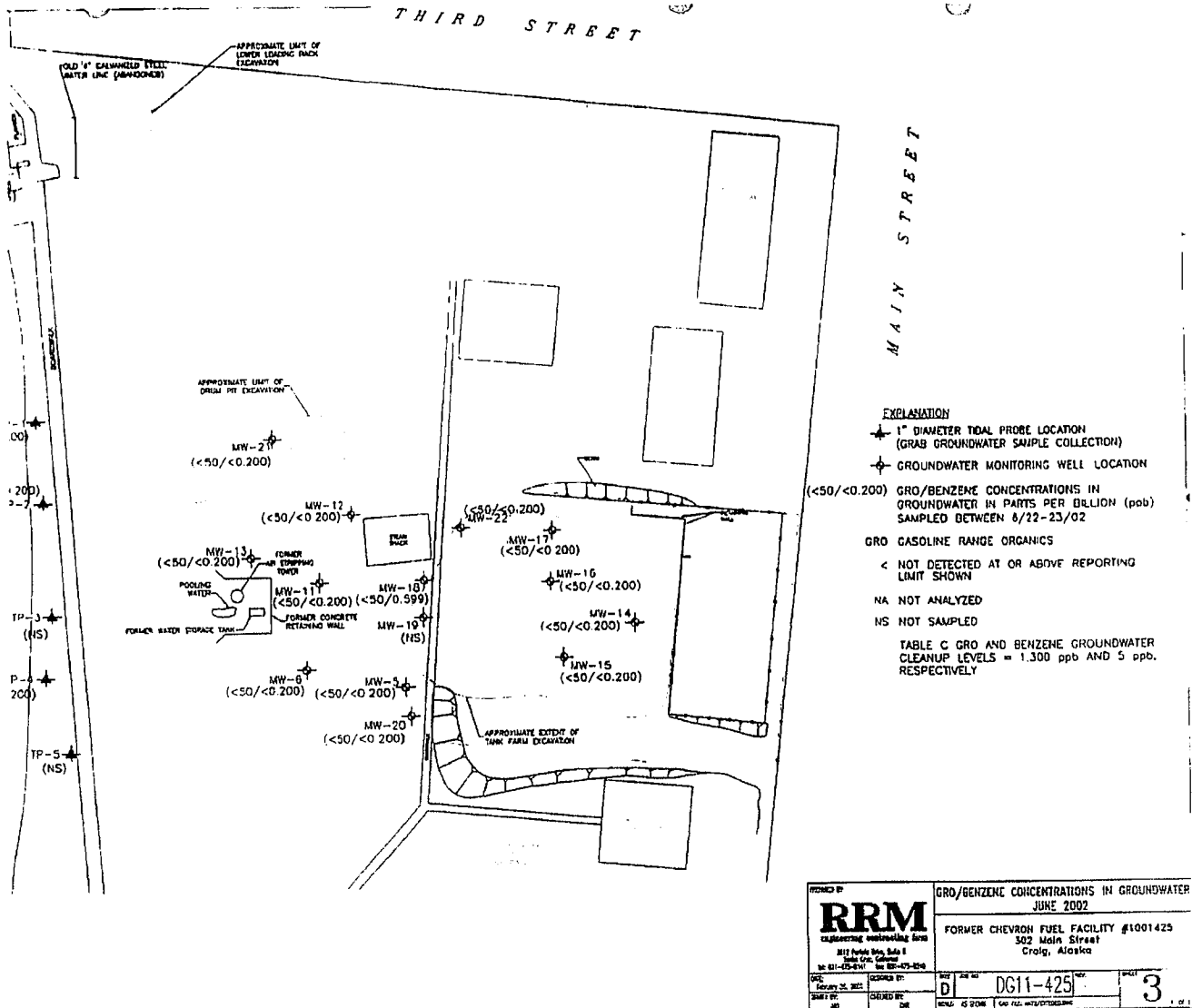
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Printed Name of Authorized Representative, Title  
City of Craig

**Note to Responsible Person (RP):**

**After making a copy for your records, please return a signed copy of this form to the ADEC project manager at the address on this correspondence within 30 days of receipt of this letter.**

**Attachment C: Site Map**



January 9, 2015

To: City Mayor and City Council

From: Joyce Mason

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Our auditor, Christine Harrington has completed the fiscal year 2014 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 summaries the activity for the year.

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

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**Recommendation:** A motion to accept the City of Craig fiscal year 2014 audit as presented by Christine Harrington, CPA.

# Memo

**To:** Mr. Mayor, Craig City Council

**From:** Ron McIntosh, Public Works Director

**CC:** Jon Bolling, City Administrator

**Date:** January 5, 2015

**Re:** City of Craig Community Burn Pit Report

---

Use of the City of Craig Community Burn Pit has been an ongoing issue in the community for quite some time. My initial training at the burn pit was to prod around in the household garbage, looking for an address or label that would possibly identify someone abusing the permitted uses of the site. When we found some possibly incriminating information, I was told “Oh, they won’t do anything about it anyway”.

## BURN PIT UPDATE DECEMBER 2014

In the most recent history, the gate has been relocated to provide safer access. The relocation of the gate has been a success other than someone ran into it. There have been periods of time the gate access has been left open by Public Works to allow residents access during Clean Up Week/Month. This was done with success. An attempt has been made to coordinate commercial use of the burn pit with local contractors.

The residential use of the burn pit has become garbage disposal. Household garbage, mattresses, sofas, recliners, plastic yard furniture and children's toys are on the reoccurring list. The burn pit has also been used to dispose of fiber glass campers, plastic pickup bed liners and fiber glass boats.

There needs to be separation between the residential remodeling user and the commercial building contractor. Construction debris from structure work finds its way to the burn pit from both new construction waste and demolition of existing. Dry wall, insulation, roofing paper, doors, windows (including the glass) and demolition materials/plastics and rubber that is attached to the debris, all finds its way into the burn pit.

The burn pit has been used by commercial/contractor users working on larger projects. The users have the best of intentions when work starts but as time goes on, the materials at the burn pit increase and access is blocked. Other commercial users complain that they cannot use the burn pit and the smaller local users of the burn pit, build smaller fires on the deck around the pit creating even more issues with access and tire damage exposure. The use is not complete until the materials are properly burned and the pit maintained.

By products of the burn pit usage are created. Noxious fumes, excessive smoke, scattered unburned litter and scrap metal. The metal leftover from box springs, office chairs, window frames and other miscellaneous metal, creates yet another expensive operation to retrieve and gather for disposal. This metal is too expensive for the time required to take it to salvage, yet not accepted in the ash disposal at the Klawock Landfill.

The Burn Pit area is used for other metal disposal including 55 gallon drums, propane tanks, refrigerant tanks, barbecues, refrigerators, stoves, washers, dryers, chicken wire and wire fencing.

Other deposits at the burn pit and surrounding property are deer carcasses, fish/shellfish remnants, paint and chemicals,

abandoned cars and household garbage. The household garbage contains glass, metal, plastics and biodegradables.

The burn pit has been a “facility” of the City that has been an ongoing compliance issue for correct usage. Cost savings to the community is the driving force for the burn pit: Less paper and wood products in the City tipping charges at the Klawock Landfill. Clearing and grubbing savings for construction companies, savings for disposal for commercial entities for packing materials and pallets. Inexpensive disposal for property clippings and trimmings.

Currently, the City trash collection is an enterprise fund and follows an established budget annually. The fund has not required subsidizing in the past with the primary scope being solid waste collection for the City of Craig. Costs of maintaining the burn pit are not included. Maintenance of the public burn pit has been absorbed into the Public Works costs.

The administration of the burn pit site needs to be addressed but probably more important, the addressing of solid waste management, burn pit utilization and island recycling all need to be included..

This is not an overnight transformation and this needs to be implemented in stages. The stages need to be accelerated to offset the slow start but implemented smartly.

## OPTIONS

1. Analyze and modify the garbage collection effort under the new automated truck system.
2. Establish a budget to man and maintain the burn pit. Create a deposit structure and use agreements with commercial users of the burn pit.
3. Establish monitoring/enforcement costs.
4. Establish a location to collect recyclables.

5. Upon initiation of Items 1 thru 4, the garbage rates will need to be modified to pay for the cost to deal with ALL of the garbage issues for the City of Craig.
6. Expand service to the paved road areas of Port St. Nicholas road to increase revenue.
7. Relocate the Burn Pit to the transfer station to resolve a lot of the policing issues.
8. Change the locked access to the Burn Pit. Require checking out a key for each use to identify users.
9. Establish a procedure to work with commercial users of the Burn Pit, to use of the facility properly, including burning, cleaning and maintaining the area.

Community compliance at the Burn Pit will negate increased costs due to negligent acts.

**RECOMMENDATION:**

To allow staff to create a plan from the options as listed and to establish procedures for proper use of the Burn Pit.



# Memo

**To:** Mr. Mayor, Craig City Council  
**From:** Ron McIntosh, Public Works Director  
**CC:** Jon Bolling, City Administrator  
**Date:** January 5, 2015  
**Re:** City of Craig Fork Lift Acquisition

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The current City fork lift is a 1983 Yale rated at 6000 pounds. The fork lift is used by Facilities, Harbors and Public Works. The maintenance and up keep of the unit is and has been a difficult task. Parts availability has been challenging due to the age of the unit. The unit is 31 years old and is well used.

I have solicited pricing for a replacement fork lift based upon class, pricing and serviceability. This fork lift is comparably equipped as the Yale, supported by the Caterpillar network for service and parts and is the lowest priced unit in this class. The Caterpillar P6000 meets the requirements for the City of Craig as offered by Independent Lift Truck of Alaska. The purchase price is \$33,600.00 FOB Craig Alaska.

This purchase is utilizing the State heavy equipment funding in place as of July 1<sup>st</sup> 2012.

**Recommendation:**

To award the purchase of the Caterpillar P6000 fork lift to Independent Lift Truck of Alaska for \$33,600.00.

# Memo

**To:** Mr. Mayor, Craig City Council  
**From:** Ron McIntosh, Public Works Director  
**CC:** Jon Bolling, City Administrator  
**Date:** January 5, 2015

**Re:** City of Craig Street Broom Acquisition

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A Street Broom has been on the heavy equipment acquisition list since 2012. With the addition of asphalt and the primary winter road application being sand, the need has increased. Proposals have been received for street brooms from NC Machinery and Pacific Leasing. Both companies represent street broom manufacturers for Alaska.

NC Machinery has offered a Laymor Sweepmaster 400 Street Broom for \$49,875.00 FOB Thorne Bay.

Pacific Leasing has offered a Broce 350 Street Broom for \$49,897.00 FOB the Seattle dock.

Both brooms meet the requirements of the City of Craig.

This purchase is utilizing the State heavy equipment funding.

**Recommendation:**

To award the purchase of the Laymor Sweepmaster 400 Street Broom from NC Machinery for \$49,875.00.

# Memo

**To:** Mr. Mayor, Craig City Council  
**From:** Ron McIntosh, Public Works Director  
**CC:** Jon Bolling, City Administrator  
**Date:** January 5, 2015  
**Re:** Change Order No. 1 Port St. Nicholas Water Main  
Replacement.

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Work required for repair at the base of the hill below the water tank on the 12" water transmission main was added to the scope of work for the Port St. Nicholas Water Main Replacement. This work was not part of the original project and as it turns out, does not fall into the project scope requirements per EPE and ADEC funding requirements.

This change order removes the work from the original project scope. A work agreement will be established with the contractor for the repair work that has already been completed. This change order does not increase or decrease the cost to the City of Craig.

Original Contract	\$	361,650.00
Change Order No. 1		<17,175.00>
Revised Contract Total		344,475.00

Repair Work Order Total	\$	17,175.00
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**Recommendation:**

To approve Change Order No. 1 deleting work from the project not in the original project scope.

# Memo

**To:** Mr. Mayor, Craig City Council

**From:** Ron McIntosh, Public Works Director

**CC:** Jon Bolling, City Administrator

**Date:** January 5, 2015

**Re:** Surplus Equipment Sale

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The City has surplus equipment as noted in the following list, available for public offering. This equipment is currently not used and/or has been replaced with upgraded equipment. This list will be finalized prior to the actual offering.

1990	Ford 8000	Garbage Truck
1992	Dodge Ram 250	Pickup
1993	Ford Ranger	Pickup
1997	Ford F250	Pickup
1998	Ford Ranger	Pickup
2003	Ford Crown Victoria	Sedan
2004	Ford Crown Victoria	Sedan

RCMc