

**CITY OF CRAIG  
COUNCIL AGENDA  
OCTOBER 19, 2017  
COUNCIL CHAMBERS 7:00 P.M**

**ROLL CALL**

Mayor Timothy O'Connor, David Creighton, Greg Dahl, Jim See, Julie McDonald, Mike Douville, Jan Trojan

**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 Meeting Minutes of September 9, 2017
- City Council Special Meeting Minutes of September 22, 2017
- Introduction and First Reading of Ordinance 704, Amending Title 1, Adding Section 1.20- Creation, Notice and Recording of Liens

**HEARING FROM THE PUBLIC**

- Open for public comment
- Final Reading and Public Hearing of Ordinance 702, Application for purchase of city property from Bill Hunt
- Final Reading and Public Hearing of Ordinance 703, Changing Sections 2.04.045 and 2.04.260 of the Craig Municipal Code

**READING OF CORRESPONDENCE**

- SSRAA Request for Proposals
- Swanton to Chinook Interests

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

- Ordinance 702, Application for purchase of city property from Bill Hunt
- Ordinance 703, Changing Sections 2.04.045 and 2.04.260 of the Craig Municipal Code

**UNFINISHED BUSINESS**

**NEW BUSINESS**

- Consider approval of purchase of new alum station
- Update on utility rate review
- Consider offer to Public Works Director candidate
- Direction on Craig Municipal Code Section 2.04.260

**ADJOURNMENT**

CITY OF CRAIG  
COUNCIL MEETING  
THURSDAY SEPTEMBER 7, 2017

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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, Greg Dahl, Mike Douville, Jan Trojan, Don Pierce, Jim See and Hannah Bazinet.

**Staff present:** Jon Bolling, City Administrator; Kassi Mackie, City Clerk; Jessica Holloway, Aquatic Center Manager; Hans Hjort, Harbormaster; Kim Baxter, Librarian; RJ Ely, Police Chief; Victoria Merritt, Parks, and Recreation Director; Doug Ward, Parks and Public Facilities Manager

**Audience present:** Lisa Radke, Cathrine Coats, Carolyn Chapman, Brody Bazinet, Aiden Benolken, Mak, Kathy Peavey, Judy O'Connor, Connie Ward.

**CONSENT AGENDA**

PIERCE/TROJAN

moved to approve the consent agenda.

MOTION CARRIED UNANIMOUSLY

**HEARING FROM THE PUBLIC**

Cathrine Coats read Carolyn Chapman's letter regarding water rates. Mrs. Chapman would like to be placed on the next agenda as an action item. Mayor Watson would like to see the garbage rates put on an upcoming agenda, for consideration. Jan volunteered to sponsor these items for the upcoming agenda, as separate issues. Garbage as one ordinance and water/wastewater rates another ordinance. Don supported revisiting the garbage rates at the next council meeting and having a workshop for the water/wastewater rates. Judy O'Connor had some questions regarding her bill, which Joyce would address with Mrs. O'Connor tomorrow.

Kathy Peavey asked what the bed tax revenue will go towards if it is passed by the voters. Jon commented, that it will go to the general fund. Mrs. Peavey commented that a quick search finds that many municipalities around the state utilize the bed tax funding for tourism, which is favorable over it going directly into the general fund. Jim See mentioned the desire for the funding to go towards the emergency services department. Kathy Peavey disagrees, and would like for the taxpayers to be able to decide where this funding goes.

Aiden Benolken, Mak, Brody Bazinet and Bryant Holloway were present to request that the council consider funding a skatepark in city limits. Cathrine Coats asked if the funding was still available for the skatepark that was raised by some of the residents around Craig a few years back. Mayor Watson commented that the city didn't have a part in that funding.

## **REPORTS FROM CITY OFFICIALS**

**Mayor/IFA-** Mayor Watson reported that the legislature in Juneau is cutting back on revenue, which is why Craig is looking for additional funding within municipal boundaries. IFA traffic is up, and July and August were well over \$12,000 a day.

**Administrator-** Jon provided a written report. Brian will be working on the potential for a skate park. Jon also commented that it has been a rare practice for the city to loan funds to employees, and Jon would like to put something in writing as a policy. Mike Douville commented that it may be beneficial to look at the possibility of a wood portion for the skate park to help cut the cost.

**Treasurer-** Joyce reported that the City received \$25,000 in National Forest Receipts this year.

**Aquatic Manager-** Jessica provided a written report and mentioned receiving some negative feedback on the new arrangement at the gym, however Jessica is confident that there is plenty of space and equipment for all of the patrons that utilize the facility.

**City Clerk-** Kassi noted the candidates for the 2017 Municipal Elections, absentee voting schedule and set the next meeting.

**City Planner-** Brian was absent excused.

**EMS Coordinator-** Chaundell provided a written report. Chaundell also mentioned that the third medivac company that was considering permanent station on the island has been put on hold.

**Harbormaster-** Hans provided a written report.

**Library-** Kim provided a written report.

**Police Chief-** RJ provided a written report.

**Public Works-** Dave provided a written report. Mike Douville asked about the alum system and whether or not it needed replaced. Dave replied that staff is working to finalize the proposals from a couple companies to replace the system.

**Parks and Rec-** Victoria provided a written report. Victoria will be out of town later in the month.

**Parks and Public Facilities-** Doug provided a written report.

**Fire Department-** Tim is headed to the Rural Fire Chief training in Sitka at the end of the month.

## **READING OF CORRESPONDENCE**

Nothing to discuss.

## **CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

## **UNFINISHED BUSINESS**

## **NEW BUSINESS**

**Discussion of Mayor’s compensation**

Jim See requested that this item be placed on the agenda. Jim believes that there should be a reasonable compensation depending on the qualifications of the mayor. Jim would like to see a resolution to set the compensation for the mayor each time a new mayor is elected. Jim would also like to see the council’s compensation set in a stand-alone ordinance. Greg agrees that the ordinance should be stand-alone for council compensation. Greg believes that the mayor compensation should be reviewed either every budget cycle or election cycle. Jim would like to sponsor this item on the next agenda in ordinance form.

**Consider approval, Change Order 5 Phase IV Paving**

PIERCE/BAZINET

moved to approve Change Order 5.  
MOTION CARRIED UNANIMOUSLY

**Consider appropriation for haul-out trailer building**

PIERCE/BAZINET

moved to appropriate \$30,630 from the city’s Harbor Reserve Account for the improvements detailed in the Harbormaster’s attached memo.

Hans mentioned that the owner of the spray-foam machine reconsidered, and therefore, Hans will be looking to other sources for the spray-foam portion of the building.

MOTION CARRIED UNANIMOUSLY

**ADJOURNMENT**

DAHL/SEE

moved to adjourn at 8:35 p.m.  
MOTION CARRIED

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR TIMOTHY O’CONNOR

ATTEST \_\_\_\_\_  
KASSI MACKIE, CITY CLERK

CITY OF CRAIG  
SPECIAL COUNCIL MEETING  
THURSDAY SEPTEMBER 22, 2017

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**ROLL CALL**

Chairman Don Pierce called the meeting to order at 9:00 a.m. and the roll was taken. Present were, Mike Douville, Jan Trojan, and Hannah Bazinet. Mayor Dennis Watson Greg Dahl, and Jim See were absent excused.

**Staff present:** Jon Bolling, City Administrator; Kassi Mackie, City Clerk

**Audience present:** Bob Blasco

**CONSENT AGENDA**

None

**HEARING FROM THE PUBLIC**

None

**READING OF CORRESPONDENCE**

None

**CONSIDERATION OF RESOLUTIONS AND ORDINANCES**

None

**UNFINISHED BUSINESS**

None

**NEW BUSINESS**

**Consider approval 2017 Municipal Election Workers**

TROJAN/BAZINET

moved to appoint Judith Brocklin, Amy Hjort, Carrie Dawn Durgan and alternate Kassi Mackie as the 2017 municipal election workers.

MOTION CARRIED UNANIMOUSLY

**EXECUTIVE SESSION**

TROJAN/DOUVILLE

moved to enter into executive session for the purpose of discussing matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City of Craig: Alaska Power and Telephone Tarriff TA-857-2

MOTION CARRIED UNANIMOUSLY

TROJAN/BAZINET

moved to reconvene the regular meeting and accept the settlement offer between Alaska Power Company and the Regulatory Commission of Alaska and direct Bob Blasco move forward with the proceedings.  
MOTION CARRIED UNANIMOUSLY

**ADJOURNMENT**

DOUVILLE/BAZINET

moved to adjourn at 10:15 a.m.  
MOTION CARRIED

APPROVED \_\_\_\_\_

\_\_\_\_\_  
MAYOR TIMOTHY O'CONNOR

ATTEST \_\_\_\_\_  
KASSI MACKIE, CITY CLERK

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: October 13, 2017  
RE: Ordinance 704

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Attached you will find Ordinance No. 704. The ordinance enables the city to file property liens to collect on a wide range of past due accounts.

In 2017, the Alaska Legislature passed, and the governor signed, SB 100. The bill enables municipalities to lien real and personal property as a means to collect past due accounts. Until adoption of the legislation, cities like Craig could not turn to property liens as a mechanism to enforce collection of past due utility accounts and other non-tax-related debts. SB 100 provides an additional collection tool for cities and boroughs.

The city regularly pursues efforts to collect on past due accounts. Liens on property are not the city's first steps in attempting to collect past due amounts. The process typically starts with contacting the debtor to arrange for payments. Other measures follow if the debtor does not comply with the terms of a payment plan. Currently our efforts to collect delinquent accounts other than taxes stops with attempts to garnish permanent fund dividends.

SB 100 allows for the application of liens to property based on an ordinance adopted by the local governing body. Ordinance No. 704 incorporates lien authority into the city's municipal code.

Incorporating non-tax lien authority into the city's municipal code adds an important tool to the city's efforts to collect past due accounts.

### **Recommendation**

Approve Ordinance No. 704 at first reading.

**CITY OF CRAIG  
ORDINANCE NO. 704**

**AMENDING TITLE 1 OF THE CRAIG MUNICIPAL CODE BY ADDING  
SECTION 1.20 – CREATION, NOTICE, AND RECORDING OF LIENS**

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

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

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

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

Section 4. Action. The City of Craig exercises its authority under AS 29.35.010, and other relevant statutes, by adding a new section to the Craig Municipal Code, Section 1.20.010, as follows:

**1.20.010 Authority to Lien**

A. The city may create, record, and provide notice of a lien on real or personal property to secure payment of past due utility fees, costs incurred by the municipality in the abatement of an unsafe or dangerous building, and other fees and charges provided for by ordinance. Except as otherwise provided by state law, when recorded, a municipal lien under this paragraph has priority over all other liens except

1. liens for property taxes, special assessments, and sales and use taxes;
2. liens that were perfected before the recording of the lien under this paragraph;
3. liens that, under state law, are prior, paramount, and superior to all other liens; and,
4. mechanics' and materialmen's liens for which claims of lien under AS 34.35.070 or notice of right to lien under AS 34.35.064 have been recorded before the recording of the line under this paragraph.

B. An action to foreclose a lien on real property shall be commenced and pursued in the manner provided for the foreclosure of liens in AS 09.45.170 through 09.45.220.

C. The remedy provided in this section is not exclusive and shall be in addition to all other remedies available to the city to collect the fees, charges, costs, penalties and interest due under this chapter.

D. Fees for the administrative costs of filing on notices of liens and releasing of liens shall be:

1. Filings of notices of lien: \$25.00, plus recorder's office filing fee.
2. Release of liens: \$25.00, plus recorder's office filing fee.



Passed and approved \_\_\_\_\_, 2017.

\_\_\_\_\_  
Mayor Tim O'Connor

Attest \_\_\_\_\_  
Kassi Mackie, City Clerk

## **CITY OF CRAIG MEMORANDUM**

To: Craig Mayor and City Council

From: Brian Templin, City Planner

Date: October 13, 2017

RE: Application to Sell City Property to William Hunt – Ordinance 702

William Hunt owns Lot 6, Port St. Nicholas Subdivision. As with most of the lots within this subdivision the PSN Road bisects the lots creating lots generally north and south of the road. The PSN Road bisects Lot 6 near the north end of the property leaving an irregular property.

Mr. Hunt has applied to purchase a portion (approximately 11,500 square feet) of Tract J, a 6.2 acre wooded area that attaches to the PSN Road and meanders behind several lots before connecting to the city owned property where the water treatment plant and king salmon hatchery are located. The ANCSA 14c3 reconveyance deed lists this parcel as a “Future Fire Station Site”. Other than the water treatment plant and hatchery operations there is no other development currently on this lot. The sale parcel proposed should not have any effect on current or future operations of these facilities and the proposed sale appears to leave sufficient room for a future fire station on the property and access to/from the Port. St. Nicholas Road. Mr. Hunt has prepared a drawing showing the area that he would like to purchase and the intended development of the area. I have attached a copy of an area drawing and Mr. Hunt’s drawings to provide additional information to the council.

The sale notice was published in the September 20<sup>th</sup> and October 4<sup>th</sup> editions of the Island Post and a public hearing was held at the regular city council meeting on October 5, 2017. Due to cancellation of a previous meeting an additional public hearing and second reading of the ordinance are scheduled for October 19<sup>th</sup>. I notified Mr. Hunt by email of the additional hearing.

Based on comments from the council at the October 5<sup>th</sup> meeting I have reviewed the Omnibus 14c3 Quitclaim Deed to ensure that there is no reversionary clause for this parcel. Reversionary clauses were allowed during the ANCSA 14c3 reconveyance parcels but have to be included as part of the overall deed, or for specific parcels. The Omnibus 14c3 Quitclaim Deed does not contain an overall reversionary clause and only includes a reversionary clause for one of the many parcels included in the deed. Tract B, Block 2, listed as a “School Facility Site” contains a reversionary clause. The terms of that clause have been met. No other parcels in the deed, including the parcel being considered for sale, include a reversionary clause. This parcel is not subject to a reversionary clause.

Funds from this sale will be placed in the city’s land development fund.

Recommendation: Approve Ordinance 702, authorizing the city administrator to negotiate the sale of city owned property to William Hunt.

**CITY OF CRAIG  
ORDINANCE No. 702**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH WILLIAM HUNT, THE TERMS OF A SALE OF CITY OWNED LANDS CONSISTING OF A PORTION OF TRACT J, ANCSA RECONVEYANCE

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

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

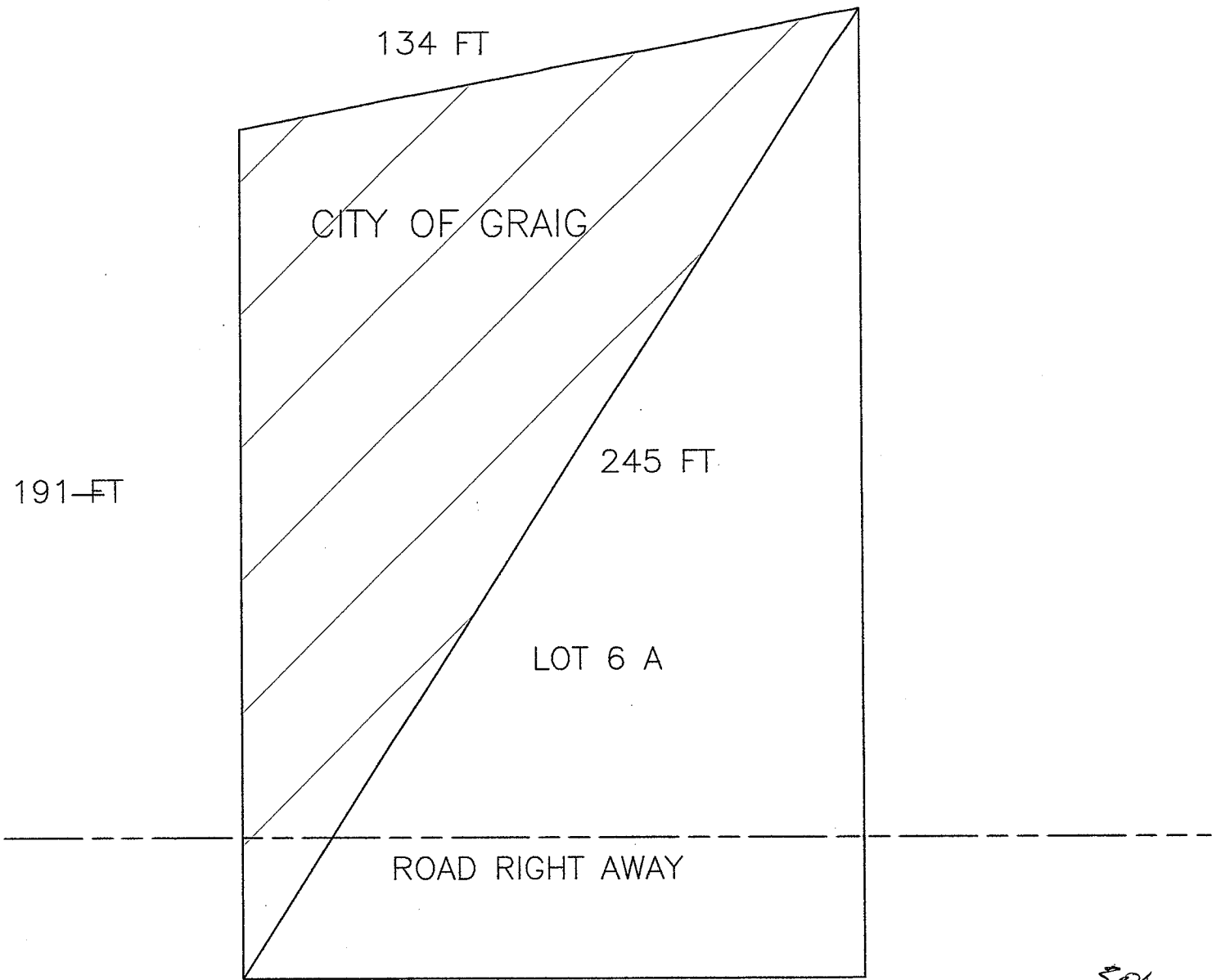
Section 3. Effective Date. This ordinance shall be effective immediately upon adoption.

Section 4. Action. This ordinance authorizes the City Administrator to negotiate the sale of approximately 11,250 square feet of city owned land consisting of a portion of Tract J, ANCSA Reconveyance as shown on Plat 95-57, Ketchikan Recording District. Final terms of said sale are subject to the approval of the Craig city council.

Passed and approved this 19<sup>th</sup> day of October, 2017.

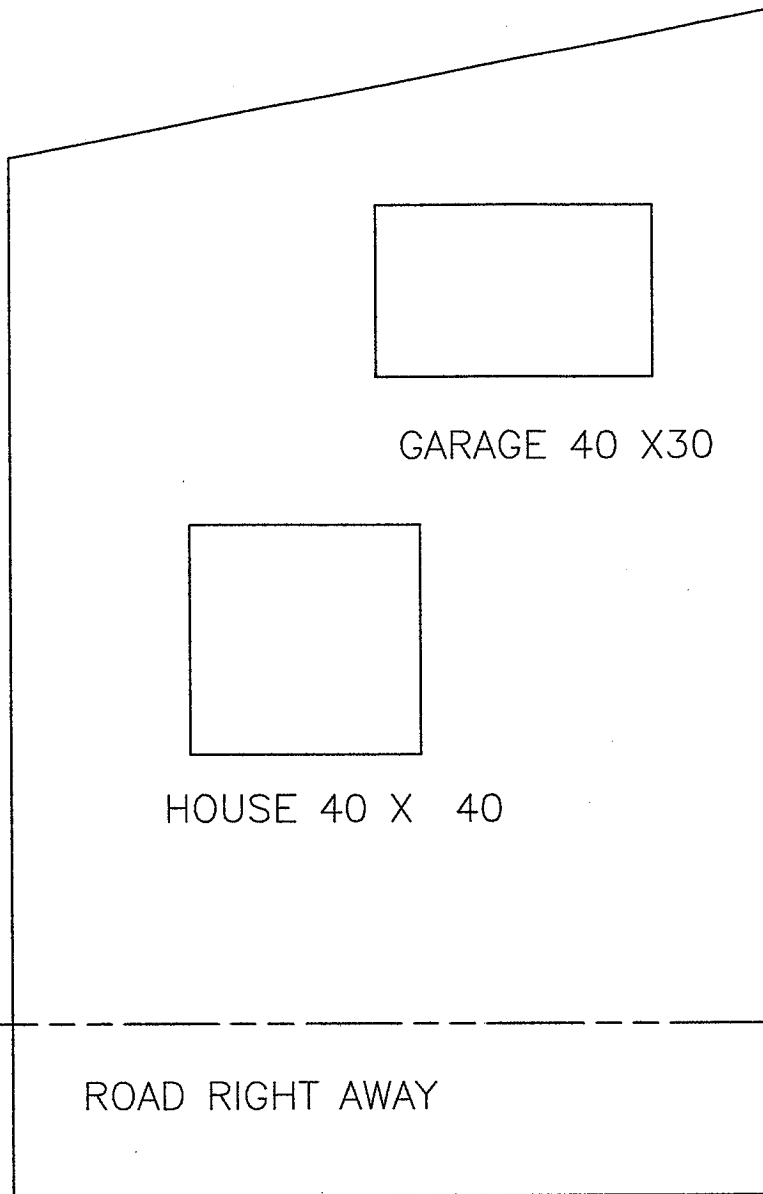
\_\_\_\_\_  
Mayor Tim O'Connor

Attest \_\_\_\_\_  
Kassi Bateman, City Clerk



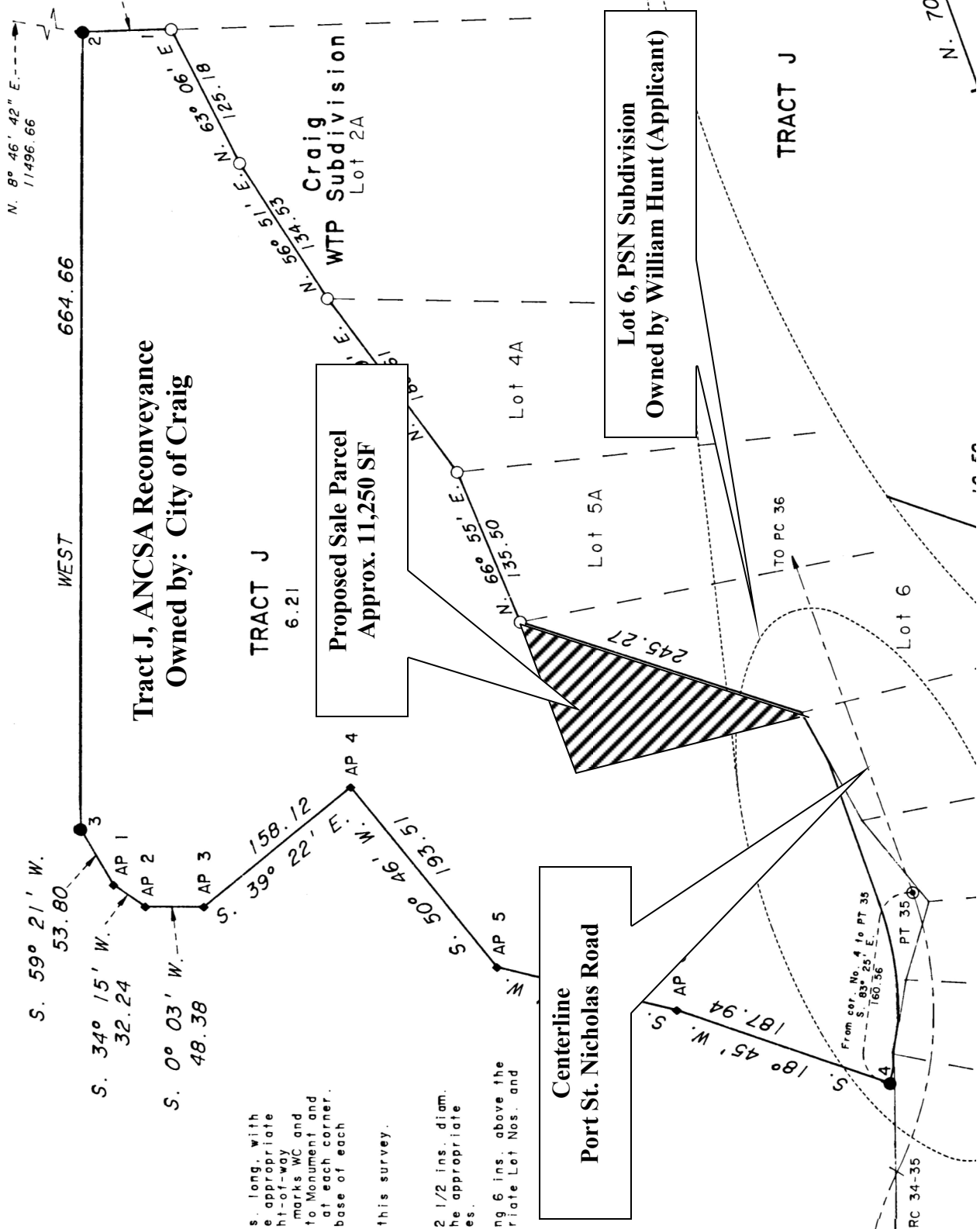
APPROX. SIZE OF LAND REQUESTED FROM CITY 11000 <sup>sq</sup> FT

BILL HUNT  
5.1 MILE PORT SAINT NICHOLAS RD  
PO BOX 1140  
907 826 5373 HOUSE  
425 922 9221 CEL  
ofishohook@aol.com



PURPOSE BUILDINGS

BILL HUNT  
5.1 MILE PORT SAINT NICHOLAS RD  
PO BOX 1140  
907 826 5373 HOUSE  
425 922 9221 CEL  
ofishohook@aol.com



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**CITY OF CRAIG  
ORDINANCE No. 703**

CHANGING SECTIONS 2.04.045, 02.04.260 OF THE CRAIG MUNICIPAL CODE,  
REGARDING COMBINING OF OFFICES

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

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

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

Section 4. Action. This ordinance amends Sections 2.04.260 of the Craig Municipal Code by deleting the items shown with strikethrough text (~~strikethrough~~) and by adding the underlined text, as follows:

**2.04.045 Mayor's ~~salary~~ compensation**

The mayor of the city shall receive compensation, ~~a salary~~, such ~~salary~~ compensation to be established by the city council by resolution. The mayor may not receive any other compensation for service to the municipality. Per diem payments or reimbursements for expenses are not compensation under this section.

**2.04.260 Combining of Offices.**

No person shall serve simultaneously as mayor and as member of the council. Two or more administrative or appointive offices may be combined and a salary paid for each. Neither the mayor nor any member of the council shall serve in any administrative or appointive capacity except that the council may contract with the mayor or a council person for contractual services for a limited period of time where the person holding office has skills or a background which makes the person especially qualified to render the service contracted for. Except as provided in 2.04.045 the council shall fix by ordinance the salaries compensation of city council members by a stand-alone ordinance. ~~Salaries Compensation~~ of city council members ~~elected officers~~ may not be reduced during a term of office. ~~An elected officer~~ A city council member may not receive any other compensation for service to the municipality. Per diem payments or reimbursements for expenses are not compensation under this section.

Passed and approved this \_\_\_ day of \_\_\_\_\_, 2017.

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

Attest \_\_\_\_\_  
Kassi Mackie, City Clerk

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Kassi Mackie, City Clerk  
Date: October 13, 2017  
RE: Ordinance No. 703

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The council may recall prior discussion regarding the mayor and council compensation. This ordinance proposes changes to section 2.04.045 that would allow the council to set the compensation for the mayor by resolution, deleting the terms “salary”. This change also adds that the mayor will not be compensated in any other manner. It was pertinent to address this code section, as section 2.08.030 explicitly states that the mayor is not a member of the city council.

Changes to section 2.04.260 provide for ordinances fixing the compensation of the council to be stand-alone and independent from the budget process.

Please note that the draft attached does not propose to change 2.04.280 which sets the council compensation at \$50 per month.

**Recommendation**

Approve Ordinance No. 703 at second reading.



# **SOUTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION**

## **Request for Proposals (RFP)**

### **2018 Port Asumcion Rearing Program**

Southern Southeast Regional Aquaculture Association, Inc., (SSRAA), is soliciting bids from interested parties to conduct rearing operations for the spring of 2018 season at its Port Asumcion rearing site located in southern Southeast Alaska.

SSRAA is a regional non-profit aquaculture association based in Ketchikan, Alaska. SSRAA's mission is to enhance and rehabilitate salmon production in Southern Southeast Alaska to the optimum social and economic benefit to salmon users. SSRAA operates eight production salmon hatcheries/facilities and four remote release rearing sites. SSRAA rears and releases approximately 180 million chum, 7.5 million coho, and 2.1 million chinook smolt annually.

#### Location of Project

Port Asumcion is located on Baker Island off the west coast of Prince of Wales Island and is approximately 18 miles west of Craig, Alaska at coordinates 55° 22'18" N / 133° 33'18" W. This is a remote site only assessable by boat or float plane.

#### Description of Project

This is a new project that will become operational in late January or early February of 2018. The site will be comprised of five 40'X40' net pens and a 24'X50' barge for fish food and equipment storage. The barge will have a structure utilized for dry storage and temporary quarters for visiting SSRAA employees whom will be conducting periodic site visits. Approximately eight (8) million chum fry and 400,000 coho smolt will be reared and released in 2018. The project dates will run annually from approximately mid-January through mid-May or approximately 120 days. Based on environmental conditions and rearing performance, the dates of operations could vary slightly year to year. Length of work day will typically vary from between 6-10 hours/day.

#### Scope of Contractor Services Required

- Provide an adequate live-aboard vessel, skiff and outboard, fuel, food and living supplies, and all other expenses associated with crew wages, and operation of equipment provided by contractor.
- Provide a minimum of two people, from approximately mid-January to mid-May for the rearing of fry and smolt per size goals and release objectives prescribed by SSRAA staff.
- Contractor will provide 24 hours/day, 7 days/week presence at rearing site for security. Occasional day trips to Craig for resupply will be allowed with the approval of SSRAA staff.
- Assist with mobilization of the site in Craig, Alaska and Port Asumcion including: barge prep, loading fish food and all equipment and supplies, deploying rearing nets, and general site set-up.
- Fish culture duties will include: feeding fish to achieve desired growth and health performance, net cleaning, weekly growth sampling, removing rearing mortalities, and performing end-of-season fish health assessments and compiling rearing summaries.

- Maintain rearing records to include: recording daily water temps, weekly growth sampling, daily feed amounts fed, daily mortalities, weekly fish inventory, keeping a daily diary of all activities, and other pertinent data/records as specified by SSRAA staff.
- Maintenance duties will include: servicing generator and other equipment, maintaining and repairing nets and net pen structures, and maintaining barge and other infrastructure.
- Conduct scheduled daily welfare checks and daily/weekly operational status updates to specified SSRAA personnel.
- Perform miscellaneous fish culture tasks and maintenance to infrastructure as needed or required by SSRAA staff.
- Upon completion of rearing operations, assist with end-of-season demobilization of site including: pulling rearing nets for cleaning, general clean-up of barge, equipment, rearing site, trash removal to Craig, Alaska, and gear maintenance and storage.
- Maintains vessel and crew insurance.

#### SSRAA Responsibilities

- Provide oversight and on-site training of standard rearing procedures and provide clear expectations of goals to be accomplished.
- Provide all equipment and supplies needed for rearing operations that are not listed under the Contractor Services above.
- Provide communications gear such as satellite phone, cell signal booster equipment, inReach, or single side band equipment.
- Provide SSRAA personnel as needed to assist in specific tasks or general operations as needed.
- Mobilize barge to and from Port Asumcion by contracted licensed tow boat.
- SSRAA maintains comprehensive liability insurance and will name contractor as additionally insured.

Interested applicant should complete the attached Proposal Form, detailing a lump-sum bid price for the 120-day contract and a daily rate in case additional days are necessary, names and qualifications of crew to perform work, specifications and capabilities of the live-aboard vessel and skiff, communications ability, and other relevant information that would assist SSRAA in selection of a contractor.

SSRAA reserves the right to reject any or all proposals received; to negotiate different terms and conditions which may differ from the initial proposals received; and to award any access licensing contracts in a manner which is determined to be the most beneficial to SSRAA.

**Please direct all responses to this RFP and/or any questions to:**

Bret Hiatt  
 Southern Southeast Regional Aquaculture Association, Inc.  
 14 Borch Street  
 Ketchikan, Alaska 99901  
 Ph. 907-228-4393 or [breth@ssraa.org](mailto:breth@ssraa.org)

**All proposals must be submitted by no later than 4:00 pm December 1<sup>st</sup>, 2017**

**SSRAA Port Asumcion Rearing RFP Form - Please complete all sections**

**Personnel**

Contractor Name: \_\_\_\_\_ Dates Available: \_\_\_\_\_

Experience (fisheries, maritime, fish culture, etc.):

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Additional Crew: \_\_\_\_\_ Dates Available: \_\_\_\_\_

Experience (fisheries, maritime, fish culture, etc.)

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**Live-aboard Boat and Equipment**

Name of vessel: \_\_\_\_\_ Construction: \_\_\_\_\_ Year Built: \_\_\_\_\_

Power: \_\_\_\_\_ Length and Width: \_\_\_\_\_ Speed: \_\_\_\_\_ # Berths: \_\_\_\_\_

Fuel Capacity/Types: \_\_\_\_\_ Skiff Size /HP: \_\_\_\_\_

Electronics/Communications Gear: \_\_\_\_\_

**Administrative**

Lump sum bid amount, all inclusive: \_\_\_\_\_

Daily rate if additional time is needed: \_\_\_\_\_

Insurance agent and policy type/limits: \_\_\_\_\_

**Narrative** - *Add additional pages as necessary*

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THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Department of Fish and Game**

OFFICE OF THE COMMISSIONER  
Headquarters Office

1255 West 8th Street  
P.O. Box 115526  
Juneau, Alaska 99811-5526  
Main: 907.465.4100  
Fax: 907.465.2332

October 9, 2017

Dear Mr. Morelli, Ms. Kelley, and other Southeast interests:

Commissioner Cotten received your letter dated August 28, 2017, and has asked me to reply on his behalf. I would like to add my sincere apology for the tardiness of this response; my schedule has been rather hectic and I am hopeful that you can appreciate that contemporary challenge.

The Alaska Department of Fish and Game is well aware of the economic, societal, and small community implications of our actions. However, as the axiom goes, conservation is not free and if ignored or not adequately addressed, it has the habit of offering a long standing reminder. As Alaskans, we recognize how long salmon stock rebuilding can take.

As you may or may not be aware, the Pacific Salmon Commission will soon be publishing a comprehensive salmon economic valuation study that catalogs the value of this resource to all of the member parties coast wide. This is the first such document produced by the commission, and accounts for the value placed upon this resource both recreationally and commercially and includes the years 2012-2015. It is my understanding that it will be published and placed on the Pacific Salmon Commission website by Friday, October 13, 2017. I hope you will find this report useful, as it will contain pertinent economic information germane to Southeast salmon fisheries.

There appears to be a misunderstanding with the use of the term 'quota' as opposed to an 'allowable catch'. The abundance index generated by the Pacific Salmon Treaty Chinook model generates an index number, which is translated into a total allowable catch of Chinook that can be harvested within our Southeast fisheries. The use of the term quota has a connotation that suggests this is a fixed share or an amount entitled to, when in reality it is an upper catch limit that cannot be exceeded. As you have cited within your letter, the abundance index and total allowable catch has been reduced over the last several years and, as you are well aware, we have not met our other treaty obligation: Southeast Chinook salmon escapement goals. This connection simply cannot be ignored if conservation is at the root of our salmon management system. It is unfortunate that both the abundance index and our Southeast Chinook production are at lower levels. There are some things that are beyond our control and production within the ocean environment is one.

As to the question of how many Chinook salmon destined for Southeast streams were saved by the action taken in August, that number truly may never be adequately quantified or estimated. It could be anywhere from 500 to several thousand depending on a number of factors that are too numerous to catalog. The primary motivation relative to this action was to preserve fish that are

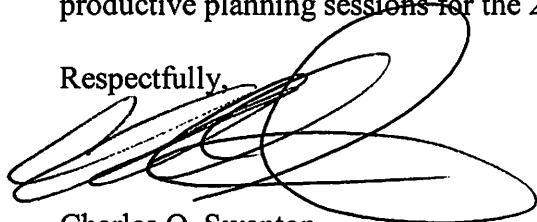
destined for the 2018 escapement and runs which we have characterized several times as likely to be worse than what was experienced in 2017.

I recognize that actions promulgated by the department came as a surprise; however, with the impending opening of the troll fishery for coho salmon slated for early August, there simply was inadequate time. I firmly believe that action, on behalf of Chinook salmon, was imperative. As a means to improve communication and consultation on management activities, we have invited industry to start working with the department cooperatively to design a system that will allow some harvest opportunity while addressing our primary ongoing issue of meeting our established escapement goals for the 2018 season.

In addressing the management action taken by Alaska without commensurate action taken by other parties (namely Canada and Washington), I did reach out to Canada and had several conversations expressing what our actions were and that perhaps similar actions could be taken within the respective party's fisheries. I have neither authority nor basis for demanding that such action be taken. There is nothing within the treaty, that I am aware of, that would obligate them to take companion actions within their fisheries. With a focus on the 2018 season, Alaska initiated a conversation with Canadian commissioners last week about implementing bilateral management measures for both Southeast and Northern British Columbia stocks that would meaningfully address our collective conservation objectives. As a result of that meeting, we agreed to redress the conversation in late November following the respective party's release of the 2018 preseason run forecasts. I am cautiously optimistic that we can make progress on our mutual interests in advance of the coming season.

I am hopeful that this correspondence addresses your concerns and we can fully engage in productive planning sessions for the 2018 season and beyond.

Respectfully,

A large, stylized handwritten signature in black ink, appearing to be 'C. Swanton', written over the word 'Respectfully,'.

Charles O. Swanton  
Deputy Commissioner

**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: October 12, 2017  
RE: Consider Approval of Purchase of New Alum Station

---

David Nelson and I worked together recently to secure price quotes for the purchase of a new alum station for use at the Craig Water Treatment Plant.

Alum is added to untreated water to precipitate out organics and other impurities during the water treatment process. The compound is an integral part of the process to manufacture raw water into potable water for distribution to the city’s water customers. The current alum station is twenty five years old, and well past its useful life. Water treatment staff has managed to cobble together repairs to the station over the past several years to keep it operational. Replacement of the station is listed as a priority in the city’s water system master plan document. In response to this need, the council appropriated \$40,000 to replace the station in the current fiscal year.

A summary of the quotes received is shown in the table below.

Bidder	Bid Price (FOB Seattle)
CP Crowley	\$22,541
USA Bluebook	\$23,882
AWC	\$26,200

The bid most advantageous to the city is from CP Crowley, in the amount of \$ 22,541.

In addition to payment to the vendor supplying the station, the city will incur costs with its supervisory control and data acquisition (SCADA) vendor to incorporate the alum station’s control panel with the larger SCADA system already in place. Additional costs will include freight of the station from Seattle to the water plant, and possibly contract work with an electrician to wire the data and power connections.

The station has a long lead time. Staff is anxious to work with the successful bidder to order the station and secure a place in the supplier’s production line.

**Recommendation**

Authorize staff to accept the quote from CP Crowley for the acquisition of an alum station, and authorize total project expenditures up to \$40,000 to make the station operational.

Recommended motion: I move to accept the quote from CP Crowley for the acquisition of an alum station, and authorize total project expenditures up to \$40,000 to make the station operational.

## **CITY OF CRAIG MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: October 13, 2017  
RE: Utility Rate Review Update

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As a follow up to discussions at recent city council meetings regarding the city's rates for water, sewer, and garbage, City Treasurer Joyce Mason and I met via teleconference today with Mr. Iura Leahu at the State of Alaska Division of Community and Regional Affairs (DCRA) to discuss the state's interest in completing a study of the city's utility rates.

Mr. Leahu stated that the division can prepare a rate study for Craig. He added that the division will first need some detail of what the city hopes to accomplish with the rate study, followed by revenue and expense and other data from the city for those utilities. Once all the data is in hand that the division will need about 60 days, or perhaps longer, to complete its report.

At this point the council should provide staff with direction that we can pass on to DCRA so that staff there will know what to prepare for council review. Based on today's teleconference, the council can select a scope of work from the options below.

1. Evaluate the city's water, wastewater, and solid waste utility rates and make recommendations on how and if to adjust rates to meet operating standards set by the Rural Utility Business Advisor program, or other applicable standards recognized by the state.
2. Evaluate the structure of the city's water, wastewater, and solid waste utility billing and make recommendations on how and if to change the billing structure to meet operating standards set by the Rural Utility Business Advisor program, or other applicable standards recognized by the state.

DCRA staff tells us that the rate studies they perform are usually completed in communities smaller than Craig. However their rate study work can be applied to Craig. An example of a recent rate study completed by the division for the City and Borough of Yakutat is attached for your review.

I told Mr. Leahu that city staff will contact him on October 20, the day following the council's next meeting, to provide him direction from the Craig city council on the scope of work for the review.

### **Recommendation**

That the city council provide direction to staff on whether to request DCRA complete a review of Craig's utility rates, and if a review is needed then set the scope of the review.

**City and Borough of Yakutat  
Water/Sewer Utilities Rate Study  
Narrative**

First off, I would like to thank the City and Borough of Yakutat staff for their courtesy, professionalism, and effort assisting me with the information necessary to complete the study. I would especially like to thank Connie Klushakan, Mickell Schumacher, Rhonda Coston, Ron Beattie, and Jon Erickson.

The following rate study provides a snap shot of the current fiscal situation for the water and sewer utilities in the City and Borough of Yakutat. Annual calculations were tabulated using the Gov. Collect Software, Profit and Loss report through March of 2017, provided by City and Borough of Yakutat, Finance Director, Connie Klushakan. In order to conduct a rate study, expenses and revenues must be formulated for an entire fiscal year. The numbers are weighted, noting that July – March only accounts for 75% of the entire fiscal year.

The City and Borough Yakutat has a collection rate of roughly 98%, which is great, but expectations should not stop there. The City and Borough of Yakutat should look at mechanisms to increase this rate to 100%. Enforcement of utility payments is not an easy endeavor for any community, but the State of Alaska can provide assistance. The City and Borough of Yakutat has an assigned Rural Maintenance Worker, Kevin Schoneman (# 269-7571 or [kevin.schoneman@alaska.gov](mailto:kevin.schoneman@alaska.gov)), who will provide assistance upon request from the borough.

The rate study shows that the City and Borough of Yakutat provides water at a rate of approximately \$4.73 per 1000 gallons. The City and Borough of Yakutat currently has a metered rate schedule of \$3.59 per 1,000 gallons; \$2.43 per 1,000 gallons over 30,000 gallons, and \$1.90 per 1,000 gallons over 100,000 gallons. None of these rates are commensurate with the actual cost of providing water.

The City and Borough of Yakutat has an approximate surplus of \$15K annually. The rate study below includes the cost of operations, management, repair & replacement of critical spare parts, and capital fund savings. I do not include the cost of depreciation for the capital assets. I do not include capital assets depreciation, because in the event that the system were to fail or wear out over time, the City and Borough of Yakutat would likely only have to provide 10% of the cost (capital savings) to replace the system. Passing the entire cost of depreciation onto the consumer would be a significant financial burden, and in the unlikely event that the system fails, or were to wear out over time, the City and Borough of Yakutat would not have to provide the funds to replace the system in its entirety.

The following pages include an analysis of expenditures and revenues associated with providing water/sewer treatment, distribution and collection in the City and Borough of Yakutat. If there are any questions concerning the calculations, please do not hesitate to contact me and I can disseminate to you how I tabulated the numbers.



**City & Borough of Yakutat (CBY)  
Water & Sewer Utility Rate Study**

**City and Borough of Yakutat Expenditure Analysis for Water & Sewer Utilities**

In this section I provide an analysis of the cost of providing water and sewer services to the City and Borough of Yakutat. This includes the cost of operations and management, repair and replacement of critical spare parts, and the cost of capital fund savings.

**Note:**

- Annual calculations were tabulated using the Accounting Software Profit and Loss report through **March of 2017**, provided by City and Borough of Yakutat, Finance Director, Connie Klushakan.
- In order to conduct a rate study, expenses must be formulated for an entire fiscal year. The numbers are weighted, noting that July – March only accounts for 75% of the entire fiscal year.
- Salaries were based on FY17 budget expectations and are not weighted. A percentage of Public Works Manager’s salary was added to account for the time the Public Works Manager Ron Beattie, spends working on issues associated with the water and sewer utility.

**Operations and Maintenance Cost  
Water & Sewer**

Salaries

• F/T Water & Sewer Operator	\$47,240.00
• Maintenance Assistance	\$13,036.00
• Mechanic	\$950.00
• Accounting Support	\$6,540.00
• Management (Ron 40% of Annual Salary)	\$25,910.10
• Overtime	\$58.40
FICA	\$5,233.07
ESC	\$562.61
Workers Comp Insurance	\$3,832.63
Health & Life Insurance	\$35.88
Employee Retirement	\$10,873.33
Travel & Per Diem	\$1,133.33
Travel & Lodging	\$660.00
Materials & Supplies	\$33,872.83
Chemical & Testing	\$12,272.87
Training	\$600.00
Utilities – Lights	\$37,852.36
Utilities – Heating Fuel	\$5,704.00
Fuel - Equipment	\$1,448.40
Auto Gasoline/Oil	\$2,865.70
Postage	\$787.17
Insurance	\$7,687.00
Dues & Subscriptions	\$305.00
Contract Services	\$0
Repairs and Maintenance	\$7,733.83
Equipment Repair and Replacement	\$0

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**Total =\$227,194.51**

Next, it's necessary to calculate repair and replacement (R&R) costs for the utilities. There are certain parts of the water and sewer utility that are critical to the operations. Those parts can be expensive and over time they will eventually need to be replaced; it's important to save up enough funds for replacing critical parts necessary for the operations of the utilities before they wear out or break. The amount of R&R costs depends on the cost of the parts in the system and how often they need to be replaced. The worksheet below will help configure an approximate amount of money needed be set aside **each year** to cover the repair and replacement of critical parts for the water and sewer treatment, collection, and distribution.

**Note:**

- This information was garnered using a critical spare parts list created by City and Borough of Yakutat, Public Works Manager, Ron Beattie.

**R&R - Costs**

<b>Name of Part</b>	<b>Cost of Part</b>		<b>Expected Life (Years)</b>		<b>Yearly Amount</b>
(S)Chemical Injection pump (WW)	\$3,500.00 x 4	÷	10	=	\$1,400.00
Lift Station Pump & Motor	\$6,500.00 x 3	÷	20	=	\$975.00
Impeller & Seal Kit	\$1,000.00 x 3	÷	5	=	\$600.00
Rotary Screen Motors	\$1,000.00 x 2	÷	20	=	\$100.00
(W) Chemical Injection Pump	\$1,000.00 x 2	÷	20	=	\$100.00
Primary Booster Pump Motor	\$700.00 x 1	÷	20	=	\$35.00
Lag Pump Motor	\$750.00 x 1	÷	20	=	\$37.50
<b>Total amount to be set aside for R&amp;R costs each year: \$ 3,247.50</b>					

Another fund that should be calculated in order to insulate the community from large expenses that occur in the event that the entire water treatment/distribution and sewer system needs to be replaced is a capital fund. In the event that the water treatment and distribution system were to fail, or wear out over time, the City & Borough of Yakutat would likely have to appropriate 10% of the entire cost of the system in order for the system to be replaced by state and federal grants.

**Note:**

- Cost of assets was determined using information from City and Borough of Yakutat Capital Assets Spreadsheet for Water & Sewer, provided by City and Borough of Yakutat, Finance Director, Connie Klushakan.
- I added 10% to the total value of assets to approximate for inflation. This is a conservative estimate.

Total Cost of Assets	Total Cost of Assets + Approximate Inflation	10% of Assets	Yearly Contribution Based on 30 Year Life Expectancy
\$6,353,613.29	\$6,353,613.29 + \$635,361.33 = \$6,988,974.62	\$698,897.46	<b>\$23,296.5</b>

Capital Assets Annual Fund = **\$23,296.58**

	<b>Annual O&amp;M Costs:</b>	<b>\$227,194.51</b>
+	<b>Annual R&amp;R Costs:</b>	<b>\$ 3,247.50</b>
	<b>Annual CF Costs:</b>	<b>\$ 23,296.58</b>
		<b>Total=\$253,738.59</b>

\$253,738.59 represents the approximate amount the City and Borough of Yakutat uses to provide water and sewer services to the residents on an annual basis. This includes operations, management, repair & replacement of critical spare parts, and capital fund savings.

## City and Borough of Yakutat Revenue Analysis for Water & Sewer Utility:

In this section I provide an analysis of the revenue generated from consumers who utilize water and sewer services provided by the City and Borough of Yakutat. This includes the revenue generated from the residential and commercial consumers of the water and sewer utility and is broken down per designation. I also include an analysis of the cost of the discounts the City and Borough of Yakutat has approved through ordinance.

**The City & Borough of Yakutat is currently charging a monthly flat rate of:**

### WATER

<b>Designation – Domestic Flat Rate</b>	<b>Current Rate</b>
Single Family Dwelling	\$41.00
Multiple Family Dwelling	\$41.00
Trailer Park	\$41.00

### WATER

<b>Designation – Commercial Flat Rate</b>	<b>Current Rate</b>
Restaurant	\$83.00
Bar	\$83.00
Club w/restaurant & bar	\$102.00
Garage	\$51.00
Meeting hall / Church	\$25.00
Offices	\$34.00
Laundromat	\$102.00
School	\$685.00
Store / Retail	\$83.00
Lodging	\$20.00 per unit \$80.00 minimum
Fish Processor (small unmetered)	\$83.00

### WATER

<b>Designation – Commercial Metered Rate</b>	<b>Current Rate</b>
0 – 30,000 gallons per month	\$3.59 per 1,000 gallons
30,001 – 100,000 gallons per month	\$2.43 per 1,000 gallons
100,001 - +	1.90 per 1,000 gallons

### SEWER

<b>Designation – Domestic Flat Rate</b>	<b>Current Rate</b>
Single Family Dwelling	\$43.00
Multiple Family Dwelling	\$43.00
Trailer Park	\$43.00

### SEWER

<b>Designation – Commercial Flat Rate</b>	<b>Current Rate</b>
Restaurant	\$83.00
Bar	\$83.00
Club w/restaurant & bar	\$105.00
Garage	\$52.00
Meeting hall / Church	\$26.00
Offices	\$34.00

Laundromat	\$105.00
School	\$703.00
Store / Retail	\$83.00
Lodging	\$20.00 per unit \$80.00 minimum
All others not listed	\$386.00
Fish Processor (small unmetered)	\$83.00

**SEWER**

Designation – Other Services Flat Rate	Rate
Sewer Dump	\$150.00
Sewer Pump Truck & Dump	\$175.00
Pump Truck Operator Time	\$30.00 per hr. – 1 hr. minimum

**I provide a short analysis of the following approximations per designation: total monthly revenue, total annual revenue/monthly billing/annual billing/rate collection.**

**Note:**

- The following numbers fluctuate from month to month, due to the realities of providing service in a rural municipality in Alaska. People leave the borough and people arrive in the borough on a monthly basis, and designations change from month to month depending on the services provided.
- The City and Borough of Yakutat provides prorated services, which accounts for the inclusion of fractional numbers.
- The discounted 10% rate for consumers who pre-pay for the services also accounts for fractional numbers.
- The following numbers are approximates, based on FY17 year-to-date revenues.
- In order to conduct a rate study, expenses must be formulated for an entire fiscal year. The numbers are weighted, noting that July – March only accounts for 75% of the entire fiscal year. This process may account for slight variations with actual revenues at the end of FY17.
- \* Represents commercial entities that utilize the 10% discount. This does not account for all the entities represented in the respective designation, it just notes that at least one of the entities within that designation utilizes the discount.
- The approximated revenue for FY17 is highlighted in **red text** below.

**WATER:**

Designation	Appx. Total Monthly Revenue	Appx. Total Revenue Per Annum	Appx. Monthly Billing	Appx. Annual Billing	Appx. Collection Rate
*Residential	\$6,995.43	\$83,945.16	\$7,080.50	\$84,966.02	98.8%
Commercial – Restaurant	0	0	0	0	0
Commercial – Bar	\$83.00	\$996.00	\$83.00	\$996.00	100%
Commercial – Club w/restaurant and bar	0	0	0	0	0
Commercial – Garage	0	0	0	0	0
*Commercial	\$95.00	\$1,140.00	\$95.00	\$1,140.00	100%

– Meeting Hall / Church					
*Commercial – Offices	\$333.20	\$3,998.40	\$333.20	3,998.40	100%
Commercial – Laundromat	0	0	0	0	0
*Commercial – School	\$616.50	\$7,398.00	\$616.50	\$7,398.00	100%
Commercial – Retail	\$249.00	\$2,988.00	\$249.00	\$2,988.00	100%
*Commercial – Lodging / Alaska Housing Authority	\$1,460.00	\$17,520.00	\$1,460.00	\$17,520.00	100%
Commercial – Fish processing (small)	\$166.00	\$1,992.00	\$166.00	\$1,992.00	100%
	Total = \$9,998.13	Total = \$119,977.56	Total = \$10,083.20	Total = \$120,998.40	Total = 99%

**Note:**

- The following table represents metered water utility revenue. There are 6 separate commercial entities that utilize metered rates. The amount of water utilized by these entities fluctuates from one designation to another and from month to month. Due to time restrictions, I was not able to flush out approximate for each entity. Instead, I provide an overall approximate revenue for the entities that utilize metered rates.

**WATER**

Designation – Commercial Metered Rate	Number of Units	Appx. Total Monthly Revenue	Appx. Total Revenue per Annum	Appx. Monthly Billing	Appx. Annual Billing	Appx. Collection Rate
	6	\$1,920.85	\$23,050.19	\$1,920.85	\$23,050.19	100%

**Number of consumer units per designation & percentage of total revenue**

**SEWER:**

Designation	Appx. Total Monthly Revenue	Appx. Total Revenue Per Annum	Appx. Monthly Billing	Appx. Annual Billing	Appx. Collection Rate
*Residential	\$6,485.26	\$77,823.12	\$6,636.85	\$79,642.20	98%
Commercial – Restaurant	0	0	0	0	0
Commercial – Bar	\$83.00	\$996.00	\$83.00	\$996.00	100%
Commercial – Club	\$105.00	\$1,260.00	\$105.00	\$1,260.00	100%

w/restaurant and bar					
Commercial – Garage	\$0	\$0	\$52.00	\$624.00	0%
*Commercial – Meeting Hall / Church	\$98.80	\$1,185.60	\$98.80	\$1,185.60	100%
*Commercial – Offices	\$265.20	\$3,182.40	\$265.20	\$3,182.40	100%
Commercial – Laundromat	0	0	0	0	0
*Commercial – School	\$632.70	\$7,592.40	\$632.70	\$7,592.40	100%
Commercial – Retail	\$154.00	\$1,848.00	\$154.00	\$1,848.00	100%
*Commercial – Lodging / Alaska Housing Authority	\$1,360.00	\$16,320.00	\$1,360.00	\$16,320.00	100%
Commercial – Fish processing (small)	\$249.00	\$2,988.00	\$249.00	\$2,988.00	100%
Commercial – Sewer Other Establishments	\$347.40	\$4,168.80	\$347.40	\$4,168.80	100%
	Total = \$9,780.36	Total = \$117,364.32	Total = \$9,983.95	Total = \$119,807.40	Total = 98%

**Note:**

- The following table accounts for sewer and waste water services that are not billed monthly. These waste water services could be used more extensively one month to the next. The table accounts for charges through March of 2017. In any given month, these services could be utilized or underutilized, which would significantly increase or decrease the approximated calculations.

**SEWER**

Designation – Other Services Flat Rate	Rate	Appx. Monthly Revenue	Appx. Annual Revenue	Appx. Monthly Billing	Appx. Annual Billing	Collection Rate
Sewer Dump	\$150.00					
Sewer Pump	\$175.00					
Truck & Dump Pump Truck Operator Time	\$30.00 per hr. – 1 hr. minimum	\$697.00	\$8,364.00	\$840.50	\$10,086.00	83%

Total approximated annual water & sewer revenue for FY17 = (119,977.56 + 23,050.19 + 117,364.32 + 8,364.00) = **\$268,756.07**

The City and Borough of Yakutat provides the community with two distinct and separate discounts for water and sewer.

- 1.) Annual prepayment discount of 10%, if a customer pays for the entire year of services.
- 2.) Senior discount of 100% for every residential consumer of the service over 65 years of age.

**Note:**

- In order to conduct a rate study, revenue discounts must be formulated for an entire fiscal year. The numbers are weighted, noting that July – March only accounts for 75% of the entire fiscal year. This process may account for slight variations with actual cost of discounts at the end of FY17.

The following tables provides a cost assessment for the respective discounts per designation and per annum.

<b>Designation</b>	<b>Appx. Total Cost Per Annum Water</b>	<b>Appx. Total Cost Per Annum Sewer</b>
Residential Senior Discount 100%	\$19,516.00	\$19,837.33
Prepayment Discount of 10% Annual	\$2,868.24	\$2,658.00
	Total = \$22,384.24	Total = \$22,495.33
		Total = \$44,879.57

**Water/Sewer Utility Statistics for the City & Borough of Yakutat  
May, 2017**

**Total cost of annual water/sewer services: \$ 253,738.59**

**Average monthly cost of water/sewer service: \$21,149.14**

**Total water/sewer revenue: \$ 268,756.07**

**Budget surplus of: \$ \$15,017.48**

**Appx. Gallons per Minute (water): 102**

**Appx. Gallons per Day (water): 146,880**

**Appx. Gallons per Month: 4,553,280**

**Appx. Gallons per Year: 53,611,200 (525,600 Minutes Per year)**

**Cost of Water per gallon: \$0.00473 /gallon**

**Cost of Water per 1,000 gallons: \$4.73 /1,000 gallons (this is a little bit misleading, because it includes the cost of sewer services).**


If you have any questions about the approximations, or if you need more information, please do not hesitate to contact me.

Respectfully,

Ryan M. Wilson  
 Local Government Specialist III  
 State of Alaska, DCCED  
 Division of Community and Regional Affairs  
 # (907) 465-4813  
[ryan.wilson@alaska.gov](mailto:ryan.wilson@alaska.gov)



**CITY OF CRAIG  
MEMORANDUM**

To: Craig City Council  
From: Jon Bolling, City Administrator   
Date: October 1, 2017  
RE: Consider Offer to Public Works Director Candidate

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City staff has spent considerable time over the past few months recruiting a public works director to replace Ron McIntosh. Mayor O'Connor proposes to appoint to the position Mr. Russell Dill

Mr. Dill has been public works director for four years in rural community of Hardin, Montana, and has a decade of prior wastewater treatment experience. He traveled to Craig recently to meet with city staff and complete the interview process. Mr. Hardin's current and prior employers attest to his abilities to manage public works responsibilities. He seems to understand the dynamics that come from living and working in rural Southeast Alaska. A copy of Mr. Dill's resume is attached for your review.

Per Section 2.26.010 of the city's municipal code, the public works director is appointed by the mayor, and is subject to confirmation by the city council.

The public works director position is advertised at a salary range between \$5,027 and \$6,585 per month. If the appointment is confirmed by the council, staff will make a written offer to Mr. Dill at a salary within the advertised range.

**Recommendation**

That the council confirm, by motion, the appointment of Mr. Russell Dill to the position of Craig public works director

# Russell W. Dill

## Objective

To secure a position in a municipal water/wastewater treatment facility that will enable me to use my strong organizational skills, discipline, educational background, training and ability to work well with people.

## Key Skills

- Montana State Wastewater Certified
- California State Wastewater Certified
- Montana State Water Distribution Certified
- Maintenance/Repair of equipment
- Preparing State Compliance Documents
- Process Control by Analysis of Collected Laboratory Samples
- Operational Troubleshooting
- Confined Space Awareness Trained
- Basic Computer Skills

## Experience

- Public Works Director for City of Hardin, Montana 2013 - Present
- Chief Plant Operator for Laton Community Services District 2009 - 2013
- California Certified Wastewater Treatment Plant Operator Grade II 2009 - 2013

City of Hardin, Montana

2013 - Present

### Public Works Director

As the Public Works Director, I have planned, directed and coordinated a comprehensive public works program designed to assure services are being provided at the highest quality level; participating with the Mayor and City Council in determining overall policy and direction for the City affected by the public works program; administering and supervising functions of storm sewer maintenance, water and sanitary sewer utilities, solid waste collection and disposal, streets and parks.

Laton Community Services District

2004 - 2013

### Wastewater Treatment Plant Operator

I managed daily operations for a wastewater treatment plant and water system for Laton Community Services District. Such systems include: solids residual management, activated sludge wastewater, MSDS, waste removal programs, chemical feed pump adjustments and preventative maintenance. I've received consistently high BOD, and TSS removal percentages and achieved improved wastewater treatment. Basic familiarity with principles and practices of operating valves, pumps, and motors. I am proficient in principles and methods of biological nutrient analysis, effects and problems of domestic wastewater treatment processes, and complying with state regulatory and OSHA safe work practices. Operational duties include, but not limited to: state compliance sampling, performing in-house laboratory testing operating drying beds, monitoring and repairing of large equipment, (i.e.: clarifiers, aeration tanks, influent pumps, blowers, influent shredder, return activated sludge pump and diffusers), housekeeping and material stocking and inventorying.

Keller Motors

2003 - 2004

### Salesman

New and used automotive sales.

Morgan and Slates

2002 - 2003

### Farm Equipment Manufacturing

Structural fabrication of agricultural/dairy farm implementations.

United States Marine Corps

1995 - 2002

### Aviation Structural Mechanic

Installation and structural fabrication of aircraft parts.

## CITY OF CRAIG MEMORANDUM

To: Craig City Council  
From: Jon Bolling, City Administrator  
Date: October 12, 2017  
RE: Direction on Craig Municipal Code Section 2.04.260

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As the council is aware, Craig Fire Chief Mr. Timothy O'Connor was recently elected to the post of Mayor of Craig. Chief O'Connor's election to mayor raises a need to consider a section of the city's municipal code regarding the holding of administrative or appointive offices.

Section 2.04.260 of the municipal code addresses combining of offices. The section reads (in relevant part):

**2.04.260 Combining of offices.**

No person shall serve simultaneously as mayor and as member of the council. Two or more administrative or appointive offices may be combined and a salary paid for each. Neither the mayor nor any member of the council shall serve in any administrative or appointive capacity except that the council may contract with the mayor or a council person for contractual services for a limited period of time where the person holding office has skills or a background which makes the person especially qualified to render the service contracted for. (emphasis added)

The fire chief is an appointed, volunteer position. One can argue that the wording in 2.04.260 should apply in the case of a compensated city position, to avoid the consolidation of too much authority in one person, or to avoid positions that may have inherent conflict of interests. However the wording in the code is not that specific, and if taken at face value the text in the section unambiguously prohibits appointment of the mayor and council to administrative or appointive offices. Of course, council members are sometimes appointed to certain committees—the Craig Budget Committee for example—but that appointment is one that pursues a function (appropriation of funds) which only the council can do anyway. I think the prohibition on appointments is meant to preclude the mayor or a council member from performing tasks typically left to staff. What is needed here is an interpretation from the council on how to address Mayor O'Connor's position as fire chief.

There are at least two options that the council may consider here. One, direct staff to bring an ordinance exempting the fire chief position from those administrative and appointive offices prohibited to the mayor and council; two, after discussion, reach an interpretation that the existing code allows or prohibits the city's mayor from also holding the position of fire chief.

Given the city's organizational structure, I see few potential conflicts with the mayor also acting as fire chief. Even so, a resolution of how to interpret section 2.04.260 of city code is needed here.