

City of Kodiak Regular Council Meeting Agenda for April 24, 2014
7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)

I. Call to Order/Roll Call	
Pledge of Allegiance/Invocation	
II. Previous Minutes	
Approval of Minutes of the April 10, 2014, Regular Council Meeting.....	1
III. Persons to Be Heard	
a. Interim Report of the Downtown Kodiak Revitalization Special Committee	8
b. Public Hearing on Proposed Fee Schedule Amendments.....	14
c. Proclamation: Declaring Child Abuse Prevention Month	22
d. Proclamation: Declaring Sexual Assault Awareness Month	24
e. Proclamation: Declaring Month of the Military Child	26
f. Proclamation: Declaring Municipal Clerks Week	28
g. Proclamation: Declaring Police Officers Memorial Day and Police Week.....	30
h. Public Comments (limited to 3 minutes) (486-3231)	
IV. Unfinished Business	
a. Continued First Reading, Ordinance No. 1316, Authorizing a Lease to Afognak Native Corporation of a 15,000 <u>17,727</u> Square Foot (0.34- <u>407</u> Acre) Portion of USS 4947 Located Adjacent to Tract D-1B.....	34
V. New Business	
a. First Reading, Ordinance No. 1318, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2013 and Ending on the Thirtieth Day of June 2014	56
b. Resolution No. 2014–20, Amending Sections 9.16, 11, and 12 of the Schedule of Fees, Charges, and Tariffs.....	72
c. Resolution No. 2014–21, Authorizing the Borrowing From the Alaska Drinking Water Fund of an Aggregate Amount Not to Exceed \$6,000,000 to Pay for the Construction of the Monashka Pump House and Repealing Resolution No. 2014–10.....	88
d. Authorization of Bid Award for Bid Package A and Pumps and Motors for Construction of the New Monashka Pumphouse, Project No. 11-05/7092.....	102
e. Authorization of Amendment No. 4 to the Professional Services Contract for Construction Management Services for the New Monashka Pumphouse, Project No. 11-05/7092	136
f. Authorization of Sole Source Purchase of Yard Piping for Construction of the New Monashka Pumphouse, Project No. 11-05/7029.....	154
g. Authorization of Amendment No. 1 to the Professional Services Contract for Construction Management Services for the Aleutian Homes Phase 5, Segment B, Project No. 10-03/7026.....	160
h. Authorization of Bid Award for Aleutian Homes Phase 5, Segment B, Project No. 10-03/7026	170
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>DRAFT</p>

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, APRIL 10, 2014
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Randall C. Bishop, Charles E. Davidson, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Councilmember Terry J. Haines was absent. City Manager Aimée Kniaziowski, City Clerk Debra L. Marlar, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

After the Pledge of Allegiance, Salvation Army Sergeant Major Dave Blacketer gave the invocation.

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the March 27, 2014, regular meeting as presented.

The roll call vote was Councilmembers Bishop, Davidson, Saravia, Walker, and Whiddon in favor. Councilmember Haines was absent. The motion passed.

III. PERSONS TO BE HEARD

a. Public Comments

None

IV. UNFINISHED BUSINESS

a. Second Reading and Public Hearing, Ordinance No. 1317, Amending Kodiak City Code 8.68.010, Definitions, to Conform to the Naming of the New City Library

Mayor Branson read Ordinance No. 1317 by title. This ordinance corrects the name of the new library facility as the Kodiak Public Library where it is referenced in Kodiak City Code 8.68.010 to define the word “library.” When the City Council formalized the name change from the A. Holmes Johnson Public Library to the Kodiak Public Library in April 2013, this section of code was not amended to reflect the change. Ordinance No. 1317 was passed in the first reading on March 27, 2014.

Councilmember Davidson MOVED to adopt Ordinance No. 1317.

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

The roll call vote was Councilmembers Bishop, Davidson, Saravia, Walker, and Whiddon in favor. Councilmember Haines was absent. The motion passed.

V. NEW BUSINESS

a. Resolution No. 2014–14, Authorizing the Issuance of a Permit to the Kodiak Chamber of Commerce for Use of Public Property in Conjunction With the Kodiak Crab Festival

Mayor Branson read Resolution No. 2014–14 by title. The Kodiak Chamber of Commerce is the local organization that manages the annual Kodiak Crab Festival, one of Kodiak’s premiere events. It promotes Kodiak, gives a boost to the local economy, and provides fundraising opportunities for many local organizations and non-profits. This year the festival will run from May 22 through May 26, 2014. As in past years, Council authorizes a permit for the activities associated with Kodiak Crab Festival by adoption of a resolution.

Councilmember Bishop MOVED to adopt Resolution No. 2014–14.

The roll call vote was Councilmembers Bishop, Davidson, Saravia, Walker, and Whiddon in favor. Councilmember Haines was absent. The motion passed.

b. Resolution No. 2014–15, Authorizing the Issuance of a Permit to the Kodiak Garden Club for Use of Public Property for Its Annual Plant Sale

Mayor Branson read Resolution No. 2014–15 by title. Resolution No. 2014–15 authorizes the issuance of a permit to the Kodiak Garden Club to use the covered area of the Baranof Park ice rink to hold its annual plant sale on June 7, 2014.

Councilmember Walker MOVED to adopt Resolution No. 2014–15.

The roll call vote was Councilmembers Bishop, Davidson, Saravia, Walker, and Whiddon in favor. Councilmember Haines was absent. The motion passed.

c. Resolution No. 2014–16, Authorizing the Issuance of a Permit to the Humane Society of Kodiak for Use of Public Property for Its Annual Planted Basket Sale

Mayor Branson read Resolution No. 2014–16 by title. Resolution No. 2014–16 authorizes the issuance of a permit to the Humane Society of Kodiak to use the covered area of the Baranof Park ice rink to hold its annual planted basket sale on May 31, 2014.

Councilmember Whiddon MOVED to adopt Resolution No. 2014–16.

The roll call vote was Councilmembers Bishop, Davidson, Saravia, Walker, and Whiddon in favor. Councilmember Haines was absent. The motion passed.

d. Resolution No. 2014–17, Authorizing the Issuance of a Permit to Kodiak Little League for the Use of Public Property for Its Baseball Camp Fundraiser and to Sell Concessions During Games

Mayor Branson read Resolution No. 2014–17 by title. The Kodiak Little League (KLL), a local non-profit organization, is requesting the use the Baranof Park baseball field to sponsor a baseball camp for youth from June 2-4, 2014. The camp will raise funds and teach participants the techniques and fundamentals of baseball. Also, KLL has requested permission to sell concessions at its games at East Addition and Baranof Park.

Councilmember Bishop MOVED to adopt Resolution No. 2014–17.

The roll call vote was Councilmembers Bishop, Davidson, Saravia, Walker, and Whiddon in favor. Councilmember Haines was absent. The motion passed.

e. Resolution No. 2014–18, Rescinding Resolution No. 06–7 and Re-Establishing a Per Diem Payment Policy

Mayor Branson read Resolution No. 2014–18 by title. City Council members discussed the City’s existing travel per diem rate of \$45 per day and reviewed other per diem rates and policies at their March 25 work session. Consensus was reached that the per diem rate should be replaced with the federal per diem rate, which is used by other municipalities, including the Kodiak Island Borough.

Councilmember Davidson MOVED to adopt Resolution No. 2014–18.

The roll call vote was Councilmembers Bishop, Davidson, Saravia, Walker, and Whiddon in favor. Councilmember Haines was absent. The motion passed.

f. Resolution No. 2014–19, Rescinding Resolution No. 2011–10 and Re-Establishing Funding Criteria for Nonprofit Grants

Mayor Branson read Resolution No. 2014–19 by title. Staff prepared Resolution No. 2014–19, which amends the funding criteria for nonprofit grant awards, based on Council discussion and consensus reached during the March 25 and April 8, 2014, work sessions.

Councilmember Whiddon MOVED to adopt Resolution No. 2014–19.

The roll call vote was Councilmembers Bishop, Davidson, Saravia, Walker, and Whiddon in favor. Councilmember Haines was absent. The motion passed.

VI. STAFF REPORTS

a. City Manager

Manager Kniazowski said Alaska Shield 2014, which was held March 28, 2014, had good participation. She thanked Fire Chief Kamai for creating the training scenarios used during Alaska Shield 2014 and for organizing the hazmat activity for the Fire department during the first week of April. She stated she has been following the legislative budget discussions and emphasized the importance state funding for the Monashka pumphouse, Aleutian Homes Phase V, and E911 system. Manager Kniazowski said she has been meeting with department heads to prepare and present budget packets to Council on April 24, 2014. She said in response to a suggestion from

Senator Gary Steven's office, KEA, City of Kodiak, and Kodiak Island Borough are working on a reception for the Alaska Energy Authority, which is scheduled for May 13. She said the Department of Transportation will be in Kodiak May 21 to discuss the preliminary design to replace the Tustumena, and the City is coordinating participation with the village communities. Manager Kniazowski stated she was on jury duty last week. She said Harbormaster Owen's retirement gathering is scheduled for Friday, May 9, 2014, from 6 to 7:30 p.m. She gave an update on the two Monashka pumphouse bids. She stated the emergency preparedness training for the Council is tentatively scheduled for June 19, and an invitation will be extended to the KIB Assembly when the training date is confirmed. Manager Kniazowski expressed condolences to Bob Hatcher's family.

b. City Clerk

City Clerk Marljar informed the public of the next scheduled Council work session and special and regular meetings. She said that April is Records and Information Management month, and she thanked Deputy Clerk Shuravloff-Nelson, the City's records manager, and all records coordinators for their hard work, stating the City presently manages over 100,000 records. She said the Clerk's Office will work toward storing electronic records in compliance with records policies to ensure records can be retrieved in the event of a local disaster.

VII. MAYOR'S COMMENTS

Mayor Branson said records management is an important function of the City and thanked the records manager and departmental staff for their contribution. She said that the Monashka pumphouse, Aleutian Homes Phase V, and E911 system continue to stay in the Governor's budget, and she thanked Senator Stevens for his representation. She said that she and Councilmember Whiddon testified at the North Pacific Fisheries Management Council meeting and Fisheries Analyst Heather McCarty was in attendance and received positive feedback on Kodiak's work in fisheries. She said the Downtown Kodiak Revitalization Special Committee will give an update at the next regular meeting with the sub-committee chairs, and she thanked Deputy Clerk Shuravloff-Nelson for providing administrative support during the meetings.

VIII. COUNCIL COMMENTS

Councilmember Walker expressed condolences to the family of Bob Hatcher. He urged citizens to have a safe weekend. He said boys' track is starting, and the new field is being used by boys' baseball.

Councilmember Davidson expressed condolences to the Bob Hatcher family.

Councilmember Whiddon expressed condolences to the Bob Hatcher family. He gave an update on the Fisheries Work Group meeting scheduled for next Friday and thanked Dave Blacketer for routinely coming to the Council meeting, giving an invocation, and providing meaningful prayers.

Councilmember Saravia expressed condolences to the Bob Hatcher family. He thanked Clerk Marljar and Records Manager Shuravloff-Nelson for their work on the records program. He gave a fishing update and thanked Police Chief Wallace and Manager Kniazowski for their work.

Councilmember Bishop expressed condolences to the Bob Hatcher family. He said he recently went to a convention and trade show in Las Vegas for the nightlife industry. He thanked Clerk Marlar for her 20 years of service. He urged the public get outside and enjoy the nice weather and to take care of their health.

IX. AUDIENCE COMMENTS

None

X. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

The roll call vote was Councilmembers Bishop, Davidson, Saravia, Walker, and Whiddon in favor. Councilmember Haines was absent. The motion passed.

The meeting adjourned at 8:02 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

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PERSONS TO BE HEARD

MEMORANDUM TO COUNCIL

Date: April 24, 2014

Agenda Item: III. a. Interim Report of the Downtown Kodiak Revitalization Special Committee

SUMMARY: In July 2013 the Council established the Downtown Kodiak Revitalization Special Committee, Chaired by Mayor Branson, to focus on community concerns pertaining to safety, security, economic development, and aesthetic appeal of downtown Kodiak. Mayor Branson appointed three subcommittees to address economic development, social issues and public safety, and beautification and public space improvements. The Special Committee and subcommittees have met several times during the past eight months. The committee chairs are present to provide status reports.

ATTACHMENTS:

Attachment A: Downtown Kodiak Revitalization Vision Statement

Attachment B: Action Initiatives

DOWNTOWN KODIAK REVITALIZATION



PROBLEM STATEMENT

Increasingly fewer Kodiak citizens consider downtown as a primary center for living, leisure and business.

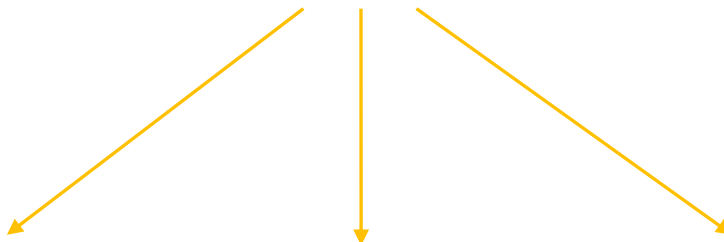
VISION STATEMENT

The Downtown Revitalization effort strives toward a vision that Kodiak residents and visitors utilize the downtown area as the primary year-round hub for living, leisure, government and business.

Vision Statement & Action Initiatives

ACTION INITIATIVES

Established three areas of focus and developed Sub-Committees.



FY2015 PRIORITIES



**ECONOMIC
DEVELOPMENT SUB-
COMMITTEE**

**SOCIAL ISSUES AND
PUBLIC SAFETY SUB-
COMMITTEE**

**BEAUTIFICATION AND
PUBLIC SPACE
IMPROVEMENTS SUB-
COMMITTEE**

Downtown Kodiak Revitalization

Action Initiatives:

	<u>Short-Term Priorities</u>	<u>Key People: Who needs to be involved to accomplish priorities?</u>	<u>Partnerships</u>	<u>Resources needed to accomplish priority</u>	<u>Time to accomplish priority</u>
	Beautification and Public Space Improvements				
1	Survey downtown business owners and employees for ideas for beautifying		Chamber of Commerce		Completed by Fall 2014
2	Place many more attractive garbage/recycling cans downtown and empty them regularly		Tobacco Alliance		Completed May 2014
3	Address the issues surrounding St. Paul's Plaza (pocket park)				
4	Monitor littering, through surveillance cameras and patrol-collect fines and give mandatory community service to those caught				Begin July 2014
4a.	Use littering fines to give incentives to business owners who beautify their storefront		Island Trails Network, Sam Rhorer, and Sun'aq		Begin July 2014
5	Ensure the Thelma C exhibit is installed at planned site				Completed April 2014
	Install stairs up from Senior Citizens of Kodiak parking lot to bridge and crosswalk from bridge across Rezanof: Note study for stairway would need to be completed prior to installation	Engineering department	Fish & Wildlife, Brechan Enterprises, Senior Center, Island Trails Networks		Begin March 2014
6	Develop map of various themed "community paths" of Kodiak		Island Trails Network		Begin May 2014
7	Start a weekly column in the paper "Beautiful Kodiak" to celebrate businesses that are making downtown Kodiak beautiful		Chamber of Commerce, Kodiak Daily Mirror		Begin June 2014
8	Beautiful "Welcome to Kodiak" sign installed downtown, possibly overlooking harbor		Rotary	Telethon	Completed September 2014
9	Beautiful "Welcome to Kodiak" sign installed downtown, possibly overlooking harbor		Kodiak Maritime Museum		Completed Winter 2014
10	Beautify the restroom building				

Downtown Kodiak Revitalization
Action Initiatives:

	<u>Short-Term Priorities</u>	<u>Key People: Who needs to be involved to accomplish priorities?</u>	<u>Partnerships</u>	<u>Resources needed to accomplish priority</u>	<u>Time to accomplish priority</u>
	Beautification and Public Space Improvements				
11	Increase monitoring of downtown parks (St. Paul's Plaza and Sargent)	KPD			Begin June 2014
12	Redesign landscaping at the Y		Rice Family		Begin July 2014
13	Establish events that bring people downtown				
14	Farmers Market-The summer Farmers Market could fit in the Sun'aq Tribal Hall (with permission), and spill out into the pocket park, under awnings and in area			USDA FFPP	Begin June 2015
15	Harbor Lights Festival		Maritime Museum		In December 2014
16	Develop the theme that we want for downtown so efforts can be focused and complimentary				
	Economic Development				
1	Survey downtown businesses on the issues that have been identified				
2	Paint over graffiti at the Harbor facilities			Parks and Recreation, KIBSD	
3	Parking enforcement and review allocation of all day and two hour parking				
4	Sandwich Boards - continual enforcement of the code				
5	Parking requirements are in review by Planning and Zoning				
6	Rotary Sign- "Welcome Kodiak		Rotary		
	Social Issues and Public Safety				
1	Snow Removal and Garbage Clean up				
2	Removal of Junk Vehicles from parking lots				
3	Pocket Park redesign to eliminate loitering and install bicycle racks to barricade from cars				

Downtown Kodiak Revitalization
Action Initiatives:

<u>Long-Term Priorities</u>	<u>Key People: Who needs to be involved to accomplish priorities?</u>	<u>Partnerships</u>	<u>Resources needed to accomplish priority</u>	<u>Time to accomplish priority</u>
Beautification and Public Space Improvements				
1	Make the border of the harbor clearly walkable	Island Trails Network		2016
2	Make a lot at Kashevaroff and Mill Bay into a small children's park			2016
3	Upgrade the area between Henry's and Tony's			2017-2019
3a.	Replace the roof with clear cover			
3b.	Install a brightly colored mural		Rasmuson	
4	Increase crosswalks as designed in 2002 Community design workshop report			2017-2019
5	After the replacement of pipes downtown;			2017-2019
5a.	Reinstall a consistent awning or complimentary facades that will bring together		ArtPlace	
5b.	Get rid of slanted rock wall and widen walkway area to add in a green space			
5c.	Cover "artist alley"		ArtPlace	
5d.	Convert block of Marine Way between Sargent Park and Refuge into pedestrian historic core area			
5e.	Create green space between Tony's and NPMC building			

Downtown Kodiak Revitalization
Action Initiatives:

	<u>Long-Term Priorities</u>	<u>Key People: Who needs to be involved to accomplish priorities?</u>	<u>Partnerships</u>	<u>Resources needed to accomplish priority</u>	<u>Time to accomplish priority</u>
	<u>Economic Development</u>				
1	Destination - the main thoroughfares bypass the downtown area, retailers want to be on a main highway. Retailers are moving to the midtown area to be on Mill Bay Rd. Downtown buildings are being turned into office space.				
2	Absentee Landlords-building maintenance needs to come from peer businesses, painting and beautification doesn't fall within code enforcement				
3	Harbor facilities and maintenance -continue to maintain current facilities. Replace older signs and add more informative signs, example is the sign on Shelikof St.				
4	Parking- evaluate the plan worked on by P & Z				
	<u>Social Issues and Public Safety</u>				
1	Have a Day Shelter with support services				
2	Showers and Laundry facilities in downtown Kodiak to support the fishing industry.				

MEMORANDUM TO COUNCIL

Date: April 24, 2014

Agenda Item: III. b. Public Hearing on Proposed Fee Schedule Amendments

SUMMARY: The City sets its fees and charges for various services by a resolution of the Council. The public hearing on proposed fee schedule amendments is scheduled prior to New Business item b, Resolution No. 2014–20, Amending Sections 9.16, 11, and 12 of the Schedule of Fees, Charges and Tariffs. The proposed changes to fees are pertaining to the Harbor Department, Library, and Parks & Recreation departments. The Harbor fee changes are proposed to take effect on May 1, 2014, and the other changes will be effective July 1, 2014.

The Council has requested a public hearing prior to amending fees.

NOTES/ATTACHMENTS:

Attachment A: Resolution No. 2014–20

CITY OF KODIAK RESOLUTION NUMBER 2014–20

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AMENDING SECTIONS 9.16, 11, AND 12 OF THE SCHEDULE OF FEES, CHARGES, AND TARIFFS

WHEREAS, at its February 13, 2014, regular meeting the Kodiak City Council approved its budget goals for FY2015, including annually reviewing and updating the Schedule of Fees, Charges, and Tariffs; and

WHEREAS, at its April 8, 2014, work session the Kodiak City Council voiced a consensus to increase shipyard rates.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Sections 9.16, 11 and 12 of the City’s Schedule of Fees, Charges, and Tariffs are hereby amended as follows:

Section 1. Section 9.16 of the City’s Schedule of Fees, Charges, and Tariffs is hereby amended as follows:

9.16	Shipyard	
	<ul style="list-style-type: none"> • <i>Payment, without pre-approved credit, is 50% of the estimated yard fees and is due before the lift; the remainder must be paid prior to launch.</i> • <i>Lifts taking more than four hours will be assessed extra labor and/or machine time.</i> • <i>Dry dockage is assessed the entire time the vessel remains in the yard.</i> 	
9.16.1	Lift, Block, and Launch	
9.16.1.1	Vessels up to 80'	53.00 <u>69.00</u> /ft
9.16.1.2	81' to 100'	60.00 <u>78.00</u> /ft
9.16.1.3	101' to 120'	72.00 <u>94.00</u> /ft
9.16.1.4	121' to 150'	85.00 <u>111.00</u> /ft
9.16.1.5	151' and up	92.00 <u>120.00</u> /ft
9.16.2	After hours surcharge	+ 20% / ft
9.16.2.1	Nonstandard Lift (operator and lift)	1,500.00/hr
9.16.2.2	Travel strap set up	T,M&E ** 15%
9.16.2.3	Inspection Lift, includes 1 hour hang time free	75% of lift per launch
9.16.2.4	Hang Time (other than wash pad).....	275.00 ea. add. hour
9.16.2.4.1	Hang Time, on wash pad	200.00/hr
9.16.2.4.2	Hang Time, on heated wash pad	300.00/hr
9.16.5	Delay of Lift	250.00/half hour
9.16.6	Pressure Wash (and scrape if necessary)	T, M, & E*
9.16.7	Reposition	50% of lift / launch
9.16.8	Scheduling Deposit (credited to lift or forfeited if the vessel is late or no show).....	750.00
9.16.9	Dry Dockage Space (lay day)	2.65 <u>2.90</u> /ft/day
<u>9.16.9.1</u>	<u>Less than 14 days</u>	<u>2.90</u> /ft/day

9.16.9.2	<u>Greater than 14 days</u>	<u>2.65/ft/day</u>
9.16.10	On-site Storage	
9.16.10.1	Daily (first three days or portion thereof no charge)	0.05/ft/day
9.16.10.2	Minimum charge	15.00
9.16.11	Vendor (must be preapproved and have \$1 million liability coverage)	
9.16.11.1	Annual vendor fee	500.00/yr
9.16.11.2	Per vessel vendor fee (one-time use)	250.00
9.16.12	Utilities (includes water)	
9.16.12.1	120v single-phase 30 amp or actual kWh cost, whichever is greater	20.00/day
9.16.12.2	208v single-phase 50 amp or actual kWh cost, whichever is greater	40.00/day
9.16.12.3	208v three-phase 100 amp or actual kWh cost, whichever is greater	50.00/day
9.16.12.4	480v three-phase 100 amp or actual kWh cost, whichever is greater	70.00/day
9.16.13	Equipment Rental	
9.16.13.1	Fork lift	75.00/half hr
9.16.13.2	Man lift	75.00/half hr
9.16.13.3	Pressure Washer	250.00/day
9.16.13.4	Other	T, M & E*
9.16.14	Environmental Tarp (ground tarp required for all bottom work)	Cost + 15%
9.16.15	Waste Disposal	
9.16.15.1	Used oil	1.00/gallon
9.16.15.2	Dumpster (5.5 yard)	110.00/tip
9.16.15.3	Non-Hazardous liquids, including oil bilge water	2.25/gallon
9.16.15.4	Hazardous	Cost + 15%
9.16.15.5	Other, e.g., metals and wood	Cost + 15%
9.16.16	Labor	
9.16.16.1	City Employee, straight time	65.00/hr
9.16.16.2	City Employee, overtime	95.00/hr
9.16.16.3	Contract service provider (e.g., diver, lift operator, etc)	Cost + 15%
9.16.17	Environmental Surcharge	2.5% of gross
9.16.18	Other Fees and Services	Cost + 15%

*T, M, & E: Time (i.e., labor hours), materials, and equipment hours

Section 2. Section 11 of the City’s Schedule of Fees, Charges, and Tariffs is hereby amended as follows:

Section 11 Library Services

11.1	Book Library material, lost or destroyed	Replacement book -cost <u>plus</u> <u>5.00</u>
11.2	Card replacement	5.00
11.3	Copy charge	
11.3.1	Computer printed copy	
11.3.1.1	Black and white <u>computer printer copies</u>	0.20
11.3.1.2	Color <u>computer printer copies</u>	0.30
11.3.2	Photocopy	
11.3.2.1	Black and white	0.20
11.3.2.2	Color	1.00 <u>40</u>
11.4	Facsimile (fax) charge for public use	

11.4.1	To receive per page	1.00
11.4.2	To send	
11.4.2.1	First page	3.00 <u>2.00</u>
11.4.2.2	Each additional page.....	2.00 <u>1.00</u>
11.5	Overdue fees	
11.5.1	All library materials, per item, per day (maximum \$5.00)	0.10
11.5.2	Interlibrary loan per day	1.00
11.6	Temporary Visitor library card (refundable upon return within 1 year)	10.00
		<u>Annual fee</u>
11.7	Public pay phone, per three minute phone call.....	0.25
<u>11.7</u>	<u>Multipurpose room rental fee</u>	
<u>11.7.1</u>	<u>One-time use (use by individual or groups for a one-time use for fee-based training and/or certification, corporate development session, convention work-shop, or social occasion)</u>	<u>75.00</u>
<u>11.7.2</u>	<u>Series use (use by an individual or groups for a series of events or classes over a duration of time such as weekly, quarterly, seasonally, etc. for fee-based training and/or certifications, corporate development sessions, convention work-shops, or social occasions)</u>	<u>175.00</u>
<u>11.8</u>	<u>Alaskana room rental fee</u>	
<u>11.8.1</u>	<u>One-time use (use by individual or groups for a one-time use for fee-based training and/or certification, corporate development session, convention work-shop, or social occasion)</u>	<u>25.00</u>
<u>11.8.2</u>	<u>Series use (use by an individual or groups for a series of events or classes over a duration of time such as weekly, quarterly, seasonally, etc. for fee-based training and/or certifications, corporate development sessions, convention work-shops, or social occasions)</u>	<u>75.00</u>

Section 3. Section 12 of the City’s Schedule of Fees, Charges, and Tariffs is hereby amended as follows:

Section 12 Parks and Recreation

(Note: For activities not listed the Parks & Recreation Department will establish the activity/program fee.)

12.1	City League Basketball	
12.1.1	Sponsorship for A, B, C Divisions	340.00
12.1.2	Sponsorship for Open Division.....	440.00
12.1.3	Individual registration fee	
12.1.3.1	— A, B, C Divisions.....	55.00
12.1.3.2	— Open Division.....	70.00
12.1.3.3	— Student.....	35.00
12.1.4	Combined Fees	
12.1.4.1	— A, B, C Divisions.....	800.00
12.1.4.2	— Open Division.....	1,000.00
12.1.4.3	— Student.....	450.00
12.1.5	Youth Dribblers	
12.1.5.1	— Registration fee	20.00
12.1.5.2	— Late registration fee.....	25.00
12.1.6	Summer Solstice 3-on-3 basketball	5.00/per team
12.2	City League Volleyball	
12.2.1	Player fee, A Division	30.00
12.2.2	Player fee, B Division	25.00
12.2.3	Player fee, C Division (youth/women).....	15.00
12.3	Hockey, youth	
12.3.1	—Registration fee	30.00
12.3.2	—Late registration fee	40.00

12.4	Ice-Rink	
12.4.1	Facility rental, per hour.....	100.00
12.4.2	Lessons (5), early registration.....	20.00
12.4.3	Lessons (5), late registration.....	25.00
12.4.4	Clinics (5 sessions).....	20.00
12.4.5	Dasher board signage, per year.....	350.00
12.5	Racquetball	
12.5.1	Adults.....	2.00/per hr
12.5.2	Youth, 18 years of age or less.....	1.00/per hr
12.5.3	Monthly pass.....	20.00
12.6	Road Races	
12.6.1	July 4th 10K.....	5.00
12.6.2	Pillar Mountain Race.....	15.00
12.6.3	Marathon.....	15.00
12.6.4	Pasagshak Bike Race.....	25.00
12.6.5	Triathlon, youth.....	10.00
12.6.6	Triathlon, adult.....	15.00
12.6.7	Ultra-marathon.....	20.00
12.7	Swimming Pool and High School Gym	
12.7.1	Adults.....	2.00
12.7.2	Ages 4-18.....	1.00
12.7.3	Infant - 3 years.....	Free
12.7.4	Senior citizens.....	1.00
12.7.5	Monthly pool pass, adult.....	20.00
12.7.6	Monthly pool pass, youth (18 years of age or less).....	10.00
12.7.7	Red Cross water safety class.....	75.00
12.7.8	Red Cross lifeguard class.....	75.00
12.7.9	Youth swim lessons, 8 lessons.....	25.00
12.7.10	Open gym, per person, per session.....	
12.7.10.1	—Adult.....	2.00
12.7.10.2	—Youth.....	1.00
12.7.11	Indoor soccer, per player, per session	
12.7.11.1	—Adult.....	2.00
12.7.11.2	—Youth.....	1.00
12.8	Teen Center Auditorium	
12.8.1	Private/commercial, per hour.....	25.00
12.8.2	Nonprofit, per hour.....	15.00
12.9	Teen Dances, per person.....	2.00 to 5.00
12.10	Youth Programs, per 2-week session	
12.10.1	—Morning programs	
12.10.1.1	One in family.....	20.00
12.10.1.2	Two or more in same family.....	45.00
12.10.2	—Youth soccer league	
12.10.2.1	—Registration fee.....	20.00
12.10.2.2	—Late registration fee.....	25.00
Section 12	Parks and Recreation	
	(Note: For activities not listed the Parks & Recreation Department will establish the activity/program fee. Youth includes ages 4-18; Adult 19-65; Senior 65+)	
12.1	City Organized Activities	
12.1.1	Basketball	
12.1.1.1	Adult Recreation Basketball Per Season Per Team.....	340.00
12.1.1.2	Adult Tournament Basketball Per Tourney Per Team.....	440.00

12.1.1.3	<u>Little Dribblers Per Season (6 weeks) Per Person</u>	<u>30.00</u>
12.1.2	<u>Volleyball</u>	
12.1.2.1	<u>Adult Recreation Volleyball Per Season Per Team</u>	<u>340.00</u>
12.1.2.2	<u>Adult Tournament Volleyball Per Tourney Per Team</u>	<u>440.00</u>
12.1.3	<u>Soccer</u>	
12.1.3.1	<u>Youth Soccer Per Season (6 weeks) Per Individual</u>	<u>20.00</u>
12.1.4	<u>Races</u>	
12.1.4.1	<u>Per Race Per Adult</u>	<u>15.00</u>
12.1.4.2	<u>Per Race Per Youth/Senior</u>	<u>5.00</u>
12.1.5	<u>Summer Program</u>	
12.1.5.1	<u>Per Session (2 Week) Per Child</u>	<u>20.00</u>
12.2	<u>City Facility</u>	
12.2.1	<u>Ice Rink</u>	
12.2.1.1	<u>Per Session Per Adult</u>	<u>3.00</u>
12.2.1.2	<u>Per Session Per Student/Senior</u>	<u>1.00</u>
12.2.1.3	<u>Per Month Per Adult</u>	<u>30.00</u>
12.2.1.4	<u>Per Month or Team's Season (6 week) Per Student</u>	<u>10.00</u>
12.2.1.5	<u>Dasher Board Signs Per Year</u>	<u>350.00</u>
12.2.1.6	<u>Rental Per Hour</u>	<u>100.00</u>
12.2.2	<u>Swimming Pool</u>	
12.2.2.1	<u>Per Session Per Adult</u>	<u>3.00</u>
12.2.2.2	<u>Per Session Per Youth/Senior</u>	<u>1.00</u>
12.2.2.3	<u>Per Month Per Adult</u>	<u>30.00</u>
12.2.2.4	<u>Per Month or Teams Season (6 week) Per Student/Senior</u>	<u>10.00</u>
12.2.2.4	<u>Infant - 3 years</u>	<u>Free</u>
12.2.1.6	<u>Rental Per Hour</u>	<u>None</u>
12.2.3	<u>Teen Center</u>	
12.2.3.1	<u>Racquetball Per Adult Per Session (1 hour)</u>	<u>3.00</u>
12.2.3.2	<u>Racquetball Per Month Per Adult</u>	<u>30.00</u>
12.2.3.3	<u>Auditorium Per 3 Hour Block</u>	<u>100.00</u>
12.2.4	<u>East Addition Recreation Building</u>	
12.2.4.1	<u>Per Three Hour Block</u>	<u>100.00</u>

BE IT FURTHER RESOLVED that the fee changes in Section 1 shall be effected May 1, 2014.

BE IT FURTHER RESOLVED that the fee changes in Sections 2 and 3 shall be effected July 1, 2014.

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

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

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MEMORANDUM TO COUNCIL

Date: April 24, 2014

Agenda Item: III. c. Proclamation: Declaring Child Abuse Prevention Month

SUMMARY: This proclamation urges all citizens to increase their participation in efforts to prevent child abuse, thereby strengthening the communities in which we live.

ATTACHMENTS:

Attachment A: Proclamation: Declaring Child Abuse Prevention Month

PROCLAMATION Declaring Child Abuse Prevention Month

WHEREAS, Kodiak children deserve to grow up in a safe and nurturing environment to assure they reach their full potential; and

WHEREAS, Alaska has one of the highest child abuse rates in the nation; and

WHEREAS, the effects of child abuse and neglect are realized throughout the community; and

WHEREAS, addressing child abuse challenges us to work together and involve the entire community in preventing child abuse and strengthening families; and

WHEREAS, all citizens have a responsibility to help families nurture, support, and protect their children to assure that all Kodiak children are safe from abuse and neglect; and

WHEREAS, all citizens should be aware of the impact of child abuse and its prevention within the community, and support parents to raise their children in a safe, nurturing environment; and

WHEREAS, effective child abuse prevention programs succeed because of partnerships created among social services agencies, schools, religious and civic organizations, law enforcement agencies, and the business community.

NOW THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim April 2014 as

CHILD ABUSE PREVENTION MONTH

in Kodiak and call upon all citizens to increase their participation in our efforts to prevent child abuse, thereby strengthening the communities in which we live.

Dated this 24th day of April 2014.

City of Kodiak

Pat Branson, Mayor

MEMORANDUM TO COUNCIL

Date: April 24, 2014

Agenda Item: III. d. Proclamation: Declaring Sexual Assault Awareness Month

SUMMARY: This proclamation encourages all Alaskans to support local activities and programs that assist victims of sexual assault and to learn more about the pervasiveness of sexual assault in Alaska, so we may eliminate this terrible crime.

ATTACHMENTS:

Attachment A: Proclamation: Declaring Sexual Assault Awareness Month

PROCLAMATION

Declaring Sexual Assault Awareness Month

WHEREAS, every Alaskan has the right to live free from harm and the fear of sexual assault or abuse; and

WHEREAS, nobody has the right to force, coerce, threaten, or manipulate anyone into sexual activity; and

WHEREAS, sexual assault is a devastating crime that affects children, women, and men of all racial, cultural, and economic backgrounds; and

WHEREAS, the rate of sexual violence against women is unacceptable, with 37 percent of Alaskan women having experienced sexual violence in their lifetime, and forcible rape occurs in Alaska approximately two and a half times more often than the national average; and

WHEREAS, the crime of sexual assault violates an individual's humanity, dignity, security, and privacy; and

WHEREAS, victims often suffer in silence for fear of further injury, and in addition to the initial trauma, victims and survivors too often experience long lasting impacts such as feelings of shame, or difficulty in personal relationships; and

WHEREAS, with leadership, dedication, and encouragement, there is compelling evidence that we can be successful in reducing sexual violence through prevention, education, increased awareness, and holding perpetrators who commit acts of violence accountable for their actions; and

WHEREAS, Kodiak is fortunate to have programs which strive to increase public awareness of the devastating pain and suffering caused by these crimes and provide victims with the support and advocacy needed to help cope with their trauma.

NOW, THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, Alaska, do hereby proclaim April 2014 as

SEXUAL ASSAULT AWARENESS MONTH

in Kodiak, and encourage all residents to support local activities and programs which assist victims, and to learn more about the pervasiveness of sexual assault in Alaska so we may eliminate this terrible crime.

Dated this 24th day of April 2014.

City of Kodiak

Pat Branson, Mayor

MEMORANDUM TO COUNCIL

Date: April 24, 2014

Agenda Item: III. e. Proclamation: Declaring Month of the Military Child

SUMMARY: This proclamation encourages all citizens to show appreciation and understanding to the military children in our communities, and recognize their commitment, courage, sacrifice, and continued resilience.

ATTACHMENTS:

Attachment A: Proclamation: Declaring Month of the Military Child

PROCLAMATION

Declaring Month of the Military Child

WHEREAS, Alaskans are deeply grateful for the many sacrifices made by our servicemen and women to protect the security and freedom of our great nation; and

WHEREAS, we also appreciate the special courage, strength, and sacrifice of the children and families of members of the military who provide support, endure long periods of separation, and move residences frequently; and

WHEREAS, today, thousands of Alaskan children currently have at least one parent serving in full time or active duty status in the armed forces; and

WHEREAS, the children of military men and women face unique challenges and need our support to help them succeed in the absence of their enlisted parent(s); and

WHEREAS, the Month of the Military Child was established in 1986 to pay tribute to military children for their incredible resilience, commitment, sacrifices, ability to deal with life changing events, and unconditional support for our troops; and

WHEREAS, this year marks Alaska's third annual "Purple Up! For Military Kids" observance, and all Alaskans were encouraged to wear purple, the color symbolizing all branches of the military, as a visible way to show support for Alaska's military children on April 15; and

NOW THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim April 2014 as

MONTH OF THE MILITARY CHILD

in Kodiak, and encourage all citizens to show appreciation and understanding to the military children in our communities, and recognize their commitment, courage, sacrifice, and continued resilience.

Dated this 24th day of April 2014.

City of Kodiak

Pat Branson, Mayor

MEMORANDUM TO COUNCIL

Date: April 24, 2014

Agenda Item: III. f. Proclamation: Declaring Municipal Clerks Week

SUMMARY: This proclamation recognizes our Municipal Clerks for the vital services they perform and their dedication to our community.

ATTACHMENTS:

Attachment A: Proclamation: Declaring Municipal Clerks Week

Proclamation

Declaring Municipal Clerks Week

May 4–May 10, 2014

WHEREAS, the Office of the Municipal Clerk, a time honored and vital part of local government, exists throughout the world; and

WHEREAS, the Office of the Municipal Clerk is the oldest among public servants; and

WHEREAS, the Office of the Municipal Clerk provides the professional link between the citizens and the local governing body; and

WHEREAS, Municipal Clerks have pledged to be ever mindful of neutrality and impartiality, rendering equal service to all; and

WHEREAS, the Municipal Clerk serves as the information center on functions of local government; and

WHEREAS, Municipal Clerks continually strive to improve the administration of the affairs of the Office of the Municipal Clerk through participation in education programs and annual meetings of their state and international professional organizations; and

WHEREAS, it is appropriate that we recognize the accomplishments of the Office of the Municipal Clerk.

NOW, THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim the week of May 4 through May 10, 2014, as

Municipal Clerks Week

in Kodiak and extend appreciation to our Municipal Clerks for the vital services they perform and for their dedication to our community.

Dated this 24th day of April 2014.

City of Kodiak

Pat Branson, Mayor

MEMORANDUM TO COUNCIL

Date: April 24, 2014

Agenda Item: III. g. Proclamation: Declaring Police Officers Memorial Day and Police Week

SUMMARY: This proclamation urges all citizens and patriotic, civic, and educational organizations to recognize police officers, past and present, who by their faithful and loyal devotion to their responsibilities, have rendered a dedicated service to their community and, in so doing, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

ATTACHMENTS:

Attachment A: Proclamation: Declaring Police Officers Memorial Day and Police Week

PROCLAMATION
Declaring May 15, 2014, Peace Officers Memorial Day and
May 11 through 17, 2014, Police Week

WHEREAS, the Congress and President of the United States have designated May 15 as Peace Officers' Memorial Day, and the week in which May 15 falls is National Police Week; and

WHEREAS, the members of the Kodiak Police Department play an essential role in safeguarding the rights and freedoms of Kodiak citizens; and

WHEREAS, it is important that all citizens know and understand the duties, responsibilities, hazards, and sacrifices of the Kodiak Police Department, and that members of the Department recognize their duty to serve the people by safeguarding life and property, by protecting them against violence and disorder, and by protecting the innocent against deception and the weak against oppression; and

WHEREAS, the men and women of the Kodiak Police Department unceasingly provide a vital public service, and it is appropriate that we recognize their accomplishments and sacrifices.

NOW, THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim May 15, 2014, as

PEACE OFFICERS' MEMORIAL DAY

in Kodiak and encourage all citizens to honor those law enforcement officers who, through their courageous deeds, have made the ultimate sacrifice in service to their community or have become disabled in the performance of duty, and let us recognize and pay respect to the survivors of our fallen heroes.

I further proclaim the week of May 11 through 17, 2014, as

POLICE WEEK

in Kodiak and urge all citizens and patriotic, civic, and educational organizations to recognize police officers, past and present, who by their faithful and loyal devotion to their responsibilities, have rendered a dedicated service to their community and, in so doing, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

Dated this 24th day of April 2014.

City of Kodiak


Pat Branson, Mayor

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UNFINISHED BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager 

Date: April 24, 2014

Agenda Item: IV. a. Continued First Reading, Ordinance No. 1316, Authorizing a Lease to Afognak Native Corporation of a ~~15,000~~17,727 Square Foot (~~0.34~~.407 Acre) Portion of USS 4947 Located Adjacent To Tract D-1B

SUMMARY: The Afognak Native Corporation has expressed interest in the purchase of City-owned land adjacent to their property on Near Island since 2009. Following a series of meetings with City staff starting in 2010, Afognak expressed the desire to acquire some or all of the land within USS 4947. With Council's decision to not sell City land, the discussions with Afognak turned to the idea of leasing property for the purposes of viewshed protection. Knowing Council's wish to complete an updated land use study on Near Island before entering into long-term property leases, the attached lease, which includes revisions to reflect the corrected rental area of 17,727 sf, is for a relatively short duration, and staff believes it is a benefit to Afognak and the City. This ordinance was postponed in the first reading at the February 13, 2014, regular meeting, because of a discrepancy in the lease survey. The discrepancy has been resolved. Staff recommends Council amend Ordinance No. 1316 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

PREVIOUS COUNCIL ACTION: Afognak made a presentation of their request to the City Council at the work session on December 10, 2013. Council expressed support for moving forward with a lease of this property to them. Ordinance No. 1316 was postponed in the first reading on February 13, 2014.

DISCUSSION: Afognak Native Corporation purchased land from the City on Alimaq Drive on Near Island and recently constructed their corporate headquarters there. They have maintained an interest in acquiring adjacent land on USS 4947 since before 2009.

City and Afognak staff met in 2012 to discuss land availability for a portion of land adjacent to their property. The City Manager explained that Council decided not to sell anymore City property, especially on Near Island. The Manager suggested Afognak consider leasing the property, which would protect their viewshed and benefit the City through retained ownership and revenue from the rent. Afognak made a written request in March 2013 (Attachment D) to request a long-term lease if the option to purchase was not possible. After a brief meeting in July 2013, it was agreed to move forward with a lease of the property. Afognak would get the property surveyed and the City would obtain an updated commercial appraisal for the property.

Afognak completed the survey of the requested parcel in December 2013, and the City received a final appraisal report in early December. The appraisal identified the market value of the parcel at \$95,000, or

\$6.34 per square foot for 15,000 square feet and recommended a lease rate of 8 percent of value. KCC 18.12.110 states the minimum rental price would be 1/10th of the current appraised value.

The discrepancy in the survey identifying the lease area was discovered the day the ordinance and lease were introduced at the Council meeting on February 13. The Council agreed to continue the first reading of the ordinance until the discrepancy was resolved. City staff worked with Afognak to walk the site and identify the area to be leased, and Afognak completed a new survey (Attachment B) that indicated the lease area to be 17,727 square feet. City staff confirmed the land value of the larger portion of USS 4947 remained the same.

Therefore, at 10 percent of the value the lease reflects a rate of \$930.67 per month for the duration of the five-year lease, which would become effective approximately 37 days from passage of the ordinance. The lease also provides for two successive five-year renewal options if both parties agree and the request is made in writing to the City. Staff believes the lease terms are reasonable and gives the City time to conduct a land use analysis and develop an updated plan for its Near Island properties to better address how to oversee development there as a wide variety of development and usage has occurred in recent years.

ALTERNATIVES:

1. Amend and pass Ordinance No. 1316 in the first reading, which is the staff recommendation, because it supports both Afognak and the City's interests at least in the near-term.
2. Delay or do not approve the ordinance, which is not recommended.

FINANCIAL IMPLICATIONS: The lease, if approved, will provide the General Fund with \$11,168 per year in rents over the course of a five-year period.

LEGAL: The City Attorney reviewed the request for staff and drafted the lease document attached. The lease must be authorized by ordinance to meet the requirements of Section V-17 of the City Charter and will not become effective for at least one month after final adoption of the ordinance. The lease rate is set per KCC 18.12.110, which states the minimum lease rate will be 1/10th of the current appraised value of the property which is \$112,389.

CITY MANAGER'S RECOMMENDATION AND COMMENTS: I support Afognak's request to lease the 17,727 sf parcel next to their property on Alimaq Drive. I believe it's in the City's best interest to enter this lease, because the City will retain ownership, the lease will provide revenue to the General Fund, and an updated land use study for Near Island can be prepared during the lease term. I believe the lease supports Afognak's investment in Kodiak and protects their viewshed, although they would prefer purchase or a long-term lease.

ATTACHMENTS:

Attachment A: Ordinance No. 1316

Attachment B: Proposed lease between the City and Afognak

Attachment C: MacSwain and Associates Summary of appraised value, dated Nov 25, 2013

Attachment D: Letter of request from Afognak, dated March 21, 2013

Clerk's Note: The motion to pass Ordinance No. 1316 in the first reading is already on the floor. The following amendment is suggested.

PROPOSED MOTION:

Move to amend Ordinance No. 1316 by striking 15,000 square feet and inserting 17,727 square feet and striking 0.34 acre and inserting 0.407 acre; and amending the lease document by substituting Section 4.2, which includes the updated lease amount, and Exhibits A and B, which include the corrected exhibits.

**CITY OF KODIAK
ORDINANCE NUMBER 1316**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING A LEASE TO AFOGNAK NATIVE CORPORATION OF A ~~15,000~~17,727 SQUARE FOOT (~~0.34~~0.407 ACRE) PORTION OF USS 4947 LOCATED ADJACENT TO TRACT D-1B

WHEREAS, the City of Kodiak (“City”) owns a ~~15,000~~17,727 square foot (~~0.34~~0.407 acre) portion of USS 4947 on Near Island located adjacent to Tract D-1B USS 4947 (“Premises”); and

WHEREAS, Afognak Native Corporation (“Afognak”), the owner of Tract D-1B, has requested to lease the Premises from the City to preserve the Premises as open space and protect the viewshed for Tract D-1B; and

WHEREAS, the City has determined that the Premises is not required for any public purpose, and that it is in the best interest of the City to authorize a lease of the Premises to Afognak.

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

Section 1: Notwithstanding anything to the contrary in Kodiak City Code Chapter 18.20, the Council of the City of Kodiak hereby authorizes the lease of the Premises to Afognak in the form now before this meeting (“Lease”), for a term of five years plus two five-year renewal options, and the City Manager hereby is authorized, empowered and directed to execute and deliver the Lease on behalf of the City, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as shall to her seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said document now before this meeting, and from and after the execution and delivery of said document, the City Manager and City Clerk, and their respective designees, each hereby is authorized, empowered and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of said document as executed.

Section 2: The Lease authorized by this ordinance is subject to the requirements of City Charter Section V-17. Therefore, 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

MAYOR

ATTEST:

CITY CLERK

First Reading: Postponed February 13, 2014

Continued First Reading:

Second Reading:

Effective Date:

**LEASE FOR CITY PROPERTY
BY AND BETWEEN
THE CITY OF KODIAK AND AFOGNAK NATIVE CORPORATION**

This LEASE FOR REAL PROPERTY (the “Lease”) is made and entered into and effective as of the ____ day of _____ 2014 (the “Effective Date”), by and between the CITY OF KODIAK, an Alaska municipal corporation (“Lessor”), and AFOGNAK NATIVE CORPORATION, an Alaska Native corporation (“Lessee”).

1. Premises. Lessor, for and in consideration of the rents, covenants, and conditions hereinafter specified to be paid, performed, and observed by Lessee, hereby leases to Lessee, and Lessee hereby leases from Lessor, the unimproved real property located in Kodiak, Alaska, more particularly described on Exhibit A and diagramed on Exhibit B, attached hereto, together with all rights, rights-of-way, easements, alleys, reversionary rights and privileges, and appurtenances now or hereafter belonging or appertaining thereto, pursuant to this Lease (the “Premises”). Lessor expressly reserves the right to grant easements or rights-of-way across the Premises.

2. Use and Acceptance of Premises.

2.1 Use. Lessee may use and occupy the Premises solely for maintaining the unobstructed viewshed of the Near Island Channel and the City of Kodiak from Lessee’s headquarters building on adjacent property. No structures shall be placed on the property. The Premises shall not be used for any other purpose without the prior written consent of Lessor, which Lessor may withhold in its sole discretion. Lessee shall keep the entire Premises in a clean, safe, sanitary, and orderly condition and in good maintenance, repair, and condition at all times. Lessee shall comply with all applicable federal, state, and local statutes, laws, rules, regulations, orders, and ordinances (regardless of their enactment date) affecting, in any manner or portion, the Premises, Lessee’s property, and/or Lessee’s operations. Lessee shall not use or permit any part of the Premises to be used for any unlawful or unauthorized purpose or perform, permit, or suffer any act or omission upon or about the Premises or improvements which would result in a nuisance or a violation of any applicable laws, ordinances, or regulations. Lessee shall not cause or permit any waste, damage, or injury to the Premises and shall not vacate or abandon the Premises at any time during the Term.

2.2 Acceptance. Lessee has inspected the Premises and Lessee accepts the Premises “AS IS, WITH ALL FAULTS.” Lessor makes no warranties, expressed or implied, concerning the title or condition of the Premises, including survey, access, utility availability, or suitability for use, including those uses authorized by this Lease. Lessor shall have no liability or obligation with respect to the condition, maintenance, or use of the Premises or any improvements hereinafter placed on the Premises.

3. Term.

3.1 Initial Term. The initial term of this Lease shall be for a period of five (5) years, beginning on the Effective Date and expiring at 11:59 pm, _____, 2019 (the “Initial Term”). On that date the lease will terminate, unless renewed as provided in Section 3.2.

3.2 Renewal Term. Lessee shall have the option to renew this Lease (“Renewal Option”) for two (2) successive five (5) year terms (each a “Renewal Term”) by giving Lessor written notice of its intent to commence a Renewal Term at least thirty (30) calendar days, but not more than sixty (60) calendar days, before the date the then current term would otherwise expire, provided that at the time of each renewal notice and the date of commencement of each Renewal Term, Lessee is in compliance with all Lease terms. Failure of Lessee to exercise the option as to any Renewal Term shall terminate the option as to all succeeding Renewal Terms. Unless otherwise required by the context, references herein to “Term” include both the Initial Term and any Renewal Term.

4. Rent.

4.1 General. Lessee shall pay in advance to Lessor monthly rent (“Rent”), commencing on the Effective Date and due thereafter on the first day of each month during the Term. Rent shall be paid at the address shown in Section 17 below, or such other place as Lessor may designate in writing from time to time. All Rent shall be paid without prior demand or notice and without any deduction or offset whatsoever. All Rent shall be paid in lawful currency of the United States of America. Rent due for any partial month shall be prorated on the basis of the number of days included in the Lease Term.

4.2 Rental Amount and Adjustments. Rent for the first year of this Lease shall be ~~Seven Hundred Ninety One Dollars and Sixty Seven Cents (\$791.67)~~ Nine Hundred Thirty Dollars and Sixty Seven Cents (\$930.67) per month. Rent adjustments, including establishing Rent for any Renewal Term entered, shall occur as directed under Kodiak City Code 18.20.220 as amended from time to time.

5. Additional Rent.

5.1. Triple Net Lease. This is a triple net Lease, and Lessee shall be responsible for all costs of operating the Premises. Any payment called for in this Lease other than Rent shall be deemed Additional Rent and shall be due as set forth in this Lease, or in the absence of a contrary provision, within ten (10) days of invoice. The failure to pay Additional Rent shall entitle Lessor to the same remedies as the failure to pay Rent.

5.2. Property Taxes and Assessments. Beginning on the Effective Date Lessee agrees to promptly pay, as Additional Rent, to the public authorities charged with the collection thereof, as the same become due and payable, all taxes, assessments (general and special), permits, inspection, and license fees and other public charges, whether of a like or different nature, levied upon or assessed against the Premises and any buildings, structures, fixtures, or improvements now or hereafter located thereon, or arising in respect to the occupancy, use, or possession of the Premises, and which are assessed and are, or may become, a lien during the Lease Term; Lessee agrees to exhibit to Lessor, on demand, receipts evidencing payment of all taxes, assessments, and public charges so payable by Lessee.

5.3. Other Taxes. As Additional Rent, Lessee further agrees to pay any sales, use, gross receipts, or business revenues tax that may in the future be imposed by any public authority upon the rents or revenues payable to Lessor hereunder. Lessor agrees and understands

that the payment of Rent to Lessor shall be net of any such tax that may be imposed upon gross rents or revenues, and those taxes shall be paid by Lessee to Lessor as Additional Rent.

5.4. Utilities. All costs for utilities and other services necessary for the operation of the Premises, improvements thereon, and Lessee's activities thereon, including without limitation, water, sewer, garbage, and snow removal, shall be provided by Lessee at Lessee's sole cost and expense. Lessee shall be solely responsible, at Lessee's sole cost and expense, for necessary utility hook-ups and connection, including without limitation, those necessary for water and sewer.

5.5. Payment by Lessor. Lessor shall have the right to pay any taxes, assessments, levies, or other charges upon the Premises, or other charges payable by Lessee under the terms of this Lease, and to pay, cancel, and clear off all tax sales, liens, charges, and claims upon or against the Premises or any building or improvement that may be placed thereon, and redeem the Premises from the same, from time to time without being obligated to inquire as to the validity of the same. Any sum so paid by Lessor shall become Additional Rent due and payable by Lessee on the next day after any such payment by Lessor.

6. Quiet Enjoyment. Lessor hereby represents and warrants to Lessee that Lessee, upon paying the Rent, Additional Rent, and other charges provided for in this Lease as well as observing and keeping all of the Lease covenants and conditions required of Lessee, Lessee shall lawfully and quietly hold, occupy, and enjoy the Premises during the Term without hindrance or interference by Lessor or by any person or entity claiming a right, title, or interest in or to the Premises through Lessor.

7. Insurance. As of the Effective Date, Lessee shall have obtained and shall maintain throughout the Term, public liability insurance coverage as required under this Lease. All coverage shall be with insurance carriers licensed and admitted to do business in the State of Alaska. All coverage shall be with carriers acceptable to Lessor. The required lines and limits of insurance shall not be less than (1) \$1,000,000 per person, \$3,000,000 in the aggregate per accident, and \$2,000,000 property damage; or (2) amounts which the Lessor reasonably requires to adequately cover the risks involved. Upon the commencement of the first Renewal Term and each Renewal Term thereafter, upon request of either party, Lessor and Lessee shall agree upon new limits for such insurance coverage, which new limits shall, at a minimum, reflect increases (but not decreases) to the cost of living during the Renewal Term. Lessee shall procure and maintain property insurance on any buildings and improvements on the Premises in a minimum amount equal to the replacement value of such building and improvements, and Lessee shall name Lessor and Lessee as insureds on all insurance policies that Lessee is required to maintain under the provisions of this Section 8. Lessee shall furnish copies of certificates evidencing insurance coverage to Lessor automatically, without demand of Lessor, within thirty (30) days of the Effective Date.

8. Indemnification.

8.1 General. Lessee shall save, protect, hold harmless, indemnify, and defend Lessor, and Lessor's officers, directors, employees, agents, and shareholders, of, from, and against any and all liability, damages, demands, penalties, fines, causes of action, losses, costs, or expenses,

including attorneys fees, arising from any act, omission, or negligence of Lessee or the officers, contractors, subcontractors, licensees, agents, servants, employees, sublessees, guests, invitees, visitors, customers, or trespassers of Lessee in or about the Premises or improvements located thereon, or arising from any accident, injury, or damages however and by whomever caused, to any person or property, including but not limited to damage to the Premises itself, improvements thereon, or injury to or death of persons, occurring in or about the Premises or improvements located thereon, or in any manner arising out of Lessee's use and occupation of the Premises or improvements thereon, or as a result of the condition of the Premises or improvements thereon.

8.2 Environmental. Lessee shall abide by, and shall cause its employees, agents, customers, any contractors or subcontractors it employs, and any sublessees, and its and all of their invitees and guests, to abide by all applicable rules and regulations related to fire, safety, health, and environmental protection. Lessee shall transport and dispose of any Hazardous Substances in accordance with all applicable laws. Hazardous Substances may not be used or stored on the Premises without Lessor's express written consent. Without limiting the duty to indemnify as provided in Section 8.1 above, Lessee shall save, protect, defend, indemnify, and hold harmless Lessor from and against any and all demands, claims, causes of action (whether in the nature of an action for damages, indemnity, contribution, government cost recovery, or otherwise), lawsuits, settlements, actions, damages, fines, penalties, judgments, costs, and expenses (including without limitation costs of defense, settlement, and reasonable attorneys' fees), charges, forfeitures, liens, liabilities, or loses of any nature and kind whatsoever that arise during or after the Lease Term from or in connection with the presence or suspected presence of Hazardous Substances in the soil, groundwater, or otherwise on, above, or in the Premises, or otherwise generating from the Premises, or operations or activities thereon, or from Lessee (or its employees, affiliates, parents, agents, contractors, subcontractors, sublessees, guests, invitees, customers, or assigns, and their respective employees, agents, contractors, subcontractors, or subusers), or from any alleged or actual violation of an Environmental Law. This indemnification includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work. For purposes of this Lease, the term "Hazardous Substance" means any flammables, explosives, radioactive materials, crude or refined petroleum, pollutants, contaminants, or any hazardous, toxic, or dangerous waste, substance, or material, including asbestos, defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Sec. 9601 *et. seq.*), any so-called "Superfund" or "Superlien" law, or any other Environmental Law, including, but not limited to, Alaska Statutes Title 46, Chapters .03, .08, and .09, as now or at any time hereafter in effect. For purposes of this Lease, the term "Environmental Law" means any federal, state, or local laws, ordinances, codes, regulations, rules, orders, or decrees, relating to or imposing liability or standards of conduct concerning the treatment, storage, use, or disposal of any Hazardous Substances.

8.3 Survival. All of the foregoing indemnification, defense, and hold harmless obligations in Sections 8.1 and 8.2 above survive the expiration or early termination of this Lease.

9. Inspection. Lessor and its authorized representatives and agents shall have the right, but not the obligation, to enter the Premises at any reasonable time to inspect the use and condition of the Premises; to serve, post, or keep posted any notices required or allowed under

the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or action necessary for the safety or preservation of the Premises.

10. Condemnation. If all of the Premises or such portion as may be required for the reasonable use of the Premises, are taken by eminent domain, this Lease shall automatically terminate as of the date Lessee is required to vacate the Premises, and all Rent shall be paid, which is due and owing through that date. In the case of a taking of less than that portion of the Premises required for the reasonable use of the Premises, then this Lease shall continue in full force and effect, and the Rent shall be equitably reduced based upon the proportion of the square footage by which the Premises is reduced, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority. Lessor reserves all rights to just compensation and/or damage for any taking of the Premises, and Lessee hereby assigns to Lessor, and Lessee shall make no claim against Lessor, for damages arising out of the condemnation, provided, Lessee shall have the right to claim and recover from the condemning authority, to the extent permitted by law, compensation for any loss to which Lessee may be put for the improvements or for Lessee's moving expenses to the extent such damages may be claimed and awarded separately from the damages and/or compensation awarded to Lessor.

11. Assignment or Subletting. Except as provided below, Lessee shall not sublet, mortgage, pledge, or assign its rights under this Lease without the prior written consent of Lessor, which may be withheld in Lessor's sole and absolute discretion. Any purported sublease, mortgage, pledge, or assignment without Lessor's written consent shall be null and void and of no force or effect. Any permitted assignment or sublease will be subject to the terms and conditions of this Lease.

12. Liens. Lessee shall keep the Premises and any part thereof free from liens for labor or materials ordered or supplied upon the express or implied request of Lessee. Should any lien be recorded or a lien be recorded by Lessee, Lessee shall forthwith and within ten (10) days of learning of the recording cause the same to be cancelled and discharged of record at Lessee's sole cost and expense.

13. Surrender of Premises. Upon the expiration or sooner termination of the Term, Lessee shall: quit and surrender the Premises to Lessor clean and in the condition existing on the Effective Date, ordinary wear and tear excepted; remove all of Lessee's property; and, at Lessor's option, remove any alteration, addition, and improvement made by Lessee, repairing all damages to the Premises caused by such removal. Any improvements or installations that are required to be removed but are not shall be deemed to have been abandoned by Lessee and may be retained or disposed of by Lessor, as Lessor shall desire and in accordance with Kodiak City Code, but Lessee shall be responsible for the cost of restoring the Premises as well as all removal and disposal costs.

14. Holding Over. If Lessee fails to surrender the Premises at the expiration or earlier termination of this Lease, occupancy of the Premises shall be deemed to be that of a month-to-month tenancy. Lessee's occupancy of the Premises during the holdover shall be subject to all terms and provisions of this Lease, except Rent shall be 150% of the then-current Rent. No holdover by Lessee or payment by Lessee after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Lessor from immediately recovering possession of the Premises by summary proceedings or otherwise.

15. Subsidence. Lessor shall not be responsible for any washout, subsidence, evulsion, settling or reliction to the Premises, or for any injury caused thereby to Lessee's or any other person's property. Lessor is not obligated to replace, refill, or improve any part of the Premises during Lessee's occupancy in the event of such washout, subsidence, avulsion, settling, or reliction.

16. Default and Remedies.

16.1 Events of Default. The occurrence of any of the following shall constitute a default by Lessee:

(a) If Lessee at any time during the Lease Term shall fail to make payment of any installment of Rent, Additional Rent, or of any other sum herein specified to be paid by Lessee within ten (10) days after such payment is due; or

(b) If Lessee at any time during the Lease Tern shall fail to observe or perform any of Lessee's other material covenants, agreements, or obligations hereunder, and if within forty five (45) days after Lessor has provided Lessee written notice specifying the failure or failures, Lessee has not commenced to correct the same and proceed diligently to correct the same.

16.2 Remedies. In the event Lessee is in default as defined in Section 16.1 above, Lessor shall have the right at its sole election, then or at any time thereafter, and while such default, defaults, or events shall continue to avail itself of the following remedies:

(a) Lessor may give Lessee notice of Lessor's intention to terminate this Lease and all Lessee's rights hereunder on a date specified in such notice, which date shall be at least thirty (30) days after the date Lessor provides notice. On the date specified in the notice, the Lease Term and all rights granted Lessee hereunder shall come to an end as fully as if the Lease then expired by its own terms. Upon such termination, Lessor shall also be entitled to sue for and recover all Rent, Additional Rent, and other sums accrued up to the time of such termination, and damages arising out of any breach on the part of Lessee, including damages for Rent not then accrued; and

(b) Lessor may, upon written notice to Lessee, without terminating the Lease, immediately terminate Lessee's right to possession of the Premises and retake possession of the same and eject all persons therefrom, and Lessor may then relet or attempt to relet the Premises for the benefit of Lessee for the remainder of the Term or for a longer or shorter period as Lessor may decide is appropriate; notwithstanding the termination of Lessee's right to possession, Lessee shall nevertheless pay to Lessor on the due dates specified in this Lease all Rent, Additional Rent, and other sums required to be paid under this Lease together with the costs of reletting, less the proceeds of any reletting, and Lessee shall continue to perform all other obligations imposed on it under the Lease; and

(c) Lessor may, whether or not it has terminated this Lease or retaken possession of the Premises, sue Lessee for and recover all Rent, Additional Rent, and other sums, including damages, at any time and from time to time accruing hereunder.

17. Notices. Any and all notices and other communications under this Lease, must be in writing and will be deemed to have been duly provided when (a) delivered by hand, (b) sent by facsimile (with written confirmation of receipt), or (c) when deposited in a United States general or branch post office, enclosed in a registered or certified mail prepaid wrapper or envelope addressed as follows:

Lessor: CITY OF KODIAK
710 Mill Bay Road
Kodiak, Alaska 99615
Attention: City Manager
Facsimile: (907) 486-8600

Lessee: AFOGNAK NATIVE CORPORATION
215 Mission Road, Suite 212
Kodiak, Alaska 99615
Attention: _____
Facsimile: (907) 486-2514

Any party may change its address or facsimile number by giving notice in accordance with this Section.

18. Miscellaneous.

18.1 Entire Agreement. This Lease contains the entire agreement between the parties with respect to the subject matter hereof, and except as set forth herein, there are no other agreements, promises, representations, or covenants of any party with respect to the matters covered by this Lease. This Lease may not be amended, modified, or terminated except by a written agreement signed by each party.

18.2 Attorneys' Fees, Costs, and Expenses. In the event either party brings or commences legal proceedings to enforce any of the terms of this Lease, the prevailing party in such action shall receive from the other, in every action commenced, a reasonable sum for attorneys' fees and costs to be fixed by the court in the same action.

18.3 Rights and Remedies. No right or remedy herein conferred upon or reserved to a party hereunder is intended to be exclusive of any other right or remedy. Every right and remedy shall be cumulative and in addition to any other right or remedy provided hereunder, or now or hereafter existing at law or in equity or by statute.

18.4 No Waiver. The failure by Lessor or Lessee to insist upon the strict performance of any term hereof or to exercise any right, power, or remedy consequent upon a breach thereof, and the acceptance of Rent during the continuance of any such breach, shall not constitute a waiver by Lessor of any breach or of any term. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect, or the rights of Lessor or Lessee with respect to any other then-existing or subsequent breach.

18.5 Successors in Interest. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, and permitted sublessees and assigns.

18.6 Late Payment. In the event that any Rent, Additional Rent, or other amount due under this Lease is not received by Lessor when due, a late fee of one and one-half percent (1.5%) per month of the principal amount due shall be due and payable until the full amount of Rent, Additional Rent, or other payment is received by Lessor.

18.7 Applicable Law. This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Alaska.

18.8 Authority. Lessee covenants and acknowledges that it has the full, complete, and absolute authority to enter into this Lease; this Lease has been duly authorized by its governing body; this Lease is a binding and enforceable agreement of and against Lessee; and the person executing the Lease on Lessee's behalf is duly and properly authorized to do so.

18.9 No Partnership, Joint Venture, Etc. Nothing in this Lease shall be intended or deemed to create a partnership, joint venture, association, or other similar relationship between the parties hereto.

18.10 No Third Party Beneficiaries. This Lease does not create, and shall not be construed as creating, any rights or interests enforceable by any person not a party to this Lease.

18.11 Severability. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Lease shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

18.12 No Brokers. Each party represents that it has not dealt with a broker in connection with this Lease. Each party agrees to indemnify, defend, and hold harmless the other party from claims of any person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by any such person in connection with this Lease.

18.13 No Recording. The parties agree that this Lease shall not be recorded as a title document with any governmental authority.

18.14 Counterparts. This Lease may be executed in one or more counterparts, and delivered by facsimile or other electronic transmission, each of which when so executed shall be deemed to be an original and all of which taken together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Lease as of the Effective Date.

LESSEE:

AFOGNAK NATIVE CORPORATION

By: _____
Its: _____

LESSOR:

CITY OF KODIAK

By: _____
Its: _____

EXHIBIT A

DESCRIPTION OF PREMISES

A ~~15,000~~17,727 square foot portion (~~0.34 Acres~~.407 acres) of USS 4947 ~~beginning along the southwest boundary of~~on Near Island located adjacent to Tract D-1B, ~~starting at the Alimaq Drive right of way, located at 300 Alimaq Drive~~ USS 4947, depicted as the Lease Area in Exhibit B.

EXHIBIT B

SURVEY OF LEASE AREA

EXHIBIT B SURVEY OF LEASE AREA



LEGEND

- ⊕ = FOUND 1.5" ALUMINUM CAP
- = SET 2" ALUMINUM CAP

NOTES:

1. SUBJECT TO ALL CONDITIONS, SERVITUDES, EASEMENTS, COVENANTS, RESERVATION, RESTRICTIONS AND RIGHTS OF WAY OF RECORD.

ALASKA

STATE OF ALASKA

REGISTERED LAND SURVEYOR

MARK E. GIBNEY

LEASE LOT

CREATING: LEASE LOT -

PORTION OF U.S. SURVEY 4947

KODIAK RECORDING DISTRICT

PLAT NO. 19-00740985

PREPARED FOR: AFOGNAK NATIVE CORPORATION, KODIAK, ALASKA 99615

DATE: 05/11/14

MacSwain Associates LLC

4401 Business Park Blvd., Suite 22
Anchorage, Alaska 99503
Ph 907.561.1965
Fax 907.561.1955
s.macswain@macswain.com

November 25, 2013

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

Re: Appraisal of 15,000 SF (0.34-Acres) of Commercial Land in Kodiak, Alaska
300 Alimaq Drive (15,000 SF portion of USS 4947)

Dear Mr. Melvin:

We have prepared a **Summary** appraisal of the above-referenced land located in Kodiak, Alaska. The appraised land is a 15,000 square foot commercial lot on Near Island within the City of Kodiak. Per our instructions, we disregard the existing land lease and appraise the unencumbered fee simple value. We prepare this appraisal to comply the *Uniform Standards of Professional Appraisal Practice* (USPAP).

Based on the data, reasoning, and analyses contained in this report, we estimate the market value and annual market rent of the 15,000 square foot lot, as of November 8, 2013, is as follows.

Market Value of 15,000 SF Lot:	\$95,000
Market Rent of 15,000 SF Lot:	\$7,600/Year

Your attention is directed to the Assumptions and Limiting Conditions of this report. We hope the appraisal report assists your evaluation of the property. If you have any questions regarding this report, please contact our office.

Respectfully submitted,



Steve MacSwain, MAI
State of Alaska Certificate No. 42



Trevor Lund
State of Alaska Certificate No. 705



Afognak Native Corporation
215 Mission Road, Suite 212
Kodiak, Alaska 99615
(907) 486-6014 • fax (907) 486-2514
karl@afognak.com

March 21, 2013

Aimée Kniazowski, City Manager
City of Kodiak
710 Mill Bay Road, Room 220
Kodiak, Alaska 99615

Re: Near Island/Purchase and Lease Options for City-Owned Property

Dear Ms. Kniazowski:

As you have requested, I write on behalf of Afognak Native Corporation to reaffirm and follow-up on what we have previously discussed regarding Near Island. Afognak is currently constructing its Kodiak headquarters building on Near Island on Tract D-1B, which Afognak owns. The City of Kodiak owns real property, approximately 15,000 square foot portion of USS 4947, adjacent to Tract D-1B which is the only lot located between Afognak’s property and the Near Island Channel.

Afognak’s Near Island headquarters will be important not only because it will be of significant architectural and artistic merit, but because it will have considerable cultural and economic impacts on the Afognak shareholders residing on Kodiak Island and the City of Kodiak itself. For these reasons, it is essential to Afognak that its headquarters’ views of the Near Island Channel and the City be preserved. Afognak proposes to do so by either purchasing or leasing the portion of the City’s Near Island property adjacent to Tract D-1B.

Afognak has been on record with the City for many years as being interested in acquiring the City’s property adjacent to Tract D-1B. In March of 2007, Jana Turvey of Afognak met with your predecessor as City Manager, Linda Freed, and made known Afognak’s desire to acquire any part of Tract D-1 not used for a ferry terminal. Attached is an April 16, 2007, letter from Ms. Turvey to Ms. Freed confirming the discussion at that meeting. Later, on April 30, 2009, Ms. Turvey met with you and Ms. Freed to again discuss the City’s land adjacent to Afognak’s property on Near Island. Attached is Ms. Turvey’s May 26, 2009, letter to you in which Afognak expressly stated its desire to have a “first option for purchase” of the City’s adjacent land.

Afognak’s interest in the City’s Near Island property is thus not a frivolous or “spur of the moment” desire. Instead, Afognak’s long record of discussions with the City on this issue demonstrates Afognak’s seriousness and desire to come to an accommodation for the benefit of both Afognak and the City.

Therefore, by this letter and as we have discussed, Afognak again formally requests that it be given a right of first refusal to purchase the City's property adjacent to Tract D-1B. We understand that the City of Kodiak has imposed a freeze on the disposal of its real property until it can review its procedures. However, we believe there is no reason why an agreement for a right of first refusal in the event of a sale for the Near Island property cannot be negotiated by Afognak and the City prior to the finalization of the City's land disposal procedures.

In the alternative, and as we have also discussed, Afognak would be interested in a long-term lease with the City for the adjacent Near Island property. Afognak would also like to include a right of first refusal to purchase the property as part of the lease.

Please present Afognak's offers for the right of first refusal option and the lease option to the City Council for their consideration.

Afognak appreciates your prior statements to me expressing an understanding of our objectives and the reasonableness of our requests. We would of course be pleased to discuss this further with you and the City Council, and to provide such additional information you or the City Council need to review and consider the options presented in this letter. In the meantime, please do not hesitate to contact me if you have any questions regarding this matter.

Thank you,



Karl McLaughlin
Sr. VP IT and Lands

Enclosures as stated

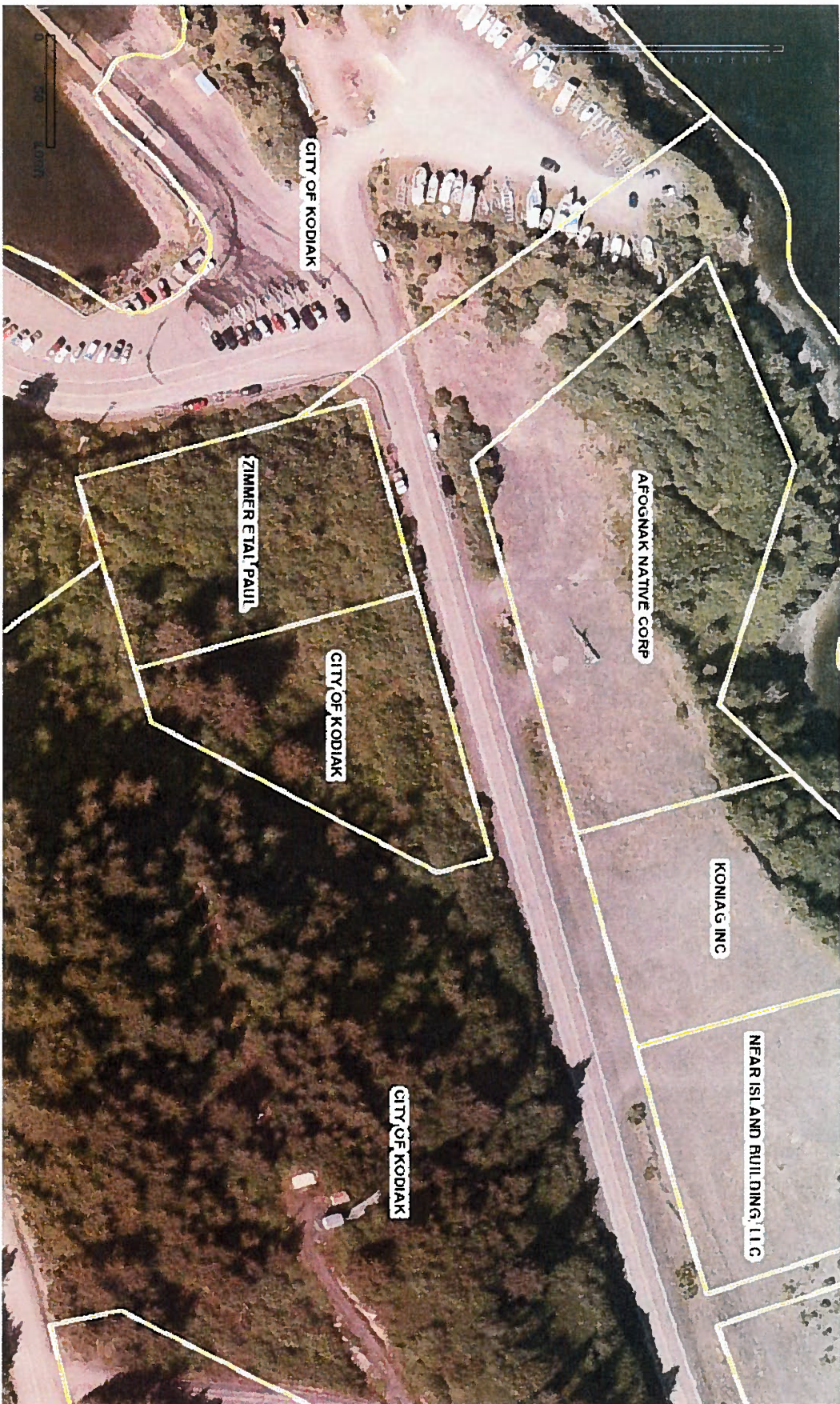
CC: Dick Hobbs, President/CEO
Dean Clowers, EVP

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NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Council Members
From: Aimée Kniazowski, City Manager

*AK
mem*

Thru: Mary Munk, Finance Director

Date: April 24, 2014

Agenda Item: V. a. First Reading, Ordinance No. 1318, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2013 and Ending On the Thirtieth Day of June 2014

SUMMARY: The Supplemental Appropriation No. 2 to the budget for the fiscal year commencing on the first day of July 2013 and ending on the thirtieth day of June 2014 is in the amount of \$8,941,941. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses as detailed in the attachments provided. These adjustments are for the operating funds as well as additions to project funds for grant revenues received and additional expenditures needed that were not known at the time the original budget was adopted, nor at the time the first supplemental amendment was made in January of this year. This is the second budget amendment of FY2014. Staff recommends Council pass Ordinance No. 1318 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

PREVIOUS COUNCIL ACTION:

- June 13, 2013, Council adopted Ordinance No. 1309 for the FY2014 budget in the amount of \$41,574,208 commencing on the first day of July 2013 and ending on the thirtieth day of June 2014.
- February 13, 2014, Council adopted Ordinance No. 1315, which authorized Supplemental Appropriation No. 1 to the FY2014 budget.

DISCUSSION: The adoption of the budget by the City Council puts the budget into effect for the budget year July 1 through June 30. Amendments to the budget can occur anytime during the fiscal year through a supplemental budget ordinance, which is introduced at one Council meeting and typically adopted at the next Council meeting.

All new appropriations are authorized by an ordinance that amends the annual budget ordinance. An ordinance is required to move amounts between funds, departments and projects. An ordinance is required to accept or appropriate additional funds, move funds, add regular full or part-time positions, or to grant unscheduled salary increases. The Supplemental No. 2 Appropriation is requesting the addition of \$8,941,941 to the adopted budget bringing the total amended budget to \$52,073,329 for FY2014.

The Supplemental No. 2 Appropriation is requesting an increase in non-capital funds in the amount of \$1,241,463 and an increase in capital funds in the amount of \$7,700,478. Of the \$1,241,463 increase for non-capital funds, \$72,463 is for adjustments in the General Fund, \$1,154,000 is a transfer from the Water Fund to the Water Capital Project fund for the Aleutian Homes Water & Sewer Replacement Project, Phase V, and \$15,000 is for additional funds in the Cargo Fund to offset costs for the Horizon Lines negotiations. Capital projects increased overall as a result of the aggregated clean water loan for up to \$6 million and grant revenue in the amount of \$544,478 for project 7029, the Monashka Pumphouse. Additionally, a transfer from the Water Fund in the amount of \$1,154,000 to project 7026, the Aleutian Homes Water & Sewer Replacement Phase V is included in this amendment.

FINANCIAL IMPLICATIONS: All expense appropriations requested in Supplemental Appropriation No. 2 are funded by increased revenue sources, additional state and federal grant sources, and use of fund balances and transfers. The ordinance makes a number of changes in the FY2014 budget reflecting increased revenues and expenditures, new project and grant funding, and movement of funds to more accurately reflect current City operations. Details of funding sources and expenses are submitted in the attachments.

LEGAL: The Kodiak City Charter and Kodiak City Code grant Council the authority to make appropriations and adopt and amend budgets as required.

STAFF RECOMMENDATION: Staff recommends that the City Council pass Ordinance No. 1318 in the first reading and advance to second reading and public at the next regular or special Council meeting.

CITY MANAGER'S COMMENTS: The City traditionally adopts one major budget amendment each fiscal year to make necessary adjustments to cover changes or additions to projects, to account for the receipt of additional revenues, and increased operating expenses. This second amendment is to budget for new revenues, expenses, and grant & loan funds we didn't know about or anticipate when we presented the first FY2014 supplemental in January. The ordinance and attachments detail the sections of the City's operating and capital budget that require changes. I recommend Council pass Ordinance No. 1318 in the first reading.

ATTACHMENTS:

Attachment A: Ordinance No. 1318

Attachment B: Backup descriptions containing details and summaries by each fund

Attachment C: Backup line item detail to budget.

PROPOSED MOTION:

Move to pass Ordinance No. 1318 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

CITY OF KODIAK ORDINANCE NUMBER 1318

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK ESTABLISHING SUPPLEMENTAL APPROPRIATION NO. 2 TO THE BUDGET FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF JULY 2013 AND ENDING ON THE THIRTIETH DAY OF JUNE 2014

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

Section 1: The following estimated revenues and expenditures are hereby appropriated for the corporate purposes and objects of the City of Kodiak for fiscal year 2014.

FY 2014 Supplemental Budget No. 2				
GENERAL FUND				
	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
Property Tax	\$ 773,500	\$ -	\$ 97,000	\$ 870,500
Sales Tax	11,630,000	-	-	11,630,000
Licenses and Permits	76,800	15,000	-	91,800
Intergovernmental	2,589,448	(40,809)	-	2,548,639
Charges for Services	1,633,193	297,241	-	1,930,434
Fines and Forfeitures	20,500	-	-	20,500
Interest Income	45,000	-	-	45,000
Rental Income	180,000	-	-	180,000
Other Revenues	43,800	-	50,000	93,800
Interfund Charges	882,869	-	-	882,869
Use of Fund Balance	1,156,232	864,775	(74,537)	1,946,470
Transfers In	-	-	-	-
Total Amended Revenues	\$ 19,031,342	\$ 1,136,207	\$ 72,463	\$ 20,240,012
Planned Expenditures:				
Legislative	\$ 302,660	\$ 2,000	\$ -	\$ 304,660
Legal	50,000	-	-	50,000
Executive	518,015	28,338	2,000	548,353
Emergency Preparedness	56,500	-	-	56,500
City Clerk	454,300	4,287	-	458,587
Finance	1,351,521	-	-	1,351,521
Police	6,794,359	39,098	10,463	6,843,920
Fire	1,851,093	93,500	50,000	1,994,593
Public Works	2,331,959	-	-	2,331,959
Engineering	255,849	-	-	255,849
Parks & Recreation	1,359,945	-	10,000	1,369,945
Library	966,805	47,400	-	1,014,205
Non-Departmental	738,531	-	-	738,531
Transfers	1,999,805	921,584	-	2,921,389
Total Amended Expenditures	\$ 19,031,342	\$ 1,136,207	\$ 72,463	\$ 20,240,012

SPECIAL REVENUE FUNDS

	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
Tourism Development	\$ 142,860	\$ -	\$ -	\$ 142,860
KFDA	60,050	-	-	60,050
City Enhancement	-	-	-	-
Total Amended Revenues	<u>\$ 202,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,910</u>
Planned Expenditures:				
Tourism Development	\$ 142,860	\$ -	\$ -	\$ 142,860
KFDA	60,050	-	-	60,050
City Enhancement	-	-	-	-
Total Amended Expenditures	<u>\$ 202,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,910</u>

CAPITAL PROJECTS

	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
\$300.00 General Capital Projects	\$ 562,500	\$ 47,973	\$ 2,000	\$ 612,473
\$315.00 Vehicle Replacement Capital	72,305	-	-	72,305
\$301.00 Street Improvements	450,000	(365,000)	-	85,000
\$302.00 Building Improvements	-	-	-	-
\$305.00 Water Capital Fund	3,450,000	505,000	7,698,478	11,653,478
\$306.00 Sewer Capital Fund	-	(285,000)	-	(285,000)
\$307.00 Cargo Development Fund	-	100,000	-	100,000
\$308.00 Harbor Development	-	(100,000)	-	(100,000)
\$309.00 Parks & Recreation Fund	-	50,000	-	50,000
Total Amended Revenues	<u>\$ 4,534,805</u>	<u>\$ (47,027)</u>	<u>\$ 7,700,478</u>	<u>\$ 12,188,256</u>
Planned Expenditures:				
\$300.00 General Capital Projects	\$ 562,500	\$ 47,973	\$ 2,000	\$ 612,473
\$315.00 Vehicle Replacement Capital	72,305	-	-	72,305
\$301.00 Street Improvements	450,000	(365,000)	-	85,000
\$302.00 Building Improvements	-	-	-	-
\$305.00 Water Capital Fund	3,450,000	505,000	7,698,478	11,653,478
\$306.00 Sewer Capital Fund	-	(285,000)	-	(285,000)
\$307.00 Cargo Development Fund	-	100,000	-	100,000
\$308.00 Harbor Development	-	(100,000)	-	(100,000)
\$309.00 Parks & Recreation Fund	-	50,000	-	50,000
Total Amended Expenditures	<u>\$ 4,534,805</u>	<u>\$ (47,027)</u>	<u>\$ 7,700,478</u>	<u>\$ 12,188,256</u>

ENTERPRISE FUNDS

	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
Cargo Fund 500	\$ 1,052,675	\$ 453,000	\$ 15,000	\$ 1,520,675
Harbor Fund 510	3,486,750	-	-	3,486,750
Boat Yard/Lift 512	1,331,698	-	-	1,331,698
Electric Fund 515	697,854	-	-	697,854
Water Fund 550	4,421,088	15,000	1,154,000	5,590,088
Sewer Fund 570	5,768,895	-	-	5,768,895
Trident Basin Fund 580	381,120	-	-	381,120
E-911 Services	74,570	-	-	74,570
Total Amended Revenues	\$ 17,214,650	\$ 468,000	\$ 1,169,000	\$ 18,851,650
Planned Expenditures:				
Cargo Fund 500	\$ 1,052,675	\$ 453,000	\$ 15,000	\$ 1,520,675
Harbor Fund 510	3,486,750	-	-	3,486,750
Boat Yard/Lift 512	1,331,698	-	-	1,331,698
Electric Fund 515	697,854	-	-	697,854
Water Fund 550	4,421,088	15,000	1,154,000	5,590,088
Sewer Fund 570	5,768,895	-	-	5,768,895
Trident Basin Fund 580	381,120	-	-	381,120
E-911 Services	74,570	-	-	74,570
Total Amended Expenditures	\$ 17,214,650	\$ 468,000	\$ 1,169,000	\$ 18,851,650

INTERNAL SERVICE FUND

	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
Self Insurance Fund	\$ 590,501	\$ -	\$ -	\$ 590,501
Total Amended Revenues	\$ 590,501	\$ -	\$ -	\$ 590,501
Planned Expenditures:				
Self Insurance Fund	\$ 590,501	\$ -	\$ -	\$ 590,501
Total Amended Expenditures	\$ 590,501	\$ -	\$ -	\$ 590,501
Total Revenues	\$ 41,574,208	\$ 1,557,180	\$ 8,941,941	\$ 52,073,329
Total Expenditures	\$ 41,574,208	\$ 1,557,180	\$ 8,941,941	\$ 52,073,329

Section 2: This ordinance shall be in full force and effect from and after its passage as required by law.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading:
Effective Date:

CITY OF KODIAK
 FY 2014 Supplemental
 Attachment B

Fund 100 General Fund

REVENUES:

	Adopted Budget 2014	Capital Project Rollover 2013	Supplemental #1 2014	Supplemental #2 2014	Total Budget 2014	Revenues & Expenses As of 3/31/2014	Difference	%
310.100 Property Taxes	770,000			97,000	867,000	866,619	381	100%
310.111 PILOT from KIHA	3,500				3,500	2,948	552	84%
310.200 Sales Taxes	11,600,000				11,600,000	6,042,689	5,557,311	52%
310.900 Penalty & Interest	30,000				30,000	14,721	15,279	49%
320.000 License & Permits	76,800		15,000		91,800	67,712	24,088	74%
330.100 PERS Relief	804,708		291		804,999	-	804,999	0%
330.105 State Revenue Sharing	400,065		2,000		402,065	402,490	(425)	100%
330.130 Fish Tax - Dept of Rev	1,253,000		(63,000)		1,190,000	1,189,750	250	100%
330.131 Fish Tax - DCED (Shared Fish Tax)	50,000				50,000	15,331	34,669	31%
330.140 Fuel Tax Sharing	7,075				7,075	5,859	1,216	83%
330.150 Alcohol Beverage Sharing	15,000				15,000	13,500	1,500	90%
330.160 Utility Revenue Sharing	38,100				38,100	-	38,100	0%
330.300 State Grant Capital	15,000		9,800		24,800	1,300	23,500	5%
330.305 State Grant - Operations	6,500		100		6,600	9,632	(3,032)	146%
330.325 Federal Grant - Operations	-		10,000		10,000	3,854	6,146	39%
340.100 Boarding of Prisoners	1,133,993		74,297		1,208,290	1,209,652	(1,362)	100%
340.110 State Trooper Comm Contract	120,000				120,000	39,375	80,625	33%
340.120 Other Police Services	20,000				20,000	884	19,116	4%
340.130 Police Protective Custody	2,000				2,000	2,035	(35)	102%
340.210 Borough Animal Control Services	-		72,944		72,944	72,885	59	100%
340.240 Borough Building Inspections	140,000				140,000	45,343	94,657	32%
340.300 Ambulance Services	70,000		150,000		220,000	189,223	30,777	86%
340.310 Fire Miscellaneous	7,000				7,000	-	7,000	0%
340.405 School Lifeguard Services	12,000				12,000	12,967	(967)	108%
340.405 Parks & Recreation Revenues	100,000				100,000	71,342	28,658	71%
340.520 Library Revenue	18,000				18,000	12,000	6,000	67%
340.545 Miscellaneous Service Charges	10,200				10,200	7,885	2,315	77%
350.100 Fines & Forfeits	20,500				20,500	9,207	11,293	45%
360.100 Interest on Investments	45,000				45,000	8,033	36,967	18%
363.100 Rents & Royalties	180,000				180,000	152,698	27,302	85%
375.600 Miscellaneous other	43,800				43,800	2,754	91,046	3%
380.100 Cargo Terminal Services	85,270			50,000	85,270	85,270	-	100%
380.110 Boat Harbor Services	85,270				85,270	85,270	-	100%
380.115 Boat Yard Service	85,270				85,270	85,270	-	100%
380.118 Electric	63,951				63,951	63,951	-	100%
380.120 Water Services	85,260				85,260	85,260	-	100%
380.121 Sewer Services	85,260				85,260	85,260	-	100%
380.125 Trident Basin	42,630				42,630	42,630	-	100%
380.130 Tourism Services	36,860				36,860	36,860	-	100%
380.150 Public Works	184,503				184,503	184,503	-	100%
380.190 Engineering/Inspections Fees	56,290				56,290	56,290	-	100%
380.400 Vehicle Replacement	72,305				72,305	61,306	10,999	85%
385.100 Approp. From Fund Balance	1,156,232		864,775	(74,537)	1,946,470	-	1,946,470	0%
390.780 Transfer In	-		-		-	-	-	-
TOTAL REVENUES	19,031,342	-	1,136,207	72,463	20,240,012	11,344,559	8,895,453	56%

EXPENDITURES:

Legislative	302,660		2,000		304,660	141,107	163,553	46%
Legal	50,000				50,000	27,963	22,037	56%

Executive	518,015	28,338	2,000	548,353	246,810	301,543	45%	New Vehicle Replacement Charge
Emergency Preparedness	56,500			56,500	24,557	31,943	43%	
City Clerk - Clerk	297,475	3,529		301,004	180,002	121,002	60%	
City Clerk - Records	156,825	758		157,583	92,866	64,717	59%	
Finance	1,351,521			1,351,521	861,475	490,046	64%	
Police	6,794,359	39,098	10,463	6,843,920	4,138,494	2,705,426	60%	Repair PD2 Quantar Transmitter - \$5,463, Overtime \$5,000 Canine Department
Fire	1,851,093	93,500	50,000	1,994,593	1,302,969	691,624	65%	EPA Fine Settlement - \$50,000
Public Works	2,331,959			2,331,959	1,339,022	992,937	57%	
Engineering	255,849			255,849	133,652	122,197	52%	
Parks & Recreation	1,359,945		10,000	1,369,945	809,603	560,342	59%	Increase in Temp Salaries - Aquatics
Library	966,805	47,400		1,014,205	562,589	451,616	55%	
Non-Departmental	738,531			738,531	610,156	128,375	83%	
Transfers	1,999,805	921,584		2,921,389	2,910,390	10,999	100%	
TOTAL EXPENDITURES	19,031,342	-	72,463	20,240,012	13,381,655	6,858,357	66%	

Fund 251 Tourism Development

Revenues:								
Hotel/Motel Tax	142,860			142,860	106,885	35,975	75%	
Interest on Investments	-			-	-	-		
Approp. From Fund Balance	-			-	-	-		
Revenues:	142,860	-	-	142,860	106,885	35,975	75%	

Expenditures:

	142,860	-	-	142,860	110,360	32,500	77%	
Fund 254 KFPA								
Revenues:								
Rents	60,000			60,000	80,890	(20,890)	135%	
Interest on Investments	50			50	245	(195)	490%	
Approp. From Fund Balance	-			-	-	-	0%	
Revenues:	60,050	-	-	60,050	81,135	(21,085)	135%	

Expenditures:

	60,050	-	-	60,050	8,032	52,018	13%	
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Fund 299 City Enhancement

Revenues:								
Interest on Investments	55,000			55,000	52,885	2,116	96%	
Gibson Cove Cannery	42,210			42,210	31,363	10,847	74%	
Other Revenue - Land Sales	-			-	-	-	0%	
Approp. From Fund Balance	(97,210)			(97,210)	(1,018,794)	(1,018,794)	0%	
Transfer from General Fund	-			-	921,584	-	0%	
Revenues:	-	-	-	-	1,005,831	(1,005,831)	0%	

Expenditures:

	-	-	-	-	-	-	0%	
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Fund 300 General Capital Projects

Revenue:								
State Grants	760,860			760,860	703,516	57,344	92%	
Federal Grants	(366,500)	677,500	2,000	360,973	245,843	115,130	68%	Increased due to costs estimates
Approp. From Fund Balance	1,500	50,000		51,500		51,500	0%	
Transfer from General Fund	927,500	2,050,000		2,977,500		-	100%	
Transfer from Enhancement Fund	-	100,000		100,000		-	100%	

Transfer from Harbor Fund	20,000	20,000	20,000	20,000	-	100%
Transfer from Land Development	70,000	70,000	70,000	70,000	-	100%
Revenues:	562,500	3,728,360	47,973	4,340,833	4,116,859	95%
Expenditures:						
4002 City Land Development	70,000	70,000	70,000	70,000	17,511	75%
4009 Compr Records Management Prog	275,000	275,000	275,000	250,307	24,693	91%
4013 Museum Building - Phase I	250,000	250,000	250,000	248,677	1,323	99%
4014 Municipal Airport Improvements	700,000	700,000	700,000	695,516	4,484	99%
4015 Fire Station Upgrades	550,000	550,000	550,000	472,333	77,667	86%
4027 Alaska Shield Hazmat Exercise/Anchorage	14,500	14,500	14,500	8,045	6,455	55%
4028 Financial Software Upgrade	530,000	530,000	530,000	489,668	40,332	92%
4029 E-911 Upgrade System	275,000	275,000	275,000	-	275,000	0%
4030 Classification & Compensation Study	100,000	100,000	100,000	81,960	18,040	82%
4032 Fire Department Engine Replacement	450,000	450,000	450,000	432,943	17,057	96%
4033 Fire Department Ambulance Replacement	166,000	35,000	201,000	-	201,000	0%
4034 Paving Police Station Parking Lot	(103,500)	352,000	248,500	248,215	285	100%
4035 Demolition of Old KPD & 1118 Mission	500,000	115,500	615,500	387,066	228,434	63%
4037 Home Land Security & Emergency Management	11,360	11,360	11,360	4,349	7,011	38%
4038 Home Land Security & Emergency Management FY 2014	-	-	47,973	49,973	-	0%
Expenditures:	562,500	3,728,360	47,973	4,340,833	3,371,569	78%

Increased due to costs estimates

Fund 315 Vehicle Replacement Capital Fund

Revenue:						
Transfer from General Fund	72,305	88,694	160,999	150,183	10,816	93%
Revenues:	72,305	88,694	160,999	150,183	10,816	93%
Expenditures:						
4900 Vehicle Replacement Capital	72,305	88,694	160,999	-	160,999	0%
Expenditures:	72,305	88,694	160,999	-	160,999	0%

Fund 301 Street Improvement

Revenue:						
State Grants	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-
Interest on Investments	120,000	120,000	120,000	120,000	-	100%
Approp. From Fund Balance	641,000	641,000	641,000	641,000	(100,000)	0%
Transfer from General Fund	450,000	944,000	1,074,000	1,174,000	(100,000)	109%
Transfer from Water Fund 550	665,032	(30,000)	635,032	635,032	-	100%
Transfer from Sewer Fund 570	60,000	(15,000)	45,000	45,000	-	100%
Revenues:	450,000	2,430,032	2,515,032	1,974,032	541,000	78%
Expenditures:						
5003 Annual Sidewalk/Curb	700,032	700,032	700,032	606,315	93,717	87%
5025 Pavement Repairs	800,000	800,000	1,150,000	1,135,050	14,950	
5028 Specs 2000	45,000	45,000	-	43,213	(43,213)	
5029 Mission Road Retaining Wall Repair	220,000	220,000	-	183,752	(183,752)	
5030 Preliminary Design of Snow Dump Storage Yard	70,000	70,000	70,000	68,190	1,810	97%
5031 Storm Drainage Repair on Sheikof	70,000	70,000	70,000	70,000	-	100%

5032 Storm Drainage Repair on Simeonof	465,000		465,000	-	465,000	0%
5033 Pillar-Mountain Waste Material Dump Site	60,000		60,000	15,109	44,892	25%
5098 Transfers	-		-	-	-	
Expenditures:	450,000	2,430,032	(365,000)	2,121,630	393,402	84%
Fund 302 Building Improvement Fund						
Revenues:						
Interest on Investments	1,000		1,000		1,000	0%
State Grants	6,900,000		6,900,000		-	100%
Local Funding - Pledges	750,000		750,000		250,000	
Local Funding Grant	500,000		500,000		500,000	
Other Local Funding	46,763		46,763		46,763	
In-Kind City Owned Land	650,000		650,000		650,000	
In-Kind Pre Development	85,185		85,185		85,185	
Transfer from General Fund	1,000,000		1,000,000		-	100%
Transfer from New Library Fund 255	5,424		5,424		-	100%
Transfer from Enhancement Fund	2,510,000		2,510,000		-	100%
Approp. From Fund Balance	-		-		-	
Revenues:	12,448,372	-	12,448,372	10,915,424	1,532,948	88%
Expenditures:						
6012 New Library	12,448,372		12,448,372	10,804,293	1,644,079	87%
Expenditures:	-	-	12,448,372	10,804,293	1,644,079	87%
Fund 305 Water Capital						
Revenues:						
State Grants	6,633,297	500,000	7,677,775	5,423,256	2,254,519	71%
Federal Grants	768,000		768,000	768,000	-	100%
Approp. From Fund Balance	644,140	5,000	649,140		649,140	0%
ADEC Drinking Loans	2,381,278		2,381,278	1,143,354	1,237,924	48%
Transfer from Water Fund 550	1,725,000		1,154,000	3,007,500	1,154,000	72%
ADEC Clean Water Loans	341,930		6,341,930	200,394	6,141,536	3%
Transfer from Sewer Fund 570	1,725,000		2,286,500	2,286,500	-	100%
Transfer from Street Improvement Fund	78,000		78,000	78,000	-	100%
Revenues:	3,450,000	12,690,645	505,000	7,698,478	11,437,119	53%
Expenditures:						
7021 Phase II Downtown Comprehensive Water, Sewer, & Storm Drain	850,000		850,000	508,203	341,797	0%
7023 UV Water Treatment Facility Construction	7,720,645	(1,465,534)	6,799,589	5,703,734	1,095,855	0%
7024 Utility Rate Study	48,000		48,000	3,731	44,269	0%
7026 Aleutian Homes Water & Sewer Replacement Proj Phase V	3,400,000	5,000	7,046,000	2,528,924	4,517,076	0%
7029 Monashka Pump House Feasibility Study	1,070,000	1,965,534	9,035,534	696,993	8,338,541	0%
7030 Replace Chlorine Solution Storage Tank WWTP	120,000		120,000	253	119,747	0%
7031 Monashka Watershed Survey	250,000		250,000	-	250,000	0%
7033 Pillar Creek Dam Spillway Repair Work	100,000		100,000	37,935	62,065	0%

Original remaining funds \$503,548,
EMT Funds \$86,255, less 3%
\$45,325

DEC approved remaining funds form
0% UV project to be transferred to
Monashka Pump House Project
Clean Water Loan Award
0% Transfer from Water Fund 550
Clean Water Loan Award
0% \$2,500,000. Clean Water Loan
Pending \$3,500,000

7034 Periodic Dam Safety Inspections	45,000		45,000	42,178	2,822	0%
7036 Annual Electric Maintenance	-		50,000	-	50,000	0%
7099 Transfer	50,000		-	-	-	0%
Expenditures:	3,450,000	12,690,645	505,000	7,698,478	24,344,123	39%

Fund 306 Sewer Capital Fund

Revenues:						
Charges for Sewer Sales (10%)	26,000		26,000	26,000	-	100%
Approp. From Fund Balance	1,895,000	(285,000)	1,610,000		1,610,000	0%
Alaska Clean Water Loan	-		-		-	0%
Transfer from Sewer fund 570	3,000,000		3,000,000	3,000,000	-	100%
Transfer from Water fund 550	1,200,000		1,200,000	1,200,000	-	100%
Transfer from Street Improvement Fund 301	15,000		15,000	15,000	-	100%
Revenues:	6,136,000	(285,000)	5,851,000	4,241,000	1,610,000	72%

Expenditures:

7508 Lift Station Electric (5)	26,000		26,000	1,079	24,921	4%
7509 Upgrade Lift Station #1	150,000		150,000	22,258	127,742	0%
7510 Sludge Study & Composting	285,000	(285,000)	-	284,998	(284,998)	0%
7512 Aeration Basin Air Control System	150,000		150,000	-	150,000	0%
7513 Inflow & Infiltration Repair materials	25,000		25,000	2,813	22,187	0%
7514 Rehabilitate Press pump Station	400,000		400,000	-	400,000	0%
7516 Replace Lift Station #1 & #2	900,000		900,000	29	899,971	0%
7517 Bio Solid Management Project	4,200,000		4,200,000	805,705	3,394,295	0%
7599 Transfer	-		-	-	-	
Expenditures:	6,136,000	(285,000)	5,851,000	1,116,882	4,734,118	19%

Fund 307 Cargo Development Fund

Revenues:						
State Grants	20,784,000		20,784,000	3,802,457	16,981,543	18%
State Bond Issue	15,000,000		15,000,000	-	15,000,000	0%
Transfer from General Fund	-	100,000	100,000	-	100,000	0%
Approp. From Fund Balance	1,159,700		1,159,700	-	1,159,700	0%
Revenues:	36,943,700	100,000	37,043,700	3,802,457	33,241,243	10%

Expenditures:

8013 Design & Engineering Pier III	712,000	(712,000)	-	-	-	
8016 Pedestrian Access from Pier II	2,300,000	100,000	2,400,000	2,359,100	40,900	98%
8017 Inspection Pier II and Inner Harbor Docks	85,700		85,700	64,347	21,353	75%
8018 Security Improvements	50,000		50,000	11,500	38,500	23%
8019 Oscar's Dock Electric	150,000		150,000	-	150,000	0%
8020 Decking for Dock I	100,000		100,000	-	100,000	0%
8021 Zinc Replacement	50,000		50,000	7,660	42,340	15%
8022 Data Weather Station	12,000		12,000	5,000	7,000	42%
8023 Pedestrian Pathway	384,000		384,000	-	384,000	0%
8024 Pier III Replacement	33,100,000	712,000	33,812,000	1,823,411	31,988,589	5%
Expenditures:	36,943,700	100,000	37,043,700	4,271,018	32,772,682	12%

Fund 308 Harbor Development

Revenues:						
State Grant	-		-	-	-	
Approp. From Fund Balance	(500,000)		415,000	280,000	415,000	0%
Transfer from General Fund	500,000		780,000		500,000	36%
Transfer from Boat Harbor	-		-	-	-	

	1,295,000	(100,000)	-	1,195,000	280,000	915,000	23%
Revenues:							
8515 Harbor Security Camera System	10,000			10,000	10,000	-	100%
8516 Float, Boat Launch, SPH	150,000			150,000	14,863	135,137	10%
8517 Restrooms, Fisherman's Hall	200,000			200,000	53	199,947	0%
8519 SPH Ladders	20,000			20,000	9,791	10,209	49%
8520 SHH Repairs	745,000			745,000	419,937	325,063	56%
8521 Channel Transient Float/ Bull Rails	25,000			25,000	9,699	15,301	39%
8523 Oscar's Dock Fender Piling Replacement	45,000			45,000	10,920	34,080	24%
8524 Water Front Harbor Planning	100,000	(100,000)		-	4,886	(4,886)	
9598 Transfers	-			-	-	-	0%
Expenditures:							
	1,295,000	(100,000)	-	1,195,000	480,149	714,851	40%

Fund 309 Parks & Rec Capital

Revenue:							
Slate Grants	5,850,000			5,850,000	5,850,000	-	100%
Local Grants	500,000			500,000	555,376	(55,376)	111%
Approp. From Fund Balance	(50,000)	50,000		270,629	270,629	270,629	0%
Transfer from Enhancement Fund	500,000			500,000	500,000	-	
Transfer from General Fund	50,000			301,465	301,465	-	100%
Revenues:	7,372,094	50,000	-	7,422,094	7,206,841	215,253	97%

Expenditures:

9001 Baranof Park Improvements (E&D)	7,015,000			7,015,000	6,972,263	42,737	99%
9004 Playground Equipment & Improve	73,000			73,000	1,477	71,523	98%
9007 Storage Building - Baranof Park	115,000			115,000	76,659	38,341	67%
9012 Baranof Baseball Field Improvements	48,094			48,094	48,094	-	100%
9013 Major Park Maintenance	71,000	50,000		121,000	65,938	55,062	54%
9014 Building Improvement (Weatherization)	50,000			50,000	22,373	27,627	45%
9098 Transfers	-			-	-	-	0%
Expenditures:	7,372,094	50,000	-	7,422,094	7,256,849	165,245	98%

Fund 500 Cargo Terminal

Revenue:							
PERS Relief	20,050			20,050	-	20,050	0%
Dockage Pier III	120,000			120,000	89,258	30,742	74%
Cruise Ship Revenues	100,000			100,000	19,460	80,540	19%
Pier III Lease	300,000			300,000	227,833	72,167	76%
Warf	450,000			450,000	283,449	166,551	63%
Interest on Investments	7,000			7,000	8,719	(1,719)	125%
Warehouse Rental	205,000			205,000	165,695	39,305	81%
Van Storage Rental	40,000			40,000	5,325	34,675	13%
Approp. From Retained Earnings	(189,375)	453,000	15,000	278,625	-	278,625	0%
Transfer	-			-	-	-	
Revenues:	1,052,675	-	15,000	1,520,675	799,740	720,935	53%

Expenditures:

Cargo Terminal Administration	354,271	468,000		822,271	649,358	172,913	79%
Cargo Terminal Interfund Charges	181,734			181,734	181,734	-	100%
Cargo Terminal Warehouse	7,000			7,000	746	6,254	11%
Cargo Terminal Pier II	490,670			490,670	237,655	253,015	48%
Cargo Terminal Pier III	19,000	(453,000)		19,000	27,684	(8,684)	146%

Additional Expense for horizon Lines Negotiations

Additional Expense for horizon Lines Negotiations

	1,052,675	-	453,000	15,000	1,520,675	1,097,178	423,497	72%
Fund 510 Boat Harbor Fund								
Expenditures:								
Revenue:								
PERS Relief	91,836				91,836	-	91,836	0%
Dockage AMHS	80,000				80,000	44,272	35,728	55%
Exclusive Moorage	1,240,000				1,240,000	1,195,415	44,585	96%
Transient Moorage	500,000				500,000	396,647	103,353	79%
Harbormaster Service	10,000				10,000	5,895	4,105	59%
Gridiron Fees	15,000				15,000	8,760	6,240	58%
Pier/Dock Fees	175,000				175,000	135,641	39,359	78%
Used Oil Fees	15,000				15,000	6,366	8,634	42%
Waiting List Fees	3,000				3,000	2,250	750	75%
Trailer Parking Fees	33,000				33,000	20,375	12,625	62%
Bulk Oil Sales/Charges	60,000				60,000	39,172	20,828	65%
Gear Storage	45,000				45,000	42,484	2,516	94%
Parking Meters	10,000				10,000	4,397	5,603	44%
Launch Ramp Fees	15,000				15,000	8,255	6,745	55%
Interest on Investments	14,000				14,000	10,988	3,012	78%
Office Rent AMHS	16,500				16,500	10,406	6,094	63%
Other Revenues	7,300				7,300	639	6,661	9%
Harbor Services to Cargo	167,730	(1,281)			166,449	166,449	-	100%
Approp from Retained Earnings Transfer	988,384	1,281			989,665	-	989,665	0%
Revenues:	3,486,750	-	-	-	3,486,750	2,098,412	1,388,338	60%
Expenditures:								
Boat Harbor Administration	3,360,499				3,360,499	1,992,738	1,367,761	59%
Boat Harbor Interfund	126,251				126,251	126,251	-	100%
Transfer to Boat Yard Lift	-				-	-	-	-
Expenditures:	3,486,750	-	-	-	3,486,750	2,118,989	1,367,761	61%
Fund 512 Shipyard								
Revenues:								
PERS Relief	13,290				13,290	-	13,290	0%
Customer Fees	709,000				709,000	478,158	230,842	67%
Interest on Investments	1,000				1,000	1,880	(880)	188%
Other Revenue	2,000				2,000	3,054	(1,054)	153%
Approp from Retained Earnings Transfer	606,408				606,408	-	606,408	0%
Revenues:	1,331,698	-	-	-	1,331,698	483,092	848,606	36%
Expenditures:								
Yard Administration	1,149,964				1,149,964	729,325	420,639	63%
Boat Yard Interfund	181,734				181,734	181,734	-	100%
Expenditures:	1,331,698	-	-	-	1,331,698	911,059	420,639	68%
Fund 515 Harbor Electrical								
Revenues:								
Non-Meter Charge	25,000				25,000	10,894	14,106	44%
Customer Charge recurring	115,000				115,000	79,605	35,395	69%
Connect/Disconnect fee	7,000				7,000	5,020	1,980	72%
Energy Charge	530,000				530,000	421,081	108,919	79%
Record Fee	1,000				1,000	210	790	21%
HM Service	5,000				5,000	2,090	2,910	42%
Interest on Investments	1,000				1,000	1,136	(136)	114%

Approp from Retained Earnings	13,854		13,854	-	13,854	0%
Transfer	-		-	-	-	
Revenues:	697,854	-	697,854	520,036	177,818	75%
Expenditures:						
Electric Utility Administration	563,046		563,046	370,421	192,625	66%
Electric Utility Interfund	134,808		134,808	134,809	(1)	100%
Expenditures:	697,854	-	697,854	505,230	192,624	72%
Fund 550 Water Utility						
Revenues:						
PERS Relief	49,450		49,450	-	49,450	0%
Water Sales Metered	1,556,800		1,556,800	1,463,747	93,053	94%
Water Sales City	1,276,688		1,276,688	1,012,709	263,979	79%
Water Sales Borough	830,110		830,110	686,610	143,500	83%
Water Service Connections	11,849		11,849	17,013	(5,164)	144%
Interest on Investments	10,000		10,000	7,930	2,070	79%
Other Revenues	24,500		24,500	9,542	14,958	39%
Approp From Retained Earnings	661,691	15,000	1,830,691	-	1,830,691	0%
Revenues:	4,421,088	15,000	5,590,088	3,197,552	2,392,536	57%
Expenditures:						
Water Utility Transfers	1,725,000	15,000	2,894,000	1,737,400	1,156,600	60%
Water Utility	2,349,774		2,349,774	1,464,970	884,804	62%
Water Treatment Plant	346,314		346,314	164,670	181,644	48%
Expenditures:	4,421,088	15,000	5,590,088	3,367,040	2,223,048	60%
Fund 570 Sewer Utility						
Revenues:						
PERS Relief	77,744		77,744	-	77,744	0%
Sewer Service Charges - City	2,229,260		2,229,260	1,729,074	500,186	78%
Sewer Service Charges - Outside	1,157,630		1,157,630	946,782	210,848	82%
Sewer Connections	6,300		6,300	21,806	(15,506)	346%
Septic Truck Discharge	42,800		42,800	49,454	(6,654)	116%
Lab Testing Fee	25,000		25,000	14,780	10,220	59%
Interest on Investments	10,000		10,000	800	9,200	8%
Approp From Retained Earnings	2,220,161		2,220,161	2,397	2,217,764	0%
Revenues:	5,768,895	-	5,768,895	2,765,093	3,003,802	48%
Expenditures:						
Sewer Utility Transfers	1,725,000		1,725,000	-	-	100%
Sewer Utility	664,211		664,211	471,231	192,980	71%
Wastewater Treatment Plant	3,379,684		3,379,684	1,713,502	1,666,182	51%
Expenditures:	5,768,895	-	5,768,895	3,909,733	1,859,162	68%
Fund 580 Trident Basin						
Revenues:						
Trident Basin - Charges	11,600		11,600	13,309	(1,709)	115%
Interest on Investments	1,000		1,000	-	1,000	0%
Rentals from Others	33,300		33,300	24,854	8,446	75%
Approp From Retained Earnings	335,220		335,220	-	335,220	0%
Transfer from Trident Basin Capital Fund	-		-	-	-	0%
Revenues:	381,120	-	381,120	38,163	342,957	10%

Transfer to Project 7026 Aleutian Homes Water & Sewer Phase V

Transfer to Project 7026 Aleutian Homes Water & Sewer Phase V

**FISCAL YEAR 2014
SUPPLEMENTAL #2**

	Detail Description		Account Number		Total Debit Adjustment	Total Credit Adjustment
	General Fund					
100	Property Tax		100001.310.100			97,000.00
	Other Revneu - EPA Fine Settlement		100.001.375.600			50,000.00
	Use of Fund Balance		100.001.385.100			(74,537.00)
100.110.100	Executive					
	New Vehicle Replacement		100.110.100.470.130		2,000.00	
100.140.100	Police - Administration					
	Professional Services		100.140.100.430.110		5,463.00	
100.140.148	Police - Canine					
	Overtime		100.140.148.410.140		5,000.00	
100.150.100	Fire					
	EPA Fine Settlement		100.150.100.450.310		15,000.00	
	EPA Fine Settlement		100.150.100.470.125		12,200.00	
	EPA Fine Settlement		100.150.100.470.126		22,800.00	
100.190.173	Parks & Rec					
	Temp Salaries		100.170.173.410.101		10,000.00	
300	General Capital Project Fund					
	Federal Grant	4038	300.001.330.320	4038.4		2,000.00
300.300.438	Home Land Security Ak Shield	4038	300.300.438.430.110	4038.51	2,000.00	
305	Water Capital Project Fund					
	State Grant	7029	305.001.330.300	7029.2		544,478.00
	ADEC Clean Water Loan	7029	305.001.390.550	7029.12		6,000,000.00
	Transfer from Water Fund 550	7026	305.001.390.550	7026.12		1,154,000.00
305.340.723	Construction	7023	305.340.723.470.725	7023.55	544,478.00	
305.340.726	Construction	7026	305.340.726.470.726	7026.55	1,154,000.00	
305.340.729	Construction	7029	305.340.729.470.725	7029.55	6,000,000.00	
500	Cargo Fund					
	Use of Fund Balance		500.001.385.100			15,000.00
500.510.100	Professional Services		500.510.100.430.110		15,000.00	
550	Water Fund					
550.001	Use of Fund Balance	7026	550.001.385.100			1,154,000.00
550.560.198	Transfer from Water Fund 550	7026	550.560.198.490.305	7026.12	1,154,000.00	
					8,941,941.00	8,941,941.00

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager 

Date: April 24, 2014

Agenda Item: V. b. Resolution No. 2014–20, Amending Sections 9.16, 11, and 12 of the Schedule of Fees, Charges, and Tariffs

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 Department, Library, and Parks & Recreation departments. The Harbor fee changes are proposed to take effect on May 1, 2014, and the other changes will be effective July 1, 2014. The changes are summarized below with attached detail and backup from the departments. Staff recommends Council adopt Resolution No. 2014–20, 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 April 2013 by Resolution No. 2013–09 and became effective July 1, 2013.

DISCUSSION: Staff has been reviewing the fee schedule over the past several months. Three City departments, the Harbor, Library, 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 summarized below.

Section 9.16, Harbor: The Harbor Department and the Port and Harbor Advisory Board recommend increasing Section 9.16.1 Shipyard Fees to reflect a 30 percent increase in lift, block, and launch fees for vessels using the facility. They also recommend a rate increase of 10 percent in lay day fees for the first 14 days only and a reduced rate (existing rate) after the 14th day. They believe the increases will generate revenues and put the Shipyard in a stronger economic position. They made their presentation to the City Council on March 25, and the Council supported their recommendation. See the attached memos for an overview of the proposed fee schedule changes and Resolution No. 2014–20 for specific comparisons between proposed and existing fees.

Section 11, Library: The Library proposes slight changes to material and fee descriptions and some reduction in fees listed in Section 11.4. The proposal lists a change to Section 11.6 to revise the term

“temporary” library card to “Visitor” library card and charge a \$10 annual fee, and the removal of Section 11.7 referencing a pay phone, as the library no longer has a pay phone. Sections 11.7 and 11.8 are new items, proposed use fees for the common meeting areas in the new library facility to help offset the cost of maintenance and upkeep and equipment needs. The Library Director’s memo (Attachment C) provides rationale and Resolution No. 2014–20 provides a comparison between current and proposed fee changes.

Section 12, Parks and Recreation: The Parks and Recreation Director proposes a reorganization of the entire Section 12, which recommends fees be grouped, not by type of sport, but by activities and facilities; proposes six-week time modules for activities; and common fees are proposed when appropriate, such as the cost of access to the pool, ice rink, and racquetball courts. Based on staff time and departmental resources, the Director proposes to charge various fees for the ice rink. This is recommended as all access and activities at the ice rink in the past were free of charge. This proposed fee set is consistent with other facility use fees. The details of the proposed rewrite of Section 12 are in Resolution No. 2014–20, and the Director submitted a memo explaining the rationale for the changes.

ALTERNATIVES: Council can adopt, amend, or choose to not approve Resolution No. 2014–20. Staff recommends Council adopt the resolution with the recommended fee changes because the increases and new fees are needed, and the changes reflect changes in facilities or needed clarifications or corrections. Also, regular reviews and updates of the fee schedule are identified in Council’s budget goals.

FINANCIAL IMPLICATIONS: The increases in proposed fees in some Shipyard services will help improve the economic condition of that enterprise fund and reduce reliance on fund transfers. The changes proposed to the Library and Parks and Recreation departments are General Fund departments and should help offset operational costs without affecting affordability or accessibility for users.

STAFF RECOMMENDATION: Staff recommends Council adopt Resolution No. 2014–20 with Shipyard fee changes effective May 1, 2014 (per the PHAB recommendation), and Library and Parks and Recreation fee changes effective on July 1, 2014.

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. This set of updates reflects changes in the operational aspects and goals in three departments and is consistent with Council’s FY2015 budget goals. I recommend Council adopt Resolution No. 2014–20.

ATTACHMENTS:

Attachment A: Resolution No. 2014–20

Attachment B: PHAB memo and Harbormaster memo
Attachment C: Library Director memo
Attachment D: Parks and Recreation Director memo

PROPOSED MOTION:

Move to adopt Resolution No. 2014–20.

**CITY OF KODIAK
RESOLUTION NUMBER 2014–20**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AMENDING SECTIONS 9.16, 11, AND 12 OF THE SCHEDULE OF FEES, CHARGES, AND TARIFFS

WHEREAS, at its February 13, 2014, regular meeting the Kodiak City Council approved its budget goals for FY2015, including annually reviewing and updating the Schedule of Fees, Charges, and Tariffs; and

WHEREAS, at its April 8, 2014, work session the Kodiak City Council voiced a consensus to increase shipyard rates.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Sections 9.16, 11 and 12 of the City’s Schedule of Fees, Charges, and Tariffs are hereby amended as follows:

Section 1. Section 9.16 of the City’s Schedule of Fees, Charges, and Tariffs is hereby amended as follows:

9.16	Shipyard	
	<ul style="list-style-type: none"> • <i>Payment, without pre-approved credit, is 50% of the estimated yard fees and is due before the lift; the remainder must be paid prior to launch.</i> • <i>Lifts taking more than four hours will be assessed extra labor and/or machine time.</i> • <i>Dry dockage is assessed the entire time the vessel remains in the yard.</i> 	
9.16.1	Lift, Block, and Launch	
9.16.1.1	Vessels up to 80'	53.00 <u>69.00</u> /ft
9.16.1.2	81' to 100'	60.00 <u>78.00</u> /ft
9.16.1.3	101' to 120'	72.00 <u>94.00</u> /ft
9.16.1.4	121' to 150'	85.00 <u>111.00</u> /ft
9.16.1.5	151' and up	92.00 <u>120.00</u> /ft
9.16.2	After hours surcharge	+ 20% / ft
9.16.2.1	Nonstandard Lift (operator and lift)	1,500.00/hr
9.16.2.2	Travel strap set up	T,M&E ** 15%
9.16.2.3	Inspection Lift, includes 1 hour hang time free	75% of lift per launch
9.16.2.4	Hang Time (other than wash pad).....	275.00 ea. add. hour
9.16.2.4.1	Hang Time, on wash pad	200.00/hr
9.16.2.4.2	Hang Time, on heated wash pad	300.00/hr
9.16.5	Delay of Lift	250.00/half hour
9.16.6	Pressure Wash (and scrape if necessary)	T, M, & E*
9.16.7	Reposition	50% of lift / launch
9.16.8	Scheduling Deposit (credited to lift or forfeited if the vessel is late or no show).....	750.00
9.16.9	Dry Dockage Space (lay day)	2.65 <u>2.90</u> /ft/day
<u>9.16.9.1</u>	<u>Less than 14 days</u>	<u>2.90</u> /ft/day

9.16.9.2	<u>Greater than 14 days</u>	<u>2.65/ft/day</u>
9.16.10	On-site Storage	
9.16.10.1	Daily (first three days or portion thereof no charge)	0.05/ft/day
9.16.10.2	Minimum charge	15.00
9.16.11	Vendor (must be preapproved and have \$1 million liability coverage)	
9.16.11.1	Annual vendor fee	500.00/yr
9.16.11.2	Per vessel vendor fee (one-time use)	250.00
9.16.12	Utilities (includes water)	
9.16.12.1	120v single-phase 30 amp or actual kWh cost, whichever is greater	20.00/day
9.16.12.2	208v single-phase 50 amp or actual kWh cost, whichever is greater	40.00/day
9.16.12.3	208v three-phase 100 amp or actual kWh cost, whichever is greater	50.00/day
9.16.12.4	480v three-phase 100 amp or actual kWh cost, whichever is greater	70.00/day
9.16.13	Equipment Rental	
9.16.13.1	Fork lift	75.00/half hr
9.16.13.2	Man lift	75.00/half hr
9.16.13.3	Pressure Washer	250.00/day
9.16.13.4	Other	T, M & E*
9.16.14	Environmental Tarp (ground tarp required for all bottom work)	Cost + 15%
9.16.15	Waste Disposal	
9.16.15.1	Used oil	1.00/gallon
9.16.15.2	Dumpster (5.5 yard)	110.00/tip
9.16.15.3	Non-Hazardous liquids, including oil bilge water	2.25/gallon
9.16.15.4	Hazardous	Cost + 15%
9.16.15.5	Other, e.g., metals and wood	Cost + 15%
9.16.16	Labor	
9.16.16.1	City Employee, straight time	65.00/hr
9.16.16.2	City Employee, overtime	95.00/hr
9.16.16.3	Contract service provider (e.g., diver, lift operator, etc)	Cost + 15%
9.16.17	Environmental Surcharge	2.5% of gross
9.16.18	Other Fees and Services	Cost + 15%

*T, M, & E: Time (i.e., labor hours), materials, and equipment hours

Section 2. Section 11 of the City’s Schedule of Fees, Charges, and Tariffs is hereby amended as follows:

Section 11 Library Services

11.1	Book <u>Library material</u> , lost or destroyed	Replacement book -cost <u>plus</u> <u>5.00</u>
11.2	Card replacement	5.00
11.3	Copy charge	
11.3.1	Computer printed copy	
11.3.1.1	Black and white <u>computer printer copies</u>	0.20
11.3.1.2	Color <u>computer printer copies</u>	0.30
11.3.2	Photocopy	
11.3.2.1	Black and white	0.20
11.3.2.2	Color	1.00 <u>40</u>
11.4	Facsimile (fax) charge for public use	

11.4.1	To receive per page	1.00
11.4.2	To send	
11.4.2.1	First page	3.00 <u>2.00</u>
11.4.2.2	Each additional page.....	2.00 <u>1.00</u>
11.5	Overdue fees	
11.5.1	All library materials, per item, per day (maximum \$5.00)	0.10
11.5.2	Interlibrary loan per day	1.00
11.6	Temporary-Visitor library card (refundable upon return within 1 year)	10.00
		<u>Annual fee</u>
11.7	Public pay phone, per three minute phone call.....	0.25
<u>11.7</u>	<u>Multipurpose room rental fee</u>	
<u>11.7.1</u>	<u>One-time use (use by individual or groups for a one-time use for fee-based training and/or certification, corporate development session, convention work-shop, or social occasion)</u>	<u>75.00</u>
<u>11.7.2</u>	<u>Series use (use by an individual or groups for a series of events or classes over a duration of time such as weekly, quarterly, seasonally, etc. for fee-based training and/or certifications, corporate development sessions, convention work-shops, or social occasions)</u>	<u>175.00</u>
<u>11.8</u>	<u>Alaskana room rental fee</u>	
<u>11.8.1</u>	<u>One-time use (use by individual or groups for a one-time use for fee-based training and/or certification, corporate development session, convention work-shop, or social occasion)</u>	<u>25.00</u>
<u>11.8.2</u>	<u>Series use (use by an individual or groups for a series of events or classes over a duration of time such as weekly, quarterly, seasonally, etc. for fee-based training and/or certifications, corporate development sessions, convention work-shops, or social occasions)</u>	<u>75.00</u>

Section 3. Section 12 of the City’s Schedule of Fees, Charges, and Tariffs is hereby amended as follows:

Section 12 Parks and Recreation

(Note: For activities not listed the Parks & Recreation Department will establish the activity/program fee.)

12.1	City League Basketball	
12.1.1	Sponsorship for A, B, C Divisions	340.00
12.1.2	Sponsorship for Open Division.....	440.00
12.1.3	Individual registration fee	
12.1.3.1	— A, B, C Divisions.....	55.00
12.1.3.2	— Open Division.....	70.00
12.1.3.3	— Student.....	35.00
12.1.4	Combined Fees	
12.1.4.1	— A, B, C Divisions.....	800.00
12.1.4.2	— Open Division.....	1,000.00
12.1.4.3	— Student.....	450.00
12.1.5	Youth Dribblers	
12.1.5.1	— Registration fee	20.00
12.1.5.2	— Late registration fee.....	25.00
12.1.6	Summer Solstice 3-on-3 basketball	5.00/per team
12.2	City League Volleyball	
12.2.1	Player fee, A Division	30.00
12.2.2	Player fee, B Division	25.00
12.2.3	Player fee, C Division (youth/women).....	15.00
12.3	Hockey, youth	
12.3.1	—Registration fee	30.00
12.3.2	—Late registration fee	40.00

12.4	Ice-Rink	
12.4.1	Facility rental, per hour.....	100.00
12.4.2	Lessons (5), early registration.....	20.00
12.4.3	Lessons (5), late registration.....	25.00
12.4.4	Clinics (5 sessions).....	20.00
12.4.5	Dasher board signage, per year.....	350.00
12.5	Racquetball	
12.5.1	Adults.....	2.00/per hr
12.5.2	Youth, 18 years of age or less.....	1.00/per hr
12.5.3	Monthly pass.....	20.00
12.6	Road Races	
12.6.1	July 4th 10K.....	5.00
12.6.2	Pillar Mountain Race.....	15.00
12.6.3	Marathon.....	15.00
12.6.4	Pasagshak Bike Race.....	25.00
12.6.5	Triathlon, youth.....	10.00
12.6.6	Triathlon, adult.....	15.00
12.6.7	Ultra-marathon.....	20.00
12.7	Swimming Pool and High School Gym	
12.7.1	Adults.....	2.00
12.7.2	Ages 4-18.....	1.00
12.7.3	Infant - 3 years.....	Free
12.7.4	Senior citizens.....	1.00
12.7.5	Monthly pool pass, adult.....	20.00
12.7.6	Monthly pool pass, youth (18 years of age or less).....	10.00
12.7.7	Red Cross water safety class.....	75.00
12.7.8	Red Cross lifeguard class.....	75.00
12.7.9	Youth swim lessons, 8 lessons.....	25.00
12.7.10	Open gym, per person, per session.....	
12.7.10.1	—Adult.....	2.00
12.7.10.2	—Youth.....	1.00
12.7.11	Indoor soccer, per player, per session	
12.7.11.1	—Adult.....	2.00
12.7.11.2	—Youth.....	1.00
12.8	Teen Center Auditorium	
12.8.1	Private/commercial, per hour.....	25.00
12.8.2	Nonprofit, per hour.....	15.00
12.9	Teen Dances, per person.....	2.00 to 5.00
12.10	Youth Programs, per 2-week session	
12.10.1	—Morning programs	
12.10.1.1	One in family.....	20.00
12.10.1.2	Two or more in same family.....	45.00
12.10.2	—Youth soccer league	
12.10.2.1	—Registration fee.....	20.00
12.10.2.2	—Late registration fee.....	25.00
Section 12	Parks and Recreation	
	(Note: For activities not listed the Parks & Recreation Department will establish the activity/program fee. Youth includes ages 4-18; Adult 19-65; Senior 65+)	
<u>12.1</u>	<u>City Organized Activities</u>	
<u>12.1.1</u>	<u>Basketball</u>	
<u>12.1.1.1</u>	<u>Adult Recreation Basketball Per Season Per Team.....</u>	<u>340.00</u>
<u>12.1.1.2</u>	<u>Adult Tournament Basketball Per Tourney Per Team.....</u>	<u>440.00</u>

12.1.1.3	<u>Little Dribblers Per Season (6 weeks) Per Person</u>	<u>30.00</u>
12.1.2	<u>Volleyball</u>	
12.1.2.1	<u>Adult Recreation Volleyball Per Season Per Team</u>	<u>340.00</u>
12.1.2.2	<u>Adult Tournament Volleyball Per Tourney Per Team</u>	<u>440.00</u>
12.1.3	<u>Soccer</u>	
12.1.3.1	<u>Youth Soccer Per Season (6 weeks) Per Individual</u>	<u>20.00</u>
12.1.4	<u>Races</u>	
12.1.4.1	<u>Per Race Per Adult</u>	<u>15.00</u>
12.1.4.2	<u>Per Race Per Youth/Senior</u>	<u>5.00</u>
12.1.5	<u>Summer Program</u>	
12.1.5.1	<u>Per Session (2 Week) Per Child</u>	<u>20.00</u>
12.2	<u>City Facility</u>	
12.2.1	<u>Ice Rink</u>	
12.2.1.1	<u>Per Session Per Adult</u>	<u>3.00</u>
12.2.1.2	<u>Per Session Per Student/Senior</u>	<u>1.00</u>
12.2.1.3	<u>Per Month Per Adult</u>	<u>30.00</u>
12.2.1.4	<u>Per Month or Team's Season (6 week) Per Student</u>	<u>10.00</u>
12.2.1.5	<u>Dasher Board Signs Per Year</u>	<u>350.00</u>
12.2.1.6	<u>Rental Per Hour</u>	<u>100.00</u>
12.2.2	<u>Swimming Pool</u>	
12.2.2.1	<u>Per Session Per Adult</u>	<u>3.00</u>
12.2.2.2	<u>Per Session Per Youth/Senior</u>	<u>1.00</u>
12.2.2.3	<u>Per Month Per Adult</u>	<u>30.00</u>
12.2.2.4	<u>Per Month or Teams Season (6 week) Per Student/Senior</u>	<u>10.00</u>
12.2.2.4	<u>Infant - 3 years</u>	<u>Free</u>
12.2.1.6	<u>Rental Per Hour</u>	<u>None</u>
12.2.3	<u>Teen Center</u>	
12.2.3.1	<u>Racquetball Per Adult Per Session (1 hour)</u>	<u>3.00</u>
12.2.3.2	<u>Racquetball Per Month Per Adult</u>	<u>30.00</u>
12.2.3.3	<u>Auditorium Per 3 Hour Block</u>	<u>100.00</u>
12.2.4	<u>East Addition Recreation Building</u>	
12.2.4.1	<u>Per Three Hour Block</u>	<u>100.00</u>

BE IT FURTHER RESOLVED that the fee changes in Section 1 shall be effected May 1, 2014.

BE IT FURTHER RESOLVED that the fee changes in Sections 2 and 3 shall be effected July 1, 2014.

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

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:



Port and Harbor Advisory Board News

To: Mayor Branson and Kodiak City Councilmembers
From: Nick Szabo, Chairman, Port and Harbor Advisory Board
Date: January 13, 2014
Re: Port and Harbor Advisory Board Recommendations

The Port and Harbor Advisory Board met January 3, 2014. Below is a synopsis of the discussion and motions. Official minutes will follow in due course.

Elections	Nick Szabo	Chairman
	Oliver Hoim	Vice-chair
	Stormy Stutes	Secretary

Shipyard

- In accordance with the City Council's budget guidance to eliminate the shipyard's budget deficit within the first five years of operation, the PHAB reviewed FY13 financial data and makes the following recommendations:
 - 1) Increase the fee for lift/block/launch 30%
 - 2) Encourage long-term work by offering reduced lay-day fees
 - 3) Increase lay-day fees by 10% for the first 14 days only
- Recommend that the shipyard depreciation expense, and its impact on the boat harbor enterprise fund, be discussed and explained at a City Council meeting

Interfund Transfers

- Recommend that the City review the rationale for determining inter-fund transfer amounts

To: Aimée Kniazowski, City Manager
From: Marty Owen, Harbormaster
Date: April 14, 2014
Subject: Amending Sections 9.16, Shipyard, of the Schedule of Fees and Charges

User fees at Kodiak’s shipyard are not generating sufficient revenue to cover operating expenses and the shipyard continues to use fund balance from the harbor fund. The number of vessels using the yard is slowly growing, but not enough to meet the Council’s budget goal for the enterprise fund to break even by the end of the fifth full year of operation without another rate increase. The Port and Harbor Advisory Board and the Harbormaster hereby recommend a 30% rate increase effective as soon as possible. This increase is projected to make the shipyard enterprise fund break even by the end of FY2015.

At a March 25, 2014 City Council work session, staff and the PHAB discussed implementing the second year of a multi-year rate increase proposal made a year ago when the council increased rates 20% rather than the 40% recommended. It was known then that 20% would be insufficient to completely close the gap and that a second increase would be necessary. The 20% increases did not reduce in the number of lifts – in fact, the number of vessels lifted increased 5% in FY2014.

Resolution 2014–20 reflects Council’s direction, as expressed at the March 25, 2014, meeting, to raise the lift/block/launch rate and the first 14 lay days 30%. Lay days beyond 14 will remain at the current rate as an inducement for vessels to tackle larger long-term projects. This increase is projected to bring the shipyard enterprise fund to a breakeven point by generating an estimated additional \$116,000.

Staff and PHAB recommend Council adopt the resolution if they wish to increase the rates as identified and discussed at their recent March 25 meeting.

City of Kodiak
Kodiak Public Library

Memorandum

To: Aimée Kniazowski, City Manager
From: Katie Baxter, Library Director
Date: March 18, 2014
Subject: FY 15 Library Department Fees, New and Revised

Below are listed proposed library department fees, new and revised, and, the rationale for these fees to be adopted and implemented in FY15 by the City of Kodiak.

I. NEW Library Fees

- **Multipurpose Room Rental Flat Fee: \$75** for use by an individual or groups using the facilities for the purpose of a one-time fee-based training and/or certification, corporate development session, convention workshop, or, social occasion.
- **Multipurpose Room Rental Flat Fee: \$175** for use by an individual or groups using the facilities for a series of events or classes over a duration of time such as weekly, quarterly, seasonally, etc. for the purposes of fee-based training and/or certifications, corporate development sessions, convention workshops, or, social occasions.
Rationale: Multipurpose Room Rental fees for the above uses will help offset the cost of maintenance of the physical space and furnishings, paper goods, cleaning supplies and services, and equipment needs such as projector bulbs, computer cables and media cart accessories.
- **Alaskana Room Rental Flat Fee: \$25** for use by an individual or groups using the facilities for the purpose of a one-time fee-based training and/or certification, corporate development session, convention workshop, or, social occasion.
- **Alaskana Room Rental Flat Fee: \$75** for use by an individual or groups using the facilities for a series of events or classes over a duration of time such as weekly, quarterly, seasonally, etc. for the purposes of fee-based training and/or certifications, corporate development sessions, convention workshops, or, social occasions.
Rationale: Alaskana Room Rental fees for the above uses will help offset the cost of maintenance of the physical space and furnishings, cleaning supplies and services, and equipment needs such as projector bulbs, computer cables and media cart accessories.

II. REVISED Library Fees

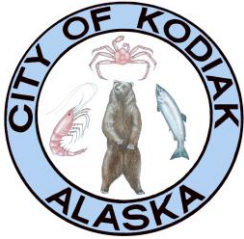
- **11.1** Revise to read Library Material, lost or destroyed.....Replacement cost plus \$5 processing charge.
Rationale: Replace the word “Book” with “Library Material” to reflect the multi-type formats now loaned by Kodiak Public Library such as print items, software, dvds, cds, fiche and film, art work, audiovisual equipment, computer technology, etc. Add the \$5.00 processing charge to compensate for the time spent identifying lost and damaged items and replacing them. In the event of a lost item being found, replacement costs are reimbursed to the patron; the \$5.00 processing fee would be non-refundable in these cases.

- 11.3.1 Eliminate separate lines for computer printed “Black and White” and “Color” copies and fees. Revise to “Black and White Computer Printer Copies:” 0.20 and “Color Computer Printer Copies” to 0.30.
Rationale: This revision reflects that the library now gives patrons a choice by providing a dedicated black-and-white printer and a dedicated color printer. Nowadays, many computerized pages and web forms automatically include color in their graphics and design. The library does not want to penalize a patron for a publisher’s choice to use color. The library is giving the patron the option to use a black and white printer, or a color printer. The fee language is meant to reflect that. Our computer printer fees help offset the cost of toner supplies.

- 11.3.2.2 Reduce cost of color photocopy from 1.00 to .40.
Rationale: The fee reduction allows us to offer an affordable fee for people of all income levels and to continue to offset toner supplies.

- 11.4.2.1 Revise Facsimile (fax) charge for public use/To send/First page from \$3.00 to \$2.00.
- 11.4.2.2 Revise Facsimile (fax) charge for public use/To send/Second page from \$2.00 to \$1.00.
Rationale: The Library strives to offer accessible services to people of all economic levels, educational background, and language skills. In Kodiak, community members under financial duress rely on convenient, accessible fax service to help them meet government and employer deadlines for forms and applications. The Library is known as a helpful, accessible location for transients, homeless and elderly in need of assistance with fax transmissions. Reduced fees would allow us to offset service costs and provide a much needed, affordable service to Kodiak’s underserved and challenged populations.

- 11.6 Change language from “Temporary library card” to “Visitor library card” and omit the phrase (refundable upon return within 1 year) and revise fee to \$10 annual fee.
Rationale: *A non-refundable, annual fee of \$10 per year for a Visitor library card is a major revenue-raising item for the Kodiak Public Library and is a fair fee for giving access to the City’s library assets such as wi-fi connectivity, reasonable printer, copier, and fax rates, and capacity to borrow numerous print, serials, and audiovisual materials.*
- 11.7 Omit “Public pay phone, per three minute phone call.....0.25”
Rationale: *The Library no longer has a pay phone. We make a circulation desk phone available for local phones for people calling for a ride or taxi. To date, this is not impacting our library’s phone bill according to the City’s Finance Director.*



Parks and Recreation Director

410 Cedar Street, Kodiak, Alaska 99615

March 18, 2015

To: City Manager

Attached is Staff’s recommendation for the FY15 Fee Schedule for Parks and Recreation. You will notice the proposed schedule is easier to read and half the length. Operationally, the assumptions underlying the fees should help in accomplishing strategic goals of the department including 1) staff retention and training 2) parity in fees and function 3) mainstream communication and administration. Specifically, there are several differences you will see in the fee proposal from FY14 including:

- Formatting: Previous fees were organized by only type of sport. The proposed FY15 fee schedule delineates fees according to two groups 1) Activities 2) Facilities which are further categorized by user group.
- Standardizing: Previous fees differed by group and activity mainly due to historic practice. Activities, user groups and facility types were normalized to be the same on a per session basis. This reduced the complexity for both the users and staff and will result in better fee compliance and understanding.
- Aligning: Length and scope of activities were adjusted to a common six week module. City managed facilities that require staff in order to be open (pool, teen center, and ice rink) were given common nominal fee rates where appropriate.
- Scheduling: As a part of constructing the fee schedule the annual calendar schedule must be planned as well. Recreation activity and facility use timelines were aligned as best possible with community needs and schedules. Parks and Recreation functions must dove tail with all of the athletic and facility demands by community groups and community schools. This required the massaging of City schedules to minimize overlap of offerings thereby increasing diversity of use and decreasing surges in staffing demands. Seasonal daylight and weather are also contributing factors.

What is lacking in the proposed fee schedule is a business analysis of each recreation opportunity provided by Parks and Recreation. The Department is extremely diversified and tailors its offerings to the needs of the community and uniqueness of the situation. This makes such an analysis difficult if not impossible. Furthermore, it is commonly understood that the cost of such recreation should be kept affordable to all of Kodiak’s citizens for their physical and psychological well being.

Regards,

Charlie Powers

Telephone (907) 486-86706 / Fax (907) 486-8674
cpowers@city.kodiak.ak.us

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager *AK*
Thru: Mark Kozak, Public Works Director *MK* and Glen Melvin PE, City Engineer *GM*
Date: April 24, 2014

Agenda Item: V. c. **Resolution No. 2014–21, Authorizing the Borrowing From the Alaska Drinking Water Fund of an Aggregate Amount Not to Exceed \$6,000,000 to Pay for the Construction of the Monashka Pump House and Repealing Resolution 2014–10**

SUMMARY: City staff began the process to replace the Monashka pumphouse in October 2010. The design for the new facility is complete, and the project went out to bid in March of this year. During the project development, staff worked to acquire funds to move the project through to bid award and construction. The City used local funds, Alaska Department of Environmental Conservation (ADEC) grants, and a State of Alaska legislative grant for the project. The Alaska Municipal Matching Grant (AMMG) program through ADEC requires a 30 percent match by the City. Staff submitted an Alaska Drinking Water Fund loan (ADWF) questionnaire for this project to cover the City's match and to allow for additional funds, if needed. The City was determined to be eligible to apply for the loan and made an application to borrow up to \$2.5 million. The required Council resolution, Resolution No. 2014–10, (Attachment B) was submitted to ADEC in February.

Due to higher project costs and construction bid response, the project requires more funding, which is available through the loan program. The City is eligible to make application to borrow up to \$6 million, and staff requests borrowing the full \$6 million and not the \$2.5 million that was requested and authorized by Council in February. Staff is requesting Council's approval of Resolution No. 2014–21, which rescinds the earlier Resolution No. 2014–10 and authorizes the application of up to \$6 million from the ADWF loan program for construction of the Monashka Pumphouse project.

PREVIOUS COUNCIL ACTION:

- October 2010, Council approved a contract with CH2MHill to complete the Monashka pumphouse upgrade feasibility study.
- December 2012, Council accepted an Alaska Municipal Matching Grant (AMMG) for \$420,000 that was transferred from the UV project to the Monashka design and construction project.
- January 2013, Council named Monashka Pumphouse as the No. 1 City priority on City's FY2014 state CIP list.
- FY2013, Council approved additional capital project funding for the project in the amount of \$425,000 from local funds.

- February 2013, Council approved a contract amendment with CH2MHill for additional pre-design and design work on the pumphouse project.
- September 2013, Council adopted Resolution No. 2013–27 to accept the FY2014 legislative grant in the amount of \$500,000 for the Monashka Pumphouse.
- October 2013, Council approved a design contract with CH2MHill for the new Monashka Pumphouse.
- December 12, 2013, Council adopted Resolution No. 2013–30, naming the Monashka Pumphouse as the City’s No. 1 funding priority for FY2015 on the state CIP list.
- February 13, 2104, Council adopted Resolution No. 2014–10, authorizing a loan from the ADWF loan program not to exceed \$2.5 million.
- March 2014, Council accepted Amendment No. 1 to AMMG 50339 with Resolution No. 2014–11 in the amount of \$1,465,534

DISCUSSION: Staff has actively worked on grant funding since the start of this project. To date, the City has received \$1,885,534 from the AMMG program and \$500,000 from the Alaska legislature. This project is on the AMMG list for an additional \$2,495,452 for FY2015. This AMMG will be available for application once the Governor signs the FY2015 state budget this summer. The loan of \$2,500,000 was intended to be used for our 30 percent match required by the AMMG program.

The City also improves its AMMG scores when projects include application for ADWF loans. The loans are based on a borrowing cycle of 5-20 years with a 1.5 percent interest rate. Using the loan helps meet the required DEC match and keep rates lower for ratepayers by spreading out the rate increases over a longer period of time.

The City will only use loan funds in an amount needed, not the full amount approved. The City Council approved staff’s initial request for a \$2.5 million ADWF loan in Resolution No. 2014–10 in February. The City was approved to apply for up to \$6 million through the ADWF loan program at that time, but only applied for \$2.5 million of the allowed amount based on project cost estimates at the time.

Only two bids were received when bids were opened on April 11, and the lowest bid was roughly \$1.3 million higher than the engineer’s estimate. By requesting the ability to borrow up to \$6 million from the ADWF loan rather than the \$2.5 million, the City can award the second construction bid package sooner rather than wait until the FY2015 AMMG has been awarded and budgeted in the City’s FY2015 budget. The loan increase will allow staff to award the remaining portion of the project (bid package B) at the City Council meeting following the receipt of the loan increase offer from ADEC. This allows the project to move forward without substantial delay in awarding the final portion of the bid.

ALTERNATIVES:

1. Adopt Resolution No. 2014–21, which is staff’s recommendation, so staff can complete a loan increase application with ADWF loan program. This is staff’s recommendation because it allows the project to continue and spreads the impact to ratepayers over a longer time.
2. Do not adopt the resolution or authorize the loan application, which is not recommended, because the City would be required to use more water capital improvement funds to meet the AMMG’s required 30 percent match and would result in a substantial delay in awarding the second bid construction package for the new pumphouse.

FINANCIAL IMPLICATIONS: The current project funding information is below.

FY 2011	City Funds	\$ 225,000	
FY 2012	No Funds Added		
FY 2013	City Funds	\$ 425,000	
FY 2013	AMMG	\$ 420,000	Accepted Dec 2012
FY 2014	State Legislative grant	\$ 500,000	Accepted September 2013 by City Council
FY 2014	AMMG	\$1,465,534	Council accepted this AMMG in March 14
FY 2014	Alaska Drinking Water Loan	\$2,500,000	Accepted by Council in April 2014. Approved to apply for up to \$6 million. Based on project estimates and other funding, applied for \$2.5 million
FY 2014	Alaska Drinking Water Loan Increase	\$3,500,000	Request application for an additional amount not to exceed \$6 million in aggregate, including earlier ADWL application for \$2.5 due to increase in material and bid cost increases.
FY 2015	AMMG	\$2,495,452	Expect award in July 2014 if approved.

LEGAL: The City Attorney reviews the loan application and prepares the resolutions and the certificate letter that will accompany the final acceptance of the loan.

STAFF RECOMMENDATION: Staff recommends Council approve Resolution No. 2014–21 authorizing the City to make application for an ADWF loan to borrow an aggregate amount not to exceed \$6 million for the construction of the Monashka Pumphouse, Project No. 11-05/7029.

CITY MANAGER’S COMMENTS: Mark Kozak, Public Works Director has been very conscientious about finding grants and loans to fund the majority of this project. The replacement of the pumphouse in

a timely manner is absolutely critical to our community, residents and businesses alike. We were surprised that the bids and some materials were coming in higher than we'd expected and planned for. We only received two bids for the project, and both were well above the engineer's estimate. These changes and the timing of the funds available through the FY2015 AMMG program required us to reevaluate the loan amount and request permission to rescind the original request to borrow \$2.5 million and reapply for up to \$6 million in total. We won't borrow more than is needed for the project or our local match. The pumphouse continues to remain in a fragile state and must be replaced as quickly as possible. Therefore, we request Council to adopt Resolution No. 2014-21, which will allow us to apply for one loan not to exceed \$6 million.

Friday after the agenda was published, we found out we needed to amend Resolution No. 2014-21 to show permission to apply for an additional \$3.5 million and not rescind permission for the earlier Resolution No. 2014-10 for the \$2.5 million ADWF loan. Given that change, which was requested by ADEC, we recommend Council adopt the substitute resolution allowing the borrowing of up to \$3.5 million and not to rescind the earlier resolution or loan application.

ATTACHMENTS:

- Attachment A: Resolution No. 2014-21
- Attachment B: Resolution No. 2010-10

PROPOSED MOTIONS:

1. Move to adopt Resolution No. 2014-21.

2. Move to substitute Resolution No. 2014-21 with Resolution No. 2014-21(SUB).

**CITY OF KODIAK
RESOLUTION NUMBER 2014-21**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE BORROWING FROM THE ALASKA DRINKING WATER FUND OF AN AGGREGATE AMOUNT NOT TO EXCEED \$6,000,000 TO PAY FOR THE CONSTRUCTION OF THE MONASHKA PUMP HOUSE AND REPEALING RESOLUTION NO. 2014-10

WHEREAS, pursuant to AS 46.03.036 the Alaska Department of Environmental Conservation (“DEC”) may make loans to municipalities from the Alaska Drinking Water Fund (“Drinking Water Fund”) to pay the cost of planning, designing, building, constructing, and rehabilitating public drinking water collection, storage, treatment, or distribution systems; and

WHEREAS, the City of Kodiak (“City”) is eligible to borrow from the Drinking Water Fund for the purpose described above, and the interest rates to be paid by the City on loans from the Drinking Water Fund are favorable compared to the rates charged by other sources of funds that are available to the City; and

WHEREAS, Article VI, Section 3 of the Kodiak City Charter authorizes the City to borrow money and issue evidences of indebtedness therefor, the principal and interest of which are payable solely out of and the only security for which is the revenue of a revenue-producing utility or enterprise when authorized by the Council for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement, and/or equipment of the utility or enterprise; and

WHEREAS, Article VI, Section 3 of the Kodiak City Charter requires that utility revenue obligations of the City be ratified by a majority of the qualified voters of the City only so long as voter approval is required by state law, and under the constitution and statutes of the State of Alaska the City may issue utility revenue obligations without voter approval; and

WHEREAS, it is necessary and in the best interest of the City and its residents that the City borrow from the Drinking Water Fund an amount not to exceed \$6,000,000 (“Loan”) to pay part of the cost of designing, constructing, and equipping the following water capital improvement (“Project”):

Monashka Pump House	\$6,000,000
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NOW THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that:

Section 1. Definitions. In addition to the terms defined in the recitals above, the following terms shall have the following meanings in this Resolution:

"Gross Revenues" means all rates and charges and other income, in each case derived by or for the account of the City from the ownership, leasing, or operation of the Water Utility, except proceeds from the sale of bonds or notes, any grants received for the Water Utility, and interest received and profits derived from the investment of moneys obtained from such sources or from moneys held in any fund solely to pay or secure the payment of any bonds or notes issued in connection with the Water Utility.

"Operating Expenses" means the current expenses incurred for operation, maintenance, or repair of the Water Utility of a non-capital nature, and shall include without limitation payments required by any source of supply expenses; fuel expenses; treatment, transmission and distribution expenses; customer accounts expenses, administrative and general expenses, insurance premiums, lease rentals, legal, regulatory and engineering expenses; payments to pension, retirement, group life insurance, health and hospitalization funds; or other employee benefit funds which are properly chargeable to current operations; interest on customers' deposits, payroll tax expenses, and any other expenses required to be paid by law (including without limitation Ordinance No. 975, as amended) or permitted by standard practices for public utility systems similar to the properties and business of the Water Utility (adjusted to reflect public ownership) and applicable in the circumstances. Operating Expenses shall not include any allowances for depreciation or amortization or any principal, redemption price or purchase price of, or interest on, any obligations of the City incurred in connection with the Water Utility and payable from Gross Revenues or any fee or charge in lieu of City taxes.

"Water Utility" means the water utility of the City as the same may be added to, improved and extended for as long as the Loan is outstanding.

Section 2. Obligation of Loan. The obligation to repay the Loan shall be a special obligation of the City, payable and secured only as provided herein. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal of or interest on the Loan. The Gross Revenues less the Operating Expenses of the Water Utility are hereby pledged to repayment of the Loan. Such pledge shall be subordinate to the lien on Gross Revenues of "Parity Bonds" as that term is defined in Ordinance Number 975, as amended.

Section 3. Authorization and Purposes of Loan. For the purpose of providing part of the funds required to pay the cost of the Project, the City is hereby authorized to borrow money from the Drinking Water Fund in the form of the Loan in an aggregate principal amount not to exceed \$6,000,000.

Section 4. Loan Agreement. The City hereby is authorized to enter into a loan agreement with DEC for the Loan ("Loan Agreement"). Subject to the limitations provided in Sections 2 and 3, the City Manager is hereby authorized to determine the principal amount, interest rate, maturity, and other details of the Loan; provided that the final maturity of the Loan shall not be more than 20 years from the date of the Loan Agreement and the interest on the Loan shall not exceed one and one-half percent per annum.

Section 5. Authority of Officers. The City Manager, the acting City Manager, the Finance Director, the acting Finance Director, the Clerk and the acting Clerk are, and each of them

hereby is, authorized and directed to do and perform all things and determine all matters not determined by this resolution, to the end that the City may carry out its obligations under the Loan Agreement and this resolution.

Section 6. Severability. If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Loan.

Section 7. Repeal of Resolution No. 2014–10. Resolution No. 2014–10 is repealed.

Section 8. Effective Date. This resolution shall become effective upon adoption by the Council.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

**CITY OF KODIAK
RESOLUTION NUMBER 2014–21(SUB)**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE BORROWING FROM THE ALASKA DRINKING WATER FUND OF AN AGGREGATE AMOUNT NOT TO EXCEED \$3,500,000 TO PAY PART OF THE COST OF THE CONSTRUCTION OF THE MONASHKA PUMP HOUSE

WHEREAS, pursuant to AS 46.03.036 the Alaska Department of Environmental Conservation (“DEC”) may make loans to municipalities from the Alaska Drinking Water Fund (“Drinking Water Fund”) to pay the cost of planning, designing, building, constructing, and rehabilitating public drinking water collection, storage, treatment, or distribution systems; and

WHEREAS, the City of Kodiak (“City”) is eligible to borrow from the Drinking Water Fund for the purpose described above, and the interest rates to be paid by the City on loans from the Drinking Water Fund are favorable compared to the rates charged by other sources of funds that are available to the City; and

WHEREAS, Article VI, Section 3 of the Kodiak City Charter authorizes the City to borrow money and issue evidences of indebtedness therefor, the principal and interest of which are payable solely out of and the only security for which is the revenue of a revenue-producing utility or enterprise when authorized by the Council for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement, and/or equipment of the utility or enterprise; and

WHEREAS, Article VI, Section 3 of the Kodiak City Charter requires that utility revenue obligations of the City be ratified by a majority of the qualified voters of the City only so long as voter approval is required by state law, and under the constitution and statutes of the State of Alaska the City may issue utility revenue obligations without voter approval; and

WHEREAS, it is necessary and in the best interest of the City and its residents that the City borrow from the Drinking Water Fund an amount not to exceed \$3,500,000 (“Loan”) to pay part of the cost of designing, constructing, and equipping the following water capital improvement (“Project”):

Monashka Pump House	\$3,500,000
---------------------	-------------

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that:

Section 1. Definitions. In addition to the terms defined in the recitals above, the following terms shall have the following meanings in this Resolution:

"Gross Revenues" means all rates and charges and other income, in each case derived by or for the account of the City from the ownership, leasing, or operation of the Water Utility,

except proceeds from the sale of bonds or notes, any grants received for the Water Utility, and interest received and profits derived from the investment of moneys obtained from such sources or from moneys held in any fund solely to pay or secure the payment of any bonds or notes issued in connection with the Water Utility.

"Operating Expenses" means the current expenses incurred for operation, maintenance, or repair of the Water Utility of a non-capital nature, and shall include without limitation payments required by any source of supply expenses; fuel expenses; treatment, transmission and distribution expenses; customer accounts expenses, administrative and general expenses, insurance premiums, lease rentals, legal, regulatory and engineering expenses; payments to pension, retirement, group life insurance, health and hospitalization funds; or other employee benefit funds which are properly chargeable to current operations; interest on customers' deposits, payroll tax expenses, and any other expenses required to be paid by law (including without limitation Ordinance No. 975, as amended) or permitted by standard practices for public utility systems similar to the properties and business of the Water Utility (adjusted to reflect public ownership) and applicable in the circumstances. Operating Expenses shall not include any allowances for depreciation or amortization or any principal, redemption price or purchase price of, or interest on, any obligations of the City incurred in connection with the Water Utility and payable from Gross Revenues or any fee or charge in lieu of City taxes.

"Water Utility" means the water utility of the City as the same may be added to, improved and extended for as long as the Loan is outstanding.

Section 2. Obligation of Loan. The obligation to repay the Loan shall be a special obligation of the City, payable and secured only as provided herein. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal of or interest on the Loan. The Gross Revenues less the Operating Expenses of the Water Utility are hereby pledged to repayment of the Loan. Such pledge shall be subordinate to the lien on Gross Revenues of "Parity Bonds" as that term is defined in Ordinance Number 975, as amended.

Section 3. Authorization and Purposes of Loan. For the purpose of providing part of the funds required to pay the cost of the Project, the City is hereby authorized to borrow money from the Drinking Water Fund in the form of the Loan in an aggregate principal amount not to exceed \$3,500,000.

Section 4. Loan Agreement. The City hereby is authorized to enter into a loan agreement with DEC for the Loan ("Loan Agreement"). Subject to the limitations provided in Sections 2 and 3, the City Manager is hereby authorized to determine the principal amount, interest rate, maturity, and other details of the Loan; provided that the final maturity of the Loan shall not be more than 20 years from the date of the Loan Agreement and the interest on the Loan shall not exceed one and one-half percent per annum.

Section 5. Authority of Officers. The City Manager, the acting City Manager, the Finance Director, the acting Finance Director, the Clerk and the acting Clerk are, and each of them hereby is, authorized and directed to do and perform all things and determine all matters

not determined by this resolution, to the end that the City may carry out its obligations under the Loan Agreement and this resolution.

Section 6. Severability. If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Loan.

Section 7. Effective Date. This resolution shall become effective upon adoption by the Council.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

**CITY OF KODIAK
RESOLUTION NUMBER 2014-10**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE BORROWING FROM THE ALASKA DRINKING WATER FUND OF AN AGGREGATE AMOUNT NOT TO EXCEED \$2,500,000 TO PAY FOR THE CONSTRUCTION OF THE MONASHKA PUMP HOUSE

WHEREAS, pursuant to AS 46.03.036 the Alaska Department of Environmental Conservation (“DEC”) may make loans to municipalities from the Alaska Drinking Water Fund (“Drinking Water Fund”) to pay the cost of planning, designing, building, constructing, and rehabilitating public drinking water collection, storage, treatment, or distribution systems; and

WHEREAS, the City of Kodiak (“City”) is eligible to borrow from the Drinking Water Fund for the purpose described above, and the interest rates to be paid by the City on loans from the Drinking Water Fund are favorable compared to the rates charged by other sources of funds that are available to the City; and

WHEREAS, Article VI, Section 3 of the Kodiak City Charter authorizes the City to borrow money and issue evidences of indebtedness therefore, the principal and interest of which are payable solely out of and the only security for which is the revenue of a revenue-producing utility or enterprise when authorized by the Council for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement, and/or equipment of the utility or enterprise; and

WHEREAS, Article VI, Section 3 of the Kodiak City Charter requires that utility revenue obligations of the City be ratified by a majority of the qualified voters of the City only so long as voter approval is required by state law, and under the constitution and statutes of the State of Alaska, the City may issue utility revenue obligations without voter approval; and

WHEREAS, it is necessary and in the best interest of the City and its residents that the City borrow from the Drinking Water Fund an amount not to exceed \$2,500,000 (“Loan”) to pay part of the cost of designing, constructing, and equipping the following water capital improvement (“Project”):

Monashka Pump House	\$2,500,000
---------------------	-------------

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that:

Section 1. Definitions. In addition to the terms defined in the recitals above, the following terms shall have the following meanings in this Resolution:

"Gross Revenues" means all rates and charges and other income, in each case derived by or for the account of the City from the ownership, leasing, or operation of the Water Utility,

except proceeds from the sale of bonds or notes, any grants received for the Water Utility, and interest received and profits derived from the investment of moneys obtained from such sources or from moneys held in any fund solely to pay or secure the payment of any bonds or notes issued in connection with the Water Utility.

"Operating Expenses" means the current expenses incurred for operation, maintenance, or repair of the Water Utility of a non-capital nature, and shall include without limitation payments required by any source of supply expenses; fuel expenses; treatment, transmission and distribution expenses; customer accounts expenses, administrative and general expenses, insurance premiums, lease rentals, legal, regulatory and engineering expenses; payments to pension, retirement, group life insurance, health and hospitalization funds; or other employee benefit funds which are properly chargeable to current operations; interest on customers' deposits, payroll tax expenses, and any other expenses required to be paid by law (including without limitation Ordinance No. 975, as amended) or permitted by standard practices for public utility systems similar to the properties and business of the Water Utility (adjusted to reflect public ownership) and applicable in the circumstances. Operating Expenses shall not include any allowances for depreciation or amortization or any principal, redemption price or purchase price of, or interest on, any obligations of the City incurred in connection with the Water Utility and payable from Gross Revenues or any fee or charge in lieu of City taxes.

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Section 2. Obligation of Loan. The obligation to repay the Loan shall be a special obligation of the City, payable and secured only as provided herein. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal of or interest on the Loan. The Gross Revenues less the Operating Expenses of the Water Utility are hereby pledged to repayment of the Loan. Such pledge shall be subordinate to the lien on Gross Revenues of "Parity Bonds" as that term is defined in Ordinance No. 975, as amended.

Section 3. Authorization and Purposes of Loan. For the purpose of providing part of the funds required to pay the cost of the Project, the City is hereby authorized to borrow money from the Drinking Water Fund in the form of the Loan in an aggregate principal amount not to exceed \$2,500,000.

Section 4. Loan Agreement. The City hereby is authorized to enter into a loan agreement with DEC for the Loan ("Loan Agreement"). Subject to the limitations provided in Sections 2 and 3, the City Manager is hereby authorized to determine the principal amount, interest rate, maturity, and other details of the Loan; provided that the final maturity of the Loan shall not be more than 20 years from the date of the Loan Agreement and the interest on the Loan shall not exceed one and one-half percent per annum.

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determined by this resolution, to the end that the City may carry out its obligations under the Loan Agreement and this resolution.

Section 6. Severability. If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Loan.

Section 7. Effective Date. This resolution shall become effective upon adoption by the Council.



CITY OF KODIAK

Pat Brown

MAYOR

ATTEST:

Delva Marlow

CITY CLERK

Adopted: February 13, 2014

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager *AK*
Thru: Mark Kozak, Public Works Director *MK* and Glenn Melvin PE, City Engineer *GM*
Date: April 24, 2014

Agenda Item: **V. d. Authorization of Bid Award for Bid Package A and Pumps and Motors for Construction of the New Monashka Pumphouse, Project No.11-05/7029**

SUMMARY: The Monashka Reservoir and Pumphouse are the primary sources of water for the City of Kodiak's public water system. The City started evaluation of the pumphouse in 2010 and due to the age of the equipment and building and the structural and seismic issues, the pumphouse was slated for replacement. The project was designed and advertised for bid in March 2014, and two bids were received in April. Because of the timing of Alaska Municipal Matching Grant program (AMMG) and the loans, the City bid the project in two packages. Bid package A is for the yard piping work and package B is for the pumphouse. Staff recommends Council authorize the award of bid package A and the pumps and motors, which are long lead items, to ASRC SKW Eskimos, the lowest of the two bidders, in the amount of \$1,190,671.

PREVIOUS COUNCIL ACTION:

- October 2010, Council approved a contract with CH2MHill to complete the New Monashka Pumphouse Upgrade Feasibility study.
- December 2012, Council accepted an Alaska Municipal Matching Grant (AMMG) for \$420,000 that was transferred from the UV project to the Monashka design and construction project.
- January 2013, Council named the new Monashka Pumphouse project as the No. 1 City priority on City's FY2014 state CIP list.
- FY2013, Council approved additional capital project funding for the project in the amount of \$425,000. This increase is City funds.
- February 2013, Council approved a contract amendment with CH2MHill for additional pre-design and design work on the pumphouse project.
- September 2013, Council adopted Resolution No. 2013-27, which formally accepted the FY2014 legislative grant for \$500,000 for the Monashka Pumphouse replacement.
- October 2013, Council approved a design contract with CH2MHill for new Monashka Pumphouse.
- March 2014, Council accepted Amendment No. 1 to AMMG 50339 with Resolution No. 2014-11 in the amount of \$1,465,534.

DISCUSSION: The Monashka reservoir and pumphouse are the primary water sources for the City of Kodiak. Annually, almost all of the community's water comes from Monashka – roughly 1.89 billion gallons of water a year. The Pillar Creek system is rarely used and serves primarily as a backup system to Monashka. However, Pillar Creek is critical to the City in order to continue to operate under filtration avoidance criteria set by federal regulation.

The City completed a feasibility study on the upgrade or replacement of the Monashka pumphouse facility in December 2012. It showed that because of structural issues with the facility, it would be more cost effective to build a new pumphouse than to rebuild the existing facility. These deficiencies required the City to evaluate potential locations for a new pumphouse building. The final feasibility work was completed in October 2013. This work determined the location and pumping system for the new pumphouse facility. Council approved the design contract with CH2MHill in October 2013, and the project was advertised to bid in March 2014.

The project bids were opened on April 11, 2014, and two bids were received from ASRC SKW Eskimos and MKB. Both bids were substantially higher than the engineer's estimate.

Staff and CH2MHill discussed options such as negotiating with the bidders or rebidding the project. After reviewing the options, it was decided not to try to rebid the project, because there is no assurance that a rebid would result in lower costs.

Because the existing project budget is based on a construction estimate of \$4.6 million, the City must increase the budget in order to have enough funds to cover construction, construction management and engineering support, as well as an appropriate contingency. In order to do this, we feel it is necessary to increase our Alaska Drinking Water Fund loan amount. The FY2015 AMMG will not be available until early July 2014 and cannot be budgeted as part of the project until that time.

Because of the critical timing of the work defined in bid package A, staff is recommending awarding that work at this time. This would allow the work to be performed within the timeframe from May 20 through June 15 as identified in the bidding documents. This period is critical because of the ability of Pillar Creek to meet community water needs. Pillar Creek is able to provide roughly 4 million gallons per day and this window of time has historically average around 3.5 million gallons per day. Staff also included a maximum amount of time the contractor can have the water off so the City doesn't run into a supply problem.

CH2MHill spoke with SKW, and they have provided the City with a letter acknowledging it is acceptable to award bid package A plus the pumps, motors, and diesel powered pump at this time. This allows us to meet the yard piping time frame as defined in the contract and get the long lead items on their way.

As soon as the rest of the funding is in place, the remaining portion of the project can be awarded. The exact timing of the remaining award will depend on the length of time to increase the loan amount and have it approved by the City Council.

ALTERNATIVES:

1. Staff recommends Council approve the award of bid package A plus pumps, motors and diesel motor for the emergency pump as presented, which allows the time sensitive work to begin.
2. Rebid or renegotiate the proposals, which are not recommended. Staff evaluated the concept of rebidding the project. Within the project specs and bid documents there is little to change to change the outcome of the bids, and with annual cost escalation, the bids could be higher. Renegotiation of the costs with the bidders was considered but is not recommended without increasing the City’s risk.
3. Do not approve the bid award as presented. This is not recommended, as it would delay the start of this critical project and increase the chance of failures in the old system.

FINANCIAL IMPLICATIONS: With the critical nature of this facility, we cannot risk delaying or not replacing the pump house at this time. The City cannot support water systems demands without Monashka fully operational at all times.

FY 2011	City Funds	\$225,000	
FY 2012	No Funds Added		
FY 2013	City Funds	\$425,000	
FY 2013	AMMG	\$420,000	Accepted Dec 2012.
FY 2014	State Legislative grant	\$500,000	Accepted September 2013 by City Council.
FY 2014	AMMG	1,465,534	Accepted by Council in March 2014. This was the last remaining transfer from the UV project.
FY 2014	Alaska Drinking Water Loan	\$2,500,000	Accepted by Council in April 2014. We were approved to apply for up to \$6 million. Based on project estimates and other funding we only applied for \$2.5 million
FY 2015	AMMG	\$2,495,452	Expect award in July 2014.

FY 2015	Alaska Drinking Water Loan	\$3,500,000	Request additional funds from ADWF loan for an amount not to exceed \$6 million.
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STAFF RECOMMENDATION: Staff recommends Council authorize the award of Bid Package A to ASRC SKW Eskimos for the installation of yard piping and pumps and motors for the new Monashka pumphouse project in the amount of \$1,190,671 with funds coming from Water Capital Improvement Fund, Project No. 11-05/7029.

CITY MANAGER’S COMMENTS: Despite the higher bids we received and the timing of various funding sources, staff and our consultants have identified a way to keep this critical project moving forward. I support staff’s recommendation and request Council to authorize the bid award of the first bid package to ASRC SKW Eskimos.

ATTACHMENTS:

Attachment A: bid tab for Monashka Pumphouse

Attachment B: SKW letter accepting award of bid package A plus pumps and motors

PROPOSED MOTION:

Move to award bid package A, including yard piping and pumps and motors, to ASRC SKW Eskimos for the construction of the new Monashka Pumphouse project in the amount of \$1,190,671, with funds coming from Water Capital Improvement Fund, Project No. 11-05/7029.



CITY OF KODIAK BID TABULATION

Project Name: **Monashka Pump House Facility**Project Number: **11-05/7029**

Date: April 11, 2014
 Time: 2:00 p.m.
 Date of Invitation: March 11, 2014
 Opened By: Aimée Kniazowski

Addendum No.	Date Issued
1	3/12/14
2	3/19/14
3	3/31/14
4	4/4/14

BIDDER	BASE BID	ADDITIVE ALTERNATES
ENGINEERS ESTIMATE	\$ 4,330,000.00	1. \$
		2. \$
		3. \$
		4. \$
MKB Constructors	\$ 5,995,000.00	1. \$
<input checked="" type="checkbox"/> Addendums Acknowledged	Pkg A - \$1,000,000.00	2. \$
<input checked="" type="checkbox"/> Bid Bond & Business License	Pkg B - \$4,915,000.00	3. \$
<input type="checkbox"/> Contractors Certificate		4. \$
ASRC SKW Eskimos, Inc.	\$ 5,656,000.00	1. \$
<input checked="" type="checkbox"/> Addendums Acknowledged	Pkg A - \$ 500,000.00	2. \$
<input checked="" type="checkbox"/> Bid Bond & Business License	Pkg B - \$5,076,000.00	3. \$
<input type="checkbox"/> Contractors Certificate		4. \$
	\$	1. \$
<input type="checkbox"/> Addendums Acknowledged		2. \$
<input type="checkbox"/> Bid Bond & Business License		3. \$
<input type="checkbox"/> Contractors Certificate		4. \$
	\$	1. \$
<input type="checkbox"/> Addendums Acknowledged		2. \$
<input type="checkbox"/> Bid Bond & Business License		3. \$
<input type="checkbox"/> Contractors Certificate		4. \$
	\$	1. \$
<input type="checkbox"/> Addendums Acknowledged		2. \$
<input type="checkbox"/> Bid Bond & Business License		3. \$
<input type="checkbox"/> Contractors Certificate		4. \$



ASRC SKW Eskimos
THE ACHC FAMILY OF COMPANIES

April 15, 2014

City of Kodiak
2410 Mill Bay Road
Kodiak, AKK 99615

Attention: Mark Kozak, Public Works Director

Subject: City of Kodiak Monashka Pump House
Schedule of Values for Initial Project Award

Mr. Kozak:

After discussions with the design team, we understand that the City of Kodiak intends to award ASRC SKW Eskimos, Inc. (ASKW) a partial award for the above-referenced project.

This partial award will be for bid Package A (\$500,000) as well as the material purchase only and delivery to Kodiak, AK of the four (4) horizontal split-case centrifugal pumps (Pumps 1-4), as defined within Specification 44 42 56.02 (includes three (3) drive motors and one (1) diesel engine (ENG-521)).

We anticipate the schedule of values for this to be as follows.

Item 1 – Bid Package A	\$ 500,000
Item 2 – Procurement of Pumps ***	\$ 690,671
Total Award	\$1,190,671

*** Attached to this letter are the terms and conditions of the purchase of the pumps as clarified by the low, responsive, mechanical subcontractor (Alaska Mechanical, Inc.), as well as their bid day scope/clarifications from their low responsive proposed pump supplier.

We look forward to working with you on this project, and please do not hesitate to contact us if you have any questions or require any additional information.

ASRC SKW Eskimos, Inc.

John D. Golick
President/General Manager

cc: Floyd Damron (CH2MHill); Dan Sires (AMI); Bob Kamp (ASKW)



Alaska Mechanical, Inc.
P.O. Box 203649
Anchorage, Alaska 99520
(907) 349-8502 phone
(907) 349-1324 fax

April 15, 2014

ASRC SKW Eskimos
3900 C Street, Suite 303
Anchorage AK 99503

Attention: John Golick

Reference: Kodiak New Monashka Pump House

Subject: Pump Pricing, Furnish Only

Gentlemen,

Per your request, our lump sum proposal for providing Pumps P-521, including ENG-421, and Pumps P-522, P-523, and P-524 is \$627,883.00.

Inclusions

- Our pricing is based on Goulds Model #3410 L as specified in Section 44 42 56.02, Supplement #1 and includes all comments, clarifications, and exceptions included on Pages 2, 3, and 4 of Goulds Quote #AKP14-281 included with the attached Alaska Pump Quotation.
- Preparation and coordination of submittal and O&M Manuals
- Pumps are quoted FOB Kodiak Dock and does not include any storage or handling.
- Warranty period will commence upon delivery at FOB Point.

Exclusions

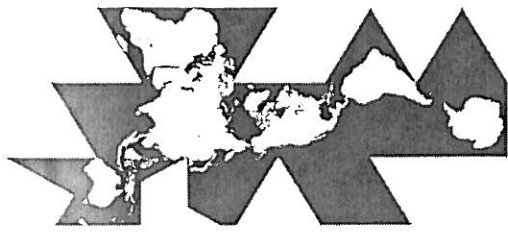
- Installation Labor
- Seismic Calculations
- Manufacturer's Start Up / Field Services

If you have any questions or if I may be of any assistance please do not hesitate to contact me.

Sincerely,

ALASKA MECHANICAL, INC.

Daniel Sires
Project Manager



ALASKA PUMP & SUPPLY, INC

www.alaskapump.com

A DXP COMPANY

261 EAST 56TH AVE, BLDG. A • ANCHORAGE, ALASKA 99518 • PHONE: (907)563-3424 • FAX: (907)562-5449

April 11, 2014

To: Dan Sires – Alaska Mechanical
907-349-8502 FAX 907-349-1324
E-mail: dan@ami-alaska.com

QUOTE Akp#14-0281

Project: New Monashka Pump House
City of Kodiak
Addendum Reviewed: #2
Subj: Section 44 42 56.02
Horizontal Split-Case Centrifugal
Pumps
Bid Due: 2PM 11 April 2014

Gentlemen

We are pleased to provide pricing for the following equipment:

Item	Qty	Description	Net Price	Extended
			Each	Price
		<u>Section 44 42 56.02 Horizontal Split-Case Centrifugal Pumps Consisting of:</u>		
001)	3	Goulds Pumps 3410 L Split Case Centrifugal Pumps Cast Iron, Bronze Fitted Size 8x10-21 with Baldor-Reliance 450 Hp ODP Premium Efficiency 3/60/460 1800 RPM 449TS Electric Motor, Fabricated Steel Base with Drip Lip, Rexnord-Omega Rex E-80 Elastomer Coupling, John Crane Type 1B Cartridge Seal, 250# Flanges, Regreasable Bearings, SSPC-SP10 Pump and Based Plate Blast, Goulds Zinc Primer Underside of Baseplate, Goulds Epoxy/Urethane Pump and Base Plate Supplied with: Casing Non Witnessed Hydro Test with Test Reports Impeller Balanced to ISO G6.3 Non Witnessed 3 Hour Run Test with Bearing Temperatures Non Witnessed Performance Test Per Hydraulic Institute Performance Test Approval Prior to Shipment Test Reports Witnessed and Certified by Professional Engineer Motor Testing: Non-Witnessed Motor Routine Test SS Tags: P-522, P-523, P-524 Service: 3,820 GPM @ 353' TDH 0.990 S.G. Raw Water Estimated Shipping Wt: 4997# Each Freight Allowed Docks Kodiak Alaska		
002)	1	Goulds Pumps 3410 L Split Case Centrifugal Pumps Cast Iron, Bronze Fitted Size 8x10-21 with 440 Hp @ 1760 RP Minimum Goulds Choice of Diesel Engine Fabricated Steel Base with Drip Lip, Rexnord-Omega Rex E-80 Elastomer Coupling, John Crane Type 1B Cartridge Seal, 250# Flanges, Regreasable Bearings, SSPC-SP10 Pump Blast, Goulds Epoxy/Urethane Pump Supplied with: Casing Non Witnessed Hydro Test with Test Reports Impeller Balanced to ISO G6.3 Non Witnessed 3 Hour Run Test with Bearing Temperatures		

This quotation is the sole property of Alaska Pump & Supply, Inc. It is issued to you for your confidential use only. In consideration of this quote, the issued party agrees that this quotation shall not be reproduced or copied or disposed of directly or indirectly, or issued for the purpose other than that for which it has been supplied for without written permission. Alaska Pump & Supply, Inc. reserves the right to refuse to sell all or part of the quotation. Quote is valid for 30 days unless noted.

Alaska Pump & Supply, Inc. Terms and Conditions Apply

Reference: New Monashka Creek P.S.
 April 11, 2014

Alaska Pump & Supply, Inc.
 Akp#14- 0281

		Non Witnessed Performance Test Per Hydraulic Institute Performance Test Approval Prior to Shipment Test Reports Witnessed and Certified by Professional Engineer SS Tags: P-521 Service: 3,820 GPM @ 353' TDH 0.990 S.G. Raw Water Estimated Shipping Wt: 8058# Freight Allowed Docks Kodiak Alaska		
		Pump Spare Parts consisting of:		
003)	Lot	Set of Mechanical Seals, Bearings, Gaskets, Orings, Dowels Pins as Applicable		
		Engine Spare Parts – Included with Engine		Total:

Subject to Alaska Pumps Terms & Conditions of Sale.

Partial Payments Required: 10% upon submittal of certified GA drawing
 25% upon Supplier PO placement for pressure castings and drivers
 25% upon Supplier receipt of pressure castings and drivers
 40% upon Supplier's notification of readiness for shipment from factory

Proposal Validity: 30 Days

Submittals: 2-3 Weeks ARO
 Delivery: 16 Weeks for Electric Driven Pump, Will advise for Diesel Driven after Release to Production

Items not included in the above package: Installation labor, anchor bolts, gauges, control panels, video equipment/taping, lubricants, , local taxes, , wiring, conduits, field startup, hatch, ladder, lifting chain, shackles, floats, additional factory testing or items not listed in the above proposal.

Clarifications/ Exceptions are shown on pump data sheets. Please note that the pump model was quoted to specification but the pump is not designed for continuous duty at the specified duty point. Goulds will not warranty the pump operating continuously at this duty point.

~~Startup and commissioning service: Optional: \$~~

Alaska Pump Field Service Rates:

Service time will be billed at standard field service rates of \$125.00 per hour, per eight-hour day. Time in excess of an eight (8) hour day will be billed \$187.50 per hour. Travel time to and from a job site is \$100.00 per hour plus travel and living at cost, FOB Anchorage, Alaska.

Goulds Pumps Service Rates: (761.B10B – Attached)

1. At the rate of \$1,665 per day for each standard eight-hour day worked or spent in travel to and from the job site, plus all travel and living expenses of the Field Service Engineer/Technician from the time of leaving base location until return and all shipping charges and rentals for any special tools and materials as may be required.
2. Hours worked in excess of the standard eight-hour day, Monday through Friday, and hours worked on Saturday, Sunday and holidays, will be billed in accordance with the following schedule:
 Monday through Friday over eight hours \$312 per hour

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Alaska Pump & Supply, Inc. reserves the right to refuse to sell all or part of the quotation. Quote is valid for 30 days unless noted.

Alaska Pump & Supply, Inc. Terms and Conditions Apply

Reference: New Monashka Creek P.S.
April 11, 2014

Alaska Pump & Supply, Inc.
Akp#14- 0281

Saturday all hours \$312 per hour
Sundays and holidays all hours \$415 per hour

3. Overtime rates will be charged for time spent in travel as such is requested by Purchaser.
4. The rates specified in Items C-1 and C-2 above are not subject to change provided the Engineer/ Technician begins to perform these services within one year from the date of proposal.
5. Minimum billing for less than four hours worked or spent in travel will be 50 percent of the daily rate. The minimum billing for more than four hours but less than eight hours worked or spent in travel will be the full daily rate.
6. The time when the Engineer/Technician is ready, willing and able to work at the job site Monday through Friday shall be considered to be time worked for the purpose of this paragraph, even though his services are not, in fact, utilized.
7. All travel and living expenses will be billed at actual cost. Domestic air travel will be via tourist, coach or economy class when available. Travel via company car will be billed at \$1 per mile.

Gary Tennesen
garyt@alaskapump.com

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Reference: New Monashka Creek P.S.
April 11, 2014

Alaska Pump & Supply, Inc.
Akp#14- 0281

ALASKA PUMP & SUPPLY, INC.
STANDARD TERMS & CONDITIONS OF SALE

Price: The prices quoted are in U.S. currency. Prorated payment shall be made for partial shipments.

Terms of Payment: Payment is due thirty (30) days after the date of the invoice. Interest on the unpaid balance will be charged on all overdue monies at the rate of 18% per annum or the highest rate allowable by law, whichever is less. Customer agrees to pay all collection costs, including actual reasonable attorney's fees incurred in collecting monies due hereunder. Seller reserves the right to require payment in advance or provide other credit terms if Buyer's credit is not acceptable to Seller.

Delivery/Shipping: Delivery and shipping times are Seller's best estimate at the time of quotation/proposal and do not include time to transfer the products, goods and/or equipment on order and to accept the order. Seller is not liable for any delay in the performance of any orders or contracts or the delivery or shipment of products, goods and/or equipment or for any damages sustained by Buyer by reason of such delay, if such delay is directly or indirectly caused by or in any manner arises from fires, floods, accidents, civil unrest, acts of God, war, governmental interference or embargos, strikes, labor difficulties or disputes, non-delivery by suppliers, shortages of labor, fuel, power, materials or supplies, transportation delays or any other cause or causes beyond Seller's control.

Identification and Risk of Loss: The products, goods and/or equipment shall be identified to the contract and risk of loss shall pass to Buyer when the products, goods and/or equipment are placed in the hands of the carrier.

Freight: All prices are FOB point of manufacture and do not include freight unless specifically listed as included. Seller shall not be responsible for actions, inactions or delays by the carrier.

Conditions: All orders are accepted with the understanding that they are subject to Seller's ability to obtain the necessary products, goods and/or equipment.

Not Included: Unless specifically provided herein, the products, goods, equipment, and/or services listed do not include freight, haulage, unloading, freight claims, installation, erection, concrete, grout, water, utilities, lubricating grease and oil, power, tools, labor, controls, conduit, wiring, meters, main disconnects, piping, valves, fittings, gaskets, hardware, taxes, covers, field painting, insurance, testing, royalties, maintenance, operation, erection supervision, start-up services, personnel transportation, anchor bolts, welding rod, or asset.

Inspection: Buyer shall inspect Seller's products, goods and/or equipment upon receipt and if Buyer's inspection reveals any defects, Buyer shall notify the Seller within three (3) days after receipt of the products, goods and/or equipment of any claim Buyer might have concerning such defects or of any claim discovered by Buyer. Buyer's failure to notify Seller within such three day period shall constitute a waiver by Buyer of all claims covering such defects.

Errors: Seller reserves the right to correct any clerical and/or stenographic error or omission.

Cancellation: Buyer may cancel this order only upon written notice and payment to Seller of reasonable cancellation charges.

Returns: Seller will not accept returns of chemicals, electrical items or special orders. Seller will not accept returns of any products, goods and/or equipment after ninety (90) days from the date of the invoice. Buyer will be assessed a reasonable restocking fee on any accepted returns.

Approvals: Buyer is responsible for obtaining any required engineers', owners', and/or governmental agencies' approval of the products, goods, equipment and/or services. Seller does not warrant that the products, goods, equipment and/or services will meet any such approvals or specifications.

Limitation of Liability: In no event shall Seller be liable for any lost profits, down time, lost sales, operating or maintenance costs, or for any other special, indirect, incidental or consequential damages of Buyer.

Warranties: SELLER MAKES NO EXPRESS WARRANTIES WITH RESPECT TO ANY PRODUCT, GOODS AND/OR EQUIPMENT SOLD OR SERVICES PERFORMED AND SELLER SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Seller does not authorize anyone to make a warranty of any kind on its behalf and Buyer should not rely on any statement to that effect. Seller is not the manufacturer of the products, goods and/or equipment. If the manufacturer of the products, goods and/or equipment warrants the products, goods and/or equipment that Buyer has purchased, Buyer shall have whatever manufacturer's warranty there is subject to the terms and conditions of the warranty. The Buyer's sole and exclusive remedy, if any, shall be against the manufacturer and not Seller.

Integration: These Terms and Conditions constitute the entire agreement between Buyer and Seller with respect to this transaction and supercede and replace all prior negotiations agreements, and representation, oral or written. These Terms and Conditions may not be amended or modified except pursuant to a written document signed by both parties.

Governing Law: The terms of this agreement and all rights and obligations of the parties hereunder shall be governed by the laws of the State of Alaska.

Binding Effect: These Terms and Conditions shall be binding on the parties hereto and their heirs, personal representatives, successors, and assigns. The undersigned acknowledges and agrees to Alaska Pump & Supply Term, Inc. and Conditions of Sale/quote as referenced in our quote Akp#14- 0281 and is subject to Alaska Pump & Supply, Inc.'s Standard Terms and Conditions of Sale which are outlined above and agrees to be bound by said Terms and Conditions. No other conditions previous or after date below apply.

Letters and Quotes: Notwithstanding any language to the contrary, nothing contained in our letters or quotes constitutes or is intended to constitute engineering work requiring a stamp or engineering seal by Alaska Pump & Supply, Inc. We neither convey nor imply that the company or persons are practicing engineering herein.

Customer Name Printed

Company Name Printed

X _____
Customer Signature

Date:

Rev. 7/29/2013

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Alaska Pump & Supply, Inc. Terms and Conditions Apply



Standard conditions for domestic service within territorial limits of the forty-eight contiguous United States.

I. Supervision of Inspection, Start-Up, Field Testing and Mechanical Service for Domestic Orders

A. The equipment shall be installed and put into operation by and at the expense of the Purchaser. Upon request of the Purchaser, Goulds Pumps will furnish the services of a Field Service Engineer or Technician to advise and assist the Purchaser in the inspection or startup of the machinery. The Purchaser shall furnish safe and proper working conditions and safe storage of any special tools. The Purchaser shall furnish all necessary labor, cranes, cribbing, oil, supplies, station operating force, steam, electricity, water, and other material and supplies required to install and operate the equipment and shall furnish free available crane and switching service and the service of operators and other employees that may be deemed necessary.

B. Goulds Pumps shall not be responsible for material furnished by the Purchaser or for acts, or failures to act, of personnel furnished by Purchaser nor shall Goulds Pumps be responsible for the construction of foundations or for the soil conditions upon which they are built. Goulds Pumps provides no warranties, either expressed or implied, in construction with this service.

C. Unless otherwise stipulated in writing, the Purchaser shall pay for:

1. At the rate of \$1,000 per day for each standard eight-hour day worked or spent in travel to and from the job site, plus all travel and living expenses of the Field Service Engineer/Technician from the time of leaving base location until return and all shipping charges and rentals for any special tools and materials as may be required.

2. Hours worked in excess of the standard eight-hour day, Monday through Friday, and hours worked on Saturday, Sunday and holidays, will be billed in accordance with the following schedule:

Monday through Friday over eight hours \$...per hour

Saturday all hours \$...per hour

Sundays and holidays all hours \$...per hour

3. Overtime rates will be charged for time spent in travel as such is requested by Purchaser.

4. The rates specified in Items C-1 and C-2 above are not subject to change provided the Engineer/Technician begins to perform these services within one year from the date of proposal.

5. Minimum billing for less than four hours worked or spent in travel will be 50 percent of the daily rate. The minimum billing for more than four hours but less than eight hours worked or spent in travel will be the full daily rate.

6. The time when the Engineer/Technician is ready, willing and able to work at the job site Monday through Friday shall be considered to be time worked for the purpose of this paragraph, even though his services are not, in fact, utilized.

7. All travel and living expenses will be billed at actual cost. Domestic air travel will be via tourist, coach or economy class when available. Travel via company car will be billed at \$1 per mile.

D. When a per diem rate is stipulated in lieu of the rate shown in Paragraph C-1, it will include local travel and living expenses at the jobsite only. Travel expenses between base location and jobsite, and shipping charges and rentals for any special tools and materials will be billed to Purchaser. Overtime charges will be in accordance with Paragraphs C-2 and C-3.

E. Invoices rendered to the Purchaser are payable upon receipt of the invoice. Sales or other applicable taxes shall be charged to the Purchaser.

F. When the Purchaser agrees to the cost of services, a copy of the specifications and Purchase Order will be sent to Field Service for filing. NOTE: This pertains to both international and U.S. travel orders. When the order is entered on the AS400, the dollars for these services will be entered on a non-standard line item by itself. This will enable Field Service to track these costs associated with these services. The Buyer shall also be required to contact Field Service two (2) weeks prior to initial start-up of pumps in order to schedule Field Engineer/Technical to the jobsite.

If time sheets are required by the customer, they shall be provided by the customer and signed after services are performed by both the customer and Field Engineer/Technician.

761.B10B

December 16, 2013

(Sup. 01/21/13)

II. Field Engineering Service

- A. Services of an Engineer for technical consultation and assistance shall be charged at the rate of **\$1,710** net per day or portion thereof, plus all travel and living expenses, from the time of departure from the base location until return.
- B. The standard conditions stated under Paragraph I-A, 1-B and 1-E shall be applicable.
- C. Rental and shipping charges for any special tools, materials or instruments required in the performance of the requested services shall be charged to the Purchaser in addition to the per diem rate in Paragraph 2-A above.
- D. The per diem rate specified in Paragraph 2-A above is not subject to change provided the Engineer/ Technician begin to perform the requested services one year from the date of proposal.

City of Kodiak Alaska

261 East 56th Ave Bldg A
Anchorage, Alaska 99518-1241
(907) 563-3424
FAX 562-5449
garyt@alaskapump.com

INQ NO: Kodiak Monashka Creek P.S.

Proposal No: AKP14-0281

April 11, 2014

Item No: P-522, P-523, P-524

Attn: John Hayes - CH2M Corvallis

Goolds Pump Per Specification/Pump
Data Sheets

MODEL:3410 L SIZE:8x10-21 QTY: 3

Operating Conditions

SERVICE P-522, P-523, P-524
LIQUID Water Temp. 40.0 deg F, Vapor Pres. 0.26 psi abs, SP.GR 0.990,
Viscosity 1.000 cp, rated / max. suction pressure 0.0 / 0.0 psi g
CAPACITY Rated 3,820.0 gpm
HEAD 353.0 (ft)

Performance at 1785 RPM per HI 14.6 1B basis power

PUBLISHED EFFY 77.5% (CDS)
RATED EFFY 77.5%
RATED POWER 436.0 hp (incl. Mech. seal drag 0.69). (Run out 439.4 hp)
NPSHR 28.8 ft (available NPSH is 60.0 ft)
DISCH PRESSURE (R) 152.0 psi g (199.9 psi g @ Shut off) based on 0.0 psi g rated
suction pressure
PERF. CURVE 3940-1 (Rotation CW viewed from coupling end)
SHUT OFF HEAD 466.4 ft
MIN. FLOW Continuous Stable: 958.3 gpm Hydraulic: 958.3 gpm Thermal: N/A

Materials

CONSTRUCTION Bronze fitted
CASING Cast iron (max.casing pressure @ rated temperature 250.0 psi g)
CASING WEAR RING Bronze
IMPELLER Bronze - Enclosed (20.1250 in rated, max=21.0000 in, min=16.0000 in)
CASING GASKETS Non asbestos
SHAFT MATERIAL Steel-AISI 4140
SHAFT TYPE Straight bore
SHAFT SLEEVE 316SS
LUBRICATION Regreasable bearings
BEARINGS SKF 6211 (Inboard) SKF 5309 A/C3 (Outboard)
COUPLING Rexnord - Omega Rex Elastomer- E-70 (standard orange element)-S.F. 1.00
COUPLING GUARD Carbon steel
BASEPLATE Fabricated steel drip lip

Sealing Method

MECHANICAL SEAL J Crane 1B Cartridge X F51 1 X O58 1 (316) - (Cartridge - Single)

Flanges

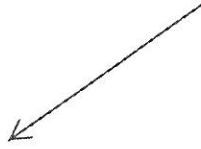
250# flat face

Frame features

Labyrinth oil seals - Inpro VBX
 Single extended shaft

Assembly and Testing

Casing - Non witnessed hydro test, components, test report required
 Casing - Standard hydro test
 Impeller balanced to ISO G6.3
 Non witness mechanical run test with bearing temperatures (requires performance test), 3.0 hours
 Non witness performance test per Hydraulic Institute
 Non witness vibration test per Hydraulic Institute (requires performance test)
 Performance curve approval prior to shipment (requires performance test)
 Test reports certified by a registered PE (Qty 1)
 Witness performance test by a Professional Engineer (PE) (requires performance test) - (Define requirements)
 Performance Test Certified by Registered Professional Engineer



Piping

Bypass tubing 316SS

Baseplate Features

Lifting Lugs
 Vertical leveling screws

Miscellaneous

316SS nameplate (specify stamping)
 P-522
 P-523
 P-524
 Preparation for Long term storage

Painting

Goulds Blue epoxy / urethane system (6.0 mils) - pump and baseplate
 Goulds zinc primer (2.0 mils/Strathmore DRIQUICK Inorganic Zinc Primer) - underside of baseplate

Sandblast

Pump and base (top of bedplate) SSPC-SP10
 Underside of bedplate SSPC-SP10

Optional Features:

Field Service

Field services per spec (3.04A)

add 1

All above optional adders are per unit in (USD)

Noise Level Data

Predicted sound pressures level pump only in Decibels (db) Re 0.0002 microbars measured 3ft horizontally and 5ft from the floor based on rated impeller diameter and rated conditions.

Noise Level	31.5	63	125	250	500	1k	2k	4k	8k	A
Pump	0.0	48.7	61.0	69.8	75.2	75.4	78.7	74.4	65.0	82.6

Driver : Electric motor Manufacturer : Baldor - Reliance

FURNISHED BY	Pump mfg	MOUNTED BY	Pump mfg
RATING	450.0 hp (335.6 KW)	ENCLOSURE	ODP Premium Efficiency
PHASE/FREQ/VOLTS	3/60 Hz/460	SPEED	1800 RPM
INSULATION/SF	F/1.00	FRAME	449TS

Driver Features

Motor documentation

Non-Witnessed Motor Routine Test

Shipment leadtime

16 Weeks After Approvals Docks Kodiak, Alaska

Boxing

BOXING Inland

Freight

Trucking to 1st destination

Weights

TOTAL NET UNIT WEIGHT **

3,706.0 lb

** Baseplate weight is not included in total unit weight

Comments

1) SECTION 44 42 56.02 - HORIZONTAL SPLIT-CASE CENTRIFUGAL PUMPS

- 1.03.A.3 Minimum submergence is not applicable to horizontal pumps and will not be shown on the pump characteristics curve.
- 1.03.A.5 Recommendations for pump installation and leveling will be provided in the instruction manuals. Job specific installation and leveling requirements are not applicable to Goulds' scope of supply.
- 1.03.B.5 Functional tests of the pumps with the job drivers is not included. Our offering is for performance testing of the pumps with factory calibrated lab motors.
- 1.03.B 6/7, 1.04.A.12 Tools required for installation and maintenance of the pumps are not deemed special thus no tools are included in our offering. Special tools for jobsite checking and/or testing are not applicable to Goulds' scope of supply.
- 2.01.B.3.a A single speed analysis will be performed based on the trimmed impeller diameter to meet the required operating conditions and the maximum operating speed.
- 2.01.B.3.b Analysis will be for critical speeds above the operational speed of the pump.
- 2.03.B Our offering is for J Crane Type 1B mechanical seals in compliance with Para. 8 and 9.
- 2.03.B.1 Shaft sleeves are utilized for centering the impeller.
- 2.03.B.4 Revise to read "Arrangement shall allow removal of seal without disturbing pump suction and discharge flanges or driver.
- 2.04.C.3 Vibration levels for equipment properly installed in the field will be per HI Standards.
- 2.05.B Lifting eyes are provided for lifting of the top half of the pump casing (only) and the pump/motor baseplate. The assembled pump is designed to be lifted with slings under the bearing housings. Lift requirements for the diesel engine will be provided later.
- 2.05.C ~~Anchor bolts are not included in Goulds' scope of supply.~~
- 2.05.C ~~Exception is taken to Section 05-50-00, Metal Fabrication as it was not included for our review.~~
- 2.07.C Pumps will be performance tested with factory calibrated lab motors. Functional testing of the pumps with the job drivers/controls is not offered.
- 2.07.D.2 Vibration levels for equipment properly installed in the field will be per HI Standards. We cannot guarantee 90% of HI standards during the factory test as the pump baseplate is not grouted in place nor is the testing with the job motor and coupling.
- 2.07.E.2 Pumps will be tested with factory calibrated motors on Goulds' standard test stand with ambient temperature water. Testing under simulated operating conditions is not offered.
- 3.01, 3.02, 303 These sections are not applicable to Goulds' scope of supply.
- 3.04.A.2 ~~Field testing is not included in our offering.~~

2) PUMP DATA SHEETS

- Pumps are foot mounted, not frame.
- Shaft materials is ASTM A434 4140 Alloy Steel.
- Pump size offered is as required per the specification. However, the pump is not designed to operate or warranted for continuous operation at 3820 GPM.

~~3) SECTION 01 88 15 ANCHORAGE AND BRACING~~

~~- We interpret this specification as not applicable to Goulds' scope of supply. Pump GA drawings will provide equipment weights (wet and dry), allowable flange loads, operating loads, anchor bolt hole size and location. Our offering does not include any seismic analysis and/or review.~~

~~4) SECTION 01 43 33 MANUFACTURER'S FIELD SERVICES~~

~~- Field service is not included in our offering. Price adders have been provided for the pump and engine manufacturer's on-site field service representation.~~

5) SECTION 09 90 04 PAINTING

- Manufacturer's standard QA procedures for preparation of surfaces and paint will apply.

- Our offering does not include:

Detailed chemical and gradation analysis for each proposed abrasive material

Samples

Surface Contamination Testing

Hold points for inspection by Engineer

DFT testing

Holiday detection testing

- 1.03.A.1 Pricing is based on manufacturer's standard finish color.

6) Baldor Comments - MOTOR

450.00 HP, 1800 RPM, 3 Ph, 60 Cy, 449TS frame, ODP, Foot, Guarded Enclosure, Efficiency XE, Continuous Duty, 460 V, 10:1 Variable Torque, 40 Deg C Ambient, 1.0 Service Factor, Motor Standard Nema-T, Design Letter B, Insulation Class F, < 3300 Ft Altitude, Balance Ultra-Standard, Ambient -25 Deg C, Rise at 1.0 S.F. 78.54

Manufactures Standard Paint Omega Plus, Reliance Blue Green Spec. 4824-7-BCB

- Motor Supplied with Non-witnessed Routine Test

- Thermostats and Space Heater Leads Routed to Same Aux. Box., Stainless Steel Screens

SECTION 26 20 00 LOW VOLTAGE INDUCTION MOTORS

-1.02.A.2.c Open motors are outside scope of IEEE841, therefore complete exception taken to IEEE841

-1.04 Motor to include standard Baldor-Reliance documentation package. Additional documentation available for additional charges. Customer data sheets provided in work or excel format will be completed for \$60.00. Customer datasheets provided in other format \$120.00. Additional performance curves and curves at voltages other than 100% voltage are available for \$180.00 each. All documentation after receipt of order. Documentation provided in standard Baldor-Reliance formats.

-2.05.D A load curve which includes load inertia values required to confirm voltage starting.

-2.11.A Exception taken to sleeve bearings. Motors proposed with grease lubricated anti-friction bearings.

-2.12.D Motor to include a DE Inpro seal with grounding ring and ODE insulated bearing.

-2.12.B Expected Dba values listed on above formal quote and provided as part of standard documentation package. Actual noise testing and of octave band data available at additional charges.

-2.16 See 2.11 D Comments

-2.17 Motors proposed with adder for a Nema routine test. Additional testing is available for additional charges.

SECTION 26 29 23 LOW VOLTAGE ADJUSTABLE FREQUENCY DRIVE SYSTEMS

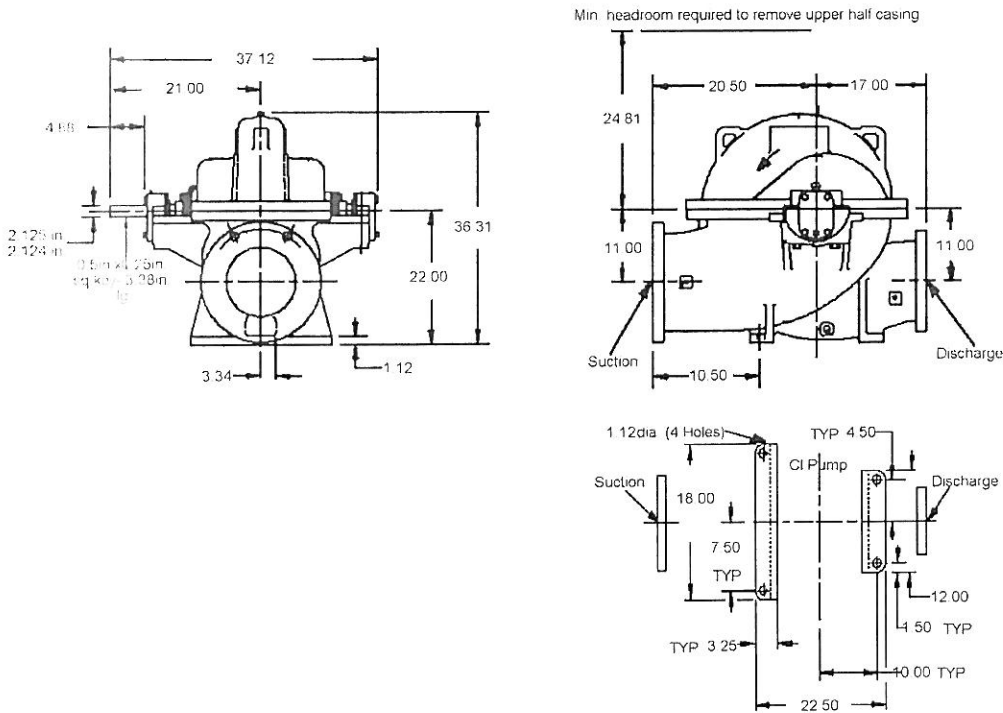
-Reviewed - not applicable to motor design and is responsibility of others.

Baldor comments 5/23/14 Greg Sommer #156691770-10

Our offer does not include specific review and incorporation of any Statutory or Regulatory Requirements and the offer is limited to the requirements of the design specifications. Should any Statutory or Regulatory requirements need to be reviewed and incorporated then the Customer is responsible to identify those and provide copies for review and revision of our offer.

Our quotation is offered in accordance with our comments and exceptions identified in our proposal.

[Click here](#) to download the pump Bulletin



Pump Specification

SUCT. FLANGE SIZE	10"	DRILLING	ANSI 250 #	FACING	FF	FINISH	SMOOTH	
DISCH. FLANGE SIZE	8"	DRILLING	ANSI 250 #	FACING	FF	FINISH	SMOOTH	
PUMP ROTATION (LOOKING AT PUMP FROM MOTOR)	CW							
TYPE OF LUBRICATION	REGREASABLE BEARINGS						COOLED	NO
TYPE OF STUFFING BOX	STANDARD						COOLED	NO
TYPE OF SEALING	MECHANICAL SEAL							

Weights and Measurements

PUMP	1,520.0 lb
MOTOR/CPLG	2,100.0/86.0 lb
BASEPLATE	1b
TOTAL	3,706.0 lb
GR.VOLUME w/BOX	N/A
GR.WEIGHT w/BOX	N/A

Motor Specification

MOTOR BY	PUMP MFG	MOUNT BY	PUMP MFG	MFG.	BALDOR - RELIANCE
FRAME	44TS	POWER	450.0 hp	RPM	1800
PHASE	3	FREQUENCY	60 HZ	VOLTS	460
INSULATION	F	S.F.	1.00		
ENCLOSURE	DPP PREMIUM EFFICIENCY				

Notes and References

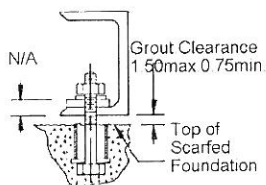
- 250# SUCTION FLANGE 4 HOLES, 1-8 UNC-2B
 - Tolerance for all pump dimensions is +0.13 in. unless otherwise specified

FOR PUMP TAPPED OPENINGS REFER TO DWG TAKP14-0281 / P-522, P-523, P-524

Auxiliary Specification

COUPLING BY	PUMP MFG	CPLG TYPE	REYNOLD OMEGA REX ELASTOMER- E-70 (STANDARD ORANGE)
CPL GUARD BY	PUMP MFG	CPLG GUARD MATL	CARBON STEEL
BASEPLATE	FABRICATED STEEL DRIP LIP		
MECH. SEAL	J CRANE 1B CARTRIDGE X F51 1 X O58 1 (316)		

Typical Anchor Bolt Installation



All dimensions are in inches.
 Drawing is not to scale
 Weights (lbs) are approximate

DRAWING IS FOR REFERENCE ONLY.
 NOT CERTIFIED FOR CONSTRUCTION UNLESS SIGNED.

Customer: City of Kodiak Alaska
 Serial No:
 Customer P.O. No:
 Item No: P-522, P-523, P-524
 End User: City of Kodiak Alaska
 Service: P-522, P-523, P-524

Copyright 2014
 ITT Corp

DRAWING NO AKP14-0281/P-522, P-523, P-524

Preliminary

MODEL: 3410 L SIZE: 8X10-21
 ROTATION: RIGHT HAND

FABRICATED STEEL BASEPLATE W/ DRIP LIP
 FLANGE DRILLING CONFORMS TO ANSI.
 BOLT HOLES STADDLE CENTERLINE.

WEIGHTS(LBS)

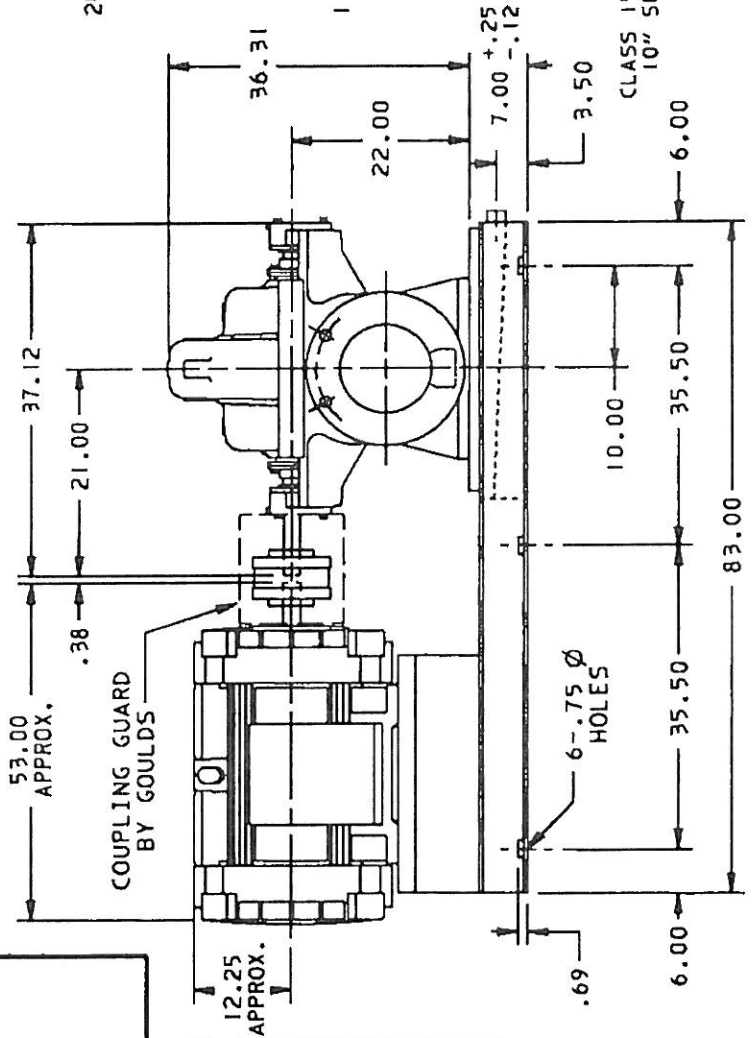
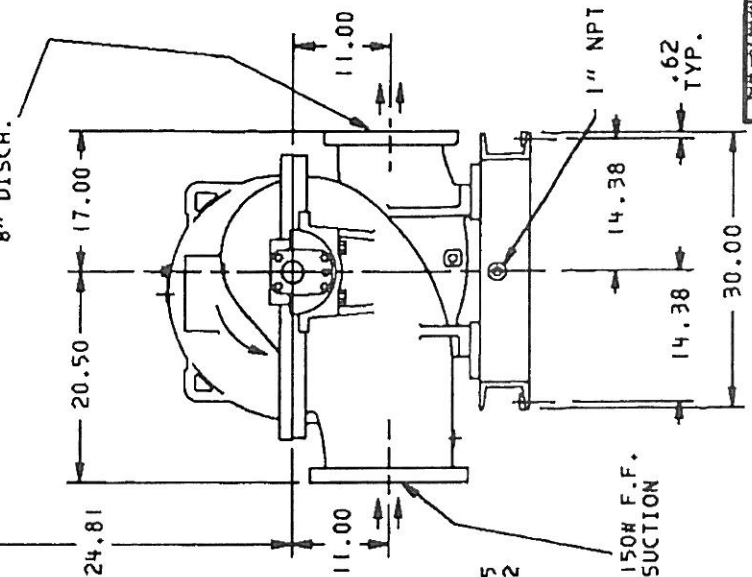
PUMP.....	1520
MOTOR.....	2550
BASEPLATE.....	812
COUPLING.....	65
MISC.....	50
TOTAL.....	4997

NOTES:
 -DRAWING IS NOT TO SCALE.
 -ALL DIMENSIONS ARE IN INCHES.
 -WEIGHTS ARE APPROXIMATE.
 -INSTALL FOUNDATION BOLTS IN PIPE SLEEVES. ALLOW .75 TO 1.50 FOR GROUTING.

MOTOR: RELIANCE
 FRAME: 449T

MINIMUM HEADROOM REQUIRED
 TO REMOVE UPPER HALF CASING.

CLASS 300# F.F.
 8" DISCH.



REV.	
------	--

Goulds Pumps



INDUSTRIAL PRODUCTS GROUP
 SENECA FALLS OPERATIONS

CERTIFIED FOR CONSTRUCTION PURPOSES ONLY WHEN SIGNED.

SIGNATURE:

DATE	BY	CHK BY	DRAWING
------	----	--------	---------

REV.	0
------	---

Model: 3410	Size: 8x10-21	Group: L	60Hz	RPM: 1785	Stages: 1
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Job/Inq.No. : Kodiak Monashka Creek P.S.

Purchaser : City of Kodiak Alaska

End User: City of Kodiak Alaska

Item/Equip No. : P-522, P-523, P-524

Service : P-522, P-523, P-524

Order No. :

Issued by : Gary Tennesen

Quotation No. : AKP14-0281

Date : 04/11/2014

Certified By :

Rev. : 0

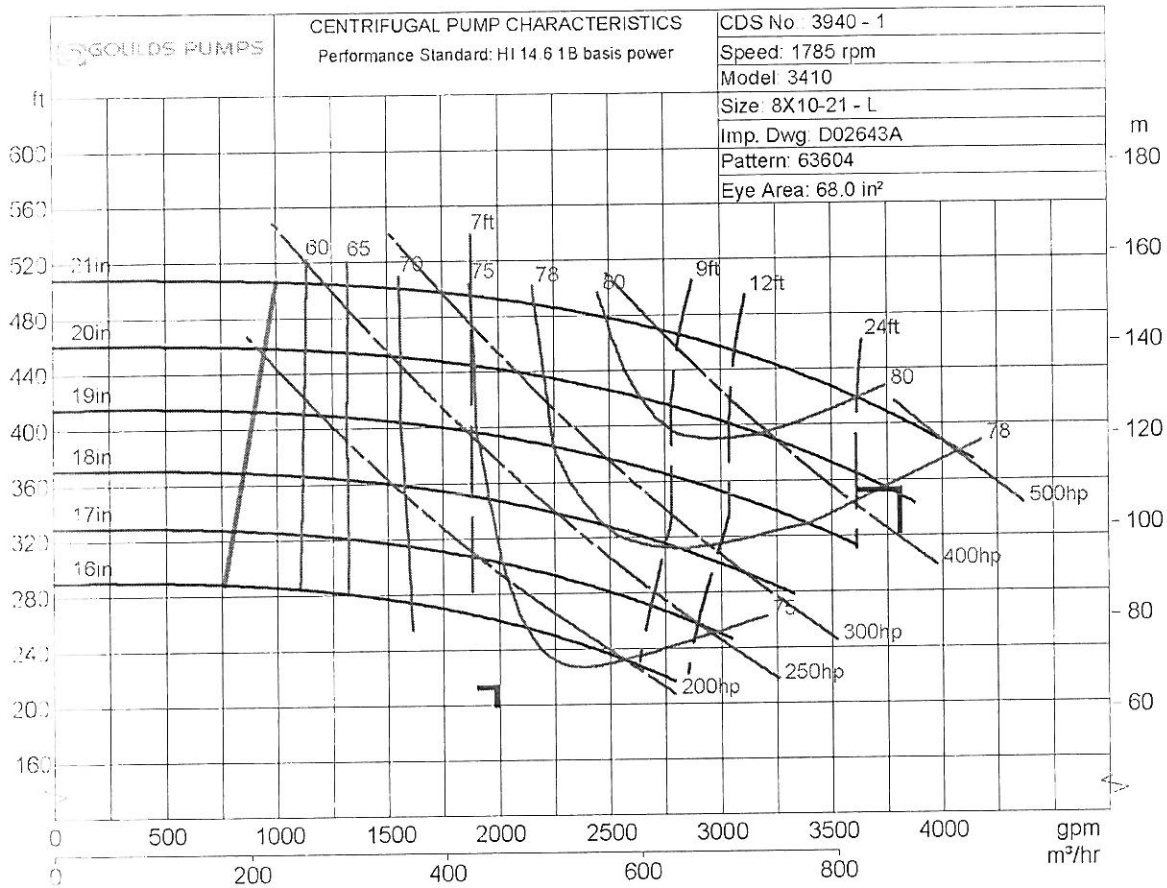
Operating Conditions

Liquid: Water
 Temp: 40.0 deg F
 S.G./Visc: 0.990/1.000 cp
 Flow: 3,820.0 gpm
 TDH: 353.0 ft
 NPSHa: 60.0 ft
 Solid size:
 % Susp. Solids (by wtg):

Pump Performance

Published Efficiency: 77.5 %
 Rated Pump Efficiency: 77.5 %
 Rated Total Power: 436.0 hp
 Non-Overloading Power: 439.4 hp
 Imp. Dia. First 1 Stg(s): 20.1250 in
 NPSHr: 28.8 ft
 Shut off Head: 466.4 ft
 Vapor Press: 0.26 psi abs
 Suction Specific Speed: 10,723 gpm(US) ft
 Min. Hydraulic Flow: 958.3 gpm
 Min. Thermal Flow: N/A
 Max. Solids Size: 0.6900 in

- Notes: 1. Power and efficiency losses are not reflected on the curve below.
 2. Elevated temperature effects on performance are not included.



Model: 3410	Size: 8x10-21	Group: L	60Hz	RPM: 1785	Stages: 1
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Job/Inq. No. : Kodiak Monashka Creek P.S.

Purchaser : City of Kodiak Alaska

End User : City of Kodiak Alaska

Item/Equip.No. : P-522, P-523, P-524

Service : P-522, P-523, P-524

Order No. :

Issued by : Gary Tennesen

Rev. : 0

Quotation No. : AKP14-0281

Date : 04/11/2014

Certified By :

Operating Conditions

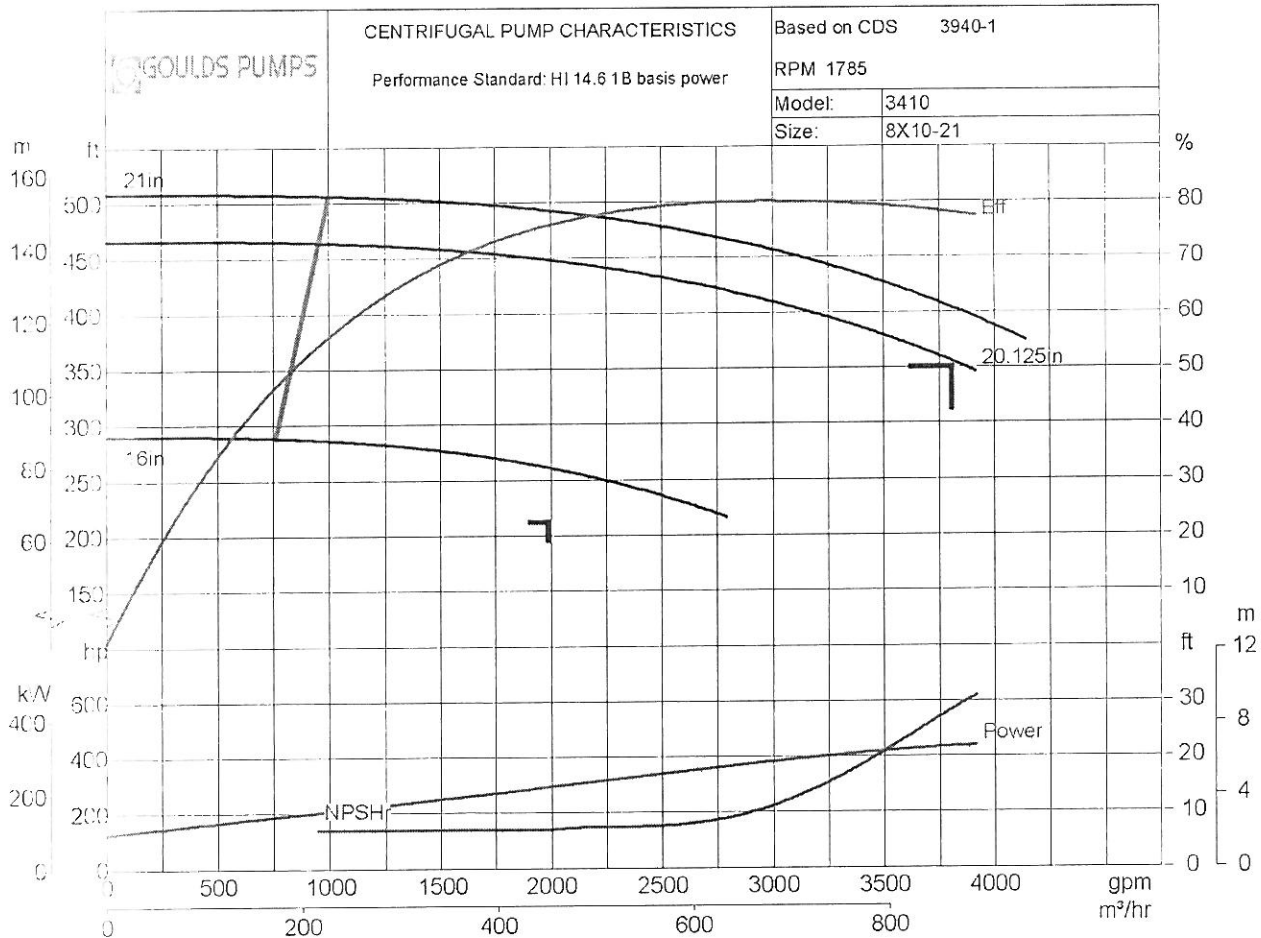
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261 East 56th Ave Bldg A
Anchorage, Alaska 99518-1241
(907) 563-3424
FAX 562-5449
garyt@alaskapump.com

City of Kodiak Alaska
261 E 56TH AVE BLDG A
ANCHORAGE, ALASKA 99518

April 11, 2014

Inquiry No : Kodiak Monashka Creek P.S.
Our Reference : AKP14-0281
Attn: John Hayes - CH2M Corvallis

Item No: P-522, P-523, P-524
Service: P-522, P-523, P-524
Model: 3410 L Size: 8x10-21

Parts Proposal

Qty	Item #	Part Description	Lead Time	Est. Wgt	Part No
1	112	BEARING,BALL		0.00	8049-30904
1	168	BEARING,BALL 6211		2.00	8050-21160
1	178	KEY 303SS		0.40	49568 329 2226
4	222B	SCREW,SET 316SS		0.10	49514 202 2229
5	320	SCREW,SET 316SS		0.10	49514 202 2229
1	351D	GASKET,DISCHARGE NON-ASBESTOS		0.10	C02328A02 5108
1	351S	GASKET,SUCTION NON-ASBESTOS		0.10	C02328A01 5108
2	360	GASKET COVER END VELLUMOID		0.10	B01143A 5130
2	383	MECHANICAL SEAL			
1	400	KEY,SQUARE END CARBON STEEL		0.20	49568 307 2213
2	428	GASKET,SHAFT SLEEVE NON-ASB GLK 3000		1.00	90282 14 5180
4	445A	PIN,ROLL		0.10	80860 9
2	497	O-RG AS568-36 BUNA-N		0.10	C02495A36 5302
1	497F	O-RING AS 568-227 VITON		0.10	C02495A2275304
1	497G	O-RG AS568-38 VITON		0.10	C02495A38 5304
2	497H	O-RING AS 568-228 VITON		0.10	C02495A2285304
2	497J	O-RG AS568-39 VITON		0.10	C02495A39 5304

Terms: Quote valid for 30 (days)

Terms of Sale SHIPPING POINT

THANK YOU

City of Kodiak Alaska

261 East 56th Ave Bldg A
 Anchorage, Alaska 99518-1241
 (907) 563-3424
 FAX 562-5449
 garyt@alaskapump.com

INQ NO: Kodiak Monashka Creek P.S.
 Proposal No: AKP14-0281
 Item No: P-521

April 11, 2014

Attn: John Hayes - CH2M Corvallis

Goolds Pump Per Specification / Pump
 Data Sheets

MODEL:3410 L SIZE:8x10-21 QTY: 1

Operating Conditions

SERVICE P-521 and Eng-421 (Diesel)
 LIQUID Water Temp. 40.0 deg F, Vapor Pres. 0.26 psi abs, SP.GR 0.990,
 Viscosity 1.000 cp, rated / max. suction pressure 0.0 / 0.0 psi g
 CAPACITY Rated 3,820.0 gpm
 HEAD 353.0 (ft)

Performance at 1785 RPM per HI 14.6 1B basis power

PUBLISHED EFFY 77.5% (CDS)
 RATED EFFY 77.5%
 RATED POWER 436.0 hp (incl. Mech. seal drag 0.69). (Run out 439.4 hp)
 NPSHR 28.8 ft (available NPSH is 60.0 ft)
 DISCH PRESSURE (R) 152.0 psi g (199.9 psi g @ Shut off) based on 0.0 psi g rated
 suction pressure
 PERF. CURVE 3940-1 (Rotation CW viewed from coupling end)
 SHUT OFF HEAD 466.4 ft
 MIN. FLOW Continuous Stable: 958.3 gpm Hydraulic: 958.3 gpm Thermal: N/A

Materials

CONSTRUCTION Bronze fitted
 CASING Cast iron (max.casing pressure @ rated temperature 250.0 psi g)
 CASING WEAR RING Bronze
 IMPELLER Bronze - Enclosed (20.1250 in rated, max=21.0000 in, min=16.0000 in)
 CASING GASKETS Non asbestos
 SHAFT MATERIAL SAE 4140
 SHAFT TYPE Straight bore
 SHAFT SLEEVE 316SS
 LUBRICATION Regreasable bearings
 BEARINGS SKF 6211 (Inboard) SKF 5309 A/C3 (Outboard)
 COUPLING Rexnord - Omega Rex Elastomer- E-80 (standard orange element)-S.F. 1.00
 COUPLING GUARD Carbon steel
 BASEPLATE By engine manufacturer

Sealing Method

MECHANICAL SEAL J Crane 1B Cartridge X F51 1 X O58 1 (316) - (Cartridge - Single)

Flanges

250# flat face

Frame features

Labyrinth oil seals - Inpro VBX
 Single extended shaft

Assembly and Testing

Casing - Non witnessed hydro test, components, test report required
 Casing - Standard hydro test
 Impeller balanced to ISO G6.3
 Non witness mechanical run test with bearing temperatures (requires performance test), 3.0 hours
 Non witness performance test per Hydraulic Institute
 Non witness vibration test per Hydraulic Institute (requires performance test)
 Performance curve approval prior to shipment (requires performance test)
 Test reports certified by a registered PE
 Witness performance test by a Professional Engineer (PE) (requires performance test) - (Define requirements)
 Performance Test Logs Certified by Regested Professional Engineer



Piping

Bypass tubing 316SS

Miscellaneous

316SS nameplate (specify stamping)
 P-521 (Pump) & ENG-51 (Diesel Engine)
 Goulds' mounting of pump on engine skid
 Preparation for Long term storage

Painting

Epoxy / urethane system (6.0 mils) - pump only

Sandblast

Pump SSPC-SP10

Noise Level Data

Predicted sound pressures level pump only in Decibels (db) Re 0.0002 microbars measured 3ft horizontally and 5ft from the floor based on rated impeller diameter and rated conditions.

Noise Level	31.5	63	125	250	500	1k	2k	4k	8k	A
Pump	0.0	48.7	61.0	69.8	75.2	75.4	78.7	74.4	65.0	82.6

Driver : Engine Drive Manufacturer : Pump mfg's Choice

FURNISHED BY	Pump mfg	MOUNTED BY	Pump mfg
RATING	460.0 hp (343.0 KW)	SPEED	1800 RPM
DIESEL MODEL	CFP15E-F10 Tier 3		

Shipment leadtime

Contact Factory Docks Kodiak Alaska

Boxing

BOXING Inland

Freight

Trucking to 1st destination

Weights

TOTAL NET UNIT WEIGHT ** 1,520.0 lb

** Baseplate weight is not included in total unit weight

Comments

1) SECTION 44 42 56.02 - HORIZONTAL SPLIT-CASE CENTRIFUGAL PUMPS

- 1.03.A.3 Minimum submergence is not applicable to horizontal pumps and will not be shown on the pump characteristics curve.
- 1.03.A.5 Recommendations for pump installation and leveling will be provided in the instruction manuals. Job specific installation and leveling requirements are not applicable to Goulds scope of supply.
- 1.03.B.5 Functional tests of the pumps with the job drives is not included. Our offering is for performance testing of the pumps with factory calibrated lab motors.
- 1.03.B.6/7, 1.04.A.12 Tools required for installation and maintenance of the pumps are not deemed special thus no tools are included in our offering. Special tools for jobsite checking and/or testing are not applicable to Goulds? scope of supply.
- 2.01.A/B This section is not applicable to the engine driven unit.
- 2.03.B Our offering is for J Crane Type 1B mechanical seals in compliance with Para. 8 and 9.
- 2.03.B.1 Shaft sleeves are utilized for centering the impeller.
- 2.03.B.4 Revise to read "Arrangement shall allow removal of seal without disturbing pump suction and discharge flanges or driver.
- 2.04.C.3 Vibration levels for equipment properly installed in the field will be per HI Standards.
- 2.05.B Lifting eyes are provided for lifting of the top half of the pump casing (only) and the pump/motor baseplate. The assembled pump is designed to be lifted with slings under the bearing housings. Lift requirements for the diesel engine will be provided later.
- 2.05.C ~~Anchor bolts are not included in Goulds' scope of supply.~~
- 2.05.C ~~Exception is taken to Section 05 50 00, Metal Fabrication as it was not included for our review.~~
- 2.07.C Pumps will be performance tested with factory calibrated lab motors. Functional testing of the pumps with the job drivers/controls is not offered.
- 2.07.E.2 Pumps will be tested with factory calibrated motors on Goulds' standard test stand with ambient temperature water. Testing under simulated operating conditions is not offered.
- 2.07.D.2 Vibration levels for equipment properly installed in the field will be per HI Standards. We cannot guarantee 90% of HI Standards during the factory tests as the pump baseplate is not grouted in place nor is the testing with the job driver and coupling.
- 2.07.E.2 Pumps will be tested with factory calibrated motors on Goulds' standard test stand with ambient temperature water. Testing under simulated operating conditions is not offered.
- 3.01, 3.02 303 These sections are not applicable to Goulds' scope of supply.
- 3.04.A.2 Field testing is not included in our offering.

2) PUMP DATA SHEETS

- Pumps are foot mounted, not frame.
- Shaft materials is ASTM A434 4140 Alloy Steel.
- Pump size offered is as required per the specification. However, the pump is not designed to operate or warranty for continuous operation at 3820 GPM.

~~3) SECTION 01 88 15 ANCHORAGE AND BRACING~~

- ~~- We interpret this specification as not applicable to Goulds' scope of supply. Pump GA drawings will provide equipment weights (wet and dry), allowable flange loads, operating loads, anchor bolt hole size and location. Our offering does not include any seismic analysis and/or review.~~

~~4) SECTION 01 43 33 MANUFACTURER'S FIELD SERVICES~~

- ~~- Field service is not included in our offering. Price adders have been provided for the pump and engine manufacturer's on-site field service representation.~~

5) SECTION 09 90 04 PAINTING

- Manufacturer's standard QA procedures for preparation of surfaces and paint will apply.
- Our offering does not include:
 - Detailed chemical and gradation analysis for each proposed abrasive material
 - Samples
 - Surface Contamination Testing
 - Hold points for inspection by Engineer
 - DFT testing
 - Holiday detection testing

- 1.03.A.1 Pricing is based on manufacturer's standard finish color.

6) ENGINE

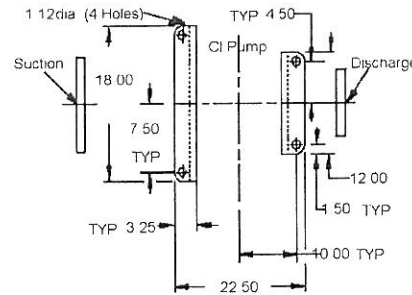
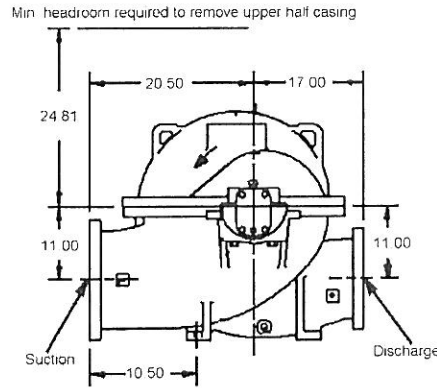
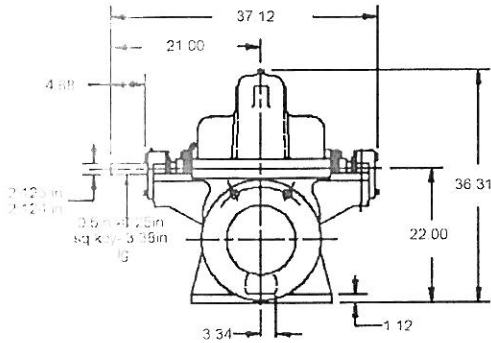
- 2.04.B.1 RPM is fixed at 1760 RPM, adjustable during start-up
- 2.04.I Heater is 240V can be used at 208V 50Hz but with limit output
- 2.04.K.2, 3,4 Exhaust pipe and thermal wrap is by the installation contractor
- 2.04.N.1.c.1 The engine should be connected to a fire pump controller. The controller manufacturers have options for a remote annunciator panel that could facilitate these outputs. By others.
- 2.04.N.1.c.2 In order to offer a 4 to 20 mA output for coolant temp and oil pressure additional sensors would need to be added to the engine. These sensors would have nothing to do with our control system. Local Cummins distributor could install sensors at additional cost. Control wiring and interface by others.
- 2.06.A Finish is powder coated and urethane finished
- 2.07.B Completed during start up this would be included in quotation from local Cummins distributor
- 2.07.C Dynamometer test summary supplied. Witness testing available at additional cost
- 3.04 Manufacturer's Services to be quoted seperatly

Program Version 1.48.0.0

Our offer does not include specific review and incorporation of any Statutory or Regulatory Requirements and the offer is limited to the requirements of the design specifications. Should any Statutory or Regulatory requirements need to be reviewed and incorporated then the Customer is responsible to identify those and provide copies for review and revision of our offer.

Our quotation is offered in accordance with our comments and exceptions identified in our proposal.

[Click here](#) to download the pump Bulletin



Pump Specification

SUCT. FLANGE SIZE	10"	DRILLING	ANSI 250 #	FACING	FF	FINISH	SMOOTH
DISCH. FLANGE SIZE	8"	DRILLING	ANSI 250 #	FACING	FF	FINISH	SMOOTH
PUMP ROTATION (LOOKING AT PUMP FROM MOTOR)	CW						
TYPE OF LUBRICATION	REGREASABLE BEARINGS					COOLED	NO
TYPE OF STUFFING BOX	STANDARD					COOLED	NO
TYPE OF SEALING	MECHANICAL SEAL						

Weights and Measurements

PUMP	1,520.0 lb
MOTOR	1b
BASEPLATE	1b
TOTAL	1,520.0 lb
GR.VOLUME w/BOX	N/A
GR.WEIGHT w/BOX	N/A

Motor Specification

MOTOR BY	PUMP MFG	MOUNT BY	PUMP MFG	MFG.	PUMP MFG'S CHOICE
FRAME	POWER	460.0 hp	RPM	1800	
PHASE	FREQUENCY		VOLTS		
INSULATION	S.F.				
ENCLOSURE					

Notes and References

- 250# SUCTION FLANGE 4 HOLES. 1-8 UNC-2B

FOR PUMP TAPPED OPENINGS REFER TO DWG TAKP14-0281 / P-521

Auxiliary Specification

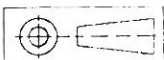
COUPLING BY	PUMP MFG	CPLG TYPE	REYNOLD OMEGA REX ELASTOMER- E-50 (STANDARD ORANGE)
CPL GUARD BY	PUMP MFG	CPLG GUARD MATL	CARBON STEEL
BASEPLATE	BY ENGINE MANUFACTURER		
MECH SEAL	TORANE 1B CARTRIDGE X F51 1 X O58 1 (316)		

DRAWING IS FOR REFERENCE ONLY.
NOT CERTIFIED FOR CONSTRUCTION UNLESS SIGNED.

Customer: City of Kodiak Alaska
Serial No:
Customer P.O. No:
Item No: P-521
End User: City of Kodiak Alaska
Service: P-521 and Eng-421 (Diesel)

Copyright 2014
ITT Corp

DRAWING NO AKP14-0281/P-521



All dimensions are in inches.
Drawing is not to scale
Weights (lbs) are approximate

Model: 3410

Size: 8x10-21

Group: L

60Hz

RPM: 1785

Stages: 1

Job/Inq No.: Kodiak Monashka Creek P.S.

Purchaser: City of Kodiak Alaska

End User: City of Kodiak Alaska

Issued by: Gary Tennesen

Item/Equip No.: P-521

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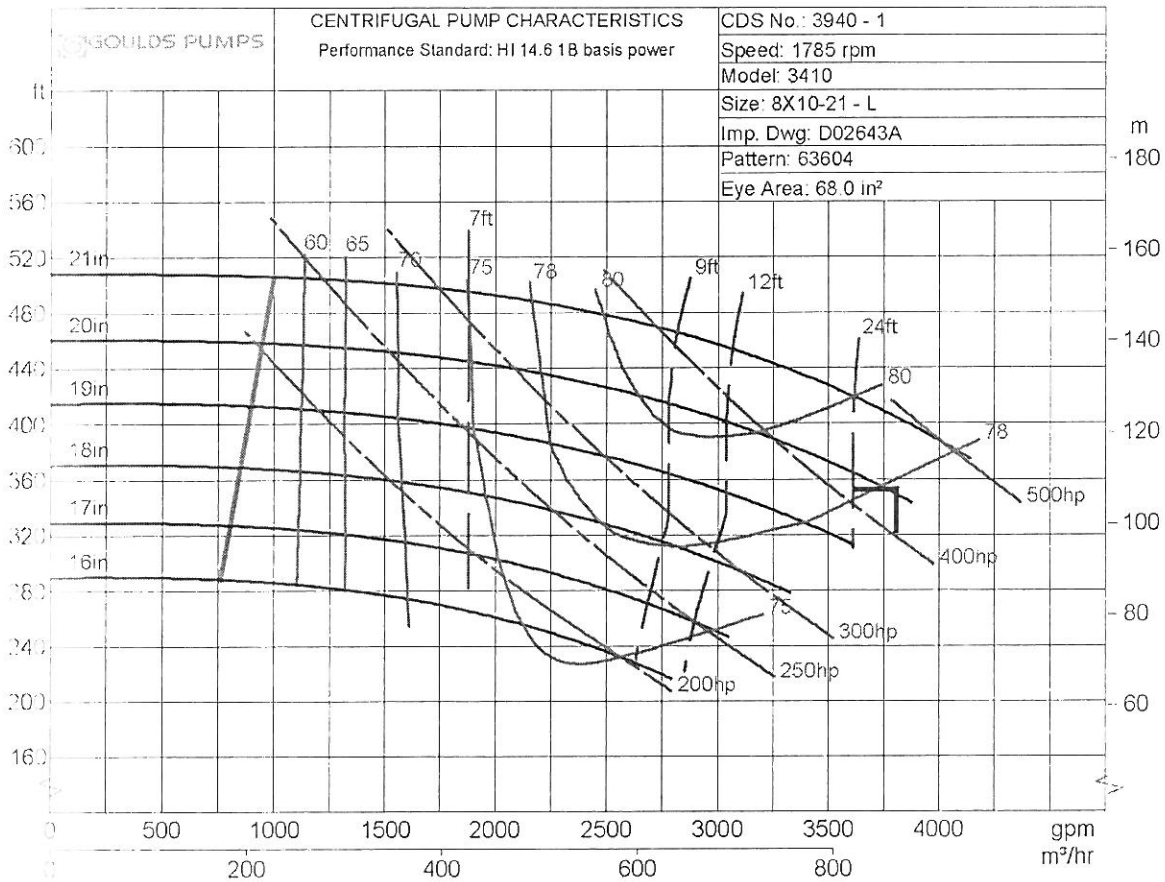
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NPSH_a: 60.0 ft
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Job/Inq No. : Kodiak Monashka Creek P.S.

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Certified By :

Operating Conditions

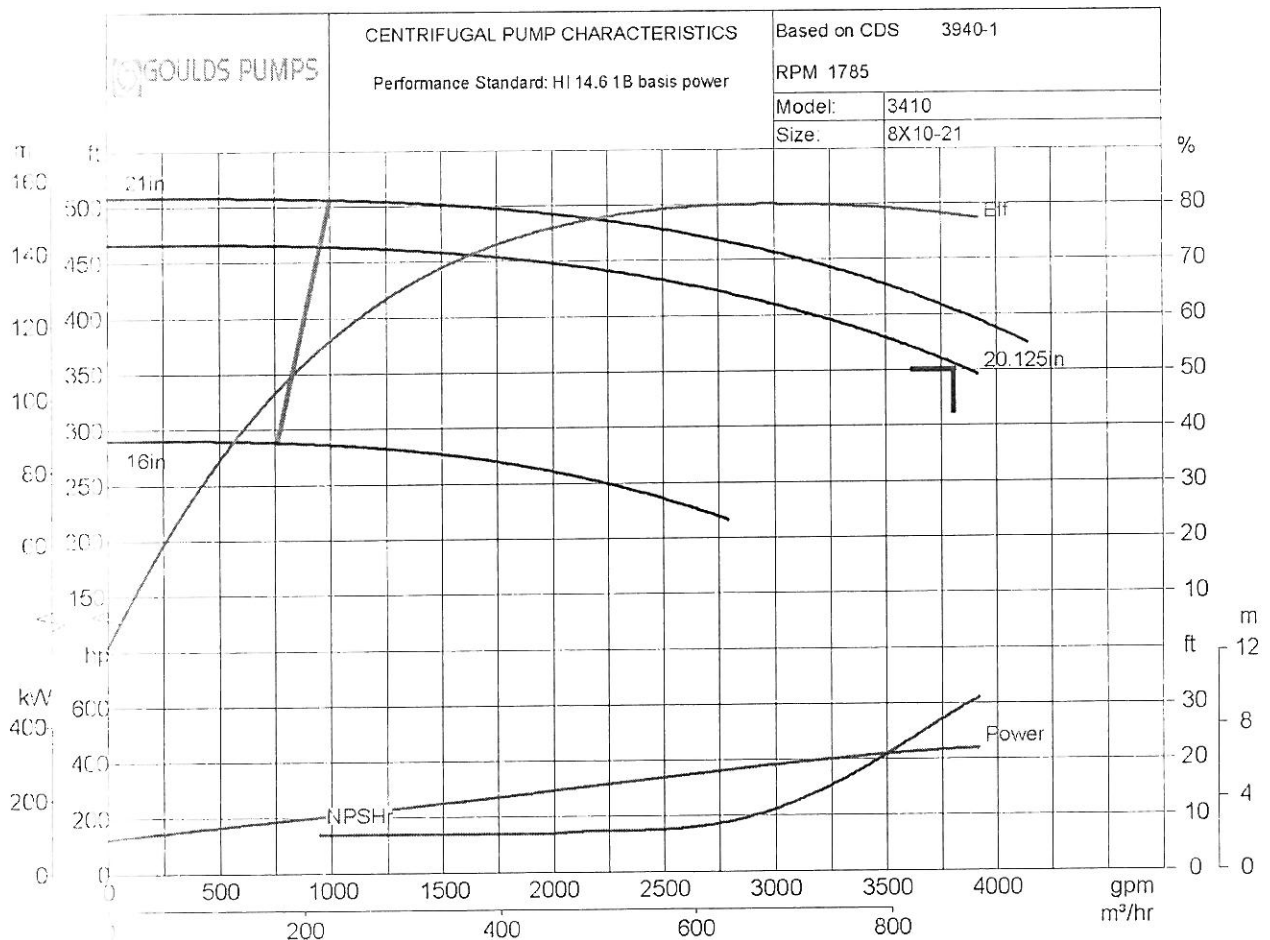
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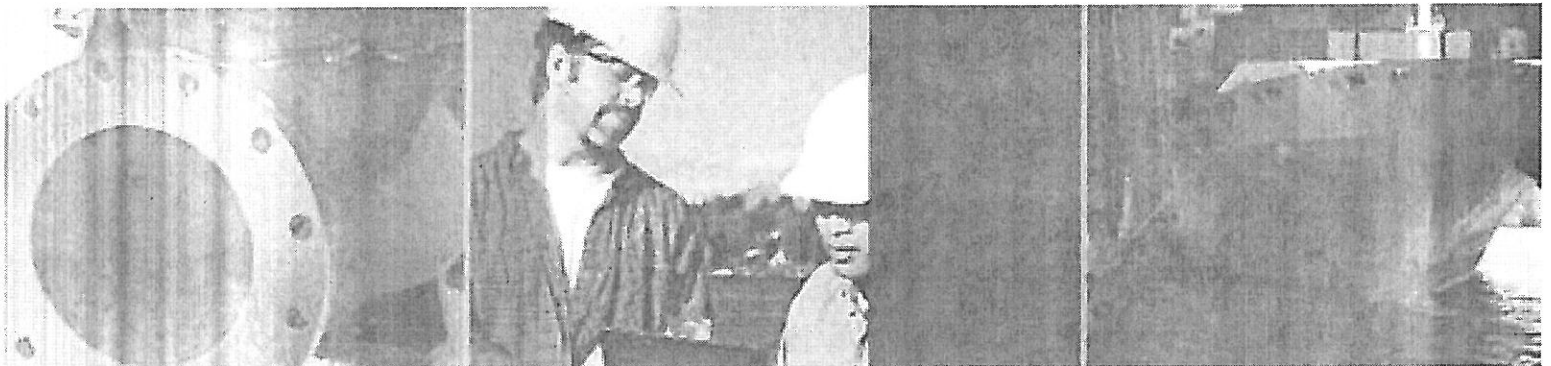
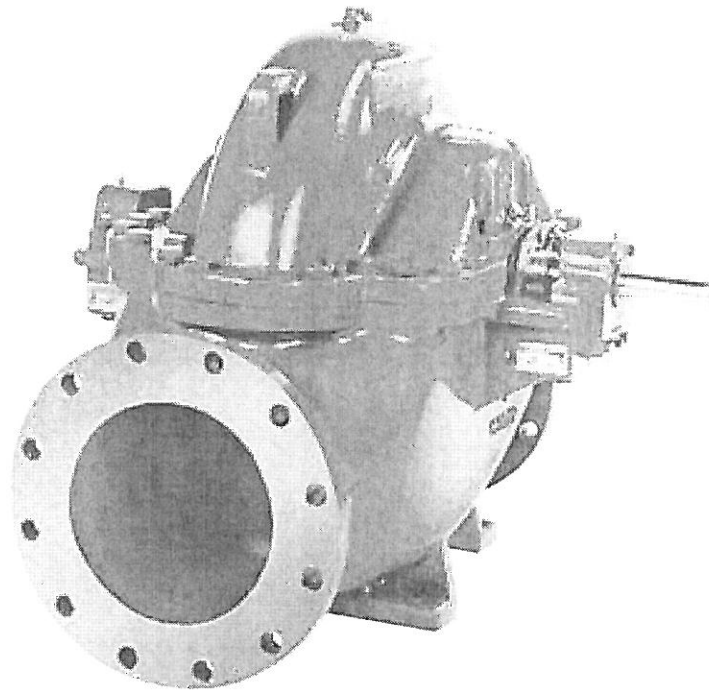
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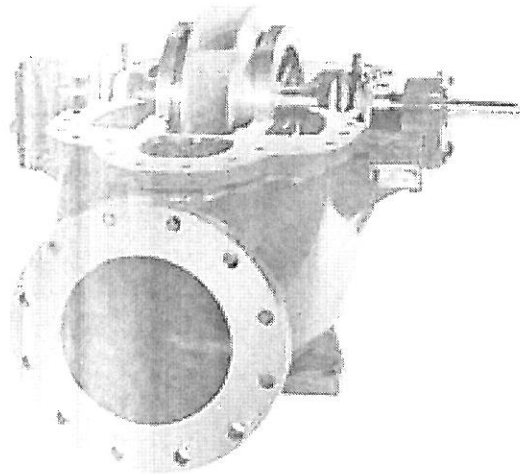
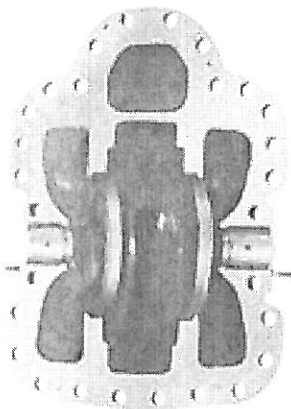
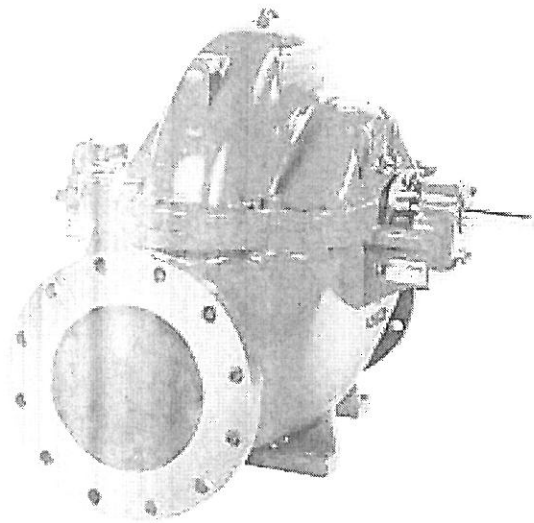


Goulds 3410

Small Capacity Double Suction Pumps



Engineered for life



Goulds 3410

Double Suction Pumps Designed for a Wide Range of Industrial, Municipal, and Marine Services.

- ◆ Capacities to 8,000 GPM (1817 m³/h)
- ◆ Heads to 570 feet (174 m)
- ◆ Temperatures to 350° F (177° C)
- ◆ Pressures to 250 PSIG (1724 kPa)

Design Features

- ◆ **Double Suction/Dual Volute Design** assures axial and radial balance for long life, low maintenance.
- ◆ **Horizontally Split Casing** Suction and discharge nozzles in lower half casing for ease of inspection/maintenance.
- ◆ **Wear Rings** Easily replaceable wear rings protect against impeller, casing wear.
- ◆ **Sealing Flexibility** Choice of packing or wide range of mechanical seals.
- ◆ **Maximum Parts Interchangeability** Entire line uses just four rotating assemblies (exclusive of impellers and wear rings).

Services

- ◆ **Process** Quench water, stripper bottoms, reboiler circulation, cooling tower
- ◆ **Pulp & Paper** Primary and secondary cleaner, filtrate, mill water supply shower, fan pump
- ◆ **Primary Metals** Cooling water, quench and leaching
- ◆ **Municipal** High lift, low lift, wash water, waste water, raw water
- ◆ **Utilities** Cooling tower, component cooling, service water
- ◆ **Marine** Bilge and ballast, cargo, cooling water, fire pump

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager *AK*

Thru: Mark Kozak, Public Works Director *MK* and Glenn Melvin, City Engineer *GMM*

Date: April 24, 2014

Agenda Item: V. e. **Authorization of Amendment No. 4 to the Professional Services Contract for Construction Management Services for the New Monashka Pumphouse, Project No. 11-05/7092**

SUMMARY: The bids for construction of the City's new Monashka Pumphouse were opened on April 11, 2014, with ASRC/SKW Contractors as the apparent low bidder. Due to current project funding limitations, City staff is recommending that Council award the construction management services in two phases. This memorandum discusses both phases of construction management services for the new Monashka pumphouse project. Construction management is critical to ensure the project is built in a timely manner without interruption of water service to the community and to ensure that the project meets all regulatory requirements, including receipt of the Certificate to Operate by the regulatory agency. Staff is recommending Council approve Amendment No. 4 to the professional services contract with CH2MHill to perform initial construction management services for bid package A and certain long-lead equipment in the amount of \$194,000. The award of construction management services for bid package B will be presented to Council at a future date.

PREVIOUS COUNCIL ACTION: The Council approved the FY2014 budget, which included \$5,115,534 for the construction of the new Monashka Pumphouse.

- October 2010, Council approved a contract with CH2MHill to complete the Monashka Pump House upgrade feasibility study.
- December 2012, Council accepted an Alaska Municipal Matching Grant (AMMG) for \$420,000 that was transferred from the UV project to the Monashka design and construction project.
- January 2013, Council named the Monashka Pumphouse project as the No. 1 City priority on City's FY2014 state CIP list.
- FY2013, Council approved additional capital project funding for project in the amount of \$425,000. This increase is City funds.
- February 2013, Council approved a contract amendment with CH2MHill for additional pre-design and design work on the pumphouse project
- September 2013, Council adopted Resolution No. 2013-27, which formally accepted the FY 2014 legislative grant in the amount of \$500,000 for Monashka Pumphouse upgrades.
- October 8, 2013, staff made a report and recommendations of pumphouse location and design components to Council, and Council expressed agreement with staff's recommendations.

APRIL 24, 2014

Agenda Item V. e. Memo Page 1 of 5

- October 24, 2013, Council authorized a professional services contract for full design of the new Monashka Pumphouse.

BACKGROUND: There are three previous amendments to the CH2M HILL professional services contract. These amendments were processed by staff and were not presented to Council. Staff typically processes contract amendments and change orders if the dollar value is within the City Engineer/Department Head's purchasing limits of \$10,000 and fall within the approved budget. These amendments have been reviewed by ADEC and approved for grant/loan funding reimbursement. The amendments are described below.

- Amendment 1: December 4, 2013. Engineering services proposal to assess adequacy of Monashka transmission pipeline combination air vac valves. Lump sum contract price, \$7,400
- Amendment 2: January 22, 2014. Additional surge analysis to determine safe pumping rate from the new Monashka Pumphouse for existing transmission main. Lump sum contract price, \$5,000.
- Amendment 3: March 12, 2014. Support to City for owner-furnished valves and pipe and fittings for Phase 1 yard piping. Lump sum contract price \$5,700.

DISCUSSION: Because this project is dealing with the heart of the community's entire drinking water system, several steps in the process are critical to avoid water shortages or outages that would affect the City's ability to provide water. Now that the project is being awarded for construction, one of the more difficult phases of this project is beginning. Construction of this facility requires the contractor to keep the existing pumphouse operational for most of the project duration. The new pumphouse will be constructed very close to the existing building that will remain in operation. This will present a challenge to the contractor and will require full support by the on-site construction manager.

ADEC regulations require that all water or sewer construction projects be monitored by a licensed engineer. The engineer is responsible for certifying that the project was constructed per the ADEC approved plans. Any deviations from the plans must be approved by a licensed engineer certifying that it meets water regulation construction standards. The project will also require extensive ongoing coordination with Alaska Dept. of Environment Conservation (ADEC) in order to be issued a Certificate to Operate at the completion of the job.

Without the assistance of a highly skilled engineering team, the likelihood of this project meeting all the regulatory requirements, being issued a Certificate to Operate at completion, and meeting all of the requirements of both the U.S. Environmental Protection Agency (EPA) and ADEC funding, is highly unlikely. Because of the technical nature of this project from the very beginning, staff recognized this project must have an experienced management and engineering team to be completed successfully.

Complexity of the Project

The existing plan set for this project is made up of one set of approved-to-construct stamped drawings containing 68 pages and two volumes of contract documents containing specifications and requirements. The majority of this work is complex and coordination and timing is critical throughout the entire project.

The project requires several connections be made to the existing underground piping that delivers untreated water to the City system. The timing of these connections is extremely critical in that the first one will require the City to shut off the water supply from Monashka for four to six days. During this time the community will rely on the Pillar Reservoir. The construction contract restricts the contractor to a critical six day (total) window to make the connections. In order for this kind of work to occur, detailed plans and construction schedules are necessary, and good management of the project is critical to the project.

Technical Needs of the City

The following items are a brief outline of the technical steps that this project needs while at the same time continuing to operate the existing water pump house and maintain full compliance of water system regulations.

1. Assistance in preparation of all contract documents
2. Pre-construction meeting
3. Respond to contractors request for information (RFI)
4. Engineer review of all submittals
5. Prepare change orders and make recommendations on change orders
6. Technical assistance on specialty items such as Variable Frequency Drives (VFD's) equipment and SCADA control/operation system
7. Review pay request and recommend acceptance or modifications
8. Assistance with grant and loan funding requirements
9. Assistance with ADEC and EPA response for information on grant and loan reimbursement request
10. Programming of control system and SCADA development
11. Software submittal and review of electronic operating system for pumps and water monitoring equipment, system testing, system start up, and operator control manual
12. Facility start-up, on-site experts for start-up of pump system, and system training for operators
13. Conduct special inspections, periodic on-site project oversight, and final inspection
14. Prepare and support the City's application for Certificate to Operate from ADEC with assistance for full water treatment credit
15. Prepare and sign record drawings, submit to ADEC and provide City originals for project records
16. Prepare operators manuals for the entire treatment facility

17. Provide engineering and technical assistance during the warranty period
18. Project management, which will coordinate and oversee the entire construction project
19. Provide assistance when needed, as well as provide Council project updates, if requested
20. Assist with project close out; this will bring all documentation together for filing and completion of paper work

ALTERNATIVES:

1. Authorize Amendment No. 4 to the existing professional services contract with CH2MHill for Bid Package A work to be performed on a time and materials basis in the amount of \$194,000. Staff believes this alternative will best protect the City’s investment in this project and is recommended.
2. Do not authorize the contract amendment to award construction management services to CH2M Hill for this project. This alternative is not recommended, because of the risk that materials and workmanship would not meet the City’s requirements for quality construction and low long term maintenance costs. Furthermore, without professional oversight, ADEC will not grant a certificate to operate the new water and sewer utilities.

FINANCIAL IMPLICATIONS: We have been actively working on funding for the replacement of the Monashka Pumphouse since we started the feasibility study in 2010. The following table is a breakdown of funds that are in place or are approved and applications are in the works to get the funding transferred from the UV project to Monashka

FY 2011	City Funds	\$225,000	
FY 2012	No Funds Added		
FY 2013	City Funds	\$425,000	
FY 2013	AMMG	\$420,000	Accepted Dec 2012
FY 2014	State Legislative grant	\$500,000	Accepted September 2013 by City Council
FY 2014	AMMG	1,465,534	Accepted by Council in March 2014. This was the last remaining transfer from the UV project.
FY 2014	Alaska Drinking Water Loan	\$2,500,000	Accepted by Council in February 2014. City approved to apply for up to \$6 million. Based on project estimates and other funding initially applied for \$2.5 million
FY 2014	Alaska Drinking Water	\$3,500,000	Approved by Council in

	Loan		April 2014. Rescinded initial loan resolution and submitted for additional \$3.5 million for aggregate up to \$6 million based on project estimates.
FY 2015	AMMG Questionnaire	\$2,495,452 *	Expect award in July 2014.

* This project is also expecting to receive an FY2015 AMMG in the amount of \$2,495,452 in July of this year. The AMMG program allows payment for construction work 120 days back from the issuance of the grant. Staff’s intention is to put our application in for this grant by the middle of May in order to be able to use it to cover cost from the time of notice to proceed.

STAFF RECOMMENDATION: Staff recommends Council approve Amendment No. 4 to the professional service contract with CH2MHill for construction management services during construction of the first phase of construction of the Monashka Pumphouse project in the amount of \$194,000, with funds coming from Water Capital Improvement Fund, Project No.11-05/7029.

CITY MANAGER’S COMMENTS: This project is complex and demands a great deal of attention to complete the work while providing an adequate water supply to the community during construction. CH2MHill will provide the City with critical construction management services through this initial construction phase. Their services will help mitigate risk and meet regulatory requirements. Therefore, I support staff’s recommendation that Council approve Amendment No. 4 to the CH2MHill contract to provide construction management services for this initial phase of construction as outlined above.

ATTACHMENTS:

Attachment A: CH2MHill cover letter, dated April 14, 2014

Attachment B: CH2MHill proposed phased scope of work for the Monashka Pumphouse project

PROPOSED MOTION:

Move to authorize Amendment No. 4 to the Professional Services Contract with CH2MHill for construction management services during the initial phase of construction for the new Monashka Pumphouse in the amount of \$194,000, with funds coming from Water Capital Improvement Fund Project No.11-05/7029 and authorize the City Manager to execute the documents on behalf of the City.



CH2M HILL
949 East 36th Ave
Suite 500
Anchorage, AK 99508
Tel 907.762.1500
Fax 907.257.2017

April 14, 2014

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

Subject: Monashka Pump House Construction Phase Engineering Services

Dear Mr. Melvin:

CH2M HILL appreciates this opportunity to submit our proposal for the City of Kodiak's Monashka Pump House Construction Phase Engineering Services project. We have provided a proposal that allows phase award of CH2M HILL services to match the phased award to the Construction Contractor.

Please see Attachment A, the Scope of Work and the Agreement for Professional Services. These two documents provide the basis for our new contract.

Please note that Tasks 1 - 10 are proposed to be compensated on a lump sum basis. Those tasks will be invoiced monthly on a percent complete basis. Tasks 11 - 21 are to be compensated on the time and expense basis. Those tasks will be invoiced based on actual labor and expenses, with a 10% markup on expenses.

Please let me know if you have any questions or would like to discuss our proposal.

We are ready to begin work on this next project phase and look forward to this opportunity to continue to provide engineering services to the City of Kodiak.

Sincerely,

A handwritten signature in blue ink, appearing to read "Floyd J. Damron".

Floyd J. Damron, P.E.
VP and Senior Project Manager
CH2M HILL Engineers, Inc.

C: Mark Kozak /Public Works Director
Bud Alto / CH2M HILL

Attach: Attachment A - Scope of Work
Agreement for Professional Services

Scope of Work For City of Kodiak Monashka Pump House Construction Phase Engineering Services by CH2M HILL

Introduction

CH2M HILL, the project designer, will provide construction phase services for the City of Kodiak's (City's) new Monashka pump house construction project. CH2M HILL will provide the part-time Resident Project Representative, as defined in the Bidding Requirements and Contract Document, issued March, 2014, and the project's non-resident construction phase services and as requested by the City.

The task descriptions and budgets shown in this scope of work identify the expected focus and level of effort. However, for Tasks to be reimbursed on a time and expenses basis, both CH2M HILL and City acknowledge that the task budgets cannot be accurately predicted at this time. They are dependent on the construction progress activities, total project duration, Construction Contractor experience with this type of facility, the Construction Contractor's subcontractors and his various requests for information and clarifications, change orders, number of submittal and resubmittals, construction difficulties, and amount of rejected and defective Work.

Proposed task budgets are estimates based on predicted levels of effort. Tasks 1 to 10 with specific scopes of work will be reimbursed on a Lump Sum (LS) basis. LS tasks total \$61,000 for the initial scope of services. An additional \$178,000 for lump sum tasks will be added to CH2M HILL's contract on or before the Construction Agreement Change Order for Bid Package B is awarded to the Construction Contractor. Task budgets are provided on pages 9 and 10 of this Scope of Work.

Tasks 11 to 21 with less definitive scopes of work will be reimbursed on a Time and Expense (T&E) basis. T&E task budgets may be exceeded for some tasks while other tasks may be under spent, provided the total budget is not exceeded. T&E tasks total \$133,000 for the initial scope of services. An additional \$656,000 in T&E tasks will be added to CH2M HILL's contract on or before the Construction Agreement Change Order for Bid Package B is awarded to the Construction Contractor. Task budgets are provided on pages 9 and 10 of this Scope of Work.

The total budget for the proposed Scope of Work is \$194,000 for the initial professional engineer services contract. It is anticipated a contract amendment will be provided to CH2M HILL in the amount of \$834,000 on or before the Construction Agreement Change Order for Bid Phase B services is awarded to the Construction Contractor. With the amendment, CH2M HILL's contract amount will total \$1,028,000.

If additional services are required by City, or if construction duration is extended beyond the expected eleven (11) month Construction Contract duration, CH2M HILL's construction phase budget may be modified by contract amendment before CH2M HILL will be expected to perform additional or extended services.

Assumptions

This scope of work is based on a set of assumptions used to define the work and is the basis for CH2M HILL's construction phase service budget. Major assumptions are listed below; additional assumptions are noted in individual activity descriptions. City will provide manpower for some activities necessary to achieve the Project's construction phase objectives. These activities and services are identified in section titled City Furnished Services below.

1. CH2M HILL's role will be to serve as a technical resource to provide assistance as scoped and budgeted herein and requested by City.
2. The budget for this Work is based, in part, on an eleven (11) month construction duration from the pre-construction conference and issuance of Construction Contractor Notice-To-Proceed to final Contractor payment and our completion of Record Drawings.
3. The presence or duties of CH2M HILL's personnel at a construction site, whether as onsite representatives or otherwise, do not make CH2M HILL or CH2M HILL's personnel in any way responsible for those duties that belong to the City and/or the construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the construction Contract Documents and any health or safety precautions required by such construction work. CH2M HILL and CH2M HILL's personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractor(s) or other entity or any other persons at the site except CH2M HILL's own personnel. The presence of CH2M HILL's personnel at a construction site is for the purpose of providing to the City a greater degree of confidence that the completed construction work will conform generally to the construction documents and that the integrity of the design concept as reflected in the construction documents has been implemented and preserved by the construction contractor(s). CH2M HILL neither guarantees the performance of the construction contractor(s) nor assumes responsibility for construction contractor's failure to perform work in accordance with the construction documents.

City Furnished Services

The following services and activities will be provided or performed by City.

1. City will manage all aspects of Contract award, grant and loan applications, processing, and administration, and coordination with all governing bodies for the construction project. City shall manage, coordinate, and undertake all aspects of Owner defined activities as presented in Division 1 and elsewhere in the Bidding Requirements and Contract Documents for the construction project, except as indicated otherwise elsewhere in this scope of work, within the limitations of the budget. City will be responsible for final approval of all change orders, claims, dispute resolution, pay requests and similar items based on input from CH2M HILL. (CH2M HILL has no scope of work under Bidding Requirements and Contract Documents Article 15 and 16 items related to Construction Contractor Suspension of Work and Termination and Dispute Resolution.)

2. City will pay any and all permit, printing, inspection, testing, and other construction related fees, fines, or assessments.

Task 1. Project Startup – LS Task

CH2M HILL will prepare a Work Plan for use by CH2M HILL's construction services team that will address: Project definition, project resources, project procedures, project controls, project progress measures, schedules, billing, records management, closeout procedures, activity budgets, quality management, and City information and involvement. The Work Plan, which will be distributed internally, will also provide procedures for dealing with changes that may arise during the course of executing this Work. Additionally, a meeting will be held with key internal project staff to describe the project, establish objectives, and initiate project activities.

Task 2. Prepare Conformed Contract Documents – LS Task

CH2M HILL will modify the bid phase documents based on addenda issued during the project's bidding phase. The result will be a conformed set of contract documents for use by the Owner, Construction Contractor, and Engineer during the project.

Task 3. Facilitate Preconstruction Meeting – LS Task

CH2M HILL will attend the Preconstruction Meeting at City's office. City shall schedule the meeting. CH2M HILL will facilitate the meeting and distribute meeting minutes after the meeting. CH2M HILL's Project Manager, Design Manager, and Resident Project Representative, will attend the meeting. The purpose of the meeting is to establish and discuss administrative procedures related to the construction contract, the Contractor's project schedule, and related procedures.

Task 4. Control System Programming and SCADA Development – LS Task

2.1 Perform Control System Programming

CH2M HILL will program the PLC systems associated with this work. CH2M HILL will also configure the operator interface and the SCADA computer system to be located at the pump house. The control system will be programmed to provide the control system functionality illustrated on the design drawings and described in the Specifications.

During the software development process, CH2M HILL will provide City with review submittals of PLC program and operator interface graphic displays at the 50 and 90 percent completion stages.

2.2 System Testing

A control system software test will be conducted at the office of CH2M HILL to certify proper operation of the control system programming prior to field installation and startup. The PLC, operator interface and SCADA computer will be staged in the CH2M HILL programming lab during the testing. City staff is encouraged to attend and witness this testing.

2.3 System Startup

CH2M HILL will provide field testing, startup and training services for the PLC and operator interface units after installation. All process control functions will be tested and demonstrated to City for certification of proper operation. The testing will be documented on testing forms that will be signed by CH2M HILL and City staff.

2.4 Documentation

An Operator control manual will be prepared to document the programs and functions of the new pumping facility. The manual will include the following information:

- All programs in hardcopy and electronic format (All programs will be fully annotated with descriptive comments as allowed by the programming software)
- Written narratives of control system functionality
- Operator interface screen printouts with description of control functions available per screen
- Completed and signed off control system testing forms

Task 5. Assist City of Kodiak with Facility Startup Services – LS Task

CH2M HILL will assist City during startup of the pumping facility. The budget for this assistance is based on the involvement of three (3) CH2M HILL staff for two (2) pre-startup meetings and two (2) continuous, 12-hour days of performance testing (exclusive of travel time). These staff will include CH2M HILL's Instrumentation and Control Engineer, and process engineer, and project representative.

Task 6. Prepare Alaska Department of Environmental Conservation (ADEC) Submittals for Approval – LS Task

This task is to provide support to City in submitting and receiving the Temporary Certificate to Operate and the Final Certificate to Operate from ADEC. Support from CH2M HILL may include preparation of the applications and additional supporting material and response to questions and comments from ADEC.

Task 7. Prepare Record Drawings – LS Task

CH2M HILL will modify construction drawings based on the marked-up drawing set by the Construction Contractor to prepare the project Record Drawings. Construction drawings are to be regularly updated by the Construction Contractor and reviewed monthly by CH2M HILL's Project Representative, however, since Record Drawings are prepared, in part, on the basis of information provided by others, they may not always represent the exact location, type of various components, or exact manner in which the project is finally constructed. CH2M HILL is not responsible for any errors or omissions in the information from others that is incorporated into the Record Drawings.

CH2M HILL will furnish two (2) draft hardcopy sets of the Record Drawings to City for review. CH2M HILL will further modify the Record Drawings, if necessary, based on City's review.

CH2M HILL will furnish electronic files of final Record Drawings, a single, full-size (22" x 34") paper hardcopy to city, and two (2) half-size (11" x 17") paper hardcopies. Electronic files furnished by CH2M HILL are for City's convenience only. Drawing files are in Microstation. Drawings can be converted to AutoCAD, but cannot be guaranteed to have correct level assignments, etc.

CH2M HILL will submit Record Drawings to ADEC for review and approval.

Task 8. Prepare Operators' Manual – LS Task

CH2M HILL will prepare an Operators' Manual for the complete facility. The equipment O&M Manuals will be compiled by the Construction Contractor. The plant Operators' Manual will address the SCADA system controls, computer screens, facility operating philosophies, and coordination between the various facility systems. The manual will be available electronically and in hard copy. The electronic format can be used in the future in an on-line Manual if desired.

Task 9. Project Management – LS Task

CH2M HILL will coordinate the activities of the project team and oversee activities and methodologies to maintain consistency and execute the project in accordance with the internal Work Plan.

CH2M HILL will include updates on deliverables, budget, and schedule as part of the monthly status reports that accompany each monthly invoice.

CH2M HILL will attend up to four (4) supplemental meetings held in City's office. The Project Manager and PR will attend meetings to discuss project status, project issues, facilitate decisions, obtain information, or address other project-related needs.

Task 10. Project Closeout – LS Task

This budget will be retained for project closeout and final archiving and documentation of the project. Project records will be hard-backed and stored for future retrieval if needed.

Task 11. Provide Part-Time Resident Project Representative – T&E Task

CH2M HILL will provide the part-time Resident Project Representative (RPR). The RPR will assist Engineer and City to provide a more extensive observation of the Work. The RPR will have the following responsibilities:

- ✓ Review and monitor Progress Schedule, Schedule of Submittals, and Schedule of Values by Contractor;
- ✓ Conduct or attend construction meetings;
- ✓ Serve as Engineer's liaison with Contractor;
- ✓ Receive any field submittals;
- ✓ Review the Work, reject defective Work, inspect and arrange testing to determine if Work is in accordance with Contract Documents;
- ✓ Interpret Contract Documents when clarification and interpretations are needed;
- ✓ Consider and evaluate Contractor suggestions for modifications to Drawings or Specifications and provide recommendations to Engineer;
- ✓ Maintain project records;
- ✓ Furnish necessary reports to Engineer on progress of the Work and of the Contractor's compliance with the Progress Schedule and other relevant documents;
- ✓ Review Contractor's partial payment requests and forward payment recommendation to Engineer;

- ✓ Confirm that Contractor provides the required certificates, O&M manuals, Record Drawings, and site records;
- ✓ Conduct inspections necessary to establish list of items required prior to Substantial Completion;
- ✓ Conduct final inspections to determine any incomplete or defective Work and make recommendation to Engineer.

The RPR will travel from Anchorage to Kodiak an average of once per week for an average two day visit to facilitate executing the duties listed above. Forty (40) trips are budgeted. Trips to Kodiak will occur only during times of significant construction activity at the project site.

Task 12. Review Contractor Submittals – T&E Task

CH2M HILL will have the primary review responsibility for Construction Contractor submitted administrative and technical shop drawings. CH2M HILL will review technical shop drawings on behalf of City, and provide recommendation on other shop drawings to City for response.

The Construction Contractor shall furnish CH2M HILL with five copies of action submittals and two copies of informational submittals. When review is complete, CH2M HILL will keep one (1) copy and return two (2) to City and two (2) to the Construction Contractor with comments. Alternatively, the Contractor may choose to electronically submit some or all of shop drawings directly to CH2M HILL. Drawings submitted electronically to CH2M HILL will be printed for review. A memo summarizing comments will be transmitted electronically back to City and the Construction Contractor. Both City and the Construction Contractor will be responsible for printing the appropriate number of copies for their records.

This task includes budget for a document sharing program to be used for electronically transmitting and tracking shop drawings.

The budget for this task is an allowance based on administration and review (and re-review as necessary) of the expected shop drawings.

Task 13. Negotiate and Prepare Change Orders – T&E Task

CH2M HILL will negotiate and prepare, if necessary and if requested by City, the technical content of any necessary change orders. CH2M HILL's preparation of change orders will include time necessary to evaluate and develop whatever alternative solutions or alternatives that may be appropriate for consideration by City. The technical content will be transmitted electronically to City for City staff to format the content as desired. In the case of change orders that require drawings, pdf (electronic) copies of drawings will be transmitted to City. The budget for preparation of change orders is an allowance to be expended as necessary and as directed. If additional assistance, beyond the limited permitted by the allowance, is required by City, the scope and budget of this contract will be amended.

Task 14. Attend Progress Meetings – T&E Task

CH2M HILL will facilitate on-site construction progress meetings and distribute meeting notes. The total number of progress meetings assumed is twenty (24) for the project representative and up to six (4) for the Design Manager. Whenever special progress or other construction meetings are needed, CH2M HILL's RPR will set up and conduct those meetings and the Project Manager will attend as needed.

Task 15. Technical Site Visits – T&E Task

CH2M HILL will visit the construction site and attend meetings, as requested and directed by City, to provide miscellaneous technical support and assistance when deemed necessary by the Resident Project Representative or the City. The budget for this task is based on sixteen (16) trips from Anchorage to Kodiak and ten (10) trips from Seattle to Kodiak. If additional trips are required, or extended time is needed on site for each trip, additional funds may be required before the project can be completed.

Task 16. Respond to Contractor Requests for Information – T&E Task

CH2M HILL will respond to requests for information by the Construction Contractor and clarify contract requirements, as necessary and as directed by City. These requests for information (RFIs) and contract clarifications (CIs) will be assigned a number and recorded by CH2M HILL. CH2M HILL will transmit the RFIs and CIs to City and the Construction Contractor for dissemination to applicable parties. The budget for this task is an allowance of CH2M HILL staff time.

Task 17. Review Contractor Payment Requests – T&E Task

CH2M HILL will review each partial payment request and provide recommendations directly to city regarding Construction Contractor progress payments. Resident Project Representative will meet monthly with Construction Contractor at the site to review. Work completed and materials stored on-site and incorporated into the work will be reviewed prior to each month's partial payment request being submitted to CH2M HILL. If CH2M HILL has any exceptions to the requested amount on any partial payment request, CH2M HILL will process the request at a reduced recommended payment amount and an exceptions report will be issued to City.

Task 18. Conduct Milestone and Final Inspections – T&E Task

The CH2M HILL Project Manager, RPR, and project engineer(s) will attend inspections for Substantial Completion of the pump house and for the Final Inspection. CH2M HILL will prepare the punchlist based on the facility walk-through and assist with Construction Contractor coordination to complete the outstanding tasks. CH2M HILL's Project Representative will provide follow up inspections to confirm that the punchlist items have been completed.

Task 19. Provide Warranty Period Assistance – T&E Task

This task allows CH2M HILL to provide support during the warranty period. This task may be used to answer questions, prepare additional operating guidelines, look at optimization alternatives, visit the site to assist in trouble shooting, coordinate activities of the equipment vendors and Contractors, or as otherwise requested by City.

Task 20. Independent Soil, Concrete, and other Testing – T&E Task

This task allows CH2M HILL to retain the services of a local testing firm for needed independent project testing. The Contractor will be paying for most independent testing as part of his lump sum bid amount, but this task will allow for any needed supplemental testing.

Task 21. Allowance for Undeveloped Scope – T&E Task

This task will allow CH2M HILL to provide additional or extended City requested services.

Proposed Project Budget – To Be Awarded in Two Phases

Due to Construction funding limitations, the City intends to award the Construction Contract in two phases, with an initial award by Agreement between the City and Construction Contractor and at a later date the remainder of the Work by Change Order as follows:

- 1) Initial Construction Contract Award: Bid Package A plus certain long-lead equipment items, namely the 4 large capacity pumps, and the 3 electrical and one diesel drive sets. The estimated amount of this Agreement will be \$1,500,000, or about 27% of the total bid amount.
- 2) By Change Order to the Construction Agreement: Bid Package B, minus the long-lead equipment items included with Bid Package A, in the amount of approximately \$4,100,000.

Therefore, the proposed engineering services project budget is divided into two parts to align with the planned phased approach for the Agreement and Change Order to the Contractor.

It is anticipated that CH2M HILL will be awarded the initial portion of engineering services tasks at approximately the same time the Construction Agreement is executed with the Contractor. It is also anticipated that the remaining portion of engineering services will be awarded to CH2M HILL, as a contract amendment, on or before the time the Construction Agreement with the Contractor is modified by Change Order for the Bid Package B.

The task budgets for the described scopes of work are presented in the table below. For T&E tasks CH2M HILL labor will be billed at CH2M HILL standard labor rates in effect for the year the work is performed and all expenses will be billed at 1.10 actual cost. CH2M HILL's billing rates change January 1 each year.

Budgets for T&E tasks can be adjusted between tasks without specific City approval, provided the total T&E budget is not exceeded.

INITIAL ENGINEERING SERVICES CONTRACT: TASKS TO BE PROVIDED BY CH2M HILL FOR BID PACKAGE A AND CERTAIN LONG-LEAD EQUIPMENT ITEMS

Task	Description (LS = Lump Sum T&E = Time and Expense)	Budget
1	Project Startup – LS Amount	\$17,000
2	Prepare Conformed Contract Documents – LS Task	\$ 5,000
3	Facilitate Preconstruction Meeting – LS Task	\$19,000
4	Control System Programming and SCADA Development – LS Task	\$0
5	Assist with Facility Startup Services – LS Task	\$0
6	Prepare ADEC Submittals for Approval – LS Task	\$0
7	Prepare Record Drawings – LS Task	\$0
8	Prepare Operators' Manual – LS Task	\$0
9	Project Management/Accounting/Contracts – LS Task	\$20,000
10	Project Closeout – LS Task	\$0
LUMP SUM SUBTOTAL TASKS 1 - 10		\$61,000
11	Part Time Resident Project Representative – T&E Task	\$60,000
12	Review Contractor Submittals – T&E Task	\$20,000
13	Negotiate and Prepare Change Orders – T&E Task	\$5,000
14	Attend Progress Meetings – T&E Task	\$3,000
15	Technical Site Visits – T&E Task	\$9,000
16	Respond to RFI's – T&E Task	\$8,000
17	Review Pay Requests – T&E Task	\$4,000
18	Milestone and Final Inspections – T&E Task	\$0
19	Warranty and Post Construction Services – T&E Task	\$0
20	Independent Testing – T&E Task	\$4,000
21	Allowance for Undeveloped Scope	\$20,000
TIME AND EXPENSE SUBTOTAL TASKS 11 – 21		\$133,000
TOTAL CONTRACT AMOUNT		\$194,000

FUTURE CONTRACT AMENDMENT FOR ENGINEERING SERVICES: TASKS TO BE PROVIDED BY CH2M HILL FOR BID PACKAGE B

Task	Description (LS = Lump Sum T&E = Time and Expense)	Budget
1	Project Startup – LS Amount	\$0
2	Prepare Conformed Contract Documents – LS Task	\$0
3	Facilitate Preconstruction Meeting – LS Task	\$0
4	Control System Programming and SCADA Development – LS Task	\$30,000
5	Assist with Facility Startup Services – LS Task	\$36,000
6	Prepare ADEC Submittals for Approval – LS Task	\$6,000
7	Prepare Record Drawings – LS Task	\$17,000
8	Prepare Operators' Manual – LS Task	\$24,000
9	Project Management/Accounting/Contracts – LS Task	\$57,000
10	Project Closeout – LS Task	\$8,000
LUMP SUM SUBTOTAL TASKS 1 - 10		\$178,000
11	Part Time Resident Project Representative – T&E Task	\$254,000
12	Review Contractor Submittals – T&E Task	\$74,000
13	Negotiate and Prepare Change Orders – T&E Task	\$20,000
14	Attend Progress Meetings – T&E Task	\$10,000
15	Technical Site Visits – T&E Task	\$82,000
16	Respond to RFI's – T&E Task	\$80,000
17	Review Pay Requests – T&E Task	\$20,000
18	Milestone and Final Inspections – T&E Task	\$45,000
19	Warranty and Post Construction Services – T&E Task	\$25,000
20	Independent Testing – T&E Task	\$16,000
21	Allowance for Undeveloped Scope	\$30,000
TIME AND EXPENSE SUBTOTAL TASKS 11 – 21		\$656,000
TOTAL CONTRACT AMENDMENT AMOUNT		\$834,000
TOTAL INITIAL CONTRACT AMOUNT PLUS CONTRACT AMENDMENT AMOUNT		\$1,028,000

Proposed Project Team

CH2M HILL's team is proposed to consist of the following key staff:

Floyd Damron – Project Manager

Bud Alto – Design Manager

Bud Alto/Darin Marin - Part-Time Resident Project Representative

Darin Edwards – Process Mechanical Engineer

Steve Bakken – Control Programming/SCADA/Operator's Manual

Design Discipline Leads for construction phase support for submittals, RFIs, and technical site visits

Susan Kennedy – Project Assistant

Lora Brown – Project Accountant

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager *AK*
Thru: Mark Kozak, Public Works Director *MK* and Glen Melvin PE, City Engineer *GM*
Date: April 24, 2014

Agenda Item: V. f. **Authorization of Sole Source Purchase of Yard Piping for Construction of the New Monashka Pumphouse, Project No. 11-05/7029**

SUMMARY: On March 12, 2014, the City advertised a separate bid for the purchase of yard piping for the new Monashka pumphouse facility. This was done because of the long lead time for certain pipe and fittings as well as the American Iron and Steel (AIS) requirement of the Alaska Drinking Water Fund (ADWF) loan. Bids were to be opened on Friday, April 11, 2014, at 2:15 p.m. No bids were received. One supplier told staff their bid was sent by express mail on April 9, and it was supposed to be delivered by April 11, but did not arrive until April 14.

After discussion with the City Attorney on April 11, it was determined that since no bids were received, the City could accept a sole source bid per KCC 3.12.070 (d) which allows for such process. Staff also checked with the state grant and loan administrator who concurred with the City's sole source recommendation. Staff recommends that Council approve the purchase of yard piping for the new Monashka pumphouse as described in City's Invitation to Bid of March 12, 2014, Monashka Pump House Yard Piping FY2014 Project No. 11-05/7029 (Attachment A) to HD Fowler in the amount of \$58,000.

PREVIOUS COUNCIL ACTION:

- October 2010, Council approved a contract with CH2MHill to complete the Monashka Pump House Upgrade feasibility study.
- December 2012, Council accepted an Alaska Municipal Matching Grant (AMMG) for \$420,000 that was transferred from the UV project to the Monashka design and construction project.
- January 2013, Council named Monashka Pump House project as the No. 1 City priority on the City's FY2014 state CIP list.
- FY2013, Council approved additional capital project funding for project in the amount of \$425,000. This increase is City funds.
- February 2013, Council approved a contract amendment with CH2MHill for additional pre-design and design work on the pumphouse project
- September 2013, Council adopted Resolution No. 2013-27, which formally accepts the FY2014 legislative grant in the amount of \$500,000 for Monashka Pump House upgrades.

- October 2013, Council approved a design contract with CH2MHill for new Monashka Pump House.
- March 2014, Council accepted Amendment No. 1 to the Alaska Municipal Matching Grant (AMMG) 50339 with Resolution No. 2014–11 in the amount of \$1,465,534.

DISCUSSION: The City’s design and engineering firm and key staff finalized the design in preparation for issuing the project bid. As the design progressed, staff discovered that some materials needed for the yard piping had extremely long lead times. Staff and the design engineers found that the contractor would not have enough time between receipt of the Notice to Proceed (NTP) and the time allotted for the water shut down (between May 20 to June 15) to order, receive, and install these long lead items. Because of the narrow window of time available and to meet requirements of the Alaska Drinking Water Fund (ADWF) loan, the City needed to pre-purchase the long lead items and make them available to the contractor in the tight May-June timeframe.

The City discussed options with the state grant and loan administrator. It was decided that the City could bid these items and provide them to the contractor. This would save time, and the suppliers told staff they could meet that schedule.

However, when the bid opening time arrived, the City did not receive any bids for the pre-purchase of the long lead items on the day specified. Only one supplier notified staff that they mailed their proposal on April 9 to be delivered on April 11. The City received that one bid by express mail on April 14, 2014.

As noted above, after consulting with the City Attorney and the state grant administrator, it was determined the City could do the pre-purchase by sole source as outlined in KCC 3.12.070 (d) using the only proposal available, that of HD Fowler.

ALTERNATIVES:

1. Staff recommends Council authorize the sole source purchase of the yard piping and other long lead items to HD Fowler in order to have materials here in Kodiak by the beginning of the work window of May 20, 2014.
2. Do not authorize the purchase of the yard piping, which would prevent the project from moving forward. Due to community water needs, the City has a very limited time frame that Pillar Creek can meet the community’s daily average flow. This is based on years of water flow data and Pillar pumphouse capacity.

FINANCIAL IMPLICATIONS: This material purchase is within the project funding currently available, which is estimated at \$2.3 million before counting funding from the ADWF loan or the AMMG in the state’s FY2015 budget.

LEGAL: The Kodiak City Code has a provision that allows for the sole source purchase of materials under certain conditions. KCC 3.12.070 (d) is the provision and based on consultation with the City Attorney and the state grant administrator, the City can use this sole source award in this circumstance.

STAFF RECOMMENDATION: Staff recommends Council authorize the sole source purchase of the yard piping for the Monashka pumphouse yard piping and fittings to HD Fowler in the amount of \$58,000, with funds coming from the Monashka Pumphouse Project No. 11-05/7029.

CITY MANAGER'S COMMENTS: It was a surprise that the City did not receive timely bids given the expression of interest by several potential bidders. Only one bid was received after the April 11, 2014, date. This is a complex and technical project, especially with the demand of long lead items added to the mix. I fully support staff's recommendation to award this bid to HD Fowler as the project must maintain the schedule. And the installation of these materials must occur between May 20 and June 15 of this year. Therefore, I recommend Council authorize the sole source purchase of these materials as described, so we can maintain the schedule and ensure adequate levels of water to the community.

ATTACHMENTS:

Attachment A: HD Fowler Bid page 8 of City Monashka Pump House Yard Piping
FY 2014 Project No. 11-05/7029 bid documents

PROPOSED MOTION:

Move to authorize the sole source purchase of yard piping for the Construction of the New Monashka Pumphouse from HD Fowler in the amount of \$58,000, with funds coming from the Monashka Pumphouse Project No. 11-05/7029, and authorize the City Manager to execute the documents for the City.

BID FORM

City of Kodiak
Received
APR 14 2014
City of Kodiak

TO: Aimée Kniazowski, City Manager
City of Kodiak
710 Mill Bay Road, Room #219
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. 11-05/7029 for Monashka Pump House Yard Piping FY 2014 dated March 12, 2014, the undersigned hereby proposes to provide the following:

Item	Bid amount
1. Cement-Lined Ductile Iron Pipe and Fittings (as outlined in the Bill of Materials) LESS ITEM # 7 (MC)	\$ <u>58,000.00</u> Lump Sum Amount for All Materials, FOB Kodiak

Bid amount in words: FIFTY EIGHT THOUSAND DOLLARS AND 00/100

Bid price valid for 30 days.

Terms NET 10TH PROX FROM TIME
OF SHIPMENT

Dated 4/09/14

Submitted by:

Dated: 4/09/14

Matt J. C
Signature

HD FOWLER COMPANY
Business Name

ALASKA SALES REP
Title

13440 SE 30TH STREET
Address

425-766-4213
Telephone

BELLEVUE, WA 98005
City, State, Zip

* NOTE : ALL ITEMS 1-6 AND 9-13 ARE GOOD STOCK CURRENTLY.
IF AT TIME OF ORDER ITEMS ARE NOT IN STOCK, THEN HD FOWLER
MAKES NO GUARANTEE OF HAVING ALL ITEMS TO KODIAK BY 5/20/14.
PLEASE CALL MATT CORWIN TO DISCUSS 425-766-4213



Matt Corwin
Alaska / Hawaii Outside Sales

6016 29th Drive NE
Marysville, WA 98271

360-651-1438
888-629-9733
Cell 425-766-4213
matthewc@hdfowler.com

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager *AK*

Thru: Mark Kozak, Public Works Director *MK* and Glenn Melvin, City Engineer *GM*

Date: April 24, 2014

Agenda Item: V. g. **Authorization of Amendment No. 1 to the Professional Services Contract for Construction Management Services for the Aleutian Homes Phase 5, Segment B, Project No. 10-03/7026**

SUMMARY: Aleutian Homes Water and Sewer Replacement Phase V, Segment B is a continuation of the upgrade of utilities, pavement, and sidewalks in the Aleutian Homes area. Council is scheduled to review and approve the construction contract for this project at this meeting. If the award is authorized, City staff will issue a Notice of Award for construction to Brechan Enterprises, Inc. on April 25. This memorandum discusses the construction management services for the Phase V, Segment B project. Staff is recommending Council authorize Amendment No.1 to the professional services contract with DOWL HKM to perform construction management services for \$321,890.

PREVIOUS COUNCIL ACTION: The Council approved the FY2014 budget, which included \$5,898,000 for the construction of Phase V; this included the funds used on Phase V Segment A.

DISCUSSION: Aleutian Homes Phases I-IV were constructed from 2007 to 2010. Phase V, Segment A was constructed in 2013. Phase V, Segment B will continue the improvements along Thorsheim Street.

The construction management portion of the project includes several tasks: full-time field inspection of the construction; testing of construction materials for conformance with the project specifications; review of contractor submittals; response to contractor requests for information; verification and documentation of swing ties to service connections; preparation of record drawings; and coordination with the Alaska Department of Environmental Conservation (ADEC) to attain the certificates to operate the water and sewer systems. These tasks are described in more detail below.

Full Time Inspection: An engineering intern (EI) will be onsite full time during the construction. An EI is a graduate engineer who has completed the engineering intern examination and is currently working under the responsible charge of a licensed professional engineer. Each EI is familiar with the project design and is fully supported by the design engineer and engineering supervisor, so there is no delay in responding to events happening on the site.

This inspector assures the work is performed in accordance with the plans and the intent of the project design. The inspector is not on site to explain the plans to the contractor or direct the contractor's work. The inspector's objective is to watch out for the City's interest during this more than \$3.7M project. The

project design is based on our best understanding of the site conditions, but the location of the old underground utility mains and service connections in the Aleutian Homes area are not well understood. Typically, on these utility reconstruction projects, the design must be modified in limited areas to accommodate unknown conflicts between new and existing utilities to assure sewer services adequately flow to the mains, and to achieve the separation distances between water mains and other utilities necessary to protect the public health. The contractor is not expected to understand the intent of the design, to know where the City has experienced performance problems, or to understand all of the ADEC regulations regarding water and sewer utilities. Without oversight, contractors can make decisions with the best of intentions that may not benefit the City in the long term. Many of the repairs that the City Public Works crew performs on our utilities are the results of well intentioned decisions made by past contractors that turn out to be problems for the City later on.

Construction Materials Testing: It is very important that the soils, concrete, and asphalt pavements used in the project meet our requirements. Soils containing too many fines are subject to frost heave; soils that are not well compacted will settle; pipe bedding that is too coarse will cause the mains to break; asphalt pavement that does not have sufficient asphalt oil and is poorly compacted will fail prematurely; and portland cement concrete with insufficient entrained air will spall and fail prematurely. Unfortunately, none of these material parameters can be measured by eye regardless of how many hundreds of miles of utility and road construction the contractor has performed. A trained individual with the proper equipment must be on-site when fill, pavement, and concrete are being placed. Contractors generally do not perform this testing without specific requirements and additional pay.

Submittal Review: The contractor is required to submit information identifying the brand and design characteristics of each item to be incorporated into the project, e.g. water valves, pipe, manholes, etc. We have specific requirements, but it isn't unusual for the contractor to submit on materials that simply do not comply or an alternate material that may or may not be suitable. Each submittal must be reviewed for conformance to the specifications and the intent of the design. For example, the City uses a specific brand and model of fire hydrant to limit the number of different brands of repair parts that Public Works must stock. A contractor may submit a perfectly good brand of hydrant that is used in other municipalities, but, due to our design intent, is unacceptable to Kodiak. It is costly for the contractor and causes delays if the work must be stopped while nonconforming materials are removed and new materials are ordered. Such costs and delays can lead to construction claims.

Response to Requests for Information (RFIs): The contractor often has legitimate questions regarding the plans and specifications or wants the City to consider alternate designs or materials. It is important to respond to the contractor as quickly as possible to assure the work is not delayed and that the City can take advantage of the good ideas contractors may have to improve the project and lower costs.

Swing Ties: The City uses a simple method of locating important features such as water valves and sewer cleanouts by measuring the distance to the feature from two different permanent points. This allows the Public Works crews to quickly find valves in the field regardless of snow cover or vegetation.

The full time inspector assures these measurements are made and clear drawings are produced for the crew to use.

Record Drawings: As discussed above, often the design is modified during construction to accommodate utility conflicts or betterments. These changes must be documented on a set of as-built drawings. The reason there are so many unknown subsurface conditions in the older areas of town is there are no as-built drawings of the utilities from that time period.

Coordination with ADEC: Prior to construction of water and sewer utilities, the engineered plans must be submitted to ADEC to obtain permission to construct the utilities. On completion of construction, record drawings, stamped by a professional engineer, must be submitted to ADEC for review and issuance of a certificate to operate the utilities. The verifying engineer must attest the work was performed in accordance with the approved plans and that any changes are shown on the record drawings. This requires that the work be observed by the professional engineer or an individual working under his responsible charge.

Cost: Contract management services typically cost ten to fifteen percent of the construction costs. DOWL HKM proposes to perform the CM services for the Aleutian Homes Water and Sewer Replacement Phase III project on a time and materials basis with an estimated total cost of \$321,890, which is roughly 8.5 percent of the \$3,784,295.50 construction bid. A copy of DOWL HKM's proposal is presented in Attachment A.

ALTERNATIVES:

1. Authorize Amendment No. 1 to the professional services contract with DOWL HKM for work to be performed on a time and materials basis in the amount of \$321,890. Staff believes this alternative will best protect the City's \$4.5 M investment in this project and is recommended.
2. Do not perform construction management on this project. This alternative is not recommended, because of the risk that materials and workmanship would not meet the City's requirements for quality construction and low long-term maintenance costs. Furthermore, without professional oversight, ADEC will not grant a certificate to operate the new water and sewer utilities.

FINANCIAL IMPLICATIONS: The current available funding for the Aleutian Homes Water and Sewer Project, Phase V is \$3,363,076. Upon approval of a construction bid award to Brechan for the Aleutian Homes Phase V, Segment B-1 in the amount of \$2,994,895.50, the account will have \$368,180.50 remaining. This is enough to award the amendment to the professional services contract with DOWL HKM for construction management services for the project in the amount of \$321,890.

STAFF RECOMMENDATION: Staff recommends Council authorize Amendment No. 1 to the professional services contract with DOWL HKM for construction management services of the Aleutian Homes Water and Sewer Replacement Phase V, Segment B project in the amount of \$321,890, with funds coming from the Water Capital Improvement Project No. 10-03/7026.

CITY MANAGER'S COMMENTS: The successful completion of this project will provide this section of Aleutian Homes with needed sewer and water system upgrades. The project represents a sizeable investment in City infrastructure. Construction management services help maximize this investment through the performance of various tasks throughout the construction cycle. Therefore, I support staff's recommendation that Council approve Amendment No. 1 to the professional services contract with DOWL HKM for construction management services for the Aleutian Homes Phase V, Segment B project.

ATTACHMENTS:

Attachment A: DOWL HKM Proposal dated March 27, 2014

PROPOSED MOTION:

Move to authorize Amendment No. 1 to the Professional Services Contract with DOWL HKM for Construction Management Services for the Aleutian Homes Phase 5, Segment B, Project No. 10-03/7026, in the amount of \$321,890, with funds coming from the Water Capital Improvement Project No. 10-03/7026, and authorize the City Manager to execute the necessary documents for the City.



March 27, 2014
W.O. 60311.01

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

Subject: Proposal for Construction Management Services
Aleutian Homes Phase V – Segment B

Dear Mr. Melvin:

DOWL HKM is pleased to submit this proposal to provide additional design services and construction management services in Kodiak for the Aleutian Homes Phase V project during the summer of 2014. We are looking forward to working on this project. This proposal outlines our proposed scope of services and fee for your review.

BACKGROUND

In brief, this work involves replacement of existing, outdated utilities buried under Thorsheim Street, between Fir Street and Maple Street. As part of the utility replacement, the roadway itself will also require reconstruction. Therefore, new curb and gutter, sidewalk, and driveways will also be part of the project.

SCHEDULE

DOWL HKM assumes that construction is expected to begin in mid to late May and extend into late October 2014. In general, we expect DOWL HKM inspectors will be working on this project approximately 11 hours per day, six days per week during this period. Part of this time may be spent in the DOWL HKM Kodiak office, as our inspectors write inspection reports and prepare related documents. The majority of the inspector's time will be spent at the job site.

The inspectors will stay in Kodiak for approximately seven weeks each. The outgoing inspector will stay a few days after the arrival of the incoming inspector, to allow for a smooth transition. The following is a list of our inspectors and the approximate dates they will be on-site (pending contractor schedule).

INSPECTOR

Nick Fama, E.I.

Mike Dunahoe, E.I.

Curtis Huffman, E.I.

DATES ON-SITE

May 19, 2014 to July 09, 2014

July 7, 2014 to August 27, 2014

August 25, 2014 to October 20, 2014

Our inspectors will work on other projects during bad-weather days or other stops in construction work. The City of Kodiak will not be charged for time spent working on other projects.

POINTS OF CONTACT

Aaron Christie, P.E. will be the Contract Manager for the project and will oversee it for the duration. Aaron will travel to Kodiak twice during the project to review construction progress. Aaron will coordinate his travel with other Kodiak projects, allowing for travel time and costs efficiencies.

Eric Voorhees, P.E. will be the project manager for this project. With a strong background in construction and having spent several construction seasons in the field, including many months in Kodiak working on past Aleutian Homes projects, Eric is well-suited to be the project manager for this project. Eric will communicate with inspectors on day-to-day problem resolution and progress of the project. He will coordinate with Aaron Christie with any questions or concerns.

SCOPE OF WORK

Inspection and On-Site Management

DOWL HKM's team will perform the following duties:

- Attend the pre-construction conference in-person. Additional project staff can attend via teleconference. This will be discussed in detail with the City of Kodiak staff before this meeting occurs.
- Eric Voorhees, P.E. will make periodic visits to the site and consult with DOWL HKM's inspectors. He will help resolve field issues and provide direction to the inspector.
- Perform material testing needed during construction.
- Use inspection reporting procedures established during past Aleutian Homes projects. DOWL HKM will work with the City of Kodiak staff to adjust reporting procedures, as necessary. You or your on-site representative will receive a copy of these reports weekly.

Construction Management Services

DOWL HKM's team will perform the following duties:

- Answer contractor questions and perform submittal reviews and office engineering needed to address design modifications.
- Inform the City of Kodiak of out-of-scope construction items.
- Produce utility record drawings at the completion of the project.
- Produce water and sewer connect cards at the completion of the project.
- Coordination with the State of Alaska Department of Environmental Conservation to receive Approval to Operate.

Mr. Glenn Melvin, P.E.
City of Kodiak
March 27, 2014
Page 3

PROPOSED FEE

DOWL HKM proposes to provide the services, as outlined, as follows:

Inspection and On-Site Management (Time and Materials)	\$251,250
Construction Management Services (Time and Materials)	<u>\$ 70,640</u>
TOTAL:	\$321,890

Our estimated fee for this work is \$321,890. This Inspection and On-site Management fee is based on an estimated 66 hours billable per week, at a rate of \$120 per hour, over 22 weeks, with inspection overlap and periodic supervisory visits. Provided we log at least 1,400 hours on the project, this rate includes an allowance for on-site labor, reports, an inspection vehicle, telephone, travel time, overtime, mobilization/demobilization, project management, field supervision, per diem, and housing. If our inspection services total less than 1,400 hours, we will negotiate with you to cover expenses that cannot be covered by the hourly rate. Please see the attached spreadsheet for more detailed information.

Thank you again for considering DOWL HKM for these construction management services. We are looking forward to working with you on this project and will be happy to answer any additional questions you may have.

Sincerely,
DOWL HKM



Aaron R. Christie, P.E.
Contract Manager

D60311.01.Melvin.ARC.CCP.032714.lej

Attachments: As stated

This proposal is accepted, and DOWL HKM is authorized to proceed with the work.

City of Kodiak

Date

**DOWL HKM
ESTIMATE FOR PROFESSIONAL SERVICES**

PROJECT:	Aleutian Homes Phase V - Segment B Construction Management Services	WO#:	1124.60311
		DATE:	3/26/2014
		Prepared by:	CCP/ARC
CLIENT:	City of Kodiak	Checked By:	EMV

Phase	Basic Services	Total Fees
Task 1	Inspection and On-Site Management (T&M)	\$251,250
Task 2	Construction Management (T&M)	\$70,640
	Total for Basic Services:	\$321,890

DOWL HKM
ESTIMATE FOR PROFESSIONAL SERVICES

PROJECT:	Aleutian Homes Phase V - Segment B Construction Management Services	WO#	1124.60311
		DATE:	3/26/2014
CLIENT:	City of Kodiak	Prepared by	CCP/ARC

Task	Phase Description	Labor Category	Project Manager	On-site Eng./Inspect.	Expenses	TOTALS
		Hourly Rate	E. Voorhees \$135.00	Varies \$120.00	10% Markup	
Task 1	<i>Inspection and On-Site Management (T&M)</i>					
	Mobilization, Demobilization and Travel		24	32	\$2,220.00	
	On-Site Inspection/Field Engineering			1650		
	Inspection Report/Document Coordination			240		
	QA/QC			120		
	Reimbursable Expenses					
	Long Distance Phone Calls				\$200.00	
	Shipping Construction Drawings, Documents, Equipment				\$550.00	
	<i>Subtotal - Hours</i>		24	2042	0	
	<i>Subtotal - Costs</i>		\$3,240.00	\$245,040.00	\$0.00	\$251,250

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Council Members

From: Aimée Kniazowski, City Manager 

Thru: Mark Kozak, Public Works Director  and Glenn Melvin, City Engineer 

Date: April 24, 2014

Agenda Item: V. h. **Authorization of Bid Award for Aleutian Homes Phase 5, Segment B, Project No. 10-03/7026**

SUMMARY: Aleutian Homes Water and Sewer Replacement Phase V, Segment B is a continuation of the upgrade of utilities, pavement, and sidewalks in the Aleutian Homes Area. Segment A was constructed during the summer of 2013. The higher project bid amounts and the current budget for Segment B result in a recommendation from staff to award the construction bid in two parts. The majority of the work can be awarded at this time and does not include sidewalk, curb, gutter, retaining walls and asphalt paving items. Additional funds are requested in the second FY2014 supplemental budget amendment to cover those items. Staff's request to authorize the second part of the project bid would come to Council following approval of the FY2014 Supplemental No. 2. Staff recommends Council approve the award of Phase V, Segment B, Part 1, to Brechan in the amount of \$2,994,895.50, with funds coming from the Water Capital Improvement Fund Project No. 10-03/7026.

PREVIOUS COUNCIL ACTION: The Council approved the FY2014 budget, which included \$5,898,000 for the construction of Phase V this included the funds used on Phase V Segment A.

DISCUSSION: Aleutian Homes Phases I through V, Segment A, were constructed from 2007 to 2013. Phase V, Segment B is scheduled for 2014 and 2015. This next phase, Phase V Segment B of the Aleutian Homes Water and Sewer Replacement project is the portion of Thorsheim Street from approximately 100' north of the Fir Street intersection to about 50' south of the Maple Street intersection. Phase V is roughly 1,330 feet long including a short portion of work on Birch Street. This project includes removal and replacement of asphalt pavement, concrete curb and gutter, asphalt sidewalks; 8" sewer main, including manholes; 12" and 20" water main lines; valves and connections; and disconnect and re-connect of approximately 40 residential water and sewer services. The project will also include drainage improvements, including removal and replacement of underground drainage, catch basins, and removal and resetting fencing. Retaining walls will be removed and replaced as needed to accommodate wider sidewalks and utility connections outside the right-of-way.

The City received two bids on March 24, 2014. Brechan Enterprise and Central Environmental were the bidders. Brechan Enterprise was the low bidder at \$3,784,295.50.

Because of the current funding remaining in the Phase V project budget, staff approached Brechan about awarding the project in two parts. They proposed to award most of the project except for curb, gutter, sidewalks, paving, topsoil and seeding, as well as the block retaining walls. All of these items come much later in the project work, and by breaking the award into two separate awards, the project can remain on schedule for construction in late May. (Attachments B and C).

ALTERNATIVES:

1. Award the project to Brechan in two parts. The first part will be for \$2,994,895.50. The second part would be awarded after the supplemental budget is fully approved in the remaining amount of \$789,400. Staff believes this alternative will best utilize project funding and maximize the amount of construction that can be accomplished this season. This is the recommended option.
2. Do not award project at this time. This delay would prevent the project from being constructed this year. This alternative is not recommended because of the need to utilize this construction season.

FINANCIAL IMPLICATIONS: The completion of the Aleutian Homes Water & Sewer Project, Phase V, Segment B totals \$4,517,000. The current project balance is \$3,363,076. Those funds will not cover the cost of the full construction bid of \$3,784,296.50. Staff is recommending Council authorize award of Part 1 of the Aleutian Homes Phase V, Segment B in the amount of \$2,994,895.50 with available funds. Staff is also recommending, and the FY2014 Supplemental No. 2 reflects, a requested amendment for an additional \$1,154,000 from the Water Fund fund balance to complete the construction award of \$789,400 and provide a 10 percent contingency.

On completion, the project will reduce utility and road maintenance costs, reduce the risk to public health by correcting noncompliant sewer and water separation distances, and better the water service through the increase in the size of the water main.

STAFF RECOMMENDATION: Staff recommends award of a portion of Aleutian Homes Water and Sewer Replacement Phase V Segment B, Part 1, PN 10-03/7026 for the bid price of \$2,994,895.50, with funds coming from the Water Capital Improvement Project No. 7026.

CITY MANAGER'S COMMENTS: The bidding climate for City projects has changed, and bids are coming in at the high end of the projected estimates. This project is important to move forward, and I support staff's recommendation to split the construction award into two parts to allow the project to get started on time. Therefore, I recommend Council authorize this award as outlined in the memo.

ATTACHMENTS:

Attachment A: Phase V, Segment B Bid Tab

Attachment B: Public Works Director Email to Brechan about Two Part Bid Award

Attachment C: Brechan Response Letter to Two Part Bid Award.

PROPOSED MOTION:

Move to award the bid for the Aleutian Homes Phase V Segment B, Project No. 10-03/7026 to Brechan in the amount of \$2,994,895.50, with funds coming from the Water Capital Improvement Fund, Project No. 10-03/7026 and authorize the City Manager to execute the documents on behalf of the City.

Bid Tab Aleutian Homes Water and Sewer Ph. V Segment B PN 10-03/7

Bid Date: Monday, March 24, 2014



Bid Item	Description	Quantity	Units	Engineers Estimate	Brechan Enterprises, Inc.	Central Environmental Inc.
1	Clearing and Grubbing	1	Lump Sum	\$12,000.00	\$6,800.00	\$4,208.50
2	Unclassified Excavation	1	Lump Sum	\$140,000.00	\$100,000.00	\$67,250.94
3	Rock Excavation	456	linear foot	\$68,400.00	\$77,520.00	\$119.09
4	Classified Material (Type A)	1	Lump Sum	\$290,000.00	\$250,000.00	\$259,628.48
5	Leveling Course	2055	ton	\$60.00	\$67,815.00	\$36.63
6	Trench Excavation and Backfill - Storm Drain (Various Depths)	1520	linear foot	\$125.00	\$170.00	\$94.29
7	Trench Excavation and Backfill - Water & Sewer (Various Depths)	2970	linear foot	\$125.00	\$150.00	\$154.56
8	Removal of Structures and Obstructions	1	Lump Sum	\$30,000.00	\$25,000.00	\$36,303.35
9	Remove Pavement	53090	square foot	\$1.50	\$79,635.00	\$0.45
10	Remove Sidewalk or Concrete Pad	11440	square foot	\$2.25	\$25,740.00	\$0.75
11	Remove Manhole	24	each	\$700.00	\$16,800.00	\$500.00
12	Remove Catch Basin	6	each	\$600.00	\$3,600.00	\$500.00
13	Remove Curb and Gutter	2885	linear foot	\$3.50	\$10,097.50	\$4.00
14	Relocate Mailbox Cluster	2	each	\$2,000.00	\$4,000.00	\$500.00
15	Remove Storm Drain Pipe	1760	linear foot	\$12.00	\$21,120.00	\$5.00
16	Remove Existing Sign	5	Each	\$120.00	\$600.00	\$100.00
17	Remove Retaining Wall	206	linear foot	\$6.00	\$1,236.00	\$5.00
					\$1,030.00	\$14.24
					\$23,108.80	\$2,933.44
					\$40,348.40	\$36,303.35
					\$8,580.00	\$2.02
					\$12,000.00	\$691.51
					\$3,000.00	\$580.55
					\$11,540.00	\$5.14
					\$1,000.00	\$349.80
					\$8,800.00	\$37.42
					\$500.00	\$128.74
					\$1,030.00	\$14.24
					\$23,108.80	\$2,933.44

Attachment A

Bid Item Description Quantity Units Engineers Estimate Brechan Enterprises, Inc. Central Environmental Inc.

18	Curb and Gutter (Various Types)	2920	linear foot	\$40.00	\$116,800.00	\$50.00	\$146,000.00	\$53.58	\$156,453.60
19	Concrete Stairs	1	linear foot	\$15,000.00	\$15,000.00	\$15,000.00	\$17,744.22	\$17,744.22	\$17,744.22
20	PCC Curb Ramp	40	square yard	\$300.00	\$12,000.00	\$350.00	\$14,000.00	\$323.33	\$12,933.20
21	Detectable Warnings	40	square foot	\$60.00	\$2,400.00	\$95.00	\$3,800.00	\$90.90	\$3,636.00
22	Asphalt Concrete Pavement, Type IIIB	1140	ton	\$330.00	\$376,200.00	\$300.00	\$342,000.00	\$389.73	\$444,292.20
23	Asphalt Concrete Sidewalk, Type IIIB	2900	linear foot	\$65.00	\$188,500.00	\$60.00	\$174,000.00	\$140.44	\$407,276.00
24	Furnish and Install 8" Sewer Main	1438	linear foot	\$120.00	\$172,560.00	\$125.00	\$179,750.00	\$34.32	\$49,352.16
25	Construct Sanitary Sewer Manhole (Type A)	6	each	\$6,000.00	\$36,000.00	\$4,000.00	\$24,000.00	\$7,739.35	\$46,436.10
26	Waterproofing Manhole	2	each	\$1,200.00	\$2,400.00	\$3,000.00	\$6,000.00	\$1,648.49	\$3,296.98
27	Connection to Existing Manhole	2	each	\$500.00	\$1,000.00	\$1,000.00	\$2,000.00	\$3,914.35	\$7,828.70
28	Sanitary Sewer Cleanout	5	each	\$250.00	\$1,250.00	\$600.00	\$3,000.00	\$606.94	\$3,034.70
29	Connection to Sewer Service (4")	40	each	\$4,500.00	\$180,000.00	\$5,000.00	\$200,000.00	\$3,972.64	\$158,905.60
30	Furnish and Install 12" Water Main	84	linear foot	\$180.00	\$15,120.00	\$300.00	\$25,200.00	\$85.35	\$7,169.40
31	Furnish and Install 20" Water Main	1432	linear foot	\$215.00	\$307,880.00	\$170.00	\$243,440.00	\$154.04	\$220,585.28
32	Furnish and Install 12" Gate Valve, Valve Box and Marker	1	each	\$3,000.00	\$3,000.00	\$2,300.00	\$2,300.00	\$4,568.88	\$4,568.88
33	Furnish and Install 20" Butterfly Valve, Valve Box and Marker	7	each	\$5,500.00	\$38,500.00	\$4,500.00	\$31,500.00	\$7,135.85	\$49,950.95
34	Furnish and Install Fire Hydrant Assembly (Single Pumper)	4	each	\$11,000.00	\$44,000.00	\$9,000.00	\$36,000.00	\$12,696.36	\$50,785.44

Bid Item Description Quantity Units Engineers Estimate Brechan Enterprises, Inc. Central Environmental Inc.

35	Furnish and Install Water Service Line, 1"	41	each	\$4,500.00	\$184,500.00	\$3,000.00	\$123,000.00	\$3,447.53	\$141,348.73
36	Remove Existing Fire Hydrant Assembly	5	each	\$500.00	\$2,500.00	\$250.00	\$1,250.00	\$1,011.31	\$5,056.55
37	Connect to Existing Water Main (12" and 20" DIP)	4	each	\$2,500.00	\$10,000.00	\$1,000.00	\$4,000.00	\$8,035.31	\$32,141.24
38	Furnish and Install 6" CPEP, Type S	100	linear foot	\$50.00	\$5,000.00	\$10.00	\$1,000.00	\$4.47	\$447.00
39	Furnish and Install 12" CPEP, Type S	200	linear foot	\$55.00	\$11,000.00	\$15.00	\$3,000.00	\$8.14	\$1,628.00
40	Furnish and Install 18" CPEP, Type S	720	linear foot	\$70.00	\$50,400.00	\$45.00	\$32,400.00	\$17.38	\$12,513.60
41	Furnish and Install 24" CPEP, Type S	520	linear foot	\$120.00	\$62,400.00	\$50.00	\$26,000.00	\$29.15	\$15,158.00
42	Construct Storm Drain Manhole (Type 1)	12	each	\$4,800.00	\$57,600.00	\$3,500.00	\$42,000.00	\$7,268.89	\$87,226.68
43	Construct Storm Drain Manhole (Type 2)	1	each	\$11,000.00	\$11,000.00	\$8,000.00	\$8,000.00	\$11,300.41	\$11,300.41
44	Construct Storm Drain Catch Basin (Type 1)	5	each	\$3,500.00	\$17,500.00	\$3,000.00	\$15,000.00	\$3,820.86	\$19,104.30
45	Construct Yard Drain	5	each	\$1,500.00	\$7,500.00	\$3,000.00	\$15,000.00	\$2,122.12	\$10,610.60
46	Construct Box Type Catch Basin	1	each	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$4,386.86	\$4,386.86
47	Connect to Existing Storm Drain	4	each	\$500.00	\$2,000.00	\$500.00	\$2,000.00	\$3,802.84	\$15,211.36
48	Footing Drain Service	3	each	\$2,200.00	\$6,600.00	\$2,300.00	\$6,900.00	\$2,032.21	\$6,096.63
49	Mobilization and Demobilization	1	Lump Sum	\$400,000.00	\$400,000.00	\$264,000.00	\$264,000.00	\$492,876.68	\$492,876.68
50	Traffic Maintenance	1	Lump Sum	\$40,000.00	\$40,000.00	\$45,000.00	\$45,000.00	\$25,568.29	\$25,568.29
51	Traffic Control	1	Contingent Sum	\$160,000.00	\$160,000.00	\$160,000.00	\$160,000.00	\$160,000.00	\$160,000.00
52	Erosion and Pollution Control Administration	1	Lump Sum	\$20,000.00	\$20,000.00	\$25,000.00	\$25,000.00	\$15,343.14	\$15,343.14

Bid Item Description Quantity Units Engineers Estimate Brechan Enterprises, Inc. Central Environmental Inc.

53	Erosion and Pollution Control	1	Contingent Sum	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
54	Construction Survey Measurement	1	Lump Sum	\$70,000.00	\$70,000.00	\$35,000.00	\$35,000.00	\$27,045.78	\$27,045.78
55	Standard Sign	50	square foot	\$130.00	\$6,500.00	\$125.00	\$6,250.00	\$140.78	\$7,039.00
56	Remove and Relocate Existing Signs	2	each	\$300.00	\$600.00	\$300.00	\$600.00	\$606.61	\$1,213.22
57	Insulation Board	800	square foot	\$4.50	\$3,600.00	\$8.50	\$6,800.00	\$7.67	\$6,136.00
58	Seeding	10	1,000 square foot	\$600.00	\$6,000.00	\$300.00	\$3,000.00	\$666.60	\$6,666.00
59	Topsoil	10	1,000 square foot	\$2,400.00	\$24,000.00	\$2,000.00	\$20,000.00	\$2,424.00	\$24,240.00
60	Reset Fence	940	linear foot	\$65.00	\$61,100.00	\$60.00	\$56,400.00	\$27.89	\$26,216.60
61	Matting	5	1,000 square foot	\$700.00	\$3,500.00	\$200.00	\$1,000.00	\$2,424.00	\$12,120.00
62	Reconstruct Driveway - Gravel	750	square yard	\$35.00	\$26,250.00	\$40.00	\$30,000.00	\$33.94	\$25,455.00
63	Reconstruct Driveway - Asphalt	10	square yard	\$500.00	\$5,000.00	\$75.00	\$750.00	\$152.71	\$1,527.10
64	Reconstruct Driveway - Portland Cement Concrete	10	square yard	\$500.00	\$5,000.00	\$125.00	\$1,250.00	\$290.88	\$2,908.80
65	Modular Block Retaining Wall	1160	square foot	\$75.00	\$87,000.00	\$65.00	\$75,400.00	\$72.72	\$84,355.20
66	Remove Guardrail	40	linear foot	\$100.00	\$4,000.00	\$7.00	\$280.00	\$25.04	\$1,001.60
67	Steel Guardrail	33	linear foot	\$250.00	\$8,250.00	\$50.00	\$1,650.00	\$146.90	\$4,847.70

Grand Total \$4,282,188.50 \$3,784,295.50 \$4,218,876.02

\$789,400 in deductions

From: Kozak, Mark
To: [louis Rocheleau; "Jim Graham"](#)
Cc: [Melvin, Glenn](#)
Subject: Phase 5 Seg B Award
Date: Monday, April 14, 2014 10:48:00 AM
Attachments: [Bid Tab Aleutian PhV Seg B.pdf](#)

Good morning Jim and Louie,

Attached is the bid tab for Phase 5 segment B. I have circled some items we would like to hold for award later in June. We have added the budget increase in order to award the project but since the supplemental budget requires two Council meetings we cannot award the full amount at this time. With your approval I would like to award the contract at the April 24 meeting in the amount of your bid minus the circled items. This would get you started on ordering material and allow your work to get started. Then in either late May or early June once the supplemental budget passes we would award the removed items.

If this is acceptable to you I would request a brief letter stating your agreement with this approach. We have to have the recommendation to the Manager by tomorrow morning. Sorry to request this so late but really hope to award this.

Thank you for your help.

Mark

BRECHAN ENTERPRISES, INC. / GENERAL CONTRACTOR
2705 Mill Bay Road • Kodiak, AK 99615
(907) 486-3215 • Fax: (907) 486-4889
Alaska Business License #001858 • Alaska Contractors License #AA441



City of Kodiak
2410 Mill Bay Road
Kodiak, Ak 99615

April 14, 2014

Attn: Mark Kozak

Re: Aleutian Homes Water and Sewer
Phase V Segment B
P/N 10-03/7

Mark,

We have received your email correspondence dated April 14th and agree with your approach to this project. All parties recognize that the materials need to be ordered as soon as possible to allow construction to happen this year.

We also understand your budget constraints and stand ready to assist in any way that we can.

With that, we agree that it would benefit both of us to receive award of the contract, as bid, less the curbs, stairs, ramps, asphalt paving, seeding, topsoil and retaining walls, as shown on your Bid Tabulation sheet.

We have already started gathering the submittal information and would be able to place our order as soon as we receive an NTP and approval on the submittals.

Please let me know if you need anything else from us to help to expedite this process.

Sincerely:

A handwritten signature in blue ink, appearing to be "Jim Graham".

Jim Graham
VP Operations