

**KODIAK CITY COUNCIL**

**WORK SESSION AGENDA**

**Tuesday, September 24, 2019**

**Kodiak Public Library Multi-Purpose Room**

**7:30 p.m.**

*Work sessions are informal meetings of the City Council where Councilmembers review the upcoming regular meeting agenda packet and seek or receive information from staff. Although additional items not listed on the work session agenda are sometimes discussed when introduced by the Mayor, Council, or staff, no formal action is taken at work sessions and items that require formal Council action are placed on a regular Council meeting agenda. Public comments at work sessions are NOT considered part of the official record. Public comments intended for the "official record" should be made at a regular City Council meeting.*

**Discussion Items**

1. Public Comments (limited to 3 minutes)
2. Discuss Participation in the Local Government Historic Preservation Program.....1
3. Continued Discussion of the Borrowing From the Alaska Clean Water Fund.....13
4. Annexation Update .....26
5. Baranof Park Update.....38
6. Update on the Online Sales Tax Compact
7. Elected Officials Training/Travel Requests
8. September 26, 2019, Agenda Packet Review

**To Be Scheduled**

1. Long Term Plan Discussion for the Harbor

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CERTIFIED LOCAL GOVERNMENT  
HISTORIC PRESERVATION PROGRAM, ALASKA

**Minimum Requirements and Responsibilities  
of Certified Local Governments (CLG) in Alaska.**

1. The local government will support enforcement of state and local legislation to protect historic properties.
  - a. Enforce the [Alaska Historic Preservation Act](#) whenever appropriate.
  - b. Adopt and enforce a local historic preservation ordinance.
2. The local government will establish an adequate and qualified historic preservation commission by ordinance.
  - a. Make a reasonable effort to appoint to the commission an archaeologist, historian, and an architect or historical architect. The membership should include Alaska Natives. The commission must have at least 7 members and meet a minimum of twice a year.
  - b. If individuals from any of the three professions listed above are not available, arrangements must be made to consult with professionals on an as needed basis.
  - c. The historic preservation commissions duties should include at a minimum:
    - i. Develop a local historic preservation plan, including provisions for identification, protection and interpretation of the area's significant cultural resources.
    - ii. Review and make recommendations about local projects that might affect properties identified in the historic preservation plan.
    - iii. Develop and review nominations to the National Register of Historic Places for properties within the local government's jurisdiction.
3. The local government will maintain a system for the survey and inventory of historic properties.
  - a. Establish an inventory system which is compatible with the [Alaska Heritage Resources Survey](#) inventory.
  - b. Establish policies and procedures for access and use of the inventory that address sensitive site location information.
4. The local government will provide for adequate public participation in the local historic preservation program.
  - a. Provide for public participation in development and review of a local historic preservation plan.
  - b. Invite public comment in its review of nominations to the National Register of Historic Places.
  - c. Provide for open meetings.
  - d. Maintain publicly available minutes of all meetings and records of actions taken by the commission.
5. The local government will provide the following to the Alaska Office of History and Archaeology:
  - a. A draft of the local historic preservation plan for review and comment.
  - b. An annual report of all its historic preservation activities following the Alaska Certified Local Government Report format found at <http://dnr.alaska.gov/parks/oha/clg/akclg.htm>.
  - c. Annual updates of new sites to the AHRS.
  - d. A list of all new commission members and their qualifications as part of its annual report.

*Additional information on the requirements of the Alaska Certified Local Government Program  
can be found in the [State Guidelines and Application for Certification](#).*

CERTIFIED LOCAL GOVERNMENT  
HISTORIC PRESERVATION PROGRAM, ALASKA

**Certification Procedures**

It is the local government, not the commission, that is certified. The jurisdiction of the CLG is that of the local government and must coincide with its geographic boundary. A local government, however, may perform required CLG activities through existing historic district commissions or other qualified agencies or organizations. Such arrangements must be detailed in written agreements in which the SHPO has concurred, that specify the responsibilities, authority, and accountability of each party. Each party must meet Alaska's CLG requirements pertinent to its CLG activity.

1. An application for CLG certification is to be made by the chief elected or appointed official of the local government to the Alaska SHPO. The application must include:
  - a. Documentation showing applicant meets the federal definition of a local government and has the authority to enforce legislation for the designation and protection of historic properties.
  - b. A statement that the local government will comply with all appropriate federal and state historic preservation laws and regulations.
  - c. The local historic preservation ordinance.
  - d. A copy of the most recent version of the local government's comprehensive plan.
  - e. Resumes for the historic preservation commission: archaeologist, historian, architect or architectural historian, and the names and occupations of all other members with a statement of each member's expertise. If a professional position is not filled, the name and resume of the consultant who will be used must be provided.
  - f. A list of properties in its cultural resources inventory.
  - g. A copy of the local government's historic preservation plan, outline, or draft.
  - h. An explanation of how the public will participate in the local historic preservation program.
  - i. An explanation of how a qualified local commission will review National Register of Historic Places nominations.



- j. A narrative and flow chart explaining how local projects that might affect historic properties will be reviewed by the commission, and position titles of those individuals involved in the review process.
  - k. A copy of the certification agreement.
2. Review of the application for CLG certification will be done by the SHPO and NPS staff within 45 days of receipt. Additional documentation or clarification may be requested from the applicant. A representative of the SHPO may conduct an on-site visit to:
    - a. determine that the systems documented in the application are in place,
    - b. assist the local government in establishing an inventory compatible with the AHRS, and
    - c. provide orientation and training to the local government staff and members of the local preservation commission.
  3. The SHPO will notify the local government in writing within 30 days whether or not the local government meets the state requirements for certification.
  4. If the application meets the requirements, the SHPO will send the package to the NPS for concurrence. The NPS has 15 working days to review the package. If the NPS concurs with the SHPO recommendation for certification, the NPS will notify the SHPO in writing and send a copy of the letter to the CLG.
  5. A certification agreement signed by the CLG and the SHPO completes the certification process. The effective date of certification is the date the SHPO signs the certification agreement. The agreement remains in effect until the CLG requests decertification or the SHPO decertifies the CLG.
  6. A local government certification agreement can be changed when the SHPO and CLG agree. In such event a request is sent to the NPS for concurrence. The NPS will notify the SHPO in writing of its concurrence with any changes and send a copy of the letter to the CLG. NPS written concurrence must be received before changes will be in effect.

Make sure to highlight on Social Media and in Heritage once a new CLG is certified!  
And update the Alaska CLG webpage to add the new CLG  
<http://dnr.alaska.gov/parks/oha/clg/AlaskaCLG.htm>

**Alaska Certified Local Government  
Historic Preservation Program  
Application for Certification**

State Historic Preservation Officer  
Office of History and Archaeology  
Alaska Department of Natural Resources  
550 West 7<sup>th</sup> Avenue, Suite 1310  
Anchorage, AK 99501-3565

This is an application for certification under the Certified Local Government  
Historic Preservation Program:

City or borough:

Mailing address:

Submitted by,

\_\_\_\_\_  
Applicant's authorized signature

\_\_\_\_\_  
Applicant's printed name, title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Telephone number / email address

Date received (to be completed by Alaska Office of History and Archaeology):

\_\_\_\_\_

1. Attach documentation showing applicant meets the federal definition of a local government and has the authority to enforce legislation for the designation and protection of historic properties.
2. Attach documentation demonstrating applicant has authority to enter into this agreement.
3. Attach a copy of the local historic preservation ordinance, or a draft with a probable timetable for implementation.
4. Attach a statement indicating that as a Certified Local Government (CLG), the government entity will comply with all appropriate federal and state historic preservation laws, regulations and guidelines enforcing legislation for the designation and protection of historic resources.
5. Attach a copy of the most recent version of the local government's comprehensive plan.
6. Attach information for implementing the following responsibilities of the local government as a CLG:
  - a. Having an outline, draft, or adopted local historic preservation plan.
  - b. Maintaining a system for survey and inventory of historic properties, with a list of known historic and archaeological properties in the community.
  - c. Providing for adequate public participation in the local historic preservation program.
  - d. Reviewing National Register of Historic Places nominations through a qualified local commission.
  - e. Reviewing projects that might affect historic properties (include position titles for those involved in the review process.)

7. List all commission members.

Professional

Other

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Attach resumes for architect or architectural historian, historian, and archaeologist.

If the commission does not include the requisite professional members, attach information explaining how the expertise will be obtained when needed, and provide the name and resume of the consultant who will be used.

8. Attach a copy of the partially completed Certification Agreement.

## Annual Certified Local Government Report

The *Alaska Certified Local Government Historic Preservation Program State Guidelines* call for each Certified Local Government (CLG) to submit an annual report of its activities to the Alaska Office of History and Archaeology for the past calendar year (January 1- December 31). The purpose of the annual report is to provide information on the local government's historic preservation activities. This information helps the Office of History and Archaeology to evaluate local CLG programs and to be aware of the activities of the historic preservation commissions around the state. Please complete the following questions and provide any additional information in attachments. If you do not wish to use the form please be sure all questions are addressed in your report.

Name of CLG:

Date of Report:

Prepared by:

### A. LOCAL PRESERVATION ORDINANCES:

1. Have there been any new ordinances, amendments or proposed amendments made to the local historic preservation ordinance? If yes, please attach.

Yes                       No

2. Have there been any changes or proposed changes regarding historic preservation to the local comprehensive plan? If yes, please attach.

Yes                       No

### B. LOCAL HISTORIC PRESERVATION COMMISSION:

1. Please list the current members of the historic preservation commission noting the disciplines they fill (archaeologist, historian, architect/historical architect, Alaska Native, and general).

2. Have there been any new members appointed to your commission?

Yes                       No

3. If yes, please attach a resume for any *new* professional members (archaeologist, historian, architectural historian or architect), and a short statement of occupation and expertise for any *new* non-professional members.

3. Are there any vacancies on the commission?

Yes                       No

5. If yes, list the positions that are vacant noting duration and efforts to fill them.

6. Please provide us with the dates of commission meetings.

7. Please attach copies of your meeting minutes for the year.

Attached                       Not Attached

8. Please list any CLG or historic preservation related training sessions or workshops attended by commission members and staff.

**C. SURVEY AND INVENTORY OF HISTORIC PROPERTIES:**

1. Has your CLG conducted any local surveys in the past year? *If you answer yes please complete questions 2-4.*

Yes                       No

2. Please summarize the survey activity, including the number and types of surveys conducted and the total amount of acreage covered. *If you provide this information in an attachment please note below.*

3. How many historic properties were recorded and reported to the Alaska Heritage Resources Survey (AHRIS)?

4. Please provide, in an attached document, a summary of the results of each survey conducted, including type of resources recorded, the number of new sites or structures recorded, the number of properties investigated during the survey, and the number of volunteers and property owners involved.

5. Do local government staff and non-staff researchers use the local cultural resources inventory?

Yes                       No

6. If yes, please provide an estimate of how often and by which users your inventory is used.

**D. PRESERVATION PLANNING ACTIVITIES:**

1. Are you currently working on writing or updating your local preservation plan?

Yes                       No

2. If yes, please provide us with a brief summary of your progress writing or updating your local preservation plan.

3. If you have an adopted preservation plan how are you implementing the plan's goals and objectives?

**E. NATIONAL REGISTER PROGRAM PARTICIPATION:**

1. Has your commission evaluated any properties for listing in the National Register of Historic Places in the past year? *If you answer yes please complete questions 2-5.*

Yes                       No

2. Please provide a list of names and locations of historic properties evaluated.

3. Please list the dates of public hearings or regularly scheduled meetings at which the public had the opportunity to comment on the nomination(s).

4. Please explain how the commission arranged for review of the nomination by a qualified historian, archaeologist, architect or historical architect if not represented on the commission.

**F. PROTECTION OF HISTORIC PROPERTIES:**

1. Does your commission or staff review local projects for impacts on cultural resources?  
 Yes             No
2. If yes, how many local projects were reviewed in the past year?
3. Please provide a summary or list of the types of local projects reviewed that impacted or had the potential to impact historic properties.
4. Has your CLG participated in any Section 106 consultations?
5. If yes, what were the projects and did you participate, through consultation, in the development of Memorandums of Agreements or Programmatic Agreements, to resolve any adverse effects to historic resources within your community?

**G. PUBLIC PRESERVATION EDUCATION PROJECTS:**

1. Has your CLG conducted any public education projects addressing historic preservation in the past year?  
 Yes             No
4. If yes, please list them.

**H. HISTORIC PRESERVATION GRANT ACTIVITIES:**

1. Did your CLG apply for and receive any CLG Historic Preservation Fund grants in the past year?  
 Yes             No



2. If yes, please provide a list of grants applied for and received.
3. Please list and briefly describe of other (non-CLG Historic Preservation Fund) preservation grants applied for and received.

**I. OTHER PRESERVATION ACTIVITIES:**

1. Please summarize any other local events, projects or achievements involving historic resources in the community.

**J. UPDATED CONTACT INFORMATION:**

1. Please provide us with the following contact information so we can insure our records are up to date:

COMMISSION STAFF

Name:

Title:

Address:

Phone number:

Email:

COMMISSION CHAIR

Name:

Phone number:

Email:

ADDITIONAL CLG/COMMISSION CONTACT

Name:

Title:

Phone number:

Email:

For clarification or more information about the annual report requirements, please contact Summer Louthan, CLG Coordinator at the Alaska Office of History and Archaeology at (907) 269-8717 or [summer.louthan@alaska.gov](mailto:summer.louthan@alaska.gov). Annual reports can be mailed to the Office of History & Archaeology, 550 W 7<sup>th</sup> Ave Suite 1310, Anchorage, Alaska 99501-3565 or emailed to [summer.louthan@alaska.gov](mailto:summer.louthan@alaska.gov).

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Mike Tvenge, City Manager  
**Thru:** Kelly Mayes, Finance Director  
**Date:** September 10, 2019  
**RE:** Review of Sewer Utility Fund Debt Service for potential DEC Loan

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**Purpose:**

This memo outlines the financial review of the Sewer Utility Fund debt service for the potential of an additional DEC loan. This memo will cover the following implications in relation to the potential additional debt service payments required under the new loan: cash flows, budgetary, and current sewer rate study in place.

**Debt Service:**

The Sewer Utility Fund currently has three loans in repayment status – the Compost Facility, Downtown Phase II, and Aleutian Homes Phase IV. These loans have various interest rates and maturity dates. The annual debt service for these loans for the upcoming years are as follows:

	<u>Total Sewer Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	171,478.63	35,933.30	207,411.92
2021	172,220.33	33,361.12	205,581.45
2022	172,973.15	30,777.82	203,750.97
2023	173,737.27	28,183.21	201,920.49
2024	174,512.85	25,577.16	200,090.01
2025-2029	933,581.05	93,961.38	1,027,542.43
2030-2034	506,035.95	41,239.35	547,275.30
2035-2038	269,190.55	8,075.71	277,266.26
	<u>2,573,729.78</u>	<u>297,109.05</u>	<u>2,870,838.83</u>

An additional loan for the WWTP has been noted for approximately \$5,435,000 at an annual interest rate of 1.50%. The annual interest rate was obtained from the most recent loan for the design of the WWTP that is currently in draw-down status and not yet in repayment status. A sample amortization schedule for a term of 30 years has been prepared and attached. Noted per this approximation, once the new loan reaches repayment status at the completion of the construction project (estimated in FY 2024), principal and interest would increase accordingly. Using the FY 2024 year, annual principal would increase by approximately \$144,784 to a total annual principal amount of approximately \$319,297. In addition, annual interest would increase by approximately \$81,525 to a total annual interest amount of approximately \$107,102. As a result, total annual debt service payments would increase by \$226,309 for a total net annual debt service payment of \$426,400.

**Debt Service continued:**

The amounts approximated above will be used in the cash flow analysis, budgetary analysis, and sewer rate study analysis in the following sections.

**Cash Flow Analysis:**

Statements of Cash Flows are used to determine cash provided by operating activities, financing activities, and investing activities. Cash provided by or cash provided for financing activities include debt service principal and interest payments.

The most recent audited financial statements for FY 2018 (City of Kodiak Comprehensive Annual Financial Report page 25) shows cash flow statements for all proprietary funds. The Sewer Utility Fund shows an overall net increase in cash from operating, financing, and investing activities in the total amount of \$1,077,295.

For FY 2017, the Sewer Utility Fund shows an overall net increase in cash from operating, financing, and investing activities in the amount of \$1,085,856. For FY 2016, the Sewer Utility Fund shows an overall net decrease in cash from operating, financing, and investing activities in the amount of \$(1,733,776). This decrease can primarily be attributed to an increase in capital outlays for FY 2016 in the amount of \$3,139,731, which is approximately \$1 million higher than occurred in FY 2017 and approximately \$2 million higher than occurred in FY 2018.

Based on the calculations in the Debt Service section, total net annual debt service is expected to increase by approximately \$226,309. Based on the Sewer Utility Fund Statements of Cash Flows for the most recent three fiscal years, the Sewer Utility Fund will produce enough cash to cover the debt service payments.

**Budgetary Analysis:**

The Sewer Utility Fund is an enterprise fund. Enterprise funds carry debt on the balance sheet while governmental funds (i.e. the General Fund) do not. For budgeting purposes, only the revenue and expense accounts are budgeted, not the balance sheet accounts. The only budgetary impacts to the Sewer Utility Fund would be for increased interest payments.

For the most recent three year period, the Sewer Utility Fund has budgeted a surplus each fiscal year - \$293,545 for FY 2020, \$549,182 for FY 2019, and \$119,078 for FY 2018. The increase in interest payments noted above would be approximately \$81,525 in Year 1 beginning in FY 2024 and would gradually decrease each year as the loan reaches maturity. The overall impact based on the most recent three years would decrease the budget surplus accordingly. However, this decrease is not anticipated to create a budgetary deficit for the Sewer Utility Fund.

**Sewer Rate Study Analysis:**

The most recent sewer rate study was performed in the spring of 2019 and implemented for the fiscal years beginning in FY 2020 and ending in FY 2024. The rate increases proposed per the rate study are as follows:

FY 2020	5%
FY 2021	7%
FY 2022	7%
FY 2023	4%
FY 2024	4%

**Sewer Rate Study Analysis continued:**

Based on these proposed increases, the Sewer Utility Fund would potentially show an increase in sewer revenues based on increased rates. For FY 2020, budgeted revenues were increased by 5% or \$229,225. Projections for FY 2021 through FY 2024 include approximate increases of approximately \$336,961 for FY 2021; \$360,548 for FY 2022; \$220,450 for FY 2023; and \$229,268 for FY 2024.

These increases are approximate increases to the Sewer Utility Fund cash flows and budgeted revenues. Increases in budgeted revenues would continue to provide budgeted surplus for the Sewer Utility Fund and could be further restricted for future reserves for facility and equipment replacement needs.

Based on the increase in debt service of approximately \$226,309, the current rate study would increase revenues and cash flows to cover the increased debt service payments required under the new potential loan.

**Conclusion:**

Based on the analyses performed herein, the Sewer Utility Fund could withstand the increased debt service payment for an additional loan of \$5,435,000 at a rate of 1.5% interest for 30 years. Should the term, principal, or interest payment change, additional analyses would be required to ensure adequate coverage of the existing and additional debt service payments.

**Attachments:**

1. Draft Amortization Schedule for new WWTP Loan

# For discussion purposes only

## Loan Data

<b>Original Principal</b>	5,435,000.00
<b>Term (Years)</b>	30
<b>Annual Interest Rate</b>	1.50%
<b>Payments Per Year</b>	1
<b>Annual Payment Amount</b>	\$226,308.99

<b>Term (Year)</b>	<b>Annual Payment</b>	<b>Interest</b>	<b>Principal</b>	<b>Balance</b>
0				\$ 5,435,000.00
1	\$ 226,308.99	\$ 81,525.00	\$ 144,783.99	\$ 5,290,216.01
2	\$ 226,308.99	\$ 79,353.24	\$ 146,955.75	\$ 5,143,260.26
3	\$ 226,308.99	\$ 77,148.90	\$ 149,160.08	\$ 4,994,100.18
4	\$ 226,308.99	\$ 74,911.50	\$ 151,397.49	\$ 4,842,702.69
5	\$ 226,308.99	\$ 72,640.54	\$ 153,668.45	\$ 4,689,034.25
6	\$ 226,308.99	\$ 70,335.51	\$ 155,973.47	\$ 4,533,060.77
7	\$ 226,308.99	\$ 67,995.91	\$ 158,313.08	\$ 4,374,747.70
8	\$ 226,308.99	\$ 65,621.22	\$ 160,687.77	\$ 4,214,059.92
9	\$ 226,308.99	\$ 63,210.90	\$ 163,098.09	\$ 4,050,961.83
10	\$ 226,308.99	\$ 60,764.43	\$ 165,544.56	\$ 3,885,417.27
11	\$ 226,308.99	\$ 58,281.26	\$ 168,027.73	\$ 3,717,389.54
12	\$ 226,308.99	\$ 55,760.84	\$ 170,548.15	\$ 3,546,841.40
13	\$ 226,308.99	\$ 53,202.62	\$ 173,106.37	\$ 3,373,735.03
14	\$ 226,308.99	\$ 50,606.03	\$ 175,702.96	\$ 3,198,032.07
15	\$ 226,308.99	\$ 47,970.48	\$ 178,338.51	\$ 3,019,693.56
16	\$ 226,308.99	\$ 45,295.40	\$ 181,013.58	\$ 2,838,679.98
17	\$ 226,308.99	\$ 42,580.20	\$ 183,728.79	\$ 2,654,951.19
18	\$ 226,308.99	\$ 39,824.27	\$ 186,484.72	\$ 2,468,466.47
19	\$ 226,308.99	\$ 37,027.00	\$ 189,281.99	\$ 2,279,184.48
20	\$ 226,308.99	\$ 34,187.77	\$ 192,121.22	\$ 2,087,063.25
21	\$ 226,308.99	\$ 31,305.95	\$ 195,003.04	\$ 1,892,060.22
22	\$ 226,308.99	\$ 28,380.90	\$ 197,928.08	\$ 1,694,132.13
23	\$ 226,308.99	\$ 25,411.98	\$ 200,897.01	\$ 1,493,235.12
24	\$ 226,308.99	\$ 22,398.53	\$ 203,910.46	\$ 1,289,324.66
25	\$ 226,308.99	\$ 19,339.87	\$ 206,969.12	\$ 1,082,355.54
26	\$ 226,308.99	\$ 16,235.33	\$ 210,073.66	\$ 872,281.89
27	\$ 226,308.99	\$ 13,084.23	\$ 213,224.76	\$ 659,057.13
28	\$ 226,308.99	\$ 9,885.86	\$ 216,423.13	\$ 442,634.00
29	\$ 226,308.99	\$ 6,639.51	\$ 219,669.48	\$ 222,964.52
30	\$ 226,308.99	\$ 3,344.47	\$ 222,964.52	\$ 0.00

# DRAFT

**From:** [Ulman, Peggy L \(DEC\)](#)  
**To:** [Verrelli, Beth A \(DEC\)](#)  
**Subject:** FW: Alaska Clean Water & Drinking Water Funds - Project Questionnaire Submittals for State Fiscal Year 2020  
**Date:** Tuesday, January 15, 2019 2:48:16 PM

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Beth,  
FYI – please feel free to forward to any communities that may need the information.

Thank you,  
Peggy

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**From:** Ulman, Peggy L (DEC)  
**Sent:** Friday, January 11, 2019 1:50 PM  
**Subject:** Alaska Clean Water & Drinking Water Funds - Project Questionnaire Submittals for State Fiscal Year 2020

Dear potential borrower:

The Alaska Department of Environmental Conservation (ADEC) State Revolving Fund (SRF) Program offers low interest loans with terms of up to 30 years for planning, design, and construction of drinking water and wastewater infrastructure improvement projects. The SRF Program is now accepting new proposals for the State Fiscal Year 2020 (SFY20) Intended Use Plans. Eligible projects include drinking water and wastewater infrastructure projects, such as distribution and collection system improvements, treatment system upgrades, water and energy efficiency improvements, and security enhancements. In addition, nonpoint source projects may be eligible including source water protection efforts, water body restoration, storm water improvements, landfill closure or expansion, and harbor or dock waste handling.

### **Questionnaire Submittal and Review**

The process for obtaining a loan through the SRF Program begins by submitting a project questionnaire. Questionnaires are accepted year-round using the ADEC Water Online Application System [OASys](#) and scored on a quarterly basis. Deadlines for quarterly questionnaire review are: **February 28, May 31, August 31, and November 30.**

### **Project Scoring, Ranking and Award**

All proposed project questionnaires are scored based on established criteria which can be found on the SRF Program website at: <https://dec.alaska.gov/water/technical-assistance-and-financing/state-revolving-fund/>.

ADEC encourages borrowers to consider implementing Green Project Reserve (GPR) principles such as green infrastructure, energy efficiency improvements, and other innovative activities by offering additional points during project scoring to projects with GPR components. In addition, projects that are ready to proceed will be credited with extra points during the scoring process.

Following the February submission deadline, all projects will be scored, and a ranked list will be developed for each category based on individual project scores. These lists are incorporated into the annual Intended Use Plans (IUPs), documents which describe ADEC’s anticipated use

of all SRF monies for the coming grant year. Draft IUPs will be made available through a 30-day public notice in the spring of 2019. Federal grant funds will be awarded to the State at the beginning of SFY20, with loan funds available to borrowers shortly thereafter. Project questionnaires submitted throughout the year will be included in quarterly updates to the ranked project lists; the updated project lists will be public noticed for 10 days. Borrowers may submit loan applications immediately after publication of the final amended lists.

### **Principal Forgiveness (Subsidy)**

For borrowers that meet the SRF Program's Disadvantaged Community criteria, ADEC may offer subsidy, in the form of principal forgiveness, for construction-ready projects. The amount of available subsidy is limited, and not all projects that are eligible will receive subsidy. Subsidy will be allocated to projects in the first quarter of SFY20. Therefore, borrowers pursuing subsidy should submit project questionnaires by the February 28, 2019 deadline. Any subsidy that remains available will be allocated to eligible projects submitted throughout the year.

If you have questions about the SRF Program and financing for your infrastructure projects, please contact me.

Peggy Ulman, Program Coordinator  
State Revolving Fund Program  
Alaska Department of Environmental Conservation  
555 Cordova Street  
Anchorage, Alaska 99501  
[peggy.ulman@alaska.gov](mailto:peggy.ulman@alaska.gov)  
907.334.2681





January 3, 2018

Re: Project Questionnaire Solicitation for State Fiscal Year 2019 (SFY19) State Revolving Funds

Dear potential borrower:

The Alaska Department of Environmental Conservation's (ADEC) State Revolving Fund Program (SRF) offers low interest loans with terms of up to 30 years for planning, design, and construction of drinking water and wastewater infrastructure improvement projects. Beginning January 8, 2018, we will accept new proposals for drinking water and wastewater system projects, such as distribution and collection system improvements, treatment upgrades, water and energy efficiency improvements, and security enhancements. In addition, non-point source projects may be eligible including source water protection efforts, water body rehabilitation or restoration, storm water improvements, landfill closure or expansion, and harbor or dock waste handling.

#### Revised Schedule for Questionnaire Submittal and Review

In an effort to make loan funds more accessible, and to facilitate prioritization of construction ready projects, ADEC will implement a revised schedule for questionnaire submittal and review beginning in 2018. Questionnaires will be accepted year-round using the ADEC Water Online Application System (OASys) (<http://dec.alaska.gov/water/oasys/>) and scored on a quarterly basis.

Questionnaire submission deadlines for each period of calendar year 2018 are show in the table below.

Questionnaire Submission Deadline
February 28
May 31
August 31
November 30

#### Project Scoring, Ranking and Award

All proposed projects are scored based on established criteria which can be found at:

<http://dec.alaska.gov/water/state-revolving-fund/alaska-revolving-loan-fund-questionnaire-process>.

ADEC encourages borrowers to consider implementing Green Project Reserve (GPR) principles such as green infrastructure, energy efficiency improvements, and other innovative activities by offering additional points during project scoring to projects with GPR components. In addition, projects that are ready to proceed will be credited with extra points during the scoring process.

Following the February submission deadline, all projects will be scored, and a ranked list will be developed for each category based on individual project scores. These lists are incorporated into the annual Intended Use Plans (IUPs), documents which describe ADEC’s anticipated use of all SRF monies for the coming grant year. Draft IUPs will be made available through formal 30 day public notice in the spring of 2018. Federal grant funds will be awarded to the State at the beginning of SFY19, with loan funds available to borrowers shortly thereafter. All other project questionnaires submitted throughout the year will be included in quarterly amendments to the ranked project lists, which will be public noticed for 10 days. Borrowers may submit loan applications immediately after publication of the final amended lists.

**Principal Forgiveness (Subsidy)**

For borrowers that meet the SRF Program’s Disadvantaged Community criteria, we are pleased to be able to offer subsidy, in the form of principal forgiveness, for construction ready project. The amount of available subsidy is limited and not all projects that are eligible will receive subsidy. Subsidy will be allocated to projects in the original IUP. *Therefore, borrowers pursuing subsidy should submit project questionnaires by the February 28, 2018 deadline.* Any subsidy that remains available will be allocated to eligible projects submitted throughout the year.

**Other Program Changes**

For those who have worked with the Municipal Grants and Loans Program in the past, you may notice a few changes in the works. Most obviously, the program name has been modified to State Revolving Fund to more closely align with the federal program. Additionally, the SRF Program, Operator Certification Program, and Remote Maintenance Worker Program have combined to form the Technical Assistance and Financing (TAF) Program. We have also established several new positions in an effort to provide better service to our customers. Natalie Wagner serves as the Lead Engineer and is responsible overseeing the engineering staff. Peggy Ulman is the SRF Program Coordinator, responsible for the day to day operations of the loan program. Please feel free to reach out to me, Natalie, or Peggy if you have any questions, concerns or suggestions about the SRF Program. Contact information is provided at the bottom of the page.

We look forward to assisting you in achieving your infrastructure improvement goals.

Sincerely,



Carrie Bohan  
 Technical Assistance and Financing Program Manager

Contact	Phone	Email
Carrie Bohan, Program Manager	465-5149	carrie.bohan@alaska.gov
Peggy Ulman, Program Coordinator	334-2681	peggy.ulman@alaska.gov
Natalie Wagner, Lead Engineer	269-7956	natalie.wagner@alaska.gov

Department of Environmental Conservation

## DEC Online Application System (OASys)

### Alaska Clean Water Fund Point Source Loan Questionnaire

Status: Submitted

**Status Details:**

Completed					
Application Submitted					
<b>Tracking #:</b>	2019ACWFPS0014	<b>Facility:</b>	WWTP UV Effluent Disinfection Facility	<b>Type:</b>	Alaska Clean Water Fund Point Source Loan Questionnaire

<i>Borrower Information</i>	<i>Details</i>
<b>Project Title</b>	WWTP UV Effluent Disinfection Facility
<b>Municipality or Entity</b>	City of Kodiak

<i>Contacts</i>	<i>Details</i>
<b>Questionnaire Contact</b>	Glenn Melvin City Engineer, City of Kodiak 2410 Mil Bay Road Kodiak, AK, 99615 US Phone: 907-486-8065 gmelvin@city.kodiak.ak.us

<i>Project Information</i>	<i>Details</i>
<b>Project Scope</b>	7. Other
<b>If you selected other, please describe</b>	UV Effluent Disinfection facility construction
<b>Project Type</b>	Construction (only)
<b>Is the proposed project an amendment to an existing SRF loan?</b>	Yes
<b>If yes, existing SRF Loan Number</b>	503021
<b>Please indicate the type of amendment:</b>	Change in scope and increase in loan
<b>Description</b>	
<p>The existing City of Kodiak WWTP does not currently provide effluent disinfection processes. The current APDES Permit No.AK0021555 requires that effluent disinfection will need to be added to the WWTP processes in order to achieve compliance within 5 years of the permit date of July 1, 2018. Jacobs Engineering is under contract with the City of Kodiak to 1) evaluate feasibility of disinfection alternatives, 2) prepare a pre-selection RFP for disinfection equipment, and 3) prepare bid-ready engineering drawings and specifications for construction of the Effluent Disinfection Facility to be located at the City's WWTP. Based on disinfection alternative studies it was determined that UV disinfection would be the most efficient system. Jacobs prepared a UV Disinfection Pre-selection RFP to identify the best UV equipment manufacturer and Trojan Technologies was chosen by the City to provide the equipment for the construction contract bid documents. If funding for construction is approved by January, 2020 the City intends to bid the project and achieve construction completion during the 2020 construction season. The project could potentially require 2 construction seasons to complete which would put project completion in 2021.</p>	
<b>Does this project include one of the green project categories defined below?</b>	Yes
<b>Identify the most appropriate "Green" category type.</b>	<b>Energy Efficiency</b> - the use of improved technologies and practices to reduce the energy consumption of water quality projects. Examples: water utility energy audits; clean power for publicly owned facilities; leak detection equipment; retrofits/upgrades to pumps & treatment processes; and, replace/rehabilitation of high collection I & I.
<b>Green Project/Component Description:</b>	
<p>Construction of the UV Disinfection facility will utilize a high-efficiency UV reactor provided by TrojanUVSigma System technology that received the WEF Innovation Technology Award. The UV reactor will provide energy efficiencies through retrofit of WWTP processes.</p>	
<b>Is a Green Project cost estimate attached?</b>	No
<b>Administration:</b>	
<b>Engineering Design:</b>	
<b>Engineering Construction:</b>	
<b>Construction:</b>	
<b>Equipment:</b>	
<b>Contingencies:</b>	
<b>Other (Identify Cost):</b>	
<b>Other Amount:</b>	
<b>Other (Identify Cost):</b>	
<b>Other Amount:</b>	
<b>Other (Identify Cost):</b>	
<b>Other Amount:</b>	
<b>Total Costs: (Sum of Above)</b>	0

<i>Public Health Considerations (0 - 350 Pts)</i>	<i>Details</i>
<b>Type of Public Health Project</b>	4. This project will minimize potential future public health problems. Conditions are not such that a disease event will occur. (100 Pts.)
<b>Description</b>	
<p>Wastewater Treatment Facility upgrades to comply with conditions of new APDES Permit that is not related to a permit violation correction.</p>	

<b>Water Quality Considerations (0 - 250 Pts)</b>	<b>Details</b>
<b>Water Bodies Affected by Pollution</b>	12. This project will have minimal impact on future pollution events (0 Pts.)
<b>Description</b>	
This project will provide for construction of a new UV Disinfection facility to treat existing plant effluent that is piped to a marine outfall located approximately 1000' offshore at the bottom of Mission Bay tidal waters. This project will improve or have minimal impact to the quality of marine waters at the mixing zone location.	

<b>Receiving Water (0 - 10 Pts)</b>	<b>Details</b>
<b>This project addresses adverse impacts to:</b>	2. Direct impacts to marine waters or estuaries (5 Pts.)
<b>Description</b>	
This project provides for disinfection of WWTP effluent discharge to tidal marine waters that has not previously been disinfected. There is no know history of adverse effects on fish, shellfish, and/or other aquatic life harvest as a food source.	

<b>Project Readiness (0 - 50 Pts)</b>	<b>Details</b>
<b>Project milestone that has been met:</b>	3. A feasibility study, facility plan, and/or a set of engineering plans and specifications (at least 35% complete) has been prepared and has been provided to ADEC SRF Program. (20 Pts.) <u>(Documentation Required)</u>
<b>Description</b>	
Disinfection Feasibility and Pre-selection of the UV equipment supplier is complete (see attachments) and Design of the UV Effluent Disinfection facility is approximately 50% complete. Submittal of progress drawings is expected in September 2019 and bid ready documents are expected by January 1, 2020. Progress drawings will be included with the SRF application anticipated to begin September 2019.	

<b>Funding Coordination (0 - 15 Pts)</b>	<b>Details</b>
<b>Will these loan funds be used to match other state or federal funds, or will this project be coordinated with another municipal/state/federal funded project, e.g. DOT road construction?</b> <u>(Documentation Required)</u>	No
<b>Description</b>	
The City anticipates using these loan funds for 100% of the project cost.	

<b>Ability to Repay (0-10 Pts)</b>	<b>Details</b>
<b>Do you currently have a repayment method for this loan in place? (Yes - 10 Pts, No - 0 Pts)</b>	Yes
<b>Source of Repayment</b> <u>(Documentation Required)</u>	1. User Fees
<b>If you selected other, please describe</b>	
<b>Further Explanation - Source, amount, and year of funds that are available now.</b>	
The City's Sewer Fund is an enterprise fund and is required to operate from revenue of user fees. The City will adopt a 5 year sewer rate plan in FY 2020 that has a annual planned rate increases to cover the debt service for sewer improvement projects. Draft Sewer Rate Update is attached.	

<i>Project Costs</i>	<i>Details</i>
<b>Estimate attached:</b>	No
<b>Administration</b>	50,000
<b>Engineering Design</b>	
<b>Engineering Construction</b>	500,000
<b>Construction</b>	4,135,000
<b>Equipment</b>	
<b>Contingencies</b>	750,000
<b>Other (Identify Cost):</b>	
<b>Other</b>	
<b>Other (Identify Cost):</b>	
<b>Other</b>	
<b>Other (Identify Cost):</b>	
<b>Other</b>	
<b>Total Costs (Sum of above)</b>	5,435,000
<b>Name</b>	Glenn Melvin
<b>Title or Position</b>	City Engineer
<b>Organization</b>	City of Kodiak
<b>Phone Number</b>	907-486-8065
<b>Email</b>	gmelvin@city.kodiak.ak.us

<i>Sustainability Projects (0 - 50 Pts)</i>	<i>Details</i>
<b>Identify the appropriate category, if applicable:</b>	<b>Fix It First Projects (50 Pts.)</b> These are projects currently located in an established area, which is still suitable for use, and should be encouraged over projects in undeveloped areas. The repair, replacement and upgrade of infrastructure in these types of areas are encouraged.

<i>Lead Water System Operator (0 - 5 Pts)</i>	<i>Details</i>
<b>Is the primary operator certified to the level of the system?</b>	Yes
<b>Name</b>	Constantino Bormuel
<b>Certification Level</b>	WWTP Treatment II
<b>Number</b>	8116

<i>Other Project Information (0-15)</i>	<i>Details</i>
<b>Total Loan Request</b>	5,435,000
<b>Population:</b>	9500
<b>Cost/population ratio:</b>	572
<b>Select Appropriate Cost/Population Ratio:</b>	\$401 – 4,000/person (10 Pts.)
<b>Total "Green" Amount: (if applicable)</b>	
<b>Percent of loan that is green:</b>	0
<b>Select requested loan term:</b>	5 to 20 years
<b>When do you estimate a loan application could be made?</b>	11/29/2019
<b>If funds were made available for this project, when do you estimate construction would begin?</b>	05/01/2020



<i>Attachments</i>	<i>Title (Type), Description</i>
<b>TROJANUV Response to Kodiak_WWTP_UV_Selection_.pdf</b>	(Green Project Cost Estimate - STEP 3)
<b>Kodiak_WWTP_Disinfection_Evaluation_December 2.pdf</b>	UV Feasibility Study (Local Initiative Considerations - STEP 7)
<b>Kodiak WWTP UV Equipment Preselection Summary .pdf</b>	UV Preselection Summary (Local Initiative Considerations - STEP 7)
<b>WWTP UV Equipment Preselection Results Letter.pdf</b>	UV Equipment Leter (Local Initiative Considerations - STEP 7)
<b>Draft_Kodiak Sewer Update_2019.pdf</b>	Draft Sewer Rate Report (Loan Repayment Information - STEP 9)
<b>WWTP UV Project Information Memo.pdf</b>	WWTP UV Project Update (Funding Documentation - STEP 8)

<i>Other Documents</i>	<i>Type</i>
<b>2019ACWFPS0014.pdf</b>	Alaska Clean Water Fund Point Source Loan Questionnaire 2019ACWFPS0014

## ABOUT CITY ANNEXATION

### INTRODUCTION

"Annexation to a city" means expanding the city's boundaries to include more territory. Additionally, annexation is the expansion of the jurisdiction of a city or borough government into new territory and the means by which the corporate boundaries of city and borough governments are updated or refined. Annexation results in extending city services, city regulations, city voting privileges, and city taxing authority to the annexed territory. "Territory" is the term generally used to describe land in cities, while "area" generally refers to the land in boroughs.

Alaska's constitution and statutes provide that corporate boundaries of cities may be adjusted to allow cities to accommodate growth and adapt to changing needs and conditions with respect to their jurisdiction.<sup>10</sup> Any proposed boundary change, including annexation, must be approved by the Local Boundary Commission. State law requires certain standards be met, and certain procedures be followed in order for the commission to approve a proposed annexation. In other words, the mere filing of a petition does not ensure that the proposed annexation will occur. If the LBC approves the petition, in most cases, either the voters need to approve it, or the legislature must not disapprove it for the annexation to take effect.

Annexation requires a significant commitment of time and resources. Before any decision is made to begin work on an annexation petition, thought should be given to the need for annexation as well as regarding which method to use. This module provides basic information about city annexation; however, annexation is a complex matter that cannot be covered completely in this brief overview. The planning process is covered in more detail in the following module.

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### FREQUENTLY ASKED QUESTIONS

#### WHO CAN PROVIDE INFORMATION REGARDING ANNEXATION TO CITIES?

Local Boundary Commission staff are located within the Division of Community and Regional Affairs of the Department of Commerce, Community, and Economic Development. Staff are available to provide technical assistance, petition forms, and sample annexation materials to anyone interested in petitioning, and are available to provide materials and information to those interested in responding to a petition. Staff also provide general information to any other interested individuals or groups.

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<sup>10</sup> Ak. Const., art. X, § 12; AS 29.06.040



## IF AN INDIVIDUAL OR GROUP DOES NOT WANT ANNEXATION, WILL STAFF PROVIDE INFORMATION TO THEM?

Yes. LBC staff will provide information about how to submit comments or a responsive brief. Submitting a responsive brief allows any interested party to be identified as a "respondent" in the annexation proceeding. Being identified as a respondent provides certain procedural rights at the commission's public hearing. These rights include being able to present witnesses and to give opening and closing arguments. Staff can also explain the standards and procedures.

## WHY DO CITIES SEEK TO ANNEX?

Some cities seek to annex to include people or other property owners who want to be within the city. Other cities seek to annex so that facilities such as a harbor or power plant are within city boundaries. Still other cities seek to annex to gain more tax revenue. Other reasons include:

- *Taxpayer equity.* Growth outside boundaries may result in municipal services being provided (directly or indirectly) without commensurate financial support from those receiving services.
- *Need for Services.* Residents and property owners outside boundaries may desire services (e.g., public schools, utilities, fire protection, police, road maintenance).
- *Commercial and industrial development.* If development occurs outside boundaries, it may deprive local government of tax revenues.
- *Service Delivery.* Inefficient boundaries may impede effective service delivery.
- *Unsafe conditions.* Conditions or development outside boundaries may threaten the general welfare, peace, or health of the residents inside the municipality.

## WHO CAN START AN ANNEXATION PETITION?

A petition for annexation may be initiated by:

- a city;
- a borough;
- a regional educational attendance area (REAA);
- at least 10 percent of the registered voters of a city, borough, or REAA;
- at least 10 percent of the registered voters in the territory proposed for annexation;
- the legislature;
- the commissioner of the Department of Commerce, Community, and Economic Development; or
- a person designated by the Local Boundary Commission.



## WHAT ARE THE PROCEDURES FOR ANNEXATION?

The procedures for annexation are found in 3 AAC 110.400-.700. See the module, [Procedures for Petitions](#), for more specific information. Generally, most petitions come from either municipalities or citizens. The petitioner drafts the petition, proposes the boundaries, and, if the petition is initiated by citizens, gathers signatures.

If the petition is initiated by a municipality, then the proposed boundary change would first need to be discussed at a publicly noticed city council meeting. People can attend such a meeting, or otherwise make their views known to the potential petitioner. It is possible that such input could result in a petition not being filed, or filed with different boundaries.

When a petition is submitted, the LBC staff first performs a technical review which verifies that the petition includes everything necessary for commission review and required by statutes and regulations. This review is not an analysis of the merits of the petition. If the petition does not include all of the necessary information, staff sends it back to the petitioner to complete.

If a petition is accepted for filing, there is a publicly noticed opportunity for the public to submit written comment. A person or entity can also become a “respondent.” A respondent has the opportunity to file a brief in response to the petition, and to present witnesses at the hearing. This gives a respondent the opportunity for greater input before the commission.

Next, the staff analyzes the petition to see whether it meets the standards. In doing so, it considers the petition, briefs, and comments submitted. The staff then issues a public report with its findings. People can comment on that report, and say why they feel the report is correct or incorrect in its findings. Staff consider those comments, and then issue a second report with findings. The findings could change from the first report based on the comments submitted.

After public notice, the commission will hold a public hearing, where parties can present witnesses, and the public will have an opportunity to speak. After the hearing, the commission will carefully consider all of the testimony, materials, and comments submitted in determining whether the petition meets the standards. It will then approve, amend, or deny the petition. What happens after an LBC decision depends on the method a petition is following. See the next sections for additional details about petition methods.

The petition process generally takes about a year before the LBC holds the hearing and issues a decision, primarily because of the extensive opportunity for public comment, and because of the two written reports by staff analyzing the petition. Certain types of petitions may take less time—see the next section for more information on petition methods.



## PETITION METHODS

State law establishes procedures for several different types of annexation including by legislative review and by local action. For additional information on these methods and the differences between them, see the next module, [Planning for an Annexation](#).

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### LOCAL ACTION

*Annexation by Vote.* Territory may be annexed through an election. If the commission approves the petition, the question is then placed on a ballot. A majority of voters in the territory proposed for annexation, **and** a majority of voters in the annexing city must approve the ballot measure before the proposed annexation can take effect.

*Annexation of Adjoining City-Owned Property.* Municipally-owned property that adjoins the city boundaries may be annexed. The city council must adopt an ordinance and then petition the Local Boundary Commission. The LBC must then approve the petition before the annexation can take effect.

*Annexation upon Unanimous Consent of Owners and Voters.* A territory next to a city may be annexed if **all** of the property owners and **all** of the voters registered to vote in the territory proposed for annexation ask the city to annex them. The city council must first adopt an ordinance approving the proposed annexation, and then petition the Local Boundary Commission. The LBC must then approve the petition before the annexation can take effect.

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### LEGISLATIVE REVIEW

*Annexation by Legislative Review.* A territory may be annexed without approval of the voters or property owners under the legislative review process. This method is authorized by the state constitution, and such petitions require approval by the LBC as well as review by the Alaska State Legislature. Legislative review petitions generally follow the same process as local action petitions, and allow for the same public comment periods; legislative review petitions require an additional public hearing before a petition is filed. See [Planning for an Annexation](#) for more specific details. The primary difference occurs if the LBC approves a legislative review petition. In that case, the LBC presents its approval to the legislature during the first 10 days of a regular session of the legislature. The legislature then has the opportunity to act on the LBC's recommendation for approval. If the legislature adopts a concurrent resolution to deny the recommendation within 45 days of the date that it was filed, then the recommendation is denied. If the legislature takes no action, it has tacitly approved the proposal, and the boundary change takes effect.



## HOW DOES A POTENTIAL PETITIONER DECIDE WHAT METHOD OF ANNEXATION TO USE?

The petitioners can choose the method used. If all owners of property and registered voters in a territory want annexation, then annexation by unanimous consent of owners and resident voters would likely be the annexation method to use. If the property proposed for annexation is owned by the city, then the municipally owned property method would be most applicable. If the unanimous consent method or municipally owned property methods do not apply, then the petitioners can choose either the local action by vote method, or the legislative review method.

Petitioners should consider who would be affected by the boundary change and the type of boundary change proposed when selecting a method. The commission may change the method used. The next module provides more details about each petition method.

## IS THERE A LIMIT ON THE SIZE OF THE TERRITORY THAT A CITY MAY ANNEX?

There is no specific size limit. Cities are community based municipal governments rather than regionally based. The average Alaska city is about 30 square miles. Regulation 3 AAC 110.130 generally prohibits cities from annexing entire geographic regions, or large unpopulated areas. The regulations also state that cities “must be on a scale suitable for city government.”<sup>11</sup> In most cases, the territory proposed for annexation must be next to the city proposing the annexation.

## WHAT ARE THE STANDARDS THE LBC USES TO REACH A DECISION?

Certain regulatory standards (3 AAC 110.090 - 3 AAC 110.130) apply to annexations. The standards concern:

- the need for the territory to be annexed;
- whether the territory is compatible in character with the annexing city;
- whether the economy within the proposed expanded boundaries of the city has the human and financial resources to provide essential municipal services efficiently;
- whether the population of the proposed expanded city is sufficiently large and stable;
- whether the boundaries are appropriate; and
- whether the annexation is in the best interests of the state. The next section describes the standards in detail.

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<sup>11</sup> 3 AAC 110.140(c)(1)

## STANDARDS FOR ANNEXATION

State statutes require that an annexation must be “in the best interests of the state.”<sup>12</sup> Beyond that, the Local Boundary Commission has the duty and authority to establish standards for the annexation of territory to cities.<sup>13</sup> The Alaska Supreme Court found three purposes underlying the statutory requirement for the commission to establish standards:

1. Such standards expose the basic decision-making processes of the commission to public view and thus subject commission action to broad corrective legislation.
2. The standards guide local governments in making annexation decisions and in preparing proposals for the commission.
3. Annexation standards objectify the criteria of decision-making and delineate the battleground for a public hearing.<sup>14</sup>

The Local Boundary Commission has adopted standards for annexation to cities which are codified as 3 AAC 110.090 - 3 AAC 110.150. The city annexation standards are patterned after the statutory and regulatory standards for incorporation of a city. This reflects a philosophy that annexation is viewed as the means to perfect the boundaries of a city to accommodate jurisdictional needs that have arisen since its incorporation or last annexation.

These standards are outlined below.

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### **NEED: the territory must exhibit a reasonable need for city government—3 AAC 110.090(a)**

In deciding whether there is a reasonable need for city government in the area proposed for annexation, the commission may consider any factor that it deems relevant and appropriate.

3 AAC 110.090 lists five factors that the commission often considers. These relate to:

1. social or economic issues;
2. health, safety and general welfare issues;
3. economic development;
4. adequacy of existing services; and
5. extraterritorial powers of municipalities.

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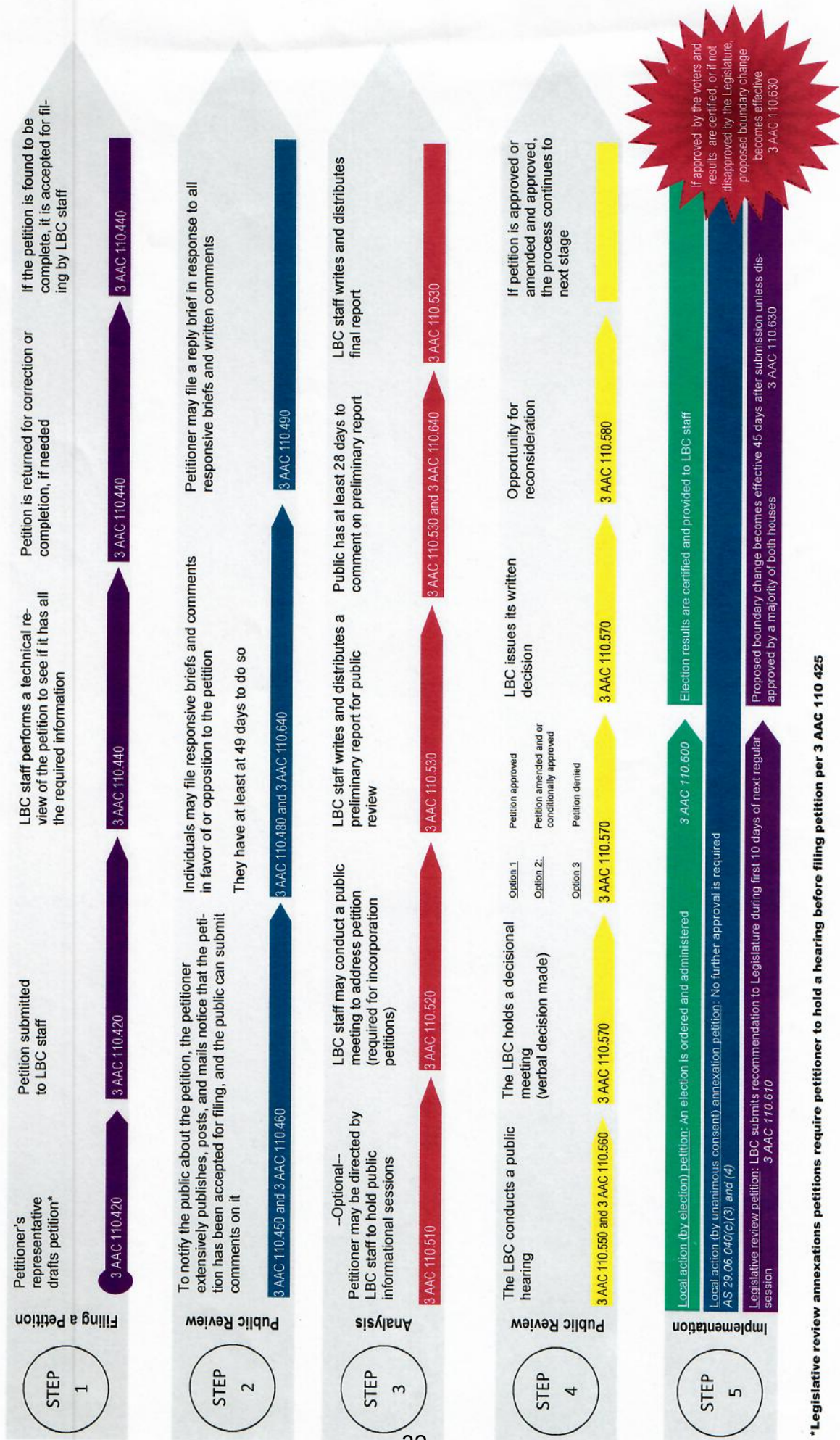
<sup>12</sup> AS 29.06.040(a)

<sup>13</sup> AS 44.33.812

<sup>14</sup> *Port Valdez Co. v. City of Valdez*, 522 P.2d 1147 (Alaska 1974)



# Municipal Boundary Change Petition Procedures—Local Boundary Commission



\*Legislative review annexations petitions require petitioner to hold a hearing before filing petition per 3 AAC 110.425



## Procedures and Timelines for a petition by either The Local Option or Legislative Review Methods

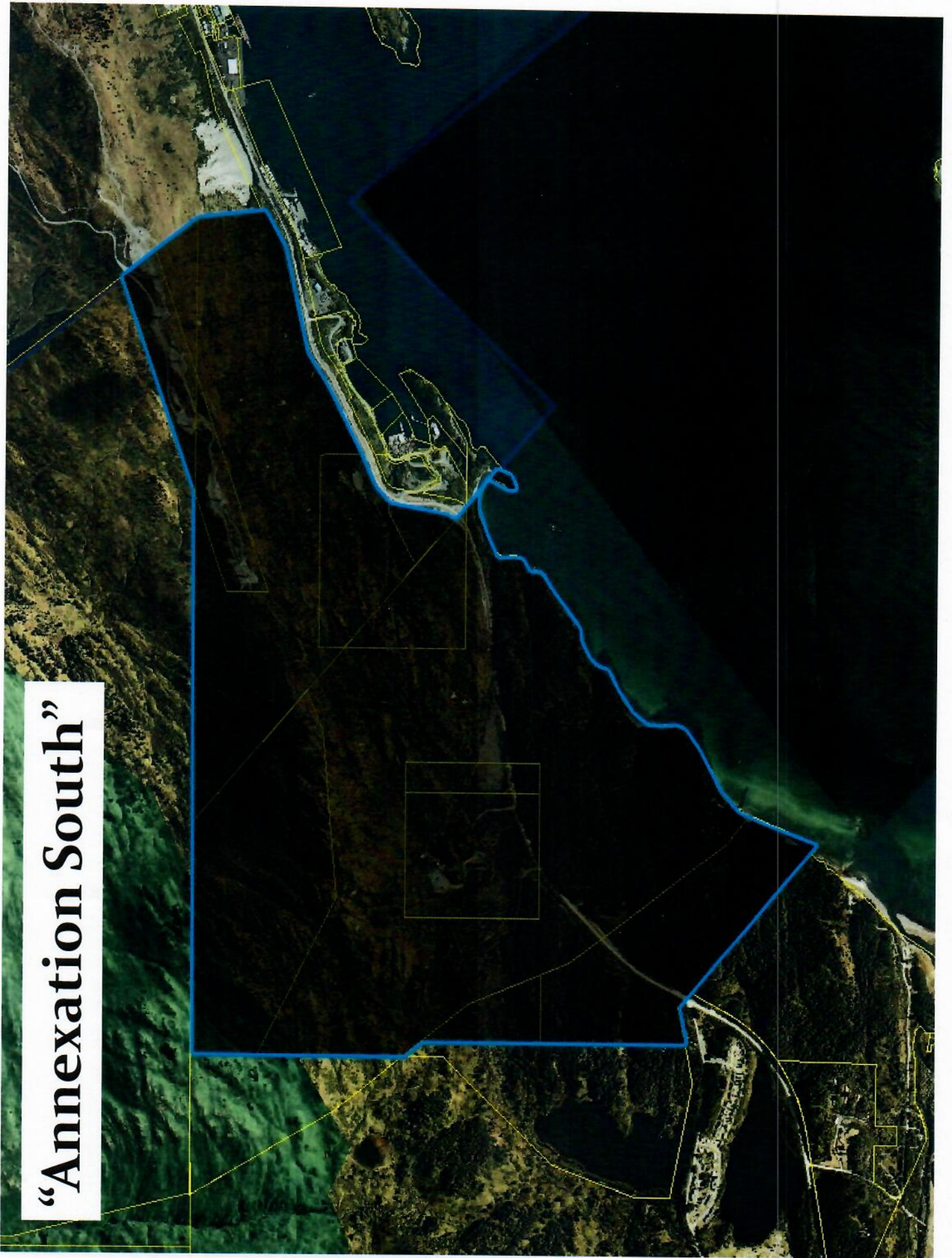
Date	Action
Within 45 days of receipt of petition	LBC staff conducts technical review of petition. If the petition is technically complete, it is accepted for filing. If it is incomplete, it is returned to the petitioner for correction or completion.
Within 45 days of receiving notice of acceptance for filing	After the petition is accepted, public notice of the filing of the petition is provided.
At least 49 days after initial publication or posting notice	Opportunity for comment (filing of responsive briefs and written comments). Petitioner can be asked to conduct public informational meetings during the 7+ week comment period.
At least 14 days	Petitioner replies to the responsive briefs and comments.
7 weeks (estimate, chair's discretion)	LBC staff prepares and distributes preliminary report with recommendations for public review and comment.
At least 28 days from mailing of preliminary report	Opportunity for public review and comment on the preliminary report.
3 weeks (estimate, chair's discretion)	LBC staff considers comments on preliminary report and makes appropriate changes to its report and recommendation. The final report is issued for public review.
At least 21 days from the mailing of the final report	LBC conducts public hearing(s).
Within 90 days of hearing	LBC conducts public meeting(s) and reaches a decision (often made immediately after hearing).
Within 30 days of decisional meeting	LBC issues written decision.
Within 30 days of the written decision being issued	Any public member may request reconsideration within 18 days after the written decision is issued. The LBC may grant a reconsideration request, or order reconsideration on its own motion within 30 days after the written decision is issued.
If petition is denied, LBC process ends (parties may appeal LBC action to superior court)	If approved by the LBC, the petition is subject to review by the legislature or approval by the voters in the area approved for change.

Most of these times are set at a minimum by 3 AAC 110.640. The chair has the authority to set the schedule and can allow more time than required for public comment, staff reports, and hearing schedule.

Please note that this is not an exhaustive list of requirements. There are other requirements (e.g. serving the petition, arranging PSAs, departmental information meetings) that occur during the petition process outlined above.



# “Annexation South”





# “Annexation North”





**CITY OF KODIAK  
ORDINANCE NUMBER 1065**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK ANNEXING CONTIGUOUS  
PROPERTY INTO THE CITY AND SETTING AN EFFECTIVE DATE**

WHEREAS, residents of Service District No. 1 have signed petitions to be annexed into the City of Kodiak, and the Kodiak Island Borough Assembly has agreed to transfer assets and liabilities associated with the transfer of services and responsibilities for the entire area northerly of the City known as Fire Protection Area No. 1; and

WHEREAS, it is the desire of the Kodiak City Council to provide the residents of Fire Protection Area No. 1 an opportunity to vote on the issue of annexation; and

WHEREAS, the territory proposed for annexation exhibits a reasonable need for city government as required by 19 AAC 10.090; and

WHEREAS, the developable properties are compatible in character with the area already within the boundaries of the City as required by 19 AAC 10.100; and

WHEREAS, the proposed expanded boundaries of the City include the human and financial resources necessary to provide services on an efficient, cost-effective level as required by 19 AAC 10.110; and

WHEREAS, the proposed expanded boundaries of the City include a population large and stable enough to support the extension of city government as required by 19 AAC 10.120; and

WHEREAS, the proposed expanded boundaries of the City include all the land and water necessary to provide city services on an efficient, cost-effective level as required by 19 AAC 10.130; and

WHEREAS, the area proposed for annexation adjoins the municipality and annexation of that area is subject to final approval by the voters residing in the territory proposed for annexation as required by AS 29.06.040(c)(1); and

WHEREAS, the annexation satisfies the requirement of 19 AAC 10.910 in that it will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex or national origin.

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

**Section 1 Authorization.** The City Clerk is authorized to file a petition for annexation pursuant to AS 29.06.040(c)(1) with the Local Boundary Commission. The petition shall propose the annexation of the area generally described as Fire Protection Area No. 1 and the watersheds draining into the City's water reservoirs. The legal boundary description of the area proposed to be annexed is attached hereto and made a part hereof.



**Section 2 Terms and Conditions.** The annexation will be on the following terms and conditions:

1. the real property taxes levied by any service area or other political subdivision of the Kodiak Island Borough in the area proposed for annexation for the fiscal year ending June 30, 1999, shall remain in full force and effect, and all taxes thus owed would be transferred to the City upon the effective date of annexation;

2. all business transactions in the area shall be subject to the collection of City 6% sales tax on the effective date of annexation;

3. on the first day of the month immediately following the effective date of annexation all water and sewer usage charges shall be reduced to the rate charged for in-City services;

4. all other City rates and charges will be applied identically and equally throughout the extended boundaries of the City upon the effective date of annexation;

5. City police and fire protection services will be extended to the territory on the effective date of annexation;

6. the City will assume responsibility for non-State public roads on the effective date of annexation;

7. upon the effective date of annexation all registered voters will be eligible to vote in all City elections;

8. upon the effective date of annexation, any person who has lived within either the newly annexed area or the City for at least one year, and who is otherwise qualified by the terms of the City Charter, may stand for election to the Council of the City of Kodiak or the office of Mayor; and

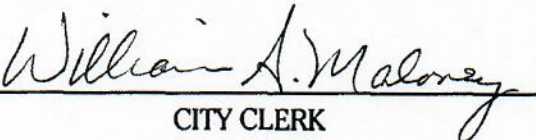
9. the City will assume responsibility for all parks formerly administered by the Kodiak Island Borough in the newly annexed area.

**Section 3 Effective Date.** This ordinance shall become effective thirty days following its approval in the second reading. The annexation shall become effective upon approval by a majority of voters in the territory proposed for annexation and the filing of documents with the Department of Community and Regional Affairs demonstrating compliance with 42 U.S.C. 1973(c)(Voting Rights Act of 1965).

CITY OF KODIAK

  
MAYOR

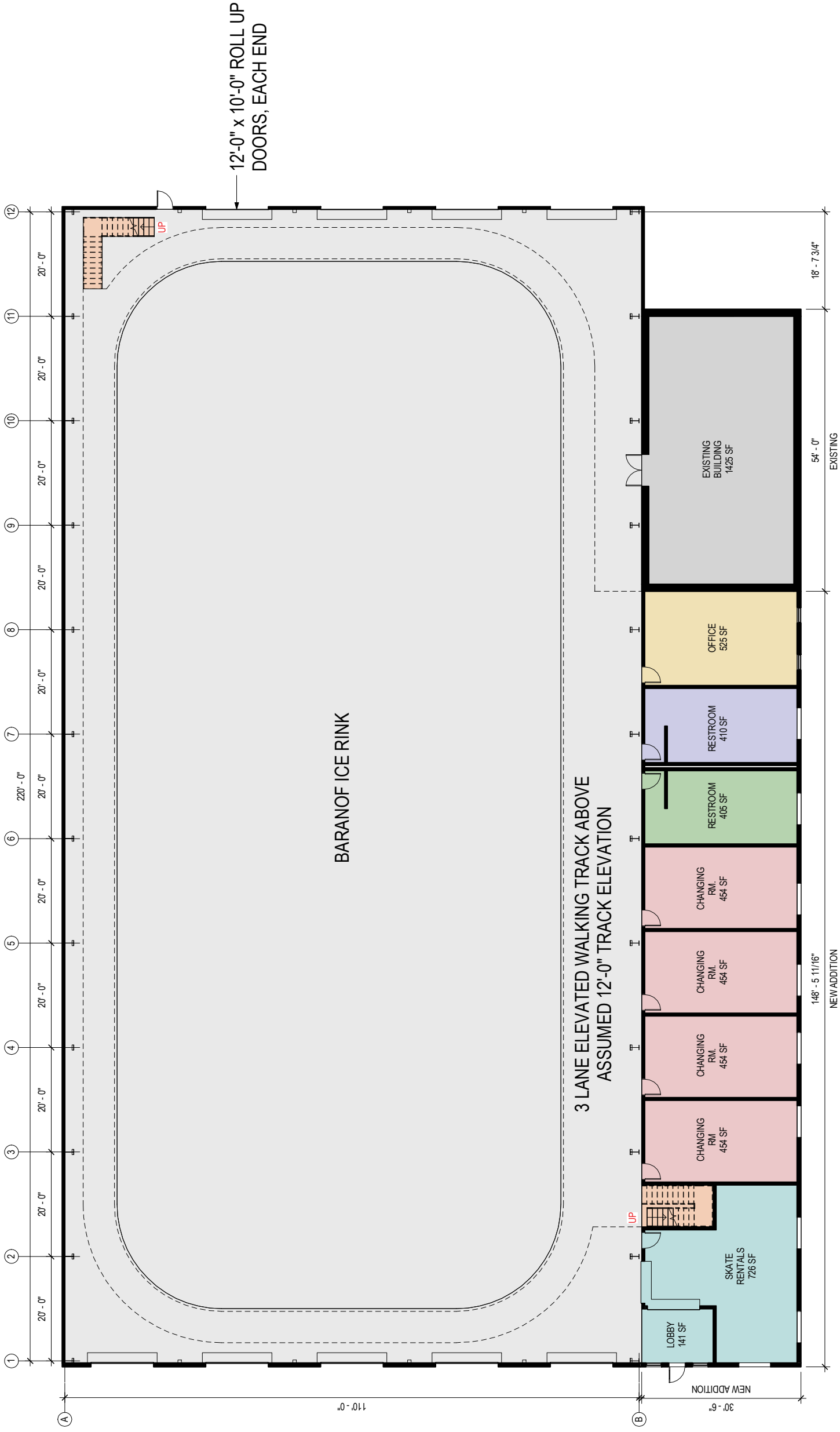
ATTEST:

  
CITY CLERK

First Reading: 23 April 1998  
Second Reading: 15 May, 1998  
Cont. Second Reading: 25 June, 1998  
Effective Date: 25 July, 1998

Ordinance Number 1065  
Page 2 of 2



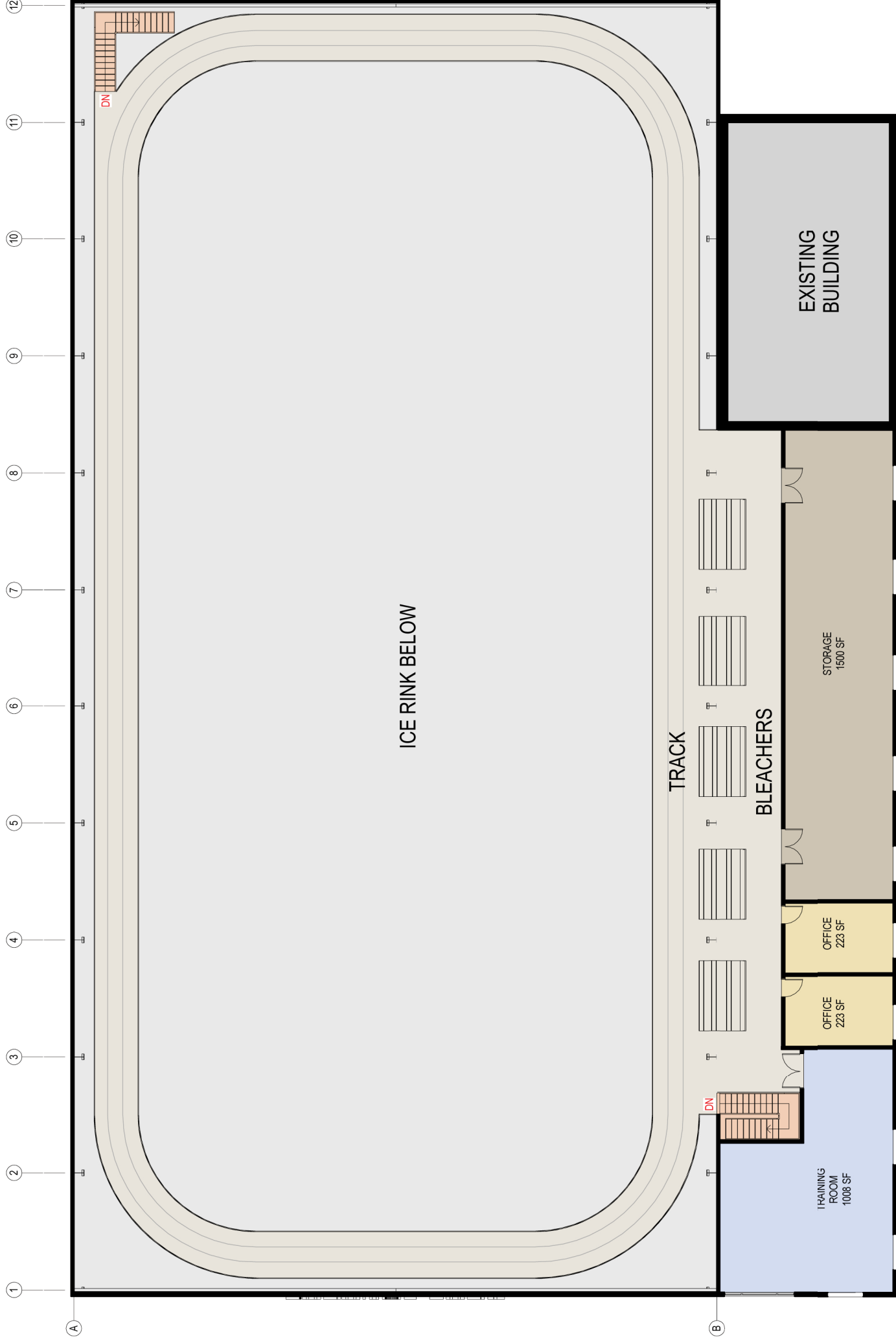


1 FIRST FLOOR - OVERALL  
A110 3/32" = 1'-0"



# City of Kodiak

## Baranof Ice Rink Addition - Kodiak, Alaska



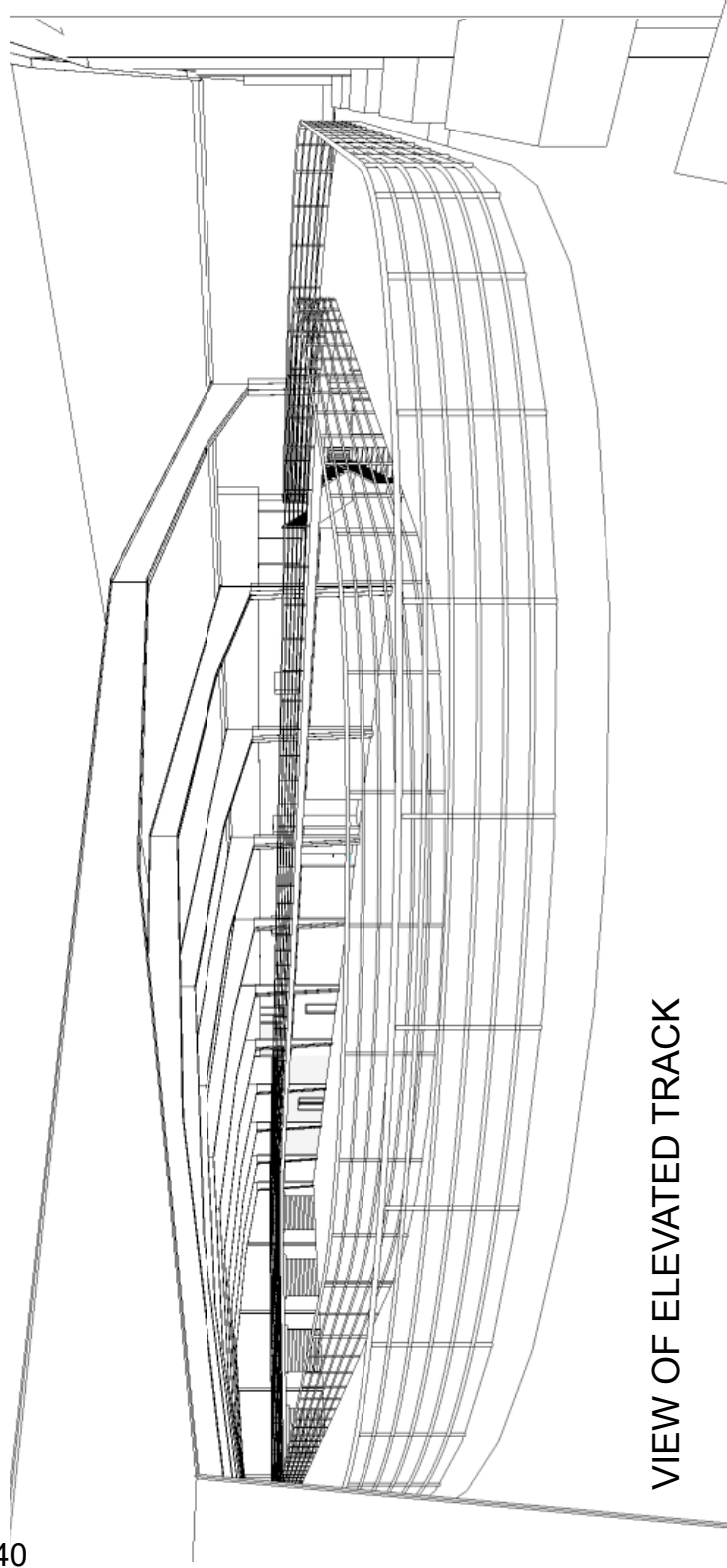
1 TRACK LEVEL- OVERALL  
A120 3/32" = 1'-0"







EXTERIOR VIEW



VIEW OF ELEVATED TRACK



**City of Kodiak**

**Baranof Park Ice Rink Improvements Budget Estimate**

Description	Quantity	@			Total
<b>Main building outside wall enclosure</b>					
Wall panel 3 sides (5280 SF)	5280.00	\$50.00			\$264,000.00
overhead doors @ both ends of building (14'wide, 10' tall)	10.00	\$5,000.00			\$50,000.00
Re-paint existing building	1.00	\$100,000.00			\$100,000.00
<b>TOTAL MAIN BUILDING ENCLOSURE</b>					<b>\$414,000.00</b>
<b>Building Addition</b>					
Pre-engineered metal building (4500 sf)	4500.00	\$75.00			\$337,500.00
footing/foundation	1.00	\$50,000.00			\$50,000.00
Interior floors, walls, doors, etc	1.00	\$125,000.00			\$125,000.00
HVAC	1.00	\$50,000.00			\$50,000.00
Bathrooms and plumbing	1.00	\$50,000.00			\$50,000.00
<b>TOTAL BUILDING ADDITION</b>					<b>\$612,500.00</b>
<b>Elevated Walking Track</b>					
Pre-engineered metal fabrication	1.00	\$300,000.00			\$300,000.00
<b>Sprinkler System</b>					
Subcontractor	1.00	\$90,000.00			\$90,000.00
<b>Dehumidification System</b>					
Subcontractor	1.00	\$100,000.00			\$100,000.00
<b>TOTAL</b>					<b>\$1,516,500.00</b>