

**City of Kodiak Regular Council Meeting Agenda for June 14, 2018**  
**7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)**

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- I. Call to Order/Roll Call**
  - Invocation/Pledge of Allegiance
  
- II. Previous Minutes**
  - Approval of Minutes of the May 24, 2018, Regular Council Meeting.....1
  
- III. Persons to Be Heard**
  - a. Proclamation: Declaring Filipino American Heritage Month .....10
  - b. Public Hearing: Amending Sections 9 and 12 of the Schedule of Fees, Charges, and Tariffs.....12
  - c. Public Comments (limited to 3 minutes) (486-3231)
  
- IV. Unfinished Business**
  - a. Second Reading and Public Hearing, Ordinance No. 1378, Amending Title 5 With the Renumbering of KCC Chapter 7.40 to Chapter 5.24 and the Addition of New Sections for Marijuana Businesses, and Amending Chapter 8.48 to Reflect Alaska Marijuana Law ...20
  - b. Second Reading and Public Hearing, Ordinance No. 1379, Approving a Terminal Operation Contract and a Pier II Use and Upland Agreement With American President Lines LTD.....32
  
- V. New Business**
  - a. First Reading, Ordinance No. 1380, Amending Kodiak City Code Chapter 2.12, Relating to the Fire Department Employee Residency Requirement.....60
  - b. Resolution No. 2018-07, Amending Sections 9 and 12 of the Schedule of Fees, Charges, and Tariffs.....64
  - c. Authorization of Bid Award for FY2019 Sodium Chloride .....72
  - d. Authorization of Bid Award for Annual Sidewalk, Curb, and Gutter Repairs, Project No. 1901/5003 .....84
  - e. Authorization of Parts Purchase and Installation for Repairs to the Marine Travelift in Kodiak Shipyard as Provided in Quotation No. 2018/05/09 From Kendrick Equipment (USA), LLC .....88
  - f. Authorization of Temporary Office Space Lease With American President Lines at Pier II .....94
  - g. Authorization of Professional Services Agreement for Interim Finance Director Services .....100
  - h. Authorization of a Professional Services Contract for WWTP Upgrade, Phase I Condition and Process Assessment, Project No. 7522/18-04 .....110
  - i. Authorization of Professional Services Contract for Legal Services With Longenbaugh Law Firm, LLC .....124
  
- VI. Staff Reports**
  - a. City Manager
  - b. City Clerk
  
- VII. Mayor’s Comments**

**VIII. Council Comments**

**IX. Audience Comments** (limited to 3 minutes) (486-3231)

**X. Adjournment**

<p><b>DRAFT</b></p>
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**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, MAY 24, 2018  
IN THE BOROUGH ASSEMBLY CHAMBERS**

**I. MEETING CALLED TO ORDER/INVOCATION/PLEDGE OF ALLEGIANCE**

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Laura B. Arboleda, Charles E. Davidson, Daniel Mckenna-Foster, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. City Manager Mike Tvenge, Deputy Clerk Michelle Shuravloff-Nelson, and Assistant Clerk Shannon Hamer were also present. Councilmember Randall C. Bishop was absent.

Salvation Army Major Dave Davis gave the invocation and the Pledge of Allegiance was recited.

**II. PREVIOUS MINUTES**

Councilmember Whiddon MOVED to approve the minutes of the May 10, 2018, regular meeting as presented.

The roll call vote was Councilmembers Arboleda, Davidson, Mckenna-Foster, Walker, and Whiddon in favor. Councilmember Bishop was absent. The motion passed.

**III. PERSONS TO BE HEARD**

**a. Proclamation: Declaring Salvation Army Week (May 14-20)**

Councilmember Davidson read the proclamation, which recognized the Salvation Army for its service to Kodiak and throughout Alaska.

Major Davis of the Salvation Army accepted the proclamation. He said that the Salvation Army has been in Kodiak for 25 years, and he and his wife have been here for half of that time. He said that makes this a special proclamation for him; he thanked the community for the opportunities to serve and said it has been a privilege to be here.

**b. Proclamation: Declaring Mental Health Month**

Councilmember Mckenna-Foster read the proclamation, which recognized the importance of mental health treatment and encouraged the community to increase awareness and understanding of mental health, the steps one can take to protect their mental health, and the need for appropriate and accessible services for all people with mental illnesses.

Mary Guilas-Hawver of the Providence Kodiak Island Counseling Center accepted the proclamation. She stated the goal of Mental Health Month is to increase awareness of mental health disorders, encourage people to seek treatment by providing resources, and help to remove negative stereotypes of mental illness. She said that in an effort to reduce the stigma surrounding mental illness, there will be a screening of the film Resilience in the Kodiak Public Library

Multi-purpose room on Thursday, May 31 at 5:30 p.m. with discussion following. She said people can call the counseling center for more information.

**c. Proclamation: Declaring Safe Boating Week**

Councilmember Arboleda read the proclamation, which urged residents who boat to wear Coast Guard-approved personal flotation devices and to practice safe boating habits.

Nicole Clark of the U.S. Coast Guard Auxiliary accepted the proclamation; she stated Safe Boating Week is part of a year-long effort to promote safe boating through awareness, education, and prevention. Ms. Clark stated that 80 percent of boating deaths are due to drowning, and wearing a life vest is the most effective life-saving method. She said that there has been an increase in drowning among paddle craft users. The Coast Guard Auxiliary has many resources including free vessel safety checks, boating safety classes, and free life jackets for day use.

**d. Public Comments**

**Larry Van Daele** commended the Council for choosing to use a third-party investigator to examine recent personnel decisions. He said he was confused about the decision due to comments at the last meeting stating that the Council could not get involved in personnel issues. He proceeded to ask several questions about how the investigation will work and how the findings of the investigation will be handled. Mr. Van Daele asked that Councilmembers who have made decisive comments on the issue exclude themselves from being on the selection committee.

**Judi Kidder** said at the last public meeting she gave examples of her personal experiences with the City that she believed demonstrated a lack of transparency. She stated that before the last work session, Councilmember Whiddon came to her house and cautioned her about testifying in public comment, due to the possibility of damaging an employee's reputation. She stated this was inappropriate and she was disturbed by this.

**Jonathan Strong**, an addiction counselor in Kodiak, commented on the marijuana ordinance. He had two sets of candies as an example to prove his point that it is impossible to tell when items have marijuana in them once they have left their original packaging. He urged the Council to keep the ban on marijuana edibles.

**Alexis Kwatcha** said that we should go back to shutting down roads downtown during Crab Fest. He said that it is an accident waiting to happen, people are not paying attention, and it is a matter of time before someone gets hit. He agreed with Larry Van Daele's comments and said there needs to be complete transparency.

**Larry Ledoux** said that today there was almost a tragedy at Baranof Park with the attempted abduction of a child. He thanked the KPD for their immediate response. He expressed appreciation of their professionalism. He thanked the City for hiring a wonderful Police Chief.

#### IV. UNFINISHED BUSINESS

**a. Second Reading and Public Hearing, Ordinance No. 1377, Amending the Senior Citizen Sales Exemption and Ordinances Relating to the Procedure for Verifying Exempt Buyers**

Mayor Branson read Ordinance No 1377 by title. Since May 2016, City staff has been providing updates regarding the City's fiscal outlook, which have included reviewing each sales tax exemption offered by the City. The City recommended the Council take a closer look at strengthening the requirements for the senior sales tax exemption. Ordinance No. 1377 provides for the following changes to this exemption: lengthening residency requirements from 30 days to 365 days; requiring a power of attorney for certified use on behalf of the senior; not allowing exemptions for tobacco, alcohol, or marijuana purchases; written warnings and civil penalties for failure to appropriately collect taxes; and a requirement that the seller shall confirm the eligibility by checking the names on the certificate and government issued identification card. All previously issued senior exemption cards are valid through December 31, 2018.

Mayor Branson closed the regular meeting, opened and closed the public hearing when no one came forward to testify, and reopened the regular meeting.

Councilmember Davidson MOVED to adopt Ordinance No. 1377.

The roll call vote was Councilmembers Arboleda, Davidson, Mckenna-Foster, Walker, and Whiddon in favor. Councilmember Bishop was absent. The motion passed.

#### V. NEW BUSINESS

**a. First Reading, Ordinance No. 1378, Amending Title 5 With the Renumbering of KCC Chapter 7.40 to Chapter 5.24 and the Addition of New Sections for Marijuana Businesses, and Amending Chapter 8.48 to Reflect Alaska Marijuana Law**

Mayor Branson read Ordinance No. 1378 by title. On November 4, 2014, Alaska voters passed Ballot Measure 2, An Act to Tax and Regulate the Production, Use, and Sale of Marijuana, which initiated the State and Statewide municipalities to begin to determine how to regulate marijuana on both State and municipal levels. Subsequently, the Council adopted Resolution No. 2016-16, Establishing a Marijuana Advisory Special Committee, to recommend guidelines for implementing taxation, regulation, production, sale, and use of marijuana within the Kodiak City limit. The Committee met nine times from June 2016 through April 2017 and brought forward for Council consideration regulations and policies governing marijuana establishments within the Kodiak City limit. Staff met with Kodiak Island Borough Planning officials to discuss zoning and land use regulations pertaining to marijuana. Staff then met with the City attorney and requested he draft an ordinance to include the recommendations accepted by the City Council in October 2017. The Council reviewed the ordinance at the May 10, 2018, work session, and further refinements were made.

Councilmember Arboleda MOVED to pass Ordinance No. 1378 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

The roll call vote was Councilmembers Arboleda, Davidson, Mckenna-Foster, Walker, and Whiddon in favor. Councilmember Bishop was absent. The motion passed.

**b. First Reading, Ordinance No. 1379, Approving a Terminal Operation Contract and a Pier II Use and Upland Agreement With American President Lines LTD**

Mayor Branson read Ordinance 1379 by title. Ordinance No. 1379 authorizes the City of Kodiak to enter into the following agreements with American President Lines, LTD (APL): a Pier II Use and Upland Lease Agreement for a term of five years, plus an option for two five-year renewals upon mutual agreement; and a Terminal Operating Contract for a term of five years, plus two five-year renewals upon mutual agreement.

Councilmember Walker MOVED to pass Ordinance No. 1379 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

The roll call vote was Councilmembers Arboleda, Davidson, Mckenna-Foster, Walker, and Whiddon in favor. Councilmember Bishop was absent. The motion passed.

**c. Election of Deputy Mayor**

Under the provisions of City Charter Article II, Section 2, the City Council shall elect one of its members as Deputy Mayor no sooner than thirty days, nor more than sixty days, from the beginning of the newly-elected Councilmembers' terms. On December 14, 2017, Councilmember Saravia was elected Deputy Mayor for a one-year term. On May 4, 2018, Deputy Mayor Saravia resigned as an elected official and the Deputy Mayor position is currently vacant. If a vacancy occurs in the office of Mayor, the Deputy Mayor serves until another Mayor is elected by the Council. If the office of Deputy Mayor becomes vacant, the Council shall elect from its members another Deputy Mayor for the completion of the unexpired term. The Deputy Mayor, when acting as Mayor, shall continue to have a vote as Councilmember; but the Deputy Mayor shall not have veto power.

Councilmember Davidson suggested that those who are interested submit their name and then the Council vote by blind ballot.

Councilmember Davidson was the sole member to submit his name.

Councilmember Whiddon MOVED to elect Councilmember Davidson as Deputy Mayor for the remainder of the one-year term ending in 2018.

The roll call vote was Councilmembers Arboleda, Davidson, Mckenna-Foster, Walker, and Whiddon in favor. Councilmember Bishop was absent. The motion passed.

**d. Authorization to Cancel the June 28, July 26, and August 23, 2018, Regular Meetings and Authorize the City Manager to Schedule a Special Meeting if Needed**

The regularly scheduled Council meetings for June, July, and August may be cancelled to reflect the summer meeting schedule. Elected officials and staff will attend the summer Alaska Municipal League conference August 21 through August 24. Staff discussed the meeting

schedule with the Council at the May 8, 2018, work session, and Council recommended cancelling the June 28, July 26, and August 23, 2018, regular meetings and scheduling a special meeting if needed.

Councilmember Arboleda MOVED to cancel the June 28, July 26, and August 23, 2018, regular meetings and authorize the City Manager to schedule a special meeting if needed.

The roll call vote was Councilmembers Arboleda, Davidson, Mckenna-Foster, Walker, and Whiddon in favor. The motion passed. Councilmember Bishop was absent.

**e. Direct the Mayor and Two Councilmembers to Pursue an Independent, Third-party Review of the Process Followed in Recent Personnel Decisions**

The City of Kodiak cannot discuss the reasons for any personnel action or the steps that lead to employees being terminated during a probation period. The City takes any personnel action only after careful consideration following a formalized process set out in the Personnel Rules and Regulations. In response to citizen concerns, the Council will pursue a thorough, independent, third-party review of the process followed in the termination of the former Deputy Manager.

Councilmember Davidson MOVED to confirm the Mayoral appointments of Councilmember Charles Davidson and Laura Arboleda and direct the Mayor and appointed Councilmembers to select a reviewer to pursue a thorough, independent third-party review of the process followed in the termination of the Deputy Manager and provide the general outcome of the review once it has been completed.

The roll call vote was Councilmembers Arboleda, Davidson, Walker, and Whiddon in favor and Councilmember Mckenna-Foster opposed. Councilmember Bishop was absent. The motion passed.

**VI. STAFF REPORTS**

**a. City Manager**

Manager Tvenge said that the City Parks and Recreation Department has been busy cleaning, planting, and hanging the banners in preparation for Crab Fest. He said that two weeks ago the Police Department and Fire Department organized a bike rodeo at Wal-Mart, which was a great opportunity to teach bike safety. He said that last weekend the annual Torch Run was held and raised over \$2,200 for Special Olympics. Mr. Tvenge acknowledged that after 11 years KPD Officer Holden is moving from his role as School Resource Officer to assist in policing downtown. He said that Color with KDP will be this Saturday at Fisherman's Hall from 12:30 until 2 p.m. Mr. Tvenge said that Finance Director Kelly Mayes' last day with the City is tomorrow. He said she has done great work, and that there will be a luncheon tomorrow at noon to wish her well.

**b. City Clerk**

Deputy Clerk Shuravloff-Nelson said that on May 29 there will be a Community Forum in the Kodiak Public Library at 7 p.m. She said there is a Fisheries Work Group Meeting on May 30 in

the Assembly conference room at 10 a.m. She announced the Council work session and regular meeting schedule for June.

## **VII. MAYOR'S COMMENTS**

Mayor Branson stated that she has no bias in the personnel situation, and she is the one who called for the independent review. She said she believes this will give the public the answers being sought. She said she would provide the third party reviewer with the questions written by Larry Van Daele. Mayor Branson said the committee will recommend the reviewer and anticipates reports will be provided to the Council and an outcome reported to the community. She congratulated Tino Bormuel at the Waste Water Treatment Plant for being the State's 2018 Large Systems Manager of the Year. She said on May 29 there will be a community forum on annexation/consolidation/merger given by a State local boundary commission representative. Mayor Branson gave a report of her business and meetings in Washington, D.C. last week, including discussion on expanding the Coast Guard housing, the Salmon and Cod disaster funds, and the Fire Hall and WWTP infrastructure needs. She stated that this weekend is the Crab Festival and Memorial Day.

## **VIII. COUNCIL COMMENTS**

Councilmember Mckenna-Foster said he is not comfortable being a part of the statement released by the City that made claims affirming the Manager's recent personnel decisions because he wasn't involved in it. He expressed concern over the City lacking some contracts for professional services. Mr. Mckenna-Foster said the comment about a Councilmember approaching a member of the public was concerning to him, and that it deserves attention. He said he is finding resistance, even as a Councilmember, to getting information from the City.

Councilmember Whiddon wished Kelly Mayes good luck and thanked her for her work as Finance Director. He spoke of the Coast Guard's value in our community and how the population and need for resources is growing. He agreed that housing is a huge issue. He talked about Memorial Day and reminded everyone why we have this holiday. He asked people to think of those who serve and have served.

Councilmember Arboleda thanked Kelly Mayes for her work in the Finance Department. She encouraged the public to stay safe and support local businesses during Crab Fest. She said the Alutiiq ground-breaking ceremony is happening tomorrow at 4 p.m. at the park. Ms. Arboleda stated that she and other Councilmembers were voted onto this Council and, therefore, trusted by the people to make the best decisions for the community; she assured the public that her decisions as a part of the Council can be trusted.

Councilmember Davidson said that it is troubling to be called non transparent. He said everything he does is because he loves this community. He again encouraged the public to read the City Charter and Code. He wished everyone a fun Crab Fest. He thanked Kelly Mayes for her hard work.

Councilmember Walker welcomed Daniel to the Council. He said along with new USCG ships there are several USCG infrastructure projects going on. He said there is going to be a boon with state money going to our Coast Guard. He said we should be thankful for all we have and



thankful on Memorial Day to those who have served. He said Kelly has done a great job with the budget and thanked her for her work. He said not everybody knows about the rules and regulations the Council has to follow and learning the process takes time. He encouraged participation in new Councilmember orientation and working as a team. He said he would like to have more people show up to the meetings to talk about a variety of topics. He said he is proud to work with the Council, and they are all people of character. He wished the public a good Crab Fest weekend.

## IX. AUDIENCE COMMENTS

**Judi Kidder** said that it would be nice to see the Mayor at the Memorial Service at the American Ceremony at 11 a.m. She again referenced her previous comments about Councilmember Whiddon. She stated her belief that the dismissed employee did not know the reason for his dismissal. She said she wants to see an investigation where the Council is completely hands off. She said the Borough had been in a similar situation and they did a lot to be transparent. She said the City hasn't done that, and these are the kinds of things that cause the public to lose faith in local government.

**Dick Rohrer** said that he is a big proponent of kids coming back to Kodiak. He said when Matt was hired, it clicked with the community and with him and seemed like an ideal situation; but perhaps it wasn't the best fit. He suggested the Council look at whether the Deputy Manager's position is necessary. He said it appears there was a lack of communication between the Manager and Deputy Manager. Mr. Rohrer said the Council should be involved when there is a communication issue.

**Kelly Mayes** thanked all the City staff for everything over the last three years and said she thinks they are a wonderful team. She said she didn't know what to expect when she came here, but everyone was helpful and friendly and she felt very supported. She commended the Council on their volunteer work for the community.

**Nicole Clark**, via telephone, said she was very impressed with the amount of discussion during the meeting tonight. She thanked the Council for all they do and understands it is thankless at times, but rewarding. She looks forward to the results of the independent investigation. She thanked KDP for their quick response to the situation at Baranof Park today.

**Mayor Branson** said the word transparency has been heard over and over again with both the City and Borough. She stated to the public that their doors are open at all times and transparency goes both ways. She invited individuals who have questions that are not being answered to contact her or the Council.

## X. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

The roll call vote was Councilmembers Arboleda, Davidson, Mckenna-Foster, Walker, and Whiddon in favor. Councilmember Bishop was absent. The motion passed.

The meeting adjourned at 9:13 p.m.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

Minutes Approved:

## **PERSONS TO BE HEARD**

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## MEMORANDUM TO COUNCIL

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**Date:** June 14, 2018

**Agenda Item:** III. a. Proclamation: Filipino American Heritage Month

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**SUMMARY:** This proclamation recognizes Filipino Americans for their vital contributions to our community and urges citizens to participate in festivities celebrating the rich heritage and traditions of the Philippine Islands.

**ATTACHMENT:**

Attachment A: Proclamation: Declaring Filipino American Heritage Month

# PROCLAMATION

## Declaring Filipino American Heritage Month

WHEREAS, the City of Kodiak is made up of a wonderful mosaic of culturally diverse people; and

WHEREAS, Filipino Americans have enriched our city through their vital contributions to the economic, social, political, and cultural quality of life in the community; and

WHEREAS, June 12, 2018, marks the 120th anniversary of the declaration of Philippine independence; and

WHEREAS, this momentous occasion provides an opportunity for all Filipino Americans to share their cultural heritage with people of all races, ethnicities, and nationalities; and

WHEREAS, local observances will include a traditional church service and potluck.

NOW, THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim June 2018, as

## Filipino American Heritage Month

in Kodiak and urge all citizens to participate in the festivities celebrating the rich heritage and traditions of the Philippine Islands.

Presented this 14th day of June 2018.

City of Kodiak

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Pat Branson, Mayor

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## MEMORANDUM TO COUNCIL

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**Date:** June 14, 2018

**Agenda Item: III. b. Public Hearing About Amending Sections 9 and 12 of the Schedule of Fees, Charges, and Tariffs**

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**SUMMARY:** The City sets its fees and charges for various services by a resolution of the Council. The Council has requested a public hearing prior to amending fees, which is scheduled as New Business item V. b, Resolution No. 2018-07, Amending Section 9, (Harbor) and Section 12 (Parks and Recreation) of the Schedule of Fees, Charges and Tariffs. The proposed fee changes are recommended to become effective July 1, 2018.

**ATTACHMENTS:**

Attachment A: Resolution No. 2018-07

**CITY OF KODIAK  
RESOLUTION NUMBER 2018-07**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AMENDING  
SECTIONS 9 AND 12 OF THE SCHEDULE OF FEES, CHARGES, AND TARIFFS**

WHEREAS, at the January 25, 2018, regular meeting the Kodiak City Council approved its budget goals for FY2019, including annually reviewing and updating the Schedule of Fees, Charges, and Tariffs; and

WHEREAS, staff reviewed the Schedule of Fees and Charges, and it was decided to bring forth amendments to the City fees; and

WHEREAS, the suggested fee amendments herein reflect the City's cost to provide services.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Sections 9 and 12 of the City's Schedule of Fees, Charges, and Tariffs are hereby amended as follows:

BE IT FURTHER RESOLVED that this resolution shall supersede previous resolutions amending Sections 9 and 12 of the Schedules of Fees, Charges and Tariffs.

BE IT FURTHER RESOLVED that the changes to Sections 9 and 12 of the Schedule of Fees, Charges, and Tariffs herein shall be effective July 1, 2018.

BE IT FURTHER RESOLVED that the City Clerk is authorized to make the required changes to the Schedule of Fees, Charges, and Tariffs.

**Section 9 Harbor**

*A day is defined as a calendar day, midnight to midnight or portion thereof.*

9.1	Disposal	
9.1.1	Drums, each 55 gallon.....	24.50
9.1.2	Containment boom, per foot, per day, plus labor .....	0.60
9.1.3	Sorbent pads and boom .....	cost + 10%
9.1.4	Petroleum products and bilge waste, per gallon	
9.1.4.1	Used oil .....	1.25
9.1.4.2	Oily bilge water, vessels under 400 gross tons .....	2.75
9.1.4.3	Oily bilge water, vessels over 400 gross tons	5.25
9.1.4.4	Testing and other necessary services .....	cost + 10%
9.2	Dry Storage	
	<i>No charge for fishing gear storage for the first three (3) days. Minimum charge is \$10.00 or per square foot fee, whichever is greater.</i>	
9.2.1	Daily, per square foot .....	0.04
9.2.2	Weekly, per square foot.....	0.14
9.2.3	Monthly, per square foot.....	.48
9.2.4	Annual, per square foot .....	1.50

**Section 9 Harbor (continued)**

9.2.5	Impounded vessels: cost of labor, equipment, and storage.....	cost + 10%
9.3	Electric Service, temporary, per day	
9.3.1	120-volt single-phase or actual kWh cost, whichever is greater .....	18.00
9.3.2	208-volt single-phase or actual kWh cost, whichever is greater .....	43.00
9.3.3	208-volt three-phase or actual kWh cost, whichever is greater.....	49.00
9.3.4	Electric cord rental, per day	
	30-amp 120-volt twist lock cords .....	9.00
9.3.5	Electric plug rental, per day	
	30-amp twist lock GFI to 20-amp straight blade .....	6.00
	208 single phase to 30-amp twist lock.....	12.00
	208 three phase to 208 single phase.....	18.00
9.4	Tidal Grid, per foot, per tide .....	2.50
9.5	Services and equipment rental	
9.5.1	Backhoe/loader, with operator, per 1/2 hour .....	91.50
9.5.2	Fork Lift	
9.5.2.1	4-ton, with operator, per 1/2 hour .....	91.50
9.5.3	Labor and Materials	
9.5.3.1	City employees, straight time, per hour .....	79.00
9.5.3.2	City employees, overtime, per hour .....	110.00
9.5.3.3	Non-City labor and miscellaneous materials	cost + 10%
9.5.4	Pumps	
9.5.4.1	Dewatering, electric, per day .....	36.00
9.5.4.2	Dewatering, electric, per week.....	146.00
9.5.4.3	Dewatering, electric, per month .....	365.00
9.5.4.4	Dewatering gasoline, per day .....	61.00
9.5.4.5	Sewage, vessel or RV pump-out, per use .....	12.00
9.5.5	Tanker, used oil, with operator, per hour.....	158.00
9.5.6	Vessel, with operator, per hour .....	129.00
9.6	Dockage for commercial fishing vessels at piers and docks (all other vessels charged per port tariff)	
9.6.1	• Vessels 80' and under .....	1.85
9.6.2	• Vessels 81' and over.....	2.15
	• Includes Dock 1, Oscar's Dock, Piers 1, 2, & 3.	
	• Dockage fees shall be equal to the vessel's daily moorage rate, or the per foot rate, whichever is greater. Vessels with exclusive moorage, and vessels which have paid their annual daily moorage ceiling, receive the first day free when scheduled in advance. Dockage fees do not apply to the moorage ceiling.	
9.7	Moorage, exclusive, annual	
	• Exclusive moorage means a permanently assigned slip for a specific vessel. Moorage is calculated depending upon vessel length: Length x rate per linear foot.	
	• Length = length of vessel, including all fixed protuberances or length of slip, whichever is greater.	
	• Vessels moored at posted restricted areas in excess of the allotted time shall incur a moorage charge at double the daily rate, until the vessel has departed.	
	• 20% surcharge for vessels wider than 80% of the slip water space	
	• 50% surcharge for vessels wider than 100% of the slip water space	
9.7.1	0 to 20 feet.....	36.55
9.7.2	21 to 30 feet.....	36.55
9.7.3	31 to 40 feet.....	36.55
9.7.4	41 to 60 feet.....	49.95
9.7.5	61 to 80 feet.....	74.31
9.7.6	81 to 100 feet.....	87.10
9.7.7	101 to 120 feet.....	99.89
9.7.8	121 to 150 feet.....	108.42



**Section 9 Harbor (continued)**

9.7.9	151+.....	121.82
9.8	Moorage, open/daily.....	1/60 of the annual moorage rate
	<ul style="list-style-type: none"> <li>• Daily moorage shall stop accruing when an amount equal to 100% of the annual exclusive moorage has been reached.</li> <li>• Vessels moored at posted restricted areas in excess of the allotted time shall incur a moorage charge at double the daily rate, until the vessel has departed.</li> <li>• Vessels under 21' receive one free day per month at designated areas only, on first-come, first-served basis.</li> </ul>	
9.9	Parking	
9.9.1	Trailers at designated long-term parking areas	
9.9.1.1	Daily .....	6.00
9.9.1.2	Monthly .....	91.50
9.9.2	Permit parking for harbor customers in designated 30-day lots adjacent to the harbors, per day .....	1.00
	<ul style="list-style-type: none"> <li>• Permits available to vessel slip holders and paid up transient vehicles only. Except that permits may be sold to the general public in the 30-day lot north of Ramp 1, St. Herman Harbor.</li> </ul>	
9.10	Gravel ramp use at SHH and SPH	
9.10.1	Aircraft, per launch or retrieval .....	91.50
9.10.2	Vessels under 76 feet in length, per foot, per tide.....	1.25
9.10.3	Vessels 76 feet and longer, per foot, per tide .....	1.80
9.10.4	Annual usage fee (must be paid in advance) .....	2437.00
9.11	Waiting list, per year.....	30.50
9.12	Launch ramp (exclusive slip holders and personal pleasure boats of persons sixty-five years of age or older are exempt)	
9.12.1	Daily.....	10.00
9.12.2	Annual .....	122.00
9.13	Administrative fees	
9.13.1	Slip transfer fee, per vessel .....	18.00
9.13.2	Account sent to collections .....	122.00
9.14	Vessel sewage disposal at Pier II per day (dockage charged separately)	91.50
9.15	Harbor Shower Fee, per time period.....	6.00
<u>9.16</u>	<u>Crane Use Fee, per 15 minute period or portion thereof .....</u>	<u>25.00</u>

**Section 12 Parks and Recreation**

*Note: For activities including micro tournaments and clinics not listed, the Parks & Recreation Department will establish the activity/program fee. Youth includes ages 4-18; Adult 19-65; Senior 65+. Activity fees can be waived for parent volunteers for coaching and officiating. A sponsor can contribute to activities fee to reduce cost of Person or group participants. Promotional events may occur throughout the year that are not listed in the fee schedule when fees and events are approved by the City Manager.*

12.1	<b>City Organized Activities</b>	
12.1.1	<u>Basketball</u>	
12.1.1.1	Adult Recreation Basketball Class A & Open Per Season Per Team .....	450.00
12.1.1.2	Adult Recreation Basketball Class B & C Per Season Per Team.....	350.00
<u>12.1.1.3</u>	<u>Adult Recreation Basketball Half Season Per Team .....</u>	<u>250.00</u>
12.1.1.4	Adult Recreation Basketball B & C (Student) Per Season Per Team.....	175.00
12.1.1.5	Adult Recreation Basketball Class A & Open Per Person .....	75.00
12.1.1.6	Adult Recreation Basketball Class B & C Per Person .....	75.00
<u>12.1.1.7</u>	<u>Adult Recreation Basketball (Student/Tournament/Half Season) Per Person .....</u>	<u>50.00</u>

**Section 12 Parks and Recreation (continued)**

12.1.1.8	Little Dribblers Per Season (6 weeks) Per Person.....	40.00
12.1.2	<u>Volleyball</u>	
12.1.2.1	Adult Recreation Volleyball Per Season Per Team .....	200.00
12.1.2.2	Adult Recreation Volleyball Per Person .....	40.00
12.1.2.3	Adult Recreation Women's Volleyball Per Person .....	25.00
12.1.3	<u>Soccer</u>	
12.1.3.1	Youth Soccer Per Season (6 weeks) Per Person .....	40.00
12.1.4	<u>Races</u>	
12.1.4.1	Per Race Per Adult.....	30.00
12.1.4.2	Per Race Per Youth/Senior.....	20.00
12.1.5	<u>Summer Program</u>	
12.1.5.1	Per Session (2 Week) Per Child .....	40.00
12.1.6	<u>Softball</u>	
12.1.6.1	Adult Recreation Softball Per Season Per Team.....	200.00
12.1.6.2	Adult Recreation Softball Per Season Per Person.....	25.00
	<u>Hockey</u>	
12.1.7.1	Adult Recreation Hockey Per Season Per Person .....	75.00
12.2.1	<b>City Facility</b>	
12.2.1	<u>Ice Rink</u>	
12.2.1.1	Ice Time Per Session Per Adult.....	5.00
12.2.1.2	Ice Time Per Session Per Student/Senior .....	2.00
12.2.1.3	Ice Time Per Month Per Adult.....	45.00
12.2.1.4	Ice Time Per Month Per Student.....	15.00
12.2.1.5	Ice Time Per Season Per Adult.....	160.00
12.2.1.6	Ice Time Per Season Per Student/Senior .....	55.00
12.2.1.7	Rental Per Hour .....	100.00
12.2.1.8	Dasher board sponsor.....	350.00
12.2.2	<u>Swimming Pool</u>	
12.2.2.1	Per Session Per Adult.....	5.00
12.2.2.2	Per Session Per Youth/Senior .....	2.00
12.2.2.3	Per Month Per Adult.....	45.00
12.2.2.4	Per Month Per Student.....	15.00
<a href="#">12.2.2.5</a>	<a href="#">Per Month Infant .....</a>	<a href="#">8.00</a>
<a href="#">12.2.2.6</a>	<a href="#">10 Punch Per Adult .....</a>	<a href="#">45.00</a>
<a href="#">12.2.2.7</a>	<a href="#">10 Punch Youth/Senior .....</a>	<a href="#">15.00</a>
<a href="#">12.2.2.8</a>	<a href="#">10 Punch Infant .....</a>	<a href="#">8.00</a>
<a href="#">12.2.2.9</a>	<a href="#">Per Year Per Adult .....</a>	<del>420.00</del> <a href="#">360.00</a>
<a href="#">12.2.2.10</a>	<a href="#">Per Year Youth/Senior .....</a>	<del>135.00</del> <a href="#">120.00</a>
12.2.2.8	Infant - 3 years .....	1.00
12.2.2.9	Lessons Per Persons Per Session.....	40.00
12.2.2.10	Pool Rental 1.5 Hour Block & Cleaning Fee .....	175.00
12.2.3	<u>Teen Center</u>	
12.2.3.1	Racquetball Per Adult Per Session (1 hour) .....	5.00
12.2.3.2	Racquetball Per Student/Senior Per Session (1 Hour) .....	2.00
12.2.3.3	Racquetball Per Month Per Adult.....	45.00
12.2.3.4	Racquetball Per Month Per Youth/Senior .....	15.00
12.2.3.5	Racquetball Per Year Per Adult .....	<del>420.00</del> <a href="#">360.00</a>
12.2.3.6	Racquetball Per Year Per Youth/Senior .....	<del>135.00</del> <a href="#">120.00</a>
12.2.3.7	Auditorium Cleaning Fee.....	25.00
12.2.3.8	Auditorium Per 4 Hour Block (Under 50 people) .....	100.00
12.2.3.9	Auditorium Per 4 Hour Block (Over 50 people) .....	200.00

	<a href="#">12.2.3.10</a>	<a href="#">Folding Table Rental (Cost is per table)</a> .....	<a href="#">5.00</a>
	<a href="#">12.2.3.11</a>	<a href="#">Folding Chair Rental (Cost is per chair)</a> .....	<a href="#">2.00</a>
	12.4.4	<u>East Addition Recreation Building</u>	
	12.2.4.1	Per Three Hour Block.....	100.00

CITY OF KODIAK

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

Adopted:

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# **UNFINISHED BUSINESS**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Mike Tvenge, City Manager and Debra Marlar, City Clerk  
**Date:** June 14, 2018

**Agenda Item: IV. a. Second Reading and Public Hearing, Ordinance No. 1378, Amending Title 5 With the Renumbering of KCC Chapter 7.40 to Chapter 5.24 and the Addition of New Sections for Marijuana Businesses, and Amending Chapter 8.48 to Reflect Alaska Marijuana Law**

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**SUMMARY:** On November 4, 2014, Alaska voters passed Ballot Measure 2, An Act to Tax and Regulate the Production, Use, and Sale of Marijuana, which initiated the State and Statewide municipalities to begin to determine how to regulate marijuana on both State and municipal levels. Subsequently, the Council adopted Resolution No. 2016-16, Establishing a Marijuana Advisory Special Committee, to recommend guidelines for implementing taxation, regulation, production, sale, and use of marijuana within the Kodiak City limit. The Committee met nine times from June 2016 through April 2017 and brought forward for Council consideration regulations and policies governing marijuana establishments within the Kodiak City limit. Staff met with Kodiak Island Borough Planning officials to discuss zoning and land use regulations pertaining to marijuana. Staff then met with the City attorney and requested he draft an ordinance to include the recommendations accepted by the City Council in October 2017. The Council reviewed the ordinance at the May 10, 2018, work session, requested that all schools, licensed day care facilities, and parks be included in the “buffer zone” and voiced a consensus to bring the ordinance forward at a regular meeting. The definition of “school ground” now includes post-secondary and licensed day cares.

The ordinance before the Council has two additional changes from the draft reviewed at the May 10 work session. In addition to the changes noted above, the ordinance was amended to address the following housekeeping issues:

- “or be addicted to the use of” is deleted from 8.48.010 because it is unconstitutional to penalize someone for being an addict.
- Marijuana references are deleted from the drug paraphernalia section, 8.48.020. Several places state “except as provided by AS 17.38.” This is because marijuana is still a scheduled substance under AS 11.71 so simply deleting the marijuana terms would technically be insufficient to take it out of the universe of drug paraphernalia.

## **PREVIOUS COUNCIL ACTION:**

- January 27, 2016, joint work session – Cynthia Franklin, Director of the Marijuana Control Board presented information about marijuana laws to the Council and Assembly.
- April 12, 2016, City work session – City attorney Holly Wells presented marijuana information to the Council.
- April 26, 2016, City work session – the Council voiced a consensus and directed staff to prepare an ordinance to opt out of marijuana establishments within the Kodiak City limit for not more than six months and directed that a resolution be brought forth to establish a marijuana advisory committee appointed by the Council to be comprised of two Councilmembers, two Kodiak business owners, and two City resident at-large members to review and recommend regulations and policies for establishing marijuana establishments within the Kodiak City limit.
- May 10, 2016, City work session – the Council reviewed applications from City business owners and City resident at large members for appointment to the Marijuana Advisory Special Committee.
- May 12, 2016, regular meeting – the Council adopted Resolution No. 2016–16, Establishing a Marijuana Advisory Special Committee.
- May 26, 2016, regular meeting – the Council adopted Ordinance No. 1350, Enacting Kodiak City Code Chapter 5.52 Prohibiting Marijuana Establishments in the City.
- November 10, 2016, work session – Councilmembers Bishop and Arboleda presented the Marijuana Committee’s recommendations to the Council.
- September 28, 2017, regular meeting – the Council adopted Ordinance No. 1365, Amending Kodiak Municipal Code Title 7 Entitled "Health and Sanitation" to Adopt Chapter 7.40 Entitled "Marijuana Regulation," and Designating the Kodiak City Council as the City's Local Regulatory Authority on Marijuana.
- September 28, 2017, regular meeting – the Council adopted Ordinance No. 1366, Amending Kodiak Municipal Code Title 8 Entitled "Public Peace, Safety, And Morals" to Adopt Kodiak City Code 8.40, "Prohibited Acts Regarding Marijuana," to Prohibit the Extraction of Tetrahydrocannabinol ("The") or any Cannabinoid by Use of Materials or Methods Deemed Dangerous to Public Health and Safety, Unless Otherwise Permitted By Law.
- October 12, 2017, regular meeting – the Council accepted the recommendations from the City Marijuana Advisory Special Committee.
- May 8, 2018, work session – the Council reviewed a draft ordinance to implement recommendations of the City Marijuana Advisory Special Committee.
- May 24, 2018, regular meeting – the Council passed Ordinance No. 1378 in the first reading and moved to second reading and public hearing at the next regular or special Council meeting.

## **ALTERNATIVES:**

- 1) Adopt Ordinance No. 1378 in the second reading.
- 2) Postpone Ordinance No. 1378 to allow for amendments and further attorney review.
- 3) Do not adopt Ordinance No. 1378.

**FINANCIAL IMPLICATIONS:** N/A

**LEGAL:** The City's attorney wrote Ordinance No. 1378 and the memo explaining the ordinance.

**CITY MANAGER'S COMMENTS:** This Ordinance has been an all inclusive effort by the Marijuana Advisory Committee, the City Council, the Kodiak Island Borough Community Development staff and the City staff working closely with legal counsel; dating back to January 2016. These efforts have included Alaska Statutes and community concerns regarding the variety of marijuana uses and products. Ordinance No. 1365 adopted by City Council in September 2017, established the City Council as the City's Local Regulatory Authority on Marijuana and this Ordinance sets the guidelines for Licensing, Sale and Use within the City of Kodiak.

**ATTACHMENTS:**

Attachment A: Ordinance No. 1378

Attachment B: Attorney's Memo Regarding Marijuana Business Ordinance

**PROPOSED MOTION:**

Move to adopt Ordinance No. 1378.



**CITY OF KODIAK  
ORDINANCE NUMBER 1378**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AMENDING TITLE 5 WITH THE RENUMBERING OF KCC CHAPTER 7.40 TO CHAPTER 5.24 AND THE ADDITION OF NEW SECTIONS FOR MARIJUANA BUSINESSES, AND AMENDING CHAPTER 8.48 TO REFLECT ALASKA MARIJUANA LAW**

WHEREAS, the Kodiak city council has been designated as the city’s local regulatory authority on marijuana;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kodiak, Alaska, as follows:

**Section 1:** This ordinance is of a permanent and general nature and shall be included in the Kodiak City Code.

**Section 2:** Chapter 7.40 Marijuana Regulation, of the Kodiak City Code, is hereby renumbered to Chapter 5.24, with Section 7.40.010 renumbered to 5.24.010 accordingly.

**Section 3:** Chapter 5.24 Marijuana Regulation, of the Kodiak City Code, is hereby amended with the addition of a new Section 5.24.005 to read as follows:

**5.24.005. Definitions.**

As used in this chapter the following definitions shall apply:

“Edible marijuana product” means a marijuana product that is intended to be consumed orally, whether as food or drink.

“Licensed premises” means any or all designated portions of a building or structure, or rooms or enclosures in the building or structure, at the specific address for which a marijuana establishment license is issued, and used, controlled, or operated by the marijuana establishment to carry out the business for which it is licensed.

“School ground” means any facility operated by a school board or private school, as defined by AS 14.45.200, to provide educational, athletic, or recreational activities for persons under 18 years of age and shall include facilities providing post-secondary education and child care facilities licensed under AS 47.32.010.

**Section 4:** Chapter 5.24 Marijuana Regulation, of the Kodiak City Code, is hereby amended with the addition of a new Section 5.24.020 to read as follows:

**5.24.020. License Application Review.**

(a) Upon receipt of notice from the Alcohol and Marijuana Control Office that a new, renewal, or transfer application for a marijuana business license has been deemed complete, the clerk shall forward the application to appropriate department heads to make investigations within their respective areas of responsibility. The city manager or designee shall compile the responses, and provide the council with the administration's recommended action.

(b) For the purpose of public hearing and council action, the clerk shall place the matter of the application upon the agenda for a regular or special meeting of the council held not less than fifteen or more than 50 days from receipt of the notice from the Alcohol and Marijuana Control Office.

(c) After receiving the administration report and public comment, the council, by motion, may take one of the following actions on the matter of the license:

(1) Non-objection. Upon finding that the permit satisfies all legal requirements, the council may authorize the clerk to issue a letter of non-objection to the Marijuana Control Board.

(2) Non-objection with conditions. If any requirements or obligations are not satisfied, but could be satisfied through further action of the licensee(s), the council may authorize the clerk to issue a letter of conditional non-objection to the Marijuana Control Board for the issuance, transfer, or renewal of the license setting forth the city's conditions for non-objection.

(3) Protest. Upon determining the existence of one or more of the grounds contained in subsection (d) of this section, the council may direct the clerk to cause a protest to be filed with the Marijuana Control Board.

(d) A marijuana license may be protested for one or more of the following reasons:

(1) Failure of the applicant to secure any required city permit, or if the applicant is in violation of any applicable city permit;

(2) That the applicant has violated a provision of AS 17.38 or regulations adopted by the state, or a condition imposed by the Alcohol and Marijuana Control Office on the license, or if issuance of the license would violate a provision of state law or regulations;

(3) The marijuana business operated under the license or any other business owned in whole or in part by any person named in the application as an applicant or on the permit is, on the date the council considers the matter, delinquent in the payment of any sales tax or penalty or interest on sales tax arising out of the operation of any business within the city;

(4) There are delinquent property taxes or local improvement district assessments or penalty or interest thereon arising out of real or personal property

owned in whole or in part by any person named in the application as an applicant or such property as is to be used in the conduct of business under the license;

(5) There is a delinquent charge or assessment owing to the city or borough by the licensee for a municipal service provided for the benefit of the business conducted under the license or for a service or an activity provided or conducted by the city or borough at the request of or arising out of an activity of the business conducted under the license;

(6) The business operated or to be operated under the license is violating or would violate the Kodiak City Code;

(7) The business operated under the license is, on the date the council considers the matter, in violation of a state or municipal fire, health, or safety code, or for any concern identified by the building official, or police chief or fire chief (A conviction for a violation is not a prerequisite for a protest under this section);

(8) The concentration of other marijuana business or alcohol licenses in the area;

(9) Any factor identified by state statute or regulation as appropriate grounds for a protest; or

(10) Any other factor the council determines is generally relevant or is relevant to a particular application.

**Section 5:** Chapter 5.24 Marijuana Regulation, of the Kodiak City Code, is hereby amended with the addition of a new Section 5.24.030 to read as follows:

**5.24.030. Licensed premises not less than 500 feet from schools.**

(a) Licensed premises shall not be located within 500 feet of any school ground.

(b) The distance specified in this section shall be measured by a straight line from the public entrance of the building in which the licensed premises would be located to the lot line or real property boundary for the any lot or parcel containing a school ground.

(c) This section does not prohibit the renewal of an existing marijuana establishment license or the transfer of an existing marijuana establishment license to another person if the licensed premises were in use before the school ground began use of a site within 500 feet.

**Section 6:** Chapter 5.24 Marijuana Regulation, of the Kodiak City Code, is hereby amended with the addition of a new Section 5.24.040 to read as follows:

**5.24.040. Manufacture and Sale of Marijuana Edibles Prohibited.**

Manufacture of edible marijuana products on any licensed premises and all sale of edible marijuana products is unlawful.

**Section 7:** Section 8.48.010 of the Kodiak City Code is hereby amended to read as follows: [deleted text is ~~struck through~~; added text is underlined]

**8.48.010 Use restrictions.**

No person shall have possession of ~~or be addicted to the use of~~ a narcotic drug, or be under the influence of a narcotic drug in the city, except when such narcotic drugs are or have been prescribed or administered by or under the direction of a person licensed by the state of Alaska to prescribe and administer narcotics.

**Section 8:** Section 8.48.020 of the Kodiak City Code is hereby amended to read as follows: [deleted text is ~~struck through~~; added text is underlined]

**8.48.020 Sale or possession of drug paraphernalia.**

(a) No person may knowingly sell or possess drug paraphernalia.

(b) Any drug paraphernalia involved in any violation of subsection (a) of this section shall be subject to seizure and forfeiture by the city of Kodiak.

(c) The term “drug paraphernalia” means any device, equipment, product, or material of any kind which is primarily intended or designed for use in processing, preparing, injecting, ingesting, inhaling, or otherwise introducing into the human body ~~marijuana, cocaine, hashish, hashish oil,~~ PCP, or amphetamines, or any other substance possession of which is unlawful under AS 11.71 except as provided by AS 17.38. It includes, but is not limited to, small metal, wooden, acrylic, glass, stone, plastic, or ceramic pipes with or without screens, permanent screens, ~~hashish heads,~~ or punctured metal bowls which are commonly used for the ingestion of ~~marijuana, cocaine, or hashish.~~ substances described above.

(d) This section shall not apply to:

(1) Any person authorized by local, state, or federal law to manufacture, possess, or distribute such items; or

(2) Any item that is traditionally intended for use with tobacco products, including any pipe, paper, or accessory, unless residue or other evidence indicates that the item in question has in fact been used to process, prepare, inject, ingest, or inhale ~~marijuana, cocaine, hashish, hashish oil,~~ PCP, or amphetamines or otherwise in connection with a substance possession of which is unlawful under AS 11.71 except as provided by AS 17.38.

(e) A person charged with violating this section can dispose of the charge, by mail or in person, by paying a fine of \$75.00 plus any surcharge required to be imposed by AS 29.25.07 and checking the “no contest plea” box on the back of

the citation. Alternatively, the person may choose to appear in court and contest the citation. If found guilty, the maximum sentence which may be imposed is the fine amount plus any surcharge required to be imposed by AS 29.25.072. A person charged with a violation of this section does not have a right to a jury or to a court-appointed lawyer.

**Section 9:** This ordinance shall be effective one month after final passage and publication.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

First Reading: May 24, 2018  
Second Reading:  
Effective Date:

**BOYD, CHANDLER & FALCONER, LLP**

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bcf@bcfaklaw.com

**MEMORANDUM**

To: Kodiak City Council  
From: Charles Cacciola  
Date: March 29, 2018  
Re: Marijuana Business Ordinance

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In November 2016, the Marijuana Advisory Committee, formed by council resolution, made 14 regulatory recommendations.<sup>1</sup> We were asked to draft implementing ordinances.

The Kodiak Island Borough, following joint City-Borough work sessions and as the local zoning authority, amended the Borough zoning code to zone marijuana businesses. With modest exception, Borough zoning of marijuana businesses reflects the Marijuana Advisory Committee's recommendations. The proposed ordinance accompanying this memo implements the Marijuana Advisory Committee's non-zoning recommendations.

This memo provides a brief summary of the proposed ordinance followed by a section identifying how each of the Advisory Committee's recommendations are accomplished.

**A. Proposed Ordinance**

The proposed ordinance renumbers Chapter 7.40 to 5.24, moving ordinances regulating marijuana businesses to the Business License and Regulation title. It also prohibits commercial manufacture and sale of marijuana edibles, provides an additional setback from schools, and, most importantly, establishes a procedure for the council to review and protest marijuana establishment license applications.

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<sup>1</sup> See City Manager Tvenge Memo to Council (October 12, 2017).  
MEMO: MARIJUANA BUSINESS ORDINANCE

The proposed license application review procedure (5.24.020) has three key components. First, respective city departments review the application to determine if the proposed license adheres to legal requirements. Based on this review, the administration prepares a report and recommendation for the council's consideration. The second component is a public hearing. The third component is council action on the application. Subsection (d) identifies bases upon which the council may decide to protest (or conditionally protest) a license. Codifying these bases is intended to provide guidance the council and applicants. But the council, acting as the local regulatory authority on marijuana, retains authority to protest on any non-arbitrary or capricious ground, including ones not identified in the subsection.

The proposed definition for "school ground" includes any public or private school. It does not include UAA or other facilities used for adult education, nor does it include licensed daycares. This definition can be narrowed or broadened to achieve the council's goals.

#### **B. Marijuana Advisory Committee's Recommendations**

1) *Establish a 500' separation distance from any school property line to a public entrance of a marijuana establishment.*

Under state law, the 500' distance from a school is measured "by the shortest pedestrian route from the public entrance of the building in which the licensed premises would be located to the outer boundaries of the school ground . . ." The Borough has a similar zoning provision (separate from borough regulation of marijuana businesses outside of cities set forth in Chap 5.02), KIBC 17.15.120.

Ms. Marlar clarified that it was the committee's specific intent for this distance to be measured differently under city ordinance than under state law. The proposed Section 5.24.030 specifies that a marijuana business cannot be located within 500' of school *as measured in a straight line to the school property boundary*. A marijuana license applicant would need to comply with both the state and City buffer for school grounds.

2) *Adhere to state rules and regulations regarding the 500' pedestrian pathway separation from a marijuana establishment to jails, churches, etc.*

No action is presently needed to accomplish this goal. The City ensures that an applicant satisfies this requirement during review of the license application.

3) *Regulate retail stores within the City limits to industrial, light industrial, business, and business retail.*

The Borough zoning code reflects this recommendation.

4) *Comply with State of Alaska laws for retail stores within the City limits.*

No action is presently needed to accomplish this goal. The City ensures that an applicant satisfies these requirements during review of the license application.

5) *Adhere to State of Alaska laws for personal growing of marijuana.*

No action is presently needed to accomplish this goal. Cultivation for personal consumption in excess of the allowances set forth by state law is subject to criminal penalties and can be enforced by the Kodiak Police Department.

6) *Establish a 500' pedestrian pathway separation from a marijuana cultivation facility to jails, churches, etc.*

No action is presently needed to accomplish this goal. The City ensures that an applicant satisfies these requirements during review of the license application

7) *Regulate commercial growing within the City limits to industrial, light industrial, business, and business retail areas.*

This recommendation is substantively satisfied by Borough code. The Borough zoning code allows for cultivation by right in the light industrial, industrial, and conservation districts. Cultivation is a condition use in the retail business district and business district. Additionally, the Borough code allows limited cultivation facilities (not more than 500 square feet under cultivation) as a conditional use in the rural residential districts on lots 40,000 square feet or larger.

8) *Adopt attorney's recommended ordinance Designating City Council as the City's Local Regulatory Authority on Marijuana and incorporate a process by which the Council is aware of new licenses and has the opportunity to object.*

Ordinance No. 1365 was adopted September 28, 2017. That ordinance did not establish a procedure for reviewing and protesting license applications. The proposed ordinance contains such a procedure.

We also recommend “moving” the designation from its existing location in Title 7 (Health and Sanitation) to Title 5 (Business Licenses and Regulation). There is no substantive change, but a chapter of regulations for marijuana commerce is a better fit for Title 5.

9) *Adopt attorney's recommended ordinance Prohibiting Extraction of Tetrahydrocannabinol ("THC") or any Cannabinoid by Use of Materials or Methods Deemed Dangerous to Public Health and Safety, Unless Otherwise Permitted by Law.*

The provision is codified as KCC 8.40.010.



10) *Approve limited cultivation licenses in rural residential lots 20,000 square feet or greater with issuance of a conditional use permit and in compliance with Kodiak Island Borough zoning requirements.*

The City cannot accomplish this goal because the Borough requires that a residential lot be 40,000 square feet or greater. The City cannot be more permissive than the Borough.

11) *Approve manufacturing facilities in industry, light industry, and both business and business retail districts with a conditional use permit.*

The Borough code allows manufacturing facilities *by right* in industry, light industry, retail business, and general business.

The Committee recommended that manufacturing facilities be a conditional use in the latter two districts. Through discussion with Mr. Tvenge and Ms. Marlar, we determined that the Advisory Committee's recommendation and existing Borough zoning are not sufficiently different to justify additional City regulation, particularly where the Borough, not the City, wields zoning authority.

12) *Allow testing facilities in industrial, light industrial, business, and conservation districts.*

This recommendation is substantively satisfied by Borough code. The Borough Code allows for testing facilities by right in all of the above districts except for the conservation district.

13) *Do not assess a local marijuana entity application fee, licensing fee, and special sales tax at this time. (Regular sales tax would still apply.)*

No action necessary.

14) *Prohibit edibles within the City of Kodiak at this time and discuss again with the City Council in one year whether to permit edibles as a part of a manufacturing process.*

Section 5.24.040 prohibits the commercial manufacture and all sale of marijuana edibles. Prohibiting the creation of marijuana edibles for personal consumption is not feasible.

It is worth noting that the Borough also prohibits commercial manufacture of marijuana edible, but the Borough restriction does not apply in cities.

Please let us know if you have any further questions regarding this matter.

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager 

**Thru:** Lon White, Harbormaster

**Date:** June 14, 2018

**Agenda Item: IV. b. Second Reading and Public Hearing, Ordinance No. 1379, Approving a Terminal Operation Contract and a Pier II Use and Upland Agreement With American President Lines LTD**

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**SUMMARY:** Ordinance No. 1379 authorizes the City of Kodiak to enter into the following agreements with American President Lines, LTD (APL): a Pier II Use and Upland Lease Agreement for a term of five years, plus an option for two, five-year renewals upon mutual agreement; and a Terminal Operating Contract for a term of five years, plus two five-year renewals upon mutual agreement.

**PREVIOUS COUNCIL ACTION:** At the April 24 and May 8 work sessions, Council received a briefing on the proposed agreements and operation plan for APL to work freight barges across Pier II and the need for upland staging and a Terminal Operating Contract that would allow APL to stevedore its own vessels. On May, 24, 2018, Council passed Ordinance No. 1379 in the first reading at their regular meeting and advanced it to second reading and public hearing.

**BACKGROUND:** APL has served Kodiak for over 40 years as a commercial freight carrier and has maintained an office in the Pier II warehouse the entire time, currently subleasing from the primary tenant Matson. Additionally, in the past, APL leased over 40,000 square feet of Pier II uplands for container handling and storage. As of June 30, 2018, Matson has terminated APL's office lease and advised APL that their containers will no longer be permitted on Matson Property at Lash Terminal in Women's Bay. These factors have prompted APL to seek an alternative location to conduct their commercial freight business in Kodiak, a business that is critical to maintain reliable and competitive freight services to Kodiak.

**DISCUSSION:** The Pier II Use and Upland Lease Agreement; grants APL non-preferential right to use Pier II for the handling of containerized freight across Pier II. The agreement designates 20,500 square feet of upland staging in van rows 13 and 14 for container staging and 3,000 square feet in van row 11 for a portable marine office. APL's "non-preferential right" means all preferential vessels such as NOAA, Cruise ships, Alaska Marine Highway ferries and Kodiak Oil Sales fuel barges have first priority at Pier II. All commercial fishing vessels are secondary users after port vessels.

PND Engineers conducted an evaluation of Pier II specifically to address the anticipated loads placed on the dock and determined the dock is capable of safely supporting the loads from APL operations.

The Terminal Operating Contract grants APL the right to stevedore (load and unload commercial freight) for its own vessels, using existing long-shore personnel. Additionally, APL would have the non-exclusive right to stevedore other vessels requiring stevedoring services at Pier II. Currently, the City has a Terminal Operating Contract with Matson. Provisions in the Matson contract and the Port Tariff specifically allow for another stevedore to operate at Pier II to insure fair competition.

**ALTERNATIVES:**

- 1) Approve the new agreements with APL as drafted. This is staff's recommendation and the option less likely to interrupt critical freight service to and from Kodiak.
- 2) Council could choose to renegotiate the agreements, amend them, or reject them entirely. This may affect APL's ability to maintain a viable operation in Kodiak and is not recommended by staff.

**FINANCIAL IMPLICATIONS:** Under the agreement, APL will pay warfage and dockage fees at 10 percent off tariff rates based on a minimum of 50,000 tons of cargo over the dock. If 50,000 tons is not met, full tariff rates apply for both wharfage and dockage. Discount rates escalate to 20 percent from 51,000 to 75,000 tons, and to 30 percent at 76,000 tons and up. Discounted rates are based on Tariff rates, which increase approximately 6 percent annually. APL operations at Pier II are expected to generate significant and much needed revenue for the Port of Kodiak.

**LEGAL:** The City's attorney drafted the ordinance, participated in drafting the agreements with APL, and has reviewed all documents for compliance.

**STAFF RECOMMENDATION:** Staff recommends City Council approve this ordinance in order to implement the agreements with American President Lines LTD, and to ensure uninterrupted freight service to Kodiak.

**CITY MANAGER'S COMMENTS:** Under the Pier II Use Agreement APL will share the Pier with other users. Under the terms of the Upland Use agreement APL will have a dedicated but defined space for exclusive use. Both agreements have a five year term with option for renewal by mutual agreement.

**ATTACHMENTS:**

- Attachment A: Ordinance No. 1379
- Attachment B: Pier II Use and Upland Lease Agreement, with Exhibit A
- Attachment C: Terminal Operation Contract, with Exhibit A

**PROPOSED MOTION:**

Move to adopt Ordinance No. 1379.

**CITY OF KODIAK  
ORDINANCE NUMBER 1379**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK APPROVING A  
TERMINAL OPERATION CONTRACT AND A PIER II USE AND UPLAND  
AGREEMENT WITH AMERICAN PRESIDENT LINES LTD**

WHEREAS, the City of Kodiak operates port and harbor facilities including a dock suitable for shipment of ocean bound cargo commonly known as Pier II; and

WHEREAS, sound and prudent management of port facilities includes entering long term agreements providing preferential use of those facilities in return for guaranteed amounts of volume of cargo that will be loaded and unloaded thereby providing a guaranteed revenue stream which can be used to offset the City's costs of owning and operating the port facilities; and

WHEREAS, the harbor master and city manager have negotiated a Terminal Operation Contract ("the Contract") and a Pier II Use and Upland Agreement ("the Agreement") with American President Lines LTD. ("APL"); and

WHEREAS, it is in the public interest that the terms of the Contract and the Agreement be approved; and

WHEREAS, the Agreement includes provisions leasing city property with a value of more than thirty thousand dollars (\$30,000); and

WHEREAS, the Contract has an initial term of five (5) years and provides two options for renewal upon mutual agreement for a potential term of fifteen (15) years; and

WHEREAS, Section V-17 of the Charter of the City of Kodiak requires any contract which by its terms will not be fully executed within five (5) years and any lease of city property valued at more than thirty-thousand dollars (\$30,000) be approved by ordinance adopted either by voter initiative or by the city council;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kodiak, Alaska, as follows:

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

Section 2: Exception to Kodiak City Code Provisions Pertaining to Leases of Property.

The City Council recognizes that Chapters 18.12 and 18.20 of the Kodiak City Code contain provisions requiring that leases of tidelands and city property be offered at public auction after public notice and provisions requiring an appraisal of the property proposed to be leased. The Council hereby excepts the Agreement and the Contract from all such provisions. The use of city

property under a lease is only an incidental component of the Agreement and the Contract whose primary purpose is establishing terms and conditions of the use and operation of Pier II as a port facility of the City. The Council further finds that there is only a very small number of potential users of Pier II and that it is not in the public interest to open the variety of terms and conditions in the Contract and the Agreement to public auction.

Section 3: Approval of Contract and Agreement. The City Council hereby approves the Agreement and the Contract in the form attached to this ordinance and authorizes the city manager and the harbor master to take all steps necessary to finalize and sign the Agreement and the Contract.

Section 4: Effective Date. As provided in Section V-17 of the Charter of the City of Kodiak, if one or more referendum petitions with signatures are properly filed within one month after the passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or insufficient, or, if any such petition is found legal and sufficient, until the ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one month after its passage and publication.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

First Reading: May 24, 2018

Second Reading:

Effective Date:

**PORT OF KODIAK  
PIER II USE AND UPLAND LEASE AGREEMENT  
City of Kodiak and American President Lines, LTD  
City Contract No. 237652**

This Pier II Use and Upland Lease Agreement (“Agreement”) is made and entered into as of June 1, 2018, between the City of Kodiak, an Alaska municipal corporation (“City”), and American President Lines, LTD (“APL”), a limited liability company organized under the laws of the state of Delaware.

WHEREAS, APL and the City have entered into a Terminal Operation Contract dated June 1, 2018, which together with this Agreement provide for APL’s use and occupancy of Premises at Port of Kodiak Pier II.

WHEREAS, APL has agreed herein to use Pier II dock and uplands for container operations and leases a 20,500 square foot portion of van rows 13 and 14 for container storage and handling, and 3000 square foot of van row 11 for a portable office building, it is therefore appropriate that the City grant APL the use of the Pier II Terminal as provided herein.

NOW, THEREFORE, in consideration of the premises, and the terms, covenants, conditions, and agreements contained herein and further stated in the Terminal Operation Contract, APL and the City hereby agree as follows:

**I. DESCRIPTION OF PREMISES**

The premises that are the subject of this Agreement consist of the dock and adjacent property at Pier II as depicted in attached Exhibit A.

**II. USE OF PREMISES**

**A.** The City hereby grants APL the right to use and occupy the Premises in connection with its transportation business and related activities during the term of this Agreement.

**B.** APL vessels calling to load and discharge containerized cargo on a scheduled basis shall be entitled to non-preferential berthing rights at Pier II in accordance with the terms and conditions set forth in this Agreement.

**1. Non-Preferential Berthing Rights.**

a. APL shall have the non-preferential right to use the Pier II dock for purposes of mooring, docking, and loading or discharging cargo on or from APL vessels, including ships, barges, or other watercraft which are owned, operated, or chartered by or for APL or any affiliated or related company, or which are used in connection with any APL freight operations, or a vessel owned or operated by an entity with which APL has a connecting carrier, consortium, or rationalization agreement, if, and to the extent that, said vessel is carrying cargo on APL’s behalf (collectively “APL Vessel”).

b. The non-preferential right of use provided by this paragraph is defined to mean that APL shall be accorded the right, after furnishing a vessel schedule at least 12 hours in advance to the City Harbormaster, to berth a vessel at Pier II.

- c. It is agreed that the berths and facilities at Pier II are public berths and subject to the provisions of Preferential Use Agreements and contracts between the City and others. APL agrees the NOAA vessel Oscar Dyson, State of Alaska ferries, Petro Star fuel barges and cruise ships will have priority use of Pier II berths. APL's vessels will be accommodated at Pier II on a space available basis.
  - d. APL berths are depicted in attached Exhibit A. APL's primary berth for cargo operations is Berth 1 on the NE end of Pier II. Berth 2 is the secondary berth on the SW end of Pier II, to be used only when berth 1 is not available. Containers may only be temporarily grounded during loading and unloading operations at berth 2.
  - e. APL shall make a reasonable effort to vacate the berth within two (2) hours after working cargo; provided however, should weather conditions prevent the vessel from leaving safely, an extension may be granted by the City Harbormaster if not a conflict with previously scheduled vessels.
  - f. APL agrees that during the term of this Agreement its Kodiak representative, will furnish the City Harbormaster with information as to the position, estimated time of arrival in Kodiak, and estimated port time of any vessel desiring to berth at Pier II at least 12 hours in advance of the estimated time of arrival.
2. Use of Storage, Marshaling Areas, and Facilities Other than the Dock.
- APL shall have exclusive right to use and occupy the APL Upland Lease area depicted in attached Exhibit A, including without limitation the operations of loading, unloading, working, parking, and storage of cargo, vans, chassis, trucks, and other equipment; provided that the City reserves the right to maintain access for all users via the public rights-of-way and dock area adjacent to any APL vessel berthed at Pier II when not actively engaged in loading or unloading operations.
3. Reservation of Rights.
- The City specifically reserves to itself and for non-APL vessels rights to use and occupy the Pier II Terminal, or portions thereof, subject to the priorities of use accorded to APL under this Agreement. The City agrees that it will issue tariffs governing the rates, charges, and conditions for the use of the Pier II Terminal by others, and shall assess reasonable rates and charges to users of the facility.
4. Berthing of APL Vessels.
- In addition to non-preferential berthing for loading and unloading cargo as provided above, barges owned, chartered, or operated by APL shall be allowed to berth at Pier II while not engaged in cargo operations, unless the City Harbormaster requests their removal to allow the use of Pier II by other vessels. In such event, the City Harbormaster will notify the vessel captain as early as possible of the time the vessel must clear the pier.

**III. PAYMENTS**

A. APL shall pay to the City Wharfage and Dockage fees at the rates shown in the published City Port Tariff, except that discounted Wharfage and Dockage rates will apply based on a Minimum Quantity Commitment “MQC” of 50,000 short tons each year of the agreement. If the MQC is not met, full tariff rates will be due for all Wharfage less than 50,000 short tons and all dockage for the applicable year. The rate for a year is effective commencing on June 1 of the year and for 12 months thereafter. Transshipped/transloaded cargo shall be subject to a single-move, one-time wharfage charge at the same rate.

<u>Tons per year</u>	<u>Discount off Tariff Rate</u>
• 0-50,000	10%
• 50,001 – 75,000	20%
• 75,001 – and up	30%

B. APL shall submit to the City within ten days of the end of each month a statement detailing the vessel dockage and cargo tonnage handled during the previous month.

C. APL shall pay the City for use of the upland lease depicted in attached Exhibit A, in addition to wharfage, dockage, and other fees or charges elsewhere specified in this Agreement, the monthly payments due, plus City sales tax, on the first day of each month as shown in the table below. The monthly payment amount for a given year is effective commencing on June 1 of each year of the Agreement and for 12 months thereafter. Rate is based on 23,500 SF leased area at \$2.00 per square foot, for year one, and with a three percent increase each year thereafter:

<u>Year</u>	<u>Monthly Payment</u>	<u>Year</u>	<u>Monthly Payment</u>
1	\$3,917.00	4	\$4,280.21
2	\$4,034.51	5	\$4,408.61
3	\$4,155.54		

D. Amounts payable by APL for facilities or services under this Agreement supersede any charges for the same facilities or services under the Tariff for the Port of Kodiak Cargo Terminal. Nothing in this Agreement reduces or modifies the liability of APL for fees or charges for other facilities or services set out in the Tariff for the Port of Kodiak Cargo Terminal.

E. Upland lease payments are due with or without invoice on the date specified in subparagraph C above. City shall issue monthly invoices for all other amounts due. Invoices are due and payable within thirty days. All amounts due under this Agreement that are not paid within thirty days of the date due shall bear interest at the rate of 12% per annum for as long as the delinquency continues.

**IV. TERM OF AGREEMENT**



- A. Initial Term. The term of his Agreement is for five years and shall commence on June 1, 2018, and shall continue in full force and effect until midnight May 31, 2023, unless earlier terminated pursuant to this section.
- B. Renewal Terms. This Agreement may be renewed for two consecutive additional five-year periods (each a “Renewal Term”), by mutual agreement of the parties. At least ninety (90) days’ prior to the expiration of the term then in effect, APL shall provide written notice to the City of its desire to renew or not renew this Agreement for the next succeeding Renewal Term. The City will then reply to APL within fifteen (15) days whether it wishes to renew this Agreement. If both parties agree to renew this Agreement, they shall then enter good faith negotiations to address any modifications to this Agreement requested by either party. The failure of the parties to agree upon a renewal of this Agreement shall cause this Agreement to terminate at the end of the current term.
- C. The City may declare a default hereunder and terminate this Agreement, in addition to exercising any other available remedy, upon the occurrence of any of the following:
  - 1. The failure of APL to pay any sum of money due under this Agreement within ten (10) days after the due date.
  - 2. The failure of APL to perform or observe any covenant or condition of this Agreement, other than a default in the payment of money described in Section **IV.C.1**, which is not cured within thirty (30) days after notice thereof from the City to APL, unless the default is of a kind that may be cured, but not within such thirty (30)-day period, in which case no default shall be declared so long as APL shall commence the curing of the default within such thirty (30) day period and thereafter shall diligently and continuously prosecute the curing of same.
  - 3. The commencement of a case under any chapter of the federal Bankruptcy Code by or against APL, or the filing of a voluntary or involuntary petition proposing the adjudication of APL as bankrupt or insolvent, or the reorganization of APL, or an arrangement by APL with its creditors, unless the petition is filed or case commenced by a party other than APL and is withdrawn or dismissed within ninety (90) days after the date of its filing.
  - 4. The admission in writing by APL of its inability to pay its debts when due; the appointment of a receiver or trustee for the business or property of APL, unless such appointment shall be vacated within ten (10) days after its entry; APL making an assignment for the benefit of creditors; or the voluntary or involuntary dissolution of APL.
  - 5. If APL is in default under the Terminal Operation Contract.

**V. USE OF PREMISES**

- A. APL shall not use the Premises or any facilities for any unlawful purposes.
- B. APL shall use the Premises solely for freight transportation purposes.

**VI. MAINTENANCE AND REPAIR OF PREMISES**

- A. The City shall maintain and repair, at its own expense, the utilities (water, sewer or septic system, storm drainage, and electrical), common roadbeds and pier structures. In no event shall the City be obligated to repair or otherwise mitigate or respond to damages resulting from APL's use of the pier and pavement pursuant to this Agreement; except that the City shall be obligated to repair or otherwise attempt to mitigate or respond to damages resulting from an act or omission by the City or a third party. The City shall insure that other users of Pier II keep it clean and orderly.
- B. Specifically in APL leased areas as depicted in attached Exhibit A, APL shall, at its own expense, provide all routine preventive maintenance, repairs, and replacements to any APL structures, including: any APL buildings, container cranes, container handling equipment, APL installed electric systems and equipment, and the container storage area.
- C. Asphalt: APL will maintain and repair all asphalt pavement in good condition. APL will provide all snow removal and de-icing of the APL leased areas at Pier II. APL shall keep the Premises clean, orderly, and free of rubbish. If APL fails to adequately remove snow, ice, or debris, the City may furnish the necessary equipment and manpower to provide this service in which event APL shall promptly pay the City's billings for such services.
- D. APL shall provide the City Harbormaster a semi-annual maintenance and repair report on any single incident of damage or repair over ten thousand dollars (\$10,000).
- E. Within thirty (30) days after each anniversary of the date of this Agreement, APL and the City agree to inspect the Premises and prepare a report describing the condition of the Premises and specifying any items in need of repair. The party responsible for those repairs shall start those repairs within thirty (30) days after the report is prepared and shall promptly complete them.
- F. If, at any time during the term of this Agreement, the Premises are damaged or destroyed by fire or other casualty, due to any cause other than an act or omission solely of APL, the City may elect to either (i) at its expense, repair, rebuild, replace and restore the Premises to a condition comparable to that which existed immediately prior to the fire or other casualty, or (ii) terminate this Agreement. In the event the City elects to repair, rebuild, replace or restore the Premises, payments under this Agreement shall be abated in proportion to the extent that the Premises are not usable by APL during the time the unusable areas remain unrepaired or unrestored.
- G. APL shall make no alterations, additions, or improvements to the Pier II Terminal without the prior written approval of the City. At the expiration of this Agreement, or any renewal thereof, any such improvements not removed by APL in accordance with Paragraph XVI(B) shall become the property of the City.
- H. APL acknowledges having inspected or having been given a full opportunity to inspect the Premises and hereby accepts them in their present condition, and shall at the termination of this Agreement surrender said Premises in as good a condition and repair to the City.

**VII. INDEMNITY**

- A. APL shall indemnify and hold harmless the City and its elected and appointed officials, employees, agents, and servants from any and all losses, expenses, damages, demands, and claims by any person in connection with or rising out of any injury (including death)

to persons or in connection with damage to property or the natural environment, sustained in whole or in part as a result of APL use, occupancy and maintenance of the Premises, and/or exercise of its rights under this Agreement or APL breach of this Agreement. APL shall defend all suits and actions brought against the City and any of its elected or appointed officials, employees, agents or servants from any such injury or damage and shall pay all damages, costs, and expenses, including attorney's fees incurred in connection with the suits or actions. The only exception to this indemnity provision shall be for claims resulting from the negligence, gross negligence, or willful misconduct of the City or its employees, agents, or servants, and for claims resulting from an act or omission of a third party, with respect to which APL's obligations under this paragraph shall be limited to that portion of any such claim not attributable to the City and not attributable to a third party.

- B.** This indemnity provision specifically includes all environmental damage that may result from APL operations under this Agreement and any penalties or fines which may be assessed in connection therewith.
- C.** Claims arising in whole or in part out of any incident or event occurring during the term of this Agreement or any extension or renewal of it shall be covered by the provisions of this section IX even though they may not have been asserted or discovered until after the expiration of said term.

### **VIII. UTILITIES**

- A.** During the term of this Agreement, APL shall pay the providers directly for all utility bills and accounts for utility services used or consumed by APL on or in connection with the Premises.
- C.** APL shall be responsible for obtaining its own janitorial services for APL facilities on the Premises, if any..

### **IX. INSURANCE**

- A.** APL shall procure and maintain at its sole expense, and shall keep in full force and effect throughout the term of this Agreement, the following policies of insurance:
  - 1. Commercial General Liability Insurance, \$5,000,000 combined single limit per occurrence for bodily injury and property damage claims arising from all operations related to this Lease. The general aggregate limit shall be \$5,000,000.
  - 2. Commercial Automobile Liability Insurance, \$5,000,000 combined single limit per accident for bodily injury and property damage.
  - 3. Worker's Compensation and Employers Liability. Worker's Compensation shall be statutory as required by the State of Alaska. Employers Liability shall be endorsed to the following minimum limits and contain USL&H coverage endorsement, if applicable: (i) bodily injury by accident--\$1,000,000 each accident; and (ii) bodily injury by disease--\$1,000,000 each employee, \$1,000,000 policy limit.
  - 4. Pollution Insurance, \$10,000,000 combined single limit per loss applicable to bodily injury, property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and

defense, including costs and expenses incurred in the investigation, defense or settlement of claims. Coverage shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of petroleum products, smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants, contaminants, or pollutants.

**B.** Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability and Pollution
  - a. City, its officers, officials, employees and volunteers are to be covered as additional insureds. The coverage shall contain no special limitation on the scope of protection afforded to City, its officers, officials, employees and volunteers.
  - b. APL's insurance coverage shall be primary insurance as respects City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees and volunteers shall be excess of APL's insurance and shall not contribute to it.
  - c. APL's insurer shall agree to waive all rights of subrogation against City, its officers, officials, employees and volunteers for losses arising from work performed by APL for City.
2. Worker's Compensation and Employer's Liability. APL's insurer shall agree to waive all rights of subrogation against City, its officers, officials, employees and volunteers for losses arising from work performed by APL for City.
3. All Insurance. Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given by the Insurer to City by certified mail, return receipt requested.

**C.** Acceptability of Insurers. Insurance is to be placed with insurers qualified to do business in Alaska having a Best's rating of no less than A-.

**D.** Verification of Coverage. APL shall furnish City with approved certificates of insurance and with certified copies of all endorsements effecting coverage required by this Section. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms which meet industry standard. City reserves the right to require complete, certified copies of all required insurance policies at any time.

**X. RIGHT OF INSPECTION-RECORD KEEPING REQUIREMENT**

**A.** The City shall have the right to inspect the Premises without prior notice to ensure compliance with the terms of this Agreement.

- B.** The City shall have the right to audit APL's records and to require APL to prepare summaries or reports from its records to determine compliance with the payment terms of this Agreement.
- C.** APL shall prepare or cause to be prepared bills of lading detailing all cargo loaded on or from each container on any APL Vessel using the Premises. AML shall preserve all bills of lading and other records evidencing APL's use of the Premises for not less than three (3) years after expiration of this Agreement.

## **XI. TAXES**

- A.** In addition to the fees and charges provided in this Agreement, APL shall pay when due all taxes and other charges which are levied at any time during the term of this Agreement upon the leasehold interest and any improvements on the Premises. If the City receives a notice of assessment from any taxing jurisdiction claiming that the City or APL is liable for any tax or charge for which APL has agreed to make payment under this paragraph, the City shall notify APL in writing no later than thirty (30) days after receipt of the claim. If the City fails to provide APL such notice, APL shall have no obligation to pay the tax or charge.
- B.** If APL has a reasonable basis to contest, protest, or appeal (the "Appeal") the imposition or amount of any tax or charge, APL, at its own expense, may prosecute the Appeal, in which case the City shall cooperate fully with APL including, but not limited to, providing documentation and other information as required for APL to settle or sustain the Appeal. If APL prosecutes the Appeal, and if, but only if, such proceedings suspend enforcement and collection of the tax or charge, and no part of the Premises or any interest therein is or will be in danger of being sold or forfeited, APL shall have no obligation to pay the tax or charge until the taxing jurisdiction's decision that the City or APL is liable for the tax or charge becomes final. If any of the Premises is subjected to a lien which is not discharged within thirty (30) days after APL receives notice of such lien, APL shall deposit with the City cash, a sufficient corporate surety bond or other security satisfactory to the City in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of such contest.

## **XII. ASSIGNMENT**

The parties stipulate and agree that the services rendered under this Agreement are of such a nature that the rights and duties of APL hereunder shall not be assignable without the prior written consent of the City, which consent shall not be unreasonably withheld, except to an entity that is owned solely by or that is an affiliate of APL, after thirty (30) days' prior notice to the City. APL shall include in such notice a statement of any legal requirement for confidentiality regarding the notice or the related transaction, with which the City shall comply. Should the City consent to an assignment APL shall nevertheless remain liable for the performance of all of its obligations under this Agreement and the acceptance by the City directly from an assignee of any payments or other performance due under this Agreement shall not be construed as a waiver of APL's continuing liability. A change of control of APL other than from the parent entity of APL to an affiliate shall constitute an assignment for purposes of this provision.

### **XIII. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS**

At all times during the term of this Agreement, APL shall conduct operations in accordance with all applicable federal, state, and local laws and ordinances.

### **XIV. SEVERABILITY**

If any part, term or provision of this Agreement is declared null or unenforceable by a court or other tribunal of competent jurisdiction, the validity and enforceability of the rest of this Agreement shall not be affected.

### **XV. WAIVERS**

No waiver by APL or the City of any covenant or condition of this Agreement shall be construed as a waiver of any other covenant or condition, nor shall the waiver of one breach be considered as a waiver of any other breach.

### **XVI. SURRENDER**

- A.** APL agrees not to encumber the Premises at any time during the term of this Agreement. APL agrees that the Premises shall not be subject to any liens, charges or encumbrances and agrees that at the expiration of the term of this Agreement it will deliver to the City or its designee, the Premises in good condition (ordinary wear and tear excepted) and without liens, charges, or encumbrances.
- B.** Unless required for the performance by APL of its obligations hereunder, APL shall have the right at any time during the Term to remove from the Premises all its equipment, removable fixtures and other personal property, and all property of third persons for which APL is responsible, and on or before the expiration or earlier termination of this Agreement it shall remove all of the same from the Premises, repairing all damage caused by any removal; provided, however, if APL shall fail to remove all such property within forty-five (45) days after the expiration or earlier termination of this Agreement, the City may remove such property to a public warehouse for deposit or may retain the same in its own possession and in either event may sell the same at public auction; provided, further, that the City shall have given APL ten (10) days' notice of the City's intent to sell such property at public auction, the proceeds of which shall be applied: first to the expenses of removal, including repair required thereby, and of storage and sale; second, to any sums owed by APL to the City, with any balance remaining to be paid to APL. If the expenses of such removal, repair, storage, and sale shall exceed the proceeds of sale, APL shall pay such excess to the City upon demand. Without limiting any other term or provisions of this Agreement, APL shall indemnify and hold harmless the City, its officers, agents, employees, and contractors from all claims of third persons arising out of the City's removal and disposition of property pursuant to this Section, including claims for conversion, claims for loss of or damage to property, claims for injury to persons (including death), and claims for any other damages, consequential or otherwise, excluding only claims based on the City's sole negligence.

### **XVII. MODIFICATIONS AND NOTICES**

- A.** No modification of this Agreement shall be effective unless agreed to by APL and the City in writing and approved by the Kodiak City Council. No modification of one

provision of this Agreement shall be considered a waiver, breach or cancellation of any other provision.

- B.** All notices required to be given under this Agreement shall be in writing, and shall be effective on the date of receipt and shall be mailed to the parties at the following addresses:

American President Lines, LTD	City Manager
P.O. Box 920425	City of Kodiak
Dutch Harbor, Alaska, 99692	710 Mill Bay Road
Attn: Eugene Makarin	Kodiak, Alaska 99615

Any notice or document delivered by facsimile transmission to a facsimile machine at which the recipient routinely receives such transmissions shall be effective upon the date of receipt of the complete and fully legible document (so long as the original is also mailed in accordance with this paragraph) unless the transmission occurred outside of the usual business hours of the recipient, in which event the document shall be deemed to have been received on the next business day.

### **XVIII. ANTI-DISCRIMINATION**

During the performance of this Agreement, APL agrees:

- A.** In connection with its performance under this Agreement including construction, maintenance, and operation of or on the Premises, APL will not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, or national origin.
- B.** APL and its employees shall not discriminate, by segregation or otherwise, against any person on the basis of race, color, ancestry, religion, sex, or nationality by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally.
- C.** APL shall include and require compliance with the above nondiscrimination provisions in any subletting or subcontract made with respect to use of the Premises under this Agreement.

### **XIX. ALASKA LAW**

The parties agree that this Agreement was entered into in the State of Alaska, that Alaska law will govern its interpretation and application, and that venue of any suit or other action arising out of this Agreement shall be in the Superior Court for the State of Alaska Third Judicial District unless a nonwaivable state or federal law requires otherwise.

### **XX. BINDING ON SUCCESSORS AND ASSIGNS**

All provisions of this Agreement shall inure to the benefit of and be binding on the parties, their successors, and permitted assigns.

### **XXI. COMPLETE AGREEMENT**

This Agreement, including Exhibit A hereto, and the Terminal Operation Contract, both dated June 1, 2018, between APL and the City, constitutes the final agreement between the parties. They are the complete and exclusive expression of the parties' agreement on

the matters contained in this Agreement. All prior and contemporaneous oral and written negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by the aforementioned agreements.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date or dates indicated beneath the signature of their respective officers or agents.

City of Kodiak

American President Lines, LTD

\_\_\_\_\_  
Mike Tvenge, City Manager      Date

\_\_\_\_\_  
Eugene Makarin      Date  
General Manager,  
Alaska Operation

ATTEST:

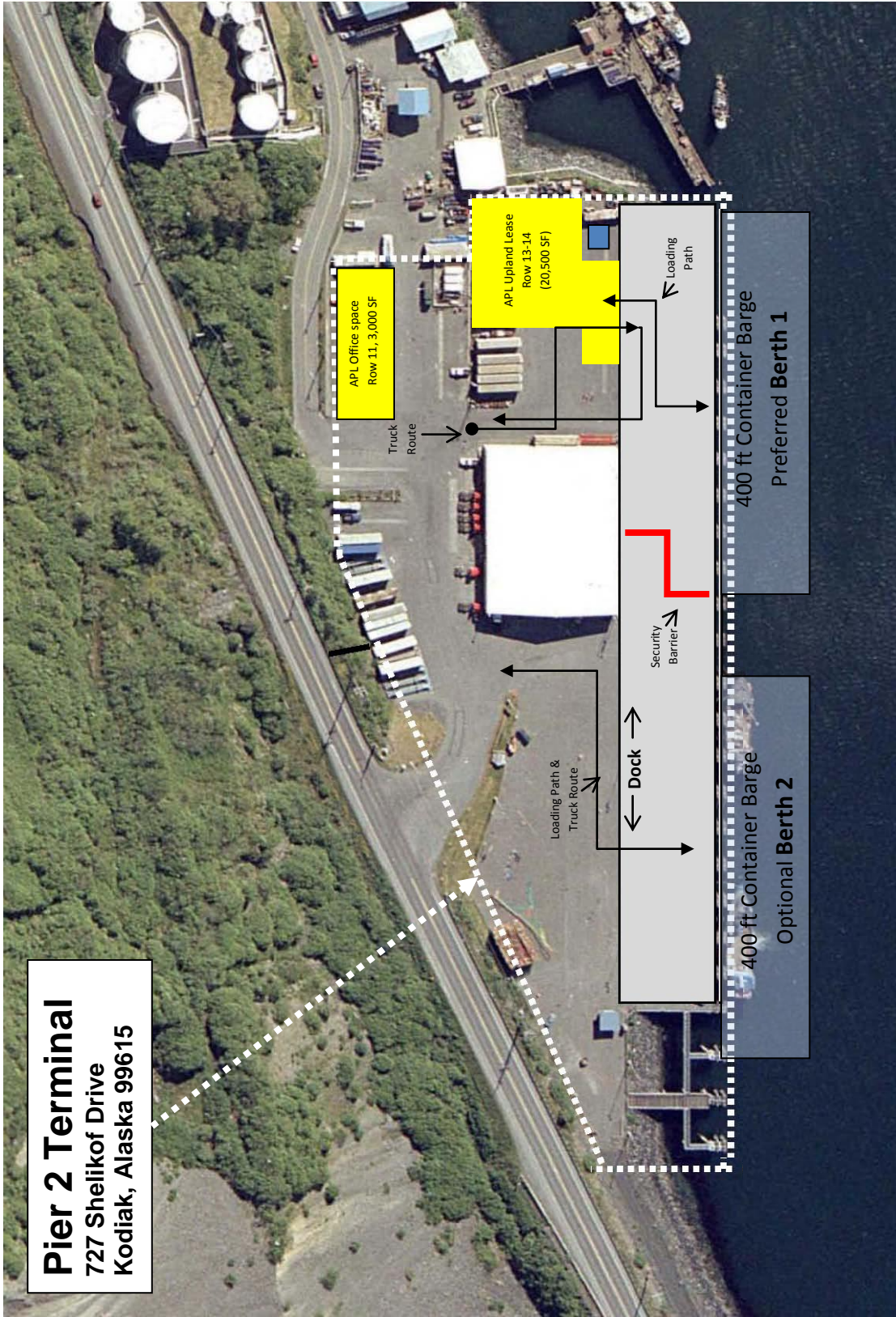
ATTEST:

\_\_\_\_\_  
Debra L. Marlar      Date  
City Clerk

\_\_\_\_\_  
Mike Mizell      Date  
Kodiak Terminal Manager



**Exhibit-A: Pier II Use and Upland Lease Agreement, American President Lines, LTD**



**PORT OF KODIAK  
TERMINAL OPERATION CONTRACT  
(Pier II)  
City of Kodiak and American President Lines, LTD  
City Contract No. 237653**

This Terminal Operation Contract made and entered into as of June 1, 2018, by and between the City of Kodiak, Alaska, an Alaska municipal corporation (“City”), and American President Lines, LTD, a limited liability company organized under the laws of state of Delaware (“Operator”).

**W I T N E S S E T H**

WHEREAS, the parties desire to enter into a Terminal Operation Contract and Operator is willing and able to perform the services; and

WHEREAS, the Operator and the City have entered into a Pier II Use and Upland Lease Agreement, dated June 1, 2018, which together with this Contract provide for Operator’s use and occupancy of facilities at Port of Kodiak Pier II and the City agrees that it is in the best interest of the public for the Operator to provide services for the Port of Kodiak at Pier II; and

WHEREAS, Operator has agreed in the Pier II Use and Upland Lease Agreement to conditions for use of the Pier II facilities and to lease uplands at Pier II for container operations.

NOW, THEREFORE, in consideration of premises, and the terms, covenants, conditions, and agreements herein contained and further stated in the Pier II Use and Upland Lease Agreement, the Operator and the City hereby agree as follows:

**1. Term.**

With regard to Operator’s services at Pier II:

A. **Initial Term.** The term of this Contract shall be five years, commencing on June 1, 2018, and shall continue in full force and effect until midnight May 31, 2023, unless earlier terminated pursuant to the terms of Paragraph 13 below.

B. **Renewal Terms.** This Contract may be renewed for two consecutive additional five-year terms (each a “Renewal Term”) by mutual agreement of the parties. At least ninety (90) days prior to the expiration of the term then in effect, the Operator shall provide written notice to the City of its desire to renew or not renew this Contract for the next succeeding Renewal Term. The City will then reply to the Operator within fifteen (15) days whether it wishes to renew this Contract. If both parties agree to renew this Contract, they shall then enter good faith negotiations to address any modifications to this Contract requested by either party. The failure of the parties to agree upon a renewal of this Contract shall cause this Contract to terminate at the end of the current Term.

**2. Facilities.** The City will make available to the Operator those certain terminals and adjacent properties at Pier II, as depicted in Exhibit A to this Contract (the “Facilities”). The City shall have the right to make additions, alterations, or improvements to the Facilities which do not impede Operator’s access to or use of the Facilities, except as required to perform necessary repairs to the Facilities.

**3. Terminal Operator Services.** Subject to the foregoing and to any future modifications or revisions of the Pier II Use and Upland Lease Agreement, the Operator agrees to perform

Stevedoring and Cargo Terminal Services at the Facilities in a prompt, efficient, prudent, and economical manner including the provision of all clerical personnel, laborers, and supervision necessary to perform such Stevedoring and Cargo Terminal Services.

A. Exclusive and Non-Exclusive Rights

(1) American President Lines Vessels. The Operator shall have the exclusive right to perform Stevedoring of vessels and Cargo Terminal Services twenty-four (24) hours per day, seven (7) days per week on American President Lines vessels and associated cargo at the Facilities. American President Lines vessels include ships, barges, or other watercraft which are owned, operated, or chartered by or for American President Lines or any affiliated or related company, or which are used in connection with any of American President Lines' freight operations, or a vessel owned or operated by an entity with which American President Lines has a connecting carrier, consortium, or rationalization agreement, if, and to the extent that, said vessel is carrying cargo on American President Lines' behalf.

(2) Non-APL Vessels at Pier II

(a) The City shall have the planning and management responsibility in accommodating any non-American President Lines vessels at Pier II, including the planning and assignment of berthing and cargo staging/storage space and the rearrangement or relocation of other customers' berthing and cargo staging/storage space at Pier II.

(b) The Operator shall have a non-exclusive right to perform Stevedoring of vessels and Cargo Terminal Services twenty-four (24) hours per day, seven (7) days per week on all non-American President Lines vessels at Pier II.

(4) Exemptions. Unless services are requested, the following vessels are exempt from using the services of the Operator: vessels of the Alaska Marine Highway System, vessels in port at the invitation of the City for special occasions where the ship will be open to the public, U.S. flagged government vessels, including university research vessels, and vessels seeking fuel or other services from Harbor Enterprises dba Petro Marine Services and North Pacific Fuel aka Petro Star. Commercial fishing vessels, catcher-processors and fish processors, and cargo vessels under 300' are also exempt, unless loading or unloading commercial freight or hazardous materials. For this purpose, commercial freight means cargo transported on a vessel under a bill of lading.

(5) Use of Vessels' Gear. It is recognized that some vessels carry on-board cranes or other vessel's gear for the discharging or loading of cargo. In the interests of safety and expeditious handling of cargo, it is agreed that vessel's cranes or vessel's gear may be used for the discharge or loading of cargo at Pier II unless, in the City's opinion the vessel's cranes are not suitable for the handling of such cargo.

B. Stevedoring. For the purpose of this Contract, the term "Stevedoring" is defined to include the following vessel loading and discharging functions:

(1) Perform the stowage of cargo on board vessels in accordance with instructions received from their masters or their designated representatives.

(2) Discharge cargo or containers from vessels and transport the cargo or containers to a place of rest in the Facilities.

(3) Transport cargo or containers from a place of rest in the Facilities and load and stow cargo or containers onto the vessels.

(4) Lash and unlash cargo on vessels.

(5) Open and close hatches and cells.

(6) Plug and unplug shipboard electrical reefer receptacles if necessary to the extent not performed by the vessels.

(7) Check and tally containers and container seals and cargo.

(8) Spot vessels and handle lines as may be required.

(9) Bill, receive, or attempt to collect and, where applicable, remit to the City, all charges incurred under the applicable Port of Kodiak Tariff by persons, vessels, or cargo utilizing Port facilities or services subject to this Contract.

C. Cargo Terminal Services. For the purpose of this Contract, the term "Cargo Terminal Services" is defined to include the following functions:

(1) Transport empty and loaded containers within the Facilities.

(2) Receive and deliver empty or loaded containers or chassis.

(3) Perform all necessary housekeeping services.

(4) Furnish all security at Pier II, for commercial cargo vessels, in accordance with a U.S. Coast Guard approved facility security plan, except for cruise ship operations.

(5) Visually inspect the condition of containers and cargo discharged from vessels at the Facilities, reporting to the vessels' masters or agents any damage or defects noted.

(6) Prepare reports reflecting the movement of containers or cargo.

(7) Provide expeditious movement of containers and cargo.

(8) Perform such other duties as are reasonable in such operations and as negotiated between the parties involved.

**4. Definition of Vessel.** For the purpose of this Contract, the term "vessel" shall mean and include every type of self propelled or non-self propelled vessel, including without limitation barges, container vessels, break-bulk vessels, and combinations of break-bulk and container vessels, and all other types of cargo or passenger vessels.

**5. Operator's Equipment.** The Operator will provide all equipment necessary to perform the services required by this Contract.

**6. Public Berth.** It is agreed that the berths and facilities at Pier II are public berths and subject to the provisions of Preferential Use Agreements and contracts between the City and others. The Operator agrees the NOAA vessel Oscar Dyson, State of Alaska ferries, Petro Star fuel barges and cruise ships will have priority use of Pier II berths. Operators vessels will be accommodated at Pier II when scheduled in advance on a space available basis. Pier II shall be made available to all types of vessels that may wish to load or unload without discrimination in

favor of or against any vessel, shipper, or consignee; provided, however, that the City at its option may determine that a given vessel is unsuitable for servicing at the berth and may prohibit the berthing of such vessel or alternatively may require the owner of such vessel to post such bond as the City may deem appropriate in the circumstances. Nothing contained herein is to be deemed to allow the berthing or transit of cargo which is prohibited by any applicable law including without limitation explosives or other dangerous commodities.

**7. Services by Other Persons at Pier II.** A person other than Operator may provide Stevedoring or Cargo Terminal Services at Pier II under the following conditions.

A. Such other person may provide Stevedoring or Cargo Terminal Services only in accordance with the terms of a written contract between the City and such other person. The City will provide a copy of such contract to the Operator.

B. If any term of such contract between the City and such other person to provide Stevedoring or Cargo Terminal Services at Pier II is more favorable to such other person than the terms of this Contract are to the Operator, the Operator may elect to adopt any or all of such more favorable terms under this Contract, commencing as of the date on which the contract with such other person becomes effective.

C. A contract between the City and any other person to provide Stevedoring or Cargo Terminal Services at Pier II shall require that if there exists a labor organization which represents a majority of the individuals living in or around Kodiak, Alaska who earn their livelihood as stevedores or longshoremen, such other person shall make reasonable good-faith efforts to negotiate a collective bargaining agreement with said labor organization for the provision of the Stevedoring and Cargo Terminal labor under the contract.

D. Currently Matson Lines has a non-exclusive Terminal Operating Agreement with the City to perform stevedoring services at Pier II.

**8. Compensation to City.** As and for compensation to the City, the City shall be entitled to all income derived from wharfage, dockage, and sale of water. All such sums shall be a charge against the vessel or cargo, as the case may be, and shall be collected by the Operator and remitted by the Operator to the City. Such remittances shall be accompanied by appropriate itemized documentation. Charges shall be paid by the Operator to the City within ninety (90) days after the first billing to the vessel or cargo, as the case may be or within ten (10) working days of receipt of payment by the Operator, whichever is less, provided that credit terms shall be those chosen by the Operator. All such billings to the vessels and cargo will be itemized for services rendered by the Operator and shall be made promptly after performance of those services.

**9. Compensation to Operator.** The Operator shall be entitled to keep all other charges (including charges for electrical energy, storage in Operators leased area, and the movement of cargo) authorized and fixed in accordance with the applicable Port of Kodiak Tariff. The Operator shall be bound by any future modification or amendments of the Port of Kodiak Tariff; provided, however, the City shall not alter the credit terms of the tariff during the term of this Contract. When charges involve stevedoring or other labor services based upon an hourly wage rate, then the Operator may add to the total applicable labor charge an administrative fee not exceeding thirty percent (30%) and shall collect such fee from the person or vessel requiring the services in question. In no event, however, shall the Operator charge or collect an administrative fee with respect to any portion of its labor costs which are based upon or derived from wage rates exceeding those applicable to similar work under contracts or agreements subject to the Davis-

Bacon Act. If, on the date of execution of this Contract, there exists a labor organization which represents a majority of the individuals living in or around Kodiak, Alaska who earn their livelihood as stevedores or longshoremen, then the Operator shall make reasonable good-faith efforts to negotiate a collective bargaining agreement with said labor organization for the provision of stevedoring labor services under this Contract.

## **10. Indemnification.**

A. The Operator shall indemnify, waive subrogation and hold harmless the City and its elected and appointed officials, employees, agents, and servants from any and all losses, expenses, damages, demands, and claims by any person in connection with or rising out of any injury (including death) to persons or in connection with damage to property or the natural environment, sustained in whole or in part as a result of the Operator's occupancy and maintenance of the Facilities, and/or exercise of its rights under this Contract or the Operator's breach of this Contract. The Operator shall defend all suits and actions brought against the City and any of its elected or appointed officials, employees, agents or servants from any such injury or damage and shall pay all damages, costs, and expenses, including attorney's fees incurred in connection with the suits or actions. The only exception to this indemnity provision shall be for claims resulting from the negligence, gross negligence, or willful misconduct of the City or its employees, agents, or servants, and for claims resulting from an act or omission of a third party, with respect to which the Operator's obligations under this paragraph shall be limited to that portion of any such claim not attributable to the City and not attributable to a third party.

B. This indemnity provision specifically includes all environmental damage that may result from the Operator's operations under this Contract and any penalties or fines which may be assessed in connection therewith.

C. Notwithstanding any provision of this Contract, Operator shall not be liable for, and shall not be liable to indemnify, defend or hold the City harmless from, any condition at the Facilities, whether known or unknown, which was in existence before June 1, 2018.

## **11. Insurance.**

A. Operator shall procure and maintain at its sole expense, and shall keep in full force and effect throughout the term of this Lease, the following policies of insurance:

(1) Commercial General Liability Insurance, \$5,000,000 combined single limit per occurrence for bodily injury and property damage claims arising from all operations related to this Contract. The general aggregate limit shall be \$5,000,000.

(2) Commercial Automobile Liability Insurance, \$5,000,000 combined single limit per accident for bodily injury and property damage.

(3) Worker's Compensation and Employers Liability. Worker's Compensation shall be statutory as required by the State of Alaska. Employers Liability shall be endorsed to the following minimum limits and contain USL&H coverage endorsement, if applicable: (i) bodily injury by accident--\$1,000,000 each accident; and (ii) bodily injury by disease--\$1,000,000 each employee, \$1,000,000 policy limit.

(4) Pollution Insurance, \$10,000,000 combined single limit per loss applicable to bodily injury, property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense or

settlement of claims. Coverage shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of petroleum products, smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants, contaminants, or pollutants.

B. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

(1) Commercial General Liability and Automobile Liability

(i) City, its officers, officials, employees and volunteers are to be covered as additional insureds. The coverage shall contain no special limitation on the scope of protection afforded to City, its officers, officials, employees and volunteers.

(ii) Operator's insurance coverage shall be primary insurance as respects City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees and volunteers shall be excess of Operator's insurance and shall not contribute to it.

(iii) Operator's insurer shall agree to waive all rights of subrogation against City, its officers, officials, employees and volunteers for losses arising from work performed by Operator for City.

(2) Worker's Compensation and Employer's Liability. Operator's insurer shall agree to waive all rights of subrogation against City, its officers, officials, employees and volunteers for losses arising from work performed by Operator for City.

(3) All Insurance. Each insurance policy required by this Contract shall be endorsed to state that, unless acceptable to City, coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after 30 days' prior written notice has been given by the Insurer to City by certified mail, return receipt requested.

C. Acceptability of Insurers. Insurance is to be placed with insurers qualified to do business in Alaska having a Best's rating of no less than A-: VII.

D. Verification of Coverage. Operator shall furnish City with approved certificates of insurance and with certified copies of all endorsements effecting coverage required by this Section. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms which meet industry standard. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

**12. Damage to the Facilities.** The Operator shall pay for all damage to City-owned property caused by the Operator, its agents, employees, or invitees. A person does not become an invitee of the Operator under this section solely because of the person's use of the Operator's stevedoring or cargo terminal services.

**13. Default and Termination.** The City may declare a default hereunder and terminate this Contract, in addition to exercising any other available remedy, upon the occurrence of any of the following:

A. The failure of the Operator to pay any sum of money due under this Contract within ten (10) days after the due date.

B. The failure of the Operator to perform or observe any covenant or condition of this Contract, other than a default in the payment of money described in Paragraph 13(A), which is not cured within thirty (30) days after notice thereof from the City to the Operator, unless the default is of a kind that may be cured, but not within such thirty (30)-day period, in which case no default shall be declared so long as the Operator shall commence the curing of the default within such thirty (30) day period and thereafter shall diligently and continuously prosecute the curing of same.

C. The commencement of a case under any chapter of the federal Bankruptcy Code by or against the Operator, or the filing of a voluntary or involuntary petition proposing the adjudication of the Operator as bankrupt or insolvent, or the reorganization of the Operator, or an arrangement by the Operator with its creditors, unless the petition is filed or case commenced by a party other than the Operator and is withdrawn or dismissed within ninety (90) days after the date of its filing.

D. The admission in writing by the Operator of its inability to pay its debts when due; the appointment of a receiver or trustee for the business or property of the Operator, unless such appointment shall be vacated within ten (10) days after its entry; the Operator making an assignment for the benefit of creditors; or the voluntary or involuntary dissolution of the Operator.

E. If the Operator is in default under the Pier II Use and Upland Lease Agreement.

**14. Inspection of Books.** The City reserves the right at any reasonable time after seven days written notice to Operator to inspect and make copies of the books and records of the Operator related to operations conducted pursuant to this Contract. The Operator agrees that cargo manifests shall not be released by Operator to a third party except in accordance with the laws of the United States. Operator shall retain copies of all bills of lading, manifests and invoices related to services provided pursuant to this Agreement for a period of three (3) years following termination or expiration of this Agreement.

**15. Assignment.** The parties stipulate and agree that the services rendered under this Agreement are of such a nature that the rights and duties of the Operator hereunder shall not be assignable without the prior written consent of the City, which consent shall not be unreasonably withheld, except to an entity that is owned solely by or that is an affiliate of the Operator, after thirty (30) days' prior notice to the City. The Operator shall include in such notice a statement of any legal requirement for confidentiality regarding the notice or the related transaction, with which the City shall comply. Should the City consent to an assignment the Operator shall nevertheless remain liable for the performance of all of its obligations under this Agreement and the acceptance by the City directly from an assignee of any payments or other performance due under this Agreement shall not be construed as a waiver of the Operator's continuing liability. A change of control of the Operator other than from the parent entity of the Operator to an affiliate shall constitute an assignment for purposes of this provision.

**16. Compliance with Federal, State, and Local Laws.** At all times during the term of this Contract, the Operator shall conduct operations in accordance with all applicable federal, state, and local laws and ordinances. Without limiting the generality of the foregoing, the Operator shall obtain coverage under the Multi-Sector General Permit for all industrial storm water discharges from the Pier II Terminal Facilities.



**17. Severability.** If any part, term or provision of this Contract is declared null or unenforceable by a court or other tribunal of competent jurisdiction, the validity and enforceability of the rest of this Contract shall not be affected.

**18. Waivers.** No waiver by the Operator or the City of any covenant or condition of this Contract shall be construed as a waiver of any other covenant or condition, nor shall the waiver of one breach be considered as a waiver of any other breach.

**19. Modifications and Notices.**

A. No modification of this Agreement shall be effective unless agreed to by the Operator and the City in writing. No modification of one provision of this Agreement shall be considered a waiver, breach or cancellation of any other provision.

B. All notices required to be given under this Agreement shall be in writing, and shall be effective on the date of receipt and shall be mailed to the parties at the following addresses:

American President Lines, LTD	City Manager
P.O. Box 920425	City of Kodiak
Dutch Harbor, Alaska, 99692	710 Mill Bay Road
Attn: Eugene Makarin	Kodiak, Alaska 99615

Any notice or document delivered by facsimile transmission to a facsimile machine at which the recipient routinely receives such transmissions shall be effective upon the date of receipt of the complete and fully legible document (so long as the original is also mailed in accordance with this paragraph) unless the transmission occurred outside of the usual business hours of the recipient, in which event the document shall be deemed to have been received on the next business day.

**20. Alaska Law.** The parties agree that this Contract was entered into in the State of Alaska, that Alaska law will govern its interpretation and application, and that venue of any suit or other action arising out of this Contract shall be in the Superior Court for the State of Alaska Third Judicial District unless a nonwaivable state or federal law requires otherwise.

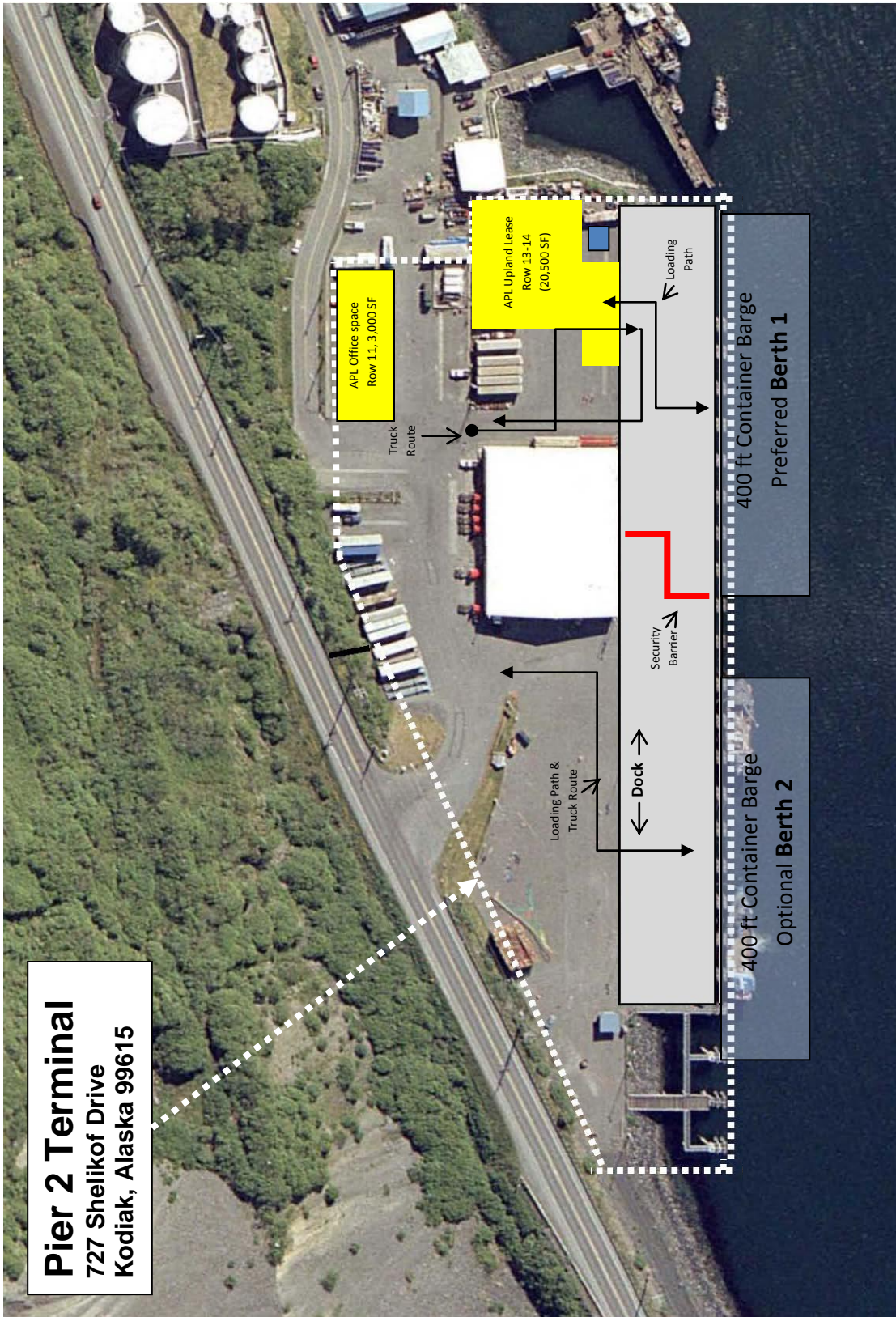
**21. Binding on Successors and Assigns.** All provisions of this Contract shall inure to the benefit of and be binding on the parties, their successors, and permitted assigns.

**22. Complete Agreement.** This Contract, including Exhibit A, hereto, and the Pier II Use and Upland Lease Agreement, both dated June 1, 2018, between the Operator and the City, constitute the final agreement between the parties. They are the complete and exclusive expression of the parties' agreement on the matters contained in this Contract. All prior and contemporaneous oral and written negotiations and agreements between the parties on the matters contained in this Contract are expressly merged into and superseded by the aforementioned agreements.

IN WITNESS WHEREOF, these parties have signed this Contract on the date or dates indicated beneath the signature of their respective officers or agents.



**Exhibit-A: Terminal Operation Contract, American President Lines, LTD**



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# **NEW BUSINESS**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager 

**Thru:** Jim Mullican Jr., Fire Chief

**Date:** June 14, 2018

**Agenda Item:** Va. **First Reading, Ordinance No. 1380, Amending Kodiak City Code Chapter 2.12, Relating to the Fire Department Employee Residency Requirement**

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**SUMMARY:** The Kodiak Fire Department requires employees meet stringent stipulations as a condition of hire. Among these stipulations is a requirement of staff to live within 5.5 miles of the station, maintain a land line telephone in residence, and meet medical requirements to fulfill the duties of firefighting. Due to increased housing costs and availability, the Fire Chief has requested the mileage requirement be lengthened to 12 miles in order to allow staff more cost effective housing choices. In addition, the Chief has requested the land line phone requirement be amended to accept cell service as an alternative. The final change to this section clarifies language pertaining to pre employment physicals and physical ability tests.

**PREVIOUS COUNCIL ACTION:** Council has modified this section three times. In 1996 the mileage requirement was increased from 3.5 miles to 5.5 miles. In 1971 rules and regulations were established for the operation of the department. In 1983 employment requirements were set.

**ALTERNATIVES:**

- 1) Pass Ordinance No. 1380 in first reading and advance to second reading and public hearing.
- 2) Amend or postpone Ordinance No. 1380
- 3) Do not pass Ordinance No. 1380

**FINANCIAL IMPLICATIONS:** N/A

**STAFF RECOMMENDATION:** Staff recommends City Council approve this ordinance.

**CITY MANAGER'S COMMENTS:** This residency requirement has been discussed by the Fire Chief recently and is seen as an attractant to recruitment. Not only will new hires have the expanded residency option but others currently living on island would now become eligible. This change would allow residents of Bells Flats and Monashka to now be included. We need to maintain a robust staff within the Fire Department.

**ATTACHMENTS:**

Attachment A: Ordinance No. 1380

**PROPOSED MOTION:**

Move to pass Ordinance No. 1380 in the first reading and advance to second reading and public hearing at the next regular or special meeting.

JUNE 14, 2018  
Agenda Item V. a. Memo Page 2 of 2

**CITY OF KODIAK  
ORDINANCE NUMBER 1380**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AMENDING  
KODIAK CITY CODE CHAPTER 2.12, RELATING TO THE FIRE DEPARTMENT  
EMPLOYEE RESIDENCY REQUIREMENT**

BE IT ORDAINED by the Council of the City of Kodiak, Alaska, that Kodiak City Code Section 2.12 be amended to read as follows:

**2.12.130 Employment – qualifications.** The emergency personnel of the department shall consist of such able-bodied persons as may be hired by the chief. Anyone accepting regular employment with the department shall establish residency within ~~5.5~~ 12 road miles of the fire station within 180 days following the date of hire and shall maintain telephone service ~~within the individual's residence~~. Determination of whether candidates for employment are able-bodied shall be made by the chief after a pre-employment medical examination and physical ability test ~~examination~~ has been made in a manner prescribed by the chief and approved by the city manager.

CITY OF KODIAK

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

First Reading:  
Second Reading:  
Effective Date:



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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager *MT*

**Date:** June 14, 2018

**Agenda Item:** V. b. **Resolution No. 2018–07, Amending Sections 9, and 12 of the Schedule of Fees, Charges, and Tariffs**

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**SUMMARY:** The City sets its fees and charges for various services by a resolution of the Council. It is important to review and adjust the fee schedule on a regular basis to ensure the City is receiving adequate revenues with which to provide services. The City Council identified the importance of an annual review and update of the schedule of fees and charges by including this as a budget goal since FY2011. Staff completed the review and submitted a list of proposed changes to fees pertaining to the Harbor and Parks & Recreation departments. Changes are proposed to take effect on July 1, 2018. The changes are summarized below and discussed at the Council work session on June 12, 2018. Staff recommends Council adopt Resolution No. 2018–07, which reflects the recommended changes.

**PREVIOUS COUNCIL ACTION:** The Council updates the City’s Schedule of Fees, Charges, and Tariffs on a routine basis by resolution. The most recent changes were adopted in June 2017 by Resolution No. 2017–17 and became effective July 1, 2017.

**DISCUSSION:** Staff has been reviewing the fee schedule over the past several months. Two City departments – the Harbor and Parks and Recreation submitted recommendations to increase, add, or regroup fees listed in the Schedule of Fees and Charges. The proposed fees for specific services are as follows: Section 9, Harbor and Section 12, Parks and Recreation.

The FY2019 harbor rates will go into effect on July 1, 2018, which were previously adopted by Council in Resolution No. 2017–01. These approved changes are reflected in the resolution. Council approved the purchase and installation of a public crane on Oscars Dock in the FY2018 budget. The Proposed new fee is for use of the crane. Customers will be billed \$25 per 15 minutes, with a 15 minute minimum.

The Parks and Recreation fees are reviewed on an annual basis. The P&R Director and staff went through and added some half season fees as well as punch cards. These fees were presented to the P&R Advisory Board on April 17, 2018, and they were supported unanimously.

**ALTERNATIVES:** Council can adopt, amend, or choose to not approve Resolution No. 2018–07. Staff recommends Council adopt the resolution with the recommended fee changes because the increases and new fees are necessary. Also, regular reviews and updates of the fee schedule are identified in Council FY2019 budget goals.

JUNE 14, 2018  
Agenda Item V.b. Memo Page 1 of 2

**STAFF RECOMMENDATION:** Staff recommends Council adopt Resolution No. 2018-07 with fee changes effective on July 1, 2018.

**CITY MANAGER'S COMMENTS:** It is important to revise and update the City's Schedule of Fees, Charges, and Tariffs on a regular basis to ensure the City is receiving acceptable revenues for the services provided including new services such as the harbor crane. This set of updates reflects changes in the operational aspects and goals in two departments and is consistent with Council's FY2019 budget goals.

**ATTACHMENTS:**

Attachment A: Resolution No. 2018-07

**PROPOSED MOTION:**

Move to adopt Resolution No. 2018-07.

**CITY OF KODIAK  
RESOLUTION NUMBER 2018-07**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AMENDING  
SECTIONS 9 AND 12 OF THE SCHEDULE OF FEES, CHARGES, AND TARIFFS**

WHEREAS, at the January 25, 2018, regular meeting the Kodiak City Council approved its budget goals for FY2019, including annually reviewing and updating the Schedule of Fees, Charges, and Tariffs; and

WHEREAS, staff reviewed the Schedule of Fees and Charges, and it was decided to bring forth amendments to the City fees; and

WHEREAS, the suggested fee amendments herein reflect the City's cost to provide services.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Sections 9 and 12 of the City's Schedule of Fees, Charges, and Tariffs are hereby amended as follows:

BE IT FURTHER RESOLVED that this resolution shall supersede previous resolutions amending Sections 9 and 12 of the Schedules of Fees, Charges and Tariffs.

BE IT FURTHER RESOLVED that the changes to Sections 9 and 12 of the Schedule of Fees, Charges, and Tariffs herein shall be effective July 1, 2018.

BE IT FURTHER RESOLVED that the City Clerk is authorized to make the required changes to the Schedule of Fees, Charges, and Tariffs.

**Section 9 Harbor**

*A day is defined as a calendar day, midnight to midnight or portion thereof.*

9.1	Disposal	
9.1.1	Drums, each 55 gallon.....	24.50
9.1.2	Containment boom, per foot, per day, plus labor .....	0.60
9.1.3	Sorbent pads and boom .....	cost + 10%
9.1.4	Petroleum products and bilge waste, per gallon	
9.1.4.1	Used oil .....	1.25
9.1.4.2	Oily bilge water, vessels under 400 gross tons .....	2.75
9.1.4.3	Oily bilge water, vessels over 400 gross tons	5.25
9.1.4.4	Testing and other necessary services .....	cost + 10%
9.2	Dry Storage	
	<i>No charge for fishing gear storage for the first three (3) days. Minimum charge is \$10.00 or per square foot fee, whichever is greater.</i>	
9.2.1	Daily, per square foot .....	0.04
9.2.2	Weekly, per square foot.....	0.14
9.2.3	Monthly, per square foot.....	.48
9.2.4	Annual, per square foot .....	1.50

**Section 9 Harbor (continued)**

9.2.5	Impounded vessels: cost of labor, equipment, and storage.....	cost + 10%
9.3	Electric Service, temporary, per day	
9.3.1	120-volt single-phase or actual kWh cost, whichever is greater .....	18.00
9.3.2	208-volt single-phase or actual kWh cost, whichever is greater .....	43.00
9.3.3	208-volt three-phase or actual kWh cost, whichever is greater.....	49.00
9.3.4	Electric cord rental, per day	
	30-amp 120-volt twist lock cords .....	9.00
9.3.5	Electric plug rental, per day	
	30-amp twist lock GFI to 20-amp straight blade .....	6.00
	208 single phase to 30-amp twist lock.....	12.00
	208 three phase to 208 single phase.....	18.00
9.4	Tidal Grid, per foot, per tide .....	2.50
9.5	Services and equipment rental	
9.5.1	Backhoe/loader, with operator, per 1/2 hour .....	91.50
9.5.2	Fork Lift	
9.5.2.1	4-ton, with operator, per 1/2 hour .....	91.50
9.5.3	Labor and Materials	
9.5.3.1	City employees, straight time, per hour .....	79.00
9.5.3.2	City employees, overtime, per hour .....	110.00
9.5.3.3	Non-City labor and miscellaneous materials	cost + 10%
9.5.4	Pumps	
9.5.4.1	Dewatering, electric, per day .....	36.00
9.5.4.2	Dewatering, electric, per week.....	146.00
9.5.4.3	Dewatering, electric, per month .....	365.00
9.5.4.4	Dewatering gasoline, per day .....	61.00
9.5.4.5	Sewage, vessel or RV pump-out, per use .....	12.00
9.5.5	Tanker, used oil, with operator, per hour.....	158.00
9.5.6	Vessel, with operator, per hour .....	129.00
9.6	Dockage for commercial fishing vessels at piers and docks (all other vessels charged per port tariff)	
9.6.1	• Vessels 80' and under .....	1.85
9.6.2	• Vessels 81' and over.....	2.15
	• Includes Dock 1, Oscar's Dock, Piers 1, 2, & 3.	
	• Dockage fees shall be equal to the vessel's daily moorage rate, or the per foot rate, whichever is greater. Vessels with exclusive moorage, and vessels which have paid their annual daily moorage ceiling, receive the first day free when scheduled in advance. Dockage fees do not apply to the moorage ceiling.	
9.7	Moorage, exclusive, annual	
	• Exclusive moorage means a permanently assigned slip for a specific vessel. Moorage is calculated depending upon vessel length: Length x rate per linear foot.	
	• Length = length of vessel, including all fixed protuberances or length of slip, whichever is greater.	
	• Vessels moored at posted restricted areas in excess of the allotted time shall incur a moorage charge at double the daily rate, until the vessel has departed.	
	• 20% surcharge for vessels wider than 80% of the slip water space	
	• 50% surcharge for vessels wider than 100% of the slip water space	
9.7.1	0 to 20 feet.....	36.55
9.7.2	21 to 30 feet.....	36.55
9.7.3	31 to 40 feet.....	36.55
9.7.4	41 to 60 feet.....	49.95
9.7.5	61 to 80 feet.....	74.31
9.7.6	81 to 100 feet.....	87.10
9.7.7	101 to 120 feet.....	99.89
9.7.8	121 to 150 feet.....	108.42

**Section 9 Harbor (continued)**

9.7.9	151+.....	121.82
9.8	Moorage, open/daily.....	1/60 of the annual moorage rate
	<ul style="list-style-type: none"> <li>• Daily moorage shall stop accruing when an amount equal to 100% of the annual exclusive moorage has been reached.</li> <li>• Vessels moored at posted restricted areas in excess of the allotted time shall incur a moorage charge at double the daily rate, until the vessel has departed.</li> <li>• Vessels under 21' receive one free day per month at designated areas only, on first-come, first-served basis.</li> </ul>	
9.9	Parking	
9.9.1	Trailers at designated long-term parking areas	
9.9.1.1	Daily .....	6.00
9.9.1.2	Monthly .....	91.50
9.9.2	Permit parking for harbor customers in designated 30-day lots adjacent to the harbors, per day .....	1.00
	<ul style="list-style-type: none"> <li>• Permits available to vessel slip holders and paid up transient vehicles only. Except that permits may be sold to the general public in the 30-day lot north of Ramp 1, St. Herman Harbor.</li> </ul>	
9.10	Gravel ramp use at SHH and SPH	
9.10.1	Aircraft, per launch or retrieval .....	91.50
9.10.2	Vessels under 76 feet in length, per foot, per tide.....	1.25
9.10.3	Vessels 76 feet and longer, per foot, per tide .....	1.80
9.10.4	Annual usage fee (must be paid in advance) .....	2437.00
9.11	Waiting list, per year.....	30.50
9.12	Launch ramp (exclusive slip holders and personal pleasure boats of persons sixty-five years of age or older are exempt)	
9.12.1	Daily.....	10.00
9.12.2	Annual .....	122.00
9.13	Administrative fees	
9.13.1	Slip transfer fee, per vessel .....	18.00
9.13.2	Account sent to collections .....	122.00
9.14	Vessel sewage disposal at Pier II per day (dockage charged separately)	91.50
9.15	Harbor Shower Fee, per time period.....	6.00
<u>9.16</u>	<u>Crane Use Fee, per 15 minute period or portion thereof .....</u>	<u>25.00</u>

**Section 12 Parks and Recreation**

*Note: For activities including micro tournaments and clinics not listed, the Parks & Recreation Department will establish the activity/program fee. Youth includes ages 4-18; Adult 19-65; Senior 65+. Activity fees can be waived for parent volunteers for coaching and officiating. A sponsor can contribute to activities fee to reduce cost of Person or group participants. Promotional events may occur throughout the year that are not listed in the fee schedule when fees and events are approved by the City Manager.*

12.1	<b>City Organized Activities</b>	
12.1.1	<u>Basketball</u>	
12.1.1.1	Adult Recreation Basketball Class A & Open Per Season Per Team .....	450.00
12.1.1.2	Adult Recreation Basketball Class B & C Per Season Per Team.....	350.00
<u>12.1.1.3</u>	<u>Adult Recreation Basketball Half Season Per Team .....</u>	<u>250.00</u>
12.1.1.4	Adult Recreation Basketball B & C (Student) Per Season Per Team.....	175.00
12.1.1.5	Adult Recreation Basketball Class A & Open Per Person .....	75.00
12.1.1.6	Adult Recreation Basketball Class B & C Per Person .....	75.00
<u>12.1.1.7</u>	<u>Adult Recreation Basketball (Student/Tournament/Half Season) Per Person .....</u>	<u>50.00</u>

**Section 12 Parks and Recreation (continued)**

12.1.1.8	Little Dribblers Per Season (6 weeks) Per Person.....	40.00
12.1.2	<u>Volleyball</u>	
12.1.2.1	Adult Recreation Volleyball Per Season Per Team .....	200.00
12.1.2.2	Adult Recreation Volleyball Per Person .....	40.00
12.1.2.3	Adult Recreation Women's Volleyball Per Person .....	25.00
12.1.3	<u>Soccer</u>	
12.1.3.1	Youth Soccer Per Season (6 weeks) Per Person .....	40.00
12.1.4	<u>Races</u>	
12.1.4.1	Per Race Per Adult.....	30.00
12.1.4.2	Per Race Per Youth/Senior.....	20.00
12.1.5	<u>Summer Program</u>	
12.1.5.1	Per Session (2 Week) Per Child .....	40.00
12.1.6	<u>Softball</u>	
12.1.6.1	Adult Recreation Softball Per Season Per Team.....	200.00
12.1.6.2	Adult Recreation Softball Per Season Per Person.....	25.00
	<u>Hockey</u>	
12.1.7.1	Adult Recreation Hockey Per Season Per Person .....	75.00
12.2.1	<b>City Facility</b>	
12.2.1	<u>Ice Rink</u>	
12.2.1.1	Ice Time Per Session Per Adult.....	5.00
12.2.1.2	Ice Time Per Session Per Student/Senior .....	2.00
12.2.1.3	Ice Time Per Month Per Adult.....	45.00
12.2.1.4	Ice Time Per Month Per Student.....	15.00
12.2.1.5	Ice Time Per Season Per Adult.....	160.00
12.2.1.6	Ice Time Per Season Per Student/Senior .....	55.00
12.2.1.7	Rental Per Hour .....	100.00
12.2.1.8	Dasher board sponsor.....	350.00
12.2.2	<u>Swimming Pool</u>	
12.2.2.1	Per Session Per Adult.....	5.00
12.2.2.2	Per Session Per Youth/Senior .....	2.00
12.2.2.3	Per Month Per Adult.....	45.00
12.2.2.4	Per Month Per Student.....	15.00
<a href="#">12.2.2.5</a>	<a href="#">Per Month Infant .....</a>	<a href="#">8.00</a>
<a href="#">12.2.2.6</a>	<a href="#">10 Punch Per Adult .....</a>	<a href="#">45.00</a>
<a href="#">12.2.2.7</a>	<a href="#">10 Punch Youth/Senior .....</a>	<a href="#">15.00</a>
<a href="#">12.2.2.8</a>	<a href="#">10 Punch Infant .....</a>	<a href="#">8.00</a>
<a href="#">12.2.2.9</a>	<a href="#">Per Year Per Adult .....</a>	<del>420.00</del> <a href="#">360.00</a>
<a href="#">12.2.2.10</a>	<a href="#">Per Year Youth/Senior .....</a>	<del>135.00</del> <a href="#">120.00</a>
12.2.2.8	Infant - 3 years .....	1.00
12.2.2.9	Lessons Per Persons Per Session.....	40.00
12.2.2.10	Pool Rental 1.5 Hour Block & Cleaning Fee .....	175.00
12.2.3	<u>Teen Center</u>	
12.2.3.1	Racquetball Per Adult Per Session (1 hour) .....	5.00
12.2.3.2	Racquetball Per Student/Senior Per Session (1 Hour) .....	2.00
12.2.3.3	Racquetball Per Month Per Adult.....	45.00
12.2.3.4	Racquetball Per Month Per Youth/Senior .....	15.00
12.2.3.5	Racquetball Per Year Per Adult .....	<del>420.00</del> <a href="#">360.00</a>
12.2.3.6	Racquetball Per Year Per Youth/Senior .....	<del>135.00</del> <a href="#">120.00</a>
12.2.3.7	Auditorium Cleaning Fee.....	25.00
12.2.3.8	Auditorium Per 4 Hour Block (Under 50 people) .....	100.00
12.2.3.9	Auditorium Per 4 Hour Block (Over 50 people) .....	200.00

	<a href="#">12.2.3.10</a>	<a href="#">Folding Table Rental (Cost is per table)</a> .....	<a href="#">5.00</a>
	<a href="#">12.2.3.11</a>	<a href="#">Folding Chair Rental (Cost is per chair)</a> .....	<a href="#">2.00</a>
	12.4.4	<u>East Addition Recreation Building</u>	
	12.2.4.1	Per Three Hour Block.....	100.00

CITY OF KODIAK

\_\_\_\_\_

MAYOR

ATTEST:

\_\_\_\_\_

CITY CLERK

Adopted:



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**MEMORANDUM TO COUNCIL**

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**To:** Mayor Branson and City Councilmembers  
**From:** Mike Tvenge, City Manager *MT*  
**Thru:** Craig Walton, Public Works Director  
**Date:** June 14, 2018

**Agenda Item: V. c. Authorization of Bid Award for FY2019 Sodium Chloride**

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**SUMMARY:** Each year Public Works combines deicing salt with ¼ inch rock chips for winter deicing and traction control on City streets and parking lots. Annually, the quantity of product requested is based on the remaining stock on hand and the previous winter's consumption. Last winter's bids for salt were in FY2018. At the present we have some remaining stock on hand. A bid was advertised on April 25, 2018, for 250 tons of salt for winter deicing. Bids were opened on May 30, and we had three bidders. While Round Butte Products was the apparent low bidder, Kodiak City Code 3.12.060 provides for a 10% local bid preference. Spenard Builders Supply, dba Polar Supply, met the requirements for local bid award. Staff recommends Council authorize the award of the FY2019 sodium chloride supply to Spenard Builders Supply, dba Polar Supply.

**PREVIOUS COUNCIL ACTION:** The Public Works Department bids for the City's winter sodium chloride supplies each spring. Each year the City Council approves the salt bid award in the late spring prior to the start of the new fiscal year.

**BACKGROUND:** In 1997, the Council approved the building of a salt storage building at the Public Works yard. This allowed the City to mix the salt with ¼ inch rock chips and store the mixture for winter use. The salt and chips are mixed in a rough 50/50 mixture based on weight. By mixing, Public Works staff has been able to reduce the amount of salt used in the winter, resulting in cost savings for winter deicing. Public Works has made further cost reductions by distributing the mix at stop signs, on hills, and at intersections rather than along the entire length of a street or road. However, using the mixture of salt and chips increases maintenance costs for street sweeping and storm drainage cleaning in the spring. Public Works continues to monitor the cost effectiveness of the 50/50 mixture to ensure overall savings. Because the amount of pavement the City is responsible for has increased, the amount of funds expended on deicing and traction control has seen a corresponding increase.

**DISCUSSION:** Due to the series of freeze/thaw conditions last winter and the mild winters the last couple of winters, we have a little bulk salt left over and our salt dome is almost full. With last year's purchase of 300 tons and the 250 tons that we are requesting for this year, we should be in good shape to get us through the upcoming winter. In FY2013 the bid price was \$321.50/ton, in FY2014 the cost was

\$329.77/ton and in FY2015 the cost was \$340.83/ton. In FY2018 the cost was \$349.79/ton. This year's cost is \$393.76/ton.

Three bids were received at the bid opening on May 30, 2018, for our winter salt supply. They are listed in the table below.

Bidder	Amount
Spenard Builders dba Polar Supply 300 E. 54 <sup>th</sup> Ave. Anchorage, Alaska 99515	\$98,440.00
Round Butte Products 36510 SE 13 <sup>th</sup> Street Washougal, WA 98671	\$95,537.70
Cascade Columbia Distribution Company 6900 Fox Ave. S. Seattle, Washington 98108	\$209,750.00

**ALTERNATIVES:**

- 1) Authorize the bid award for road salt to Spenard Builders Supply, dba Polar Supply, which is the recommended option due to local preference provisions in City Code.
- 2) Do not authorize the bid award, which is not recommended, because it would impact the level of service currently provided.

**FINANCIAL IMPLICATIONS:** The annual supply of road salt is budgeted in the Public Works Department Street supplies account. This year's bid from Spenard Builders Supply, dba Polar Supply, is \$43.97/ton more than in FY2018.

**STAFF RECOMMENDATION:** Staff recommends Council authorize the award of the FY2019 winter sodium chloride supply to Spenard Builders Supply, dba Polar supply, as the qualified bidder in the amount of \$98,440 with funds coming from the General Fund, Public Works Department, Street Supplies Account.

**CITY MANAGER'S COMMENTS:** Spenard Builders Supply maintains and operates a local store in Kodiak and therefore qualifies under KCC local preference. The bid differential allowed is 10% not to exceed \$30,000. This bid falls within these parameters. The Public Works staff continues their efforts to control costs associated with the purchase and use of road salt.

**ATTACHMENTS:**

Attachment A: Spenard Builders Supply, dba Polar Supply

Attachment B: Round Butte Products salt bid # 2018-003

Attachment C: Cascade Columbia Distribution Company

**PROPOSED MOTION:**

Move to authorize the FY2019 sodium chloride bid to Spenard Builders Supply, dba Polar Supply, in the amount of \$98,440 with funds coming from the FY2019 Public Works Department, Street Supplies account.

Invitation to Bid 2018-003

April 25, 2018

### BID FORM

TO: Mike Tvenge, City Manager  
City of Kodiak  
710 Mill Bay Road, Rm #114  
PO Box 1397  
Kodiak AK 99615

Any exceptions to the published bid specifications must be listed by item.

In compliance with your Invitation to bid for Bid No. 2018-003 for Sodium Chloride FY 2019 dated April 25, 2018, the undersigned hereby proposes to provide the following:

Item	Total Bid amount
1. 250 Tons of Sodium Chloride	1. <u>\$98,444.00</u>
2. If the City requires additional quantity over the 250 ton, will Vendor guarantee the same unit cost per ton through June 30, 2019 As stated in item number above? Yes _____ No <u>x</u> _____	

If no, please explain:

This is a commodity item subject to typical ocean going freight increases and current unstable geopolitical tensions. We estimate a 10% increase to our quote will be the minimum increase to expect.

Type of packaging (circle): (A) or B

Alternate Explain

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(Turn in Page 5 & 6 in as part of your bid)

Invitation to Bid 2018-003

April 25, 2018

Copy of current Business License and City Sales Tax Registration enclosed.

Bid price valid for 30 days.

Terms Net 30 Days Dated 5/30/18

Submitted by:

Dated: 5/29/18

*Bob Hoffman*  
*Russ Barnes*

Spenard Builders Supply LLC dba  
Polar Supply Company

Signature

*Gm*  
*Kodiak, AK*

Business Name

Civil Lead

300 E. 54th Ave.

Title

Address

907-646-4712

Anchorage, AK 99515

Telephone

City, State, Zip

Invitation to Bid 2018-003

April 25, 2018

### BID FORM

TO: Mike Tvenge, City Manager  
City of Kodiak  
710 Mill Bay Road, Rm #114  
PO Box 1397  
Kodiak AK 99615

Any exceptions to the published bid specifications must be listed by item.

In compliance with your Invitation to bid for Bid No. 2018-003 for Sodium Chloride FY 2019 dated April 25, 2018, the undersigned hereby proposes to provide the following:

Item	Total Bid amount
1. 250 Tons of Sodium Chloride	1. <u>95,537.70</u>
2. If the City requires additional quantity over the 250 ton, will Vendor guarantee the same unit cost per ton through June 30, 2019 As stated in item number above? Yes _____ No <u>✓</u>	

If no, please explain:

Yes but added Fuel surcharges are 34% (current at Samson) must be added to cost

Type of packaging (circle): A or **(B)**

Alternate Explain

Identical to packaging delivered over last several years

(Turn in Page 5 & 6 in as part of your bid)

Invitation to Bid 2018-003

April 25, 2018

Copy of current Business License and City Sales Tax Registration enclosed.

Bid price valid for 60 days.

Terms Net 30 day Dated 5/5/18

Submitted by: \_\_\_\_\_ Dated: 5/5/18



Signature

John Williams

Round Butte Products

Business Name

Owner

Title

36510 SE 13<sup>th</sup> Street

Address

360 835-0538

Telephone

Washoula WA 98671

City, State, Zip





**CASCADE  
COLUMBIA  
DISTRIBUTION  
COMPANY**

SEATTLE / PORTLAND MAILING ADDRESS • 6900 FOX AVE. SOUTH • SEATTLE, WA 98108

5/23/2018

City of Kodiak  
PO Box 1397  
Kodiak, AK 99615

RE: Sodium Chloride FY2019 (ITB# 2018-003)

To Whom It May Concern,

Cascade Columbia Distribution Co. is pleased to offer a quote on your ITB due Wednesday, May 30, 2018 at 3:00 pm. Included in our sealed bid is the required documentation and our contact information for all bid and contract matters.

We look forward to hearing the results and ask that you email the bid tabulation to [lancej@cascapecolumbia.com](mailto:lancej@cascapecolumbia.com).

Thank you,



Lance Jones  
Municipal Sales  
Cascade Columbia Distribution Co.  
[lancej@cascapecolumbia.com](mailto:lancej@cascapecolumbia.com)

PLEASE NOTE: SELLER SHALL INDEMNIFY BUYER FOR LOSSES TO THE EXTENT CAUSED BY SELLER'S NEGLIGENCE OR BREACH OF CONTRACT. NEITHER PARTY IS LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES. SELLER'S LIABILITY IS LIMITED TO THE PURCHASE PRICE OF THE GOODS. SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

SEATTLE OFFICE & WAREHOUSE 6900 FOX AVE. SOUTH, SEATTLE, WA 98108  
SEATTLE PHONE (206)282-6334 • FAX (206)763-7523 • (800) 533-6334  
PORTLAND METRO BRANCH • 14200 SW TUALATIN-SHERWOOD RD. • SHERWOOD, OR 97140  
PORTLAND METRO PHONE (503)625-5293 • FAX (503) 625-4335 • (877) 625-5293



**CASCADE  
COLUMBIA  
DISTRIBUTION  
COMPANY**

SEATTLE / PORTLAND MAILING ADDRESS • 6900 FOX AVE. SOUTH • SEATTLE, WA 98108

**Sales and Operations Information**

**Regular Office Hours for Customer Service/Warehouse:**

Monday – Friday                      8:00am – 5:00pm (Pacific Time)

**Branch Information:**

	<b>Seattle, WA</b>	<b>Sherwood, OR</b>
<b>Address:</b>	6900 Fox Ave S. Seattle, WA 98108	14200 SW Tualatin-Sherwood Rd. Sherwood, OR 97140

**Customer Service/ Shipping:**

<b>Phone:</b>	(206) 282-6334	(503) 625-5293
<b>Office Fax:</b>	(206) 282-6330	(503) 625-4335
<b>Email:</b>	<a href="mailto:orders@casadecolumbia.com">orders@casadecolumbia.com</a>	<a href="mailto:cascade-sherwood@casadecolumbia.com">cascade-sherwood@casadecolumbia.com</a>
<b>CSR Team:</b>	Rhonda Bennett Amrit Goraya Sharon Swanson J.R. Grosshans	Kathy Fast Kim Frost
<b>Operations Manager:</b>	Bob Sollesvik	Steve Durrell

**For all information and inquires pertaining to bids:**

Please send all bid packets/documents to: (Unless otherwise specified)	Cascade Columbia Distribution Municipal Sales Team Attn: Lance Jones 6900 Fox Ave S. Seattle, WA 98108
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**Contact:**                      Lance Jones  
    Municipal Sales  
    Office Phone: (206) 282-6334 ext.205  
    Office Fax: (206) 282-6330  
    [lancej@casadecolumbia.com](mailto:lancej@casadecolumbia.com)

**Remittance Address:**

Cascade Columbia Distribution  
P.O Box 24745  
Seattle, WA 98124  
Accounting Department Phone: (206) 658-2651

**Standard Payment Terms:**

Net 30 days

SEATTLE OFFICE & WAREHOUSE 6900 FOX AVE. SOUTH, SEATTLE, WA 98108  
SEATTLE PHONE (206)282-6334 • FAX (206)763-7523 • (800) 533-6334  
PORTLAND METRO BRANCH • 14200 SW TUALATIN-SHERWOOD RD. • SHERWOOD, OR 97140  
PORTLAND METRO PHONE (503)625-5293 • FAX (503) 625-4335 • (877) 625-5293

Invitation to Bid 2018-003

April 25, 2018

### BID FORM

TO: Mike Tvenge, City Manager  
City of Kodiak  
710 Mill Bay Road, Rm #114  
PO Box 1397  
Kodiak AK 99615

Any exceptions to the published bid specifications must be listed by item.

In compliance with your Invitation to bid for Bid No. 2018-003 for Sodium Chloride FY 2019 dated April 25, 2018, the undersigned hereby proposes to provide the following:

Item	Total Bid amount
1. 250 Tons of Sodium Chloride <i>2400 lbs 250 bgs @ 2400 lbs. each.</i>	1. <u>\$209,750.00</u> <i>(Offering 2400 lbs. supersacks) (\$ 3495/lbs.)</i>
2. If the City requires additional quantity over the 250 ton, will Vendor guarantee the same unit cost per ton through June 30, 2019 As stated in item number above? Yes _____ No <u>X</u>	

If no, please explain:

Cascade has reserved the 250 tons  
@ this price. Material beyond may be a  
different cost.

Type of packaging (circle): (A) or B

Alternate Explain

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(Turn in Page 5 & 6 in as part of your bid)

Invitation to Bid 2018-003

April 25, 2018


Copy of current Business License and City Sales Tax Registration enclosed.

Bid price valid for 60 days.

Terms Net 30 Dated 5/15/2018

Submitted by:

Dated: 5/15/2018

 Signature	<u>Newco Inc. dba Cascade Columbia Distribution Co.</u> Business Name
<u>Municipal Sales</u> Title	<u>6900 Fox Ave. S.</u> Address
<u>(206) 282-6334</u> Telephone	<u>Seattle, WA 98108</u> City, State, Zip

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Council Members

**From:** Mike Tvenge, City Manager *MT*

**Thru:** Craig Walton, Public Works Director, and Glenn Melvin PE, City Engineer

**Date:** June 14, 2018

**Agenda Item:** V. d. Authorization of Bid Award for Annual Sidewalk, Curb, and Gutter Repairs, Project No. 19-01/ 5003

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**SUMMARY:** Annually, the City issues bids for the repair and replacement of damaged sections of sidewalk, curb, and gutters at various locations throughout the City. Actual quantities of each bid item will vary in response to need and approved FY2019 budget. The bid was advertised on April 24 and opened on May 25, 2018. One bid was received. Staff recommends Council authorize the bid award to Golden Alaska Excavating, LLC, in the amount of \$50,270.

**PREVIOUS COUNCIL ACTION:** The City puts this project out to bid on an annual basis, and the City Council makes the award to the lowest responsible bidder.

**DISCUSSION:** During the course of winter maintenance, some sidewalks and curbs are damaged from snow removal, and through freezing and thawing cycles the concrete structures shift. This project is used to correct damaged areas that may create a hazard to pedestrian use of the sidewalks as well as drainage and ADA compliance issues. Both the water and sewer fund contribute to this project for replacement of sidewalk, curb and gutters that need repair or replacement due to previous sewer and water repair work.

The project runs from July 1, 2018, through June 30, 2019. Areas of work are identified and then given to the contractor for repair or replacement. This project has evolved into the current format in order to reduce the amount of engineering, design and survey required. As staff becomes aware of areas that need repair or replacement, the work is coordinated with the contractor. Work is then laid out in the field with the contractor and performed on a unit price basis.

The project went out to bid in April and bids were opened on May 25, 2018. One bid was received and the bid tabulation is attached (Attachment A).

**ALTERNATIVES:**

- 1) Award the Sidewalk Curb and Gutter project to Golden Alaska Excavating, LLC. This is the recommended option; it allows us to keep our pedestrian walkway safe and accessible to the community, and the bid was well under the Engineer's estimate.

- 2) Not award and just hire out small repairs as necessary. This option is not recommend, because of the difficult process of handling each repair separately and complying with Alaska Department of Labor requirements. Additionally, not awarding would allow continued deterioration of existing facilities and increase the risk for liability claims against the City. This approach is not recommended.

**FINANCIAL IMPLICATIONS:** There is approximately \$120,000 available in the Street Improvement Capital Fund, Annual Sidewalk, Curb, and Gutter Project No. 5003, which is adequate to approve this bid award.

**LEGAL:** N/A

**STAFF RECOMMENDATION:** Staff recommends Council award the Annual Sidewalk Curb and Gutter project, Project No. 19-01/5003 to Golden Alaska Excavating, LLC in the amount of \$50,270, with funds coming from the Street Improvement Capital Fund, Annual Sidewalk Curb and Gutter project, Project No. 5003.

**CITY MANAGER'S COMMENTS:** The City Engineer working jointly with the Public Works Director will identify areas of repair and with the unit prices offered by Golden Alaska Excavating, LLC determine the affordability of replacement. This is a not to exceed quote.

**ATTACHMENTS:**

Attachment A: Bid Tabulation Sheet.

**PROPOSED MOTION:**

Move to authorize the bid award for the annual sidewalk, curb, and gutter project to Golden Alaska Excavating LLC in the amount not to exceed \$50,270 with funds coming from the Street Improvement Capital Fund, Annual Sidewalk Curb and Gutter project, Project No. 19-01/5003 and authorize the City Manager to execute the award documents on behalf of the City.



**Bid Tab**

**2018 Sidewalk, Curb and Gutter**

**PN 19-01**

*Bid Date: Tuesday, April 24, 2018*

<b>Bid Item</b>	<b>Description</b>	<b>Quantity</b>	<b>Units</b>	<b>Engineers Estimate</b>	<b>Golden Alaska Excavating, LLC</b>
1	Removal of Sidewalk	2350	square foot	\$2.00	\$4,700.00
2	Removal of curb and Gutter	480	linear foot	\$12.00	\$5,760.00
3	Curb and Gutter (all types)	480	linear foot	\$50.00	\$24,000.00
4	PCC Sidewalk	240	square yard	\$100.00	\$24,000.00
5	PCC Curb Ramp	30	square yard	\$120.00	\$3,600.00
6	Detectable Warnings	30	square foot	\$80.00	\$2,400.00
	<b>Grand Total</b>			<b>\$64,460.00</b>	<b>\$50,270.00</b>



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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager *MT*

**Thru:** Lon White, Harbormaster

**Date:** June 14, 2018

**Agenda Item:** V. e. **Authorization of Parts Purchase and Installation to Perform Repairs to the Marine Travelift in Kodiak Shipyard as Provided in Quotation No. 2018/05/09 From Kendrick Equipment (USA), LLC**

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**SUMMARY:** Kendrick Equipment provided a quote to provide parts and labor to repair the Travelift for the sum of \$39,492.20. Staff recommends authorizing Kendrick Equipment to provided parts and perform the repairs that are critical to keep the Travelift in service.

**PREVIOUS COUNCIL ACTION:** No previous Council action.

**DISCUSSION:** In May Kendrick Equipment performed an inspection on the Travelift in Kodiak Shipyard for the purpose of maintaining the lift's certification as a large crane. Several items needing repair or replacement were identified and outlined in their inspection report. Kendrick Equipment is the sole provider of Marine Travelift parts and service for the State of Alaska. No other quotes could be obtained.

**ALTERNATIVES:**

- 1) Authorize Kendrick Equipment to provide parts and conduct repairs to the Travelift. Repairs are required to keep the lift certified and in safe working condition. This is staff's recommendation.
- 2) Do not authorize the work. This would mean the Travelift would be out of certification and effectively inoperable, severely impacting the shipyard.

**FINANCIAL IMPLICATIONS:** The funds will come from the Shipyard repair and maintenance account.

**STAFF RECOMMENDATION:** Staff recommends Council authorize Kendrick Equipment to provide all parts and service per their quote to repair the Travelift.

**CITY MANAGER'S COMMENTS:** Certification of the Travelift is essential to the City's risk management. As I understand there are parts and cables that require scheduled replacement, which is the case here. Kendrick Equipment (USA) LLC is the sole provider and repair company in the Pacific

Northwest for Travelift; this qualifies them to be sole sourced per KCC 3.12.070 (a). This section authorizes exception to bidding where it is not practicable to develop sufficiently detailed contract terms or specifications for competitive sealed bidding. KCC 3.12.070 (d) describes exceptions to bidding requirements where there is only one source and in this situation there are no other certified Travelift companies closer than the pacific coast.

**ATTACHMENTS:**

- Attachment A: Kendrick Quote dated 5-9-18
- Attachment B: Travelift Letter/ Kendrick sole provider
- Attachment C: Kendrick Inspection Report

**PROPOSED MOTION:**

Move to authorize parts purchase and installation for repairs to the marine Travelift in the Kodiak shipyard as provided in Quotation No. 2018/05/09 from Kendrick Equipment (USA) LLC, in an amount not to exceed \$45,000, with funds from the Shipyard repair and maintenance account and authorize the City Manager to execute the documents on behalf of the City.

**Kendrick Equipment (USA), LLC**

1609 Central Ave South, Unit# 20  
 Kent, Wa., 98032  
 Tel.# 1.866.744.9921  
 Fax.# 604.940-9912

**REVISED QUOTATION****SOLD TO:**

City of Kodiak  
 Harbor Dept  
 403 Marine Way  
 Kodiak, AK  
 99615

**QUOTATION NUMBER** 2018/05/09  
**DATE** May 9, 2018  
**PURCHASE ORDER NO.** Inspection Quotation  
**TERMS** Net on Receipt  
**SALES PERSON** Greg Waller  
**F.O.B.** Sturgeon Bay, WI

**SHIPPED TO:**

City of Kodiak  
 Harbor Dept  
 403 Marine Way  
 Kodiak, AK  
 99615

Derrick Magnuson  
 907-486-8080

QTY	DESCRIPTION	PRICE	AMOUNT
	<b>MTI Inspection</b>		
8	600868 Winch Adapter Gaskets	7.80	62.40
2	604480 Gasket	12.64	25.28
1	1009829 Hyd. Picton Motor	3734.89	3734.89
1	1103196 Load Cell Cylinder	997.50	997.50
4534	607769 Wire Rope, 1 - 1/8", MTI Spec	4.95	22443.30
1	1906935 Brake Assembly	4104.90	4104.90
1	1906167 Brake Seal Kit	678.62	678.62
	Inspection Discount (10%)		-3204.69
	Inbound Freight( Freight May vary)	1200.00	1200.00
30	Labor Hours (May Vary)	135.00	4050.00
20	Travel time (Travel Time may vary)	125.00	2500.00
1	Airfare (May Vary)	1800.00	1800.00
5	Per Diem	100.00	500.00
1	Car Rental (May Vary)	600.00	600.00
	<b>Customer must supply man lift and at least one person to help.</b>		
	<b>UBI# - 602-721-317</b>		
	<b>SUB TOTAL</b>	<b>\$</b>	<b>39,492.20</b>
	<b>STATE TAX</b>		<b>0.00</b>
	<b>LOCAL TAX</b>		<b>0.00</b>
	<b>TOTAL DUE</b>	<b>\$</b>	<b>39,492.20</b>
			<b>US DOLLARS</b>



May 23, 2018

City of Kodiak  
St Herman Harbor  
Kodiak, AK 99615  
USA

To whom it may concern:

This letter is to certify that Kendrick Equipment is the sole provider for Marine Travelift parts and service in the State of Alaska.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Johnston", with a long horizontal line extending to the right.

Bob Johnston  
Service Manager



May 7, 2018

City of Kodiak  
 Harbor Dept  
 403 Marine Way  
 Kodiak, AK  
 99615

Dear Lon and Derrik,

On May 4, 2018 our service technician Brent Hebert conducted an inspection of your 600C, serial number 3433-0409. Hour meter reading: 2134 hours. The overall condition of the machine is in above average shape.

The following is a list of discrepancies found during that inspection. Each item correlates with the associated parts list, these items need replacing and/or servicing. Items:  
 You can contact our parts department at #866-744-9921, they will be happy to assist you in placing an order for these parts.

- 1) Possible coolant leak in the radiator.
- 2) Water contamination on both outer gearboxes on left rear wheel assembly.
- 3) Drive chains are loose.
- 4) Both outer drives leaking on left rear wheel assembly. Require replacement gaskets between motor, brake and reducer.
- 5) Wire rope reeves poorly on #1 and #4, causing rope damage.
- 6) Hoist #6 is over full and contaminated hyd. oil. Inspected and found brake failure. Replace brake assembly.
- 7) Oil leak at #3 hoist motor.
- 8) Block adjust slide bearings need lube.
- 9) Wire rope has crush damage and broken wires. Need replacing.
- 10) Block adjust cables are extremely loose.
- 11) Slings are old (9 years) and are UV faded but show no sign of damage or wear. However the lifetime of slings is maximum 4 years (factory based). Slings need to be replaced.
- 12) Leak between #3 hoist motor and manifold block.



#110-7311 Vantage Way, Delta, B.C., V4G 1C9  
 PHONE: 866-744-9921 Fax: 604-940-9912  
 www.kendrickequipment.com

Should you have any questions on the inspection and/or the findings, feel free to give me a call. If you would like one of our service technician's effect repairs, let me know and I can work up an estimate for you.



Dave Marshall  
Parts & Service Manager

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager 

**Thru:** Lon White, Harbormaster

**Date:** June 14, 2018

**Agenda Item: V. f. Authorization of Temporary Office Space Lease With American President Lines at Pier II**

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**SUMMARY:** American President Lines (APL) is requesting a short term lease of 3000 square feet of van row 11 at Pier II for a portable office trailer to be used as a marine office for their freight business. APL needs a short-term lease so they can have the marine office staged and connected to utilities prior to June 30, 2018, when their lease with Matson is terminated. Staff recommends authorizing a lease at Pier II to accommodate APL's office trailer until such time APL enters into a long-term lease with the City of Kodiak. The short term lease shall be for a period not to exceed six months.

**PREVIOUS COUNCIL ACTION:** May 24, 2018, Council passed Ordinance No. 1379 in its first reading for a Pier II Use and Upland Lease Agreement and a Terminal Operating Contract with APL.

**DISCUSSION:** APL currently leases office space from Matson in the Pier II warehouse. Matson has terminated the lease effective June 30, 2018. APL is currently working with the City of Kodiak to establish a long-term agreement to use Pier II for its freight business to include loading and unloading of containers from barges, use of uplands for container storage, and upland space for a portable marine office. Ordinance No. 1379 authorizing the Pier II Use and Upland Lease Agreement was passed by Council in its first reading on May 24, 2018. Second reading is scheduled for the June 14 Council meeting. If approved by Council, the ordinance would take effect on July 14, 2018. As previously stated, APL needs a short-term lease so they can have the marine office staged and connected to utilities prior to June 30 when their lease with Matson is terminated. Maintaining office space at Pier II is critical to ensuring their freight service to Kodiak is uninterrupted.

The temporary office at Pier II will be a portable office trailer, approximately 60 ft long by 14 ft wide. The location at Pier II (van row 11) is available for lease and will not impede other uses of the facility. All utilities are available on site and will be installed at APL's expense. Upon termination of the lease, the area will be returned to its original condition by APL. APL acknowledges and takes full responsibility for all costs to set up the marine office and remove it in the event a long-term lease is not achieved.



**ALTERNATIVES:**

1. Approve the lease agreement. This is in the best interest of the public and is staff's recommendation.
2. Do not authorize the lease agreement. APL will need to find an alternate site for the temporary office, but none are available in close proximity to Pier II.

**FINANCIAL IMPLICATIONS:** APL will pay the applicable monthly rate posted in the Port & Harbor Fee Schedule of 48 cents per square foot. Total monthly lease rate for 3000 SF is \$1,440.

**LEGAL:** The City Attorney has reviewed the lease agreement and verified the lease is authorized under City Code 18.20.030(a), which states Council may authorize this lease via motion if it is the best interest of the public.

**STAFF RECOMMENDATION:** Staff recommends Council authorize the lease with APL for temporary office space at Pier II for a period not to exceed six months.

**CITY MANAGER'S COMMENTS:** This authorization will allow APL the opportunity to set up their mobile office at Pier II prior to the APL/Matson lease termination date, currently located in the Pier II building space. This temporary lease will expire and become part of the Upland Lease described in Ordinance 1379.

**ATTACHMENTS:**

Attachment A: American President Lines Lease

**PROPOSED MOTION:**

Move to approve the lease with American President Lines, LTD, Record No. 237751, for temporary office space at Pier II for a period not to exceed six months and authorize the City Manager to execute the documents on behalf of the City.

**LEASE AGREEMENT  
AMERICAN PRESIDENT LINES AND CITY OF KODIAK  
FOR TEMPORARY OFFICE AT PIER 2  
CONTRACT NO. 237751**

THIS LEASE, made this \_\_\_\_ day of \_\_\_\_\_, 2018, by and between the **City of Kodiak**, an Alaska municipal corporation, herein referred to as "City," and **American President Lines, LTD**, herein referred to as "Lessee," provides as follows:

- 1. Leased Premises.** Upon the terms and conditions herein set forth and subject to the prompt payment and performance by Lessee of each and every sum and other obligation hereinafter referred to, the City does hereby lease, let, and demise to the Lessee, and the Lessee does hereby lease from the City the following described premises: that portion of Van Storage Rows 11, near Pier II in Kodiak, comprising 3,000 square feet, and further identified on the schematic drawing attached hereto as Exhibit A.
- 2. Term.** This Lease shall be effective June 15th, 2018, for a period not to exceed six months, unless terminated earlier as provided below.
- 3. Rental.** Lessee agrees to pay as and for rent the sum of 48 cents per square foot, equaling ONE THOUSAND FOURTEEN HUNDRED AND FORTY DOLLARS (\$1,440.00) per month.
- 4. Conditions of Lease.** The premises shall be used solely for the following purposes:  
(a) Temporary office for American President Lines (approximately 60 x 14)  
(b) Parking for customers and employees
- 5. Improvements.** City shall have the right to make additions, alterations, or improvements to the Premises which will not impede Lessee's access to or use of the Premises. Any improvements constructed by Lessee shall be consistent with the limited use of the Premises authorized by this Lease and shall be constructed at Lessee's expense. Upon termination of this Lease, such improvements shall be removed by Lessee at its sole expense.
- 6. Maintenance.** Except as otherwise specifically provided herein, the Lessee shall at all times at its sole expense, maintain the premises in good repair, and in a neat and orderly condition. Lessee shall not cause or permit any litter, debris, or refuse to be accumulated or stored upon the premises and shall promptly remove all such materials without cost to City.
- 7. Indemnity.** Lessee shall defend, indemnify, and hold City, its officers, agents, and employees harmless against any and all actions, suits, proceedings, claims, loss, liens, costs, expense, and liability of every kind and nature whatsoever, including, but not limited to, attorney's fees reasonably incurred for response or defense of injury to or death of persons or loss of or damage to property, including property owned by the City, caused by or incurred as a result of Lessee's use and occupancy of the premises under this Lease. This provision shall not apply to claims, actions, damages, losses, or proceedings caused solely by the negligence of officers, agents, or employees of City.

**8. Insurance.** Lessee shall procure and maintain at its sole expense, and shall keep in full force and effect throughout the term of this Agreement, a policy of public liability and property damage liability insurance with a carrier acceptable to the City in an amount of not less than ONE MILLION DOLLARS (\$1,000,000). The City and its officers, employees and other agents shall be named as an additional insured on such policy, which shall include a clause requiring at least thirty (30) days advance written notice before cancellation or nonrenewal. Proof of the insurance required by this subparagraph shall be provided to the City throughout the term of this agreement.

**9. Utility and Service Charges and Taxes.** All charges for utility service and other services to Lessee at the Leased Premises, including without limitation snow removal shall be borne and paid for by Lessee, together with all personal or real property taxes or assessments that may be levied against the Lessee by reasons of its occupancy of the premises or its rights hereunder.

**10. Operation of Equipment.** In installing, operating, or maintaining any equipment on the Premises and in its general management of the Premises, the Lessee will act in accordance with applicable laws and regulations and so as not to cause interference with any other authorized use of Van Storage Rows, Pier II, and other City property. The Lessee will not do, attempt, or permit any acts in connection with this Lease which could be construed as a violation of law.

**11. Condition of Premises.** The Lessee takes the Premises in its present condition and the City shall have no responsibility for its condition, or for any damage suffered by the Lessee or any other person due to such conditions.

**12. Assignment and Subleasing.** Lessee shall not assign its rights or delegate its duties under this Lease without the prior written consent of City.

**13. Termination, Default and Re-Entry.** (a) This agreement may be terminated prior to the end of the lease term by either party with written notice delivered to the other party. Such termination shall be effective no earlier than ninety (90) days after the first day of the month immediately following such notice. Notice shall be deemed to have been fully given or made or sent when made in writing and delivered in person or deposited in the United States mail, certified and postage prepaid, and addressed to the respective addresses set forth above the signatures of this agreement. The address to which any notice, demand, or other writing may be given or made or sent to any party may be changed by written notice given by such party as above provided.

(b) If Lessee fails to cure any default of the conditions of this Lease within thirty (30) days after written notice thereof by City, or in the event insolvency proceedings should be instituted by or against Lessee, then City may terminate the Lease as of such date and re-enter the premises and remove all property therefrom and Lessee shall remain liable for the payment of rental to the extent provided by law.

**14. Applicable Law.** Lessee shall, at all times, in its use and occupancy of the premises and in the conduct of its operations thereon, comply with all applicable federal, state, and local laws, ordinances, and regulations.

IN WITNESS WHEREOF, the parties executed this instrument the day and month first above written.

CITY OF KODIAK  
710 Mill Bay Road  
Kodiak, AK 99615

AMERICAN PRESIDENT LINS, LTD  
P.O. Box 920425  
Dutch Harbor, Alaska, 99692

\_\_\_\_\_  
Mike Tvenge, City Manager

\_\_\_\_\_  
Mike Mizell, Terminal Manager  
Signature, Title

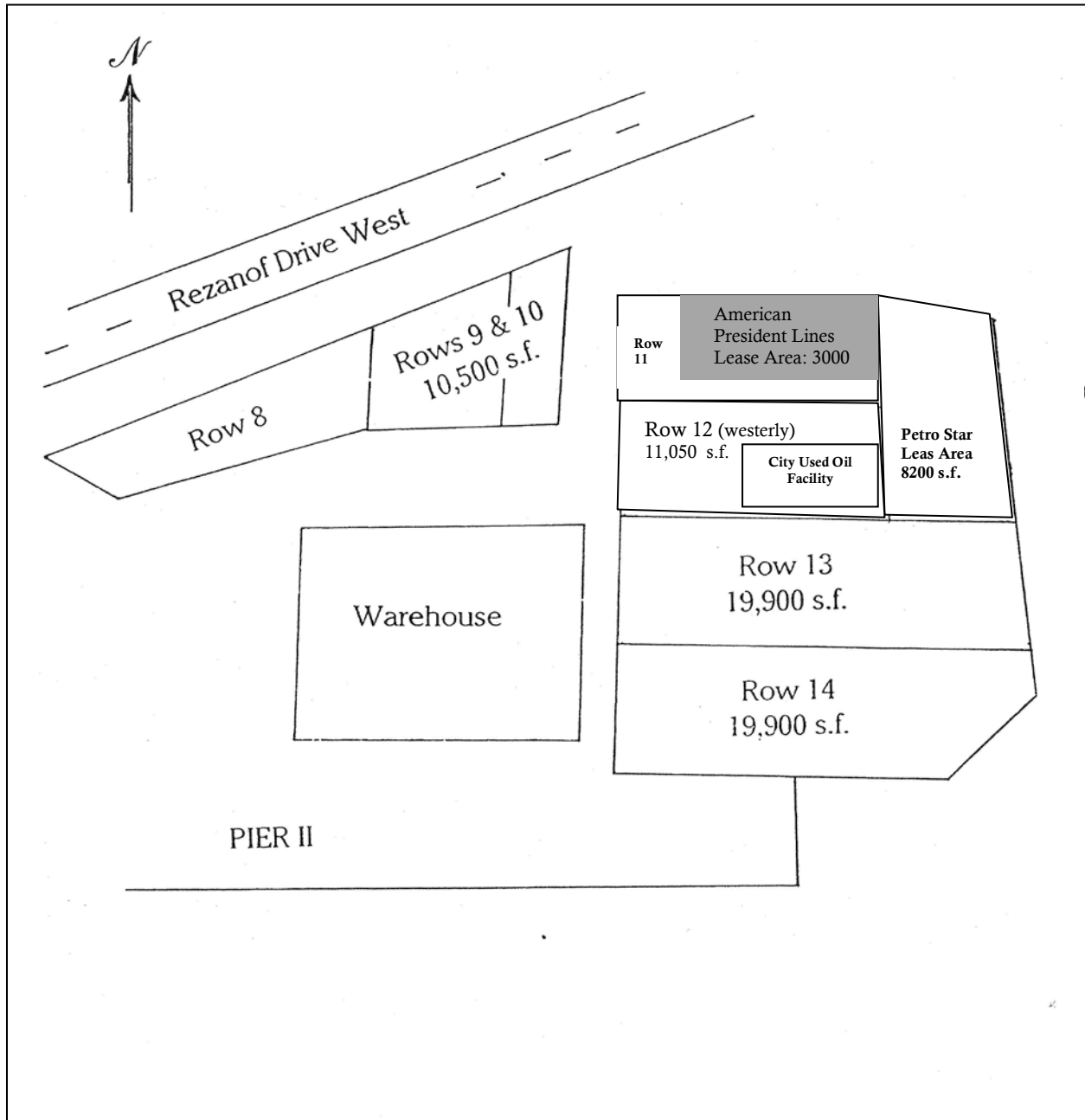
Attest:

Witness:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_

**EXHIBIT A**  
**American President Lines Lease Area**  
**Pier II, Kodiak, Alaska**



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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager *MT*

**Date:** June 14, 2018

**Agenda Item:** V. g. **Authorization of a Professional Services Contract for Interim Finance Director Services**

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**SUMMARY:** The City is in need of a qualified Finance Director to perform all the functions and assume the responsibilities of the Finance Director position until a qualified full-time Finance Director is hired. The City Manager requests Council to support this critical need by approving the professional services agreement with Karl Swanson to perform those services on an interim basis. Mr. Swanson has provided interim Finance Director Services for the City of Kodiak in 2014.

**PREVIOUS COUNCIL ACTION:** On June 12, 2014, Council authorized professional services agreement No. 215202 for interim finance director services with Karl Swanson with funds from the General Fund, Finance Administration, Salaries and Wages and Professional Services accounts and authorized the City Manager to execute and manage the contract.

**DISCUSSION:** The City's Finance Director resigned in May. Applicants for the advertised position were not selected following multiple interviews. Due to the vacancy, we require a qualified interim finance director to help with the immediate, pending, and ongoing departmental tasks. For example, the requirement to close out the FY2018 financial transactions will be pending, and the preparation for the FY2018 audit, and specialty functions such as managing the City's investments and bank accounts to ensure adequate cash flow needed attention.

I contacted a qualified local government financial manager, Karl Swanson, who agreed to come to Kodiak to help out on a rotating basis until a full-time Finance Director is hired. Karl will come to Kodiak on a two-weeks on and two-weeks off schedule and be available when he can while he is back in Talkeetna where he lives and runs his business. He will perform all the duties and have the responsibilities of the Finance Director position as identified in the agreement.

The professional services agreement is attached (Attachment A) and will be ongoing in nature until the City no longer requires his services, although there is a standard 30-day termination clause in the agreement. There are currently adequate funds in the personnel and professional services line items to cover these expenses.

**ALTERNATIVES:** There are two alternatives for Council to consider.

- 1.) Authorize the professional services contract with Karl Swanson for interim Finance Director Services, which is my recommendation. This support is critical to the successful operations of the City.
- 2.) Choose not to authorize the contract, which is not recommended, since we have no one on staff available to perform the functions of Finance Director.

**LEGAL:** The City Code allows the City Manager to contract for professional services when needed. Approval of Council may be required, depending on the cost of services. The City Charter Section IV-10 provides the City Manager with the authority to appoint a person to act during the temporary absence, disability, or suspension of an employee or, in case of a vacancy, until a successor is appointed or elected and qualifies.

**CITY MANAGER'S RECOMMENDATION AND COMMENTS:** The city is fortunate that Karl Swanson has agreed to work for Kodiak as the interim Finance Director until I am able to hire a full-time person. Karl has done this type of work for many years and is qualified. He will work in Kodiak on a two-week on and two-week off rotation, and the City will pay his expenses which include hourly wages, travel, housing and per diem.

**ATTACHMENTS:**

Attachment A: Professional services agreement for interim finance director services, effective June 15, 2018.

**PROPOSED MOTION:**

Move to approve professional services agreement, Record No. 237749, for interim finance director services with Karl Swanson with funds from the General Fund, Finance Administration, Salaries and Wages and Professional Services accounts and authorize the City Manager to execute and manage the contract.

**City of Kodiak**  
**Professional Services Agreement**  
**Interim Finance Director Services**

THIS AGREEMENT is entered into by and between KARL SWANSON, CPA, PC ("Consultant"), and the CITY OF KODIAK ("City").

WHEREAS City desires to engage Consultant to render Financial Management and related consulting services as the Interim Director of the City's Finance Department; and

WHEREAS Consultant represents that Consultant is properly licensed (State of Alaska Business License) and has the experience and ability to perform such services; and

WHEREAS the parties hereto desire to enter into a basic agreement setting forth the terms under which Consultant will, as requested, perform such work.

NOW THEREFORE the parties hereto do mutually agree as follows:

1. Employment of Consultant. Consultant agrees to provide professional services in accordance with the provisions of this Agreement. Karl R. Swanson will serve as the Interim Finance Director for the term of this agreement. A written description of the work to be performed and compensation to be paid are set out in attached Exhibit A and are incorporated by reference.
2. Scope of Services. The Scope of Services (Exhibit A) describes and defines the services and responsibilities which are required. Consultant shall exercise independent professional judgment in performing the obligations and responsibilities under this Agreement. The Consultant shall perform the tasks as set forth in Exhibit A. The Consultant shall also attend all required meetings, workshops, financial presentations, etc. either by teleconference or in person.
3. Duration. This Agreement commences on June 15, 2018, and shall continue until City hires a permanent Finance Director and the permanent Finance Director is oriented, or until such time as the Consultant is no longer available to provide the services as outlined in this Agreement.
4. Schedule. Consultant, acting as Interim Finance Director, will work a rotating schedule of approximately two (2) weeks on and two (2) weeks off beginning in June 2018. The preferred schedule will be two (2) Monday through Friday weeks per month worked on site in Kodiak. An alternate work site may be used for other



- time worked with prior approval of the City Manager.
5. Performance. Consultant agrees to proceed immediately to perform the work described in the Scope of Services; however, the Consultant is not authorized to perform any work or incur any expense which would cause the amount for which Consultant is entitled to be paid under this Agreement to exceed the amounts set forth in Exhibit B without the prior written approval of the City.
  6. Compensation. City agrees to pay Consultant as compensation for services under this Agreement such sums of money as set forth in attached Exhibit B. The amount payable to the Consultant shall not exceed the amount specified without the prior written approval of the City.
  7. Payments. City agrees to make payments to Consultant upon receipt of invoices received from Consultant.
  8. Personnel. City agrees to furnish all personnel necessary for expeditious and satisfactory performance of this Agreement, each to be competent, experienced and well qualified for the work assigned.
  9. Independent Contractor Status. In performing under this Agreement, Consultant acts as an independent Contractor and shall have responsibility for and control over the details and means for performing the Financial Management services required hereunder.
  10. Assignment. The Consultant may not assign his interest in this contract to another person or delegate any duties under this contract without prior written approval of the City. Any attempt by the Consultant to assign any part of his interest or delegate duties under this agreement shall give the City the right to terminate this contract.
  11. Designation of Representative. The Parties agree, for the purposes of this Agreement, that City shall be represented by and may act only through the City Manager or such other person as may designate in writing.
  12. Termination. Either party may terminate this contract, for cause or convenience, upon thirty (30) days written notice to the other. Notice shall be deemed to have been fully given or made or sent when made in writing and delivered in person or deposited in the United States mail, certified and postage prepaid, and addressed to the respective addresses set forth above the signatures of this agreement. The address to which any notice, demand, or other writing may be given or made or sent to any party may be changed by written notice given by

such party as above provided. After receipt of such notice, Consultant shall stop work hereunder to the extent and on the date specified in such notice, terminate all other commitments to the extent they relate to the work terminated, and deliver to City all computations and other material and information prepared or developed hereunder in connection with the work terminated.

In the event of any termination pursuant to this clause, Consultant shall be entitled to be paid as provided herein for direct labor hours expended and reimbursable costs incurred pursuant to paragraph 6 hereof, prior to the termination, and for such direct labor hours and reimbursable costs as may be expended or incurred thereafter with City's approval in concluding the work terminated, it being understood that Consultant shall not be entitled to any anticipated profit on services not performed.

Except as provided in this clause, any such termination shall not alter or affect the rights or obligations of the parties under this agreement.

13. Ownership and Use of Documents. Consultant agrees that all pertinent calculations, reports, data and other documents prepared for the City hereunder are the property of the City and the City shall have the right, without payment of additional compensation, to disclose, reproduce and use, and to authorize others to disclose, reproduce and use such documents for this project.
14. Performance Standard. Services performed under this Agreement shall be in accordance with good Governmental Financial Management practices and shall comply with all applicable codes and standards.
15. Compliance with Applicable Laws. Consultant shall comply with all applicable federal, state and local laws, ordinances, order, rules and regulations applicable to its performance hereunder. Consultant also agrees to comply with all contract provisions pertaining to grant or other funding assistance which City may choose to utilize to perform work under this Agreement.
16. Records and Audit. Consultant agrees to maintain sufficient and accurate records and books of account, including detailed time records, showing all direct labor hours expended and all reimbursable costs incurred and the same shall be subject to inspection and audit by City at all reasonable times. All such records and books of account pertaining to any work performed hereunder shall be retained for a period of not less than six (6) years from the date of completion of the improvements to which the Consultant services of this Agreement relate.

17. Form of City Approval. Except as otherwise provided in this Agreement, City's requests and approvals, and Consultant cost estimates and descriptions of work to be performed, may be made orally where necessary, provided that the oral communication is confirmed immediately thereafter in writing.
18. Notices. Any official notice that either party hereto desires to give the other shall be delivered through the United States mail by certified mail, return receipt requested, with postage thereon fully prepaid and addressed as follows:

**To City:**

Mike Tvenge, City Manager  
City of Kodiak  
710 Mill Bay Road, Room 219  
Kodiak, Alaska 99615

**To Consultant:**

Karl R. Swanson, CPA, PC  
P. O. Box 88  
Talkeetna, Alaska 99676

19. Venue/ Applicable Law. The venue of any legal action between the parties arising from this Agreement shall be the Third Judicial District of the Superior Court of the State of Alaska and this contract shall be interpreted in accordance with the laws of the State of Alaska.
20. Attorney's Fees. In the event either party institutes a lawsuit or action to enforce its right hereunder, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in such suit or action and on any appeal therefrom.
21. Waiver. No failure on the part of City to enforce any covenant or provisions herein contained, nor any waiver of any right hereunder by City, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same or any other provision in the event of any subsequent breach or default.
22. Binding Effect. The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of, and bind the parties and their respective successors.
23. Entire Agreement/Modification. This agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof, and all prior negotiations and understandings are superseded and replaced by this Agreement and shall be of no further force and effect. No modification of this Agreement shall be of

any force or effect unless reduced to writing, signed by both parties and expressly made a part of this Agreement.

In witness whereof, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in duplicate on the respective date indicated below.

**CITY OF KODIAK**

**KARLSWANSON, CPA, PC**

By:

By:

\_\_\_\_\_  
Mike Tvenge  
City Manager

\_\_\_\_\_  
Karl Swanson  
President

State of Alaska  
Third Judicial District .SS

State of Alaska  
Third Judicial District .SS

Subscribed and sworn to before me, this  
\_\_\_\_\_ day of \_\_\_\_\_ 2018.

Subscribed and sworn to before me, this  
\_\_\_\_\_ day of \_\_\_\_\_ 2018.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Notary Public

My commission expires \_\_\_\_\_

My commission expires \_\_\_\_\_

**EXHIBIT A**  
**SCOPE OF SERVICES**  
**PROFESSIONAL SERVICE AGREEMENT**  
**INTERIM FINANCE DIRECTOR**

On an interim basis and using independent professional judgment and expertise, provide the following as requested by the City Manager of Kodiak:

1. Serve as the interim Chief Financial Officer for the City of Kodiak.
2. Plan, direct, manage, supervise, and coordinate the administration and operations of the Finance Department.
3. Under direction from the City Manager, develop, revise, interpret, and direct the implementation of rules, regulations, policies, and procedures related to the day-to-day operations and the long- and short- term goals and objectives of the Finance Department.
4. Provide professional advice to the Manager and department heads and through the Manager, to the City Council.
5. Supervise all accounting activity of the City including periodic and annual financial reporting, budget preparation and monitoring, and billing and collection for the City's enterprise funds.
6. Supervise purchasing activities for the City.
7. Supervise data processing and information systems functions for the City.
8. Develop and maintain fiscal policies and procedures with the review and approval of the City Manager's Office.
9. Plan, prepare, and organize workloads and staff assignments, expedite workflow, and make staffing decisions.
10. Meet regularly with the City Manager and other department Directors to ensure coordination and conformance with City policies, procedures, and ordinances. With approval of the City Manager, coordinate with the City attorney on legal matters relating to City business as needed.

11. Directly supervise all positions in the Finance Department; review performance evaluations for all departmental employees and conduct performance evaluations as scheduled; and in consultation with the City Manager, initiate and administer personnel and disciplinary actions, and resolve grievances as necessary.
12. Oversee all department personnel matters; make recommendations to the City Manager's Office regarding appointments, promotions, suspensions, and dismissal of Finance Department employees; recruit hire, and train staff if necessary.
13. Maintain proficiency, and professionalism of department staff.
14. Represent the department at Council meetings, meetings with other city officials, civic, agency, and business organizations, and federal and state agencies.
15. Maintain productive working relationships within the department and with representatives of the community, including elected officials, businesses, and agency personnel.
16. Conduct research, prepare and present studies, status reports, issue papers, and proposed policies, plans, procedures, and ordinances to the City Manager and the Council as needed.
17. Review and authorize materials and equipment orders and approve departmental expenditures within budgetary limits.
18. Under direction of the City Manager, manage the City's budget process and help prepare the final budget documents.
19. Oversee the management of internal controls and ensure that state and national accounting standards are maintained.
20. Oversee the investments of City funds, the posting and reconciliation of ledgers and accounts; as necessary for the duration of the agreement.
21. Oversee the central computerized financial and management information system of the City.
22. Oversee preparation of City audit during service as Interim Finance Director.

**EXHIBIT B  
COMPENSATION  
PROFESSIONAL SERVICES AGREEMENT  
INTERIM FINANCE DIRECTOR**

Compensation will be paid as follows:

**Wages:** Compensation will be paid hourly at the rate of \$115.00 per hour. Hourly rates will be paid for hours worked, without escalation for overtime work. The hourly rate will increase by \$5.00 per hour on each four-month anniversary of this agreement.

**Meal Allowance:** City shall provide Consultant a daily allowance of \$50 per day to cover the cost of meals while in Kodiak providing services pursuant to this agreement.

**Living Quarters:** City shall provide Consultant with living quarters containing a kitchen facility while in Kodiak providing services pursuant to this agreement.

**Vehicle:** City shall provide a vehicle for Consultant's use while in Kodiak providing services pursuant to this agreement.

**Travel:** City will provide Consultant with at least one round-trip airline ticket between Anchorage and Kodiak during the term of this agreement, not to exceed one round-trip ticket every two weeks commensurate with the two-week on, two-week off schedule contained in Section 4 of the agreement.

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager *MT*

**Thru:** Craig Walton, Public Works Director and Glenn Melvin PE, City Engineer

**Date:** June 14, 2018

**Agenda Item:** **V. h. Authorization of a Professional Services Contract for WWTP Upgrade, Phase I Condition and Process Assessment, Project No. 7522/18-04**

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**SUMMARY:** The last Wastewater Treatment Plant (WWTP) Upgrade was completed in 1999. Generally, WWTP's are evaluated and upgraded approximately every 20 years. We have developed a concept plan using phases to complete the project. Phase I Condition and Process Assessment will include Phase 1A – Process Assessment - WWTP Effluent Disinfection Feasibility Study and Phase 1B – WWTP Condition Assessment. Once the initial assessment is completed, work scope for future Phases will be brought to Council for approval in the form of Contract Amendments to CH2M. Staff recommends Council approve the Professional Services Contract for WWTP Upgrade, Phase I Condition and Process Assessment, Project No. 7522/18-04 to CH2M in the amount of \$160,000.

**PREVIOUS COUNCIL ACTION:**

- In June 2017, Council approved the FY2018 budget of \$600,000.00 for the WWTP Upgrade. The budget is contingent on using the Alaska Clean Water Fund (ACWF) loan.
- On November 9, 2017, Council approved Resolution No. 2017–26 authorized the application for a \$600,000 loan from the ACWF loan program.
- On April 12, 2018, Council Amended Section 4 of previously adopted Resolution No. 2017–26 to provide that the interest on the loan shall not exceed the rate calculated pursuant to 18 AAC 76.080(b)(1).(Repayment; finance charges)

**BACKGROUND:** The last WWTP upgrade was completed in 1999. The general industry standard is to complete a condition assessment of the WWTP and rebuild about every 15 to 20 years. The existing plant has many critical operational pieces that are in need of replacing as well as operational deficiencies that remain from the last rebuild. By completing a comprehensive evaluation, we can detail the scope of work needed in order to rebuild the plant for the next 25 years of operation. The long expired APDES permit has been renewed, and permit changes are now in effect that will require capital investment to design and construct effluent disinfection within five years. With the substantial length of time required to secure funding for infrastructure projects, it is important that a thorough engineering evaluation is performed as part of the funding effort.

JUNE 14, 2018

Agenda Item V. h. Memo Page 1 of 3



**DISCUSSION:** The primary goal of the Condition Assessment Project is to prioritize where resources are required to extend the operating life of the WWTP by at least 25 years. Phase I is the first step towards achieving that goal.

Staff requested CH2M to prepare a development plan approach for the WWTP Upgrade project that can be phased over time. Phase I will be the initial condition assessment of the facility. Future phases will include comprehensive condition assessment, preliminary and final design of effluent disinfection systems, design of facility upgrade, and assistance with bidding and construction phase services. The phased approach can be used as a basis for development of multiple project delivery methods.

Phase I Condition and Process Assessment includes multiple tasks and sub-tasks that will include disinfection feasibility, project definition, project management, alternatives, predesign report, and definition of future scope of the plant upgrade project. It will allow us to clearly understand all aspects of work that needs to be done including site, buildings, electrical systems, SCADA system, and process systems. Based on this assessment, a preliminary project budget can be established to seek funding for the project.

Staff included the assessment of both Lift Station 5 (last lift station before the WWTP for the entire City) and Lift Station 1B (primary lift station for most of the service district), as well as the force mains from these stations to the WWTP. Including these two lift stations and force mains within the scope of the loan will make them part of the initial phase I assessment. This will identify upgrade needs for future expansion of the wastewater collection system as well as assess the condition of these two critical lift stations. In addition how these two lift stations pump into the WWTP is a known problem and this issue can be addressed as part of the upgrading of the plant.

The Alaska Pollution Discharge Elimination System (APDES) permit is complete and becomes effective on July 1, 2018. The new permit includes requirements for disinfection alternatives that will require capital improvement to the existing WWTP within five years. This work will be included in the assessment and will require a faster capital improvement plan than the overall plant upgrade.

For additional information please see the attached comprehensive engineering proposal prepared by CH2M which defines in detail the scope of the WWTP Upgrade, Phase I Condition and Process Assessment.

**ALTERNATIVES:**

- 1) Staff recommends that Council approve the Professional Services Contract for WWTP Upgrade, Phase I Condition and Process Assessment, Project No. 7522/18-04 to CH2M in the amount of \$160,000.

- 2) Delay or elect not to approve the proposal; this is not recommended. If delayed it would prevent the City from gaining the information needed now to develop a plan for funding. If not approved the City will likely be penalized by the State for non-compliance of permit requirements.

**FINANCIAL IMPLICATIONS:** It is critical for the City that the development of the total project budget be developed based on the complete facility assessment. When the last upgrade was budgeted in the 1990s, the project budget fell way short of the original bid openings. This required significant downsizing and reprioritizing of the project to fit within the existing budget. Significant compromises were made that lead to years of operating challenges that now that must be addressed.

The primary goal with our current approach is to clearly understand the need of the facility and build a project budget to fully upgrade the plant, if possible, in order to be set for the next 25 years. We have used these loans on other City water and sewer projects, and the program is one of the best funding sources available for Municipalities operating public water and wastewater systems.

FY2018 budget included \$600,000 to begin a condition assessment of the WWTP. This funding was based on the use of an ACWF loan. The name of the program has changed to State Revolving Fund (SRF) loan program.

**LEGAL:** Authorized by KCC 3.12.070 (a) (2) Exceptions to bidding requirements

**STAFF RECOMMENDATION:** Staff recommends Council approve the Professional Services Contract for WWTP Upgrade, Phase I Condition and Process Assessment, Project No. 7522/18-04 to CH2M in the amount of \$160,000.

**CITY MANAGER'S COMMENTS:** CH2M has worked for the City through the latest centrifuge project, the ADEC permitting process and toured the facility to provide the city with an assessment process. We would prefer to continue with CH2M through this upgrade process and new permitting requirements. They are well prepared to provide the city support and guidance for this project.

**NOTES/ATTACHMENTS:**

Attachment A: Jacobs CH2M Proposal Letter dated May 31, 2018

**PROPOSED MOTION:**

Move to authorize the Professional Services Contract for WWTP Upgrade, Phase I Condition and Process Assessment, Project No. 7522/18-04 to CH2M in the amount of \$160,000 and authorize the City Manager to sign documents on behalf of the City.



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www.ch2m.com

May 31, 2018

Glenn Melvin, P.E., City Engineer  
City of Kodiak  
2410 Mill Bay Road  
Kodiak, AK 99615

Subject: WWTP Upgrade, Phase I Condition and Process Assessment – City of Kodiak Project  
Number 7522/18-04

Dear Mr. Melvin:

CH2M HILL Engineers, Inc. (CH2M) appreciates this opportunity to submit our proposal for the City's Wastewater Treatment Plant (WWTP)'s Phase 1 Condition and Process Assessment Project. This project allows us to continue providing critically important engineering services to the City of Kodiak (the City).

On December 15, 2017, CH2M Hill Companies Ltd. (CH2M) became part of Jacobs Engineering Group Inc. (Jacobs). CH2M is now a wholly owned direct subsidiary of Jacobs. CH2M presently remains a separate legal entity and will continue to operate and conduct business as CH2M HILL Engineers, Inc.

This letter proposal presents the Phase I Process Assessment work first, followed by the Phase I Condition Assessment work.

We are ready to immediately begin work upon City of Kodiak approval of this proposal.

Due to new State of Alaska discharge requirements, and the advanced age of much of the WWTP, the proposed Phase I work will be the first step of City actions towards achieving discharge permit disinfection requirements, and the first step of City actions towards existing WWTP's condition assessment to determine needed plant upgrades to significantly extend the WWTP's functional life.

## PHASE 1A - PROCESS ASSESSMENT - WWTP EFFLUENT DISINFECTION FEASIBILITY STUDY

### **Purpose of the Feasibility Study**

The City of Kodiak needs to comply with fecal coliform (FC) treatment requirements stipulated in the new Alaska Pollutant Discharge Elimination System (APDES) permit – Permit Number AK0021555 – which becomes effective July 1, 2018. These new requirements are significantly more stringent than those in the current permit, plus the permit has a compliance schedule. Engineering design for the selected solution to meet these more stringent requirements must be completed by July 1, 2021 (Year 3). The new facility being constructed and operational by July 1, 2023 (Year 5).

The purpose of this study is to evaluate two disinfection alternatives for meeting these new FC disinfection requirements, and provide enough design and cost information to allow the City to select their preferred method of effluent disinfection. The City can then proceed with the subsequent detailed design, permitting, financing, construction, and commissioning of the project in a manner which meets the APDES permit mandated compliance schedule.

## **Disinfection Feasibility Scope of Work**

To deliver this Phase I WWTP Effluent Disinfection Feasibility Study for the City, CH2M proposes the following three tasks:

- Task 1a – Project Kickoff and Site Visit
- Task 2a – Project Definition and Alternatives Evaluation
- Task 3a – Predesign Report

The work activities, deliverables, meetings, and assumptions associated with each task are detailed below.

### **Task 1a – Project Kickoff and Site Visit**

Two key CH2M team members, myself and a senior WWTP disinfection engineer, will travel to Kodiak for a kick-off meeting with you and your staff to review our scope of work and proposed deliverable products. We would like to conduct this work on June 21st. Following the meeting we will conduct a tour of the WWTP to observe field conditions which will aid the team in evaluating disinfection alternatives and to assess new facility location alternatives.

#### **Deliverables:**

- Proposed Kick-Off agenda.
- Summary meeting notes and list of action items resulting from the kick-off meeting and any notes from our site visit.

#### **Assumptions:**

- Project kick-off session will be conducted at the earliest date possible following Notice-to-Proceed. We propose to meet at your Engineering and Public Works Conference Room, or any other preferred location.
- The City and CH2M managers will determine who should attend the kick-off meeting from each entity.
- The City desires that CH2M evaluate UV disinfection as one method to meet permit disinfection requirements and chlorination/dichlorination as a second method to meet permit disinfection requirements.

### **Task 2a – Project Definition and Alternatives Evaluation**

The project definition and alternatives evaluation task's purpose is to establish the project design criteria and develop preliminary design details for both UV Disinfection and Chlorination/Dechlorination projects. Work of this phase as defined below will culminate in the preparation of the Predesign Report. The report will contain the information described in the subtasks below.

#### ***Subtask 2.1a: Planning Criteria***

Define the City's objectives and success factors for the project and document the City's planning and design criteria standards as they pertain to this work including process mechanical and electrical redundancy requirements and structural design requirements.

CH2M will work with the City staff to define the planning projections for the project. The City will provide data and information to support the evaluation, including:

- UV Transmittance (UVT) Data, total suspended solids (TSS), iron, and flow.

- Plant monthly operating reports for the past 5 years.
- Population projections

To assist with defining the UVT design value, the City will collect WWTP final effluent UVT data, which has already started. CH2M will provide guidance as to the frequency and duration of this testing.

For this study CH2M will utilize the following design flows presented in the WWTP Design Criteria table on Sheet 7 (Drawing OP1) from the conformed set of design drawings from the Wastewater Treatment Plant Upgrade (1998) prepared by VEI Consultants:

- Maximum Month Flow: 4.7 mgd
- Peak Hour Flow: 8 mgd.

### ***Subtask 2.2: Alternatives Evaluation***

CH2M will perform an alternatives evaluation to compare monetary (upfront capital costs, ongoing operating & maintenance costs, and resulting calculated 20-year life cycle costs) as well as non-monetary factors for the following two disinfection alternatives for Kodiak WWTP:

- On-site generated (OSG) sodium hypochlorite for disinfection, delivered sodium bisulfite for dechlorination and modifications to the chlorine contact basins, if any, to achieve effective disinfection performance. A site within the WWTP property will have to be located for the new building for the chlorination/dechlorination equipment.
- Construct new UV disinfection system by reconfiguring a portion of the existing chlorine contact basin. The UV system equipment will be housed in a new building constructed over the existing chlorine contact basin.

Based on previous experience and evaluations it is assumed that other disinfection alternatives such as delivered liquid sodium hypochlorite, delivered gaseous chlorine, delivered peracetic acid (PAA), ozone, and other emerging disinfection approaches/technologies are cost prohibitive and/or not feasible from a regulatory or technical standpoint and therefore will not be evaluated as part of this study.

Based on our previous disinfection project experience we anticipate that the following alternatives will be developed for the City:

- OSG sodium hypochlorite: Low strength (0.8 percent) generating systems will be considered. This is very similar to the OSG facility CH2M designed for the City's drinking water disinfection in 1999 to replace your former 1-ton gaseous chlorine disinfection facility.
- UV: Enhanced wattage, low pressure/high output (LPHO) amalgam lamp technology with automated sleeve cleaning systems will be considered. Manufacturers/models that will be considered include:
  - Trojan's Signa (inclined lamp orientation – 60-degree angle)
  - Wedeco's Duron (inclined lamp orientation – 45-degree angle)
  - Ozonia's HiCAP (vertical lamp orientation)
  - Calgon's C<sup>3</sup>500 (horizontal lamp orientation)

(NOTE: The Calgon UV open channel disinfection system for wastewater is not the same as your Calgon Sentinel closed pipe UV drinking water disinfection system that CH2M designed for the City in 2010.)

Based on the UV manufacturer's ability to respond in a timely fashion for this study and based on any City preferences, one of these vendors will be selected for providing support (such as bench-top

collimated beam testing, equipment sizing & pricing, etc.) to the team during this study. If the UV alternative is selected over OSG, then it is anticipated that a formal UV equipment pre-selection process will be conducted at the beginning of final design (next phase of the project - not part of this scope of work).

CH2M will prepare initial design calculations and develop conceptual drawings (5 percent design) of the alternatives identified based on the design criteria established through the previous subtasks. An order-of-magnitude Class 5 cost estimate will be prepared for the two alternatives to provide construction cost information for comparative purposes between the alternatives. Annual operating costs and life cycle costs will be developed for these alternatives.

Any cost opinions or project economic evaluations provided by CH2M will be on a basis of experience and judgment, but, since CH2M has no control over market conditions or bidding procedures, CH2M cannot warrant that bids, ultimate construction cost, or project economics will not vary from these opinions.

CH2M will conduct a non-monetary evaluation in collaboration with City staff. Non-monetary evaluation criteria, which will be identified during Task 1 and refined/finalized in Task 2.1, may include items such as operability, operator safety, maintainability, durability, flexibility, reliability (including reliance on material/chemical deliveries), public acceptance of one technology over another, and other factors.

CH2M will document a summary of the results of this evaluation in a tech memo.

**Deliverables:**

- Project Definition and Alternatives Evaluation technical memorandum.

**Assumptions:**

- If necessary to conduct the study, bench-scale sodium hypochlorite testing will be provided by the City's laboratory with test procedure guidance provided by CH2M.
- If necessary to conduct the study, bench-scale UV testing (collimated beam tests) will be provided by one of the UV manufacturers at no cost to the City or CH2M. CH2M will provide guidance for conducting this study.

**Task 3a – Predesign Report**

CH2M HILL will prepare a draft Predesign Report detailing the analysis and findings of the alternatives evaluation. A presentation of the results will be made to the City by conference call approximately 1 week after draft report submittal. Based on this information we are expecting City staff will select an alternative that will then be documented in our Final Predesign Report.

**Deliverables:**

- Draft Predesign Report which will document the analysis conducted and provide a preliminary recommendation to the City. Six hard copies and an electronic PDF copy.
- Final Predesign Report which will document the analysis conducted and provide a preliminary recommendation to the City. Six hard copies and an electronic PDF copy.

**Assumptions:**

- Up to two conceptual drawings (e.g. site layout, section/detail) will be developed for each of the two alternatives to capture the intent of the concept and serve as the basis for the Class 5 construction cost estimate.

- The Class 5 construction cost estimate (+100%, -50%) will be included in the report as a total estimated value for each concept. A detailed breakdown of the costs will not be provided. The construction cost estimates will be used solely for comparative purposes amongst the alternatives.
- A draft copy of the Predesign Report will be developed and provided to the City as an electronic deliverable (PDF) 1 week in advance of the conference call. The report will then be revised to capture the discussions and decisions made during the conference.

#### **Task 4a - Project Management**

I will be your primary point of contact for the project. I will lead our team, manage schedule and budget, review monthly invoices, and provide the City with project progress reports. I will lead project progress calls with you and be available as needed. Our project accountant will prepare draft invoices for my review and approve.

#### **Disinfection Feasibility Project Team**

I will be assisted by Matt Noesen who has extensive experience conducting alternative wastewater disinfection studies and is a firm-wide resource for UV disinfection projects. Miaomiao Zhang will serve as the process engineer; Miaomiao has worked previously with Matt on similar projects and has relevant experience with disinfection studies and designs. Stuart Jeffcoat, a subject matter expert for OSG sodium hypochlorite systems, will advise the team as needed.

Additional design discipline support identified below will be utilized as necessary to execute the work to conduct the evaluation and develop the Predesign Report.

#### **Core Study Team:**

Project Manager – Floyd Damron, PE

Senior Process Engineer & Design Manager – Matt Noesen, PE

Process Engineer – Miaomiao Zhang, PE

Senior Advisor - Stuart Jeffcoat, PE

#### **Design Support:**

Architect – Mark Sharp

Structural Engineer – Mark Parent, PE

Electrical Engineer – John Owens, PE

I & C Engineer - Gary Erb, PE

CAD – Rory Benfield

Cost Estimating – Nick Cavalleri

Other engineers and technicians will be utilized, as needed, to complete future design and construction tasks executed in subsequent phases.

#### **Phase 1a - Disinfection Feasibility Study Schedule**

The draft predesign report will be delivered to the City within 120 days after the Notice to Proceed (NTP) is issued to CH2M. The City will have two weeks to review and comment and CH2M will have 3 weeks after receipt of City comments on the draft report to deliver the final predesign report.

## **Future Design and Services During Construction**

We will be prepared to proceed with final design and construction phase engineering services when the City is ready to proceed with the project.

## **PHASE 1B – WWTP CONDITION ASSESSMENT**

### **Purpose of the WWTP Condition Assessment**

The primary goal of the Condition Assessment Project is to prioritize where resources are required to extend the operating life of the plant by at least 25 years. Phase 1 is the first step towards achieving that goal.

CH2M will collaborate with City staff to develop a condition assessment plan that addresses the needs and desired outcomes for the facility assessment. Through our experience in facility operations we understand the value of consistently applying asset management principles to guide and manage the risk associated with the asset operations and maintenance.

### **WWTP Assessment Scope of Work**

Using these principles, CH2M has developed an efficient and effective risk-based condition assessment process for evaluating WWTP facilities. Our proven condition assessment methodology and approach has been documented in the book **Implementing Asset Management: A Practical Guide**, written by CH2M/Jacobs and copyrighted by the National Association of Clean Water Agencies, the American Water Works Association (AWWA), and the Water Environment Federation. Our condition scoring and estimation of remaining useful life is also documented and based on standardized criteria from the **International Infrastructure Maintenance Manual [IIMM]** asset life reduction factors.

Prior to the field assessment, the team will organize available plant asset information necessary to use CH2M's Asset Condition Assessment System (ACES). ACES is a web based toolset used to assemble, and manage risk criteria, asset scoring criteria and asset details. This data will be used by field assessment teams to analyze and record the current condition of the major assets of the facility with the use of laptops and mobile devices. Where required, the assessment team will also record missing asset data while in the field, with the assumption that the City WWTP operations staff will have captured the majority of the asset data by the time our team arrives in Kodiak. Our existing ACES database already contains asset data and inspection criteria that we have used throughout the U.S. to evaluate over a quarter-million assets. This information will serve as the basis to develop a site-specific inspection plan for the WWTP.

### **WWTP Asset Risk Assessment/Criticality Scoring Approach**

CH2M's assessment methodology is a risk-based approach designed to assess condition and estimate remaining asset useful life—while providing a basis for prediction and prioritization of capital investment planning needs. Our approach uses a coordinated set of processes, including risk profiling of unit processes, criticality scoring and condition assessment. General O&M practices and known problem area information will be requested from the City to provide necessary facility background information which to support the risk assessment.

In the context of asset management and related condition assessment activity, "Risk" is defined as:

$$\text{RISK} = \text{Consequence of Failure} \times \text{Likelihood of Failure}$$

Consequence of Failure (COF) is the impact a failed asset has on established levels of service, and the Likelihood of Failure (LOF) represents the possibility for asset failure. We will apply COF and LOF criteria to assess criticality issues, including loss of capacity, loss of treatment effectiveness, outage duration effects, etc.



COF and LOF scoring matrices are presented in Figures 1 and 2 to illustrate this process. We will work with City staff to customize COF and LOF criteria, levels of service, and associated scoring matrices to be used for the City’s WWTP.

**Figure 1. Consequence of Failure Matrix**

Consequence by Level of Service Category					
LOS Category	Wt.	Negligible = 1	Low = 4	Moderate = 7	Severe = 10
Service Delivery	20%	No impact	Minor impact to process or out of service less than 24 hours	Major impact to process, out of service <24 hours, or no OEM parts available, but can be manufactured	Major impact to process, out of service >24 hours, outside services required, or parts are not available and cannot be reproduced
Financial impact	15%	Can be repaired within project budget (<\$2,500)	Can be repaired between \$2500 and \$5,000. 3 verbal quotes are required	Can be repaired between \$5,000 to \$20,000 (3) Written quotes required, lowest selected unless special circumstance	Greater than \$20,000. Owners Purchasing Policy is to be followed
Safety of public and employees	30%	No injuries or adverse health effects	No lost-time injuries or medical attention required	Lost-time injury or medical attention required	Loss of life or widespread outbreak of illness
Public confidence	10%	No social or economic impact on the community. No reactive media coverage. Any media coverage is a result of proactive announcements by Utility. No complaints.	Minor disruption (e.g., traffic, dust, noise). No adverse media coverage. Some complaints.	Substantial but short-term disruption. Adverse media coverage due to public impact. Localized media coverage.	Long-term impact. Area-wide disruption. Regional media coverage.
Regulatory compliance	25%	No State or local permit violations	Possible technical violation	Probable enforcement action, but fines or surcharge unlikely	Enforcement action with fines or surcharge

**Figure 2. Likelihood of Failure Matrix**

Likelihood by Category						
Likelihood Category	Wt.	Negligible = 1	Unlikely = 3	Possible = 5	Likely = 7	Very Likely = 10
O&M Protocols (i.e., PMS, SOPs, JSAs) staffing skill level	10%	Complete, up-to-date, written, easily accessible and is being used. Staff, senior, >80% skill	Complete, written, up-to-date, being used but not easily accessible. Staff Intermediate, <80% skill	Partially developed, Staff Intermediate, <50% skill	Written, but out-dated and not used. Staffing Junior Level, <20% skill	No written protocols. Staffing Entry Level, no skill
Performance	20%	Sufficient capacity to meet average and peak flow requirements. Appropriate utilization and function.	Under-utilized or oversized, causing O&M issues.	Sufficient capacity, but does not meet functional requirements, or over-utilized.	Able to meet current average capacity demand, but not peak demands.	Unable to meet current average capacity needs.
Physical Condition	55%	Very good. Condition Grade 1. New or nearly new. Only normal maintenance required.	Good. Condition Grade 2. Minor wear.	Fair. Condition Grade 3. Major wear impacting level of service.	Poor. Condition Grade 4. Unable to meet level of service life. Failure imminent.	Very poor. Grade 5. Requires complete rehabilitation or replacement. Failed.
Reliability	15%	No corrective work order events within 12 months	<2 corrective work order events within 12 months	2-5 corrective work order events within 12 months	6-8 corrective work order events within 12 months	>8 corrective work order events within 12 months

**Task 1b – Initial Kick-off Meeting and Site Visit**

Immediately after our assessment team arrives in Kodiak we will have a brief initial kick-off meeting in your office prior to heading to the WWTP. We anticipate the Kick-off meeting to be at 8:30 AM on Monday June 25<sup>th</sup>. This initial meeting will be to make introductions, to receiving any instruction from the City about any special safety issues at the WWTP and the process we are to use to walk through the WWTP. We will also confirm the time and place for the first workshop.

After our initial meeting our team will begin the initial plant assessment work.

**Task 2b - Review Available City of Kodiak Records**

To support the condition assessment, we will submit a detailed O&M data request to you to obtain as much O&M information as practical ahead of the Risk Assessment. This will include any maintenance data, installation dates, predictive maintenance and inspection data. The objective of the data review is to have a complete understanding of your O&M processes, as well as the reliability and performance history of critical assets.

### **Task 3b – Assist City with Asset Register Development**

This task has already begun with our sharing with your staff the data acquisition spreadsheet. We will assist the City in registry completion. The asset registry will be organized by WWTP unit processes then by facility locations within the plant. Specific asset types will be assigned which will be used for assigning specific assessment criteria.

### **Task 4b - Conduct Risk Profile/Criticality Scoring Workshop**

#### ***Workshop Day -1***

- Project alignment, asset registry review, assessment criteria review
- Introduction to COF and LOF tables and criteria
- We will conduct a workshop with City staff for customization of the criteria within the COF and LOF matrices for establishing unit process area risk scoring. This workshop is intended to be collaborative so the criteria and scoring of the COF and LOF matrices are specific to the City's WWTP. We will present an initial strawman, based on CH2M's knowledge of the facility, of the risk ranking for discussion with you and your staff to initiate the risk scoring process. Input from you and your staff regarding risk scoring during our workshops, especially around likelihood of failure is most important; however, we expect the most input from you will be regarding COF and the relative weighting of various factors within the COF matrix.

#### ***Workshop Day 2***

- Once we agree with the criteria for the COF and LOF scoring matrices, we will then develop an initial risk profile for the WWTP unit processes. This information will then be stored in our ACES database and applied to each process asset. Through the condition assessment, the Physical Condition category in the LOF matrix will be scored for each individual asset resulting in both a condition and total risk score for each asset. A risk and average condition score are also produced for the process area.

### **Task 5b – Technical Memorandum — Risk based condition assessment methodology, approach**

This TM will define the methodology, approach and expected reporting outcomes

### **Task 6b – Project Management**

I will be your primary point of contact for the project. I will lead our team, manage schedule and budget, review monthly invoices, and provide the City with project progress reports. I will lead project progress calls with you and be available as needed. Our project accountant will prepare draft invoices for my review and approve.

### **Disinfection Feasibility Project Team**

Project Manager – Floyd Damron, P.E.

WWTP Technical Specialist – Hap Heiberg

Senior Maintenance Specialist – Harry Sellers

Senior Maintenance Specialist – Mike Mitchell

Senior Operations Specialist – Michael Re

Structural Engineer – Mark Parent, P.E.

Electrical Engineer – John Owens, P.E.

Instrumentation and Control Engineer – Jared Tatro

Coating and Corrosion Control Specialist – Jerry Duppong

Other engineers and technicians will be utilized, as needed, to complete future design and construction tasks executed in subsequent phases.

### **Phase 1b - Initial Plant Assessment Schedule**

The draft technical memorandum will be delivered to the City within 30 days after the NTP is issued to CH2M. The City will have two weeks to review and comment and CH2M will have 2 weeks after receipt of City comments on the draft report to deliver the final predesign report.

### **Future Phase 2—Comprehensive Condition Assessment (Requires Contract Amendment for the Added Scope of Services)**

After the completion of Phase 1 a comprehensive condition assessment will be performed on specific WWTP assets. The purpose of this assessment will be to develop a more refined rehabilitation and replacement schedule for WWTP assets through the use of predictive testing measures. These methods may include: Voltage testing, Amperage testing, Thermography, Ultrasonic Thickness Testing and Listening, Vibration Testing. CH2M will again utilize our ACES tool to manage condition assessment information and use this data to create a prioritized ranking of rehabilitation and replacement broken out by process area and specific assets in those areas. The prioritization will be organized by high risk, failing condition assets down to low risk, good condition assets.

### **Future Phase 2- Physical Inspection/Field Condition Assessment (Requires Contract Amendment for the Added Scope of Services)**

The field condition assessment will be conducted by CH2M disciplined-focused teams, who will complete physical inspections of the asset groups as identified by the Owner. The teams will coordinate with O&M, Engineering, and Planning staff to minimize impact to staff and facility operations. The assessments will generally revolve around the following categories:

- Process-mechanical equipment
- Instrumentation and controls
- Electrical
- Building mechanical/heating, ventilation, and air conditioning (HVAC)
- Architectural
- Structural

The field team assessment team members will evaluate the apparent condition of assets identified using direct observation and quantitative methods. For each piece of equipment, and for each question related to that asset class, a score will be assigned. The scoring will be validated in team meetings each day after assessments are completed for consistency among inspectors) using the method outlined in Figure 3.

**Figure 3. Condition Assessment Scoring Criteria**

Condition Score	Description	Estimated % of Remaining Service Life
1	Indicates the asset is in like New Condition. Continuation of current maintenance and operating procedures is recommended.	90% or greater
2	Indicates the asset is in Good Condition. Some minor additional maintenance may be required, continue the current maintenance and operating procedures.	75%
3	Indicates the asset is in Fair condition. These assets have one or more issues which require immediate attention. The current maintenance and operating procedures or intervals may need to be modified or adjusted to avoid recurrence of identified issues	50%
4	Indicates the asset is in Poor Condition. Planning for a major overhaul or replacement should begin. Review of current maintenance practices and procedures is recommended. If this is a critical asset a predictive maintenance program should be evaluated to prevent the asset from reaching this condition in the future	30%
5	Indicates the asset is in very poor condition. Failure of the asset is imminent or has already occurred. Greater than 50% of the asset requires replacement. If this is a critical asset a comprehensive maintenance program should be evaluated to prevent the asset from reaching this condition in the future	5% or less

The condition assessment team will rate each asset that can be visually observed and measured under normal operating conditions. Each asset is assigned an overall score from 1 to 5. The Asset Condition Ranking format also allows for a systematic approach to estimating remaining asset useful life. If an asset receives a score of “1,” it can be assumed the asset is in very good condition and has 90 to 100 percent of its original useful life remaining. Similarly, an asset that receives a score of “2” has between 75 to 90 percent of its original useful life remaining. Some triggers for deviating from this type of remaining life estimation are age, maintenance cost and replacement cost. If an asset receives a score of “1” and has been in service for 20 years, a manual adjustment must be made because the asset will most likely not have 90 percent of its original useful life remaining. Also, if an asset is in very good condition, but maintenance support is not evident, or the annual cost of maintenance is greater than a percentage of the replacement cost, a manual adjustment must be made.

For each asset evaluated, a summary of the equipment condition, asset information, and inspection findings will be produced. This may include photographs for assets with a condition score of 3 or higher. Specific testing results will be included as an attachment or embedded into the individual inspection reports (such as thermography, vibration, etc.).

Our experienced field team members will flag safety-related items based on industry best practices, personal experience, and applicable standards. Any safety items that are flagged as a significant hazard will be brought to the owner’s attention immediately. All of our staff who participate in the field assessments receive comprehensive safety training to complete the work in a safe and professional manner.

CH2M requests that the assessment team(s) be escorted by a member of WWTP staff. This escort will be responsible for safely operating as necessary, plant assets for the assessment. Electrical assets above 480v are not standard to this assessment and will only be performed by a qualified contractor. Confined

space entry is also not standard to this assessment but can be included after review of the space, required permit and protective equipment.

## PHASE 1 - PROCESS ASSESSMENT AND WWTP ASSESSMENT TOTAL ENGINEERING FEES

### Phase 1a Initial Plant Assessment Engineering Services Lump Sum Fee

CH2M proposes to perform the Disinfection Feasibility Study for a Lump Sum Fee Amount of \$63,000 as follows:

Task 1a – Kick-off and Site Visit	\$ 7,000
Task 2a - Alternatives Evaluation	\$42,000
Task 3a – Predesign Report	\$ 9,000
Task 4a - Project Management	\$ 5,000

*SUBTOTAL LUMP SUM AMOUNT* \$63,000

### Phase 1b Initial Plant Assessment Engineering Services Lump Sum Fee

CH2M proposes to perform the Initial Plant Assessment for a Lump Sum Fee Amount of \$97,000 as follows:

Task 1b – Kick-off and Site Visit	\$24,000
Task 2b – Review Records	\$ 3,500
Task 3b – Asset Register Assistance	\$ 9,500
Task 4b – COF/LOF Workshops	\$25,000
Task 5b – Technical Memo	\$25,000
Task 6b – Project Management	\$10,000

*SUBTOTAL LUMP SUM AMOUNT* \$97,000

**TOTAL PHASE 1 LUMP SUM FEE AMOUNT = \$160,000**

We look forward to assisting the City with their wastewater treatment needs.

Please let me know what questions you may have regarding our proposal.

Sincerely,

CH2M HILL Engineers, Inc.



Floyd J. Damron, P.E.  
VP & Alaska Manager



Jalmer (Bud) Alto, P.E.  
Manager of Projects

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager

**Date:** June 14, 2018

**Agenda Item:** V. i. **Authorization of Professional Services Contract for Legal Services With Longenbaugh Law Firm, LLC**

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**SUMMARY:** This authorization will assist the City with professional legal services for personnel matters. The City has been using Longenbaugh Law Firm, LLC for over a decade, and we currently have open cases with this firm. Leslie Longenbaugh will continue serving the City until all cases are closed.

**ALTERNATIVES:**

- 1) Authorize the legal services contract with Longenbaugh Law Firm, LLC, which is staff's recommendation.
- 2) Amend the contract.
- 3) Do not authorize the contract.

**FINANCIAL IMPLICATIONS:** The approved FY2019 budget includes funds for legal services in the General Fund, Legislative, Legal, and Professional Services account.

**LEGAL:** The services provided by legal counsel are identified in the Kodiak City Code. Legal services are critical to the City's day-to-day operation.

**CITY MANAGER'S COMMENTS:** I have personally worked with LLF since 2007 and would like to continue using this firm for personnel services. As stated earlier LLF has worked for the City on an as needed basis for more than a decade.

**ATTACHMENTS:**

Attachment A: Contract for Professional Legal Services

Attachment B: Letter for Services

**PROPOSED MOTION:**

Move to authorize Contract No. 237750 with Longenbaugh Law Firm, LLC for professional legal services with funds from the General Fund, Legislative, Legal, Professional Services account and authorize the City Manager to sign documents on behalf of the City.

## PROFESSIONAL LEGAL SERVICES AGREEMENT

THIS AGREEMENT ("Agreement") is made this 15th day of June 2018, by and between the City of Kodiak, of P. O. Box 1397, Kodiak, Alaska 99615 ("City"), and Longenbaugh Law Firm, ("LLF") of 624 Main Street, Juneau, Alaska 99801.

In consideration of the mutual promises herein, the parties agree as follows:

1. **Scope of Services.** L L F is expected to provide the City with legal services to include the following:
  - a. Serve as legal advisor, especially employment law, of and be responsible to the City Council, advise the City Manager, City Clerk, and department heads authorized by the City Manager about matters affecting the City, and perform other duties prescribed by the City Manager.
  - b. Provide representation in court and manage the activities of other attorneys who may represent the City in court.
  - c. Assist the City Manager in negotiations on the City's behalf and handle other legal matters as they may arise.
  - d. Draft opinion letters regarding, among other things, the interpretation of the City Code, state and federal laws, and policies.
  - e. Work effectively with the City Council, City Manager, City Clerk, and, when directed, with other public agencies and other entities with which the City has a legal relationship.
  
2. **Access to Municipal Personnel.** The City Manager shall secure the cooperation of the City personnel as necessary to assist LLF's performance hereunder.
  
3. **Agreement Administrator.** The City Manager shall administer the agreement on behalf of the City.
  
4. **Term.** The agreement shall commence upon full execution and continue in effect until either party shall terminate it as set out below.
  
5. **Compensation.**
  - a. **Fees.** LLF shall be compensated at the following hourly rates:
    - \$300 – Ms. Longenbaugh
    - \$ 95– Legal Assistant
  
  - b. **Costs.** LLF shall be entitled to reimbursement from the City for approved travel expenses. LLF shall not charge for regular postage, faxes, routine photocopies, or long-distance telephone fees.

6. Payment and Reporting.

- a. LLF shall submit itemized monthly billings to the City Manager, P.O. Box 1397, for payment of all fees and costs for which LLF seeks reimbursement. Costs shall be itemized and described separately on each monthly invoice.
- b. Upon approved billing, payment will be remitted to within forty-five (45) days.

7. Termination of LLF's Services. LLF's services may be terminated:

- a. With or without cause for convenience by the City
- b. LLF has the right to terminate this agreement upon written notice to the City

Duties Upon Termination. If LLF's services are terminated, LLF will be paid for services performed to the date of termination.

8. Case Management. Execution of the agreement by the City shall act as full authority for LLF to proceed with representation of the City as provided herein. The City will have complete and total access to all material, information, and files worked on by LLF pursuant to this agreement.

9. Assignments. LLF shall not assign this agreement, or any interest in this Agreement without consent of the City.

10. Confidentiality. LLF agrees to discuss matters and reveal documents relating to this agreement only with the City Council, City Manager, City Clerk, or any other person authorized by the aforementioned, and as required by court order, city ordinance or Alaska law.

11. Notices. Any notice required pertaining to the subject matter of this agreement shall be either personally delivered, faxed, or mailed by prepaid first class registered or certified mail, return receipt requested, to the following addresses:

City: City of Kodiak  
Attn: Mike Tvenge, City Manager P.  
0. Box 1397  
Kodiak, AK 99615  
Fax: (907) 486-8600



LLF: Leslie Longenbaugh  
Longenbaugh Law Firm, LLC  
624 Main Street, Juneau, AK 99801

12. Conflicts of Interest. The City acknowledges that LLF is a lawyer in private practice, with clients other than the City. The City understands and agrees that LLF may, and likely will, be called upon to perform work for other clients from time to time. LLF may not represent or assist private or public clients in connection with other claims, litigation, or other legal matters where such representation would constitute or appear to constitute a conflict of interest with the City. In particular, LLF shall comply with all relevant provisions of the Alaska Bar Rules and the Alaska Rules of Professional Conduct concerning the prohibition of conflicts of interest among clients. LLF shall not accept any employment and shall not render any professional services to other parties if such action might be inconsistent with the above-referenced standards unless the prior approval of the City Council has been first obtained.

14. Relationship of Parties. LLF shall perform its obligations hereunder as an independent City Attorney of the City. The City may administer the agreement and monitor LLF's compliance with its obligations hereunder.

15. Nondiscrimination. LLF will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age, sex, or marital status or mental or physical disability. LLF will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, or mental or physical disability. Such action shall include, without limitation, employment, upgrading, demotion, or transfer, recruitment or recruiting advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. LLF agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

16. Permits, Laws, and Taxes. LLF shall acquire and maintain in good standing all permits, licenses, and other entitlements necessary to its performance under this agreement. All actions taken by LLF under this agreement shall comply with all applicable laws to include, without limitation, statutes, ordinances, rules, and regulations.

17. Nonwaiver. The failure of either party at any time to enforce a provision of this agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this agreement or any part thereof, or the right of such party thereafter to enforce each and every provision hereof.

18. Amendment. This agreement may be amended, modified, or changed only in writing

executed by the City Manager and an authorized representative of LLF.

19. Governing Law. The laws of the State of Alaska shall govern the rights and obligations of the parties under this agreement.

20. Severability. Any provision of this agreement decreed invalid by a court of competent jurisdiction shall not invalidate the remaining provisions of the agreement.

21. Integration. This instrument embodies the entire agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein. This agreement shall supersede all previous communications, representations, or agreements, either oral or written, between the parties hereto.

22. Insurance. LLF at its expense shall provide the following insurance coverage for its performance under this Agreement, and shall provide to the City certificates of insurance and/or policies acceptable to the City at the time this Agreement is executed.

a. Professional Liability Insurance for all periods under the agreement for claims up to a minimum amount of \$1,000,000 per claim.

b. Commercial General Liability Insurance, with a minimum of \$1,000,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury, and property damage.

c. Workers' Compensation Insurance shall be provided and maintained for all employees of LLF engaged in work under this Agreement as required by AS 23.30.045 or any other applicable statutes or regulations. LLF shall be responsible for Workers' Compensation Insurance for any subagreementor who directly or indirectly provides services under this Agreement.

d. Additional Insurance Requirements are as follows; (1) list the City as an additional insured, including all elected and appointed City officials, all City employees and volunteers, all City boards, commissions, and/or authorities and their board members, employees, and volunteers, and waive subrogation; (2) provide coverage that is primary to the City and not contributing with any other insurance or similar protection available to the City, whether other available coverage be primary, contributing, or excess; and, (3) Require sixty (60) days written notice of cancellation, non-renewal, reduction, and/or material change addressed to: City Clerk, 710 Mill Bay Road, Room 220, Kodiak, Alaska 99615.

e. If the above coverage expires during the term of this LLF shall deliver renewal certificates and/or policies to the City at least ten (10) days prior to the expiration date. LLF shall not commence operations under this Agreement until it has obtained the coverage required under the terms of this Agreement. All coverage shall be with insurance carriers licensed and admitted to do business in the State of Alaska and acceptable to the City. If LLF fails to comply with the insurance requirements of this Agreement, the City may terminate this

Agreement on sixty (60) days written notice. LLF covenants to maintain the professional liability insurance policy required in this Agreement for the period of time in which a person may commence a civil action as prescribed by the applicable statute of limitations. The coverage required by this Agreement shall cover all claims arising in connection with LLF's performance under this Agreement, whether or not asserted during the term of this Agreement and even though judicial proceedings may not be commenced until after this Agreement expires.

23. Inspection and Retention of Records. LLF shall at any time during normal business hours and as often as the City may deem necessary, make available to the City for examination all records with respect to all matters covered by this agreement for a period ending three (3) years after the date LLF is to complete performance of this Agreement. Upon request, and within a reasonable time, LLF shall submit such other information and reports relating to its activities under this agreement to the City in such a form and at such times as the City may reasonably require. LLF shall permit the City or its designee to audit, examine, and make copies of such records, and to make audits of all research, materials, pleadings, records of personnel, and other data relating to all matters covered by this agreement. The City may, at its option, permit LLF to submit its records to the City in lieu of the retention requirements of this section.

24. At sole option of City, all disputes concerning fees charged for professional services or costs incurred by LLF are subject to arbitration under Alaska Bar Rule 34 except for:

(1) disputes where the City seeks affirmative relief against the attorney for damages based upon alleged malpractice or professional misconduct; or

(2) disputes over fees which were charged more than six years earlier, unless LLF or City could maintain a civil action over the disputed amount.

(3) disputes where the fee to be paid by City or on City's behalf has been determined pursuant to State statute or by a court rule, order or decision.

25. City has been advised that if services performed pursuant to this Agreement involve litigation City may become liable for certain costs, fees and expenses incurred by other parties if City is not the prevailing party in the litigation. Such costs, fees, and expenses may include, but are not necessarily limited to, those identified in Alaska Civil Rules 79 and 82, copies of which are attached to this Agreement.

26. Availability of Funds. This agreement is subject to the availability of funds lawfully appropriated for its performance.

IN WITNESS WHEREOF, the parties have executed this agreement.

CITY OF KODIAK

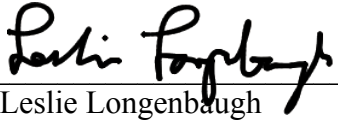
By: \_\_\_\_\_  
Mike Tvenge, City Manager

Dated: June 6, 2018

ATTEST:

\_\_\_\_\_  
Debra Marlar, City Clerk

LONGENBAUGH LAW FIRM, <sup>LLC</sup> LLP

By: \_\_\_\_\_  
Leslie Longenbaugh

LONGENBAUGH LAW FIRM, LLC

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624 MAIN STREET · JUNEAU, ALASKA 99801

WRITER'S DIRECT LINE: 907-321-3402

EMAIL: [leslielongenbaugh@yahoo.com](mailto:leslielongenbaugh@yahoo.com)

June 6, 2018

*Via email: [mtvenge@city.kodiak.ak.us](mailto:mtvenge@city.kodiak.ak.us)*

Mike Tvenge  
City Manager  
City of Kodiak

Re: Legal Services

Dear Mr. Tvenge:

I write in response to your request for a letter agreement setting out terms for my continuing advice to the City of Kodiak in employment-law matters.

**Introduction.** I was reared on Mt. Edgecumbe and in Sitka, and have lived in Juneau for 34 years. I began practice in the Juneau office of Birch, Horton, Bittner & Cherot; with the other lawyers of that office I left in 1995 to form the firm that became Simpson, Tillinghast, Sorensen & Longenbaugh. In September 2005 I established my own practice, where I have continued to emphasize excellent client service.

**Experience.** In 31 years of legal practice in Alaska, I have represented institutional clients in the full breadth of legal matters. For close to 20 years, until late 2016, I advised more than 100 Alaska Municipal League Joint Insurance Association (AMLJIA) members through the AMLJIA Employment Law Hotline, saving the member municipalities and school districts considerable cost and time by assisting them to achieve their employment goals using legally-defensible means. I continue to advise numerous cities, large nonprofits, Native corporations, and other companies, especially in employment-law matters.

City Manager Mike Tvenge

June 6, 2018

Page 2

**Fees and expenses.** My time is billed at \$300 per hour. When my skilled legal assistant with 35 years' experience, Christine Hildebrand, provides services, the firm will bill her time at \$95 per hour.

My firm does not charge clients for regular postage, faxes, routine photocopies, or long-distance telephone fees. I will invariably obtain the City's approval before traveling or incurring any other major expense. If I should travel on the City's behalf, I will bill only for the time and actual expenses of that travel (coach class), which I work to keep as low as practicable.

My firm is small and dedicated to clients. We bring to our work for the City of Kodiak many years' familiarity with the particular needs and concerns of municipalities, especially in the field of employment law. Our emphasis is on adding value.

I appreciate the opportunity to provide this proposal, and your time in considering it. Please let me know if there are questions.

I look forward to hearing from you.

Sincerely,

LONGENBAUGH LAW FIRM, LLC

A handwritten signature in black ink, appearing to read "Leslie Longenbaugh". The signature is written in a cursive, flowing style.

Leslie Longenbaugh

Enclosure