

**CITY OF CRAIG
COUNCIL AGENDA
March 16, 2023
COUNCIL CHAMBERS 6:30 PM**

ROLL CALL

Mayor Tim O’Connor, Hannah Bazinet, Jim See, Julie McDonald, Michael Kampnich, Chanel McKinley, Millie Schoonover

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.

- Meeting Minutes of March 2, 2023
- Ordinance #754 – “Authorization for City Administrator to negotiate a lease of City Owned Property to Ken Quigley.”
- Ordinance # 755- “Authorization to Sell City Owned Property to Ken Quigley, Lot 2A”

HEARING FROM THE PUBLIC

- Open for public comment

READING OF CORRESPONDENCE

- Article on “Seaweed Farming”
- “WCF Lawsuit “Press Release
- Craig Harbor Committee Meeting Minutes

CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- Ordinance #753 “Supplemental Budget FY 2022”

UNFINISHED BUSINESS

- Accounting Software
- Island Daycare Request
- Craig Harbor Discussion

NEW BUSINESS

- Water Treatment Discussion

COUNCIL COMMENTS

ADJOURNMENT

To provide public comment to the council remotely, contact the Craig City Clerk at cityclerk@craigak.com, before 5:00 p.m. by the day of the council meeting. City council meetings may be viewed at: <https://www.youtube.com/channel/UCTou8Pn03MIEjLLb9Em0Xrg>.

**CITY OF CRAIG
COUNCIL MEETING MINUTES
March 2, 2023**

ROLL CALL

Mayor Tim O'Connor called the meeting to order at 6:30 p.m. Present was Julie. McDonald, Hannah Bazinet, Jim See, Millie Schoonover, Michael Kampnich, Chanel McKinley (run late), Timothy O'Connor

Staff Present: Brian Templin, City Administrator; Kimber Mikulecky, Treasurer, Telephonic; Kecia Weatherwax, City Clerk; Samantha Wilson, Planner; TSAI, EMS; Hans Hjort, Harbormaster; Patricia Gardener (Telephonic) Library ; RJ, Ely Police Chief,; Russell Dill, Public Works; Doug Ward, Absent

Audience Present: Clinton Cook, Rudy Bean

CONSENT AGENDA

1. City Council Meeting Minutes of February 2, 2023
2. Ordinance 753 # Supplemental Budget

SCHOONOVER/KAMPNICH

Moved to adopt the consent agenda.
MOTION CARRIED

REPORTS FROM CITY OFFICIALS

Administrator – Sent an e-mail out today about the school district setting up a joint budget meeting with the school and the council. We are looking at March 24th and possibly the 30th. Millie mentioned that she will be here for the 24th but not the 30th, Brian asked council if any of them had a preference for when the meeting happens and no one commented.

Treasurer – Submitted written report. Council did not have any questions. She did add that she had submitted a separate memo asking for budget committee members.

Planner- Samantha will be updating several items. Briefly discussed what was in her reports and what is coming up for her department and the Planning Commission.

City Clerk – Submitted a written report. I updated the council on the progress we have made on the property taxes and the training we had with the assessors. I explained how we are going about the process of doing this legally.

EMS – Submitted a written report. Council inquired as to how long we have been without a Medical Director. Brian explained the efforts that have been made and

Harbormaster- Submitted a written report. Discussed the people not turning hoses off all the way, and repairs. Kampnich asked if he considered replacing potentially repairing it in-house. Mayor, asked if the roof was nailed on and Hans explained the condition of the roof and he talked to a contractor. One concern was of how it has been “band-aided” together and he spoke with CVC last spring to discuss the repairs needed. Brian explained to council of how this has not been listed on the larger list of repairs.

Library Submitted a written report. Brian asked her to share any highlights. They completed their winter programming and they are kicking off their Spring Programming. They are about halfway through, through the last couple of days they have had over 26 participants adults and children. Doing exchange for three months and are doing well.

Police – Submitted a written report. Julie commented that she was pleased to see that staffing is going well. RJ explained how the court system is still not giving strict enough penalties for drug offenses. RJ stressed how important that there is an island-wide effort to reach out to the District Attorney and voice our concerns about this. Mayor also commented on how the law is not had enough on people who continue to sell drugs.

Public Works – Did not submit a written report. He has been busy and in training. We are currently experiencing problems at the wastewater treatment plant that have required his attention. We are losing water out of our tank very rapidly. His crew will be working extended hours for this, throughout the weekend. Weather has contributed to this problem, the new SCADA system is working., went on to discuss pressure loss. They are struggling to produce the water. They are doing the best they can to monitor the situation and working hard to get it up and running. Council commented on the snow removal and of what a good job his department is doing in the community.

Recreation – Submitted a report. Ellie shared about her new hire, and what a good job he is doing supervising the youth center. Julie commented on other possible resources for help with her. Millie also commented on how she has Easter posted up. Ellie also mentioned the upcoming dance for fourth graders she is having. She also informed the council of having to put a cap on participants due to not being able to rely solely on volunteers.

Parks and Public Facilities-No report. Brian explained how they were busy keeping the grounds clean and how busy they were with snow removal.

READING OF CORRESPONDENCE

- ANS letter honoring Council Member Millie Schoonover- Council congratulated her on her achievement and contribution to the community.
- “Thank you” Letter regarding Senior Citizens
- PAWS Request for repairs on building- Julie wanted to discuss the PAWS building in question. And whether or not it is a city owned building Brian explained how PAWS keeps their animals there. Tsai and Samantha identified their selves as board members and explained the nature of the repairs requested. RJ also explained how the police use this budding for stray animals and how they are compensated for boarding, feeding and walking the animals who are picked up. He said it is still a functioning dog pound, it is basically on the radar to be repaired.
- Island Daycare Donation Request- Council wanted more information about their request and have will be requesting to see their business plan before they take any further action. Brian will put her on the agenda for the next council meeting.

CONSIDERATION OF RESOLUTIONS AND ORDIANCES

- **Resolution 23-04 “Wastewater Treatment Plant Roof Project” -**
SCHOONOVER/KAMPNICH Motion to pass and adopt.
Resolution 23-04
Motion passed with Roll
call Vote.
- **Resolution 23-05 “Upgrade Craig SCADA System”**
KAMPNICH/MCDONALD Motion to pass and adopt.
Resolution 23-05
Motion passed with Roll.
call Vote

UNFINISHED BUSINESS

- **Reappointment of Planning Commission-** Samantha re-advertised the position and there were no applicants interested. There was no other interest beyond what we have. Kmapnich moved to re-appoint Barbara Stanley and someone seconded Motion passed unanimously.
- **Craig Harbor Project Update Discussion-** Brian stated he was not looking for any point of order, but just wanted to update the council. Brian updated the council on the status of a report that they have been waiting to review. They are a week and a half behind getting the report out. There has been a drastic change in direction regarding the timeline and we are just waiting to see the report before we can determine whether or not it is possible to proceed.

NEW BUSINESS

1. Appropriation of Jail Funds

Move to Appropriate
\$8,630.68 to pay for
Pro Comm Alaska
from the General
Fund

SEE/SCHOONOVER

MOTION PASSED
With Roll Call Vote

2. **Budget Committee Selection**-Millie volunteered, Chanel and Hannah also said they would like to be on the Budget Committee. Tim said he could not guarantee it but he would try and work it in so he can also participate. Brian said they would be looking at late March and that Kimber would reach out to them and set up a date and time to meet.

3. **Architect Contract Approval**- Brian explained that Patricia had written a grant and that they needed to select an architect to complete the assessment.

BAZINET/MCKINLEY

MOTION PASSED
With Roll Call Vote

COUNCIL COMMENTS

Councilman Kampnich inquired as when our last strategic plan was done. Brian said the last time was 2019, normally comprehensive plans are done on a 5–10-year age gap.

Councilwoman McKinley commented on a discrepancy in the last meeting minutes, regarding the order of who and who was not present.

Councilwoman Schoonover appreciate the road crews work and commented on how well it looked. Next council meeting will be March 16, 2023.

ADJOURNMENT

KAMPNICH/SEE

Moved to adjourn at
7:30 p.m.
MOTION CARRIED.

APPROVED ON THE _____ DAY OF _____ .2023

TIM O'CONNOR, MAYOR

KECIA WEATHERWAX, CITY CLERK

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Samantha Wilson, City Planner
Date: March 8, 2023
RE: Ordinance 754 – Authorization for City Administrator to negotiate a lease of City Owned Property to Ken Quigley

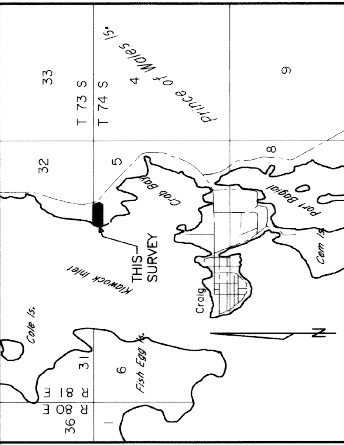
Ken Quigley has applied to lease a 50' x 90' (4,500 square feet) portion of Lot 4A, JT Brown Subdivision, 120 JT Brown Drive, to provide storage and employee parking related to business activities on adjacent Lots 2A and 3A.

This leased area has been utilized by Ken Quigley for the same stated use via access permit for the last two years. A 12-month extension to the original 12-month access permit was approved last May through the city council by resolution. Access permits may only be approved continuously for up to 24 months. The extension expires April 30th, 2023.

As a standard lease, the minimum rate may be no less than eight percent of the property value as determined either through appraisal, assessment, or use of the consumer price index to adjust the rental rate from a pre-existing value. Appraisals or assessments must have taken place within the last 12 months to be utilized. As the property in question has not been leased and the property is untaxable, there is currently no assessment value, leaving either an appraisal (at the cost of the applicant) or utilization of the consumer price index to adjust the rental rate.

Approval of this ordinance allows the City Administrator to negotiate the terms of the lease with Ken Quigley. Two readings must take place before the ordinance can be passed. As is standard with leases of city owned property, the final terms of the lease will be brought back to the council for final approval.

Recommendation: Pass the first reading of Ordinance 754.



VICINITY MAP - Craig B-4, 1949 (Rev. 1989) Scale 1" = 3400'

CERTIFICATE OF OWNERSHIP AND DEDICATION

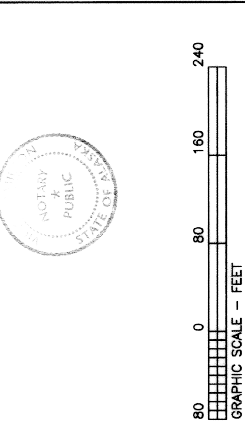
We hereby certify that we are the owners of Lots 2A, 3A and 4A JT Brown Subdivision, that we do approve of this survey and plot and that we do for ourselves, our heirs, and assigns dedicate, donate, and convey to the public all right-of-way / alleys / public utility areas / easements / other public ways as shown hereon.

Thomas Briggs May 24, 2002
 Director

NOTARY'S ACKNOWLEDGEMENT

Subscribed and sworn before me this 24th day of May, 2002.

Personally appeared *Thomas Briggs*
Vicki Hamilton
 Notary Public for the State of Alaska
 My Commission Expires 8-13-05



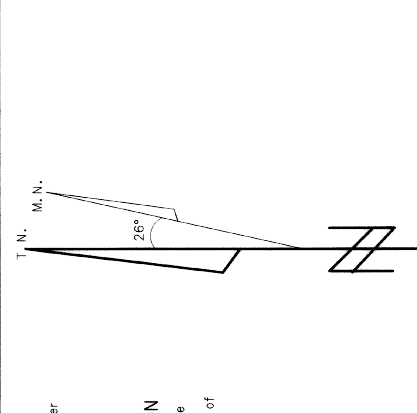
PLAT OF:
 Lots 2A, 3A and 4A, JT Brown Subdivision
 A REPLAT OF LOTS 2-4, JT BROWN SUBDIVISION
 Plat 2002-11

LOCATED WITHIN:
 SEC 5, T 74 S, R 81 E, GRM, ALASKA
 KETCHIKAN RECORDING DISTRICT

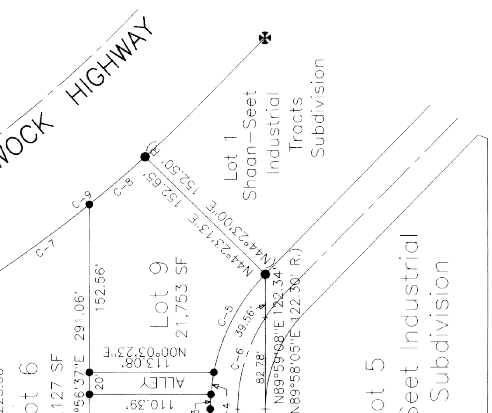
Surveyed For:
 City of Craig
 PO Box 725
 Craig AK 99921

Surveyed By:
 TEMPLIN LAND SURVEYING
 PO BOX WWP - WHALE PASS
 KETCHIKAN, AK, 99950
 (907) 846-5120

Scale: 1"=80' Date: 03/12/02 Drawn By: B.L.T. Checked By: File No.: CGA-F-12



Source: Craig "B-4" Quad
 Rev. 1986



UNSUBDIVIDED REMAINDER SECTION 32
 BASIS OF BEARINGS
 PLAT 97-31, KETCHIKAN RECORDING DISTRICT
 891.79' (891.81' R)

UNSUBDIVIDED REMAINDER
 LOT 2, SECTION 5

TAX STATEMENT

I hereby certify that all ad valorem taxes, special assessments, and other charges required by law to be placed on the tax rolls have been paid.

Vicki Hamilton 5-24-02
 City Clerk

APPROVAL BY CITY OF CRAIG PLANNING COMMISSION

This final subdivision plat has been reviewed and approved, in accordance with the Craig Land Development Code - Subdivision Ordinance. All dedications to the public have been inspected and accepted by the City of Craig.

Ken Bell 5-24-02
 City Planning Official

Karen Stafford 5-23-02
 Presiding Officer - Planning Commission

Crystal & Bureau 5-23-02
 Planning Commission Member

NOTES:

1. The subsurface estate within this subdivision is owned by Sealaska Corporation, and that an easement for use of the subsurface is recorded at Book 260, pages 282-285, Ketchikan Recording District.

CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA	CHL BEARING	CHORD
C-1	40.00'	82.83'	90°00'00"	N45°03'23"E	56.57'
C-2	20.00'	31.42'	90°00'00"	N45°03'23"E	28.28'
C-3	175.00'	13.33'	4°21'56"	S87°46'10"E	1.33'
C-4	175.00'	20.19'	8°36'39"	S82°16'53"E	20.18'
C-5	175.00'	101.95'	33°22'41"	S62°17'20"E	100.51'
C-6	150.00'	87.69'	33°29'43"	S73°12'17"E	86.45'
C-7	1211.92'	111.68'	5°16'47"	N36°13'13"W	111.64'
C-8	1211.92'	66.48'	3°08'32"	N60°56'52"W	66.45'
C-9	1211.92'	178.14'	8°20'19"	S37°43'28"E	177.96'
C-9(R)	1211.92'	178.07'	8°25'08"	S37°43'42"E	177.91'

Lot 1: 58,199 SF
 Lot 2A: 11,000 SF
 Lot 2B: 20,000 SF
 Lot 3A: 10,995 SF
 Lot 3B: 10,995 SF
 Lot 4A: 25,792 SF
 Lot 4B: 15,389 SF
 Lot 5: 16,200 SF
 Lot 6: 23,127 SF
 Lot 7: 15,223 SF
 Lot 8: 15,223 SF
 Lot 9: 21,753 SF

Area subject to Access Permit

SURVEYOR'S CERTIFICATE

I hereby certify that I am properly registered and licensed to practice land surveying in the State of Alaska, that this plat represents a survey made by me or under my direct supervision, that the monuments shown hereon actually exist as described and that all dimensions and other details are correct.

Craig L. Templin
 CRAIG L. TEMPLIN, AK RLS No. 3491
 4-30-2002
 Date

LEGEND:

- Found 3 1/4" BLM Monument
- Found 2" Altop on 5-8'x30" Rebar
- Found 2" Altop on Rebar
- Record Data (Plat 97-31)

RECORDED-FILED
 Ketchikan REC DIST
 DATE June 4 2002
 TIME 2:50 P M
 Received by: City of Craig
 Address:

STATE OF ALASKA
 49th Star
 CRAIG L. TEMPLIN
 Registered Professional Surveyor
 No. 3491-S

RECORDED-FILED
 Establishment REC. DIST.
 DATE TIME RECEIVED BY ADDRESS

**CITY OF CRAIG
ORDINANCE No.754**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE WITH KEN QUIGLEY, THE TERMS OF A LEASE OF CITY OWNED LANDS CONSISTING OF APPROXIMATELY 4,500 SQUARE FEET OF LOT 4A, JT BROWN SUBDIVISION.

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 lease of approximately 4,500 square feet of city owned upland consisting of a portion of Lot 4A, JT Brown Subdivision. Final terms of said lease are subject to the approval of the Craig City Council.

Passed and approved on _____, 2023.

Mayor Tim O'Connor

Attest _____
Kecia Weatherwax, City Clerk

CITY OF CRAIG MEMORANDUM

To: Craig Mayor and City Council
From: Samantha Wilson, City Planner
Date: March 8, 2023
RE: Ordinance 755 – Application to Sell City Owned Property to Ken Quigley, Lot 2A

Attached is Ordinance No. 755, presented for first reading at the city council's meeting of March 16, 2023.

Ken Quigley, dba Seaborn Seafood recently filed an application to purchase Lot 2A, JT Brown Industrial Park from the city; Seaborn Seafood currently leases this property. The lease allows an option to purchase the property under the condition that a permanent industrial building on the property be constructed and that the application to purchase date is no later than three months prior to the termination date of the lease. A commercial building was constructed on the property in question by the applicant in 2018 and the lease expires December 31st, 2027. Mr. Quigley is exercising the option to purchase. Seaborn Seafood will continue to operate on the property. The purchase of the property will allow them to negotiate a larger revolving line of credit with the bank to be used to purchase seafood product for processing and sale.

The sale notice was published in the Island Post with the public hearing scheduled at the regular city council meeting on April 6, 2023. Public notices were also posted on the City of Craig website as well as via flyers in at least four prominent locations around town.

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

Recommendation: Pass the first reading of Ordinance 755, authorizing negotiation of the sale of city owned property to Ken Quigley.

CERTIFICATE OF IMPROVEMENTS
 No improvements are required for this subdivision.

Reviewed and Approved: Micki Hennicke
 PUBLIC WORKS DIRECTOR
 Date: 5-24-02
 Reviewed and approved: City Official
 Date: 5-24-02
 Reviewed and approved by: Planning Commission
 Date: 5-23-02

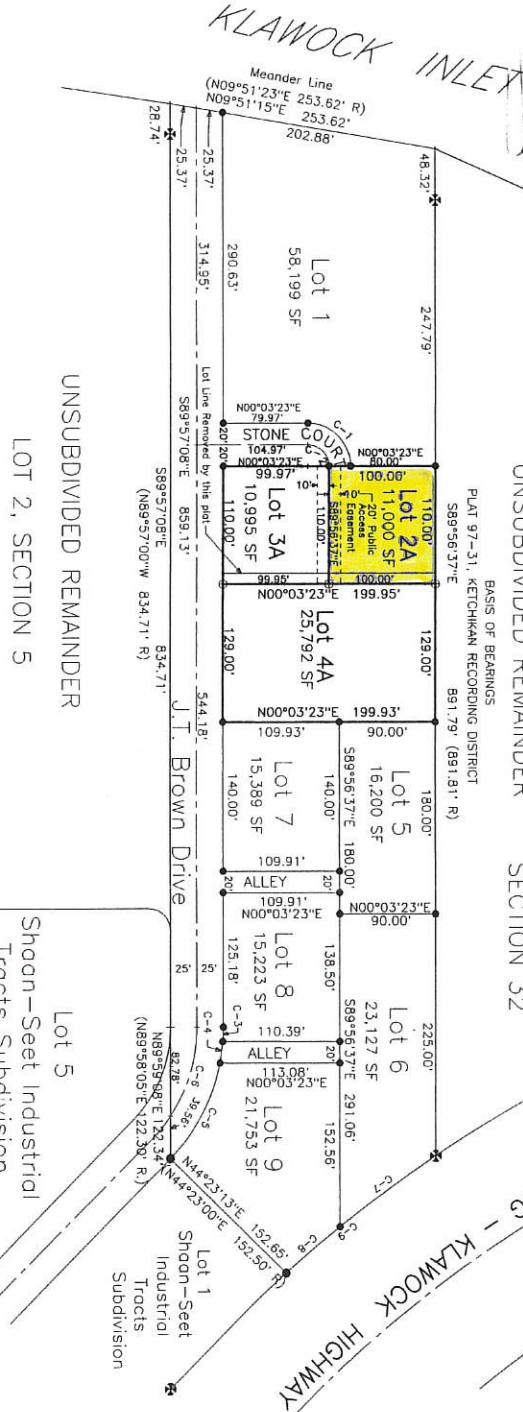
CURVE TABLE

CURVE	RADIUS	LENGTH	DELTA	CHORD	CH-BEARING
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C-3	175.00'	13.33'	4°21'56"	13.33'	S87°46'10"E
C-4	175.00'	20.19'	6°36'39"	20.18'	S82°16'53"E
C-5	150.00'	101.95'	33°22'41"	100.51'	S62°17'20"E
C-6	150.00'	87.66'	33°29'43"	86.45'	S73°12'17"E
C-7	1211.92'	111.68'	5°16'47"	111.64'	N36°13'13"W
C-8	1211.92'	66.46'	3°08'32"	66.45'	N40°25'52"W
C-9	1211.92'	178.14'	8°25'19"	177.98'	S37°47'29"E
C-9(e)	1211.92'	178.07'	8°25'08"	177.91'	S37°43'42"E

TAX STATEMENT
 I hereby certify that all ad valorem taxes, special assessments, and other charges required by law to be placed on the tax rolls have been paid.

Reviewed and Approved: Micki Hennicke
 City Clerk
 Date: 5-24-02
 APPROVAL BY CITY OF CRAIG PLANNING COMMISSION
 This final subdivision plat has been reviewed and approved in accordance with the Craig Land Development Code - Subdivision Ordinance. All dedications to the public have been inspected and accepted by the City of Craig.
 City Planning Official: Heidi Bell
 Date: 5-24-02
 Planning Officer - Planning Commission: Hannah Vahlsheid
 Date: 5-23-02
 Planning Commission Member: Capital & Revenue
 Date: 5-23-02

NOTES:
 1. The subsurface estate within this subdivision is owned by Salsosko Corporation, and that an easement for use of the subsurface is recorded at Book 260, pages 282-285, Ketchikan Recording District.
 Source: Code "B-4" Quad Rev. 1986



- LEGEND:**
- Found 3 1/4" BLM Monument
 - Set 2" Alcap on 5/8"x30" Rebar
 - Found 2" Alcap on Rebar
 - Record Date (Plat 97-31)

SURVEYOR'S CERTIFICATE
 I hereby certify that I am properly registered and licensed to practice land surveying in the State of Alaska, that this plat represents a survey made by me or under my direct supervision, that the monuments shown hereon actually exist as described and that all dimensions and other details are correct.
 CRAIG L. TEMPLIN, AK REG. NO. 3491
 Date: 4-30-2002

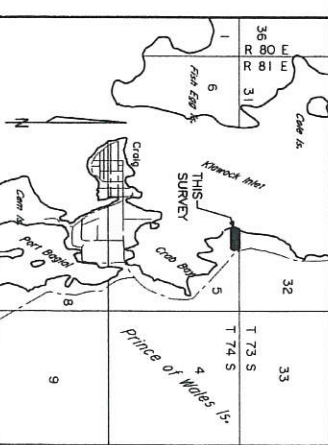
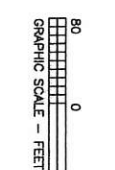


RECORDED-FILED
 Ketchikan REC. DIST.
 DATE: 2002-04-23
 TIME: 2:30 P.M.
 Requested By: Craig L. Templin
 Address: 2002-04-23

RECORDED-FILED
 Ketchikan REC. DIST.
 DATE: 2002-04-23
 TIME: 2:30 P.M.
 Requested By: Craig L. Templin
 Address: 2002-04-23

PLAT OF:
 Lots 2A, 3A and 4A, JT Brown Subdivision
 A REPLAT OF LOTS 2-4, JT BROWN SUBDIVISION
 Plat 2002-11
 SEC. 5, T. 74 S., R. 81 E., CNM, ALASKA
 LOCATED WITHIN:
 KETCHIKAN RECORDING DISTRICT
 Surveyed For: Templin Land Surveying
 City of Craig
 PO Box 725
 Craig AK 99921
 Surveyed By: Templin Land Surveying
 PO Box 725
 Ketchikan, AK, 99950
 (907) 846-5120
 Scale: 1"=80'
 Date: 03/12/02
 Drawn By: CLT
 Checked By: CLT
 COA #12

CERTIFICATE OF OWNERSHIP AND DEDICATION
 We hereby certify that we are the owners of Lots 2A, 3A and 4A, JT Brown Subdivision, that we do approve of this survey and plat and that we do for ourselves, our heirs, and assigns dedicate, donate, and convey to the public all right-of-way / ditches / public utility areas / segments / other public ways as shown hereon.
 Owner: Thomas Briggs
 Date: May 24, 2002
NOTARY'S ACKNOWLEDGEMENT
 Subscribed and sworn before me this 24th day of May 2002.
 Personally appeared: Thomas Briggs
 Notary Public for the State of Alaska
 My Commission Expires 8-12-05



**CITY OF CRAIG
ORDINANCE No. 755**

AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE THE TERMS OF A SALE OF CITY OWNED LANDS CONSISTING OF LOT 2A, JT BROWN SUBDIVISION.

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 11,000 square feet of city owned land consisting of Lot 2A, JT Brown Subdivision as shown on Plat 2002-44, Ketchikan Recording District. Final terms of said sale are subject to the approval of the Craig city council.

Passed and approved on _____, 2023.

Mayor Tim O'Connor

Attest _____
Kecia Weatherwax, City Clerk

Legislation calls for seaweed farming study, funding for tribal start-ups

NF Staff

A bill introduced in Congress this week calls for a federal study on the possibilities of coastal seaweed farming, and creating a new seaweed farming fund to “reduce cost barriers for indigenous communities, emboldening them to participate in coastal seaweed farming,” according to sponsors Reps. Jared Huffman, D-Calif., and Mary Peltola, D-Alaska.

[The Coastal Seaweed Farm Act would direct the National Oceanic and Atmospheric Administration and U.S. Department of Agriculture to produce a joint study](#) “evaluating the benefits and impacts of coastal seaweed farming and devise necessary metrics and regulations,” according to a statement Wednesday from Huffman and Peltola.

“Coastal seaweed farming has tremendous potential to serve as a sustainable replacement in food products, fertilizer, and animal feed; and it comes with a myriad of benefits for coastal communities – supporting local economies, providing food security, and regenerating marine ecosystems,” said Huffman.

“We also want to ensure equity in this field so that indigenous people can continue benefiting from the industry – so our bill creates a grant program to reduce cost barriers for native communities, many of whom have farmed seaweed for thousands of years.”

“Alaska and our Indigenous cultures have been leading the way in mariculture and responsible ocean harvesting for thousands of years,” said Peltola. “This act recognizes Alaska’s unique environment and the crucial relationships between our coastal and near-coastal communities, Tribal organizations, and Alaska Native Corporations, all of which are part of this sector.”

The Coastal Seaweed Farm Act directs NOAA and the USDA to:

- Study and publish a report on the benefits and impacts of coastal seaweed farming on the marine ecosystem.
- Develop regulations and establish evaluation metrics based on the study to ensure coastal seaweed farming, siting, and operations maximize potential benefits and avoid adverse impacts on the ecosystem, wildlife, fisheries, and local communities.
- Collaborate with the Interagency Working Group on Indigenous Traditional Ecological Knowledge, states, tribes, local governments and other federal agencies on best practices.
- Develop food safety regulations on farmed seaweed in coordination with the Food & Drug Administration.
- Provide educational materials for the training of incoming coastal seaweed farmers, prioritizing indigenous communities after the study is complete.

The Coastal Seaweed Farm Act’s Indigenous Seaweed Farming Fund would provide grants to Indigenous communities to:

- Support coastal seaweed farming, including for purchasing equipment, obtaining, planting, and operating a coastal seaweed farm as well as processing, transporting, and storing seaweed.
- Use coastal seaweed farming for restorative ecological functions.
- Require USDA and NOAA to provide outreach to eligible entities and solicit comments and recommendations on each stage of operation of the grant program.

Funding under the legislation would be available to entities including federally recognized Tribes, Native Villages, Native Hawaiians, Pacific Islanders, Native people of Puerto Rico and U.S. Virgin Islands, state-recognized Tribes, and Alaska Native Corporations.

The bill is endorsed by the Environmental Defense Fund, the National Audubon Society, the New England Aquarium, the Monterey Bay Aquarium, Don't Cage Our Oceans, Native Conservancy, and the Urban Ocean Lab.



FOR IMMEDIATE RELEASE

March 9, 2023

Alaska Delegation Urges Court to Drop Deceptive Lawsuit Threatening Southeast Alaska Troll Fishermen

WASHINGTON—U.S. Senators Dan Sullivan and Lisa Murkowski (both R-Alaska), and Representative Mary Sattler Peltola (D-Alaska), filed an [amicus brief](#) with the U.S. District Court in Seattle, Washington this week supporting Southeast Alaska troll fishermen in a case that threatens to shut down their small boat troll fishery on the pretense that their salmon harvest is a primary contributor to the population decline of Southern resident killer whales hundreds of miles away in Puget Sound. The lawsuit does not consider the potential impacts of similar fisheries in Oregon and Washington.

On December 13, 2022, a Seattle-based magistrate judge ruled largely in favor of the Wild Fish Conservancy, an extreme environmental group challenging the National Marine Fisheries Service (NMFS) in the case. If the District Court upholds the magistrate judge’s ruling, the decision could shut down the Southeast Alaska fishery and upset the careful balance struck between conservation, harvest sharing and promoting sustainable fisheries. A shutdown would be detrimental to Southeast coastal communities and hard-working Alaska fishermen.

In their amicus brief, the congressional delegation notes that Congress allocated millions of dollars in recent years for a hatchery-based “prey increase program” supporting Chinook salmon numbers to provide additional food sources for Puget Sound orcas and to offset any minimal impact caused by the Southeast troll fishery. Mitigation measures like the prey increase program are evaluated and accounted for when harvest limits are adopted by the binational Pacific Salmon Commission.

“Our state’s small boat, hook-and-line troll salmon fishermen—the ultimate small business owners—are under assault by a Lower 48 environmental group, known for its extreme positions, claiming our fishery is endangering the continued existence of Puget Sound orcas hundreds of miles away,” **said Senator Sullivan**. “What’s most remarkable about this case is that the magistrate judge and the Wild Fish Conservancy totally ignore much more likely causes of the orca decline, like the toxins, pollution, noise disturbance, and vessel traffic that have undoubtedly wreaked havoc in the Puget Sound region. In Alaska, we are no strangers to extreme environmental groups filing meritless, deceptive lawsuits with no regard for how these lawsuits hurt our fellow Alaskans. Over the last several weeks, I’ve met with fishing industry leaders, the NOAA administrator, and the NMFS administrator to encourage them to vigorously

defend our fishermen and this fishery against this lawsuit in court for as long as it takes, and to ensure our fishermen have a season and are not tied up at the dock while we work through this. Both the NOAA and NMFS administrators have assured me that they will. We will fight this frivolous, shameful lawsuit with everything in our power, and work to ensure Alaska's sustainable fisheries are supported with science-based management. I also want to thank so many other Alaska stakeholders—the State, our Legislature, and several Southeast communities—who are also very focused on fighting this lawsuit.”

“Fishing is fundamental to Alaskans. And to have our Southeast troll fisheries at risk of being shut down because of litigation from a Washington-based environmental organization is flat out wrong. While we work to understand the effects of changing climate on our oceans and fisheries, we must work together to ensure those most impacted have the tools and ability to adapt. Shutting down small-boat fisheries that are vital to Alaska's coastal communities is not the answer. Our Southeast Alaska fisheries—many of which are family-run operations—are understandably panicked by these potential closures and the cascading impacts they could have on the region,” **said Senator Murkowski**. “Our Alaska delegation is united in defending our fishermen and our coastal communities from outsiders who threaten our Alaskan way of life.”

“This lawsuit is misguided and unhelpful for the salmon and whales,” **said Representative Peltola**. “The proposed ‘solution’ of shutting down a critical fishery is among the least effective and most painful ways to address the killer whale population challenges. It completely ignores the most likely causes of the whales’ population struggles, which include pollution, ship traffic, and habitat degradation. It would do significant damage to small-boat fishing families who rely on this fishery to make a living, while also negatively impacting the Pacific Salmon Treaty and tribal fishing rights. I’m as critical as anyone about the shortcomings of our fisheries management, but this lawsuit doesn’t contribute to the science or management efforts at all—instead, it just threatens a single user group with economic ruin. I will continue to work with scientists, managers, stakeholders and local leaders to find ways forward that protect this crucial resource and keep fishermen fishing whenever we can.”

The State of Alaska and the Alaska Trollers Association are interveners in the lawsuit. On March 2, the Alaska House of Representatives passed a resolution urging state and federal agencies to defend the Southeast troll fishermen in court. The Alaska fishermen have also received resolutions of support from the City of Wrangell, the City of Sitka, and the Ketchikan Gateway Borough, among others.



Craig Harbor Advisory Committee Meeting Minutes

Thursday, March 2, 2023 3:30 pm
Craig City Council Chambers

CALL TO ORDER

The meeting was called to order at 3:45 pm by Chairperson Pat Tyner

ROLL CALL

Members present: Ralph Mackie, Pat Tyner, Michael Kampnich

Members Absent: Steven Peavey, Doug Rhodes

Staff present: Hans Hjort, Shannon Isaacs, Brian Templin

APPROVE MINUTES FROM LAST MEETING:

Postpone approval of meeting minutes from June 2022 and December 2022 meeting until next meeting.

HEARING FROM THE PUBLIC

No public comments at this time.

REPORTS FROM STAFF

1. Hans Hjort, Harbormaster

-Hans reported that the anodes are welded in place on the False Island Dock pilings. There are approx. 2 per piling and a total of 62 pilings, making a grand total of 128 anodes, weighing 260 lbs. apiece. Hans stated that he will dive to inspect and take pictures of them on his own at a later time.

-Hans informed everyone that the broken piling from the city dock is still in the boat yard due to our point of contact in Ketchikan not having time to come over and fix it. He also confirmed that when he dove at city dock where the piling broke, it busted approx. 3 feet above ground, underwater and failed as a result of the piling not being zinced while having a faulty light fixture.

-Hans noted a wood piling at the False Island dock is broken caused by a seine boat ramming into it last summer. We were able to view who did it by camera and employee witnesses. A conversation with the captain has created an understanding that he will be billed

for the cost of damage once it gets fixed. Our next course of action, if by April our point of contact still isn't available; we will contact an outfit out of Petersburg.

-Since last meeting, our local contractor for building the finger floats has completed approx. 4 and we are projecting to accomplish 5 more by next year.

-Hans informed the committee that we are getting the Icehouse ready to make ice for our longlining boats as soon as we get permission from public works to turn on the water. Longlining is scheduled to open on March 10th, 2023.

-Hans reported that there was a leak in SC a couple weeks ago and he dove to fix it causing us to shut the water off for a few days. Now NC is off because there is a leak that he will look for once we get permission from public works that the harbors can be turned on again.

-Hans commented that all of our harbor showers are getting a new coin operated machine upgraded soon.

-Hans noted that there are 2 new light fixtures at city dock running now and they are bright.

-False Island Sport Fish Float Ramp Project: We are working with Mike Bush's company because he was our lowest bid, and the Fish & Game approved the construction. Now, we are waiting on the Army Corps of Engineers to approve the permit. Once that happens, we will be demolishing the old ramp and making a new slope with reinforcing rebar that will allow the haul out machine to make it easier trip down the ramp as well as local users. Mike is also going to rebuild the rock wall on the north side of the float to better protect the ramp and dock during severe weather cases.

2. Brian Templin, City Administrator

-Brian reported an update on the new harbor project from the Army Corps of Engineers. There has been a new development from a report that we have not received yet, stating there's not a benefit/cost ratio (BCR) making the project not viable at this particular location. He is in contact with Senator Murkowski's office and they are still in support of our project, but we are holding to understand what direction the army corp. is at.

READING OF CORRESPONDENCE

None received

OLD BUSINESS

1. Vacant seat: it is still open; some community members have commented about it but have not taken action.

NEW BUSINESS

No new business at this time.

NEXT MEETING

The next meeting is scheduled for June 1, 2023 at 3:30 pm.

ADJOURNMENT

MSA Pat/Ralph to adjourn. Meeting adjourned at 4:33 pm.

CITY OF CRAIG
MEMORANDUM

January 28, 2023

To: City Council

From: Brian Templin, City Administrator

Re: Supplemental Budget

Attached is the ordinance to adopt the supplemental budget for fiscal year, 2022. According to AS 29.35.100 a supplemental budget is prepared to authorize payments of appropriations not previously approved in the original budget.

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

- The General Fund revenues were higher than expected. Sales tax receipts were \$344,000 higher than anticipated, State payments (PILT and Revenue sharing) were higher than anticipated along with COVID 19 ARPA (NEA).
- Maintenance on the city's building and vehicles continues to be costly.
- Fuel costs are raising and will continue to in fiscal year 2023.
- The Enterprise fund has a net gain due to the leases at the JT Brown industrial park.
- There was another increase in insurance expense for all buildings.
- Police and Aquatic center had a shortage in employee's for quite a few months.
- For Facilities, there was the Planters for Baseball Field, Maintenance on Pool propane boilers. I don't see these 2 in the budget book.
- Administration, there is \$2,477 for Server Warranty, and \$4,140 for Microsoft 365 Migration Project. We paid \$39,000 in legal fees budget is \$12,000.

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

Recommendation: Approve Ordinance number 753, FY 2022 Supplemental Budget.

CITY OF CRAIG

ORDINANCE NO. 753

PROVIDING FOR THE ADOPTION OF THE FISCAL YEAR 2022 SUPPLEMENTAL
OPERATING BUDGET

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

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

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

Section 3. Authorization and Appropriation. The appropriations identified in "Attachment A" hereto are adopted and authorized for the period of July 1, 2021 through June 30, 2022 and are the budget for that period. The Administrator may modify line item expenditures within an authorized appropriation to another line item in any amount which would not annually exceed ten (10) percent or \$10,000, whichever is more.

Section 4. Unexpended Balances. All unexpended balances lapse as of June 30, 2022.

APPROVED this ____ day of _____, 2022.

Mayor Timothy O'Connor

Attest _____
Kecia Weatherwax, City Clerk

Attachment "A"

City of Craig
Supplemental Budget
June 30, 2022

	Year to Date Actual	Revised Budget	Orginal Budget
General Fund Revenues	\$ 4,549,070	\$ 4,549,070	\$ 3,808,162
<u>Expenditures</u>			
Administration	722,583	724,494	692,353
Aquatic Center	581,908	582,030	632,078
Council	25,789	25,857	21,148
EMS	289,777	289,791	301,699
Facilities & Parks	335,020	335,340	324,110
Fire	21,638	21,641	26,613
Library	113,418	113,440	136,790
Planning	75,710	75,865	78,041
Police	1,028,782	1,028,842	1,082,438
Public Works	494,996	495,261	511,919
Recreation	129,632	129,640	141,285
Total General Fund Expenditures	<u>3,819,253</u>	<u>3,822,201</u>	<u>3,948,474</u>
Net Change in Position	729,817	726,869	(140,312)
Transfers			
To/From Reserves	-	-	-
From Endowment Fund	293,000	293,000	293,000
To Enterpriese Fund	-	-	-
From Cares Act Fund	200,810	200,810	100,000
Net Change in Position	<u>\$ 1,223,627</u>	<u>\$ 1,220,679</u>	<u>\$ 252,688</u>
Enterprise Fund			
<u>Revenue</u>			
Sewer Fees	224,464	224,464	290,000
Water Sales	314,936	314,938	326,778
Garbage Fees	365,942	365,942	322,280
Harbor Services	279,978	279,980	269,600
JTB Industrial Services	671,885	671,885	592,589
Cannery Revenue	3,764	3,764	7,000
Total Revenue	<u>1,860,969</u>	<u>1,860,973</u>	<u>1,808,247</u>
<u>Expenses</u>			
Sewer Expenses	352,585	352,634	273,823
Water Expenses	466,405	466,892	442,987
Garbage Expenses	378,580	378,598	337,748
Harbor Expenses	434,705	434,744	465,675
JTB Industrial Park Expenses	291,250	291,280	361,394
Cannery Expenses	82,264	82,267	54,370
Total Fund Expenses	<u>2,005,789</u>	<u>2,006,415</u>	<u>1,935,997</u>
Net Revenue Over Expenses	(144,820)	(145,442)	(127,750)
Transfer from General Fund	-	-	
Change in Net Assets	(144,820)	(145,442)	(127,750)

City of Craig Memorandum

To: City Mayor & Council

From: Kimber Mikulecky, Treasurer

Date: March 16, 2023

Proposal:

As you have all have been informed on multiple occasions, it is come time to ask the council to consider a request for a change in accounting software's.

The city has used Accufund as its accounting software for the past 18 years. Over those 18 years, the city has experienced many hardships when trying to accomplish day to day city transactions with the public. This software has not proved to be fit for the city's needs for quite some time. Recurring errors with the software directly, with little to no technical support from Accufund personnel and at times Accufund support not having an answer to our issues has encouraged us to investigate new software programs.

Just to name a few of the issues we have experienced to date.

- Trial balance -not balancing.
- Errors in journal entries not made by the user but created by the software. This was an issue told to be specific to just the City of Craig. Come to find out with some discussion with Wrangell that they experienced the same problems in which Accufund Support told them that the issue was specific to them as well.
- Reports-not pulling correct data. Leads to unreliable numbers, in which you all know, Accounting requires true and precise data and numbers.
- This system puts a huge amount of stress on our employees. Many times, again, we have been left to configure new implementations in the software, and as a user, the software in which we are paying for should have technicians that can do this for us. Sheri was having issues with the trial balance balancing for FY2022. After multiple emails and phone calls to Accufund support, little to no effort was made to help answer her questions or help fix the issue at hand. Sheri has spent significant amounts of time trying to balance at the end of the year. The online portal Accufund provides is not user friendly, and the setup is not as simple as other software's. We experience many glitches, in which the software and employee timecard portals require resets almost on a weekly basis.
- Customer related-The online pay portal is not user friendly, nor is the setup for a customer account. A customer should be able to go online, view their bill and pay it with ease. With Accufund, this is not the case. One of our biggest attributes to

customer service is providing an autopay service. Accufund is currently only compatible with one credit card processing company, CardX. This online portal and Accufund make autopay services very time consuming and stressful where at this point, it is almost worth not offering the autopay service until we are able to upgrade software's. A spreadsheet must manually be created with the autopay customer information. An employee must pull a current report for each customer's bill, and manually enter this information into the spreadsheet. Once we are ready to charge our autopay customers, the spreadsheet is uploaded into CardX. A batch results report can be downloaded from CardX showing which credit cards went through, and which credit cards declined. Since CardX and Accufund do not communicate with each other, there is no easy way to tell Accufund what cards declined. Instead, you must uncheck a box in a report, hit ok, and this will mark all autopay customers bill as paid and generate a receipt, regardless of their credit card declining. It is then the employee's responsibility to look at the batch results report, and manually go through to void receipts in Accufund for those that declined. Additionally, that employee then must try and reach out to each customer with a declined card to get updated payment information. Autopay is supposed to simplify and speed up the process of taking payments on both the company's side as well as the customer side. Again, with Accufund this is not the case.

- Accounts Payable Calculations-Payroll is processed through our calculations in which invoices are created for City of Craig benefits. Accufund allows for calculations to be input, so when a payroll is processed, it will automatically create an accurate bill that is owed. A few benefit calculations do not calculate properly in which adjustments are having to be made to those bills every payroll(bi-weekly). An Accounting software should have the capability of properly identifying calculations and proving correct data. Adjustments have been necessary all the way back from 2013 for PERS, 2009 for Blue Cross Blue Shield, and 2012 for AFLAC.
- Employee Organizations-Complete and correct setup is crucial as one minor error or oversight, can lead to a big mistake. Account setup is not simple, or user friendly by any means. There are 12 address type options offered, and if you select the wrong one, depending on what you are doing whether it be to print a paycheck or an AR invoice, if you have the incorrect type selected, that address will not populate.
- Benefits-setting up an employee account to correctly reflect their current benefits and employer deductions again is way more complex than need be. One oversight can cause an employee to have to backpay a benefit.
- Functionality-overall, Accufund is not a user-friendly software. You cannot access a multitude of data from one field or screen. You must open many modules and tabs to get simple information. This is the same when you need to update or change information, specifically demographics.

Ultimately the issues we are having with Accufund require excessive amounts of time to ensure we have correct data and that we can provide accurate information to our staff, customers, vendors, grant organizations and others.

The issues with the current software also make it hard to train new employees since we are having to try and train them to watch for anomalies and expect new employees to catch systems errors. We lost one new employee in 2022 because of the high number of corrections that had to be made in the billing systems to get utility bills sent out.

As we saw firsthand with a live demo of Caselle, all the above problems should not exist. Caselle appears to offer a much more diverse, easy to navigate, accurate data, user-friendly system all around for both users and customers.

Caselle will integrate multiple years of data during the transition. They offer hands-on training. A customizable and simple software providing access to most information you need in one screen. The customer portal is much more personable and smoother for younger and older customers. The new software will alleviate a lot of stress on our employees, as many and most changes to a customer's account especially pertaining to their billing information can be done by the customer through the Xpress Bill Pay portal. Everything done in Xpress Bill Pay is done in real time. Whatever transactions or customer accounts updates are made in Xpress Bill Pay, is immediately reflected into Caselle. There are no manual entries or keeping track of changes needing to enter the software system. A current challenge we are facing now, especially with autopay cards declining and refunds being issued and reconciling. Not only can a customer sign up for an Xpress Bill Pay account, they can also download an app as well. A customer has the ability to update their payment information, opt in/out of autopay, request receipts via email or text, view 24 months of previous billed statements, make partial payments, schedule payments, and schedule their autopay for whichever day they would prefer. Currently we have some customers with fixed income, so running their card on file around the 12th as we typically do for autopay, is not suitable for them. Additionally, customers can call Xpress Bill Pay to pay their bill or call the city directly. Xpress Bill Pay does also offer an automated system for bill pay. Lastly, they deal with all customer support firsthand. This relieves so much time, stress, and overload of our employees. On a positive note, it gives customers more ways to pay their bills. A lot of people are becoming more electronic and like having the option to do things from their phone while on the other hand, some people like not having to do in person interactions but struggle with personal devices. This adds options to fit all our customer's needs.

Being with Accufund for 18 years, we have found ways to push through and make the system work to the best of our ability. Annually, we pay Accufund around \$13,650.00 This includes the software being on our server, with a current limit of 9 licenses and limit of 50 employees to the employee portal. Additional employee portal access is available in increments of 50, for \$148.75 each added increment.

Caselles annual cost for the hosted version would be \$55,360. This might be slightly less depending on how many modules we would be running. Caselle offers unlimited employee users, a more functional and accurate system, programmed and converted by Caselle during the upgrade, a more complex employee portal offering W2 information, department head budgets information, etc. and better customer service. Caselle does cost more than Accufund but will pay off in the long run both for our employees and our customers. Customer satisfaction, employee morale and retention, confidence and workflow are key to the city running successfully.

If the council is inclined to direct staff to move forward, we could start now and fund the conversion from reserve funds, or we could start at the beginning of the new fiscal year. Regardless, it is likely that the conversion process will take a full year to complete with the software likely becoming live July 1, 2024.

Recommendation: Give staff direction on changing our accounting software based on the following options.

1. Continue to stay with Accufund.
2. Include Caselle's conversion in Fiscal Year 2024's budget for \$52,382.00 and start the conversion in July 2024.
3. Fund Caselle's conversion in the current fiscal year (FY2023) out of the general fund reserves and begin the conversion now.

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Brian Templin, City Administrator
Date: March 11, 2023
RE: Island Daycare Donation Request

At the March 2, 2023 meeting a donation request was included under correspondence in the meeting packet. The council asked that this item be placed on the agenda for discussion at the March 16, 2023 meeting. I have attached a copy of the request letter for the council's reference.

If the council is inclined to provide some funding (grant, donation, subsidized loan, etc.) the council should settle on some amount and purpose for the loan. The request letter lists a number of needs.

As the council may recall, we established a discretionary fund for the council to use for donation requests. There is approximately \$6,000 remaining in that budget line item for this year. In addition, we have funds reserved from past gaming activities (i.e. salmon derby) that could be used for a donation to a non-profit such as Island Daycare.

I have asked Venessa Richter to be at the meeting on the 16th to answer questions from the council.

Recommendation: The council should discuss this donation request and give staff direction, including appropriation of funds.

Dear Craig City Counsel,

My name is Venessa Russell, and I am the president of Island Daycare Nonprofit. At Island Daycare, we seek to help families by offering a place children 3 months- 5 years can have a chance to be exceptional in their growth. We want to collaborate with each family to invest in their children's future. Children can learn and achieve greatness at an early age. Our mission is also to provide clients' children with an atmosphere of love conducive to creative play and exploration of their growing world.

While we have made some great strides, Island Daycare still has a lot to accomplish.

We need your support to help with opening costs, while we wait for funding to start for any parents who are utilizing state pay, unfortunately, this can sometimes take 3 months.

Would you consider donating any or all of the following: \$1000 for power, internet, and phone. 200 gallons of DSL, \$5000 for insurance costs, and up to 3 months of payroll as needed with the understanding that we would pay back 50% of this amount over the next year to help us achieve our mission?

If you have any questions, I would be happy to provide you with more information about how you can help support our work at Island Daycare.

We greatly appreciate your donation, and it will be used to help us have a successful opening while we wait for state funding to take effect.

Sincerely,

Venessa Russell

vrichterrussell@gmail.com

CITY OF CRAIG MEMORANDUM

To: Craig City Council
From: Brian Templin, City Administrator
Date: March 11, 2023
RE: Craig Harbor Discussion

At the March 2nd council meeting I provided information to the council that the USACE had made major changes to the economics of the Craig Harbor project. Primarily those changes were related to the impacts on subsistence uses, effectively erasing a large amount of the calculated benefit for the project. The recalculated benefits and increased costs appear to change the Benefit Cost Ratio (BCR) of the project to about .88. As a reminder, any project with a BCR less than 1.0 does not qualify for USACE participation.

We were notified of this change, without prior notice, on February 15th. At that time the USACE committed to sending us a copy of the “draft” report, a summary of changes, and documentation of their methodology for the new data (including reasons that the original study data was essentially thrown out). On March 9th the USACE provided a copy of the report and an accompanying letter. While we were told that there would be an opportunity for us to comment. If I am reading the report (clearly marked as “final”) and the letter sent with it, this is the final report with no opportunity for us to comment.

We are continuing to work with all three offices of the Federal Delegation, particularly Senator Murkowski’s office.

We have been busy this week with other issues, but Samantha and I have both had a chance to complete a quick read through of the report. My impression is that the data is horrible. Most of the changes to the subsistence benefits appear to be based on unsupported hearsay and assumptions with virtually zero support. At the same time the report glosses over additional benefits that were discussed with staff (mariculture and additional fisheries). On its face the report drastically changes the economic benefit of the project in three ways:

1. The new USACE estimate for project construction increases by \$16.1 million. Most of that increase is in the breakwater construction. Ironically, I would guess that most of that increase is due to the extremely high inflation during the time period that the USACE has been doing the additional validation work.
2. The report documents that the amount financed over thirty years is now at a rate of 7%, not the 3% calculated in the original study.
3. Most of the subsistence benefits documented in the original study appear to now be thrown out based on some unknown (and doubtful) data collection more recently. I’m not sure how much they are basing this change on new data or how much they are basing on the original study staff not doing the work properly.

While the increased cost and interest rate drastically increase the cost side of the BCR, the study is clear that removal of most of the subsistence benefits lowers the BCR below a fundable project.

The cover letter and report suggest a General Reevaluation Report be conducted by the USACE. I have asked the USACE for information on cost, time frame, consideration of the existing site, and non-federal (city) share of the cost of this study/report. I have sent an email with a number of questions to the USACE and I will send that information on to the council when I get it.

In discussions with Steve Silver and staff from the three delegation offices, Steve has suggested that we ask the federal delegation to introduce some legislation directing the USACE to move forward with the project regardless of the recent results. We are currently in the process of submitting our fiscal appropriations requests to congress (due Friday, March 17th) and, if the council is inclined to pursue this course of action, would include language to that effect in the appropriation request.

I think for some reason the USACE process has skewed to find some reasons to not follow through with the project and am doubtful that an additional reports, evaluations, or validations will be useful, clear, or unbiased. Staff has discussed the legislative solution with the mayor and recommends that we ask the federal delegation to pursue this course of action.

A legislative solution is far from guaranteed, but we are told that it has been done in the past. Since this process would bypass much of the work that the USACE has done so far, we want council's direction before we push the delegation hard on the option.

Recommendation: Direct staff to request congressional direction to the USACE to move forward on the Craig Harbor project.



DEPARTMENT OF THE ARMY
ALASKA DISTRICT, U.S. ARMY CORPS OF ENGINEERS
P.O. BOX 6898
JBER, AK 99506-0898

March 9, 2023

City of Craig
Attn: Brian Templin
P.O. Box 725
Craig, Alaska 99921

Dear Mr. Templin:

The Alaska District has completed the Craig Harbor Navigation Improvements Validation Report.

The purpose of the Validation Report was to update total project costs and economic analysis to current fiscal year cost levels, and to verify environmental compliance and engineering feasibility based on the authorized Craig Navigation Improvements Integrated Feasibility Report Environmental Assessment (IFREA) and Finding of No Significant Impact (FONSI) (2015).

The findings of this validation study indicate that not all conclusions in the 2015 IFREA and FONSI are verifiable. Validated conclusions include current velocity, marine habitat, marine birds, marine mammals, and engineering conditions. Several sections in the report include updated information and analysis but do not have a significant effect on findings from the IFREA or further influence the USACE recommendations. However, the updates to the project impact on subsistence users is significant. Additionally, changes to the estimated cost of the project as well as calculated subsistence benefits has resulted in a likely benefit-cost-ratio (BCR) of 0.88, which would make the project not justified under net economic development (NED).

Given the findings of this study, USACE recommends a General Reevaluation Report (GRR). Under a GRR, an authorized plan can be reformulated or modified which is outside the scope of a validation study. If the GRR determines the recommended project has changed sufficiently, the current project construction authorization may require reauthorization.

The District team is available for further discussion if so requested.

Sincerely,

Bruce Sexauer
Chief of Civil Works

Brian Templin

From: Brian Templin
Sent: Saturday, March 11, 2023 12:45 PM
To: Sexauer, Bruce R CIV USARMY CEPOA (USA)
Cc: Bowker, Randall L CIV USARMY CEPOA (USA); Howard, Brent S (Steven) CIV USARMY CEPOA (USA); Graham, Kimberley A CIV USARMY CEPOA (USA); Samantha Planner; abbie_lyons@murkowski.senate.gov; kirk.e.gibbs@usace.army.mil; Tim O'Connor
Subject: RE: Craig Harbor Navigation Improvements Validation Report

Bruce,

I have a couple of questions related to the report that you emailed me on Thursday.

1. Based on our phone call on February 15th, I had the impression that you would be sending us a draft version of the report still open for some discussion and ultimately formal comment. The letter attached to your March 9th email and the language in the email give a different impression. The letter seems to take the position that the report is final. Is this correct? If so, why were we told we would have an opportunity to review the report and comment before it was adopted? If there is still some informal or formal comment period, can you describe the timeline for that comment?
2. In your February 15th email you also committed to sending us a summary of the changes that the report makes; and information on how you developed the assessment, including your economic and subsistence analysis. Your email on March 9th only included the (apparently final) report and attached letter.
3. We continue to have serious concerns about the generalities and assumptions that are shown in the report that overturn the subsistence data. Especially when positive comments were mentioned, but no attempt was made to enumerate those “assumed” benefits (i.e. mariculture and additional fisheries). All of the accepted generalities and assumptions seem only to apply to reducing the project benefit.
4. An initial reading of the report sent to us on March 9th seems to indicate that staff who completed the 2015 integrated feasibility study did not do their jobs properly, resulting in much of the data (primarily subsistence) being rejected from the 2015 study. Is this the USACE’s position on the 2015 study?

If this report is indeed a final document with no opportunity to comment that would run counter to your information directly to me on February 15th. I hope that I am misreading the intent of the report, email, and attached letter and that you are still looking for our comments and still intend to provide the other documentation that you committed to in your February 15th email.

It would also be helpful to have information regarding a GRR to help inform our decisions moving forward, including:

1. How is the GRR different/related to the validation and original feasibility study?
2. What is the estimated cost of the GRR? What is the associated non-federal cost share of the GRR?
3. Will the GRR be focused on the current selected site, or would starting the GRR also restart site selection?
4. What is the expected timeline if we proceed with a GRR?

Given the lack of transparency in the updated information, no opportunity before now to comment on the report, and the general appearance that the change in subsistence is not driven by solid data or methodology,

I hope that this is indeed a draft and that the other information we discussed in February will be forthcoming soon.

Please send me a response to the questions posed above as soon as possible so we can make comment on the report (if that option is still available) and can have an informed discussion with staff and elected officials.

Brian Templin
Craig City Administrator
907-826-3275
www.craigak.com

From: Sexauer, Bruce R CIV USARMY CEPOA (USA) <Bruce.R.Sexauer@usace.army.mil>
Sent: Thursday, March 9, 2023 9:14 AM
To: Brian Templin <administrator@craigak.com>
Cc: Bowker, Randall L CIV USARMY CEPOA (USA) <Randall.L.Bowker@usace.army.mil>; Howard, Brent S (Steven) CIV USARMY CEPOA (USA) <Brent.S.Howard@usace.army.mil>; Graham, Kimberley A CIV USARMY CEPOA (USA) <Kimberley.A.Graham@usace.army.mil>
Subject: Craig Harbor Navigation Improvements Validation Report

Dear Mr. Templin:

The Alaska District has completed the Craig Harbor Navigation Improvements Validation Report.

The purpose of the Validation Report was to update total project costs and economic analysis to current fiscal year cost levels, and to verify environmental compliance and engineering feasibility based on the authorized Craig Navigation Improvements Integrated Feasibility Report Environmental Assessment (IFREA) and Finding of No Significant Impact (FONSI) (2015).

The findings of this validation study indicate that not all conclusions in the 2015 IFREA and FONSI are verifiable. Validated conclusions include current velocity, marine habitat, marine birds, marine mammals, and engineering conditions. Several sections in the report include updated information and analysis but do not have a significant effect on findings from the IFREA or further influence the USACE recommendations. However, the updates to the project impact on subsistence users is significant. Additionally, changes to the estimated cost of the project as well as calculated subsistence benefits has resulted in a likely benefit-cost-ratio (BCR) of 0.88, which would make the project not justified under net economic development (NED).

Given the findings of this study, USACE recommends a General Reevaluation Report (GRR). Under a GRR, an authorized plan can be reformulated or modified which is outside the scope of a validation study. If the GRR determines the recommended project has changed sufficiently, the current project construction authorization may require reauthorization.

The District team is available for further discussion if so requested.

v/r

Bruce R Sexauer PE
Chief, Civil Works Project
Management Branch
Alaska District
(907) 753-5619 office

**CITY OF CRAIG
MEMORANDUM**

To: Craig City Council
From: Brian Templin, City Administrator
Date: March 11, 2023
RE: Water Treatment Discussion

I have worked to update the council regularly this week regarding our treatment and distribution issues and the recent boil water notice but I want to try to give a brief overview of the timeline and answer what questions I can for the council.

Earlier this year the public works director was advised that the filter media in the treatment trains was in need of replacement and that the treatment capacity was dropping. Staff worked to order media and associated piping as quickly as possible. Supply chain issues and the need for custom manufacturing of the pipes slowed this process down. In addition one of our treatment trains became unusable due to a malfunction that muddied up the filter media.

Prior to the March 2nd meeting, staff advised me that the storage tank was dropping each day because demand exceeded our treatment capacity. As of March 2nd our system showed that we had about 9.5' of water stored in the tank in addition to the amount we were able to treat and send from the treatment plant. At the March 2nd council meeting, Russell Dill, Public Works Director, reported this to the council. At that point the new filter media was on hand, but underpiping required to be installed along with the new media had not arrived yet. On Friday March 3rd, the underpiping arrived and crews began installing new filter media in one of the trains. Work was complete on Saturday and the train had one backwash cycle completed. Crews planned on conducting the second backwash cycle on Monday, March 6th and putting the train back into operation at that time.

On Sunday, March 5th we started receiving reports of low pressure/no water in parts of the system around town. Public Works was immediately called out and took pressure readings at the pool. At that time (about 5:30 pm) there was no water/zero water pressure at the pool.

The planner, police department, and I began working on public notices as quickly as we could. This included posting a boil water notice at our regular posting places, posting information to the website, posting on social media, and have the police department (assisted by the planner) going door to door with printed notices.

In the meantime the public works crew was working to determine if there was some other system failure and to immediately get the treatment train with the new filter media producing water. We also contacted DEC to notify them that we had self initiated a boil water notice.

Monday we were able to determine that the computer system monitoring the level of the storage tank was reading 8.7' when visual inspection of the tank showed it at zero. Crews immediately started working on replacing the filter media in a second treatment train and had that complete and in operation by Tuesday morning.

With two trains fully operational and two at partial capacity we managed to get water back into the entire distribution system and bring the system back up to minimum pressure by Tuesday night. By end of day Tuesday we were meeting demand and had built about 0.5' in the storage tank. On Wednesday morning public works took water samples and sent them to the testing lab in Juneau.

We were notified Thursday afternoon that the results had come back clean but we still needed to wait for those results to be transmitted to DEC and for DEC to notify us to lift the boil water notice. Staff discussed water levels and wording for the public notice when we got word from DEC.

On Friday morning we finalized language for the public notice. Later on Friday we were notified by DEC that we could lift the boil water notice. We immediately sent out public notice through social media, on the website, and physical posting.

As of Friday we had about 8' of water in the tank (physically verified) and were gaining at a rate of about 3' per day. As a reminder, each foot of water in the tank is about 20,000 – 22,000 gallons.

Throughout the week we worked to keep the public informed through the website and social media. We also did a number of regular interviews on KRBD to update the public. These interviews took place throughout the week.

We have notified the public that we are still observing water conservation measures since we don't have significant reserve built in the tank yet. We will feel much more comfortable when we have 20 – 25' of water in the tank.

On Monday morning I received an email from Julia Hnilicka, Director of USDA Rural Development for Alaska. Julia informed me that USDA RD had an emergency water assistance funding program for situation like this and put me in contact with the right USDA RD staff person. Throughout the week I have had a number of meetings with USDA RD and ANTHC to formulate a scope of work eligible for grant funding. The grant funds will pay for/reimburse immediate actions that needed to be taken to get the system back up and running, short term changes to the system to make sure it doesn't immediately fail again, and longer term projects related to fixing the causes of the failure.

As part of this funding scope of work we will have an engineer from R&M Engineering onsite Thursday, March 16th to meet with staff, review data, and observe the system. R&M will report back to ANTHC and USDA and we will move forward with an eligible project. I have attached an information sheet about the Emergency Community Water Assistance Grant (ECWAG) program for your information.

We have also ordered the filter media, piping, and nozzles (the fourth treatment train uses nozzles instead of underpiping) to replace the filter media in the remaining two trains. We will keep the council informed on this progress.

We don't have a complete picture of why we ended up at a critical failure point Sunday other than to say it appears to have been a number of issues that happened together. We will get a better picture of what happened and how to avoid it moving forward after the engineer has completed their site visit and we begin to work on the ECWAG project.

Until we get sufficient reserve built up, we are still in danger of overusing water which may bring the system pressure back down and necessitate another boil water notice. Our recent public notices are clear about this to the public. As you can imagine, we want to avoid another boil water notice if at all possible.

To help us with that the harbors are completely shut off; public works is closely monitoring the tank level; and we are treating water at as high a rate as we can. We also have some fisheries happening in the next week so we will be very judicious in water to the ice plant and to the processor and have notified them that we may need to shut off that water if we cannot sustain that demand.

I know that you all have lots of questions and are being asked by the public why this happened. I would ask that rather than speculate on the issues, that we allow staff to get past the crisis stage and that we rely on the contract engineer and discussions with staff over the next several weeks for good information.

That being said, please feel free to contact me or ask questions at the march 16th council meeting and we will try to provide what information we have to the council.

No formal action is required by the council at this time.

Emergency Community Water Assistance Grants

What does this program do?

This program helps eligible communities prepare, or recover from, an emergency that threatens the availability of safe, reliable drinking water.

The following events qualify as an emergency:

- Drought or flood
- Earthquake
- Tornado or hurricane
- Disease outbreak
- Chemical spill, leak, or seepage
- Other disasters

NOTE: A federal disaster declaration is not required.

Who may apply for this program?

- Most State and local governmental entities
- Nonprofit organizations
- Federally recognized Tribes

What is an eligible area?

- Rural areas and towns with populations of 10,000 or less – check eligible addresses
- Tribal lands in rural areas
- Colonias

The area to be served must also have a median household income less-than the state's median household income for non-metropolitan areas. Contact your local RD office for details.

How may funds be used?

- Water transmission line grants up to \$150,000 to construct waterline extensions, repair breaks or leaks in existing water distribution lines, and address related maintenance necessary to replenish the water supply
- Water source grants up to \$1,000,000 to construct a water source, intake or treatment facility

Are matching funds required?

Partnerships with other federal, state, local, private, and nonprofit entities are encouraged.

How do we get started?

- Applications for this program are accepted year round online at <https://www.rd.usda.gov/programs-services/rd-apply> or through your local RD office.
- Program Resources are available online (forms, guidance, certifications, etc.).

Who can answer questions?

- Staff in your local RD office.
- Participating nonprofit associations

What law governs this program?

- Code of Federal Regulation, 7 CFR 1778
- Section 306A of the Consolidated Farm and Rural Development Act

“Why does USDA Rural Development do this?”

This program helps prevent damage or restore households and business' access to clean, reliable drinking water in eligible rural areas and towns following natural disasters. Funding can improve the natural environment and encourage manufacturers and other businesses to locate or expand operations.

NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled “What Governs This Program?” You may also contact your local office for assistance. You will find additional forms, resources, and program information at rd.usda.gov. USDA is an equal opportunity provider, employer, and lender.