

City of Kodiak Regular Council Meeting Agenda for February 12, 2015
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 January 20, 2015 Special Meeting and January 22, 2015, Regular Council Meeting.....	1
III. Persons to Be Heard	
a. Oath of Office to Fire Chief Jim Mullican, Jr.....	12
b. Proclamation: Teen Dating Violence Awareness and Prevention Month	14
c. Public Comments (limited to 3 minutes) (486-3231)	
IV. Unfinished Business	
a. Second Reading and Public Hearing, Ordinance No. 1331, Establishing Supplemental Appropriation No. 1 to the Budget for the Fiscal Year Commencing on the First Day of July 2014 And Ending on the Thirtieth Day of June 2015	18
V. New Business	
a. Resolution No. 2015–03, Approving the City Council’s Budget Goals for FY2016.....	38
b. Resolution No. 2015–04, Adopting the Federal Fiscal Year 2015 Federal Capital Needs and Issues List.....	48
c. Resolution No. 2015–05, Authorizing the Borrowing from the Alaska Clean Water Fund of an Aggregate Amount Not to Exceed \$3,000,000 to Pay Part of the Cost of the Construction of Sludge Composting Facility.....	54
d. Resolution No. 2015–06, Supporting Full Funding for the State of Alaska Harbor Facility Grant Program in the FY2016 State Capital Budget	60
e. Resolution No. 2015–07, Supporting the AML Resolution to the Alaska State Legislature to Fund \$60 Million Annually to the Revenue Sharing Program	66
f. Authorization of Professional Service Agreement With CH2MHILL for Engineering Services for Final Approval to Operate the UV Water Treatment Facility Project No. 03-14/7023	70
g. Authorization to Purchase VRLA Batteries for KPD	90
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. Executive Session	
a. Manager’s Evaluation and Contract Review	124
XI. Adjournment	

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**MINUTES OF THE SPECIAL COUNCIL MEETING
OF THE CITY OF KODIAK
HELD TUESDAY, JANUARY 20, 2015
IN THE KODIAK ISLAND BOROUGH CONFERENCE ROOM**

I. Call to Order

Mayor Pat Branson called the meeting to order at 5:30 p.m. Councilmembers Randall C. Bishop, Terry J. Haines, Richard H. Walker, and Gabriel T. Saravia were present and constituted a quorum. Councilmembers Charles E. Davidson and John B. Whiddon were absent. City Manager Aimée Kniazowski, City Clerk Debra L. Marlar, Interim Finance Director Karl Swanson, Engineer Glenn Melvin, and Deputy Harbormaster Derrik Magnuson were also present.

II. Public Comments on Agenda Items Only

None

III. Executive Session

a. Discussion About Potential Contractor Claims Related to the Reconstruction of Pier III

Councilmember Haines MOVED to enter into executive session pursuant to AS 44.62.310(c)(1) to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City, specifically, potential contractor claims related to the reconstruction of Pier III.

The roll call vote was Councilmembers Randall C. Bishop, Terry J. Haines, Richard H. Walker, and Gabriel T. Saravia in favor. Councilmembers Charles E. Davidson and John B. Whiddon were absent. The motion passed.

The Council entered into Executive Session at 5:32 p.m.

The Mayor reconvened the meeting at 6:15 p.m.

b. Discussion of Horizon Lines Contract Negotiations

Councilmember Haines MOVED to enter into executive session pursuant to AS 44.62.310(c)(1) to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City, specifically the negotiation of new contracts with Horizon Lines.

The roll call vote was Councilmembers Randall C. Bishop, Terry J. Haines, Richard H. Walker, and Gabriel T. Saravia in favor. Councilmembers Charles E. Davidson and John B. Whiddon were absent. The motion passed.

The Council entered into Executive Session at 6:15 p.m.

The Mayor reconvened the meeting at 6:34 p.m.

IV. Adjournment

Councilmember Walker MOVED to adjourn the meeting.

The roll call vote was Councilmembers Randall C. Bishop, Terry J. Haines, Richard H. Walker, and Gabriel T. Saravia in favor. Councilmembers Charles E. Davidson and John B. Whiddon were absent. The motion passed.

The meeting adjourned at 6:34 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

<p>DRAFT</p>

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, JANUARY 22, 2015
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, Terry J. Haines, Gabriel T. Saravia, and Richard H. Walker were present and constituted a quorum. Councilmember John B. Whiddon was absent. City Manager Aimée Kniazowski, City Clerk Debra L. Marlar, Deputy Harbormaster Derrik Magnuson, 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

After pointing out a typo correction in Section III of the January 8, 2015, regular meeting minutes, Councilmember Davidson MOVED to approve the minutes of the January 6, 2015, special meeting and January 8, 2015, regular meeting as presented.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon 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. 1329(SUB), Authorizing the City to Enter Into Amendments to the Preferential Use Agreement, Terminal Operating Contract, and Warehouse Lease Agreement With Horizon Lines of Alaska, LLC

Mayor Branson read Ordinance No. 1329(SUB) by title. Ordinance No. 1329 authorizes amendment of the Preferential Use Agreement between the City of Kodiak and Horizon Lines of Alaska, LLC, previously approved by Council on October 23, 2014. The agreement is amended to allow for Horizon Lines to have a lien on the New Crane securing general corporate financing obligations of the company. The change does not affect the financial terms of the agreement and are recommended by the City Attorney and staff. Since the Council approved the Preferential Use Agreement, the Terminal Operating Contract, and the Warehouse Lease Agreement with Horizon Lines of Alaska, LLC on October 23, 2014, Horizon Lines, Inc. entered into an Agreement and Plan of Merger dated November 11, 2014, under which Horizon Lines, Inc. would be acquired by Matson Navigation Company, Inc. Horizon Lines now has asked that the City also approve amendments to each of the Horizon Lines Agreements that would consent to the as-

signment of the agreements as part of the acquisition transaction. Ordinance No. 1329(SUB) contains the necessary amendments.

Councilmember Haines MOVED to adopt Ordinance No. 1329.

Councilmember Davidson MOVED to amend by substituting Ordinance 1329(SUB) for Ordinance No. 1329.

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 on the substitute amendment was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The amended motion passed.

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

b. Second Reading and Public Hearing, Ordinance No. 1330, Amending Ordinance No. 1323, Authorizing a Lease of a Communication Site in U.S. Survey 3945 on Pillar Mountain To NCWPCS MPL 31 – Year Sites Tower Holdings, LLC

Mayor Branson read Ordinance No. 1330 by title. The City has issued a lease for the Pillar Mountain Communication Site No. 11 with AT&T and affiliates since 2010. The current lease for Site No. 11 with CCATT, LLC, expired in December. Its successor, NCWPCS MPL 31-Year Sites Tower Holdings, LLC, through Crown Castle, requested the lease be renewed. The Council renewed the lease via Ordinance No. 1323 at the September 11, 2014, regular meeting. The company requested additional changes to the lease after the ordinance was approved by Council, so staff worked with them and the City Attorney to review and incorporate changes acceptable to both parties.

Councilmember Bishop MOVED to adopt Ordinance No. 1330.

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, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The motion passed.

V. NEW BUSINESS

a. First Reading, Ordinance No. 1331, Establishing Supplemental Appropriation No. 1 to the Budget for the Fiscal Year Commencing on the First Day of July 2014 and Ending On the Thirtieth Day of June 2015

Mayor Branson read Ordinance No. 1331 by title. The Supplemental Appropriation No. 1 to the budget for the fiscal year commencing on the first day of July 2014 and ending on the thirtieth

day of June 2015 is in the amount of \$897,753. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses. 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. This is the first budget amendment of FY2015.

Councilmember Walker MOVED to pass Ordinance No. 1331 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

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

b. Resolution No. 2015–02, Rescinding Resolution No. 2013–03 and Adopting a Revised Travel Policy for the Mayor and Councilmembers

Mayor Branson read Resolution No. 2015–02 by title. The Council adopted a travel policy in September 2011, which established policies and procedures for requesting, approving, and reporting on travel for the Mayor and Councilmembers. The Council reviewed the policy at its October 21, 2014, and January 6, 2015, work sessions and requested revisions. The revisions will allow the Deputy Mayor to authorize more than three Councilmembers to travel to the same event. The policy revision will also permit the Deputy Mayor to authorize unbudgeted Council travel, if necessary.

Councilmember Davidson MOVED to adopt Resolution No. 2015–02.

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

c. Authorization to Purchase Street Sweeper

Council approved funding to replace the City's 1999 Elgin Geo-Vac street sweeper in the FY2015 Public Works budget. Staff requested information from Yukon Equipment, the Elgin Sweeper distributor in the State of Alaska, for the purpose of putting together bid specifications for a sweeper similar to the Elgin Whirlwind Sweeper. The bid was publicly advertised beginning on November 19, 2014, and bids were opened on December 23, 2014.

Councilmember Bishop MOVED to authorize the bid award for an Elgin Whirlwind street sweeper to Yukon Equipment with funds coming from the General Fund, Public Works, Street Department Machinery and Equipment line item in an amount not to exceed \$289,220.

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

d. Authorization of Amendment No. 6 to the Professional Services Contract for Construction Administration Services for Pier III Replacement, Project No. 11-07/8024

The recommendation for award of Amendment No. 6 to PND Engineers Inc. is for additional construction phase services associated with the Pier III Replacement, Project No. 11-07/8024.

PND Engineers Inc. submitted a proposal for continued services during construction. The third party project manager and City staff recommend Council authorize Amendment No. 6 to the professional services contract to provide additional construction phase services associated with the Pier III Replacement project to PND Engineers on a Time and Expense (T & E) basis with services not to exceed \$580,000.

Councilmember Haines MOVED to authorize Amendment No. 6 to the professional services contract with PND for additional construction phase services related to the Pier III replacement project on a time and expense basis in an amount not to exceed \$580,000 with funds coming from the Cargo Development Fund, Pier III project, Project No. 11-07/8024 and authorize the City Manager to execute the documents for the City.

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

e. Authorization of Change Order No. 7 to Pacific Pile and Marine for Pier III Replacement, Project No. 11-07/8024

This is a recommendation of authorization of Change Order No. 7 to Pacific Pile and Marine LP (PPM) in the amount of \$747,096. This Change Order addresses two cost items. The first item is cost reconciliation due to design changes that occurred between the Issued For Bid (IFB) and the Issued For Construction (IFC) drawings and specifications. The second item is cost reconciliation due to actual and bid quantities for five unit cost types of rock fill placed in-water.

Councilmember Davidson MOVED to approve Change Order No. 7 to Pacific Pile and Marine in the amount of \$747,096 for the Pier III replacement project, with funds coming from the Cargo Development Fund, Pier III project, Project No. 11-07/8024 and authorize the City Manager to execute the documents on behalf of the City.

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

f. Authorization of Lease With MorphoTrust LLC for Office Space at 411 Marine Way

Council approved an agreement with MorphoTrust USA, the local Transportation Worker Identification Card (TWIC) contractor, in January 2014, for a two-year lease for the office space at 411 Marine Way, the downtown restroom building, effective from January 1, 2014, to December 31, 2015. In 2014 MorphoTrust became a Limited Liability Company and has requested the business designation changes be made to the agreement. The terms of the agreement are the same as presented and approved by Council in 2014. MorphoTrust has occupied this space since 2013. The space meets MorphoTrust LLC needs, and the office is open two days weekly for TWIC enrollment.

Councilmember Walker MOVED to authorize lease 211952 between the City of Kodiak and MorphoTrust LLC for the lease of the office space located at 411 Marine Way for the purpose of TWIC card enrollment and authorize the City Manager to execute the agreement on behalf of the City.

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

g. Appointment to the Cook Inlet Regional Citizens Advisory Council

The City of Kodiak has a dedicated seat for a representative and an alternate on the Cook Inlet Regional Citizens’ Advisory Council (CIRCAC). Rob Lindsey has served in the City’s primary seat for several years. Mr. Lindsey’s current term ends in April 2015, and CIRCAC has requested the City re-appoint Mr. Lindsey or another individual to serve a three-year term. CIRCAC has also requested the City appoint an alternate to serve if or when the primary appointment is unable to attend meetings.

Councilmember Haines MOVED to appoint Robert Lindsey as the City of Kodiak primary appointee and Kyle Crow as the City’s alternate appointee to a three-year term ending in April 2018 on the Cook Inlet Citizens’ Advisory Council.

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

VI. STAFF REPORTS

a. City Manager

Manager Kniazowski indicated she has been working with Roe Sturgelewski, Engineer Melvin and interim Finance Director Swanson to prepare for a meeting to address a settlement of claim with Pacific Pile and Marine. She indicated that DEC should complete the decision document and issue the composting permit soon. She stated the Kodiak Island Borough has agreed to transfer back the property to the City once DEC issues the composting permit. She stated the municipal matching grant has been cut, and it is prudent for the City to apply for a loan if needed in the future; the application will be brought to the Council in February. She shared that the DOWL group will be finalizing the Downtown, Water, Sewer, and Storm Drain Master plan in February, and it will be brought to the Council for acceptance. She said the master plan addresses the sequencing for the downtown replacement of sewer, drainage and other projects, such as the landscaping concepts that will be brought to the Downtown Kodiak Revitalization Committee for their recommendations at a later date. She gave an update on the following projects: Lift station; Aleutian Homes Phase V, Segment B; Aleutian Homes Phase VI; UV facility; Monashka Pumphouse; and Pier III.

b. City Clerk

City Clerk Marljar informed the public of the next scheduled Council work sessions and regular meeting.

VII. MAYOR’S COMMENTS

Mayor Branson said she is excited for the Council planning session on January 31. She thanked Rob Lindsey and Kyle Crow for their service and the Horizon Lines team for working on the contracts. She shared that Governor Walker will be in Kodiak after March for a community event

and indicated he supports municipal revenue sharing funds, which is important for the City. She said the revenue sharing provides many services to communities to keep the quality of life intact.

VIII. COUNCIL COMMENTS

Councilmember Walker said it has been a pleasure to work with Council and Mayor and he hopes for continued collaboration; he stated Kodiak has had successful projects. He commented with the low oil prices in Alaska the Council will be faced with tough financial decisions. He said he appreciates the City staff for their hard work.

Councilmember Haines thanked Rob Lindsey and Kyle Crow for volunteering to be on CIRAC. He said the participation with CIRAC is a crucial link for the municipality, and it is a time commitment he appreciates. He acknowledged the City staff and commended the Finance staff for their continual work on the budgetary process. He thanked Deputy Harbormaster Magnuson and Harbormaster White for their work with the contract negotiations and one of the largest construction projects.

Councilmember Bishop extended his gratitude and appreciation to the department heads for their work. He said Alaska officials are learning about the legalization of marijuana from Colorado. He commented on Colorado's licensing of shops, operations, and the revenue generated by cities from the sales tax and put back into the city's police departments and schools. He said in Alaska the ABC board is working on the regulations.

Councilmember Saravia welcomed Councilmember Davidson back from vacation, and he thanked advisory board members, department heads, and City staff for their work.

Councilmember Davidson said he was in South America for vacation and commented on a tremendous fireworks display he saw there, which brightened the city. He said last year's budget process was easier than he expects this year to be and he anticipates sacrifices will be made.

IX. AUDIENCE COMMENTS

Judi Kidder said she uses the ice rink, and she supports the City charging a fee. She said having a skate shed would be a benefit to the community, and it would allow the public to donate and store skates in the shed. She thanked the Council for the ice rink facility.

X. EXECUTIVE SESSION

a. Clerk's Annual Evaluation

Annually, the City Council reviews the performance of the City Clerk. In accordance with the Open Meetings Act, the City Clerk does not object to the evaluation being done in executive session.

Councilmember Davidson MOVED to enter into executive session, as authorized by Kodiak City Code Section 2.04.100(b)(2), to conduct the City Clerk's annual performance evaluation.

The Council entered into Executive Session at 8:26 p.m.

XI. ADJOURNMENT

The Mayor reconvened the regular meeting at 8:48 p.m.

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 8:48 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

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PERSONS TO BE HEARD

MEMORANDUM TO COUNCIL

Date: February 12, 2015

Agenda Item: III. a. Oath of Office

SUMMARY: City Charter Article IV-7 stipulates all officers of the City and such employees as the council may designate shall take and subscribe to the oath or affirmation of office prescribed by the Alaska constitution, Article XII, Section 5. The oath or affirmation shall be filed and kept in the City Clerk's office.

NOTES/ATTACHMENTS:

Attachment A: Oath of Office

CITY OF KODIAK, ALASKA

Oath of Office

February 12, 2015

I, Jim Mullican Jr., do solemnly affirm that I will support the Constitution and laws of the United States, the laws of the State of Alaska, the ordinances of the City of Kodiak, and that I will faithfully and honestly perform the duties of Fire Chief, so help me God.

CITY OF KODIAK

Jim Mullican Jr., Fire Chief

ATTEST:

Michelle Shuravloff-Nelson,
Acting City Clerk

MEMORANDUM TO COUNCIL

Date: February 12, 2015

Agenda Item: III. b. Proclamation: Teen Dating Violence Awareness and Prevention Month

SUMMARY: This proclamation encourages all citizens of Kodiak to actively support and participate in the ongoing programs designed to reduce and eventually eliminate teen dating violence.

ATTACHMENTS:

Attachment A: Proclamation: Teen Dating Violence Awareness and Prevention Month

Proclamation Declaring Teen Dating Violence Awareness & Prevention Month

WHEREAS, teen dating violence, a pattern of controlling behaviors by one teen over another in a relationship, is a crime that impacts youth and families in Alaska and across the country; and,

WHEREAS, protecting Alaska's most valuable resource, our youth, demands both awareness and action as we strive to ensure their health, safety, and well-being as they develop into the next generation of leaders, parents, and strong role models; and

WHEREAS, teen dating violence includes verbal, emotional, or physical abuse and one in 11 adolescents report being a victim of physical dating violence, and more than one in four have been in a relationship where a partner is verbally abusive; and,

WHEREAS, victims of violent relationships in adolescence suffer not only from the crime itself, but from severe potential long-term consequences, including higher risk for substance abuse and eating disorders; and,

WHEREAS, Teen Dating Violence Awareness & Prevention Month provides an excellent opportunity for citizens to learn more about preventing dating violence and to show support for the organizations and individuals who provide critical advocacy, services, and assistance to victims.

NOW, THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim the month of February 2015 as

TEEN DATING VIOLENCE AWARENESS & PREVENTION MONTH

in Kodiak and encourage all citizens of Kodiak to actively support and participate in the ongoing programs designed to reduce and eventually eliminate teen dating violence.

Dated this 12th day of February 2015.


City of Kodiak

Pat Branson, Mayor

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UNFINISHED BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Council Members
From: Aimée Kniazowski, City Manager 
Thru: Karl Swanson, Interim Finance Director

Date: February 12, 2015

Agenda Item: **IV. a. Second Reading and Public Hearing, Ordinance No. 1331, Establishing Supplemental Appropriation No. 1 to the Budget for the Fiscal Year Commencing on the First Day of July 2014 and Ending On the Thirtieth Day of June 2015**

SUMMARY: The Supplemental Appropriation No. 1 to the budget for the fiscal year commencing on the first day of July 2014 and ending on the thirtieth day of June 2015 is in the amount of \$897,753. 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. This is the first budget amendment of FY2015. Staff recommends Council adopt Ordinance No. 1331 following a public hearing at this meeting.

PREVIOUS COUNCIL ACTION:

- June 13, 2014, Council adopted Ordinance No. 1319 for the FY2015 budget in the amount of \$46,466,781 commencing on the first day of July 2014 and ending on the thirtieth day of June 2015
- January 20, 2015, Council reviewed the budget amendment at the work session
- January 22, 2015, Council passed Ordinance No. 1331 in the first reading and moved to second reading and public hearing at the next regular meeting
- February 10, 2015, Council reviewed the budget amendment at the work session

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 move funds, to add permanent personnel, or to grant unscheduled salary increases. The

Supplemental No. 1 Appropriation is requesting the addition of \$897,753 to the adopted budget bringing the total amended budget to \$47,364,534 for FY2015.

The Supplemental No. 1 Appropriation is requesting an increase in non-capital funds in the amount of \$326,498 and an increase in capital funds in the amount of \$571,255. Of the \$326,498 increase for non-capital funds, \$14,640 is a transfer to the Enhancement Fund from the General Fund based on KCC 3.28.020. KCC 3.28.020 states that fifty percent of the prior fiscal year's General Fund surplus shall be deposited in the City Enhancement Fund. The General Fund surplus is defined as the excess of revenues and other financing sources over expenditures and other financing uses, plus any residual equity transfers in, less any residual equity transfers out, as identified in the audited General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. The audited net change in fund balance for the year ending June 30, 2014, was \$29,280. The remaining \$311,858 in non-capital funds is necessary to make adjustments for unanticipated grant funds received, overtime incurred from staff turnover, increases in supplies, and increases in professional fees. Additions to capital projects included the E-911 Upgrade, funded by a state grant in the amount of \$381,472, the New Fire Station Project in the amount of \$70,000 to be funded by the transfer of remaining funds from the police station parking lot, the required Spill Prevention Containment and Countermeasures (SPCC) project in the amount of \$52,000, the UV plant project in the amount of \$60,000, and additions to the General Fund Vehicle Replacement Fund for \$7,783.

FINANCIAL IMPLICATIONS: All expense appropriations requested in Supplemental Appropriation No. 1 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 FY2015 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 have been 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 adopt Ordinance No. 1331.

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. The ordinance and attachments detail the sections of the City's operating and capital budget that require changes. I recommend Council adopt Ordinance No. 1331 following a public hearing as required.

ATTACHMENTS:

Attachment A: Ordinance No. 1331

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

Attachment C: Backup line item detail to budget.

PROPOSED MOTION:

Move to adopt Ordinance No. 1331.

CITY OF KODIAK ORDINANCE NUMBER 1331

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK ESTABLISHING SUPPLEMENTAL APPROPRIATION NO. 1 TO THE BUDGET FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF JULY 2014 AND ENDING ON THE THIRTIETH DAY OF JUNE 2015

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 2015.

FY 2015 Supplemental Budget No. 1 GENERAL FUND

	Budget	Supplemental #1	Revised Budget
Anticipated Revenues:			
Property Tax	\$ 853,500	\$ -	\$ 853,500
Sales Tax	11,630,000	-	11,630,000
Licenses and Permits	90,100	12,000	102,100
Intergovernmental	3,128,847	15,000	3,143,847
Charges for Services	1,774,115	55,000	1,829,115
Fines and Forfeitures	15,500	10,334	25,834
Interest Income	45,000	-	45,000
Rental Income	195,000	-	195,000
Other Revenues	22,000	-	22,000
Interfund Charges	858,692	-	858,692
Use of Fund Balance	1,132,088	36,213	1,168,301
Transfers In	-	-	-
Total Amended Revenues	\$ 19,744,842	\$ 128,547	\$ 19,873,389
Planned Expenditures:			
Legislative	\$ 320,259	\$ 5,000	\$ 325,259
Legal	50,000	-	50,000
Executive	586,262	6,000	592,262
Emergency Preparedness	56,500	-	56,500
City Clerk	473,165	5,000	478,165
Finance	1,401,481	1,500	1,402,981
Police	6,922,782	40,175	6,962,957
Fire	2,148,335	22,000	2,170,335
Public Works	2,485,224	27,232	2,512,456
Engineering	315,090	-	315,090
Parks & Recreation	1,411,860	-	1,411,860
Library	1,010,833	-	1,010,833
Non-Departmental	763,694	-	763,694
Transfers	1,799,357	21,640	1,820,997
Total Amended Expenditures	\$ 19,744,842	\$ 128,547	\$ 19,873,389

SPECIAL REVENUE FUNDS

	Budget	Supplemental #1	Revised	Budget
Anticipated Revenues:				
Tourism Development	\$ 205,500	\$ -	\$	205,500
KFDA	60,050			60,050
City Enhancement	-	-		-
Total Amended Revenues	<u>\$ 265,550</u>	<u>\$ -</u>	<u>\$</u>	<u>265,550</u>
Planned Expenditures:				
Tourism Development	\$ 205,500	\$ -	\$	205,500
KFDA	60,050			60,050
City Enhancement	-	-		-
Total Amended Expenditures	<u>\$ 265,550</u>	<u>\$ -</u>	<u>\$</u>	<u>265,550</u>

CAPITAL PROJECTS

	Budget	Supplemental #1	Revised	Budget
Anticipated Revenues:				
300.00 General Capital Projects	\$ 276,684	\$ 381,472	\$	658,156
315.00 Vehicle Replacement Capital	85,357	7,783		93,140
301.00 Street Improvements	1,030,000	52,000		1,082,000
302.00 Building Improvements	40,000	70,000		110,000
305.00 Water Capital Fund	5,964,774	60,000		6,024,774
306.00 Sewer Capital Fund	-	-		-
307.00 Cargo Development Fund	-	-		-
308.00 Harbor Development	3,000,000	-		3,000,000
309.00 Parks & Recreation Fund	110,000	-		110,000
Total Amended Revenues	<u>\$ 10,506,815</u>	<u>\$ 571,255</u>	<u>\$</u>	<u>11,078,070</u>
Planned Expenditures:				
300.00 General Capital Projects	\$ 276,684	\$ 381,472	\$	658,156
315.00 Vehicle Replacement Capital	85,357	7,783		93,140
301.00 Street Improvements	1,030,000	52,000		1,082,000
302.00 Building Improvements	40,000	70,000		110,000
305.00 Water Capital Fund	5,964,774	60,000		6,024,774
306.00 Sewer Capital Fund	-	-		-
307.00 Cargo Development Fund	-	-		-
308.00 Harbor Development	3,000,000	-		3,000,000
309.00 Parks & Recreation Fund	110,000	-		110,000
Total Amended Expenditures	<u>\$ 10,506,815</u>	<u>\$ 571,255</u>	<u>\$</u>	<u>11,078,070</u>

ENTERPRISE FUNDS

	Budget	Supplemental #1	Revised	Budget
Anticipated Revenues:				
Cargo Fund 500	\$ 1,104,301	\$ 20,000	\$	1,124,301
Harbor Fund 510	4,592,832	-		4,592,832
Boat Yard/Lift 512	1,252,103	5,000		1,257,103
Electric Fund 515	606,664	-		606,664
Water Fund 550	2,982,668	75,926		3,058,594
Sewer Fund 570	4,361,972	137,025		4,498,997
Trident Basin Fund 580	334,272	-		334,272
E-911 Services	78,462	(40,000)		38,462
Total Amended Revenues	<u>\$ 15,313,274</u>	<u>\$ 197,951</u>	<u>\$</u>	<u>15,511,225</u>

ENTERPRISE FUNDS CONTINUED

Planned Expenditures:

Cargo Fund 500	\$ 1,104,301	\$ 20,000	\$ 1,124,301
Harbor Fund 510	4,592,832	-	4,592,832
Boat Yard/Lift 512	1,252,103	5,000	1,257,103
Electric Fund 515	606,664	-	606,664
Water Fund 550	2,982,668	75,926	3,058,594
Sewer Fund 570	4,361,972	137,025	4,498,997
Trident Basin Fund 580	334,272	-	334,272
E-911 Services	78,462	(40,000)	38,462
Total Amended Expenditures	<u>\$ 15,313,274</u>	<u>\$ 197,951</u>	<u>\$ 15,511,225</u>

INTERNAL SERVICE FUND

	Budget	Supplemental #1	Revised	Budget
Anticipated Revenues:				
Self Insurance Fund	\$ 636,300	\$ -	\$ 636,300	
Total Amended Revenues	<u>\$ 636,300</u>	<u>\$ -</u>	<u>\$ 636,300</u>	
Planned Expenditures:				
Self Insurance Fund	\$ 636,300	\$ -	\$ 636,300	
Total Amended Expenditures	<u>\$ 636,300</u>	<u>\$ -</u>	<u>\$ 636,300</u>	
Total Revenues	\$ 46,466,781	\$ 897,753	\$ 47,364,534	
Total Expenditures	\$ 46,466,781	\$ 897,753	\$ 47,364,534	

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: January 22, 2015
 Second Reading:
 Effective Date:

CITY OF KODIAK
FY 2015 Supplemental

Attachment B

Attachment B

Fund 100 General Fund

REVENUES:

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
310.100 Property Taxes	850,000			850,000	468,145	381,855	55%
310.111 PILOT from KIHA	3,500			3,500	2,363	1,137	68%
310.200 Sales Taxes	11,600,000			11,600,000	3,373,262	8,226,738	29%
310.900 Penalty & Interest	30,000			30,000	6,304	23,696	21%
320.000 License & Permits	90,100		12,000	102,100	61,441	40,659	60%
330.100 PERS Relief	1,279,273			1,279,273	-	1,279,273	0%
330.105 State Revenue Sharing	394,074			394,074	397,792	(3,718)	101%
330.130 Fish Tax - Dept of Rev	1,283,000			1,283,000	1,164,404	118,597	91%
330.131 Fish Tax - DCED (Shared Fish Tax)	75,000			75,000	31,958	43,042	43%
330.140 Fuel Tax Sharing	7,500			7,500	5,404	2,096	72%
330.150 Alcohol Beverage Sharing	20,000			20,000	9,600	10,400	48%
330.160 Utility Revenue Sharing	45,000			45,000	44,685	315	99%
330.300 State Grant Capital	10,000			10,000	-	10,000	0%
330.305 State Grant - Operations	15,000			15,000	6,650	8,350	44%
330.325 Federal Grt - Operating	-	15,000		15,000	437	14,563	3%
340.100 Boarding of Prisoners	1,134,000			1,134,000	619,870	514,130	55%
340.110 State Trooper Comm Contract	120,000			120,000	39,375	80,625	33%
340.120 Other Police Services	15,000			15,000	430	14,570	3%
340.130 Police Protective Custody	2,000			2,000	150	1,850	8%
340.210 Borough Animal Control Services	109,415			109,415	109,415	-	100%
340.240 Borough Building Inspections	100,000			100,000	20,069	79,931	20%
340.300 Ambulance Services	145,000		55,000	200,000	117,744	82,256	59%
340.310 Fire Miscellaneous	5,000			5,000	1,230	3,770	25%
340.405 School Lifeguard Services	16,000			16,000	4,361	11,639	27%
340.405 Parks & Recreation Revenues	100,500			100,500	50,220	50,280	50%
340.520 Library Revenue	17,000			17,000	12,037	4,963	71%
340.545 Miscellaneous Service Charges	10,200			10,200	9,086	1,114	89%
350.100 Fines & Forfeits	15,500		10,334	25,834	1,357	24,477	5%
360.100 Interest on Investments	45,000			45,000	3,400	41,600	8%
363.100 Rents & Royalties	195,000			195,000	133,473	61,527	68%
375.600 Miscellaneous other	22,000			22,000	7,754	14,246	35%
380.100 Cargo Terminal Services	58,039			58,039	58,039	-	100%
380.110 Boat Harbor Services	183,554			183,554	183,554	-	100%
380.115 Boat Yard Service	49,585			49,585	49,585	-	100%
380.118 Electric	29,347			29,347	29,347	-	100%
380.120 Water Services	163,520			163,520	163,520	-	100%
380.121 Sewer Services	182,378			182,378	182,378	-	100%
380.125 Trident Basin	7,818			7,818	7,818	-	100%
380.130 Tourism Services	45,150			45,150	45,150	-	100%
380.150 Public Works	53,944			53,944	53,944	-	100%
380.400 Vehicle Replacement	85,357			85,357	48,012	37,345	56%
385.100 Approp. From Fund Balance	1,132,088		36,213	1,168,301	1,168,301	-	0%
390.780 Transfer In	-			-	-	-	-
TOTAL REVENUES	19,744,842	-	128,547	19,873,389	7,523,762	12,349,627	38%

CITY OF KODIAK
FY 2015 Supplemental

Attachment B

EXPENDITURES:

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Legislative	320,259		5,000	325,259	96,429	228,830	30%
Legal	50,000			50,000	25,355	24,645	51%
Executive	586,262		6,000	592,262	148,278	443,984	25%
Emergency Preparedness	56,500			56,500	16,774	39,726	30%
City Clerk - Clerk	312,244		5,000	317,244	123,422	193,822	39%
City Clerk - Records	160,921			160,921	65,463	95,458	41%
Finance	1,401,481		1,500	1,402,981	600,831	802,150	43%
Police	6,922,782		40,175	6,962,957	2,598,309	4,364,648	37%
Fire	2,148,335		22,000	2,170,335	903,720	1,266,615	42%
Public Works	2,485,224		27,232	2,512,456	823,719	1,688,737	33%
Engineering	315,090			315,090	99,745	215,345	32%
Parks & Recreation	1,411,860			1,411,860	516,971	894,889	37%
Library	1,010,833			1,010,833	400,975	609,858	40%
Non-Departmental	763,694			763,694	572,341	191,353	75%
Transfers	1,799,357		21,640	1,820,997	1,762,012	58,985	97%
TOTAL EXPENDITURES	19,744,842	-	128,547	19,873,389	8,754,344	11,119,045	44%

Fund 251 Tourism Development

Revenues:	
Hotel/Motel Tax	170,500
Interest on Investments	-
Approp. From Fund Balance	35,000
Revenues:	205,500
Expenditures:	
	-
Fund 254 KFDDA	205,500
Revenues:	
Rents	60,000
Interest on Investments	50
Approp. From Fund Balance	-
Revenues:	60,050
Expenditures:	
	-
Fund 254 KFDDA	60,050

Legislative reception in Juneau Fisheries Analyst expenses	30%
Furniture and computer for Deputy City Manager	25%
New high speed printer	39%
New computer	43%
Uniformed Patrol overtime and supplies	37%
Drug enforcement training	
School Resource overtime	
New Vehicle Replacement Charge	
Professional Fees	
Sponsoring Physician	
Trident plan review	
Increase in sweeper cost	
New Vehicle Replacement Charge	
Transfer 1/2 of 6/30/14 surplus to Enhancement Fund Code 328,020	
To Street Improvement Fund for SPCC on Police Station	

Fund 299 City Enhancement

Revenues:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Interest on Investments	50,000			50,000	3,139	46,861	6%
Rentals from others	50,000			50,000	37,332	12,668	75%
Other Revenue - Land Sales	-			-	-	-	0%
Approp. From Fund Balance	(100,000)		(14,640)	(114,640)		(114,640)	0%
Transfer from General Fund	-		14,640	14,640	-	14,640	0%
Revenues:	-	-	-	-	40,471	(40,471)	0%

Transfer 1/2 of 6/30/14 surplus to Enhancement Fund Code 3,28,020

Expenditures:

Fund 300 General Capital Projects

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Interest on Investments					288	(288)	0%
State Grants			381,472	1,142,332		1,142,332	0%
Federal Grants	77,684	760,860		438,657		438,657	0%
Approp. From Fund Balance	174,000	2,977,500		3,151,500	174,000	2,977,500	6%
Transfer from General Fund	25,000			25,000	25,000	-	100%
Transfer from Tourism Fund		100,000		100,000		100,000	0%
Transfer from Enhancement Fund		20,000		20,000		20,000	0%
Transfer from Harbor Fund		70,000		70,000		70,000	0%
Transfer from Land Development							
Revenues:	276,684	4,340,833	381,472	4,998,989	199,288	4,799,701	4%

0% E-911 State Grant

Expenditures:

4002 City Land Development	70,000			70,000	7,017	62,983	10%
4009 Compr Records Management Prog	275,000			275,000		275,000	0%
4013 Museum Building - Phase I	250,000			250,000		250,000	0%
4014 Municipal Airport Improvements	700,000			700,000		700,000	0%
4015 Fire Station Upgrades	550,000			550,000		550,000	0%
4027 Alaska Shield Hazmat Exercise/Anchorage	14,500			14,500		14,500	0%
4028 Financial Software Upgrade	530,000			530,000		530,000	0%
4029 E-911 Upgrade System	275,000		381,472	656,472	1,103	656,472	0%
4030 Classification & Compensation Study	100,000			100,000		98,897	1%
4032 Fire Department Engine Replacement	450,000			450,000	5,340	444,660	1%
4033 Fire Department Ambulance Replacement	201,000			201,000		201,000	0%
4034 Paving Police Station Parking Lot	248,500			248,500		248,500	0%
4035 Demolition of Old KPD & 1118 Mission	615,500		(110,000)	505,500		505,500	0%
4037 Home Land Security & Emergency Management	11,360			11,360		11,360	0%
4038 Home Land Security & Emergency Management FY 2014	49,973			49,973		49,973	0%
4039 Downtown Revitalization Project	175,000			175,000		175,000	0%
4040 Assistance to Firefighters Grant	81,684			81,684	70,525	11,159	86%
4041 City Website Development Project	20,000			20,000		20,000	0%
Transfer to Building Fund			110,000	110,000		110,000	0%
Expenditures:	276,684	4,340,833	381,472	4,998,989	83,985	4,915,004	99%

0% Fire Station/Old Library Study

Fund 315 Vehicle Replacement Capital Fund

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Interest on Investments				-	48	(48)	0%
Transfer from General Fund	85,357	160,999	7,783	254,139	48,012	206,127	0%
Revenues:	85,357	160,999	7,783	254,139	48,012	206,127	19%

Expenditures:

4900 Vehicle Replacement Capital	85,357	160,999	7,783	254,139	-	254,139	0%
Expenditures:	85,357	160,999	7,783	254,139	-	254,139	0%

Fund 301 Street Improvement

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Interest on Investments				-	(11)	11	0%
State Grants				-	-	-	0%
Federal Grants				-	-	-	0%
Interest on Investments		120,000		120,000		120,000	0%
Approp. From Fund Balance	12,000	641,000		653,000		653,000	0%
Transfer from General Fund	950,000	1,074,000	7,000	2,031,000	950,000	1,081,000	47%
Transfer from Street Assessment				-	474	(474)	0%
Transfer from Cargo Fund			5,000	5,000		5,000	0%
Transfer from Shipyard Fund			5,000	5,000		5,000	0%
Transfer from Water Fund 550	34,000	635,032	15,000	684,032	34,000	650,032	5%
Transfer from Sewer Fund 570	34,000	45,000	20,000	99,000	34,000	65,000	34%
Revenues:	1,030,000	2,515,032	52,000	3,597,032	1,018,463	2,578,569	28%

Expenditures:

5003 Annual Sidewalk/Curb	20,000	700,032		720,032	10,492	709,540	1%
5025 Pavement Repairs	450,000	1,150,000		1,600,000	453,246	1,146,754	0%
5030 Preliminary Design of Snow Dump Storage Yard	500,000	70,000		570,000	2,818	567,182	0%
5031 Storm Drainage Repair on Shellkoff		70,000		70,000		70,000	0%
5032 Storm Drainage Repair on Simeonof		465,000		465,000		465,000	0%
5033 Pillar-Mountain Waste Material Dump Site		60,000		60,000		60,000	0%
5034 Public Works Rock for Maintenance	60,000			60,000		60,000	0%
5035 SPCC Spill Prevention		52,000		52,000		52,000	0%
Expenditures:	1,030,000	2,515,032	52,000	3,597,032	466,556	3,130,476	13%

Fund 302 Building Improvement Fund

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Interest on Investments		1,185		1,185	336	849	28%
State Grants		6,900,000		6,900,000		6,900,000	0%
Local Funding - Pledges		750,000		750,000		750,000	0%
Local Funding Grant		500,000		500,000		500,000	0%
Other Local Funding		46,763		46,763		46,763	0%
In-Kind City Owned Land		650,000		650,000		650,000	0%
In-Kind Pre Development		85,000		85,000		85,000	0%
Transfer from General Fund	40,000	1,000,000		1,040,000	40,000	1,000,000	4%
Transfer from New Library Fund 255		5,424		5,424		5,424	0%
Transfer from General Cap Proj Fund		70,000		70,000		70,000	0%
Transfer from Enhancement Fund		2,510,000		2,510,000		2,510,000	0%
Approp. From Fund Balance				-		-	0%
Revenues:	40,000	12,448,372	70,000	12,558,372	40,336	12,518,036	0%

Expenditures:

6012 New Library	40,000	12,448,372	70,000	12,448,372	43,072	12,405,300	0%
6015 New Fire Station				110,000		110,000	0%
Expenditures:	40,000	12,448,372	70,000	12,558,372	43,072	12,515,300	0%

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Fund 305 Water Capital							
Revenues:							
Interest on Investments					1,978	(1,978)	
State Grants	5,451,244	8,774,163		14,225,407	1,691,330	12,534,077	12%
Federal Grants		768,000		768,000		768,000	0%
Approp. From Fund Balance	101,106	649,140		750,246		750,246	0%
ADEC Drinking Loans		7,284,890		7,284,890		7,284,890	0%
Water Sales Fee					219,694	(219,694)	
Transfer from Water Fund 550	206,212	4,161,500	60,000	4,427,712	206,212	4,221,500	5%
ADEC Clean Water Loans				341,930		341,930	0%
Transfer from Sewer Fund 570	206,212	2,241,500		2,447,712	206,212	2,241,500	8%
Transfer from Street Improvement Fund		78,000		78,000		78,000	0%
Revenues:	5,964,774	24,299,123	60,000	30,323,897	2,325,426	27,998,471	8%
Expenditures:							
7021 Phase II Downtown Comprehensive Water, Sewer, & Storm Drain		850,000		850,000	41,461	808,539	0%
7023 UV Water Treatment Facility Construction		6,799,589	60,000	6,859,589	10,246	6,849,343	0%
7024 Utility Rate Study	48,000	48,000		96,000	332	95,668	0%
7026 Aleutian Homes Water & Sewer Replacement Proj Phase V	2,955,792	7,046,000		10,001,792	1,981,440	8,020,352	0%
7029 Monashka Pump House Feasibility Study	2,495,452	9,035,534		11,530,986	1,501,446	10,029,540	0%
7030 Replace Chlorine Solution Storage Tank WWTP		120,000		120,000	3,521	116,479	0%
7031 Monashka Watershed Survey		250,000		250,000	350	249,650	0%
7033 Pillar Creek Dam Spillway Repair Work		100,000		100,000		100,000	0%
7036 Annual Electric Maintenance		50,000		50,000		50,000	0%
7037 Aleutian Homes Water & Sewer Replacement Project, Phase VI	465,530			465,530	69,073	396,457	0%
Expenditures:	5,964,774	24,299,123	60,000	30,323,897	3,607,869	26,716,028	12%
Fund 306 Sewer Capital Fund							
Revenues:							
Interest on Investments							
Charges for Sewer Sales (10%)		26,000		26,000	1,747	24,253	7%
Approp. From Fund Balance		1,610,000		1,610,000		1,610,000	0%
Alaska Clean Water Loan							0%
Sewer Sales Fee					186,210	(186,210)	0%
Transfer from Sewer fund 570		3,000,000		3,000,000		3,000,000	0%
Transfer from Water fund 550		1,200,000		1,200,000		1,200,000	0%
Transfer from Street Improvement Fund 301		15,000		15,000		15,000	0%
Revenues:	-	5,851,000	-	5,851,000	187,957	5,663,043	3%
Expenditures:							
7508 Lift Station Electric (5)		26,000		26,000		26,000	0%
7509 Upgrade Lift Station #1	900,000	150,000		1,050,000		1,050,000	0%
7512 Aeration Basin Air Control System		150,000		150,000		150,000	0%
7513 Inflow & Infiltration Repair materials		25,000		25,000		25,000	0%
7514 Rehabilitate Press pump Station		400,000		400,000		400,000	0%
7516 Replace Lift Station #1 & #2	(900,000)	900,000					0%
7517 Bio Solid Management Project		4,200,000		4,200,000		4,200,000	0%
7599 Transfer							
Expenditures:	-	5,851,000	-	5,851,000	-	5,851,000	0%

Fund 307 Cargo Development Fund

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Revenues:							
State Grants		20,784,000		20,784,000	11,200,920	9,583,080	54%
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:	-	37,043,700	-	37,043,700	11,200,920	25,842,780	30%
Expenditures:							
8016 Pedestrian Access from Pier II		2,400,000		2,400,000		2,400,000	0%
8017 Inspection Pier II and Inner Harbor Docks		85,700		85,700		85,700	0%
8018 Security Improvements		50,000		50,000		50,000	0%
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		50,000	0%
8022 Data Weather Station		12,000		12,000		12,000	0%
8023 Pedestrian Pathway		384,000		384,000		384,000	0%
8024 Pier III Replacement		33,812,000		33,812,000		33,812,000	0%
Expenditures:	-	37,043,700	-	37,043,700	-	37,043,700	0%

Fund 308 Harbor Development

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Revenues:							
Interest on Investments					227	(227)	0%
Slate Grant	1,500,000			1,500,000		1,500,000	0%
Approp. From Fund Balance		905,000		905,000		905,000	0%
Transfer from General Fund	500,000	280,000		780,000	500,000	280,000	64%
Transfer from Boat Harbor	1,000,000			1,000,000	1,000,000	-	100%
Revenues:	3,000,000	1,185,000	-	4,185,000	1,500,000	2,685,000	36%
Expenditures:							
8516 Float, Boat Launch, SPH		150,000		150,000		150,000	0%
8517 Restrooms, Fisherman's Hall		200,000		200,000		200,000	0%
8519 SPH Ladders		20,000		20,000		20,000	0%
8520 SHH Repairs		745,000		745,000		745,000	0%
8521 Channel Transient Float/ Bull Rails		25,000		25,000		25,000	0%
8523 Oscar's Dock Fender Piling Replacement		45,000		45,000		45,000	0%
8525 Channel Transient Float Replacement	3,000,000			3,000,000		3,000,000	0%
Expenditures:	3,000,000	1,185,000	-	4,185,000	-	4,185,000	0%

Fund 309 Parks & Rec Capital

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Interest on Investments					155	(155)	
Slate Grants		5,850,000		5,850,000		5,850,000	0%
Local Grants		500,000		500,000		500,000	0%
Approp. From Fund Balance	60,000	320,629		380,629		380,629	0%
Transfer from Enhancement Fund		500,000		500,000		500,000	0%
Transfer from General Fund	50,000	251,465		301,465	50,000	251,465	17%
Revenues:	110,000	7,422,094	-	7,532,094	50,155	7,481,939	1%

Expenditures:

9001 Baranof Park Improvements (E&D)		7,015,000		7,015,000	131	7,014,869	0%
9004 Playground Equipment & Improve		73,000		73,000		73,000	0%
9007 Storage Building - Baranof Park		115,000		115,000	5,130	109,870	4%
9012 Baranof Baseball Field Improvements		48,094		48,094		48,094	0%
9013 Major Park Maintenance		121,000		121,000		121,000	0%
9014 Building Improvement (Weatherization)		50,000		50,000		50,000	0%
9015 Skate Park Improvements	110,000			110,000	1,661	108,339	2%

Expenditures:

	110,000	7,422,094	-	7,532,094	6,922	7,525,172	0%
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Fund 500 Cargo Terminal

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
PERS Relief	30,684			30,684		30,684	0%
Dockage Pier III	130,000			130,000	52,909	77,091	41%
Cruise Ship Revenues	70,000			70,000	47,507	22,493	68%
Pier III Lease	300,000			300,000	151,889	148,111	51%
Wharf	475,000			475,000	250,787	224,213	53%
Interest on Investments	7,000			7,000	2,709	4,291	39%
Warehouse Rental	205,000		(2,560)	202,420	101,187	101,233	50%
Van Storage Rental	12,000			12,000	12,268	(268)	102%
Approp. From Retained Earnings	(125,383)		22,560	(102,803)		(102,803)	0%

Amended NOAA lease
Amended NOAA lease
Tariff Study
SPCC Spill Prevention

Revenues:	1,104,301	-	20,000	1,124,301	619,256	505,045	55%
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Expenditures:

Cargo Terminal Administration	379,113		15,000	394,113	192,166	201,947	49%
Cargo Terminal Interfund Charges	93,298			93,298	93,298	-	100%
Cargo Terminal Warehouse	127,000			127,000	6,920	120,080	5%
Cargo Terminal Pier II	485,890			485,890	228,295	257,595	47%
Cargo Terminal Pier III	19,000			19,000	1,389	17,611	7%
Transfer	-		5,000	5,000		5,000	0%
Expenditures:	1,104,301	-	20,000	1,124,301	522,068	602,233	46%

SPCC Spill Prevention

Fund 510 Boat Harbor Fund

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Revenue:							
PERS Relief	145,647			145,647		145,647	0%
Dockage AMHS	65,000			65,000	36,386	28,614	56%
Exclusive Moorage	1,240,000			1,240,000	1,201,418	38,582	97%
Transient Moorage	525,000			525,000	349,055	175,945	66%
Harbormaster Service	10,000			10,000	3,250	6,750	33%
Gridiron Fees	15,000			15,000	6,736	8,264	45%
Pier/Dock Fees	175,000			175,000	118,400	56,600	68%
Used Oil Fees	10,000			10,000	7,016	2,984	70%
Waiting List Fees	3,000			3,000	1,500	1,500	50%
Trailer Parking Fees	35,000			35,000	14,382	20,618	41%
Bulk Oil Sales/Charges	20,000			20,000	31,810	(11,810)	159%
Gear Storage	45,000			45,000	39,903	5,097	89%
Parking Meters	10,000			10,000	2,983	7,017	30%
Launch Ramp Fees	19,000			19,000	5,122	13,878	27%
Interest on Investments	14,000			14,000	6,089	7,911	43%
Office Rent AMHS	16,500			16,500	6,569	9,931	40%
Other Revenues	7,300			7,300	19,040	(11,740)	261%
Harbor Services to Cargo	71,290			71,290	57,032	14,258	80%
Harbor Services to Electric				-	14,258	(14,258)	
Approp from Retained Earnings Transfer	2,166,095			2,166,095		2,166,095	0%
Revenues:	4,592,832	-	-	4,592,832	1,920,948	2,671,884	42%

Expenditures:

Boat Harbor Administration	3,402,535			3,402,535	1,524,000	1,878,535	45%
Boat Harbor Interfund	190,297			190,297	190,297	-	100%
Transfer to Harbor Capital	1,000,000			1,000,000	1,000,000	-	
Expenditures:	4,592,832	-	-	4,592,832	2,714,297	1,878,535	59%

Fund 512 Shipyard

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
Revenue:							
PERS Relief	21,625			21,625		21,625	0%
Customer Fees	693,000			693,000	217,697	475,303	31%
Interest on Investments	1,000			1,000	40	960	4%
Other Revenue	2,000			2,000	1,143	857	57%
Approp from Retained Earnings Transfer	534,478		5,000	539,478		539,478	0%
Revenues:	1,252,103	-	5,000	1,257,103	218,880	1,038,223	17%

Expenditures:

Yard Administration	1,167,259			1,167,259	508,610	658,649	44%
Boat Yard Interfund	84,844			84,844	84,844	-	100%
Transfer	-		5,000	5,000		5,000	0%
Expenditures:	1,252,103	-	5,000	1,257,103	593,454	663,649	47%

CITY OF KODIAK
FY 2015 Supplemental

Attachment B

Fund 515 Harbor Electrical

Revenues:	Adopted	Capital Project	Supplemental	Total	Revenues &	Difference	%
	Budget 2015	Rollover 2014	#1 2015	Budget 2015	Expenses As of 12/31/14		
Non-Meter Charge	15,000			15,000	7,560	7,440	50%
Customer Charge recurring	115,000			115,000	45,645	69,355	40%
Connect/Disconnect fee	7,000			7,000	4,040	2,960	58%
Energy Charge	530,000			530,000	127,655	402,345	24%
Record Fee	1,000			1,000	150	850	15%
HM Service	5,000			5,000	1,629	3,371	33%
Interest on Investments	1,000			1,000	317	683	32%
Approp from Retained Earnings Transfer	(67,336)			(67,336)		(67,336)	0%
Revenues:	606,664	-	-	606,664	186,996	419,668	31%

Expenditures:

Electric Utility Administration	563,059			563,059	162,197	400,862	29%
Electric Utility Interfund	43,605			43,605	43,605	-	100%
Expenditures:	606,664	-	-	606,664	205,802	400,862	34%

Fund 550 Water Utility

Revenues:	Adopted	Capital Project	Supplemental	Total	Revenues &	Difference	%
	Budget 2015	Rollover 2014	#1 2015	Budget 2015	Expenses As of 12/31/14		
PERS Relief	77,729			77,729		77,729	0%
Water Sales Metered	1,681,344			1,681,344	969,231	712,113	58%
Water Sales City	1,378,823			1,378,823	731,108	647,715	53%
Water Sales Borough	896,518			896,518	496,602	399,916	55%
Water Service Connections	12,796			12,796	11,665	1,131	91%
Interest on Investments	10,000			10,000	2,092	7,908	21%
Other Revenues	24,500			24,500	16,819	7,681	69%
Approp From Retained Earnings	(1,099,042)		75,926	(1,023,116)	-	(1,023,116)	0%
Revenues:	2,982,668	-	75,926	3,058,594	2,227,517	831,077	73%

Expenditures:

Water Utility Transfers	240,212			240,212	240,212	-	100%
Water Utility	2,460,764		926	2,461,690	1,211,809	1,249,881	49%
Water Treatment Plant	281,692			281,692	166,256	115,436	59%
Transfer	-		75,000	75,000		75,000	0%
Expenditures:	2,982,668	-	75,926	3,058,594	1,618,277	1,440,317	53%

Fund 570 Sewer Utility

Revenues:	Adopted	Capital Project	Supplemental	Total	Revenues &	Difference	%
	Budget 2015	Rollover 2014	#1 2015	Budget 2015	Expenses As of 12/31/14		
PERS Relief	127,163			127,163		127,163	0%
Sewer Service Charges - City	2,229,260		111,463	2,340,723	1,195,629	1,145,094	51%
Sewer Service Charges - Outside	1,157,630		57,882	1,215,512	666,474	549,038	55%
Sewer Connections	6,300			6,300	2,906	3,394	46%
Septic Truck Discharge	42,800			42,800	26,169	16,631	61%
Lab Testing Fee	25,000			25,000	11,100	13,900	44%
Interest on Investments	10,000			10,000	10,000		0%
Other Revenues					734	(734)	
Approp From Retained Earnings	763,819		(32,320)	731,499		731,499	0%
Revenues:	4,361,972	-	137,025	4,498,997	1,903,012	2,595,985	42%

Expenditures:

Sewer Utility Transfers	240,212			240,212	240,212	-	100%
Sewer Utility	704,348			704,348	372,703	331,645	53%
Wastewater Treatment Plant	3,417,412		137,025	3,554,437	1,679,476	1,874,961	47%
Transfer	-		20,000	20,000		20,000	0%
Expenditures:	4,361,972	-	137,025	4,498,997	2,292,391	2,206,606	51%

New Vehicle Replacement Charge
0% SPCC Spill Prevention
UV Water Treatment Facility

New Vehicle Replacement Charge
0% SPCC Spill Prevention
UV Water Treatment Facility

CITY OF KODIAK
FY 2015 Supplemental

Attachment B

Fund 580 Trident Basin

Revenues:
Trident Basin - Charges
Interest on Investments
Rentals from Others
Approp From Retained Earnings
Transfer from Trident Basin Capital Fund
Revenues:

Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Total Budget 2015	Revenues & Expenses As of 12/31/14	Difference	%
11,600	-	-	11,600	13,309	(1,709)	115%
1,000	-	-	1,000	1,000	0	0%
33,300	-	-	33,300	19,123	14,177	57%
288,372	-	-	288,372	288,372	0	0%
334,272	-	-	334,272	32,431	301,841	10%

Expenditures:

334,272	-	-	334,272	17,547	316,725	5%
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Fund 585 E-911 Services

Revenues:
PERS Relief
Customer Charges
Interest on Investments
Approp From Retained Earnings
Revenues:

1,864	-	-	1,864	-	1,864	0%
76,598	(40,000)	-	36,598	76,598	(40,000)	209%
-	-	-	-	(4)	4	-
78,462	(40,000)	-	38,462	76,594	(38,132)	199%

Expenditures:

78,462	-	(40,000)	38,462	3,792	34,670	10%
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Fund 780 Self-Insurance

Revenue:
Interest on Investments
Insurance Refund/Reserve
Charges to General Fund
Charges to Trident Basin
Charges to Cargo Terminal
Charges to Boat Harbor
Charges to Boat Yard
Charges to Boat Electric
Charges to Water Utility
Charges to Sewer Utility
Charges to E-911
Transfer In
Approp Fund
Revenues:

1,000	-	-	1,000	1,000	-	0%
40,000	-	-	40,000	40,000	-	0%
320,494	-	-	320,494	320,494	-	0%
11,731	-	-	11,731	11,731	-	0%
27,832	-	-	27,832	27,832	-	0%
101,657	-	-	101,657	101,657	-	0%
22,084	-	-	22,084	22,084	-	0%
149	-	-	149	149	-	0%
53,962	-	-	53,962	53,962	-	0%
57,281	-	-	57,281	57,281	-	0%
110	-	-	110	110	-	0%
636,300	-	-	636,300	-	636,300	0%

Expenditures:

636,300	-	-	636,300	636,300	-	0%
636,300	-	-	636,300	636,300	-	0%

Totals

Non Capital Projects Revenue
Non Capital projects Expenses

35,959,966	-	326,498	36,226,414	14,834,640	21,391,774	41%
35,959,966	-	326,498	36,226,414	16,853,122	19,373,292	47%
-	-	-	-	(2,018,482)	2,018,482	-

Capital Projects Revenue

Capital Projects Expenses

10,506,815	95,266,153	571,255	106,344,223	16,570,557	89,773,666	16%
10,506,815	95,266,153	571,255	106,344,223	4,208,404	102,135,819	4%
-	-	-	-	12,362,153	(12,362,153)	-

Total Revenues

Total Expenses

46,466,781	95,266,153	897,753	142,630,687	31,405,197	111,165,440	22%
46,466,781	95,266,153	897,753	142,630,687	21,061,526	121,509,111	15%
-	-	-	-	10,343,671	(10,343,671)	-

Total Non-Capital Projects for FY

Total Capital Projects for FY

35,959,966	-	326,498	36,286,464	-	-	-
10,506,815	-	571,255	11,078,070	-	-	-
\$ 46,466,781	\$ -	\$ 897,753	\$ 47,364,534	\$ -	\$ -	\$ -

	Detail Description	Account Number	Total Debit Adjustment	Total Credit Adjustment
100	General Fund			
	Building Permits	100.001.320.300		12,000
	Federal Grant EMPG	100.001.330.325		15,000
	Ambulance Services	100.001.340.300		55,000
	Police Forfeits	100.001.350.110		10,334
	Vehicle Replacement Gen Fund	100.001.380.400		7,783
	Use of Fund Balance	100.001.385.100		36,213
100.100.105	Legislative - Legislative			
	Community Promotions	100.100.105.440.110	5,000	
100.110.100	Executive - Administration			
	Mach&Equip Less \$5000	100.110.100.470.125	6,000	
100.120.100	City Clerks - Administration			
	Mach&Equip Less \$5000	100.120.100.470.125	5,000	
100.130.100	Finance-Administration			
	Salaries & Wages	100.130.100.410.100		77,521
	Health Insurance	100.130.100.420.110		24,089
	Social Security	100.130.100.420.130		5,930
	Retirement	100.130.100.420.130		17,055
	PERS On-Behalf	100.130.100.420.131		17,078
	Workers Comp	100.130.100.420.200		364
	Professional Services	100.130.100.430.110	137,037	
	Advertising	100.130.100.450.120	5,000	
100.130.135	Finance - Information Systems			
	Mach&Equip Less \$5000	100.130.135.470.125	1,500	
100.140.141	Uniformed Patrol			
	Overtime	100.140.141.410.140	20,000	
	Supplies	100.140.141.450.310	6,000	
100.140.145	Police - Animal Control			
	Vehicle Replacement 100	100.140.145.470.130	2,551	
100.140.146	Police - Drug Enforcement			
	Training & Travel	100.140.146.450.135	4,324	
100.140.149	School Resource			
	Overtime	10.140.149.410.140	7,300	
100.150.100	Fire			
	Professional Services	100.150.100.430.110	22,000	
100.160.162	Public Works - Streets			
	Mach&Equip Greater \$5000	100.160.162.470.126	10,000	
	Vehicle Replacement 100	100.160.162.470.130	5,232	
100.160.164	Public Works - Building			
	Professional Services	100.160.164.430.110	12,000	
100.190.198	Transfers			
	Transfer to Enhancement Fund 299	100.190.198.490.299	14,640	
	Transfer to Street Cap Project	100.190.198.490.301	7,000	
	Transfer to Vehicle Replacement	100.190.198.490.315	7,783	
299	Enhancement Fund			
	Use of Fund Balance	299.001.385.100	14,640	
	Transfer from General Fund	299.001.390.100		14,640

Detail Description			Account Number		Total Debit Adjustment	Total Credit Adjustment
300	General Capital Project Fund					
	State Grant	4029	300.001.330.300	4029.2		381,472
	Transfer to Building Fund	4035	300.300.198.490.302	4098.6	110,000	
300.300.429	E-911 Upgrade	4029	300.300.429.470.126	4029.53	381,472	
300.300.435	Construction	4035	300.300.435.470.726	4035.55		110,000
301	Street Improvement Fund					
	General Fund Transfer	5035	302.001.390.100	5035.6		7,000
	Cargo Fund Transfer	5035	302.001.390.500	5035.10		5,000
	Shipyards Fund Transfer	5035	302.001.390.512	5035.18		5,000
	Water Fund Transfer	5035	302.001.390.550	5035.12		15,000
	Sewer Fund Transfer	5035	302.001.390.570	5035.13		20,000
301.320.535	Professional Services	5035	301.320.535.430.110	5035.51	52,000	
302	Building Improvement Fund					
	General Capital Proj Transfer	6015	302.001.390.301	6015.6		70,000
302.330.615	Engineering and Design	6015	302.330.615.470.710	6015.54	70,000	
305	Water Capital Fund					
	Water Fund Transfer	7023	305.001.390.550			60,000
304.340.723	Professional Services	7023	305.340.723.430.110	7023.51	60,000	
315	Vehicle Replacement Fund					
	General Fund Transfer	4900	315.001.390.100	4900.14		2,551
	General Fund Transfer	4900	315.001.390.100	4900.16		5,232
315.315.490	Vehicle Purchase Police	4900	315.315.490.470.130	4900.14	2,551	
315.315.490	Vehicle Purchase Public Works	4900	315.315.490.470.130	4900.16	5,232	
	Cargo Fund					
500	Warehouse Rental		500.001.363.310		2,580	
	Use of Fund Balance		500.001.385.100			22,580
	Professional Services		500.510.100.430.110		15,000	
	Transfer to Street Fund		500.510.198.490.301		5,000	
512	Kodiak Shipyards					
	Use of Fund Balance		512.001.385.100			5,000
	Transfer to Street Fund		512.530.198.490.301		5,000	
550	Water Fund					
	Use of Fund Balance		550.001.385.100			75,926
	Vehicle Replacement 100		550.560.360.470.135		926	
	Transfer to Street Fund		550.560.198.490.301		15,000	
	Transfer to Water Capital		550.560.198.490.305		60,000	
570	Sewer Fund					
	Sewer Service Chg-City		570.001.340.851			111,463
	Sewer Service Chg-Boro		570.001.340.852			57,882
	Biosolid Disposal		570.580.385.455.135		137,025	
	Use of Fund Balance		570.001.385.100		12,320	
	Transfer to Street Fund		570.580.198.490.301		20,000	
585	E-911 Fund					
	KIB E911		585.001.340.230		40,000	
	Professional Services		585.595.100.430.110			20,000
	Telephone		585.595.100.450.115			20,000
					1,287,113	1,287,113

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NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager 

Date: February 12, 2015

Agenda Item: V. a. **Resolution No. 2015-03, Approving the City Council's Budget Goals for FY2016**

SUMMARY: The Council reviewed a draft list of proposed budget goals for FY2016 at the annual planning meeting on January 31st. The goals are similar to those of FY2015 with some changes in layout and suggested deletions of goals that were repetitive. The approved goals will be used by staff in the development of the FY2016 City budget. Staff recommends Council approve the budget goals as discussed on January 31st by adopting Resolution No. 2015-03.

PREVIOUS COUNCIL ACTION: Council has adopted annual budget goals each year following discussions at the annual planning session and they are used in development of the City's operating and capital budget.

- March 3, 2011, adopted FY2012 budget goals on March 3, 2011 by Resolution No. 2011-04
- February 23, 2012, adopted FY2013 budget goals by Resolution No. 2012-04
- February 28, 2013, adopted FY2014 budget goals by Resolution No. 2013-04
- February 13, 2014, adopted FY2015 budget goals by Resolution No. 2014-08
- January 31, 2015, reviewed proposed FY2016 budget goals at annual planning meeting
- February 10, 2015, reviewed and discussed FY2016 budget goals in Resolution No. 2015-03 at the work session

DISCUSSION: For the past five fiscal years the Mayor and Council have reviewed and discussed annual budget goals at the Council planning meeting and then adopted final goals by resolution at the next regular meeting. The goals reflect Council's philosophy and direction for the coming fiscal year. The process of adopting formal budget goals gives the elected officials the opportunity to define the budget direction at the outset of the budget cycle. The City Manager then uses the goals as a guide in preparation of the City's operating and capital budget. The goals focus on specific areas of the budget, such as revenue, personnel, operating expenses, capital expenditures, enterprise fund performance, and debt service.

Goals like these provide guidance to management as operating and capital budgets are prepared for the new fiscal year. The departmental budgets should reflect the overall budget goals with written justification provided if variations are needed for operational reasons. Written justifications are reviewed internally and presented to the Council during budget presentations.

Council discussed budget goals for FY2016 at the annual planning meeting on January 31st. The proposed goals are similar to those from FY2015 (Attachment B). However, Council did make some changes for the upcoming year that reflect the direction they want to see in some Harbor funds. Council discussed the possibility of establishing a “rainy day” fund or a specific amount of operating reserves set aside in the General Fund budget, and staff talked briefly about how that might affect the budgeting process and services. Council also discussed replacing the suggested Economic Development goal. In general, Council supported the goals as drafted, but expressed concern about the many unknowns that are likely to affect the City in the upcoming year due to lack of revenue and support at the state and federal levels. This concern is shared by the Manager because approximately 16 percent of the City’s General Fund revenue stream comes from intergovernmental sources like revenue sharing, shared fisheries business and landing taxes, and PERS contributions. If those are reduced or eliminated, the effects would be immediate and would put a strain on the City’s ability to maintain services which is an ongoing goal of the Mayor and Council.

The budget goals are the elected officials’ policy statement that tells the Manager how to utilize the City’s resources and provision of services for the next fiscal year. They are goals and therefore are both a policy statement and a planning tool. They may be accomplished in a single year or two as some have, or they can carry over from year to year because they are needed each year, or because they have not yet been completed. Management uses the goals as a template in preparation of the City’s operating and capital budget. This process improves accountability by making the management staff and employees aware of Council’s concerns and gives staff the direction necessary to help work toward and achieve the goals.

When Council adopts the resolution, the Manager will provide a copy to department heads and review the process to be used in the development of the departmental operating and capital budgets.

ALTERNATIVES: There are three primary alternatives for Council to consider.

- 1) Adopt the budget goals as identified in this resolution. This is staff’s recommendation because the goals reflect Council’s budgetary philosophy and will provide guidance to management and improve budget accountability.
- 2) Amend the list of budget goals.
- 3) Decide not to adopt budget goals for FY2016.

FINANCIAL IMPLICATIONS: The use of formal budget goals does not have a direct financial impact to the City. However, increased Council participation at the outset provides clear guidance to staff on areas of importance to the Council. Budget goals improve planning at the departmental level, provide important information on how departmental budgets interrelate to the entire budget, and provide a means for staff at all levels to understand and work toward reaching Council’s goals.

LEAGL: N/A

CITY MANAGER’S RECOMMENDATION AND COMMENTS: The process of adopting formal budget goals gives Council the opportunity to define its direction at the outset of the budget cycle. This process improves accountability by making the management staff and employees aware of Council’s concerns and gives them the direction necessary to help achieve the goals. I recommend Council adopt the FY2016 budget goals by resolution, which will help us set the right course as we begin work on the upcoming budget.

ATTACHMENTS:

Attachment A: Resolution No. 2015–03, FY2016 Budget Goals

Attachment B: Resolution No. 2014–08, FY2015 Budget Goals

Attachment C: FY2016 Budget Calendar

PROPOSED MOTION:

Move to adopt Resolution No. 2015–03.

**CITY OF KODIAK
RESOLUTION NUMBER 2015-03**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK APPROVING
THE CITY COUNCIL'S BUDGET GOALS FOR FY2016**

WHEREAS, budget guidelines help ensure that the City's budget is prepared in a manner consistent with City Council desires; and

WHEREAS, the City Council discussed and selected the list of budget goals at their January 31, 2015 planning meeting; and

WHEREAS, management will use the listed budget goals as guidelines when developing the FY2016 budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following budget goals will be used in the development of the City of Kodiak's FY2016 budget:

Revenue

Revenues will continue to be estimated conservatively using an analytical and objective approach.

One-time revenues will be used only for one-time expenditures. The City will avoid using temporary revenues or grants to fund routine City services or positions.

Charges for Fees and Services will be reviewed and updated annually to ensure quality service delivery and adequate revenues.

Operating Expenses

General Fund operating (non-personnel) expenses for FY 2016 will be at a level consistent with FY 2015. Required increases will be justified to the City Manager in writing and, if approved, presented by department heads to the City Council for final consideration during budget presentations.

Review existing programs and services to assess how well budgeted performance indicators met goals and objectives.

City management will continue to examine ways to hold the line on expenditures without significant impact to level and quality of services provided to residents.

Personnel Goals

There will be no increase in the number of employee full-time equivalents (FTEs) of 126.15, providing that revenues remain consistent with FY 2015, and there are no changes in operational needs.

Sections of the PR&R will be reviewed and amended to implement the classification and compensation plan consistent with budgetary resources and improve practices that reflect recognized Human Resources standards.

General Fund

Council will review ways to increase revenues in the General Fund to help offset increases in operating expenses, meet infrastructure needs, and increase the fund balance, per the plan outlined in “Setting the Course for the Future,” 1/14/12.

General Fund revenues will be forecast conservatively and take into consideration possible state funding policies that may affect City revenues such as, community revenue sharing, shared fisheries and other shared business taxes, pension costs and liabilities, and the required allocation of sales tax.

The General Fund will be budgeted without a deficit through appropriations from the fund balance when/if necessary, and with a goal to maintain up to three months’ operating reserves. Council may appropriate additional funds for capital projects.

Enterprise Funds

The major enterprise funds will develop long-term plans to include maintenance and repairs, needed facility replacement or expansion, and a schedule for rate reviews.

Enterprise Funds will continue to conduct rate studies every five years and present them to the City Council for implementation.

The Shipyard will achieve a breakeven point, including adequate revenues through charges for services to meet debt payments and operational expenses without transfers from other funds. The business plan and marketing campaign for services will be refined and evaluated yearly for its effectiveness to capture maximum revenues.

Ensure adequate revenues are established to continue to maintain and improve Harbor facilities that support fisheries and support sector services and activities.

Community Support

The total amount available to fund non-profit requests will continue to follow the Council established level of funding which is based on 1% of General Fund revenues.

Capital

Within resources available, the City will maintain capital assets and infrastructure at a level that is adequate to protect its investment, to minimize future replacement and maintenance costs, and to maintain existing service levels.

The City Manager and management staff will develop and refine the City’s formal five-year capital improvement plan (CIP) that identifies and ranks projects for capital and major maintenance projects. The City will utilize the planning document and develop poli-

cies and procedures identifying criteria and steps for implementation. Once complete, the capital budget will link to, and flow from, the multi-year capital improvement plan.

Debt Service

The City will not incur new debt without appropriate analysis to:

- Show impacts on rates or taxpayers, or
- Analyze financial capacity for proposed capital projects, or
- Determine if the debt is required for projects mandated by the state or federal government, needed for economic development, environmental, aesthetic or quality of life, or health and safety improvements.

Quality of Life

The City will provide adequate services that meet the community needs, priorities, challenges and opportunities with consideration given to the condition of the economy, the composition of the population, technology, legal or regulatory issues, intergovernmental issues, and physical or environmental issues.

Economic Development

The City will work jointly with the Kodiak Island Borough to facilitate community training in business development and expansion through assistance with the State of Alaska and develop a set of steps to identify barriers and opportunities to local business development.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

**CITY OF KODIAK
RESOLUTION NUMBER 2014-08**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK APPROVING
THE CITY COUNCIL'S BUDGET GOALS FOR FY2015**

WHEREAS, budget guidelines help ensure that the City's budget is prepared in a manner consistent with City Council desires; and

WHEREAS, the City Council discussed and selected the list of budget goals at their February 1, 2014, planning meeting; and

WHEREAS, management will use the listed budget goals as guidelines when developing the FY2015 budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following budget goals will be used in the development of the City of Kodiak's FY2015 budget:

Revenue

Revenues will continue to be estimated conservatively using an analytical and objective approach.

One-time revenues will be used only for one-time expenditures. The City will avoid using temporary revenues or grants to fund routine City services or positions.

Within resources available, the City will maintain capital assets and infrastructure at a level that is adequate to protect its investment, to minimize future replacement and maintenance costs, and to maintain existing service levels.

Operating Expenses

General Fund operating (non-personnel) expenses for FY2015 will be at a level consistent with FY2014. Required increases will be justified to the City Manager in writing and, if approved, presented by department heads to the City Council for final consideration during budget presentations.

Review existing programs and services to assess how well budgeted performance indicators met goals and objectives.

Required increases to departmental level operating (non-personnel) expenses in the General Fund will be justified to the Manager in writing and, if approved, presented by department heads to the City Council during budget presentations.

Charges for Fees and Services will be reviewed and updated annually to ensure quality service delivery and adequate revenues.

City management will continue to examine ways or hold the line on expenditures without significant impact to level and quality of services provided to residents.

Personnel Goals

There will be no increase in the number of employee full-time equivalents (FTEs) of 125.15, providing that revenues remain consistent with FY 2014, and there are no changes in operational needs.

Sections of the PR&R will be reviewed and amended to implement the classification and compensation plan consistent with budgetary resources and improve practices that reflect recognized Human Resources standards.

General Fund

Council will review ways to increase revenues in the General Fund to help offset increases in operating expenses, meet infrastructure needs, and increase the fund balance.

General Fund revenues will be forecast conservatively and take into consideration state funding policies such as, community revenue sharing, shared fisheries and other shared business taxes, pension costs and liabilities, and the required allocation of sales tax.

A detailed review of all categories of General Fund expenditures will be conducted in FY2015 to identify ways to decrease expenses.

The General Fund will be budgeted without a deficit through appropriations from the fund balance when/if necessary, and with a goal to maintain up to three months operating reserves. Council may appropriate additional funds for capital projects.

Enterprise Funds

The major enterprise funds will development long-term plans to include maintenance and repairs, needed facility replacement or expansion, and a schedule for rate reviews.

Enterprise Funds will complete rate studies every five years and present them to the City Council for implementation. In FY2015, Harbor, Shipyard, and Sewer rate studies will be conducted.

The Shipyard will reach a breakeven point (not including depreciation) by the year ending FY2016, including adequate revenues through charges for services to meet debt payments and operational expenses without transfers from other funds. The business plan and marketing campaign for services will continue to be refined to capture maximum revenues.

Ensure adequate revenues are available to continue to maintain and improve Harbor facilities that support fisheries and support sector services and activities.

Community Support

The total amount available to fund non-profit requests will continue to follow the Council established level of funding which is based on 1% of General Fund revenues.

Capital

The City Manager and management staff will develop and refine the City’s formal five-year capital improvement plan (CIP) that identifies and ranks projects for capital and major maintenance projects. The City will utilize the planning document and develop policies and procedures identifying criteria and steps for implementation. Once complete, the capital budget will link to, and flow from, the multi-year capital improvement plan.

Debt Service

The City will not incur new debt without appropriate analysis to:

- Show impacts on rates or taxpayers, or
- Analyze financial capacity for proposed capital projects, or
- Determine if the debt is required for projects mandated by the state or federal government, needed for economic development, environmental, aesthetic or quality of life, or health and safety improvements.

Quality of Life

The City will provide adequate services that meet the community needs, priorities, challenges and opportunities with consideration given to the condition of the economy, the composition of the population, technology, legal or regulatory issues, intergovernmental issues, and physical or environmental issues.

Economic Development

The City will review and evaluate available information about trends in community conditions, the external factors affecting it, opportunities that may be available, and problems and issues to be addressed.



CITY OF KODIAK

Pat Moran

MAYOR

ATTEST:

Delia Martin


CITY CLERK

Adopted: February 13, 2014

City of Kodiak
Budget Calendar FY 2016

FY 2016	ITEM	BY
January 31, 2015	Review City Council Goals and prepare suggested changes	City Manager & City Council
February 10, 2015	City Council Presentation FY 2016 Revenue Projections, & Budget Calendar	City Manager & Finance Director
February 12, 2015	City Council adopts Goals by Resolution	City Manager & City Council
March 11, 2015	Meeting of City Manager & Department Heads to distribute budget packets and provide overview of information in packets.	City Manager & Department Heads
March 31, 2015	Final day for departmental budget requests to be returned to Manager (via Finance Department)	Department Heads
April 6-17, 2015	City Manager & Finance Director reviews departmental budget with respective Department Heads.	City Manager/ Finance Director & Department Heads
April 24, 2015	Distribute Manager's Budget to City Council	City Manager
May 9, 2015	City Council and Manager budget work sessions. Departmental Budget Presentation to City Council	City Manager/ Department Heads & City Council
May 28, 2015	First reading of budget ordinance	City Manager/ Finance Director & City Council
June 1, 2015	Advertisement for overall City Council Agenda including Budget	Clerk
June 11, 2015	Second reading and public hearing of budget ordinance; adoption of budget	City Manager/ Finance Director & City Council
July 1, 2015	Budget Implementation	Finance Director
September 10, 2015	90 day Submittal to Distinguished Budget Presentation Awards Program - Government Finance Officers Association	Finance Director

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Date: February 12, 2015

Agenda Item: V. b. Resolution No. 2015-04, Adopting the Federal Fiscal Year 2015 Federal Capital Needs and Issues List

SUMMARY: Each year the City identifies capital improvement projects important to the maintenance and/or improvement of the City's infrastructure as well as issues that are important to the City or larger community. The Council reviewed the resolution outlining the proposed federal requests and issues at the February 10, 2015 work session. Resolution No. 2015-04 reflects that list, which staff and the City's federal lobbyist recommend for approval.

PREVIOUS COUNCIL ACTION: Council adopts a resolution each year identifying the City's prioritized list of projects for federal funding assistance.

- Council adopted Resolution No. 2014-06, the City's 2014-2015 priority projects and issues on January 23, 2014
- Council reviewed Resolution No. 2015-04, the City's list of federal capital projects and issues at the February 10, 2015 work session

DISCUSSION: As mentioned above, the Council reviewed and discussed a list of proposed federal projects for FFY2015 during packet review at the February 10 work session. Staff worked closely with the City's federal lobbyist, Brad Gilman, to develop the list of projects and issues the City which he will promote this year in Washington, D.C.

This year Brad advised the City to include all capital needs in a broader-based request that the Alaska delegation advocate for a minimum amount from the Federal Highway Trust Fund and/or Transportation Alternatives Program be budgeted and available for dedicated infrastructure like roads and sidewalks for local governments. This is a change from past years when the City promoted specific capital funding requests. This approach may garner enough support to create a revenue stream through these pieces of legislation to local governments and may help offset losses of revenue from the state.

The resolution also contains a list of issues that the City has supported in past federal requests, like support for the Alaska delegation for the Karluk Lake Enrichment Project, for which a draft Environmental Assessment (EA) was completed and released. There is a paragraph concerning the impact of the delay on Pier I due to the National Marine Fisheries Service permit requirements, EPA

rulings, and rural subsistence determination which the Council actively supported this past year allowing Kodiak to retain its rural status for reasons other than population aggregates.

Resolution No. 2015–04 reflects the prioritized list of funding for the City’s main transportation related projects and other federal issues as outlines above for FFY2015 and will be submitted to the Alaska Congressional Delegation upon adoption. These are not the only funding and policy issues the City will pursue in the coming year, but they are important because they benefit the community and region. The five issues included in the resolution will provide formality to the City’s concerns and allow Brad Gilman and staff to promote the City’s interests.

ALTERNATIVES: Council may adopt, amend, or reprioritize Resolution No. 2015–04. Staff recommends Council approve the resolution as submitted. The list reflects City needs and is based on advice from our federal lobbyist.

FINANCIAL IMPLICATIONS: The City and its residents will benefit if the City is successful in obtaining an additional transportation capital funding source to help offset losses of funding at the state level and by reducing reliance on local contributions. There are unknown financial implications to the City for the issues listed in the resolution.

CITY MANAGER’S RECOMMENDATION AND COMMENTS: I worked with Brad Gilman and his staff to identify and scope the development of this year’s resolution which is different from past resolutions that identified specific capital projects and amounts. This resolution still reflects our needs and follows Brad’s advice to advocate for set-aside type funding for locally owned roads. It also lists all the key issues that the City has advocated for and should keep an eye on during this congressional cycle. He helped develop the list and is comfortable with the capital requests and the issues. I recommend Council adopt the resolution.

ATTACHMENTS:

Attachment A: Resolution No. 2015–04 FFY2015 CIP request list

PROPOSED MOTION:

Move to adopt Resolution No. 2015–04.

**CITY OF KODIAK
RESOLUTION NUMBER 2015-04**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ADOPTING
THE FEDERAL FISCAL YEAR 2015 FEDERAL CAPITAL NEEDS AND ISSUES LIST**

WHEREAS, the City of Kodiak uses a Capital Improvements Program planning process to identify the capital needs of the community; and

WHEREAS, this identification and planning process plays a vital role in directing the City’s administration and is utilized as a long-range planning and policy setting tool for City infrastructure maintenance and enhancement; and

WHEREAS, the City of Kodiak is committed to paying its way, to the greatest extent possible, but the cost of some of the City’s capital project needs are greater than resources available locally; and

WHEREAS, Kodiak City Council has identified capital project needs for submission to the Alaska Congressional Delegation for funding consideration due to their significance and/or magnitude; and

WHEREAS, changes may be required as to how capital funding contributions for smaller communities like Kodiak, Alaska can be made at the Federal level; and

WHEREAS, the City of Kodiak faces several issues generated by Federal legislation or rulemaking that are of importance to the City of Kodiak, Alaska, and which may adversely impact life in Kodiak by placing undue burdens on those who work and live in the community.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following projects and issues are high priorities for the community and are hereby adopted as the City of Kodiak Federal Fiscal Year 2015 prioritized federal capital project and issues list:

1. Community Roads and Pedestrian Improvements

The City of Kodiak is faced with a number of pressing infrastructure replacement and improvement projects that remain unfunded. The City is seeking funding for rehabilitation of the Mill Bay Road, the major arterial road providing access to Kodiak’s business district (\$3,500,000); the construction of parking areas to remove pedestrian traffic and roadway congestion along Shelikof Street (\$1,650,000); and pedestrian and roadway improvements on the Kodiak waterfront to accommodate cruise ship passengers and local residents who are walking near the seafood plants and Kodiak’s working piers (\$1,100,000). In prior years, the City has been able to seek a federal contribution to community road projects through a High Priority Project designation in legislation to reauthorize the Federal Highway Trust Fund (“Highway Bill”). The Congress has suspended this practice. The allocation of funds to the states has

been curtailed due to the shortfall in federal gas tax revenues which make up the Federal Highway Trust Fund. The State of Alaska's budget deficit has exacerbated the shortfall, reducing state funds available to communities to repair their roads and provide for pedestrian access. The City of Kodiak is requesting the Alaska Delegation's assistance in advocating for some minimum guarantee of Federal Highway Trust Fund revenue to be dedicated to road infrastructure owned by local governments, or an increase in the allocation to the Transportation Alternatives Program of funds for pedestrian improvements.

2. Karluk Lake Enrichment Project

The Karluk Lake system, on the west side of Kodiak Island, is the largest producer of sockeye salmon in the Kodiak area, and supports a large portion of the area's commercial and subsistence sockeye fisheries. Since 2007, returns of adult sockeye to the Karluk system have been extremely poor, most likely due to over-escapement of spawning adults in earlier years. Continuing low returns will not only deprive local fisheries, low spawning escapements will also reduce the supply of marine-derived nutrients to the lake system. Thus, the system may remain in at a low state of productivity indefinitely into the future.

In order to bring the Karluk Lake ecosystem back to its earlier, higher level of production, the Kodiak Regional Aquaculture Association (KRAA) proposes to apply nutrients over the course of up to five years. This lake enrichment project follows established protocols for rehabilitating sockeye salmon rearing environments. Since Karluk Lake is within the Kodiak National Wildlife Refuge and a pre-statehood withdrawal, however, the Fish and Wildlife Service must perform a compatibility review and an environmental assessment. The FWS has completed a draft environmental assessment and will render a decision this year. The City is requesting the Delegation's active support for the enrichment project.

3. Impact of Sea Lions on Ferry Terminal Dock

The State of Alaska and the federal government allocated funding to engage in a major project involving the rebuild of the City of Kodiak's Pier I where the state ferry *M/V Tustumena*, docks. The project was developed to replace the aging wooden structure at Pier I and to improve the limited uplands to better accommodate docking and loading of the *M/V Tustumena* the State's seagoing ferry that Kodiak depends heavily upon. The project is budgeted at \$11,000,000 for construction and utility work. Construction on the project began in October 2014, but was suspended in November over concerns about Stellar sea lions. The National Marine Fisheries Service required a 350 meter radius exclusion area as a permit condition for the project. Under this permit condition, work must stop each time a marine mammal enters the 350 meter radius. The State decided to suspend the project and seek a permit modification to allow for continuation of work when marine mammals enter the exclusion area. This is likely to delay resumption of the project until September 2015 or perhaps longer. A larger project involving Pier III in Kodiak was conditioned on a 1000 meter radius exclusion area. Last year Sand Point faced a similar permit condition for the construction of docks and floats within its new harbor. This has become a recurring problem throughout coastal Alaska because the sea lions follow the fishing fleet back to the shore facilities. It is costing major delays in important harbor infrastructure projects and hundreds of thousands of additional dollars in project costs without any finding that the construction projects are actually harming Stellar sea lions. The City of Kodiak feels strongly that NMFS should engage in a rulemaking procedure to allow for harbor projects

to move forward without the need for exclusion areas. The City requests the Delegation's assistance in exploring this issue with NMFS to identify a solution to this problem.

4. EPA's "Waters of the U.S." Rule

The Environmental Protection Agency and the U.S. Army Corps of Engineers is moving forward with a proposed "Waters of the United States" rule that would expand Federal permitting and other requirements to many waters currently regulated by State and Local governments. The proposed rule would also apply to private landowners. The key change being proposed would expand Clean Water Act coverage to "other waters" where there is a "significant nexus" to currently covered interstate waters, territorial seas and navigable waterways. That determination is meant to be "case-specific" but has not been fully defined and the concern is that "significant nexus" could be interpreted to include floodplains, certain man-made waterways and ditches, self-contained water bodies such as ponds or temporary/isolated wetlands. Under this model, Alaska's extensive acreage of wetlands would likely mean that wetlands and other water bodies, including small streams and tributaries, that are seemingly isolated and geographically far removed from any current CWA-covered waterway would fall under the new definition. The City of Kodiak feels that the proposed rule would add extra layers of bureaucracy to the efforts of Kodiak citizens to use their land and for the City to engage in future public works projects. The City is requesting that the Alaska Delegation support legislative initiatives to curtail this proposed rule.

5. EPA's Fishing Vessel Discharge Rule

EPA has promulgated two rules to require commercial fishermen to obtain Clean Water Act incidental discharge permits as a condition for operating both small and large fishing vessels. The permits would cover ballast water, fish hold water, anchor chain mud, deck wash/runoff, bilge pump discharge, gray or "stick" water, laundry, shower, and galley sink water. The permits require burdensome reporting, monitoring, inspections and compliance activities – all subject to heavy fines and citizen lawsuits under the Clean Water Act for what seems to be minimal environmental protection. The Congress has imposed a three year moratorium preventing EPA from implementing the Small Vessel General Permit Rule and the Vessel General Permit Rule. Efforts are underway within the Congress to make the moratorium permanent. The City of Kodiak is requesting that the Alaska Delegation actively support a permanent moratorium.

6. Rural Subsistence Determination

Under current requirements, Alaskan communities with of population of less than 2,500 are generally considered rural, making their residents eligible to qualify for subsistence harvest. Communities with populations between 2,500 and 7,000 may or may not be considered rural depending on other characteristics such as level of subsistence use, economic diversity, state of public infrastructure and transportation accessibility, among other criteria. With a population of roughly 6,200 people but possessing significant rural characteristics, the City currently qualifies as "rural" for purposes of the Rural Subsistence determination.

The Secretaries of Interior and Agriculture are currently reviewing the Rural Subsistence Determinations for Alaskan communities. The review is examining communities such as the City of Kodiak that fall within the 2,500 to 7,000 population window to see if they should keep that designation. The City wants to ensure that the largely non-resident and transient population at the U.S. Coast Guard Base – Kodiak is not factored into the population numbers and that the review continues to count the area’s geographic remoteness, reliance on subsistence consumption, high cost of living, and significant Native population as determinants in keeping a rural designation. The City is also concerned that that the new policy might consider aggregate populations from communities outside the City, which would then place it over the 7,000 population benchmark. The City of Kodiak requests that the Alaska Delegation communicate the need for the City of Kodiak classified as “rural”. The City of Kodiak believes its residents should remain permanently rural for purposes of ANILCA Title VIII, because Kodiak is a geographically and statistically remote archipelago and a community designated as frontier for many federal services.

CITY OF KODIAK



MAYOR

ATTEST:

CITY CLERK

Adopted:

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Mark Kozak, Public Works Director and Glenn Melvin PE, City Engineer 
Date: February 12, 2015

Agenda Item: V. c. **Resolution No. 2015–05, Authorizing the Borrowing from the Alaska Clean Water Fund of an Aggregate Amount Not to Exceed \$3,000,000 to Pay Part of the Cost of the Construction of Sludge Composting Facility**

SUMMARY: The City has been working on a solution for long term disposal of biosolids for many years. A sludge disposal study was conducted in 2008 to evaluate potential options and later a pilot composting project was conducted in 2010 to verify the feasibility of composting the community's biosolids. The Kodiak Island Borough Assembly approved the transfer of approximately 2.36 acres of land within the landfill property to the City by resolution in FY2014-16 for the purpose of building a composting facility to produce Class A EQ compost. CH2MHILL completed the design plans and the permit application to operate the facility was submitted to ADEC, and they are drafting a decision document. The project is ready to advertise to bid. The project was fully funded in the FY2013 budget under Bio-Solid Management, Project No. 7517. Staff is requesting Council approve Resolution No. 2015–05 to authorize borrowing of up to \$3 million from the Alaska Clean Water Fund (ACWF) loan program for construction of the project.

PREVIOUS COUNCIL ACTION:

- January 2008, Council authorized a feasibility study to identify solutions for biosolids disposal.
- August 26, 2008, CH2MHill engineers presented a project update of the sludge disposal study to Council at a work session. A major part of the presentation centered on composting as the most cost effective disposal solution.
- October 23, 2008, Council approved a pilot composting test program.
- April 2010, the composting pilot project was finalized. Results showed the pilot project exceeded Class A composting standards set by the EPA.
- Summer 2010, follow up presentations were made to Council on the program results, disposal options, and progress toward a solution.
- December 13, 2012, Council authorized a contract with CH2MHILL to provide biosolids consulting services to City staff in an amount not to exceed \$30,000.
- April 25, 2013 Council approved contract Amendment No. 1 in the amount of \$30,000.
- September 12, 2013 Council approved contract Amendment No. 2 in the amount of \$85,000.
- October 24, 2013, Council authorization of a Professional Services Contract for Composting Design, Project No. 7517 in the amount of \$416,000 with CH2MHILL.

FEBRUARY 12, 2015
Agenda Item V. c. Memo Page 1 of 3

- February 10, 2015 Council reviewed request for ACWF loan request

DISCUSSION: In 2008, the City contracted with CH2MHILL to evaluate viable options for disposal of biosolids in some manner other than at the landfill due to their capacity and expansion issues. The City looked into disposal options that included incineration, cannibalism, and composting. Staff and Council came to the conclusion that composting was the most cost effective method for the City to dispose of biosolids. Initial cost estimates in 2007-2008 put a composting facility at \$2 million plus, cannibalism at \$3.5 to \$4 million, and incineration at over \$5 million. At the completion of the composting pilot project, the final report estimated a composting facility for the City at over \$4 million.

The City entered into a private-public partnership for the purpose of composting the bio-solids from the City's Wastewater Treatment Plant. Due to issues with public concern over the location of the proposed composting facility in Middle Bay, Council and staff continued to evaluate potential locations that met and addressed the public's concern about impacts to the environment. In cooperation with the Kodiak Island Borough, a land transfer was arranged for approximately 2.36 acres of land within the Borough Landfill. This transfer was contingent upon the City of Kodiak acquiring an ADEC solid waste permit for the Compost Facility and completing a replat of the land to transfer.

The City submitted an application to ADEC on October 21, 2014 for a permit to operate the composting facility. Public comment period closed on January 20, 2015. ADEC did not receive any public comments and is working on the decision document at this time.

The construction funding for this project was budgeted in FY2013. The high end construction estimate for the project is estimated at \$2,750,000. With a project balance of roughly \$3.3 million, staff feels it is prudent to have additional funds available if necessary given the costs of contingency, construction management and start up and training costs. Bids have been tending to run high, especially for the Monashka Pumphouse project that exceeded the high end estimate by almost a million dollars. By applying for an ACWF loan, staff would have additional funding available to cover unknown costs in the event the bids or other unexpected cost exceed available funding. The loans are based on a payment time of 5 to 20 years with a 1.5% interest rate. Using the loan to help offset potential cost increases helps keep rates lower by spreading out the rate increases.

The State held a special application period in early November 2014 for any community having a project ready to be constructed to apply for either an ADWF or ACWF loan. Because the available project funding is so close to overall project estimates staff submitted an ACWF loan questionnaire on November 13, 2014. This is the process ADEC uses to assess and score a project to determine if it qualifies for funding. According to ADEC, the composting facility is eligible to apply for an ACWF loan up to \$3 million dollars for construction. Once on the list the community can apply for a loan.

One of the key points with the ACWF loan is that once approved, the full amount is not borrowed; only the amount needed is. A Council resolution authorizing the application must be submitted with the loan

application packet. In addition, the City Attorney has to certify, by letter, that the City can apply for the loan.

Because this project has taken so long and encountered a lot of challenges that have increased planning and development cost as well as working under a temporary solution, Staff recommends the City apply for this loan for the project.

ALTERNATIVES:

- 1) Approve the resolution that authorizes the loan application to borrow up to \$3 million, which is staff's recommendation.
- 2) Not authorize the loan application, this is not recommended since the available project funds do not provide an adequate contingency considering the size and scope of the project.

FINANCIAL IMPLICATIONS: The compost facility project has approximately \$3.3 million in the budget. Staff feels that it is important to apply for the ACWF loan to provide additional project construction funds in the event bids come in over estimate as well as contingency funds in the event the project has overruns or unknown cost that would impact the Sewer Capital Improvement Fund. This project did not score well enough to be eligible for an Alaska Municipal Matching Grant and other attempts to be able to apply for an ACWF loan were unsuccessful. The City has used these loans on other City water and sewer projects and found the program to be one of the best funding sources available for municipalities operating public water and wastewater systems.

LEGAL: The City Attorney worked with staff and drafted the attached resolution.

STAFF RECOMMENDATION: Staff recommends Council approve Resolution No. 2015-05 authorizing the borrowing from the Alaska Clean Water Fund in an amount not to exceed \$3 million for construction of the Compost Facility Project No. 08-06/7517.

CITY MANAGER'S COMMENTS: I fully support this loan application. I want to ensure that we can complete the compost facility in an affordable manner and get it up and running as soon as possible. We are so close to having our biosolid problems solved in a safe and sustainable way after more than seven years of work that I don't want a lack of funds in a tough fiscal environment to cause further delay. Therefore, I recommend Council authorize the resolution as submitted.

NOTES/ATTACHMENTS:

Attachment A: Resolution No. 2015-05

PROPOSED MOTION:

Move to adopt Resolution No. 2015-05.

**CITY OF KODIAK
RESOLUTION NUMBER 2015-05**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE BORROWING FROM THE ALASKA CLEAN WATER FUND OF AN AGGREGATE AMOUNT NOT TO EXCEED \$3,000,000 TO PAY PART OF THE COST OF THE CONSTRUCTION OF SLUDGE COMPOSTING FACILITY.

WHEREAS, pursuant to AS 46.03.032 the Alaska Department of Environmental Conservation (“DEC”) may make loans to municipalities from the Alaska Clean Water Fund (“Clean Water Fund”) to pay the cost of planning, designing, building, constructing, and rehabilitating public wastewater collection, treatment and discharge systems; and

WHEREAS, the City of Kodiak (“City”) is eligible to borrow from the Clean Water Fund for the purpose described above, and the interest rates to be paid by the City on loans from the Clean 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 Clean Water Fund an amount not to exceed \$3,000,000 (“Loan”) to pay part of the cost of designing, constructing, and equipping the following wastewater capital improvement (“Project”):

Sludge Composting Facility	\$3,000,000
----------------------------	-------------

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 Wastewater

Utility, except proceeds from the sale of bonds or notes, any grants received for the Wastewater 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 Wastewater Utility.

"Operating Expenses" means the current expenses incurred for operation, maintenance, or repair of the Wastewater 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 or permitted by standard practices for public utility systems similar to the properties and business of the Wastewater 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 Wastewater Utility and payable from Gross Revenues or any fee or charge in lieu of City taxes.

"Wastewater Utility" means the wastewater 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 Wastewater Utility are hereby pledged to repayment of the Loan.

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 Clean Water Fund in the form of the Loan in an aggregate principal amount not to exceed \$3,000,000.

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

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager 

Date: February 12, 2015

Agenda Item: V. d. Resolution No. 2015–06, Supporting Full Funding for the State of Alaska Harbor Facilities Grant Program in the FY2016 State Capital Budget

SUMMARY: City of Kodiak Resolution No. 2015–06 supports continued funding for the State of Alaska Harbor Facilities Grant Program in the upcoming fiscal year. The Harbor Facilities Grant program is a matching grant program through which the state and municipality share equally in the cost of replacing aging harbor infrastructure formerly owned by the State of Alaska. The Alaska Association of Harbormasters and Port Administrators (AAHPA) adopted a similar resolution (Attachment B) and encourage other communities to do the same. Staff requests Council to adopt Resolution No. 2015–06.

PREVIOUS COUNCIL ACTION: There has been no previous Council action.

BACKGROUND: The majority of public harbors in Alaska were constructed by the state in the 1960s through 1970s and managed by the local municipalities. Over the last thirty years the state divested itself and transferred ownership of most harbors to the local municipalities. At the time of transfer the facilities were near the end of their useful lives and in need of major repair or replacement. Consequently the municipalities were left with major financial burdens they could not afford. With encouragement from the AAHPA and local municipalities, the state adopted a 50/50 Harbor Facilities Grant Program that eased the financial burden on municipalities as they replaced aging harbor facilities previously owned by the state.

DISCUSSION: Kodiak has taken advantage of the grant program to replace St Paul Harbor and St Herman Harbor M & P floats. The Channel Transient Float (CTF) in Kodiak is still eligible to receive matching grant funds. The CTF is nearly fifty years old and well past its useful life. With an estimated replacement cost of \$2 to \$3 million dollars. State funding is needed to accomplish the project.

ALTERNATIVES:

- 1) Adopt City Resolution No. 2015–06 supporting continued funding of the State Harbor Facilities Grant Program. This is staff's recommendation and consistent with resolutions passed by several Alaska municipalities and the AAHPA.
- 2) Council could choose not to support the resolution.

FINANCIAL IMPLICATIONS: The CTF replacement cost is estimated at \$2 to \$3 million. If no state matching grant program is in place, the City of Kodiak would need to fund the whole replacement cost.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends City Council adopt Resolution No. 2015–06.

CITY MANAGER’S COMMENTS: I support this resolution and encourage Council to adopt it. I know this will be a difficult financial year for the state with the precipitous drop in oil revenues upon which we all depend. However, I believe it’s important to send a message of support to the legislature to continue this program and others like it so the full cost of replacement of such facilities does not fall to the local governments alone. Replacement of any of the complex Harbor facilities Kodiak has is far beyond what we can generate in revenue alone.

ATTACHMENTS:

- Attachment A: City of Kodiak Resolution No. 2015–06
- Attachment B: Alaska Association of Harbormasters and Port Administrators
Resolution 2014–01

PROPOSED MOTION:

Move to adopt Resolution No. 2015–06.

**CITY OF KODIAK
RESOLUTION NUMBER 2015-06**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK SUPPORTING FULL FUNDING FOR THE STATE OF ALASKA HARBOR FACILITY GRANT PROGRAM IN THE FY2016 STATE CAPITAL BUDGET

WHEREAS, the City of Kodiak supports the Alaska Association of Harbormasters and Port Administrators and recognizes the majority of the public boat harbors in Alaska were constructed by the State during the 1960s and 1970s; and

WHEREAS, these harbor facilities represent critical transportation links and are the transportation hubs for waterfront commerce and economic development in Alaskan coastal communities; and

WHEREAS, these harbor facilities are ports of refuge and areas for protection for ocean-going vessels and fishermen throughout the State of Alaska, especially in coastal Alaskan communities; and

WHEREAS, the State of Alaska over the past nearly 30 years has transferred ownership of most of these State owned harbors, many of which were at or near the end of their service life at the time of transfer, to local municipalities; and

WHEREAS, the municipalities took over this important responsibility even though they knew that these same harbor facilities were in poor condition at the time of transfer due to the state's failure to keep up with deferred maintenance; and

WHEREAS, consequently, when local municipalities formulated their annual harbor facility budgets, they inherited a major financial burden that the local municipal governments could not afford; and

WHEREAS, in response to this financial burden, the Governor and the Alaska Legislature passed legislation, supported by the Alaska Association of Harbormasters and Port Administrators, to create the Harbor Facility Grant program, AS 29.60.800; and

WHEREAS, the Alaska Association of Harbormasters and Port Administrators, is pleased with the Department of Transportation and Public Facilities administrative process to review, score, and rank applicants to the Harbor Facility Grant Program, since state funds may be limited; and

WHEREAS, for each harbor facility grant application, these municipalities have committed to invest 100% of the design and permitting costs and 50% of the construction costs; and

WHEREAS, the municipalities of the Aleutian East Borough, the City and Borough of Sitka, the City of Seward, the City of Ketchikan, the City of Coffman Cove, and the Municipality of Anchorage have offered to contribute \$14,262,722 in local match funding for FY2016 towards

seven harbor projects of significant importance locally as required in the Harbor Facility Grant Program; and

WHEREAS, completion of these harbor facility projects in all dependent on the 50% match from the State of Alaska's Harbor Facility Grant Program; and

WHEREAS, during the last eight years the Municipal Harbor Facility Grant Program has only been fully funded twice; and

WHEREAS, during the last eight years the backlog of projects necessary to repair and replace these former State owned harbors has increased to over \$90,000,000; and

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, supports the Membership of the Alaska Association of Harbormasters and Port Administrators and urges full funding in the amount of \$14,262,722 by the Governor and the Alaska Legislature for the State of Alaska's Municipal Harbor Facility Grant Program in the FY2016 State Capital Budget in order to ensure enhanced safety and economic prosperity among Alaskan coastal communities.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

Alaska Association of Harbormasters and Port Administrators



RESOLUTION NO. 2014-01

A RESOLUTION OF THE ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS IN SUPPORT OF FULL FUNDING FOR THE STATE OF ALASKA HARBOR FACILITY GRANT PROGRAM IN THE FY 2016 STATE CAPITAL BUDGET.

Whereas, the Alaska Association of Harbormasters and Port Administrators recognizes the majority of the public boat harbors in Alaska where constructed by the State during the 1960s and 1970s; and

Whereas, these harbor facilities represent critical transportation links and are the transportation hubs for waterfront commerce and economic development in Alaskan coastal communities; and

Whereas, these harbor facilities are ports of refuge and areas for protection for ocean-going vessels and fishermen throughout the State of Alaska, especially in coastal Alaskan communities; and

Whereas, the State of Alaska over the past nearly 30 years has transferred ownership of most of these State owned harbors, many of which were at or near the end of their service life at the time of transfer, to local municipalities; and

Whereas, the municipalities took over this important responsibility even though they knew that these same harbor facilities were in poor condition at the time of transfer due to the state's failure to keep up with deferred maintenance; and

Whereas, consequently, when local municipal harbormasters formulated their annual harbor facility budgets, they inherited a major financial burden that their local municipal governments could not afford; and

Whereas, in response to this financial burden, the Governor and the Alaska Legislature passed legislation, supported by the Alaska Association of Harbormasters and Port Administrators, to create the Harbor Facility Grant program, AS 29.60.800; and

Whereas, the Alaska Association of Harbormasters and Port Administrators, is pleased with the Department of Transportation and Public Facilities administrative process to review, score and rank applicants to the Harbor Facility Grant Program, since state funds may be limited; and

Whereas, for each harbor facility grant application, these municipalities have committed to invest 100% of the design and permitting costs and 50% of the construction cost; and

Whereas, the municipalities of the Aleutians East Borough, the City and Borough of Sitka, the City of Seward, the City of Ketchikan, the City of Coffman Cove, and the Municipality of Anchorage have offered to contribute \$14,262,722 in local match funding for FY2016 towards seven harbor projects of significant importance locally as required in the Harbor Facility Grant Program; and

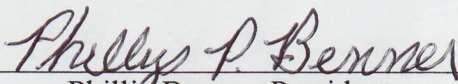
Whereas, completion of these harbor facility projects is all dependent on the 50% match from the State of Alaska's Harbor Facility Grant Program; and

Whereas, during the last eight years the Municipal Harbor Facility Grant Program has only been fully funded twice; and

Whereas, during the last eight years the backlog of projects necessary to repair and replace these former State owned harbors has increased to over \$90,000,000.

Now therefore be it resolved that the Membership of the Alaska Association of Harbormasters and Port Administrators urges full funding in the amount of \$14,262,722 by the Governor and the Alaska Legislature for the State of Alaska's Municipal Harbor Facility Grant Program in the FY 2016 State Capital Budget in order to ensure enhanced safety and economic prosperity among Alaskan coastal communities.

Passed and approved by a duly constituted quorum of the Alaska Association of Harbormasters and Port Administrators on this 15th day of October, 2014.



Phillip Benner, President

ATTEST:

Kim Elliot

Kim Elliot, Executive Secretary

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 

Date: February 12, 2015

Agenda Item: V. e. **Resolution No. 2015–07, Supporting the AML Resolution to the Alaska State Legislature to Fund \$60 Million Annually to the Revenue Sharing Program**

SUMMARY: Protecting the State of Alaska’s Revenue Sharing program at full funding has been a priority for the Alaska Municipal League (AML) for several years. There has been discussion early this legislative session that the Revenue Sharing program is likely to be cut given the state’s fiscal crisis. Because this is a key priority for AML (Attachment B), local governments have been asked to pass resolutions in the hope of protecting Revenue Sharing. Staff recommends Council adopt Resolution No. 2015–07, which supports the AML resolution and an annual funding level of \$60 million.

PREVIOUS COUNCIL ACTION: No previous Council action.

DISCUSSION: The State of Alaska is experiencing serious revenue shortfalls as the price of oil continues to drop precipitously and the oil pipeline throughput continues to decline. The governor and legislators are grappling with ways to manage the state’s budget, and cuts are either in play or being considered. Governor Walker stated in his State of the Budget address that Revenue Sharing was funded in his budget at \$57 million, a reduction of \$3 million from FY2015. The legislature has been in session since January and some legislators have stated that the Revenue Sharing program might be eliminated. It was eliminated during the Murkowski administration, causing a loss of revenue that created a terrific hardship on local governments, especially those smaller communities who rely heavily on those funds to provide limited essential services.

One of the annual priorities for AML has been to advocate for continued funding of the Revenue Sharing program. They are working to address this issue by putting figures, backup documents, and other information together for the legislature in defense of this program. As part of that response, AML’s Kathie Wasserman is asking all communities to help defend the full funding amount at \$60 million this year, starting with statements of support for AML’s position or by preparing their own resolution. Once passed, local resolutions will be forwarded to the City’s lobbyist and AML for presentation to the legislature.

AML is not asking for an increase to the program. Like all Alaskans, AML and its members understand the state’s fiscal situation. Local governments are willing to be partners in looking for solutions to the

state's budget gap and must be consulted when the legislature considers reducing or eliminating key shared funding programs like this. Therefore staff recommends Council adopt the attached Resolution No. 2015-07 and be prepared to defend Revenue Sharing during the legislative session.

ALTERNATIVES: Council may adopt, amend, or choose not to pass Resolution No. 2015-07. Staff recommends Council approve the resolution as it is a formal statement of support for continued funding for this important program.

FINANCIAL IMPLICATIONS: The City of Kodiak receives between \$400,000 and \$572,000 annually from the revenue sharing program. This is not a large revenue infusion for Kodiak, but it is one of six main intergovernmental revenue sources that come from state shared taxes and other programs and make up approximately 16 percent of the City's General Fund revenues.

CITY MANAGER'S RECOMMENDATION AND COMMENTS: I agree with Kathie Wasserman that local governments big and small need to support and defend continued funding of the Revenue Sharing program. If the state is too drastic in responding to the deficits by eliminating such programs, local governments will suffer as we are the ones who deliver services to residents and provide revenues through other economic activities besides oil production. We need to be responsive to the budgetary issues, but be listened to as well. Therefore I urge Council to adopt Resolution No. 2015-07.

ATTACHMENTS:

Attachment A: Resolution No. 2015-07

Attachment B: AML Policy Resolution No. 2015-01

PROPOSED MOTION:

Move to adopt Resolution No. 2015-07.

**CITY OF KODIAK
RESOLUTION NUMBER 2015-07**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK SUPPORTING THE AML RESOLUTION TO THE ALASKA STATE LEGISLATURE TO FUND \$60 MILLION ANNUALLY TO THE REVENUE SHARING PROGRAM

WHEREAS, the City of Kodiak is appreciative to the Governor and the Legislature for the continuation of the Revenue Sharing program; and

WHEREAS, since 2008, municipalities have received a total of \$60 million per year to be divided among all boroughs, cities and unorganized communities in the State; and

WHEREAS, this money is a small share of the resource funding that is provided to the State; and

WHEREAS, \$60 million is also a small part of the total state-wide budget for the year; and

WHEREAS, the City of Kodiak, a municipality, is a political subdivisions of the State of Alaska; and

WHEREAS, the City of Kodiak can only raise money through increased taxes and/or fees; and

WHEREAS, the City of Kodiak, uses these funds to keep taxes as low as possible; and

WHEREAS, in the past 2014 Legislative Session, the amount deposited into the Revenue Sharing fund dropped to \$52 million.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, requests the Alaska State Legislature to reinstate the amount of \$60 million on an annual basis into the Revenue Sharing Fund to be distributed among all boroughs, cities, and unorganized communities in the State and also that the Alaska State Legislature appropriate an additional \$8 million to the fund with an effective date prior to June 30, 2015.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

ALASKA MUNICIPAL LEAGUE

RESOLUTION #2015-01

A RESOLUTION SUPPORTING THE REINSTATEMENT OF A FULL \$60 MILLION INTO THE REVENUE SHARING FUND ON A YEARLY BASIS WITH A ONE-YEAR APPROPRIATION OF \$8 MILLION TO THE FUND WITH AN EFFECTIVE DATE PRIOR TO JUNE 30, 2015

WHEREAS, all of Alaska's boroughs and cities are appreciative to the Governor and the Legislature for the continuation of the Revenue Sharing program; and

WHEREAS, since 2008, municipalities have received a total of \$60 million per year to be divided among all boroughs, cities and unorganized communities in the State; and

WHEREAS, this money is a small share of the resource funding that is provided to the State; and

WHEREAS, \$60 million is also a small part of the total state-wide budget for the year; and

WHEREAS, municipalities are political subdivisions of the State of Alaska; and

WHEREAS, boroughs and cities can only raise their own money through increased taxes and/or fees; and



WHEREAS, in the past 2014 Legislative Session, the amount deposited into the Revenue Sharing fund dropped to \$52 million; and

WHEREAS, the larger municipalities use these funds to keep taxes as low as possible; and

WHEREAS, the smaller municipalities use these funds to provide basic services, such as snow removal, public building maintenance, harbor upkeep, fuel and insurance.

NOW, THEREFORE BE IT RESOLVED that the Alaska Municipal League requests the Alaska State Legislature to reinstate the amount of \$60 million on an annual basis into the Revenue Sharing Fund and also that the Alaska State Legislature appropriate an additional \$8 million to the fund with an effective date prior to June 30, 2015.

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Mark Kozak, Public Works Director 
Date: February 12, 2015

Agenda Item: V. f. Authorization of Professional Service Agreement with CH2MHILL for Engineering Services for Final Approval to Operate the UV Water Treatment Facility Project No. 03-14/7023

SUMMARY: The City is required to get approval to operate from Alaska Department of Environmental Conservation (ADEC) for any water system modifications or new facility. Compliance regulations required approval from ADEC to construct the new UV Water Treatment Plant and upon completion, the City is required to apply for final approval for the certificate to operate the UV plant. The City submitted two requests for Final Approval to Operate, the last one on September 24, 2014. CH2MHILL received a draft letter from ADEC in early January 2015 proposing an extension of the interim approval to operate until additional EPA guidance is issued for UV Water Treatment. Staff is requesting this additional professional service agreement with CH2MHILL for continued technical support to receive the certificate to operate from ADEC. This professional services agreement with CH2MHILL would be on a time and materials basis with a not to exceed amount of \$50,000.

PREVIOUS COUNCIL ACTION:

- February 2003, Council authorized a feasibility study to evaluate what secondary water treatment process could be used to meet the requirements of new regulations for surface water systems to continue operating under filtration avoidance criteria with CH2MHILL.
- July 2007 the City approved a contracted with CH2MHILL for Pre-design/final design of a UV Water Treatment facility. The Pre-Design was completed in February 2008 and final design was completed in 2010.
- February 2010, Council approved the UV treatment equipment purchase.
- January 2011, Council awarded the Construction project to Jay-Brant General Contractors
- January 2011, Council awarded a professional service contract to CH2MHILL for project management of the UV Water Treatment Facility.
- February 10, 2014, Council reviewed the request for approval of the professional services agreement with CH2MHILL

DISCUSSION: Current ADEC and EPA regulations require that any time a new process, expansion or large scale change is made to any water or wastewater system the operator must submit engineered design plans for approval to construction. Once the project is complete, asbuilts and operation manuals must be submitted in order to receive approval to operate the new system.

The ADEC issued the City a certificate to construct the UV Water Treatment Facility in December 2010. The project was bid and construction begin in the spring of 2011. The project startup was complete in March 2012, and the City has been operating the facility since that time.

CH2MHILL submitted the City's request for approval to operate in August 2012. They responded to multiple requests from ADEC for additional information of a very technical and expensive nature, and in June 2013 ADEC issued an interim approval to operate. This approval expired on October 1, 2014. CH2MHILL submitted a request to ADEC in September 2014 requesting final approval to operate.

The City received a draft letter from ADEC proposing they would extend the interim approval to operate the UV Water Treatment system through December 31, 2015. They want additional information that addresses the safety factor that the facility operates with and are waiting for additional guidance from the EPA. The decision to delay the approval by ADEC until this additional information is completed by the EPA has significant potential on energy consumption. This additional delay and request for more information from both the UV reactor manufacture Calgon and CH2MHILL is going to take time and additional funds. One thing the City will evaluate is the cost of showing huge potential increases in safety factor are not warranted (extremely technical in nature) versus the acceptance of the substantially higher safety factor on energy consumption and the impact to treatment capacity.

This process is very technical and City staff must have the expertise of CH2MHILL to guide staff through the process. Staff requests Council to approve this support by approving the professional services agreement.

ALTERNATIVES:

- 1) Authorize the professional services agreement with CH2MHILL as recommended because staff does not have the necessary technical knowledge or skill to respond to the information ADEC is asking for. CH2MHILL is one of the leading experts in the nation for using UV disinfectant for water treatment and we need their expertise to respond to the ADEC.
- 2) Do not approve the professional services agreement which would cause delays and create an out-of-compliance situation which is not recommended.

FINANCIAL IMPLICATIONS: This additional work was always known to be part of the project. However, staff did not anticipate the extent of the ADEC request, the high costs, and the time it would take. The original UV project was closed out in order to transfer almost \$1.8 million dollars of AMMG funds to the Monashka project. With this latest request from ADEC staff requested additional funds be added back to the UV project in order to fund this professional support from CH2MHILL.

LEGAL: The requirement to have a certificate to operate the UV Water Treatment plant is critical to compliance with EPA and ADEC regulations.

STAFF RECOMMENDATION: Staff recommends Council approve this professional service agreement with CH2MHILL to support City efforts in acquiring the final approval to operate the UV Water Treatment Facility in the amount not to exceed \$50,000 with funds coming from the UV Water Treatment Facility project number 03-14/7023.

CITY MANAGER'S COMMENTS: I support this request and understand the need for the agreement with CH2MHILL. This project is complex and apparently regulations are changing as we try to finalize our material to receive the final certificate to operate. I request Council to approve this agreement and authorize me to complete the documents for the City.

ATTACHMENTS:

Attachment A: CH2MHILL proposal

Attachment B: Draft Letter from ADEC proposing extension and additional Information

Attachment C: Interim Approval to Operate.

PROPOSED MOTION:

Move to approve a professional services contract with CH2MHILL to support City efforts to acquire a final certificate to operate the UV Water Treatment Facility in an amount not to exceed \$50,000 with funds coming from the UV Water Treatment Facility Project No. 03-14/7023 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

January 27, 2015

Mark Kozak, City of Kodiak Public Works Director
City of Kodiak
2410 Mill Bay Road
Kodiak, AK 99615

Subject: Professional Services Proposal for Final Approval to Operate UV Water Treatment Facility

Dear Mr. Kozak:

This proposal letter provides CH2M HILL Engineers, Inc.'s initial scope of work to respond to ADEC's draft letter request for additional information related to your UV disinfection system. Additionally, continued coordination with ADEC is proposed and recommended to help the City of Kodiak (City) achieve both continued interim operational approval for 2015 and ultimately final approval under conditions acceptable to the City.

The first task will be for CH2M HILL to contact Calgon Carbon Corporation (Calgon). We will discuss with Calgon the schedule and level of effort for a site specific computational fluid dynamic (CFD) model. The CFD model will support a less conservative action spectra correction factor. This work has been previously discussed but not performed since EPA's guidance and approach document is still in development.

Calgon should ultimately be able to provide site specific CFD model resulting a site-specific correction factor. This should demonstrate to ADEC that the proposed highly conservative correction factors are not required for the City's UV disinfection system in order to protect public health.

After conferring with Calgon our UV specialists will begin the second task to prepare a letter response to ADEC on each key point of their draft letter.

The third proposed task will be to schedule a meeting with ADEC staff that are in a position to affect the final operations approval for the City's UV water treatment system.

At this time we do not have a good understanding of the full scope of services that will be required to address each of ADEC's current and future concerns for final approval. Most likely future responses to ADEC's requests for information will be required.

Past experience has not been good for ADEC's acceptance of any of our first responses to their requests for information, and in some cases multiple responses have been required. This is in no way a reflection on the quality of our initial responses. It is a reflection on ADEC's conservative stance on medium-pressure UV disinfection system dose calculations and on-going developments in the industry. As you know, there are multiple and complex factors that go into determining the UV dose that is recognized by ADEC.

Mark Kozak/Public Works Director
Proposal for Final Approval to Operate UV Water Treatment Facility
January 27, 2015
Page 2


I recommend that the City of Kodiak authorize CH2M HILL Engineers, Inc. to begin with the first three tasks to allow us to contact and work with Calgon, to prepare a timely written response to ADEC, and conduct a follow-up meeting with ADEC decision makers.

Engineering Fees: We recommend a not-to-exceed contract amount of \$50,000.

Schedule: We will immediately begin work and expect all services to be complete before the end of this year.

Thank you this opportunity for CH2M HILL to be of continued service to the City for your UV disinfection water treatment facility.

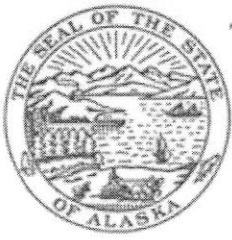
Sincerely,



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

C: Kim Ervin / CH2M HILL

Attach: Draft Letter from Daniel Reichardt/ ADEC - Date January xxx, 2015



THE STATE
of ALASKA
GOVERNOR BILL WALKER

Department of Environmental
Conservation

DIVISION OF ENVIRONMENTAL HEALTH
Drinking Water Program

555 Cordova Street
Anchorage, Alaska 99501
Main: 907.269.6064
Toll Free: 888.956.7656
Fax: 907.269.7650
www.dec.alaska.gov

January xx, 2015

Mr. Floyd Damron, PE
CH2M Hill
949 E 36th Avenue, Suite 500
Anchorage, AK 99508

File: Kodiak Water System
PWSID: 250011
Class: Community
Source: Surface Water

Re: Extension of Interim Approval to Operate UV Water Treatment Plant and Request for Information.

Dear Mr. Damron:

This letter is in response to your engineering submittal requesting Final Approval to Operate the City of Kodiak's UV Water Treatment Plant. That submittal was dated September 24, 2014 and was received by this office on October 7, 2014. Final Approval to Operate is not being granted at this time due to unresolved questions regarding assignment of an Action Spectra Correction Factor (CF_{AS}), and **Interim Approval to Operate is being extended through December 31, 2015**. During this extended Interim Approval to Operate period, operational parameters will remain as specified in the June 20, 2013 letter originally issuing Interim Approval to Operate.

Interim Approval to Operate

In order to allow for completion of Water Research Foundation Project 4376 prior to assignment of a final CF_{AS}, Interim Approval to Operate for the Kodiak UV Disinfection is being extended through December 31, 2015. During this extended Interim Approval to Operate period all operational parameters and limitations detailed in the Interim Operation Approval letter dated June 20, 2013 remain in effect with the following modification to limitations 6) and 7):

1. During the interim operation period, the microbial treatment requirement will be 3-log *Cryptosporidium* inactivation and 4-log virus inactivation. **Any less treatment, within regulatory established allowed limits, will be considered a treatment technique violation.** To receive treatment credit for UV light, the PWS must treat at least 95% of the water delivered to the public each month within validated conditions of the UV reactors. Due to uncertainty regarding the proper selection of CF_{AS}, *Giardia* inactivation credit during this interim period may come from a combination of UV inactivation and chlorine disinfection. Pending assignment of a final CF_{AS} *Giardia* inactivation credit by UV will be equal to the UV system's calculated *Giardia* log inactivation minus 1 (i.e. 1-log safety factor to be supplemented by chlorine inactivation). Virus inactivation credit will be achieved solely by chlorine disinfection.

Requirements for Final Approval to Operate

Final Approval to Operate will be issued following a written request and the system's continued record of satisfactory operation, monitoring, and reporting within the interim approval to operate period. With, or prior to, the request for Final Approval to Operate, please address the following:

1. CF_{AS} . New guidelines are in development for assigning a value to CF_{AS} to be used as a multiplier on the validation factor to determine the validated dose. These guidelines are being developed by the Water Research Foundation Project 4376, and a preliminary report has been distributed in 2014 within the Drinking Water professional community, but has not been published. This preliminary report is titled "Guidance Document for Testing Medium Pressure UV Inactivation of Viruses" and will be referred to in this letter as WRF Project 4376. It is the Drinking Water Program's intention to use the published version of this report as a reference when judging proposed CF_{AS} for Final Operation Approval of the Kodiak UV Disinfection System, and towards that purpose the preliminary findings are discussed in the following paragraphs.

According to WRF Project 4376, CF_{AS} can be determined by using the generic tables available in Appendix C. In order to take this approach it is necessary to determine the validation water source, or to demonstrate that the validation water is substantially similar to one of the sources tabulated in Appendix C. Validation water is known to be from the Columbia Southshore Wellfield in Portland, OR, which consists of various wells tapping the Blue Lake Aquifer, Sand and Gravel Aquifer and Troutdale Sandstone Aquifer. In order to calculate the CF_{AS} it is necessary to either determine which of these aquifers supplied water for the validation testing, or a conservative assumption needs to be made. The limited data made available for this review suggests that the validation water behaved much like Sand-Gravel Aquifer with Super-Hume added, in which case the calculated CF_{AS} ranges from 1.55 to approximately 1.85, depending on UV Transmittance (UVT), as shown in Figure 1. This represents a significant increase from the currently used CF_{AS} of 1.31, however no final assignment of CF_{AS} will be made until the WRF Project 4376 recommendations are finalized.

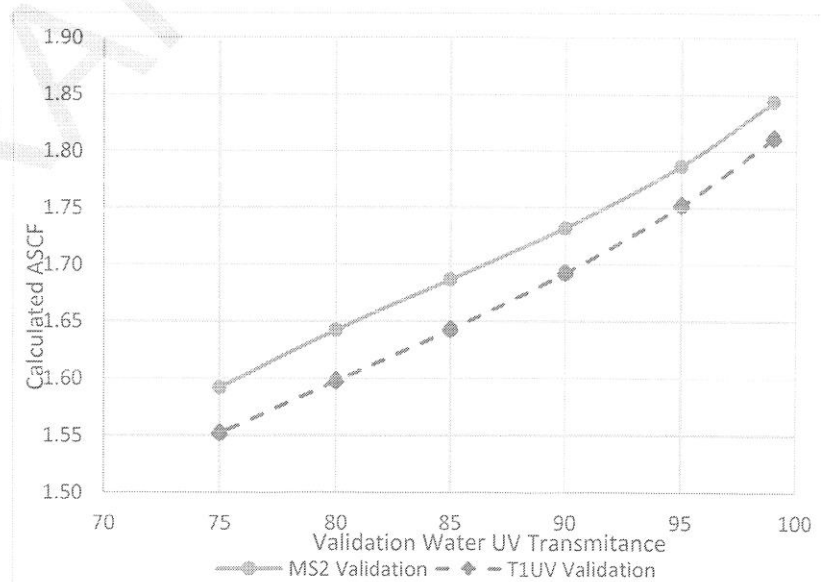


Figure 1. Calculated CF_{AS} for 3-log Inactivation of *C.parvum* validated with Sand-Gravel Aquifer w/ Super Hume Validation Water (WRF Project 4376, Equation 4.7)

As part of a submittal of Request for Final Approval to Operate, a CF_{AS} needs to be justified that is consistent with information made available by WRF Project 4376. The CF_{AS} may be presented as either a conservative fixed value or as an equation dependent upon measured UVT.

2. Calculation of Validated Dose (D_{VAL}) for Cryptosporidium or Giardia inactivation is according T1UV validation test results and is calculated with the following formula:

$$D_{VAL} = \frac{RED}{VF * 1.08} = \frac{RED}{(B_{RED} * B_{Poly} * CF_{AS} \left(1 + \frac{U_{val}}{100}\right))}$$

Where: D_{VAL} = Validated Dose
 RED = Reduction Equivalent Dose
 VF = Validation Factor (note that an overall safety factor of 8% is being applied to the validation factor, and is reflected in the above equation)
 B_{Poly} = Polychromatic Bias Factor
 B_{RED} = RED Bias Factor
 CF_{AS} = Action Spectra Correction Factor
 U_{val} = Validation Report Uncertainty, expressed as a percentage

According to current operational requirements:

$B_{RED}=1.0$ for calculation of D_{VAL} according to T1UV validation;

B_{Poly} is defined by the quadratic equation:

$$B_{POLY}=.000158*UVT^2-0.040146*UVT+3.170336; \text{ and}$$

$$CF_{AS}=1.31.$$

It is not clear how U_{val} is calculated, and this should be clarified in the submittal requesting Final Approval to Operate.

3. During the Interim Approval to Operate period, the Kodiak Water System will continue to achieve 1-log inactivation of *Giardia* by free chlorine. Upon determination of a final CF_{AS} and issuance of Final Approval to Operate, this requirement will no longer be in effect and the Kodiak Water System will only be required to disinfect with free chlorine to achieve 4-log virus inactivation. Please present an operational narrative and contact-time calculations that describes the system's disinfection plan under those future conditions.
4. Assignment of a new CF_{AS} necessitates re-evaluation of plant operating parameters including instantaneous peak treatment flow and minimum UVT at peak flow. Please submit updated values for those parameters, and any other parameters that require re-evaluation.
5. Please submit a narrative that describes the automated calculation of validated dose, including how the value for each correction factor (if constant) or the algorithm for determining correction factors if they are variable. Along with this narrative, please submit the portions of code relevant to these calculations, including lookup tables if they are used.

Limitations

Any changes, constructed or natural, that affect the conditions to which this approval was granted will void this approval. This does not imply the granting of additional authorizations, nor obligate any federal, state, or local regulatory body to grant required authorizations. This is not an approval

of omissions or oversights by this office or noncompliance with any applicable regulation. The Department's issuance of this construction approval does not guarantee correctness of the functional design nor waiver the owner's responsibility for continued compliance with State regulations.

Appeal Process

Any person who disagrees with these decisions may request by mail, e-mail, or facsimile an informal review in accordance with 18 AAC 15.185 or an adjudicatory hearing in accordance with 18 AAC 15.195-15.340. Informal review requests must be delivered to the Division Director Elaine Busse Floyd within 15 days of receipt of this decision. Adjudicatory hearing request must be delivered to Commissioner Larry Hartig within 30 days of this decision, otherwise, the right to appeal is waived. Visit www.dec.state.ak.us/commish/ReviewGuidance.htm for more information.

If you have any questions regarding this plan review please do not hesitate to contact me at 269-6064 or daniel.reichardt@alaska.gov.

Sincerely,

Daniel Reichardt, PE
Engineer I, DEC

Enclosure: Public Water System Construction and Operation Certificate

cc: Mark Kozak, Public Works Director, w/ enclosure
City of Kodiak
2410 Mill Bay Road
Kodiak, AK 99615

Paul Swaim, PE, CH2M Hill, email w/ enclosure

bcc: Leah Van Sandt, EPS, DEC, email

DRAFT LETTER



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Environmental Conservation

DIVISION OF ENVIRONMENTAL HEALTH
Drinking Water Program

555 Cordova Street
Anchorage, Alaska 99501
Telephone: 907-269-6064
william.tyrell@alaska.gov

June 20, 2013

File: 2600.07 DW Kodiak
Water System PWSID:
250011

Mr. Floyd Damron, P.E.
Mr. Paul Swaim, P.E.
CH2M Hill
949 E 36th Avenue, Suite 500
Anchorage, AK 99508

Re: Interim Approval to Operate UV Water Treatment Plant
Kodiak Community Water System

Dear Messrs. Damron & Swaim:

This office received your request for interim approval to operate the UV water treatment plant in Kodiak on August 10, 2012. Your request was reviewed in accordance with the State of Alaska Drinking Water regulations, 18 AAC 80 and **interim operational approval is granted and will expire October 1, 2014.** The enclosed Construction and Operation Certificate, with the Interim Approval to Operate section completed, constitutes written approval.

Interim Approval to Operate Conditions

The following conditions apply to this interim approval to operate:

1. UV dose monitoring for disinfection of *Giardia* and *Cryptosporidium* will be based on T1UV bacteriophage as the microbial surrogate. The use of this surrogate microorganism to establish the UV dose will be re-evaluated prior to issuing final operational approval.
2. An action spectra correction factor (CF_{AS}) for T1 of 1.21 will be applied as a multiplier on the validation factor to determine the validated dose.
3. A polychromatic bias (B_{poly}) term will be included in the validation factor to determine the validated dose, when all 5 lamps are on. The B_{poly} term will be calculated with the UVT based quadratic equation provided in the March 22, 2012 correspondence from CH2MHILL. The polychromatic bias will range from 1.009 at 98% UVT to 1.267 at 70% UVT.

4. The UV system will apply an overall safety factor of 8% to the validation factor (to be included as a multiplier in the CF_{AS} term within the PLC program).
5. The UV facility will operate with a 5% operational safety buffer applied to the required inactivation to minimize off-specification events (e.g. operational target *Cryptosporidium* inactivation = 3.15-log).
6. The UV system will be operated to achieve a treatment goal of 3-log *Cryptosporidium* inactivation until October 1, 2014 or final approval to operate is issued, whichever occurs first. Any treatment less than 3 log *Cryptosporidium* inactivation prior to the earlier of final approval to operate or October 1, 2014 will not be considered a treatment violation. DEC shall be notified via monthly operator reports when this treatment goal is not achieved for at least 95% of the monthly WTP flow. The report shall contain information on root causes of the problems that prevented achieving the treatment goal and how they were resolved.
7. During the interim operation period, the microbial treatment requirement will be 3-log *Giardia* inactivation and 4-log virus inactivation. Any less treatment, within regulatory established allowed limits, will be considered a treatment technique violation. To receive treatment credit for UV light, the PWS must treat at least 95% of the water delivered to the public each month within validated conditions of the UV reactors. *Giardia* inactivation credit during this interim period may come from UV inactivation, chlorine disinfection, or a combination of the two. **Pending satisfactory resolution of questions and issues detailed in the enclosed Attachment A, *Giardia* inactivation credit by UV will be equal to the UV system's calculated *Giardia* log inactivation minus 1 (i.e. 1-log safety factor to be supplemented by chlorine inactivation). Virus inactivation credit will be achieved solely by chlorine disinfection. (Responses to some or all of these issues has been received but not yet evaluated.)**
8. Other operating limitations:

Parameter	Limits
UV Transmittance (at inlet to UV reactors) at peak flow	≥ 86.5%
Minimum Validated Dose required for 3-log <i>Cryptosporidium</i> Inactivation	12 mJ/cm ²
Minimum Validated Dose required for 3-log <i>Giardia</i> Inactivation	11 mJ/cm ²
Minimum Number of "On" Lamps	1 (bank 1)
Minimum Lamp power	≥ 30 %
Treatment plant maximum flow rate	≤ 18.0 MGD
Percent of monthly water volume treated that is within UV reactor validated conditions (i.e. within specification)	≥ 95%
Turbidity- 95 percentile of readings	≤5 NTU
Turbidity- maximum	5 NTU
Minimum Virus inactivation via chlorine	4-log
Minimum <i>Giardia</i> inactivation via chlorine	1-log*

* Only during interim operation as a safety precaution. Total *Giardia* inactivation (UV+Chlorine) must be ≥ 3-log at all times.

Operating parameters are subject to change particularly as developments related to determining an action spectra correction factor and updated knowledge of UV disinfection occur and are brought to the Department's attention.

Approved Treatment Modifications and UV Disinfection System Description:

This approval is for operation of a new treatment plant and associated construction and piping. Raw water flows from parallel 20-inch lines to a manifold which combines and then divides the flow among three parallel 16-inch lines each with a flow control valve, followed by a manifold combining flow into a single line with a turbidity and UVT sample port. Flow then splits to two parallel 24-inch lines each with a Calgon Sentinel 24-inch medium pressure UV reactor. After the UV reactors there is a flow meter on each parallel outflow line, which then recombine to a single 30-inch treated water line. A sodium hypochlorite solution (from an existing onsite generation facility) is then injected, followed by chlorine residual and pH monitoring. Treated water is then sent to two existing 2.2 MG contact/storage tanks. From the storage tanks the water flows to a 30-inch finished water line with a chlorine residual sample tap and corrosion inhibitor solution and soda ash injection followed by a pH sample tap.

UV Reactor Description

The approved UV system consists of two Calgon Carbon Corporation 24" Sentinel UV reactors (one duty and one standby). The Kodiak UV system was designed based on an end-of-lamp-life combined fouling and aging factor of 0.81. Each reactor has the following key components:

- Five 10-kW (nominal) medium pressure lamps oriented horizontally and perpendicular to the flow path. Lamps are manufactured by ETA Plus Electronic GmbH of Germany (Calgon part No. S300993); they are 77 cm long, have a 63.5 cm arc length, and 700mg of mercury content.
- Quartz sleeves for each lamp. The sleeves are 214A quartz manufactured by GE Quartz Inc.; Sleeve wall thickness is 2.5 mm, and outer diameter is 45 mm.
- Five UV intensity sensors, one for each lamp, housed in dry sensor ports with a window. Sensors are manufactured by IL Metronic Sensortechnik, GmbH (model SUV 20.1A1Y2). The sensor port window material is synthetic quartz (SQ 1), window model number FUV 38.3.0.0 (same manufacturer).
- A reference UV intensity sensor, manufactured by IL Metronic Sensortechnik, GmbH (model MUV 2.3WR)
- Mechanical wiper system for each lamp sleeve and sensor port window.
- One online UV transmittance analyzer (shared by the two UV reactors). The UVT analyzer is a RealTech Inc. M3000 series model.

Reactor Validation

The Calgon 24" Sentinel UV reactors used in Kodiak were validated using MS2, T1UV, and T7m phages to operate within the following envelope (Validation report dated January 2011) :

- Lamp Power setting: 30%-100%
- Number of lamps on: 1-5
- UVT : 70% -98.8%
- Flow: 1.2-20 MGD
- UV dose monitoring is achieved via the following equations (terms and constant values defined in the validation report):

$$RED = 10^A * UVA^{B*UVA} * \left(\frac{S/S_0}{Q * D_L} \right)^{C+D*UVA+E*UVA^2} * D_L$$

Where,

RED= Reduction equivalent dose

S/So= is the minimum normalized UV intensity value of the 5 sensor readings

D_L= UV sensitivity of microorganism (e.g. MS2 or T1).

The validated dose (D_{VAL}) for *Cryptosporidium* or *Giardia* inactivation is calculated by the following formula:

$$D_{VAL} = \frac{RED}{VF} = \frac{RED}{B_{RED} * B_{Poly} * CF_{AS} \left(1 + \frac{U_{val}}{100}\right)}$$

Where, VF= validation factor; C_{AS}=Action Spectra Correction Factor

Monitoring and Reporting Requirements

The UV reactors must be monitored to determine if operating within validated operating conditions. This monitoring and reporting must include UV intensity as measured by a UV sensor, flow rate, lamp status, and UVT as determined by an on-line UVT analyzer. UV intensity sensor calibration must be verified at least monthly. Online UVT analyzer calibration must be verified against bench-top spectrophotometer at least weekly. Online UVT must be calibrated monthly. The reference UV intensity sensor and bench-top spectrophotometer shall be sent to the manufacturer for factory calibration at least annually. Records of this calibration shall be maintained at the water treatment facility and be available upon request. Flow meter calibration verification must be conducted at least monthly. Chlorine CT and turbidity must also be monitored and reported. The report forms submitted as Appendix B to the June 2012 UV Disinfection Facility Operations Manual are adequate to report this information to the Drinking Water Program with the exception that a form or place to record flow meter calibration verification must be developed; please provide an initial explanation of the method of flow meter calibration verification, the target uncertainty limit, and follow-up actions if a meter is out of calibration. Also, raw water fecal coliform or total coliform density measurements and turbidity measurements must be performed in accordance with 40 CFR 141.74. All other current system monitoring and reporting requirements remain in effect.

The required UV monitoring parameters are outlined in the table below (adapted from the EPA UV disinfection Guidance Manual, November, 2006 – Table 6.7):

Parameter	Recording Frequency	Notes
Off-specification alarm	Minimum of every 5 minutes	Recording should continue until the alarm condition has been corrected.
UV intensity	Every 4 hours	The UV intensity must be within the validated conditions.
UVT	Every 4 hours	The UVT must be within validated conditions.
Validated Dose	Every 4 hours	The validated dose must be greater than or equal to the required dose.
Lamp Status	Every 4 hours	The status of each of the 5 lamps in each of two reactors must be recorded.

Flow Rate	Every 4 hours	The flow rated must be within the validated conditions.
Production Volume	Off-specification events and monthly total	The production volume needs to be recorded so the off-specification compliance calculation can be completed.
Calibration of UV intensity sensors	Monthly	The calibration of the UV sensors must be checked on a monthly basis as described in Section 6.4.1.1. of the EPA UV Disinfection Guidance Manual.
Calibration of On-line UVT analyzer	Weekly	The calibration of the UVT analyzers must be monitored as described in Section 6.4.1.2. of the EPA UV Disinfection Guidance Manual.
Flow Meter Calibration Check	Monthly	If calibration verification indicates a problem with one of the UV reactor meters, that meter should be re-calibrated or replaced. If needed, contingency operation measures should be deployed until the problem is resolved.

Requirements for Final Approval to Operate

Final approval to operate will be issued following a written request (please submit request at least 60-days prior to expiration of the interim operational approval) and a minimum of six continuous months of satisfactory operation, monitoring, and reporting within the interim approval to operate period. Upon issuance of final approval to operate, 3 log *Cryptosporidium* inactivation, 3 log *Giardia* inactivation and 4 log virus inactivation will be treatment requirements and any less treatment, within regulatory established allowed limits, will be considered a treatment technique violation. With or prior to the request for final approval to operate, please address the following:

1. Complete justification for all operating parameters, including justification for using T1UV as the dosimeter, based on latest published peer-reviewed information and updated CFD modeling efforts (if available). Please explain and justify all assumptions. During the interim period, please insure that any additional data necessary to completely justify assumptions is available. This may include additional UV transmittance scans at various wavelengths as measured seasonally or at any other times of anticipated variance.
2. The CFD analysis of the action spectra correction factor (ASCF) included with the March 22, 2012 CH2MHill submittal was provided to justify the proposed action spectra correction factor for Kodiak. The report appears to be a summary of a larger report and does not present some key details to critically evaluate the results of the CFD model. The CFD model was developed for a different WTP than Kodiak (Fallbrook, CA). Please explain and justify extrapolating these results to

Kodiak considering any differences in water quality (e.g. UVT spectrum of Kodiak water) and operational conditions (e.g. flow, UVT ranges).

3. The report indicates that CFD results were compared to validation results and usually agreed within 10%. WRF project 4107 developed a checklist of key features to assess CFD modeling of UV reactors (chapter 6 of report). Some key questions of these checklists that were not presented in the CFD report include:
 - 3.1. Was a grid independence study conducted for the hydraulic model?
 - 3.2. How was the hydraulic model calibrated/verified? Under what range of flows?
 - 3.3. What was the basis for choosing the UV radiation model?
 - 3.4. How was the UV radiation model calibrated/verified? What range of UVTs and Lamp power settings were included in the calibration/verification?
 - 3.5. Was wall reflection at high UVTs (> 88%) included in the radiation model?
 - 3.6. What metrics were used to compare validation REDs to CFD simulated REDs to determine overall accuracy of the model?
 - 3.7. Were the simulated and validated REDs compared over a wide range of conditions (flow, UVT, lamp power) that spanned the validated envelope?
4. The CFD model used the MS2 action spectra developed by Rauth in 1965 (same one included in UVDGM). This action spectra was based on band-pass filter data. According to recent research (WRF report 4107) this may introduce errors up to 25% in the action spectra. Dr. Linden indicated this in his June 15, 2012 memo (i.e. band pass filter data is not very accurate, Laser-based data is better.) Using the laser-based action spectra would likely yield more accurate results.
5. The MS2 action spectra used in the CFD model shows a lesser action at low wavelengths (below ~230 nm) than the latest consensus MS2 action spectra developed by the Low Wavelength MP-UV ad-hoc workgroup and presented in their June 11, 2012 meeting update. For example at 200 nm the MS2 relative action used in the CFD model is ~2.75 vs. ~10 for the ad-hoc workgroup consensus action spectra. Therefore, the ASCF determined by the CFD study would be smaller than if the newest consensus action spectra were used. In addition, the latest T1 UV action spectra provided by Dr. Linden in his June 15, 2012 memo, shows a greater action at low wavelengths than the MS2 action spectra used in the CFD model (e.g. at 200 nm the T1UV relative action is 5.) Therefore CFD results for MS2 may underestimate the ASCF when considering this latest T1 UV action spectra data. The CFD model may need to be reassessed considering the latest action spectra for MS2, T1 and Crypto, particularly the laser-based data that will be produced by Dr. Linden in WRF project 4376.
6. Have results been compared with similar modeling efforts? WRF project 4421 shows preliminary results for 3 reactors using Portland validation facility water and Super-Hume as the UV absorbent chemical. These range from 1.16 to 1.64 for reactors using 214 Quartz sleeves. A comparison of these two modeling efforts may be useful to increase the confidence in the CFD results.
7. The reactor shown in the CFD report figures appears to have 9 lamps with 4 of them off. If that is the case, the hydraulics of the reactor modeled in Fallbrook would be different than that installed at Kodiak, which only has 5 lamps installed. Has this potential difference been considered in your analysis?

Approval Limitations

This approval does not imply the granting of additional authorizations, nor obligate any federal, state, or local regulatory body to grant required authorizations. This is not an approval of omissions or oversights by this office or noncompliance with any applicable regulation. The Department's approval to operate does not guarantee correctness of the functional design or waive the owner's responsibility for continued compliance with State regulations.

This approval is limited to the conditions and equipment tested in the UV Validation Report authored by Carollo Engineers, dated January, 2011 and to the operational limitations described in this approval letter. Changes to the UV reactors impacting their dose delivery including, but not limited to, changes in wetted geometry, lamp technology, quartz sleeve type, UV intensity or UVT sensor characteristics, alarm system, or installation hydraulics, may void the State's approval of this disinfection technology. The public water system should contact the Department prior to implementing any such changes to determine if additional performance testing will be required.

Appeal Process

Any person who disagrees with this decision may request an adjudicatory hearing in accordance with 18 AAC 15.195- 18 AAC 15.340 or an informal review by the Division Director in accordance with 18 AAC 15.185. Informal review requests must be delivered to the Division Director, 555 Cordova St., Anchorage, Alaska 99501, within 15 days of receipt of this decision. Adjudicatory hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, Larry Hartig, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 30 days of this decision. If a hearing is not requested within 30 days, the right to appeal is waived. More information on the Department's administrative appeals process can be found at the following website: <http://www.dec.state.ak.us/commish/ReviewGuidance.htm>.



William Tyrell, P.E.
Engineer I
DEC Drinking Water Program



Johnny Mendez, P.E.
Engineer I
DEC Drinking Water Program

Enclosure: Attachment A-Outstanding Plan Review Questions

cc: Mark Kozak
Public Works Director
2410 Mill Bay Road
Kodiak, AK 99615

Review of the documentation submitted indicated that there are several questions and issues regarding operation of the system that might affect dose delivery and pathogen inactivation. The following must be addressed:

1. The Calgon programming code for input of dose equation into PLC (attachment 6 of the August 10, 2012 CH2M HILL submittal) was difficult to interpret because the equation numbers referenced did not match the validation report (VR) equation numbers. Most of the programmed dose equation constants appear to have been programmed correctly, but certain items were not found or interpreted as they relate to the validation report. Please address the following issues:
 - 1.1. Missing coefficients for VR equation 1.2 for the case when lamp banks # 1 & #3 are both on (see VR table 1.2).
 - 1.2. Rung 16 of the PLC code (page 7 of code): It appears that the values for the “MS2_a_const” and “MS2_b_const” are transposed when compared to coefficients “A” and “B” in the VR table 1.3.
 - 1.3. Rung 27 of the PLC code: The comments describing the coefficient “m” say “VD constant values for Giardia”, but should say for “Crypto” instead. See VR table 1.4.
 - 1.4. Where in the PLC program is the validated range for flows and UVT specified for the PLC to determine if the UV system is operating outside this range (i.e. off-spec)?
 - 1.5. Where were the polychromatic bias equation constants introduced into the PLC program (see equation in March 22, 2012 CH2MHILL correspondence)?
 - 1.6. Where is the action spectra correction factor introduced into the PLC program?
 - 1.7. Where in the PLC program is the RED bias term calculated? Is there a look-up table that includes the data in the relevant tables of Appendix G of the UVDGM available?
 - 1.8. Where is the coefficient array table created in rungs 36 through 51 in the validation report? How are these arrays used?
 - 1.9. The coefficients for U_{VAL} in the lookup table in PLC rungs 53 through 54 are from the old 2008 version of the validation report. They need to be updated to match those in the 2011 version of the VR (table 1.9). The criteria for selecting which column of coefficients to use also needs updating (e.g. “log I \leq 1.1 log” should say “log I \leq 1.12 log”).
 - 1.10. Where in the VR can the coefficients/constants programmed into rung 61 through 63 of the PLC code be found?
2. Demonstration of performance test results (attachment No. 1 of August 10, 2012 submittal):
 - 2.1. Explain why no change was required for issue No. 2 in test conclusions
 - 2.2. Test conclusion No. 3 explanation is not clear. Why was the plant restarting at high flow?
 - 2.3. Did Calgon resolve issue No. 5 in the test conclusions?

3. SCADA site acceptance tests (attachment 3 of August 2012 submittal)—CT calculation loop for 3-log Giardia:
 - 3.1. The CT calculation loop for 3-log Giardia says that the signals from the water quality analyzers used in the calculations come from upstream of the reservoir. CT calculations need to use water quality data from downstream of the CT tanks (e.g. temp, Cl₂ residual, pH). This SCADA loop will need to be updated.
 - 3.2. Where do the CT equations in steps #1 and #2 come from? They do not match the one we have in our regulations.
 - 3.3. Please explain the baffle factor used in step 4 and the 20,000 gallon volume addition to the CT calculation in step 3.
 - 3.4. . What is the difference between the calculation in step 6 and step 7?
4. Calgon Performance Test results (attachment 5 of August 2012 submittal): Attachment C of the report shows comparison between manual RED calculation and PLC RED calculation. The result for the test time 55:55 hrs and 56:00 hrs show a difference of -45.8% and -54.6% between manual and PLC RED. What caused these large differences?
5. O&M manual (Attachment 7 of August 2012 submittal):
 - 5.1. The table describing the alarm conditions and actions (page 8-4) shows that for the critical alarm when the flow is above validated range the action is to shutdown the duty reactor and start the standby reactor. Will this action resolve the problem? Should the action be to start standby reactor to operate in parallel with the duty reactor or to reduce flow through the WTP by closing the flow control valves?
 - 5.2. There should be a section explaining calibration verification of water flow meters in section 5.8.6 and an associated calibration form in Appendix B.

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Council members
From: Aimée Kniazowski, City Manager
Thru: Ronda Wallace, Chief of Police
Date: February 12, 2015



Agenda Item: V. g. Authorization to Purchase VRLA Batteries for KPD

SUMMARY: This authorization would allow the purchase of four new Uninterruptible Power Supply (UPS) batteries for the Kodiak Police Department from a sole source supplier. The current UPS batteries were installed during the building of the new the Kodiak Police Station in 2010. The expected use of the batteries is four to six years and current maintenance report recommends replacing all four batteries. In FY2015, \$65,975 was budgeted for the replacement and staff recommends Council authorize the purchase to Emerson Network Power.

PREVIOUS COUNCIL ACTION:

- Proposal discussed during the May 10, 2014 budget presentation meeting.
- Council subsequently funded the proposal when the FY2015 budget was adopted.

DISCUSSION: The City of Kodiak completed its new public safety building in 2010. Some of the important aspects of the new building were to provide area-wide dispatch services and enhanced 9-1-1 service to the Kodiak area, including areas outside the City's corporate boundaries. The Kodiak Police Department was also built to serve as the headquarters for emergency operations in the event of a natural disaster or other catastrophic event. Additionally, the Kodiak Police Department houses the City of Kodiak's server. Not only does it provide public safety information, but also houses the City of Kodiak's critical financial software needed to conduct City business.

The role of the UPS system is to supply uninterruptible, clean power to the critical load. It maintains a full-voltage, low-distortion output, even if the utility source power sags or becomes distorted. If there is an outage of the source power, the UPS maintains power to the load until an alternate source of power is activated, or until the original power source is restored. The UPS system allows time for the generator at the police department to come on line and continue supplying power.

The UPS system protects critical equipment from source power disturbances and outages, load faults, and UPS malfunctions. The protection virtually eliminates computer and computing equipment downtime because of utility power problems allowing critical aspects of public safety and City business to continue.

The current UPS batteries were installed in 2010 prior to the City of Kodiak taking occupancy in the new Kodiak Police Department. All office spaces inside the police department were equipped with hard line UPS receptacles built in. Every critical piece of equipment within the police department is plugged into one of the rooms UPS.

The expected lives of the current batteries are four to six years, putting them now near the end of that expectancy. All four of the batteries have been recommended for replacement based upon the most recent maintenance report from Emerson Network Power. Emerson is a sole source provider who designed and installed the system and monitors and maintains the system in the KPD facility [See KCC 3.12.070(a)].

ALTERNATIVES:

- 1) Authorize this purchase, in which case staff will proceed with replacing the current UPS battery system at the Kodiak Police Department. This is the recommendation staff makes to Council.
- 2) Do not authorize this purchase. The UPS batteries are nearing the end of their anticipated useful life; based upon the most recent maintenance report. This would have a negative impact on KPD operations and affect service delivery and the public safety.

FINANCIAL IMPLICATIONS: As mentioned previously, this proposal was discussed during the May 10, 2014, budget presentation meeting and subsequently funded when the FY2015 budget was adopted. The funded cost of replacing all four batteries is \$65,975.

LEGAL: This purchase can be sole sourced to a vendor without going out to bid per KCC 3.12.070(a).

STAFF RECOMMENDATION: Staff recommends Council authorize the purchase of the UPS batteries for the uninterruptible power supply for \$65,975, with funds coming from the Police Department, Administrative Sub-Department Machine and Equipment over \$5000.

CITY MANAGER'S COMMENTS: I support this recommendation. The battery backup system employed at KPD is complex and is critical to the many systems located in the KPD facility. Therefore, I recommend Council authorize the purchase of replacement batteries for the KPD and citywide system and authorize me to execute the documents on behalf of the City.

ATTACHMENTS:

Attachment A: Emerson Network Power Quote No. Q09006203

Attachment B: VRLA Batteries Annual Inspection Report

PROPOSED MOTION:

Move to authorize the purchase of the replacement Uninterrupted Power Supply (UPS) batteries (VRLA batteries) from Emerson Network Power in an amount not to exceed \$65,975 with funds coming from the Police Department, Administrative Sub-Department Machine and Equipment and authorize the City Manager to execute the necessary documents.



Nov 19, 2013

**KODIAK POLICE STATION
2160 MILL BAY RD
KODIAK, AK 99615**

**Quote No. Q09006203
Battery Quote No. 123566**

Please address all purchase orders to Emerson Network Power, Liebert Services.

We are pleased to submit the following proposal for replacement of your VRLA Battery equipment for your consideration. Please refer to the Scope of Work for specific coverage information. Below is a summary of the service(s) included in this quote.

Site ID: 123566 KODIAK POLICE STATION, 2160 MILL BAY RD, KODIAK, AK 99615

Tag #	Battery Model	Jars	Cabinet Qty
1497241	HX505	40	1
1497242	HX505	40	1
1497243	HX505	40	1
1497244	HX505	40	1

Additional Items Include:
(4) Battery Installation Verification

Select Battery Replacement Option:

Total Replacement Price Normal Hours (M-F 8am to 5pm): \$59,978.00

Total Replacement Price After Hours (M-F 5pm to 8am, and/or all day Saturday): \$63,131.00

Total Replacement Price Sunday/Holiday: \$66,678.00

**(NOT including tax: any tax required must be included in customer purchase order amount)
Payment Terms: Net 30 Days**

Typical lead time is up to 6 weeks. The battery lead times vary depending on manufacturer, current inventory, and availability of technicians. Please contact me regarding your specific lead time.

Purchase Order must be assigned to:
Emerson Network Power, Liebert Services Inc.
610 Executive Campus Dr
Westerville OH 43082

Payment remittance address:
Emerson Network Power Liebert Services Inc.
PO Box 70474
Chicago, IL 60673

FID# 43-1798453

PO should be e-mailed or faxed with signed proposal to:
Emerson Network Power, Liebert Services, c/o
Jaime Vargas
Mobile: 909-251-2828
Fax: 949-419-2323
Jaime.Vargas@Emerson.com

Please provide the following information (All fields are required):

Purchase Order Number: _____ Purchase Order attached: Yes No

If PO **NOT** attached, please specify reason: _____

Invoice Delivery Method: Web Billing (Attach Instructions) Email Mail Other _____

Billing Contact Person: _____ Phone: _____

E-mail: _____ Fax #: _____

Billing Company Name: _____ Bill-To Address: _____

Federal Tax ID # _____ Bill-To City, ST Zip: _____

Tax Exempt: Yes (Attach tax exempt certificate) No

**** COVERAGE DETAILS ****

For equipment not currently under a Service Agreement or for equipment for which the warranty has expired in excess of thirty (30) days, parts required to bring equipment back to manufacturers specifications are the responsibility of the Buyer and billable at the time of the first preventive maintenance visit or Service call. All pricing is valid only for Service coverage stated and is subject to change if this Proposal is modified in any way. This quote is valid for 45 days from the date of this Proposal unless otherwise noted. By acceptance of this Proposal, Buyer expressly manifests its assent to the Terms and Conditions of this Proposal, and agrees that if any provision of Buyer's Order or other document or communication from Buyer is inconsistent with any provision of these Terms and Conditions, regardless of the order or timing of the exchange of such document or communication, these Terms and Conditions shall prevail.

Signature of this agreement authorizes Seller to invoice for Services mentioned herein and to utilize provided purchase order number. If a purchase order number is not used, then the Buyer authorizes and guarantees Seller the payment of such invoices by authority of the signature below.

Thank you for your business.

Proposed By:

Accepted By:

Jaime Vargas
Emerson Network Power, Liebert Services
Full String Battery Sales

Customer Signature Required _____ Date _____

Printed Name _____ Title _____ Phone _____

The above-referenced quote for battery replacement includes the following Basic Services:

Battery Selection:

- The battery model listed above or its Liebert approved battery with the same fit, form and function as the battery being replaced.

Basic Installation Services are limited to:

- Removal of existing battery string(s)
- Installation of new battery string(s)
- Recycling/Disposal
- Freight: FOB Factory

Basic Site Requirements for Basic Installation Service:

- Standard dock delivery that accommodates a standard size semi-truck with an onsite forklift or pallet jack(at least 4,000 lb capacity)
- Inside staging area large enough for the batteries being installed and removed
- Inside, staging area must be within 50' of the dock area
- Battery room/cabinets must be within 200' of the staging area
- Doorways at least 34" in width
- Elevators within easy access and be rated for at least 4,000 lbs

In the event that the customer needs a service or has a site requirement that falls outside of the Battery Selection, Basic Installation Services or Basic Site Requirements listed above, Emerson Network Power, Liebert Services will provide the customer with an additional quote for said Special Installation Services or in response to said Special Site Requirements, and if agreed to by the customer, the customer shall be separately invoiced the additional amounts set forth in the quote.

Please notify your salesperson if you require Special Installation Services or have any other Special Site Requirements for which there will be an additional charge.

Special Installation Services and Special Site Requirements for which there will be additional costs and charges include, but are not limited to:

- Inside delivery
- Lift Gate Delivery
- Floor Protection
- Floor Loading Limitations
- Delivery Path Includes Stairways, Ramps or Other Obstructions
- Use of Cranes
- Exclusive labor requirements for deliveries
- Exclusive labor requirements for installations



Liebert Npower UPS Annual Preventive Maintenance Service Report



Print..

Customer Information	
Site ID :	123566
Customer Name :	Kodiak Police Station
Customer Site Reference :	NONE
Address :	2160 MILL BAY RD
City/State/Zip :	KODIAK, AK 99615
Facility Manager :	PETERSON, LEE

Equipment Information	
Equipment Tag # :	1497238
Equipment Model # :	37SA065C0C6BB76
Equipment Description :	Liebert Npower UPS
Customer Equipment Reference :	N/A
Warranty Coverage Dates :	08/12/2010 to 01/06/2011
Contract Type :	2PM ONLY 7X24
Contract Coverage Dates :	07/01/2013 to 06/30/2014

Service Information	
Date Service Performed :	4/18/2014
Ticket Number :	2957612
Service Performed :	Preventive Maintenance
Customer Engineer Name :	HAWK, STEVE

Maintenance Checks		
1	Perform a temperature check on all breakers, connections, and associated controls. Repair and/or report all high temperature areas.	✓
2	Perform a complete visual inspection on the equipment including subassemblies, wiring harnesses, contacts, cables, and major components. Check air filters for cleanliness.	✓
3	Check Rectifier and Inverter Snubber Boards for discoloration and broken wires.	✓
4	Check power capacitors for swelling or leaking oil.	✓
5	Check DC capacitor vent caps that have extruded more than 1/8".	✓
6	Record all voltage and current meter readings from module display.	✓
7	Measure and record harmonic trap filter currents.	✓
8	Check all accessible nuts, bolts, screws, and connectors for integrity and heat discoloration.	✓
9	Check fuses on the DC capacitor deck for continuity (if applicable).	✓
10	With customer approval, perform operational test of the system including unit transfer and battery discharge.	
12	Install or perform Engineering Field Change Notices (FCN) and field alerts as necessary.	✓
13	Measure and record all low-voltage power supply levels.	✓
14	Measure and record electrical readings for input, output, and DC.	✓
15	Review system performance with customer to address any questions and to schedule any repairs.	

End of Page 1

Tag#: 1497238 / Date Service Performed: 4/18/2014

Battery Inspection		
16	Check for NO-OX grease or oil on all connections (if applicable).	✓
17	Check battery jars for proper liquid levels (if flooded cells).	✓
18	Check for corrosion on all the terminals and cables.	✓
19	Examine the physical cleanliness of the battery room and jars.	✓
20	Measure and record DC bus ripple voltage (if applicable).	✓
21	Measure and record total battery float voltage.	✓
NOTE 1: Customer should check air filters monthly for cleanliness and replace as necessary. NOTE 2: The Battery Inspection Service listed above is only a visual inspection and is not intended to replace a full preventive maintenance program for the battery system.		

Electrical Readings						
Display Readings						
Input	Voltage VAC (Volts)			Current IAC (Amps)		
	A-B	B-C	C-A	A	B	C
	209	207	210	39.5	41.1	42.4
	Frequency (Hz)					
	60.0					
Bypass	Voltage VAC (Volts)					
	A-B	B-C	C-A			
	208	208	209			
Output	Voltage VAC (Volts)			Current IAC (Amps)		
	A-B	B-C	C-A	A	B	C
	208	208	208	26.1	41.5	30.7
	Frequency (Hz)					
	59.9					
DC	Voltage VDC (Volts)					
	Float		Battery			
	543		543			

Input Filter Readings			
Input Filter	Current IAC (Amps)		
	A	B	C
	21	21	21

Harmonic Trap Readings			
Output Capacitor Filter	Current IAC (Amps)		
	A	B	C
	87	87	88

KVA / KW Readings	
kVA (percent)	018
kW (percent)	019

Power Supply Readings (Volts)										
+24V	26.9		+24V	26.2		+24V	27.2		+12V	15.0

Performance Note

Upon performance review, the equipment status meets all manufacturing specifications for operation. No further actions required at this time.

Recommendation :
None at this time

Signature on File

No signature on file

This service is covered under Emerson Network Power Liebert Services standard terms and conditions. Please contact the Customer Resolution Center at 1-800-Liebert to schedule a service visit or if you have any questions regarding this service report. We appreciate your business.

End of Report



Battery Maintenance Report Annual

CUSTOMER Kodiak Police Station SITE ID 123566 DATE 4/18/2014
 STREET 2160 MILL BAY ROAD TICKET # 2957612
 TAG # 1497241
 CITY KODIAK STATE / PROVINCE AK
 POSTAL CODE 99615 COUNTRY _____ ATTENTION RAY ELLIS
 SYSTEM IDENTIFIER _____

BATTERY: MANUFACTURER: C & D TECHNOLOGIES NO OF JARS: 40
 MODEL: UPS12-490MR NUMBER OF CELLS PER JAR: 6
 DATE CODE: 06/2009 CELLS PER STRING: 240
 STRING INSTALL DATE: 4/15/2010 MEASUREMENT POINTS: 40
 BATTERY TYPE: VRLA INTERCELL MEASUREMENTS: 0
 FIXTURE: CABINET

BATTERY MONITORING SYSTEM:
 MANUFACTURER: _____ SERIAL #: _____
 MODEL: _____ TAG #: _____

UPS / CHARGER: MANUFACTURER: LIEBERT SERIAL #: M09F3O0022
 MODEL: 37SA065C0C6BB76 TAG #: 1497238

LIEBERT SPARE BATTERIES: # CELLS/JARS: _____ DATE CODE: _____
 MODEL: _____ TAG #: _____

INSPECTION TYPE: Annual

SYSTEM READINGS:
 FLOAT VOLTAGE: 541.91 V AC RIPPLE CURRENT: 3.52 Amps
 FLOAT CHARGING CURRENT: 0 Amps AC RIPPLE VOLTAGE: .775 V
 SYSTEM LOAD: 20 % Load
 FRESHENING/EQUALIZE CHARGE VOLTAGE (Volts/Cell rate): _____ V/C SYSTEM VOLTAGE: _____ V, _____ Hrs Duration

GENERAL SITE & SAFETY EQUIPMENT OBSERVATIONS:
 ROOM TEMP: 68 F INTER-CELL/JAR CONNECTION TORQUE: 110 Inch Pounds
 CABINET CONDITION: OK
 EMERGENCY GENERATOR Present SHOWER PRESENT Present HYDROGEN DETECTOR Present
 FIRE SUPPRESSION Present SPILL CONTAINMENT Present VENTILATION FAN Present
 EYE WASH STATION Present SPILL KIT Present ADEQUATE LIGHTING Present
 INSPECT THE APPEARANCE AND CLEANLINESS OF THE BATTERY AND BATTERY ROOM: OK
 VERIFY NO GROUND FAULT EXISTS: OK
 VISUALLY INSPECT JARS AND COVERS FOR CRACKS AND LEAKAGE: OK
 VISUALLY INSPECT FOR EVIDENCE OF CORROSION: OK

INSTRUMENTS USED:

#	Manufacturer	Model	Equipment Inventory #	Type	Calibration Date
1					

TESTED BY: Hawk, Steve



Battery Maintenance Report Annual

COMMENTS:	04/18/2014-Performed the Annual inspection on the string of 40 UPS12-490MR batteries date coded 06/2009. The batteries are over 4 years old Liebert recommends a full string replacement in 4 - 6 years due to age and reduced capacity. The temperatures are all just below the recommended range of 72 - 80 degrees F due to space cooling configuration. Battery jar #16 shows a low voltage and high resistance. Will order a new jar to replace due to continued high impedance/resistance. All other readings are in range. The batteries are online and charging.
DEFICIENCIES:	The battery system may be at or near its end of useful service life, replacement recommended



Battery Maintenance Report Annual

1 Critical Units

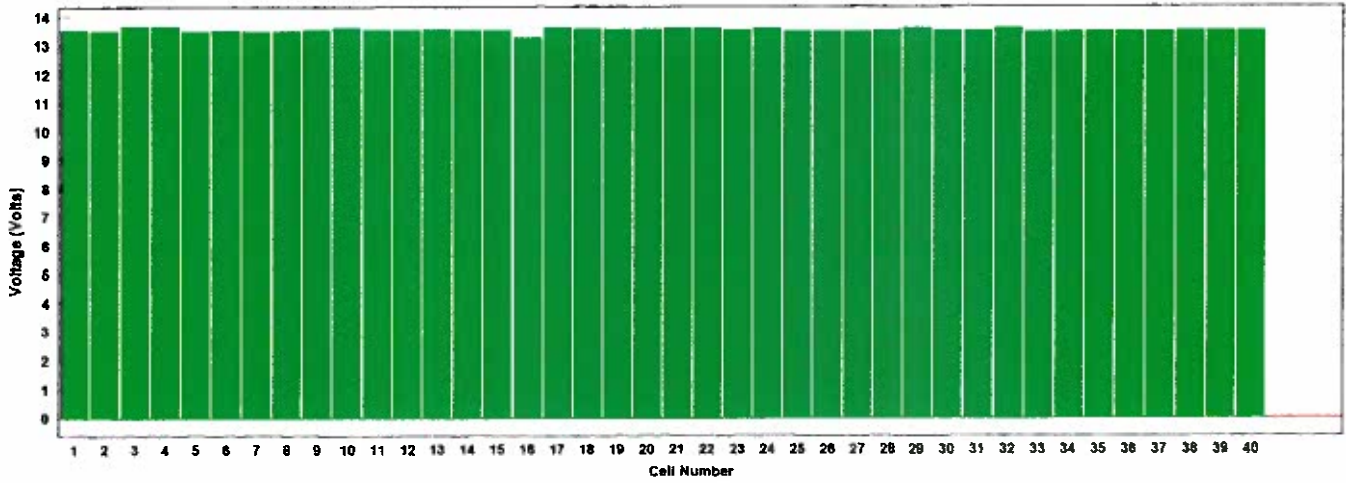
JAR DATA						
#	MODEL	DATE CODE	FLOAT VOLTAGE (V)	RESISTANCE (micro ohms)	CELL TEMP. °F	Misc
LIMITS	Monitor (Min-Max)		/	40 %	/	
	Critical (Min-Max)		0 / 0	50 %	/	
1	UPS12-490MR	06/2009	13.544	4.629	68	
2	UPS12-490MR	06/2009	13.522	5.001	68	
3	UPS12-490MR	06/2009	13.656	4.069	68	
4	UPS12-490MR	06/2009	13.656	4.595	68	
5	UPS12-490MR	06/2009	13.519	4.441	70	
6	UPS12-490MR	06/2009	13.541	4.168	70	
7	UPS12-490MR	06/2009	13.516	4.643	70	
8	UPS12-490MR	06/2009	13.529	4.612	70	
9	UPS12-490MR	06/2009	13.545	4.088	70	
10	UPS12-490MR	06/2009	13.601	3.929	70	
11	UPS12-490MR	06/2009	13.551	4.384	70	
12	UPS12-490MR	06/2009	13.569	4.223	70	
13	UPS12-490MR	06/2009	13.572	4.403	68	
14	UPS12-490MR	06/2009	13.559	4.053	68	
15	UPS12-490MR	06/2009	13.568	3.995	68	
16	UPS12-490MR	06/2009	13.294	14.678	68	
17	UPS12-490MR	06/2009	13.651	3.761	68	
18	UPS12-490MR	06/2009	13.593	4.451	68	
19	UPS12-490MR	06/2009	13.578	4.233	68	
20	UPS12-490MR	06/2009	13.578	4.123	68	
21	UPS12-490MR	06/2009	13.597	3.822	70	
22	UPS12-490MR	06/2009	13.615	4.098	70	
23	UPS12-490MR	06/2009	13.541	4.192	70	
24	UPS12-490MR	06/2009	13.593	3.957	70	
25	UPS12-490MR	06/2009	13.528	4.048	70	
26	UPS12-490MR	06/2009	13.514	4.305	70	
27	UPS12-490MR	06/2009	13.529	4.207	70	
28	UPS12-490MR	06/2009	13.538	4.078	70	
29	UPS12-490MR	06/2009	13.593	3.839	68	
30	UPS12-490MR	06/2009	13.538	4.398	68	
31	UPS12-490MR	06/2009	13.542	4.527	68	
32	UPS12-490MR	06/2009	13.617	3.844	68	
33	UPS12-490MR	06/2009	13.500	4.539	69	
34	UPS12-490MR	06/2009	13.512	4.680	69	
35	UPS12-490MR	06/2009	13.524	4.278	69	
36	UPS12-490MR	06/2009	13.526	4.331	69	
37	UPS12-490MR	06/2009	13.527	4.049	69	
38	UPS12-490MR	06/2009	13.544	4.148	69	
39	UPS12-490MR	06/2009	13.543	4.241	69	
40	UPS12-490MR	06/2009	13.548	4.131	69	



Battery Maintenance Report Annual

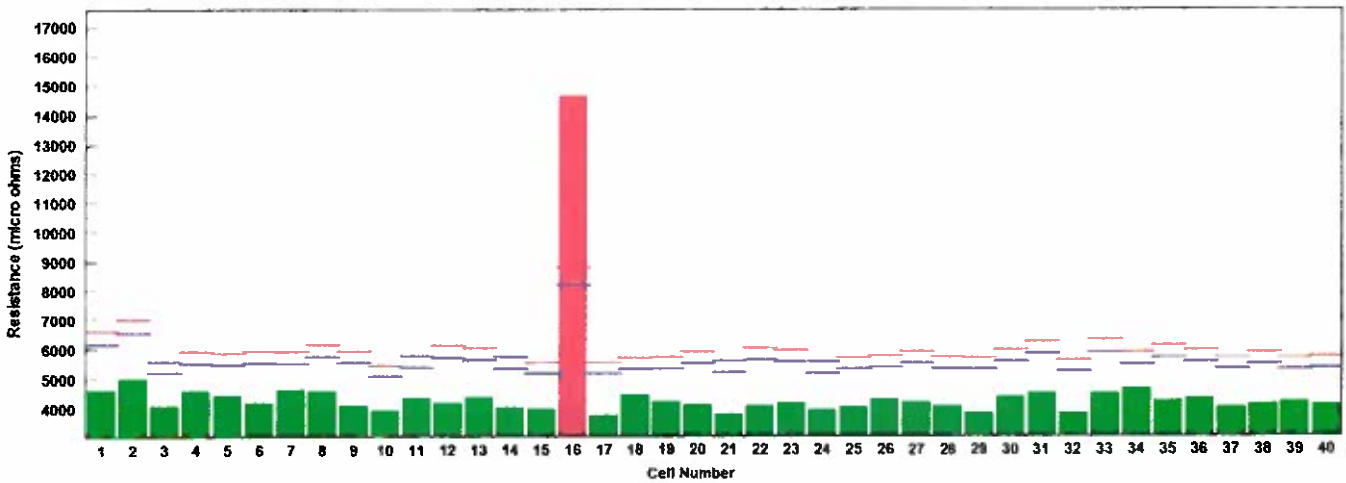
CELL VOLTAGE (1-40) ON 4/18/2014

Normal Monitor Critical



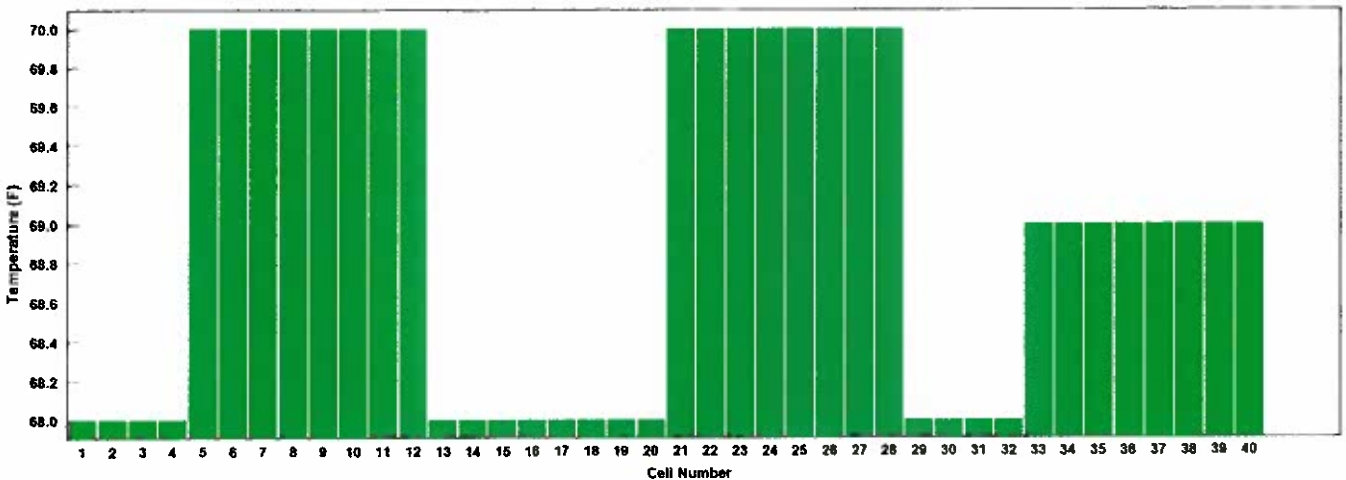
CELL RESISTANCE (Cells 1-40) ON 4/18/2014

Normal Monitor Critical



CELL TEMPERATURE (Cells 1-40) ON 4/18/2014

Normal Monitor Critical

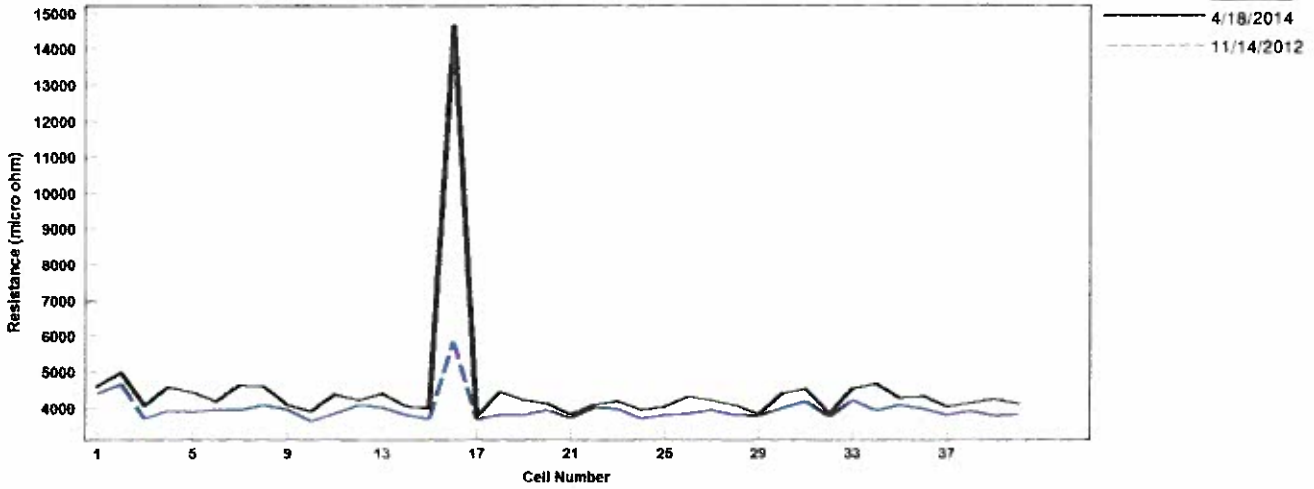




Battery Maintenance Report Annual

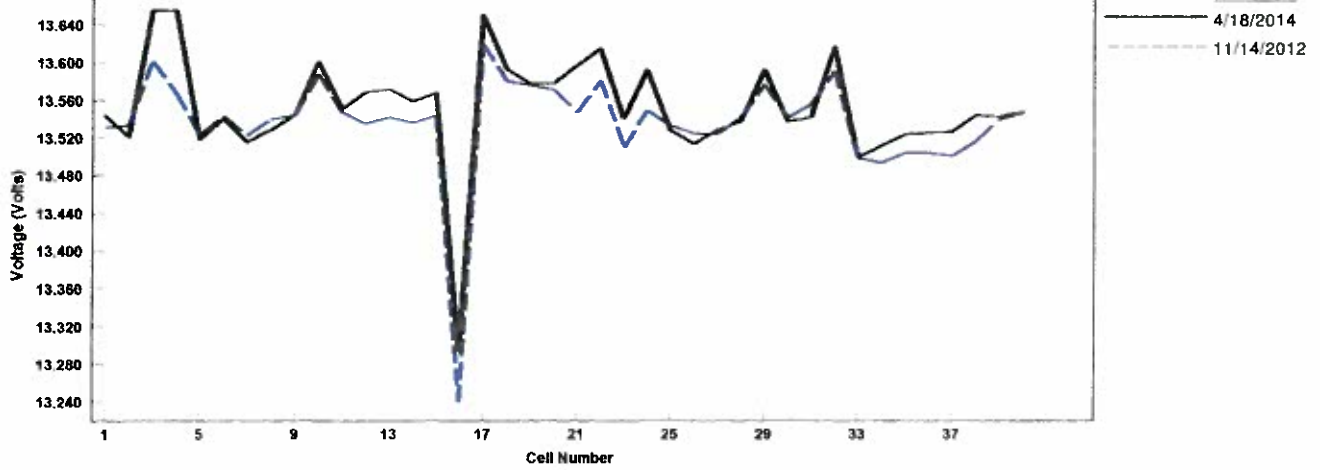
RESISTANCE GRAPH FOR ALL TESTS

LEGEND



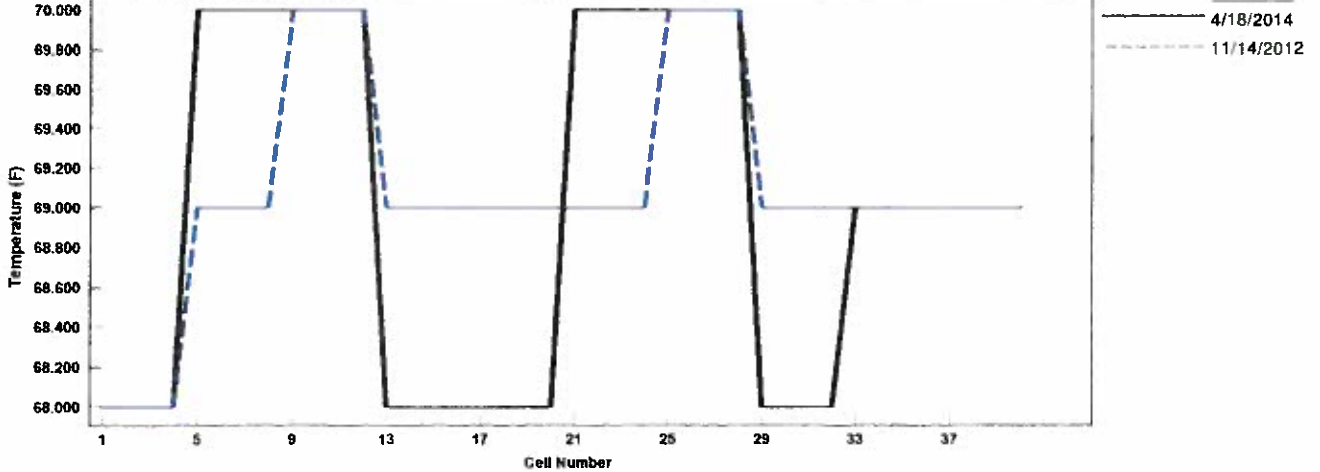
ALL TESTS VOLTAGE GRAPH

LEGEND



ALL TESTS TEMPERATURE GRAPH

LEGEND





Battery Maintenance Report Annual

CUSTOMER Kodiak Police Station SITE ID 123566 DATE 4/18/2014
 STREET 2160 MILL BAY ROAD TICKET # 2957612
 TAG # 1497242
 CITY KODIAK STATE / PROVINCE AK
 POSTAL CODE 99615 COUNTRY _____ ATTENTION RAY ELLIS
 SYSTEM IDENTIFIER _____

BATTERY: MANUFACTURER: C & D TECHNOLOGIES NO OF JARS: 40
 MODEL: UPS12-490MR NUMBER OF CELLS PER JAR: 6
 DATE CODE: 06/2009 CELLS PER STRING: 240
 STRING INSTALL DATE: 4/15/2010 MEASUREMENT POINTS: 40
 BATTERY TYPE: VRLA INTERCELL MEASUREMENTS: 0
 FIXTURE: CABINET

BATTERY MONITORING SYSTEM:

MANUFACTURER: _____ SERIAL #: _____
 MODEL: _____ TAG #: _____

UPS / CHARGER: MANUFACTURER: Liebert SERIAL #: M09FF3O0022
 MODEL: 37SA065C0C6B876 TAG #: 1497238

LIEBERT SPARE BATTERIES: # CELLS/JARS _____ DATE CODE _____
 MODEL: _____ TAG #: _____

INSPECTION TYPE: Annual

SYSTEM READINGS:

FLOAT VOLTAGE: 541.94 V AC RIPPLE CURRENT: 3.25 Amps
 FLOAT CHARGING CURRENT: 0 Amps AC RIPPLE VOLTAGE: .659 V
 SYSTEM LOAD: 99 Amp Load

FRESHENING/EQUALIZE CHARGE VOLTAGE (Volts/Cell rate): _____ V/C SYSTEM VOLTAGE: _____ V, _____ Hrs Duration

GENERAL SITE & SAFETY EQUIPMENT OBSERVATIONS:

ROOM TEMP: 70 F INTER-CELL/JAR CONNECTION TORQUE: 110 Inch Pounds
 CABINET CONDITION: OK

EMERGENCY GENERATOR Present SHOWER PRESENT Present HYDROGEN DETECTOR Present
 FIRE SUPPRESSION Present SPILL CONTAINMENT Present VENTILATION FAN Present
 EYE WASH STATION Present SPILL KIT Present ADEQUATE LIGHTING Present

INSPECT THE APPEARANCE AND CLEANLINESS OF THE BATTERY AND BATTERY ROOM: OK

VERIFY NO GROUND FAULT EXISTS: OK

VISUALLY INSPECT JARS AND COVERS FOR CRACKS AND LEAKAGE: OK

VISUALLY INSPECT FOR EVIDENCE OF CORROSION: OK

INSTRUMENTS USED:

#	Manufacturer	Model	Equipment Inventory #	Type	Calibration Date
1					

TESTED BY: Hawk, Steve



Battery Maintenance Report Annual

COMMENTS:	04/18/2014-Performed the Annual inspection on the string of 40 UPS12-490MR batteries date coded 06/2009. The batteries are over 4 years old. Liebert recommends a full string replacement in 4 - 6 years due to age and reduced capacity. Some of the temperatures are low due to space cooling configuration. All the voltage, current, and resistance values are in range. The batteries are online and charging.
DEFICIENCIES:	The battery system may be at or near its end of useful service life; replacement recommended



Battery Maintenance Report Annual

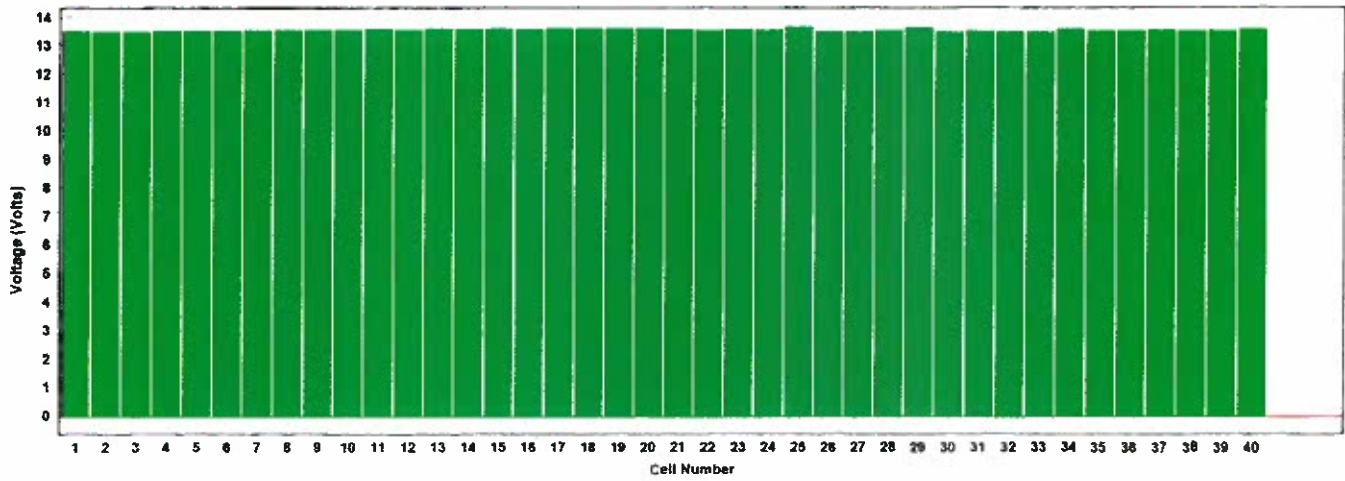
JAR DATA						
#	MODEL	DATE CODE	FLOAT VOLTAGE (V)	RESISTANCE (micro ohms)	CELL TEMP °F	Misc
LIMITS	Monitor (Min-Max)		/	40 %	/	
	Critical (Min-Max)		0 / 0	50 %	/	
1	UPS12-490MR	06/2009	13.524	4.404	72	
2	UPS12-490MR	06/2009	13.504	4.528	72	
3	UPS12-490MR	06/2009	13.473	4.656	72	
4	UPS12-490MR	06/2009	13.530	4.112	72	
5	UPS12-490MR	06/2009	13.526	4.012	72	
6	UPS12-490MR	06/2009	13.607	4.144	72	
7	UPS12-490MR	06/2009	13.532	3.968	72	
8	UPS12-490MR	06/2009	13.543	4.318	72	
9	UPS12-490MR	06/2009	13.566	4.311	70	
10	UPS12-490MR	06/2009	13.564	4.046	70	
11	UPS12-490MR	06/2009	13.572	3.938	70	
12	UPS12-490MR	06/2009	13.568	4.204	70	
13	UPS12-490MR	06/2009	13.601	4.026	69	
14	UPS12-490MR	06/2009	13.607	4.029	69	
15	UPS12-490MR	06/2009	13.610	4.004	69	
16	UPS12-490MR	06/2009	13.589	4.287	69	
17	UPS12-490MR	06/2009	13.596	4.022	70	
18	UPS12-490MR	06/2009	13.595	4.097	70	
19	UPS12-490MR	06/2009	13.600	3.877	70	
20	UPS12-490MR	06/2009	13.614	3.770	70	
21	UPS12-490MR	06/2009	13.583	4.053	71	
22	UPS12-490MR	06/2009	13.567	4.013	71	
23	UPS12-490MR	06/2009	13.587	4.068	71	
24	UPS12-490MR	06/2009	13.560	4.097	71	
25	UPS12-490MR	06/2009	13.633	4.051	72	
26	UPS12-490MR	06/2009	13.478	4.586	72	
27	UPS12-490MR	06/2009	13.487	4.883	72	
28	UPS12-490MR	06/2009	13.538	4.128	72	
29	UPS12-490MR	06/2009	13.625	3.925	72	
30	UPS12-490MR	06/2009	13.486	4.188	72	
31	UPS12-490MR	06/2009	13.522	4.057	72	
32	UPS12-490MR	06/2009	13.484	4.538	72	
33	UPS12-490MR	06/2009	13.486	4.490	71	
34	UPS12-490MR	06/2009	13.581	4.072	71	
35	UPS12-490MR	06/2009	13.515	4.602	71	
36	UPS12-490MR	06/2009	13.541	4.290	71	
37	UPS12-490MR	06/2009	13.555	4.108	71	
38	UPS12-490MR	06/2009	13.530	4.164	71	
39	UPS12-490MR	06/2009	13.543	4.267	71	
40	UPS12-490MR	06/2009	13.571	4.083	71	



Battery Maintenance Report Annual

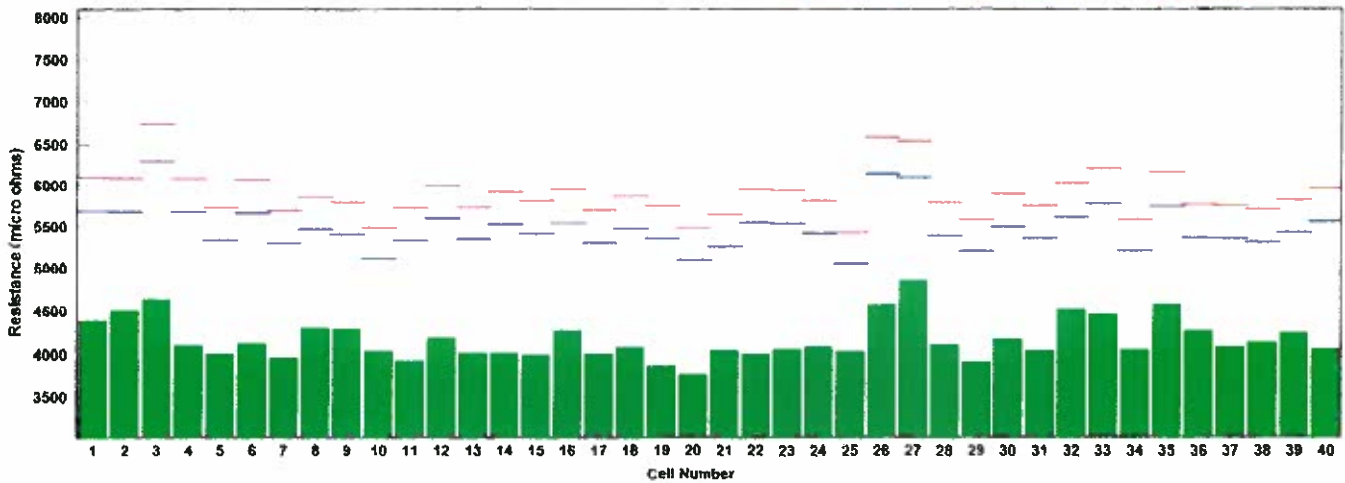
CELL VOLTAGE (1-40) ON 4/18/2014

Normal Monitor Critical



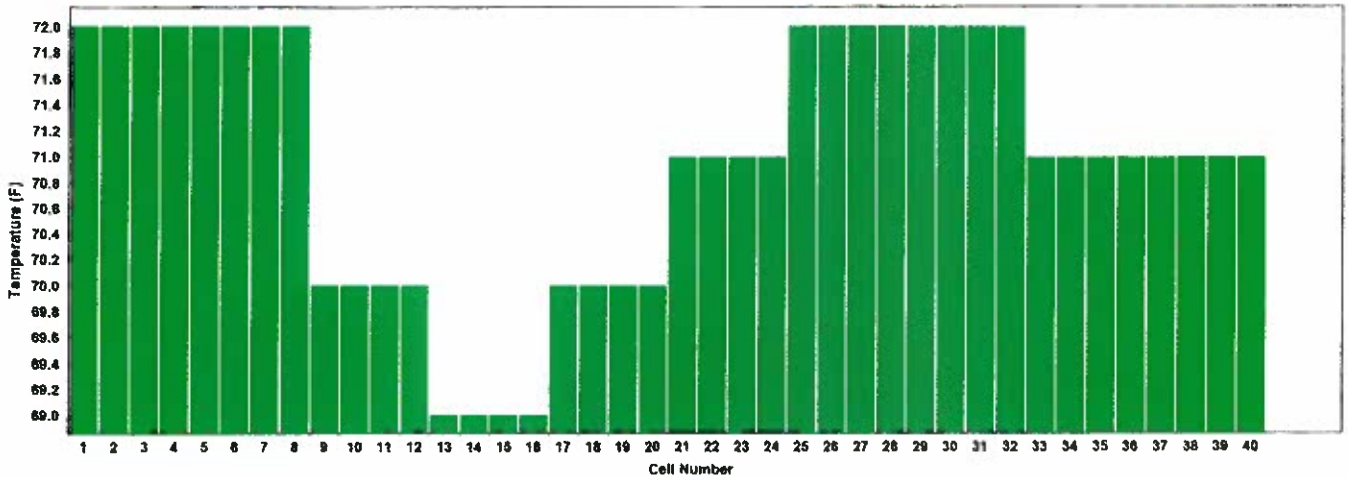
CELL RESISTANCE (Cells 1-40) ON 4/18/2014

Normal Monitor Critical



CELL TEMPERATURE (Cells 1-40) ON 4/18/2014

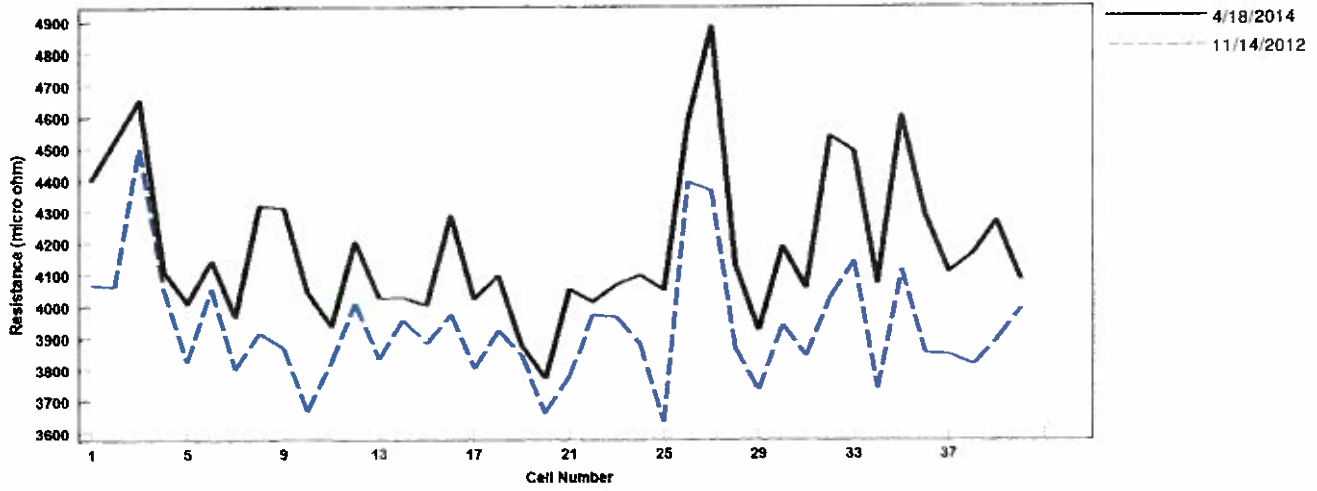
Normal Monitor Critical



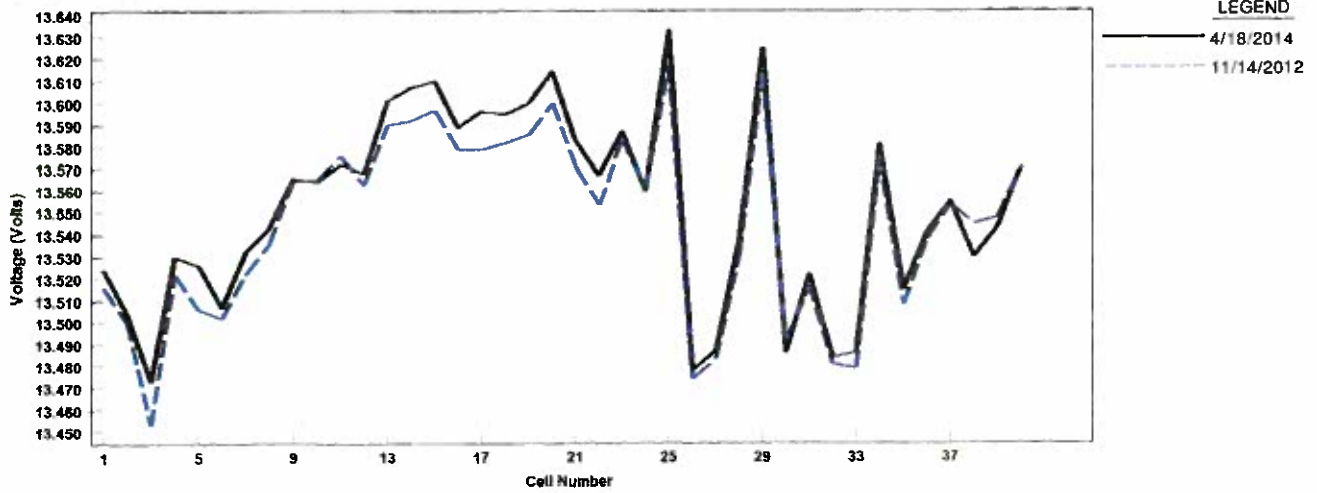


Battery Maintenance Report Annual

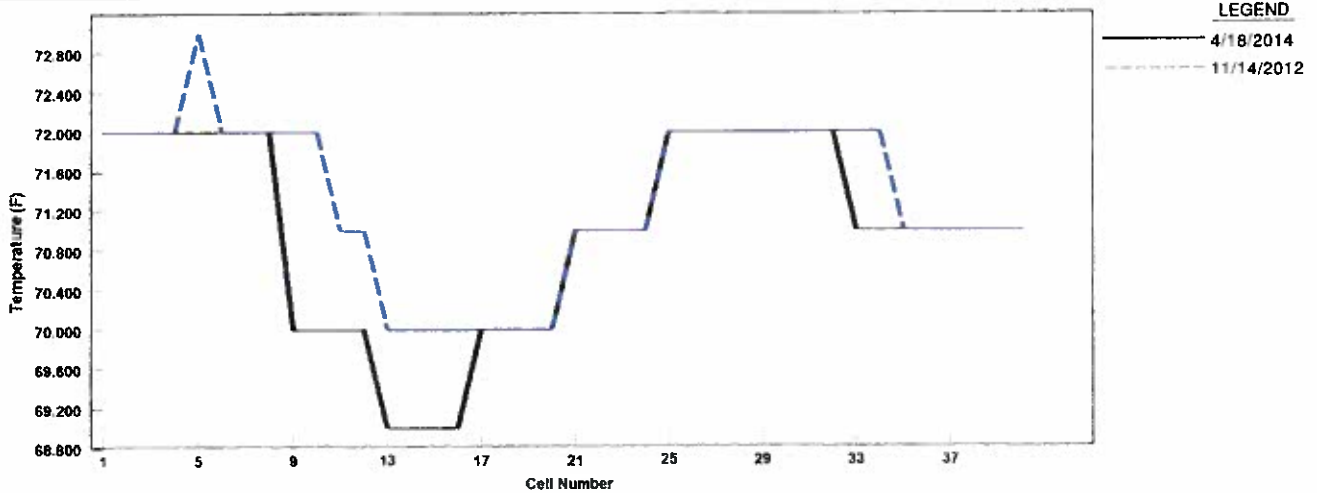
RESISTANCE GRAPH FOR ALL TESTS



ALL TESTS VOLTAGE GRAPH



ALL TESTS TEMPERATURE GRAPH





Battery Maintenance Report Annual

CUSTOMER Kodiak Police Station SITE ID 123566 DATE 4/18/2014
 STREET 2160 MILL BAY ROAD TICKET # 2957612
 TAG # 1497243
 CITY KODIAK STATE / PROVINCE AK
 POSTAL CODE 99615 COUNTRY _____ ATTENTION RAY ELLIS
 SYSTEM IDENTIFIER _____

BATTERY: MANUFACTURER: C & D TECHNOLOGIES NO OF JARS: 40
 MODEL: UPS12-490MR NUMBER OF CELLS PER JAR: 6
 DATE CODE: 06/2009 CELLS PER STRING: 240
 STRING INSTALL DATE: 4/15/2010 MEASUREMENT POINTS: 40
 BATTERY TYPE: VRLA INTERCELL MEASUREMENTS: 0
 FIXTURE: CABINET

BATTERY MONITORING SYSTEM:

MANUFACTURER: _____ SERIAL #: _____
 MODEL: _____ TAG #: _____

UPS / CHARGER: MANUFACTURER: LIEBERT SERIAL #: M09F3O0022
 MODEL: 37SA065C0C6B876 TAG #: 1497238

LIEBERT SPARE BATTERIES: # CELLS/JARS _____ DATE CODE _____
 MODEL: _____ TAG #: _____

INSPECTION TYPE: Annual

SYSTEM READINGS:

FLOAT VOLTAGE: 541.9 V AC RIPPLE CURRENT: 3.44 Amps
 FLOAT CHARGING CURRENT: 0 Amps AC RIPPLE VOLTAGE: .562 V
 SYSTEM LOAD: 99 Amp Load

FRESHENING/EQUALIZE CHARGE VOLTAGE (Volts/Cell rate): _____ V/C SYSTEM VOLTAGE: _____ V, _____ Hrs Duration

GENERAL SITE & SAFETY EQUIPMENT OBSERVATIONS:

ROOM TEMP: 70 F INTER CELL/JAR CONNECTION TORQUE: 110 Inch Pounds
 CABINET CONDITION: OK

EMERGENCY GENERATOR Present SHOWER PRESENT Present HYDROGEN DETECTOR Present
 FIRE SUPPRESSION Present SPILL CONTAINMENT Present VENTILATION FAN Present
 EYE WASH STATION Present SPILL KIT Present ADEQUATE LIGHTING Present

INSPECT THE APPEARANCE AND CLEANLINESS OF THE BATTERY AND BATTERY ROOM: OK
 VERIFY NO GROUND FAULT EXISTS: OK
 VISUALLY INSPECT JARS AND COVERS FOR CRACKS AND LEAKAGE: OK
 VISUALLY INSPECT FOR EVIDENCE OF CORROSION: OK

INSTRUMENTS USED:

#	Manufacturer	Model	Equipment Inventory #	Type	Calibration Date
1					

TESTED BY: Hawk, Steve



Battery Maintenance Report Annual

COMMENTS:	04/18/2014-Performed the Annual inspection on the string of 40 UPS12-490MR batteries date coded 06/2009. The batteries are over 4 years old. Liebert recommends a full string replacement in 4 - 6 years due to age and reduced capacity. Some of the temperatures are low due to space cooling configuration. Battery jar #6 shows a higher resistance than the nominal value for the string. Recommending replacement due to age. Several other jars are showing signs of increased resistance. The voltage and current values are in range. The batteries are online and charging.
DEFICIENCIES:	The battery system may be at or near its end of useful service life; replacement recommended



Battery Maintenance Report Annual

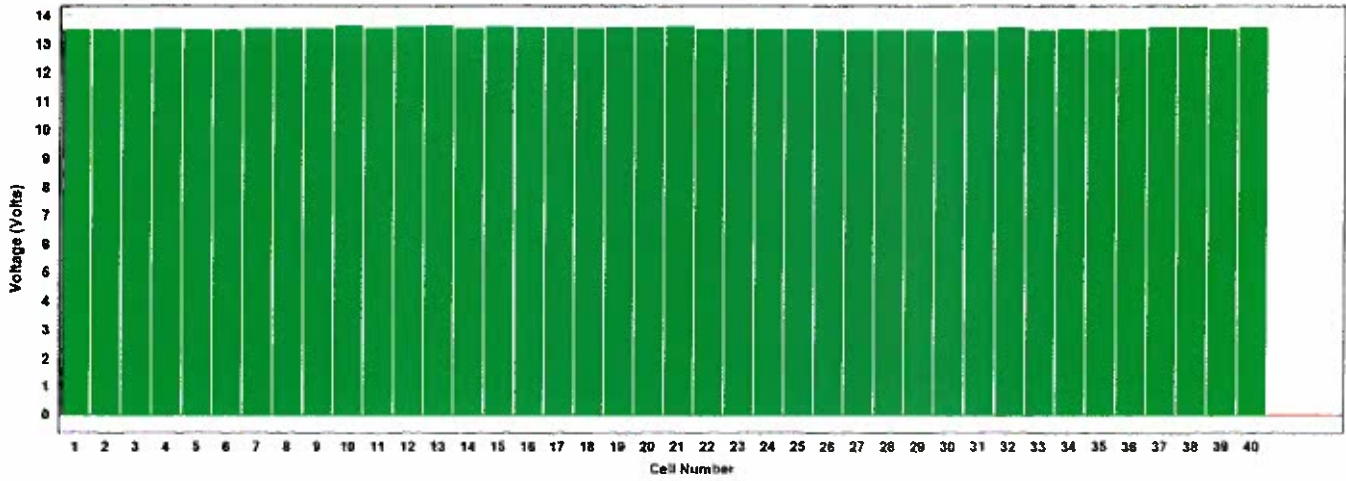
1 Critical Units

JAR DATA						
#	MODEL	DATE CODE	FLOAT VOLTAGE (V)	RESISTANCE (micro ohms)	CELL TEMP. °F	Misc
LIMITS	Voltage (Min/Max)		/	40 %	/	
	Capacity (Min/Max)		0 / 0	50 %	/	
1	UPS12-490MR	06/2009	13.504	4,675	72	
2	UPS12-490MR	06/2009	13.502	4,590	72	
3	UPS12-490MR	06/2009	13.512	4,446	72	
4	UPS12-490MR	06/2009	13.544	4,236	72	
5	UPS12-490MR	06/2009	13.516	4,121	73	
6	UPS12-490MR	06/2009	13.508	6,370	73	
7	UPS12-490MR	06/2009	13.559	4,118	73	
8	UPS12-490MR	06/2009	13.530	4,378	73	
9	UPS12-490MR	06/2009	13.536	4,751	72	
10	UPS12-490MR	06/2009	13.641	3,613	72	
11	UPS12-490MR	06/2009	13.544	4,607	72	
12	UPS12-490MR	06/2009	13.607	4,080	72	
13	UPS12-490MR	06/2009	13.645	3,884	70	
14	UPS12-490MR	06/2009	13.567	4,726	70	
15	UPS12-490MR	06/2009	13.607	4,013	70	
16	UPS12-490MR	06/2009	13.582	4,395	70	
17	UPS12-490MR	06/2009	13.588	3,942	70	
18	UPS12-490MR	06/2009	13.577	4,097	70	
19	UPS12-490MR	06/2009	13.599	4,218	70	
20	UPS12-490MR	06/2009	13.585	4,055	70	
21	UPS12-490MR	06/2009	13.629	4,444	72	
22	UPS12-490MR	06/2009	13.536	4,246	72	
23	UPS12-490MR	06/2009	13.541	5,013	72	
24	UPS12-490MR	06/2009	13.521	4,715	72	
25	UPS12-490MR	06/2009	13.527	4,290	73	
26	UPS12-490MR	06/2009	13.496	4,336	73	
27	UPS12-490MR	06/2009	13.497	4,550	73	
28	UPS12-490MR	06/2009	13.516	5,408	73	
29	UPS12-490MR	06/2009	13.489	4,937	72	
30	UPS12-490MR	06/2009	13.476	4,393	72	
31	UPS12-490MR	06/2009	13.512	4,437	72	
32	UPS12-490MR	06/2009	13.584	4,165	72	
33	UPS12-490MR	06/2009	13.499	4,450	72	
34	UPS12-490MR	06/2009	13.524	4,280	72	
35	UPS12-490MR	06/2009	13.515	4,245	72	
36	UPS12-490MR	06/2009	13.525	4,598	72	
37	UPS12-490MR	06/2009	13.607	4,170	72	
38	UPS12-490MR	06/2009	13.618	4,179	72	
39	UPS12-490MR	06/2009	13.533	4,481	72	
40	UPS12-490MR	06/2009	13.507	5,240	72	

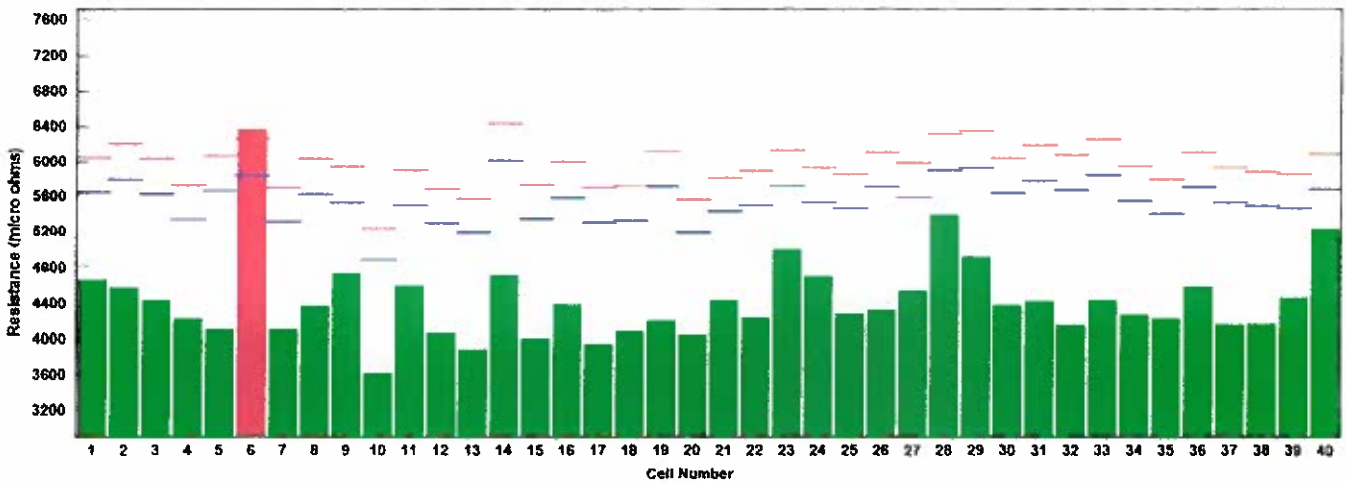


Battery Maintenance Report Annual

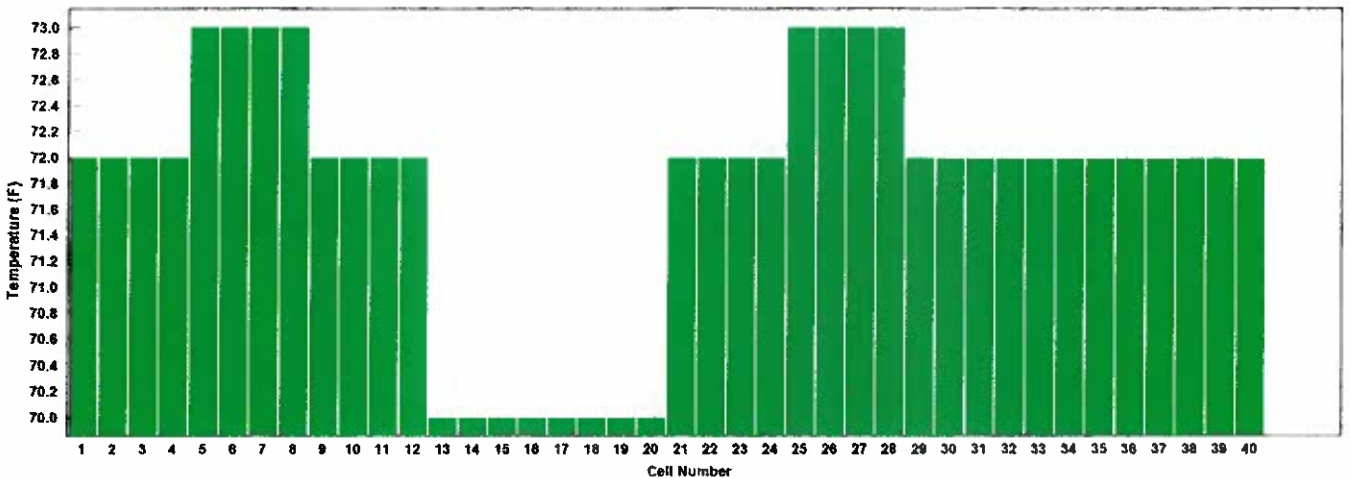
CELL VOLTAGE (1-40) ON 4/18/2014



CELL RESISTANCE (Cells 1-40) ON 4/18/2014



CELL TEMPERATURE (Cells 1-40) ON 4/18/2014

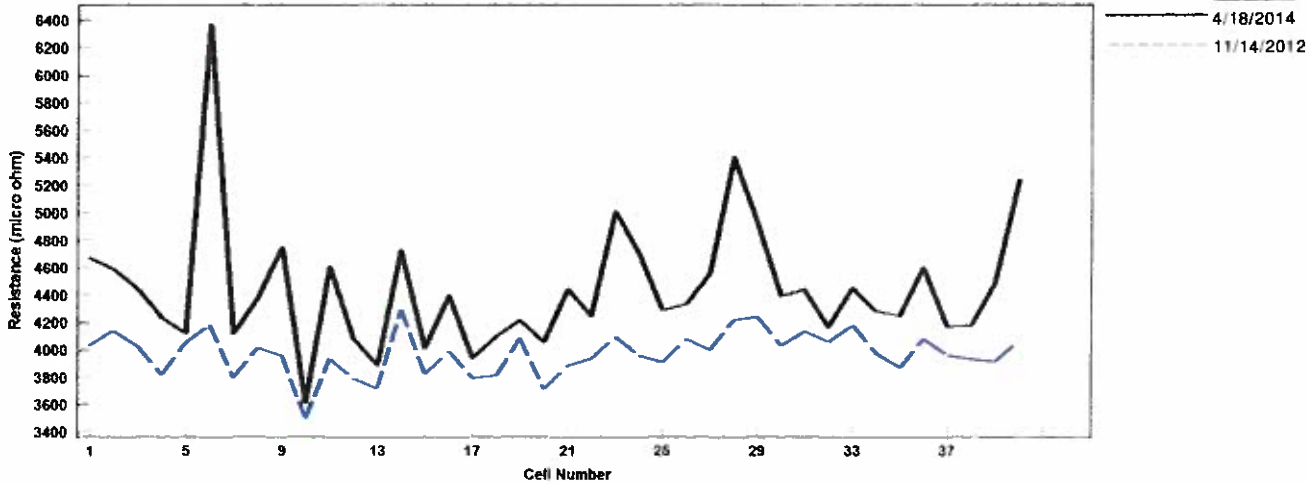




Battery Maintenance Report Annual

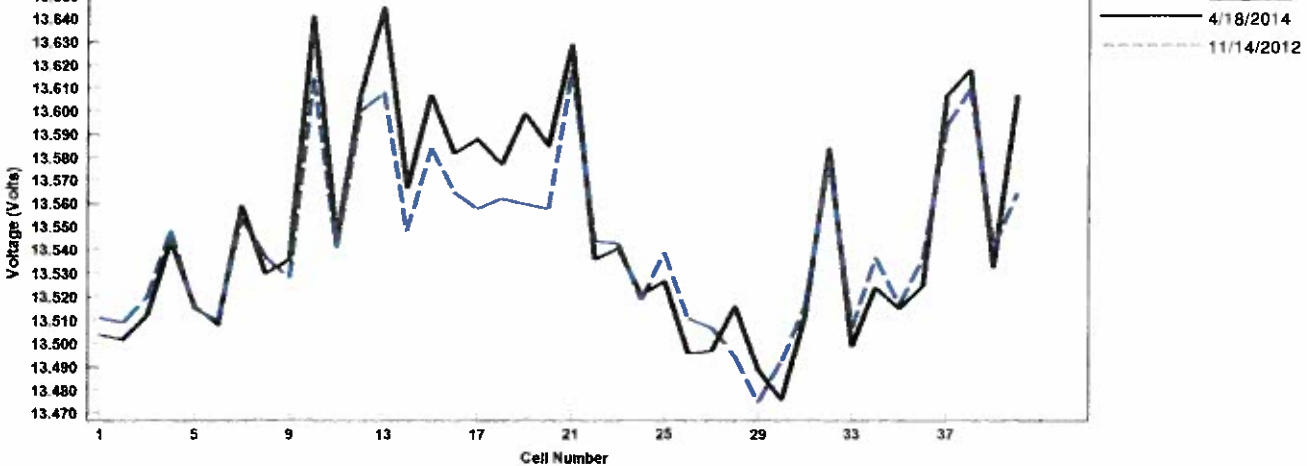
RESISTANCE GRAPH FOR ALL TESTS

LEGEND



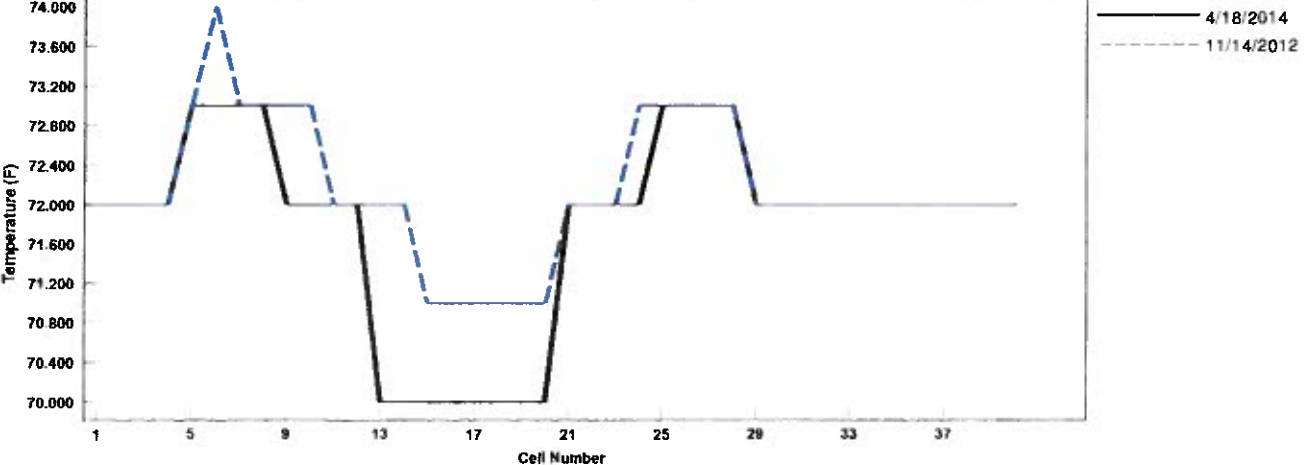
ALL TESTS VOLTAGE GRAPH

LEGEND



ALL TESTS TEMPERATURE GRAPH

LEGEND





Battery Maintenance Report Annual

CUSTOMER Kodiak Police Station SITE ID 123566 DATE 4/18/2014
 STREET 2160 MILL BAY ROAD TICKET # 2957612
 CITY KODIAK STATE / PROVINCE AK TAG # 1497244
 POSTAL CODE 99615 COUNTRY _____ ATTENTION RAY ELLIS
 SYSTEM IDENTIFIER _____

BATTERY: MANUFACTURER: C & D TECHNOLOGIES NO OF JARS: 40
 MODEL: UPS12-490MR NUMBER OF CELLS PER JAR: 6
 DATE CODE: 06/2009 CELLS PER STRING: 240
 STRING INSTALL DATE: 4/15/2010 MEASUREMENT POINTS: 40
 BATTERY TYPE: VRLA INTERCELL MEASUREMENTS: 0
 FIXTURE: CABINET

BATTERY MONITORING SYSTEM:

MANUFACTURER: _____ SERIAL #: _____
 MODEL: _____ TAG #: _____

UPS / CHARGER: MANUFACTURER: LIEBERT SERIAL #: M09F3O0022
 MODEL: 37SA065C0C6BB76 TAG #: 1497238

LIEBERT SPARE BATTERIES: # CELLS/JARS: _____ DATE CODE: _____
 MODEL: _____ TAG #: _____

INSPECTION TYPE: Annual

SYSTEM READINGS:

FLOAT VOLTAGE: 541.9 V AC RIPPLE CURRENT: 3.15 Amps
 FLOAT CHARGING CURRENT: 0 Amps AC RIPPLE VOLTAGE: .536 V
 SYSTEM LOAD: 99 Amp Load

FRESHENING/EQUALIZE CHARGE VOLTAGE (Volts/Cell rate): _____ V/C SYSTEM VOLTAGE: _____ V, _____ Hrs Duration

GENERAL SITE & SAFETY EQUIPMENT OBSERVATIONS:

ROOM TEMP: 71 F INTER-CELL/JAR CONNECTION TORQUE: 110 Inch Pounds
 CABINET CONDITION: OK

EMERGENCY GENERATOR Present SHOWER PRESENT Present HYDROGEN DETECTOR Present
 FIRE SUPPRESSION Present SPILL CONTAINMENT Present VENTILATION FAN Present
 EYE WASH STATION Present SPILL KIT Present ADEQUATE LIGHTING Present

INSPECT THE APPEARANCE AND CLEANLINESS OF THE BATTERY AND BATTERY ROOM: OK
 VERIFY NO GROUND FAULT EXISTS: OK
 VISUALLY INSPECT JARS AND COVERS FOR CRACKS AND LEAKAGE: OK
 VISUALLY INSPECT FOR EVIDENCE OF CORROSION: OK

INSTRUMENTS USED:

#	Manufacturer	Model	Equipment Inventory #	Type	Calibration Date
1					

TESTED BY: Hawk, Steve



Battery Maintenance Report Annual

COMMENTS:	04/18/2014-Performed the Annual inspection on the string of 40 UPS12-490MR batteries date coded 06/2009. The batteries are over 4 years old Liebert recommends a full string replacement in 4 - 6 years due to age and reduced capacity. Some of the temperatures are low due to space cooling configuration. All the voltage, current, and resistance values are in range. The batteries are showing signs of varied and increased resistance over the past year. The batteries are online and charging.
DEFICIENCIES:	The battery system may be at or near its end of useful service life, replacement recommended



Battery Maintenance Report Annual

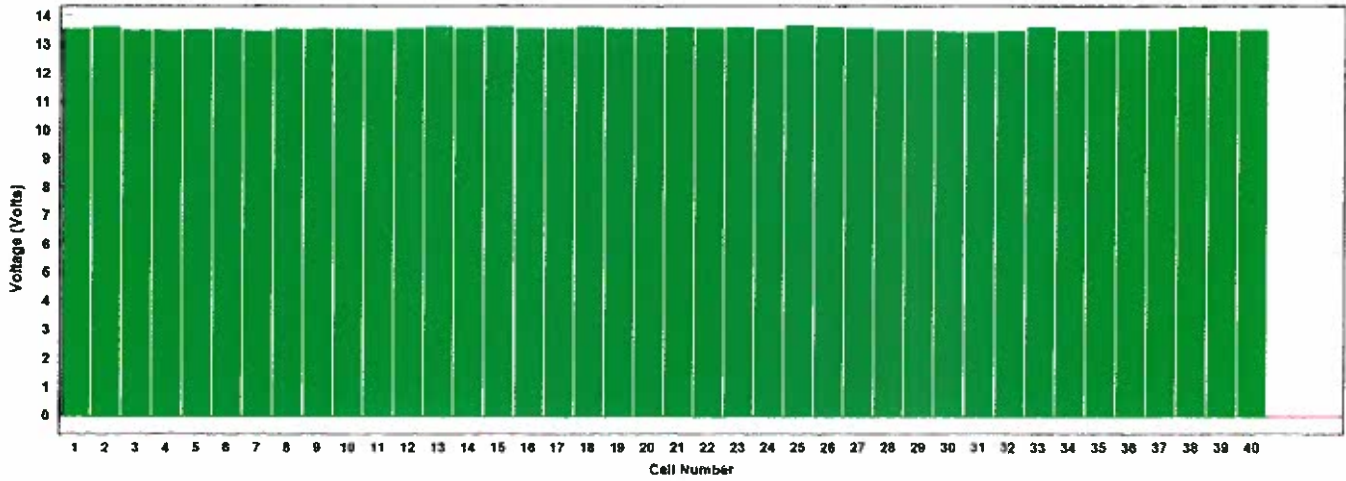
JAR DATA						
#	MODEL	DATE CODE	FLOAT VOLTAGE (V)	RESISTANCE (micro ohms)	CELL TEMP. °F	Misc
LIMITS	Monitor (Min/Max)		/	40 %	/	
	Critical (Min/Max)		0 / 0	50 %	/	
1	UPS12-490MR	06/2009	13.532	4,302	72	
2	UPS12-490MR	06/2009	13.609	3,716	72	
3	UPS12-490MR	06/2009	13.501	4,295	72	
4	UPS12-490MR	06/2009	13.496	4,638	72	
5	UPS12-490MR	06/2009	13.498	5,418	73	
6	UPS12-490MR	06/2009	13.546	3,891	73	
7	UPS12-490MR	06/2009	13.472	4,398	73	
8	UPS12-490MR	06/2009	13.544	4,378	73	
9	UPS12-490MR	06/2009	13.537	4,102	73	
10	UPS12-490MR	06/2009	13.541	4,249	73	
11	UPS12-490MR	06/2009	13.494	4,575	73	
12	UPS12-490MR	06/2009	13.584	4,132	73	
13	UPS12-490MR	06/2009	13.616	3,914	70	
14	UPS12-490MR	06/2009	13.571	4,176	70	
15	UPS12-490MR	06/2009	13.630	3,678	70	
16	UPS12-490MR	06/2009	13.576	4,180	70	
17	UPS12-490MR	06/2009	13.567	4,277	70	
18	UPS12-490MR	06/2009	13.618	3,866	70	
19	UPS12-490MR	06/2009	13.553	4,207	70	
20	UPS12-490MR	06/2009	13.566	3,953	70	
21	UPS12-490MR	06/2009	13.596	3,905	71	
22	UPS12-490MR	06/2009	13.574	4,069	71	
23	UPS12-490MR	06/2009	13.619	3,709	71	
24	UPS12-490MR	06/2009	13.535	4,179	71	
25	UPS12-490MR	06/2009	13.655	3,851	73	
26	UPS12-490MR	06/2009	13.592	3,746	73	
27	UPS12-490MR	06/2009	13.575	4,336	73	
28	UPS12-490MR	06/2009	13.498	4,739	73	
29	UPS12-490MR	06/2009	13.490	4,552	72	
30	UPS12-490MR	06/2009	13.478	4,480	72	
31	UPS12-490MR	06/2009	13.475	4,450	72	
32	UPS12-490MR	06/2009	13.495	4,477	72	
33	UPS12-490MR	06/2009	13.618	3,827	72	
34	UPS12-490MR	06/2009	13.517	4,366	72	
35	UPS12-490MR	06/2009	13.504	4,359	72	
36	UPS12-490MR	06/2009	13.530	4,382	72	
37	UPS12-490MR	06/2009	13.540	4,144	71	
38	UPS12-490MR	06/2009	13.635	3,926	71	
39	UPS12-490MR	06/2009	13.500	4,316	71	
40	UPS12-490MR	06/2009	13.546	4,402	71	



Battery Maintenance Report Annual

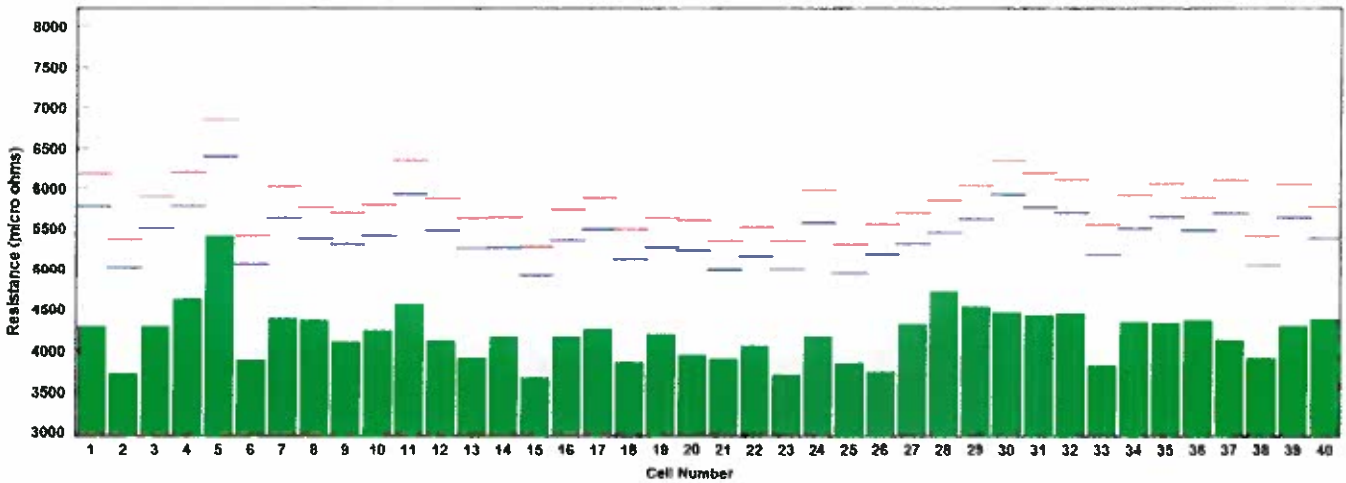
CELL VOLTAGE (1-40) ON 4/18/2014

■ Normal
 ■ Monitor
 ■ Critical



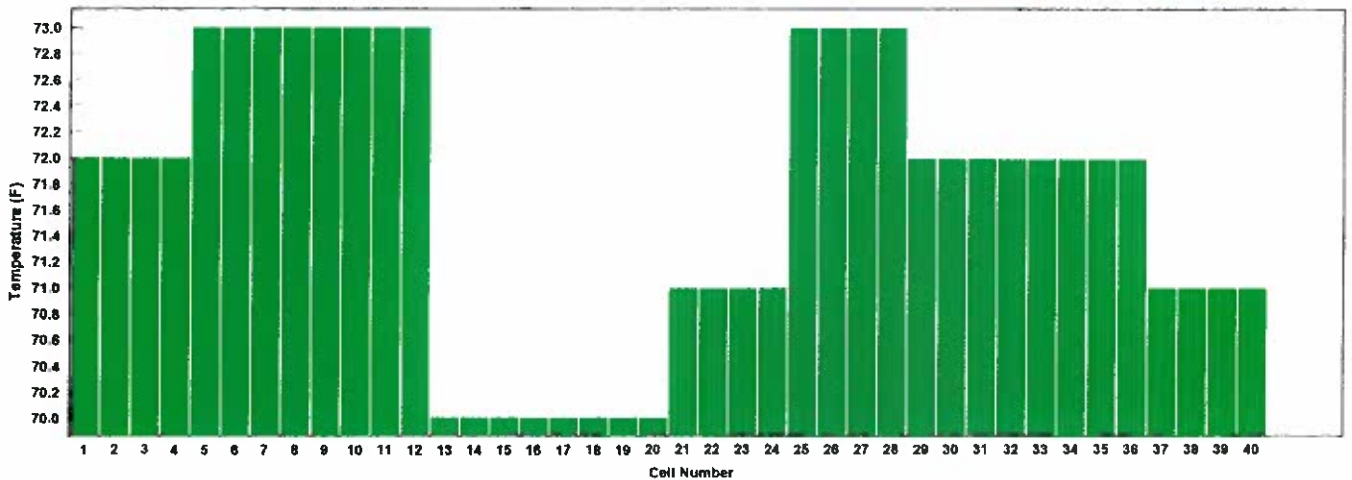
CELL RESISTANCE (Cells 1-40) ON 4/18/2014

■ Normal
 ■ Monitor
 ■ Critical



CELL TEMPERATURE (Cells 1-40) ON 4/18/2014

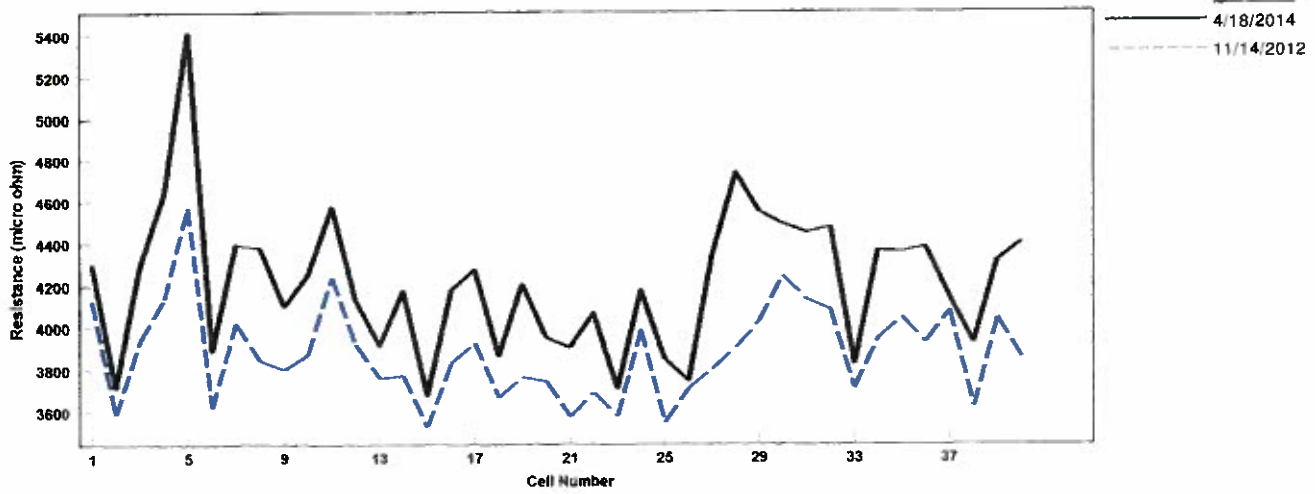
■ Normal
 ■ Monitor
 ■ Critical



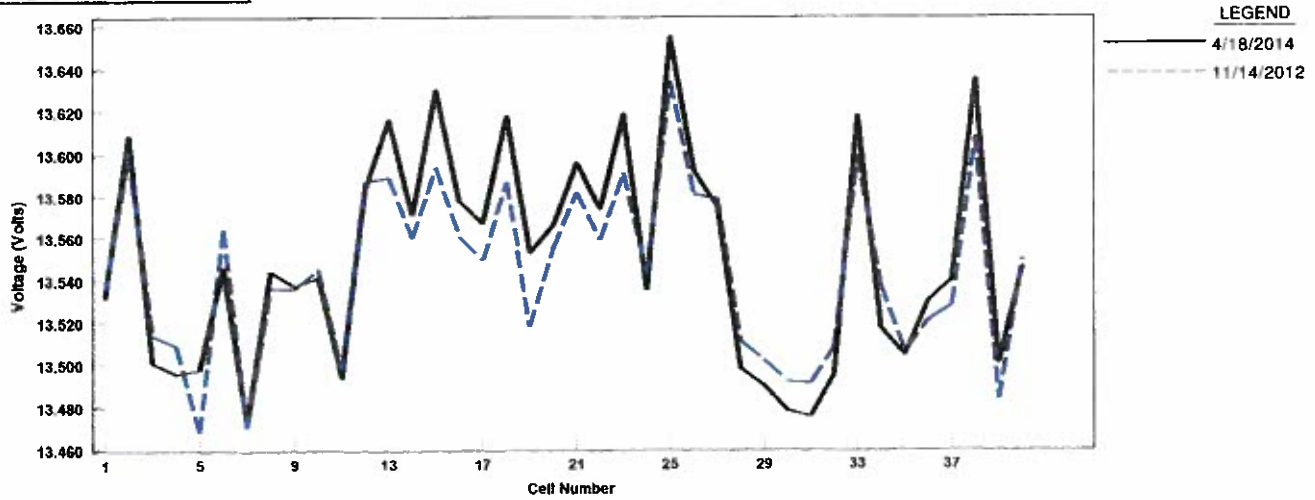


Battery Maintenance Report Annual

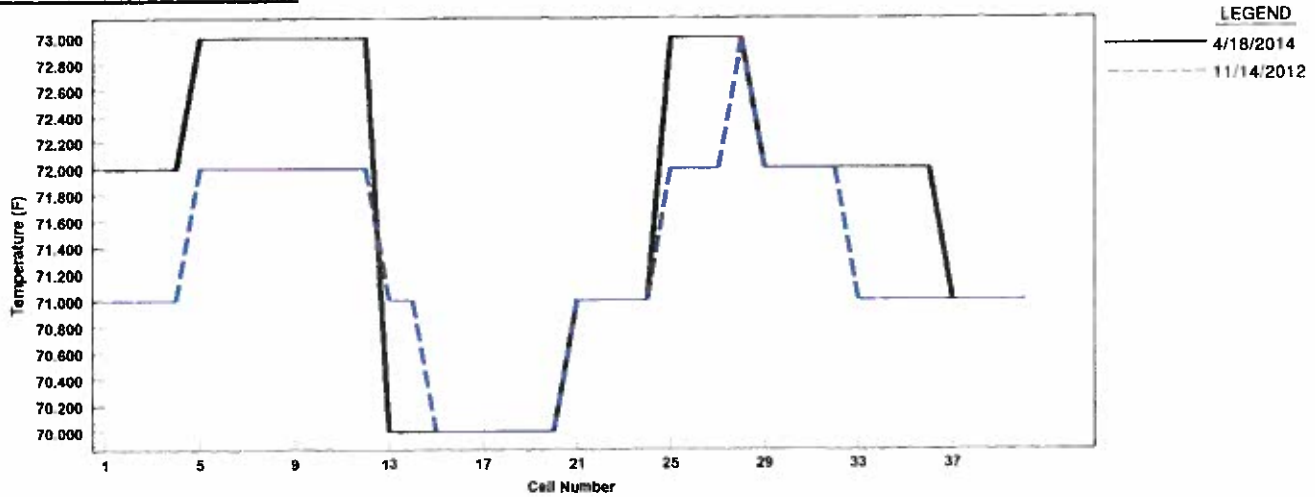
RESISTANCE GRAPH FOR ALL TESTS



ALL TESTS VOLTAGE GRAPH



ALL TESTS TEMPERATURE GRAPH





MBCPM Preventive Maintenance



Print...

Customer Information	
Site ID :	123566
Customer Name :	Kodiak_Police_Station
Customer Site Reference :	NONE
Address :	2160 MILL BAY RD
City/State/Zip :	KODIAK, AK 99615
Facility Manager :	PETERSON, LEE

Equipment Information	
Equipment Tag # :	1497376
Equipment Model # :	MBP3250C00S3712
Equipment Description :	OTHER UPS ANCIL
Customer Equipment Reference :	N/A
Warranty Coverage Dates :	08/12/2010 to 01/01/2011
Contract Type :	2PM ONLY 7X24
Contract Coverage Dates :	07/01/2013 to 06/30/2014

Service Information	
Date Service Performed :	4/18/2014
Ticket Number :	2957612
Service Performed :	Preventive Maintenance
Customer Engineer Name :	HAWK, STEVE

Maintenance Checks		
1	Complete visual inspection of the equipment including internal sub-assemblies, wiring harnesses, contactors, cables, and major components.	
2	Check all mechanical connections for tightness and heat discoloration, making corrections where necessary.	
3	Clean any foreign material and dust from internal compartments.	
4	Perform a status check of all alarm circuits (if applicable).	
5	Calibration of the equipment to meet manufacturer's specifications (if applicable).	
6	Operational checkout of the system to include transfers and proper status indications.	✓
7	Install or perform Engineering Field Change Notices (FCN) and field alerts as necessary.	✓
8	Return unit to operational service with normal load then measure and verify display indications.	

Performance Note	
Upon performance review, the equipment status meets all manufacturing specifications for operation. No further actions required at this time.	
Recommendation : None at this time	

Signature on File	
No signature on file	

This service is covered under Emerson Network Power Liebert Services standard terms and conditions. Please contact the Customer Resolution Center at 1-800-Liebert to schedule a service visit or if you have any questions regarding this service report. We appreciate your business.

End of Report

Tag#: 1497376 / Date Service Performed: 4/18/2014

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EXECUTIVE SESSION

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager 

Date: February 12, 2015

Agenda Item: X. a. **Manager's Evaluation and Contract Review**

SUMMARY: The Mayor and City Council will go into executive session to evaluate the City Manager's annual performance per the Manager's employment agreement, sections 2 and 13. The Manager, Mayor, and Council will also discuss the terms of the contract.

PROPOSED MOTION:

Move to enter into executive session as authorized by Kodiak City Code Section 2.04.100(b)(2) to evaluate the City Manager's performance and discuss the terms of the employment contract.