

**City of Kodiak Regular Council Meeting Agenda for April 9, 2015**  
**7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)**

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- I. Call to Order/Roll Call**
  - Pledge of Allegiance/Invocation
  
- II. Previous Minutes**
  - Approval of Minutes of the March 17 and March 19, 2015, Special Council Meetings.....1
  
- III. Persons to Be Heard**
  - a. Proclamation: Week of the Young Child.....10
  - b. Proclamation: Month of the Military Child .....12
  - c. Proclamation: Child Abuse Prevention.....14
  - d. Proclamation: Sexual Assault Awareness Month .....16
  - e. Presentation of GFOA Award to the Finance Department .....18
  - f. Public Comments (limited to 3 minutes) (486-3231)
  
- IV. Unfinished Business**
  - a. None
  
- V. New Business**
  - a. Resolution No. 2015–10, Authorizing the Issuance of a Permit to the Kodiak Chamber of Commerce for Use of Public Property in Conjunction With the Kodiak Crab Festival ..... 22
  - b. Resolution No. 2015–11, Authorizing the Issuance of a Permit to Kodiak Little League for the Use of Public Property for Its Baseball Camp Fundraiser and to Sell Concessions During Games .....28
  - c. Resolution No. 2015–12, Authorizing the Issuance of a Permit to Kodiak High School Soccer Team to Sell Concessions and to Collect Gate Fees During Home Games.....32
  - d. Resolution No. 2015–13, Appropriating Funds for Additional Construction Expenses Related to the Bio-Solids Management Project, Project No. 08-06/7517 .....36
  - e. Authorization of a Professional Services Contract for Alaska Pollution Discharge Elimination System and Mixing Zone Permitting for the Wastewater Treatment Plant, Project No. 15-07 .....42
  - f. Authorization of Bid Award for Construction of the Composting Facility, Project No. 08-06/7517 .....52
  - g. Authorization of a Professional Services Contract for Construction Management Services for the Composting Facility, Project No. 08-06/7517.....56
  
- VI. Staff Reports**
  - a. City Manager
  - b. City Clerk
  
- VII. Mayor’s Comments**
  
- VIII. Council Comments**
  
- IX. Audience Comments (limited to 3 minutes) (486-3231)**
  
- X. Adjournment**

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<p><b>DRAFT</b></p>
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**MINUTES OF THE SPECIAL COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD TUESDAY, MARCH 17, 2015  
IN THE BOROUGH CONFERENCE ROOM**

**I. Call to Order**

Deputy Mayor Terry J. Haines called the meeting to order at 6 p.m. Councilmembers Randall C. Bishop, Charles E. Davidson, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Mayor Branson and Councilmember Gabriel T. Saravia were absent. City Manager Aimée Kniazowski, Deputy City Clerk Michelle Shuravloff-Nelson, Engineer Glenn Melvin, Harbormaster Lon White, and interim Finance Director Karl Swanson were also present.

**II. Public Comments on Agenda Items Only**

None

**III. Executive Session**

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

Councilmember Davidson 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, contractor claims related to the reconstruction of Pier III.

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

The Council entered into Executive Session at 6:01 p.m.

Deputy Haines reconvened the special meeting at 7:20 p.m.

**IV. Adjournment**

Councilmember Whiddon MOVED to adjourn the meeting.

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

The meeting adjourned at 7:20 p.m.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

Minutes Approved:

<b>DRAFT</b>
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**MINUTES OF THE SPECIAL COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, MARCH 19, 2015  
IN THE BOROUGH CONFERENCE ROOM**

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

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

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

**II. PREVIOUS MINUTES**

Councilmember Whiddon MOVED to approve the minutes of the February 26, 2015, regular meeting as presented.

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

**III. PERSONS TO BE HEARD**

**a. Proclamation: Women's History Month**

Councilmember Walker read the proclamation, which recognizes the contributions of women to the growth and strength of our Nation and urges residents to increase their knowledge and appreciation of the valuable role women play in our lives.

**b. Public Comments**

None

**IV. UNFINISHED BUSINESS**

None

**V. NEW BUSINESS**

- a. Resolution No. 2015-09, Appropriating Funds From the Cargo Terminal Fund to Fund Change Order No. 8 to Pacific Pile and Marine for Pier III Replacement, Project No. 11-07/8024**

Deputy Mayor Haines read Resolution No. 2015–09 by title. The City Engineer and Harbormaster have been working with the project manager to resolve construction issues including some with disputed or unresolved entitlement. The project manager, City, and contractor have reached an agreement that resolves the dispute through formulation of an Agreement and Change Order. In order to implement the Agreement and Change Order, the City must appropriate additional funding for the Pier III Replacement Project.

Councilmember Bishop MOVED to adopt Resolution No. 2015–09.

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

**b. Authorization of Professional Services Contract for Pre-Design of the New Fire Station and Condition Assessment of the Old Library Building, Project No. 6015/15-06**

Between 2004 and 2006, USKH (now Stantec) performed programming and concept design services for various configurations of City of Kodiak municipal buildings including various approaches to the fire station. Now that the old police station has been removed and the old library is vacated, the City can re-assess the site and look at options for planning of the new fire station, as well as potential reuse of the old library building.

Councilmember Walker MOVED to authorize a professional services contract with Stantec in the amount of \$99,435 for the pre-design of the new fire station and condition assessment of the old library building, Project No. 6015/15-06, and authorize the City Manager to execute the documents for the City.

Councilmember Davidson said he was in favor of passing the authorization saying if this step is already completed, it will be easier to move forward in the future when a funding plan becomes available.

Councilmember Saravia stated he supports approving the professional service contract.

Councilmember Walker said he was in favor of moving forward with the condition assessment of the old library building but was hesitant about spending money for the pre-design of the fire station. He suggested re-scoping the assessment.

Councilmember Whiddon said he supports the conditional assessment of the library as well as the need for a new fire station; however, he is concerned with the scope of the project. He said he is concerned that the concept design will not be applicable in the future, and an additional assessment will need to be completed.

Councilmember Haines agreed with Councilmember Whiddon and suggested moving this to the next Work Session for further discussion.

Councilmember Bishop said it is important to also keep in mind the economic development of the community and was in favor of postponing this authorization to a future meeting.

City Manager Kniazowski said that both the pre-design for the new fire station and the assessment of the old library are connected; if the Council is hesitant to move forward, she suggests postponing the authorization.

Councilmember Whiddon MOVED to postpone the authorization of a professional services contract with Stantec for the pre-design of the new fire station and condition assessment of the old library building to a future meeting to be determined by the City Manager.

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

**c. Authorization of Amendment No. 3 to the Professional Services Contract for Pier III Project Management Through Construction, Project No. 8024/11-07**

There have been a number of shifts in the Pier III project scope since ARCADIS submitted the December 2013 proposal for construction management services. Prior to bidding the general construction contract, substantial completion had been contemplated to be achieved in December 2014. Through discussions with the contracting community, this milestone was extended to June 2015. Issues have arisen during construction that will extend the date further. Pacific Pile and Marine's (PPM) proposed schedule that is currently under consideration would extend Substantial Completion to the end of August and Final Completion to the end of October. In addition to an extension of time, there have been other elements of added work beyond what was anticipated in the original ARCADIS proposal. The re-design and value engineering efforts resulting from the initial bid results added work. In addition, the General Contractor has submitted a number of claims that have taken a significant amount of time to manage.

Councilmember Whiddon MOVED to authorize Amendment No. 3 to the professional services contract with ARCADIS in an amount not-to-exceed \$200,000 for project management services through construction for Pier III Reconstruction, Project No. 8024/11-07.

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

**d. Authorization of Change Order No. 8 to Pacific Pile and Marine for Pier III Replacement, Project No. 11-07/8024**

This authorization recommends Change Order No. 8 to Pacific Pile and Marine LP in the amount of \$2,240,000. This change order addresses a number of issues that have impacted project cost and schedule. In an effort to resolve these issues, a settlement has been proposed on a global scale, which will enable the project to move forward in a successful manner.

Councilmember Bishop MOVED to authorize Change Order No. 8 to Pacific Pile and Marine in the amount of \$2,240,000 for the Pier III replacement project with funds coming from the Cargo Capital Project Fund, Pier III Replacement, 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, Walker, and Whiddon in favor. The motion passed.

**e. Authorization of Professional Services Contract for Website Redesign and Replacement**

The City issued a request for proposals on October 20, 2014, for the City's website redesign and replacement. The City's existing website was implemented several years ago, has become outdated, and needs improvement to better serve the public.

Councilmember Walker MOVED to authorize a professional services contract with aHa! Consulting for redesign and replacement of the City's web site in an amount not-to-exceed \$20,000 with funds coming from General Capital Fund 4041, City Website Development Project.

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

**f. Authorization of City Manager's Employment Contract**

This action will authorize the City Manager's employment contract by extending it for one year, from April 28, 2015, through April 30, 2016, per Section 2 D of the agreement.

Councilmember Davidson MOVED to authorize the City Manager's employment contract, Record No. 218571, through April 2016.

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

**VI. STAFF REPORTS****a. City Manager**

Manager Kniazowski indicated the Business Retention and Expansion (BRE) schedule was confirmed and invitations were extended to the KIB Assembly, Kodiak Chamber of Commerce and KANA. She stated the training will be held at the Fisheries Research Center. She mentioned the BRE training is scheduled during a day of Comfish. Manager Kniazowski gave an update on the Monashka Pumphouse project and stated there were no updates from the Department of Community Regional Affairs regarding the pathway funds. She indicated the City is supposed to receive the DEC compost permit by the end of the month. She indicated the compost project bid award will be scheduled for next month. Manager Kniazowski reported that Kelly Mayes has accepted the offer for the Finance Director, and she will begin the first week in July. She said City staff has begun work on budget entries in preparation for the upcoming budget work session on May 9. She gave an update on the Department of Corrections funding. She reminded the Council of the upcoming meetings including the Strategic Planning Session on April 17 and 18, and she reminded the Council she will be out of town for the Juneau Legislative Session and said she will give a report when she returns.

Councilmember Whiddon inquired about limiting services jail services if the State funding is reduced. Manager Kniazowski gave an overview of the offenses inmates are incarcerated for at the Kodiak jail to respond to the funding inquiries. She stated she will know more about the Department of Corrections funding after the Juneau trip.



**b. City Clerk**

Deputy City Clerk Shuravloff-Nelson informed the public of the next scheduled Council work session and regular meetings.

**VII. MAYOR'S COMMENTS**

Deputy Mayor Haines said he is excited that composting project is coming to a resolution and thanked the public for being informed and coming forward with their discussion.

**VIII. COUNCIL COMMENTS**

Councilmember Walker gave an overview of the SWAMC conference and said it was a very informative conference and he enjoyed the trip and representing the City.

Councilmember Saravia thanked Manager Kniazowski for her service to the City and gave an update on the National League of Cities conference he attended. Councilmember Saravia added having a jail in Kodiak is beneficial to many communities, including our own.

Councilmember Davidson said he also had the opportunity to attend the National League of Cities conference. He said the conference was a great chance to network with other cities and towns in the United States, and he saw President Obama. He shared he was appointed to the NLC Small Cities Steering Committee. He said he is very proud of our Kodiak community and was very glad he was able to attend this informative conference.

Councilmember Bishop thanked Deputy Haines and the Clerk's Office, and he complimented Manager Kniazowski for her hard work. He urged the community to be involved and informed.

Councilmember Whiddon praised DEC for getting the compost permit finished. He said he had the opportunity attend the SWAMC conference and that it was very informative. He said the two key points from the conference for him were how well the Kodiak community is doing compared to some of the other more rural communities and the substance abuse problems occurring in the villages and the way it affects the whole community. He also reported on the Fisheries Work Group Meeting and shared there is a community forum in May.

**IX. AUDIENCE COMMENTS**

None

**X. ADJOURNMENT**

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 8:53 p.m.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

Minutes Approved:

## **PERSONS TO BE HEARD**

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## MEMORANDUM TO COUNCIL

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**Date:** April 9, 2015

**Agenda Item:** III. a. **Proclamation: Declaring Week of the Young Child**

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**SUMMARY:** This proclamation encourages all citizens to work to make a good investment in early childhood education.

**ATTACHMENTS:**

Attachment A: Proclamation: Declaring Week of the Young Child

**PROCLAMATION**  
**Declaring April 11 through 18, 2015,**  
**Week of the Young Child**

WHEREAS, the Kodiak Early Childhood Coalition and other local organizations, in conjunction with the National Association for the Education of Young Children, are celebrating the Week of the Young Child, April 11 through April 18; and

WHEREAS, these organizations are working to improve early learning opportunities, including early literacy programs, that can provide a foundation of learning for children in Kodiak, Alaska; and

WHEREAS, teachers and others who make a difference in the lives of young children in Kodiak, Alaska deserve thanks and recognition; and

WHEREAS, public policies that support early learning for all young children are crucial to young children's futures; and

NOW THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim April 11 through April 18 as

**WEEK OF THE YOUNG CHILD**

in Kodiak, Alaska and encourage all citizens to work to make a good investment in early childhood education.

Dated this 9th day of April 2015.

City of Kodiak

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Pat Branson, Mayor

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## MEMORANDUM TO COUNCIL

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**Date:** April 9, 2015

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

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

**ATTACHMENTS:**

Attachment A: Proclamation: Declaring Month of the Military Child

# PROCLAMATION

## Declaring Month of the Military Child

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

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

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

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

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

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

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

### MONTH OF THE MILITARY CHILD

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

Dated this 9th day of April 2015.

City of Kodiak

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Pat Branson, Mayor

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## MEMORANDUM TO COUNCIL

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**Date:** April 9, 2015

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

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

**ATTACHMENTS:**

Attachment A: Proclamation: Declaring Child Abuse Prevention Month



# PROCLAMATION

## Declaring Child Abuse Prevention Month

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

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

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

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

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

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

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

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

### CHILD ABUSE PREVENTION MONTH

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

Dated this 9th day of April 2015.

City of Kodiak

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Pat Branson, Mayor

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## MEMORANDUM TO COUNCIL

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**Date:** April 9, 2015

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

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

**ATTACHMENTS:**

Attachment A: Proclamation: Declaring Sexual Assault Awareness Month

## PROCLAMATION Declaring Sexual Assault Awareness Month

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

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

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

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

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

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

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

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

### SEXUAL ASSAULT AWARENESS MONTH

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

Dated this 9th day of April 2015.

City of Kodiak


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Pat Branson, Mayor

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniaziowski, City Manager   
**Date:** April 9, 2015

**Agenda Item:** III. e. Presentation of GFOA Award to the Finance Department

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**SUMMARY:** The Government Finance Officers Association (GFOA) notified the City that the Finance Department received a Certificate of Achievement for Excellence in financial reporting for the City's FY2014 comprehensive annual financial report (CAFR). The award of this certificate represents one of the highest levels of achievement in governmental financial reporting for the Department and City. It is especially significant that the City received this certificate for the FY2014 CAFR because the Finance Department staff has been in transition. Our interim Finance Director Karl Swanson did a very thorough job of preparing the CAFR, and the Finance Department staff was as professional and organized as ever as they assisted the auditors. We owe them our appreciation.

**ATTACHMENTS:**

Attachment A: GFOA Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association  
203 N. LaSalle Street - Suite 2700  
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806



March 5, 2015

Aimee Kniazowski  
City Manager  
City of Kodiak  
PO Box 1397  
Kodiak AK 99615-1397

Dear Ms. Kniazowski:

We are pleased to notify you that your comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014, qualifies for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management

Each entity submitting a report to the Certificate of Achievement review process is provided with a "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements in its financial reporting techniques. Your list has been enclosed. You are strongly encouraged to implement the recommended improvements into the next report and submit it to the program. If it is unclear what must be done to implement a comment or if there appears to be a discrepancy between the comment and the information in the CAFR, please contact the Technical Services Center (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.

Certificate of Achievement program policy requires that written responses to the comments and suggestions for improvement accompany the next fiscal year's submission. Your written responses should provide detail about how you choose to address each item that is contained within this report. These responses will be provided to those Special Review Committee members participating in the review.

When a Certificate of Achievement is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. Enclosed is an AFRA for:

**Finance Department, City of Kodiak**

Continuing participants will find a certificate and brass medallion enclosed with these results. First-time recipients will find a certificate enclosed with these results followed by a plaque in about 10 weeks. We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and that appropriate publicity will be given to this notable achievement. A sample news release has been enclosed. We suggest that you provide copies of it to local newspapers, radio stations and television stations. In addition, details of recent recipients of the Certificate of Achievement and other information about Certificate Program results are available in the "Awards Program" area of our website, [www.gfoa.org](http://www.gfoa.org).

A current holder of a Certificate of Achievement may include a reproduction of the award in its immediately subsequent CAFR. A camera ready copy of your Certificate is enclosed for that purpose. If you reproduce your Certificate in your next report, please refer to the enclosed instructions. A Certificate of Achievement is valid for a period of one year. To continue to participate in the Certificate of Achievement Program it will be necessary for you to submit your next CAFR to our review process.

In order to expedite your submission we have enclosed a Certificate of Achievement Program application form to facilitate a timely submission of your next report. This form should be completed and sent (postmarked) with three copies of your report, three copies of your application, three copies of your written responses to the program's comments and suggestions for improvement from the prior year, and any other pertinent material with the appropriate fee by December 31, 2015.

Your continued interest in and support of the Certificate of Achievement Program is most appreciated. If we may be of any further assistance, please contact Delores Smith ([dsmith@gfoa.org](mailto:dsmith@gfoa.org) or (312) 578-5454).

Sincerely,  
Government Finance Officers Association

A handwritten signature in cursive script that reads "Stephen J. Gauthier". The signature is written in black ink and is positioned above the printed name of the signatory.

Stephen J. Gauthier, Director  
Technical Services Center


SJG/ds

# **NEW BUSINESS**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniazowski, City Manager   
**Date:** April 9, 2015

**Agenda Item:** V. a. **Resolution No. 2015–10, Authorizing the Issuance of a Permit to the Kodiak Chamber of Commerce for Use of Public Property in Conjunction With the Kodiak Crab Festival**

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**SUMMARY:** The Kodiak Chamber of Commerce is the local organization that manages the annual Kodiak Crab Festival, one of Kodiak’s premiere events. It promotes Kodiak, gives a boost to the local economy, and provides fundraising opportunities for many local organizations and non-profits. This year the festival will run from May 21 through May 25, 2015. As in past years, Council authorizes a permit for the activities associated with Kodiak Crab Festival by adoption of a resolution. Staff recommends Council allow the Kodiak Chamber of Commerce to conduct the 2015 Kodiak Crab Festival activities on public property by adopting Resolution No. 2015–10.

**PREVIOUS COUNCIL ACTION:** As provided for in the Kodiak City Code, Council periodically issues permits to non-profit organizations to conduct fundraising or other related activities on City property.

**DISCUSSION:** The Kodiak Chamber of Commerce has sponsored and managed the annual Kodiak Crab Festival for many years. This will be the 57th anniversary of the festival. Celebrations include a parade, a carnival with different types of activities, and booths that sell food and other goods. As a community festival, the event brings residents and visitors together to enjoy the special opportunities that Kodiak has to offer. The festival also provides an important fund-raising opportunity for many local nonprofit organizations and contributes to the local economy by drawing visitors to the community. The festival provides an outlet for family fun, gives a boost to the local economy, and allows local non-profit organizations to raise money. The festival will run from May 21 through May 25, 2015. Setup is scheduled to start at noon on Tuesday, May 19 and takedown will be completed by noon on Tuesday, May 26.

Resolution No. 2015–10 authorizes a permit for this 57th Annual Kodiak Crab Festival, allowing the use of City property for the festival, including City parking lot and street closures. The resolution also authorizes the street closure and traffic control for the parade on Saturday, May 23, 2015, from 8:30 a.m. to noon on Powell Avenue between Rezanof Drive and Mill Bay Road for the marshalling of the parade, and for the parade, which will begin at the corner of Powell Street and Mill Bay Road, turning right onto



Mill Bay Road to its intersection with Bartel Avenue and end along Bartel Avenue, which will be closed for parade dispersal. This parade route has been used successfully for several years (Attachment B).

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

- 1) Adopt Resolution No. 2015–10. This is staff’s recommendation, because it supports the Kodiak Chamber of Commerce and their efforts to sponsor and manage this important community event. It is also consistent with past practice and is allowed by City Code.
- 2) Choose not to approve Resolution No. 2015–10. This is not recommended.

**LEGAL:** KCC 5.04.050 allows the Council to issue permits to non-profit organizations to conduct activities on designated City-owned property through passage of a resolution. Resolution No. 2015–10 complies with that requirement.

**STAFF RECOMMENDATION:** Staff recommends the Council adopt Resolution No. 2015–10, granting the Kodiak Chamber of Commerce a permit to conduct the 57th annual Kodiak Crab Festival and parade, providing they comply with applicable sections of KCC sections 5.04.050 and 5.04.060.

**CITY MANAGER’S COMMENTS:** The Chamber has sponsored and managed the Kodiak Crab Festival for many years. This is truly a unique event for locals and visitors alike. It provides many benefits and is a great excuse to have fun no matter the weather. The City has always supported this worthwhile event and appreciates the efforts of the Kodiak Chamber of Commerce for their ongoing sponsorship and management of the Kodiak Crab Festival. I recommend Council adopt Resolution No. 2015–10.

**ATTACHMENTS:**

Attachment A: Resolution No. 2015–10

Attachment B: Chamber of Commerce letter of request, dated February 13, 2015, and parade route map

**PROPOSED MOTION:**

Move to adopt Resolution No. 2015–10.

**CITY OF KODIAK  
RESOLUTION NUMBER 2015-10**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE ISSUANCE OF A PERMIT TO THE KODIAK CHAMBER OF COMMERCE FOR USE OF PUBLIC PROPERTY IN CONJUNCTION WITH THE KODIAK CRAB FESTIVAL**

WHEREAS, the Kodiak Chamber of Commerce is a local nonprofit organization that manages the Kodiak Crab Festival; and

WHEREAS, this is the 57th anniversary of the Kodiak Crab Festival, which has a proud tradition of family fun; and

WHEREAS, this year the Kodiak Crab Festival will be held May 21 through May 25, with carnival and booth setup commencing at noon on May 19, and takedown completed on May 26; and

WHEREAS, the Kodiak Crab Festival provides an important fund-raising opportunity for many organizations in Kodiak, and provides for community participation and involvement by Kodiak citizens of all ages; and

WHEREAS, the 2015 Kodiak Crab Festival will be an economic asset to our community as it enhances our local visitor industry.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that a permit be issued, with the permit fee waived, to the Kodiak Chamber of Commerce as provided in section 5.04.050(b) and (d) of the City Code for use of public property for 2015 Kodiak Crab Festival events on the condition that the Kodiak Chamber of Commerce agrees to comply with the stipulations set forth this section and section 5.04.060 of the City Code.

BE IT FURTHER RESOLVED that the Council hereby authorizes City street closure and traffic control for the Grand Parade on Saturday, May 23, 2015, from 8:30 a.m. to noon on Powell Avenue between Rezanof Drive and Mill Bay Road for the marshalling of the parade; and for the parade, which will begin at the corner of Powell Street and Mill Bay Road, turning right onto Mill Bay Road to its intersection with Bartel Avenue and end along Bartel Avenue, which will be closed for parade dispersal.

BE IT FURTHER RESOLVED that from May 19, 2015, through May 26, 2015, the Council hereby authorizes City parking lot closures in the east Harbormaster’s parking lot, extending to the end of the St. Paul Harbor spit.

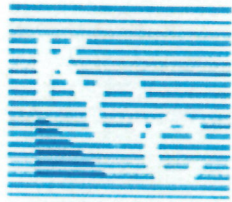
CITY OF KODIAK

\_\_\_\_\_  
MAYOR

ATTEST:

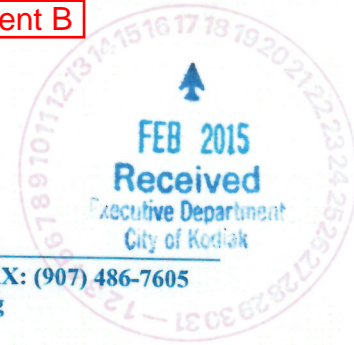
\_\_\_\_\_  
CITY CLERK

Adopted:



# KODIAK CHAMBER of COMMERCE

100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605  
www.kodiakchamber.org • Email: chamber@kodiak.org



February 13, 2015



CROWN SPONSORS

Kodiak City Mayor and City Council  
710 Mill Bay Rd.  
Kodiak, AK 99615



Dear Mayor Branson and Kodiak City Council,

The 2015 Kodiak Crab Festival will be held May 21<sup>st</sup> through May 25<sup>th</sup>. The official slogan for this year's festival is "XTRATuf, Small Town" and the logo design was created by Veronica Samaniego with the help of Alex DeLaGarza and the poster winner is Stephanie Lott.



The Kodiak Crab Festival celebrates its 57<sup>th</sup> anniversary this year with a proud tradition of family fun spanning generations. This event enhances the visitor industry, thus making it an economic asset to our community. Additionally, the Kodiak Crab Festival provides a vital fundraising opportunity for local nonprofit organizations.



On behalf of the Kodiak Chamber of Commerce, I respectfully request the City Council to consider passing a resolution authorizing the City to issue a permit to the Kodiak Chamber of Commerce for use of public property and facilities in conjunction with the Kodiak Crab Festival. I am also requesting that the \$20.00 permit fee be waived. The parade route has been permanently changed to the one we've used successfully the past several years along Mill Bay Road. Attached please find a copy of the proposed parade route.



Booth setup is scheduled to begin at 12:00 (noon) on Tuesday, May 19<sup>th</sup> and removed by 5:00 pm on Tuesday, May 26<sup>th</sup>.



Thank you for your support of this much-anticipated annual event. The wonderful tradition of Kodiak Crab Festival has carried on largely due to your assistance over the years. We at the Chamber welcome the Kodiak Crab Festival, marking 57 fun-filled years of this community-wide celebration!



Sincerely,

Summer Wood  
Crab Festival Manager

**Dedicated to Kodiak's Economic Future**






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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniazowski, City Manager   
**Through:** Corey Gronn, Parks and Recreation Director C.G.  
**Date:** April 9, 2015

**Agenda Item: V. b. Resolution No. 2015–11, Authorizing the Issuance of a Permit to Kodiak Little League for the Use of Public Property for Its Baseball Camp Fundraiser and to Sell Concessions During Games**

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**SUMMARY:** The Kodiak Little League (KLL), a local non-profit organization, is requesting the use the Baranof Park baseball field to sponsor a baseball camp for youth on June 1 through June 6, 2015. The camp will raise funds and teach participants the techniques and fundamentals of baseball. Also KLL has requested permission to sell concessions at its games at East Addition and Baranof Park from April 15 through July 15. Staff recommends Council approve this use by adopting Resolution No. 2015–11.

**PREVIOUS COUNCIL ACTION:** The City Council routinely issues permits to non-profit and other community organizations to allow them to conduct fundraising activities that benefit the community on public property.

**DISCUSSION:** Kodiak Little League is a non-profit organization that provides up to 250 Kodiak youth the opportunity to learn the game of baseball as well as sportsmanship, fair play, respect, and teamwork. Little League wants permission from the City to use the Baranof Park baseball facilities to conduct a summer baseball camp for youth to raise funds for operating costs. The camp will be held at the Baranof Park baseball field from 9 a.m. to 3 p.m. daily from June 1 through June 6, 2015. The Little League president has agreed to work with the Parks and Recreation Director and to ensure the new field use rules are followed by participants and coaches. Youth sport clubs like KLL do great work in the community and support and assist efforts of the City Parks and Recreation Department in administering such programs.

**ALTERNATIVES:**

- 1) Adopt Resolution No. 2015–11. This is staff's recommendation because it supports youth sports and the Kodiak Little League. It is also consistent with past practice and is allowed by City Code.
- 2) Do not adopt Resolution No. 2015–11. This is not recommended.

**LEGAL:** KCC 5.04.050 allows the Council to issue permits to non-profit organizations to conduct activities on designated City-owned property through passage of a resolution. The attached Resolution No. 2015–11 complies with that requirement.

**STAFF RECOMMENDATION:** Staff recommends the Council adopt Resolution No. 2015–11, granting the Kodiak Little League a permit to conduct its baseball camp fundraiser from June 1 through June 6, 2015, as well as a permit to sell concessions as requested providing they comply with the new field use rules, coordinate activities with the Parks and Recreation Director, and comply with KCC sections 5.04.050 (b), (d), and 5.04.060.

**CITY MANAGER’S COMMENTS:** The Kodiak Little League is an active sports group dedicated to providing local youth the opportunity to learn the sport of baseball and all that playing a team sport involves. Little League officials coordinate well with the Parks and Recreation staff about the camp and concessions. They also agree to use the new turf field in accordance with the new use rules to protect the facility. Therefore, I recommend Council adopt Resolution No. 2015–11.

**ATTACHMENTS:**

Attachment A: Resolution No. 2015–11

Attachment B: Request letter from Kodiak Little League

**PROPOSED MOTION:**

Move to adopt Resolution No. 2015–11.



**CITY OF KODIAK  
RESOLUTION NUMBER 2015-11**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE ISSUANCE OF A PERMIT TO KODIAK LITTLE LEAGUE FOR THE USE OF PUBLIC PROPERTY FOR ITS BASEBALL CAMP FUNDRAISER AND TO SELL CONCESSIONS DURING GAMES**

WHEREAS, Kodiak Little League is a nonprofit organization that provides up to 250 Kodiak youth the opportunity to learn sportsmanship, fair play, respect, and teamwork; and

WHEREAS, Kodiak Little League is sponsoring a summer baseball camp for the Kodiak community to raise funds for operating costs; and

WHEREAS, Kodiak Little League has requested use of the Baranof Park baseball field June 1-6, 2015, and will charge a fee for the camp; and

WHEREAS, in order to cover some of the costs of the program, the Kodiak Little League has requested permission to sell concessions at their games to be held at Baranof and East Addition Parks; and

WHEREAS, Kodiak City Code Section 5.04.010 prohibits business activities on City property, and Kodiak City Code Section 5.04.060 requires a permit for community festivities.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that a permit be issued, with the permit fee waived, to the Kodiak Little League as provided in section 5.04.050(b) and (d) of the City Code for use of public property for its 2015 baseball camp on the condition that the League agrees to comply with the stipulations set forth in this section and section 5.04.060 of the City Code.

BE IT FURTHER RESOLVED that permission is granted for the League to sell concessions at its games, on the condition that the League complies with the applicable stipulations set forth in Kodiak City Code Section 5.04.050.

BE IT FURTHER RESOLVED that event sponsors shall ensure all new turf field use rules are followed by camp participants and that event activities will be coordinated with the Kodiak Parks and Recreation Director.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

Adopted:



March 15/2015

Cory,

It's almost Baseball season and once again I would like to ask on behalf of Kodiak Little League for permission to utilize city property for some possible fundraising. As in the past we are looking to do a baseball camp at Baranof June 1 thru June 6. We would also like to do snack concessions as well again at East Addition and Baranof. Dates for the concession would be from April 15 thru July 15 and be operated generally Friday and Saturday's during our games.

Sincerely

Leonard Pickett

President Kodiak Little League.

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Aimée Kniazowski, City Manager 

**Thru:** Corey Gronn, Parks and Recreation Director C.C.

**Date:** April 9, 2015

**Agenda Item:** V. c. **Resolution No. 2015–12, Authorizing the Issuance of a Permit to Kodiak High School Soccer Team to Sell Concessions and to Collect Gate Fees During Home Games**

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**SUMMARY:** The high school soccer coach, Eric Waltenbaugh, requested the use the Baranof Park turf field to sell concessions and collect gate fees as a fundraiser for the high school soccer program from April 9 through May 31, with home games held on April 10, 11, 24, and 25. The soccer team is a high school club sport that is completely self-funded. The team raises money to cover the cost of travel and other costs associated with the sport. Staff recommends Council approve this by adopting Resolution No. 2015–12.

**PREVIOUS COUNCIL ACTION:** The City Council routinely issues permits to non-profit and other community organizations to allow them to conduct fundraising activities that benefit the community on public property.

**DISCUSSION:** The high school soccer team began in 2011. The team first traveled to the Kenai Peninsula to scrimmage in two games last spring. Since it is a club sport, all expenses are met with self-generated funds. City staff supports the soccer team and coach's efforts to promote soccer in the community and to raise funds for the team and recommends that Council adopt the resolution to authorize the use of the Baranof Park synthetic fields.

**ALTERNATIVES:**

- 1) Adopt Resolution No. 2015–12, which is staff's recommendation because it promotes the use of the City's fields and helps the high school team meet their expenses.
- 2) Do not adopt the resolution, which is not recommended, because it would not show support for the efforts of the high school team and would impact their opportunity to raise money for their program.

**LEGAL:** KCC 5.04.050 allows the Council to issue permits to non-profit organizations to conduct activities on designated City-owned property through passage of a resolution. KCC 5.04.060 covers conditions for the sale of concessions. Resolution No. 2015–12 complies with that requirement.

**STAFF RECOMMENDATION:** Staff recommends Council approve the high school soccer team's use of the City's soccer field to collect gate fees and sell concessions during home games by adopting Resolution No. 2015-12.

**CITY MANAGER'S COMMENTS:** Council routinely authorizes the use of City property for fundraising activities, especially activities that benefit high school student athletic groups. The high school soccer team is entirely self-supporting and relies on fundraisers to cover travel and other team related expenses. I support the soccer team's efforts to conduct a soccer clinic to raise money to cover their team's expenses and recommend Council adopt Resolution No. 2015-12.

**ATTACHMENTS:**

Attachment A: Resolution No. 2015-12

Attachment B: Letter from Eric Waltenbaugh, dated March 12, 2015

**PROPOSED MOTION:**

Move to adopt Resolution No. 2015-12.

**CITY OF KODIAK  
RESOLUTION NUMBER 2015-12**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE ISSUANCE OF A PERMIT TO THE HIGH SCHOOL SOCCER TEAM TO SELL CONCESSIONS AND TO COLLECT GATE FEES DURING HOME GAMES**

WHEREAS, the Kodiak High School soccer team is a self-funded team affiliated with the Kodiak High School; and

WHEREAS, the team has requested use of the Baranof Park soccer field(s) between April 9, 2015 and April 25, 2015, and will charge a fee and/or request donations at home games; and

WHEREAS, in order to cover some of the costs of the program, the Kodiak High School soccer team has requested permission to sell concessions at their games to be held at Baranof Park; and

WHEREAS, Kodiak City Code Section 5.04.010 prohibits business activities on City property, and Kodiak City Code Section 5.04.060 requires a permit for community festivities.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that a permit be issued, with the permit fee waived, to the Kodiak High School soccer team as provided in section 5.04.050(b) and (d) of the City Code for use of public property for its 2015 soccer season between April 9, 2015 and April 25, 2015 on the condition that the team agrees to comply with the stipulations set forth in this section and section 5.04.060 of the City Code.

BE IT FURTHER RESOLVED that event sponsors shall coordinate the event with the Kodiak Parks and Recreation Director.

CITY OF KODIAK

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MAYOR

ATTEST:

\_\_\_\_\_

CITY CLERK

Adopted:

Date: 12 March 2015

To: City of Kodiak  
722 Mill Bay Rd  
Kodiak, AK 99615

From: Eric Waltenbaugh  
Kodiak High School Soccer Team  
PO Box 2244  
Kodiak, AK 99615  
Phone: 907-299-1055  
E-Mail: ewaltenbaugh01@kibsd.org

Re: Use of Baranof Soccer Field

Dear Mayor Branson,

My name is Eric Waltenbaugh and I am the coach for the Kodiak High School Soccer Team. This program is a growing sport at the high school and currently has a membership of some 40+ students. The season runs from March through May.

I began coaching willing students 3 years ago during lunch in the gym as there were a core group of interested students. Last year, that group grew, and we raised money to take a co-ed team to the peninsula to play 3 scrimmage matches. This year we have joined ASAA as official varsity programs for both boys and girls teams. Our first scrimmage match against a team of community members will be Saturday, April 4<sup>th</sup> from 7-9PM. In addition, several teams will be coming to Kodiak to play both our boys and girls teams. We would like to have the opportunity to collect money for these games on Baranof Field and sell concessions. Girls and Boys teams will be playing Kenai April 10<sup>th</sup> 3:30 – 8:00PM and again April 11<sup>th</sup> 10:00am – 2:00pm. Both teams will be playing Nikiski April 24<sup>th</sup> 3:30 – 8:00PM again April 25<sup>th</sup> 10:00am – 2:00pm.

Though the team is affiliated with Kodiak High School we are currently self-funded. We raise money entirely through our own efforts including bake sales, garage sales, gift wrapping, tamale sales, concessions work, etc. The Kodiak High School Booster Club has supported us as well the past 2 years. It is important that we have the opportunity to raise funds during our events.

The team appreciates your consideration of this request and I will be happy to answer any questions you may have about this fundraiser.

Sincerely,

Eric Waltenbaugh  
Kodiak High School Boys Soccer Team  
Head Coach

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Aimée Kniaziowski, City Manager *AK*

**Thru:** Mark Kozak, Public Works Director *MK* and Karl Swanson, Finance Director *KS*

**Date:** April 9, 2015

**Agenda Item:** V. d. **Resolution No. 2015-13, Appropriating Funds for Additional Construction Expenses Related the Biosolids Management Project No. 08-06/7517**

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**SUMMARY:** The City has been working on a solution for long term disposal of biosolids for multiple years. Council authorized the borrowing of up to \$3 million from the Alaska Clean Water Fund (ACWF) loan program for construction of the Compost Facility project with Resolution 2015-05. The project was advertised and bids were opened on March 31, 2015. The lowest bidder is over the available funds in the current budget. In order to award the project we need to increase project budget No. 7517 Bio-Solids Management project to include the ACWF loan of up to \$3 million. Staff recommends Council approve Resolution No. 2015-13 to increase the Biosolids Management project to \$7,200,000.

### **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.
- January 2012, Quayanna Corp, Executive Director Peter Olson presented a proposal to contract with the City to compost biosolids to the Council
- February 2012, Council approved an MOU with Quayanna to work together toward a final composting agreement.
- July 2012, Council authorized the City Manager to begin working on a contract with Quayanna for disposal of biosolids.
- October 25, 2012, Council approved a five year composting agreement with Quayanna.
- 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 #1 in the amount of \$30,000.
- September 12, 2013 Council approved contract amendment #2 in the amount of \$85,000.

APRIL 9, 2015

Agenda Item V. d. Memo Page 1 of 3

- October 24, 2013, Council authorization of a Professional Services Contract for Composting Design, Project No. 7517 in the amount of \$416,000 with CH2MHILL.
- Change order to the Quayanna Corporation contract was executed in December 2014 and presented to Council at the January 8, 2015 City Council meeting.
- February 12, 2015, Council authorized an ACWF loan for the Composting project of up to \$3,000,000.

**BACKGROUND:** This project has included multiple phases of work. The original project budget was set at \$4,200,000 back in FY 2012. Council approved Resolution No. 2015-05 in February 2015 to utilize and ACWF loan in an amount not to exceed \$3,000,000.

**DISCUSSION:** The project was advertised and bids were opened on March 31, 2015. With the current funds available in the project budget we do not have the funds to award the construction project or the construction management contract. The ACWF loan was approved and we need to amend the project budget to include these funds in order to award the project.

Increasing the budget by the \$3 million dollar loan will allow us to award both the construction contract and the construction management professional service contract. The budget increase will bring the total project budget to \$7,200,000.

**ALTERNATIVES:** Staff recommends that Council approve the resolution authorizing the budget increase by including the \$3 million dollar ACWF loan in project number 7517 Bio-Solid Management project.

- 1) With the authorization of the ACWF loan we can increase the budget and award the full construction project and construction management project.
- 2) Not authorizing the budget increase, which is not recommended since the available project funds do not provide adequate to award the contract to the lowest bidder or manage the project.

**FINANCIAL IMPLICATIONS:** Applying for the ACWF loan was so we would be sure to have adequate funds for construction, construction management services and contingency. The ACWF loan provides us with the additional funds to complete the project.

**LEGAL:** Staff worked with the City Attorney to develop the budget amendment document.

**STAFF RECOMMENDATION:** Staff recommends Council approve Resolution No. 2015-13 authorizing the increase to project number 7517 budget by including the ACWF loan in the amount of \$3 million for construction of the Compost Facility Project No. 08-06/7517.

**CITY MANAGER'S COMMENTS:** This additional funding is essential so we can make the full award for the construction of the composting facility and have contingency funds available if needed.

This project is of critical importance to the City and community and we can now move forward with bid award and construction.

**ATTACHMENTS:**

Attachment A: Resolution No. 2015-13

**PROPOSED MOTION:**

Move to adopt Resolution No. 2015-13.



**CITY OF KODIAK  
RESOLUTION NUMBER 2015-13**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK  
APPROPRIATING FUNDS FOR ADDITIONAL CONSTRUCTION EXPENSES  
RELATED TO THE BIO-SOLIDS MANAGEMENT PROJECT, PROJECT NO.  
08-06/7517**

WHEREAS, the City identified the need to construct a composting facility to manage biosolid disposal from the community’s wastewater treatment plant; and

WHEREAS, the City applied for and received a Clean Water Fund loan from the Alaska Department of Environmental Conservation for the construction of a composting facility; and

WHEREAS, the bid award increases the contract sum above the amount currently budgeted for the project; and

WHEREAS, Article V of the City of Kodiak Charter provides that an appropriation of funds separate from the budget document may be made by resolution.

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

Section 1. The Fiscal Year 2015 Operating Budget is amended by appropriating and transferring \$3,000,000 from the Sewer Utility Fund Clean Water Loan proceeds to the following account to pay the bid award for Construction of the Bio-Solids Composting Facility, Project No. 08-06/7517:

Appropriation / Transfer From:

<u>Account Description</u>	<u>Amount</u>
Sewer Utility Fund- Clean Water Fund Loan	\$3,000,000

Transfer to:

<u>Account Description</u>	<u>Amount</u>
08-06/7517 Bio-Solids Management Project	\$3,000,000

Section 2. This resolution shall become effective upon adoption.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

Adopted:

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniaziowski, City Manager  
**Thru:** Mark Kozak, Public Works Director  
**Date:** April 9, 2015

**Agenda Item:** V. e. Authorization of a Professional Services Contract for Alaska Pollution Discharge Elimination System and Mixing Zone Permitting for the Wastewater Treatment Plant, Project No. 15-07

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**SUMMARY:** The Alaska Pollution Discharge Elimination System (APDES) permit the City currently operates under is an extension of the permit that expired in August 2004. Staff submitted the request for permit reissuance in February 2004 and received notice the permit application was accepted as complete and on time. The EPA provided direction that the City was to continue to operate under the expired permit requirements. The Alaska Department of Environmental Conservation (ADEC) would notify the City when they were ready to begin work on reissuing the City's APDES permit for the Wastewater Treatment Plant (WWTP). CH2MHILL worked on the City's previous mixing zone application in 1999. Staff requested a proposal from them because of the complex technical support required to resubmit the permit application as the mixing zone is being reduced in size and to assist in submitting the APDES permit. Staff recommends Council approve Phase I of this professional service agreement with CH2MHILL in the lump sum amount of \$50,000.

**PREVIOUS COUNCIL ACTION:** The last approval for permit action taken by staff and Council was in 1999. Funds are included in the FY 2015 WWTP professional service operation budget for this work.

**BACKGROUND:** EPA and State of Alaska regulations require the City of Kodiak's WWTP have an APDES permit for its discharge to surface waters of the US. The last National Pollution Discharge Elimination System (NPDES) permit was issued by EPA on August 24, 1999. This permit expired five years later on August 24, 2004. The City was required to reapply for the permit 180 days prior to expiration or on or before February 26, 2004. Staff reapplied for the permit to be reissued and the application was received and accepted by EPA. In November 2008, the EPA approved the State of Alaska request to administer the NPDES wastewater discharge permitting and compliance program in Alaska. Once that approval was granted, NPDES permits in Alaska are now referred to as APDES permits. The ADEC issued a letter in October 2013 with their schedule to renew expired permits. The City of Kodiak was on the list for 2014. Staff has collected almost one year of data for ADEC and is ready to begin the final application of both the APDES and mixing zone permits.

**DISCUSSION:** As stated above, the City submitted the request for reissuance of the NPDES permit in February 2004. Staff received an acknowledgement from EPA on March 24, 2004 that the request was received on time and was complete.

When the State issued their schedule in a letter to bring all expired permits up-to-date from October 2013, the renewal for the City of Kodiak permit was scheduled for 2014. Staff began working with ADEC in the spring of 2014 to provide extra data collection as requested. The last sample of data collection will be completed in June 2015. ADEC is ready for the City to begin the final work on the mixing zone and the APDES permit.

The City is aware that the current mixing zone will be reduced in size. This reduction requires a complete evaluation of the performance of the mixing zone. The modeling needed to show that the performance of the mixing zone is extremely complex and the outcome of that can or will have an effect on the final permit requirements.

When renewal discussions began with ADEC, it was mentioned that the City may well need to disinfect its wastewater discharge. Further discussions indicate that with very good mixing zone data, the City may be able to get a permit without having to disinfect. What that means is staff and the consultant will spend significant effort on the modeling and mixing zone in order to support efforts to avoid having to disinfect the wastewater discharge.

If the new permit requires the use of disinfectant for the City's wastewater discharge, it will significantly increase operation costs and require a significant capital improvement project to build either a chlorination/de-chlorination facility or a ultra-violet (UV) disinfection system.

Staff strongly supports the efforts in the mixing zone renewal to assist in avoiding disinfection of the WWTP discharge.

The first phase of this work will focus on the mixing zone modeling and the results of that modeling. The second phase will get into the permitting and negotiating of the permit requirements. In Phase II of the project, CH2MHILL plans on preparing a basic cost estimate to be able to evaluate the potential impact to operation and maintenance cost over time in the event the City has to disinfect its wastewater discharge.

Staff anticipates bringing the Phase II work request to Council for approval once funds are approved in the FY 2016 capital budget. We will move this project from our annual operating budget into the capital project budget because of the potential it could take a while to complete.

**ALTERNATIVES:** Because of the regulatory requirements to comply with the APDES permit and mixing zone requirements, the City does not have any options in order to comply with the law. Staff is

in need of professional support in order to model the mixing zone performance. Public Works does not have these capabilities to perform this type of work, and outside professional support is needed. Since CH2MHILL had provided this support in 1999 and the same engineers are available to this task, staff requested this proposal from them.

**FINANCIAL IMPLICATIONS:** There are adequate funds in the Sewer Utility Fund's Wastewater Treatment Plant professional services line item to adequately cover the cost of this initial contract with CH2MHill for the Phase I work. The first phase is almost entirely the mixing zone modeling and tech memos to ADEC. Once the first phase is complete, staff will have a better idea of the level of efforts and costs needed to complete the second phase. This is largely due to unknown outcomes of the reduced mixing zone and what opportunities the City may have to negotiate new permit requirements. The work is extremely critical because of two primary considerations with the new permit; 1) disinfection of wastewater discharge and 2) percent removal of solids. Both considerations will have a significant effect on operation and maintenance costs well into the future as well as large capital investment to meet either potential requirement.

If the City can show the mixing zone is adequate and avoid disinfection of the wastewater discharge, it would be extremely beneficial for long-term operational cost and completely avoid the installation of a disinfection system. If disinfection is required, staff will have to evaluate the long-term impacts as well as capital cost of options to meet the requirement.

The other significant issue is the percentage of solid removal. The current permit requires 75 percent solids removal. The City would have problems meeting the requirement if ADEC requires 85 percent removal, especially during certain weather events. During large storm events the system experiences sharp flow increases due to Infiltration and Inflow (I&I) and would have a very difficult time meeting the removal requirements. This change has the potential to significantly increase operation and maintenance cost in removing and correcting I&I problems.

**LEGAL:** The City must go through the process of applying for and successfully meeting requirements for a new APDES permit and meet the more restrictive requirements of a smaller mixing zone. These are federally mandated requirements with which the City must comply.

**STAFF RECOMMENDATION:** Staff recommends Council approve this first phase of work with CH2MHILL for professional services to support the City's APDES and mixing zone applications and permit renewal. Staff anticipates bringing the second phase of the work to Council for approval once funds are available in the FY 2016 Sewer capital project budget.

**CITY MANAGER'S COMMENTS:** I support staff's request and recommend Council approve this first phase of a professional services contract with CH2MHill. The City has been fortunate to have operated under an 11 year NPDES extension and larger mixing zone. We have known for some time that

the new requirements would be more stringent and require a great deal of technical help. Now we must work with CH2MHill and ADEC to identify how we can best manage the changes and identify potential costs as we move forward for a new APDES permit.

**ATTACHMENT:**

Attachment A: CH2MHILL proposal for Phase I of on our APDES Permit and Mixing Zone permit renewal.

**PROPOSED MOTION:**

Move to authorize a professional services contract with CH2MHill for assistance with Phase I of the City's Alaska Pollution Discharge Elimination System and mixing zone permitting for the Wastewater Treatment Plant for a lump sum amount of \$50,000, with funds coming from the Sewer Utility Fund, Wastewater professional services account and authorize the City Manager to execute the documents on behalf of the City.

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



March 17, 2015

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

Subject: Engineering Services Proposal for APDES Permit Renewal Support and Mixing Zone Application Update for the City of Kodiak

Dear Mr. Kozak:

CH2M HILL appreciates this opportunity to submit our proposal to assist the City of Kodiak with APDES Permit Renewal Support and Mixing Zone Application Update. Based on recent discussions with Hap Heiberg and Brian Doyle (ADEC) we understand that the City of Kodiak has been requested by Alaska Department of Environmental Conservation (ADEC) to provide specific information and analyses to allow ADEC to proceed with renewal of the City's APDES permit.

A complete listing and summary of the ADEC request from Melinda Smodey/ADEC is provided below:

1. Based on your facility's performance in terms of BOD and TSS removal rates, it is likely the next permit would contain a minimum 85% removal rate rather than the 75% removal limit contained in 40 CFR 133.103(d).
2. As previously discussed on our visit to your facility in September 2013, your draft permit would likely contain a compliance schedule for disinfection of the effluent.
3. Reviewing your effluent data for ammonia, the discharge appears to have reasonable potential to exceed the Water Quality Standard (WQS) numeric criteria for ammonia. The Department would use the most recent five years of effluent monitoring data to develop permit limits for ammonia, and you will need to request a mixing zone to meet the ammonia WQS.
4. Reviewing the dissolved oxygen (DO) data for your facility, it appears you will need to either alter operations or request a mixing zone to meet the WQS for DO, which require a minimum value of 6.0 mg/L. This is different than your current permit limit of 2 mg/L, and your facility seems to operate at or below 6 mg/L most of the time.
5. Please describe any upgrades and improvements made to your facility since August of 1999 when the last permit was issued.
6. Please submit a detailed narrative that describes the treatment train/process/equipment used starting at the headworks of the WWTF and ending with a description of the diffuser. The process has changed a bit since the last permit issuance (1999).
7. Please describe when the facility first commenced chlorination, when it stopped chlorinating and how the facility chlorinated (back when it did disinfect). Please also include an explanation of why total residual chlorine is still reported present in the effluent on the DMRs.



8. The current NPDES permit requires ambient monitoring of fecal coliform bacteria in four locations. Please provide the monitoring data from the most recent five years of operation in your permit application. If you have not conducted all the required monitoring, please offer an explanation.
9. The Department was notified on December 17, 2014 that the City of Kodiak accepted industrial wastewater from the United States Coast Guard. Please include in your permit application a description of the types/wastewater source, volumes and frequency at which the City of Kodiak accepts non-domestic wastewater, specific to the last five years of operation. As well as any industrial discharge permits the City may have issued.
10. Monitoring in Section 11A of the permit application - the application and regulations require monitoring for Ammonia, Total Residual Chlorine, DO, Nitrate/Nitrite, Kjeldahl Nitrogen, Oil and Grease, Phosphorous, and Total Dissolved Solids.
11. Expanded Effluent/Priority Pollutant Monitoring in Supplement A of the permit application - the application and regulations require monitoring for several pollutants, known as the priority pollutants and listed here: <http://water.epa.gov/scitech/methods/cwa/pollutants.cfm>. The results of at least three priority pollutant sample events must be included in your permit application, and the sample events must represent seasonal variations (summer vs winter). In the future, your permit would include priority pollutant scans on a regular basis.
12. Whole Effluent Toxicity (WET) Monitoring- Supplement B of the permit application - the application and regulations require the results of four WET tests, conducted on a quarterly basis over a twelve month period prior to submitting the permit application. Like the priority pollutant scans, this will become a requirement of your permit but the frequency would likely be different than quarterly.
13. Mixing Zone Application Form - in addition to application form 2A, a mixing zone application needs to be submitted along with a technical report. ADEC think the May 1999 mixing zone model is a good model, so this model would need to be updated with more recent data and then submitted to the Department via form 2M.

We understand that the City of Kodiak will be responsible for addressing items #5, 6, 7, 8, 9, 10, 11, and 12. It is our understanding that the City of Kodiak desires our technical assistance with items #1, 2, 3, 4, and 13. We also understand that this work must be conducted in two phases, with the Mixing Zone Application Report development with supporting information during the first phase (through June 2015) and the supporting work on items #1 – 4 during the second phase (after June 2015). The following proposed scope of services identifies work elements for the first phase only. The Phase 2 services proposal will be submitted at a later date.

### **Proposed Scope of Services – Phase 1**

The following scope of services is based on our previous work in 1999 on the City of Kodiak Wastewater Discharge Evaluation and Mixing Zone Application and discussions with City staff:

#### **Phase 1**

##### **Task 1 - Updated Wastewater Discharge Evaluation and Mixing Zone Application**

Objectives: Develop a technical analysis of the existing City of Kodiak WWTP disposal system for existing and future plant flows; determine the effluent dilution requirements for compliance with Alaska State Water Quality Standards without disinfection; and develop new mixing zone boundaries for approval by ADEC.

CH2M HILL will perform analyses to document the dilution performance and mixing provided by the existing outfall for site-specific receiving water conditions. This discharge evaluation is intended to demonstrate that the Kodiak outfall provides sufficient dilution to meet Alaska State water quality standards (including fecal coliform in un-disinfected effluent discharge), and to provide the technical analysis that ADEC requires for the revision of the Kodiak WWTP mixing zone boundaries for bacteria and other effluent constituents (i.e. ammonia). If the existing outfall does not provide sufficient dilutions within an acceptable distance (determined by ADEC), then a cost effective solution for meeting the water quality standards including partial or complete effluent disinfection could be required and the effluent disposal analysis will provide dilution results for the existing and future flows.

This discharge evaluation will be developed solely based on existing data collections. The existing data collections include the "Oceanographic Investigations Relating to Sewage Outfall Site Selection at Kodiak, Alaska (Tryck, Nyman & Hayes, July 1971), NOAA bathymetric charts, ambient receiving water monitoring data collected by City of Kodiak, and effluent monitoring data. The available receiving water data of current velocities and depths of discharge will be used for dilution modeling. The outfall dilution will be modeled using an appropriate model (e.g. UM3, DKHW or CORMIX). Effluent dilution will be predicted for monthly average, maximum daily, and peak design current and future effluent flows and with seasonal receiving water conditions.

CH2M HILL will use available effluent chemistry data along with the Alaska State Water Quality Standards to predict the wastewater dilution required for compliance with the acute criteria and chronic criteria, and other conditions in the State Water Quality Standards. The required wastewater dilutions will be compared with the predicted dilutions provided by the existing outfall to determine the mixing zone boundary sizes and layout that can provide sufficient dilution for existing and future effluent flows and bacterial concentrations. Statistical analyses of effluent fecal coliform data will be developed to define probability distributions and upper 90<sup>th</sup>, 95<sup>th</sup>, and 99<sup>th</sup> percentile concentrations for use in the mixing zone boundary sizing.

A technical report will be prepared of the discharge evaluation and mixing zone analyses, and it will include results of the available effluent data, effluent bacteria statistics, modeling results, and proposed mixing zone boundaries and effluent limits for fecal coliform for the permit. The disposal evaluation and mixing zone application technical memorandum will be submitted to the City for review by June 12, 2015. The final report will be provided to the City to allow submittal to ADEC no later than June 30, 2015. A meeting will be held with Kodiak and ADEC (by phone) to review the findings and negotiate changes to the NPDES permit.

Assumptions:

- 1) Kodiak will provide effluent fecal coliform data for use in this analysis, and will collect additional fecal coliform samples for analysis if needed to develop this mixing zone application.
- 2) The mixing zone for the Kodiak outfall that is defined in the existing NPDES permit will need to be reduced to meet the current ADEC requirements for the application and assignment of a mixing zone that complies with Alaska standards.
- 3) This effluent disposal analysis will be used to evaluate whether partial or complete effluent disinfection



will be required or will be required with future flows.

- 4) Kodiak outfall is in good condition and has been inspected within 3 years, and if not, then Kodiak will have and inspection conducted by May 1, 2015 - prior to modeling.
- 5) The limited available receiving water data are adequate for ADEC's approval of the mixing zone application.

## **Excluded Services**

CH2M HILL does not propose to provide outfall inspection services or any engineering design services for Phase 1 tasks.

## **Deliverables**

- 1) Draft Wastewater Discharge Evaluation and Mixing Zone Application Report for City review
- 2) Final report for submittal to ADEC

## **Project Team**

We have assembled an Anchorage based team of CH2M HILL professionals to perform the requested services. Our proposed team members include:

Project Manager	Floyd Damron, P.E.
Technical Lead	David Wilson, M.S.
Modeling Lead	Brad Paulson, M.S.
Process Engineer	Ian VanBlankenstein, P.E.
Junior Engineer	Erin Thatcher, M.S.
Senior Review/QC	Lorin Davis, P.E.
Accounting	Lora Brown

## **Schedule**

We propose to conduct a teleconference project kickoff meeting with the City of Kodiak in early April with City staff. Following the kick-off meeting we will convey a list of data requirements we will need to proceed Phase 1 services.

We will schedule three interim review teleconference meetings during Phase 1 work to review work progress and findings.

We plan to submit the draft Wastewater Discharge Evaluation and Mixing Zone Application Report on June 12, 2015 for City review and submittal of the final report to the City by June 26, 2015. Either the City of CH2M HILL can then submit the report to ADEC. Any follow-up services will be part of Phase 2.

## **Engineering Fee for Phase 1 Services**

We proposed to provide all services and deliverables noted above for a lump sum amount of \$50,000. Attached is a level of effort spreadsheet for the proposed Phase 1 services.

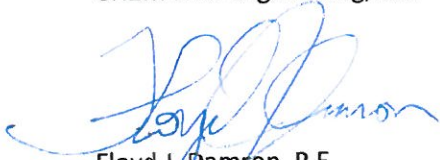
Mr. Mark Kozak  
March 17, 2015  
APDES Permit Renewal Support and Mixing Zone Application Update  
Page 5

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

We are ready to begin work and look forward to this opportunity to once again serve the City of Kodiak.

Sincerely,

CH2M HILL Engineering, Inc.



Floyd J. Damron, P.E.  
VP and Senior Project Manager

C: Hap Heiberg/City of Kodiak  
Dave Wilson/CH2M HILL

Attachment: Phase 1 Level of Effort Fee Estimate for City Kodiak Mixing Study 2015

**Table 1**  
**Phase 1 Level of Effort and Fee Estimate for City of Kodiak Mixing Study 2015**  
**City of Kodiak**

Subtasks/Activities	TOTAL LABOR HOURS	Labor Hours										TOTAL LABOR	SUBS COSTS	EXPENSES	TOTAL	
		Project Manager	Technical Lead	Senior Reviewer	Modeler	Engineering Processes	Project Engineer	Graphics & Editing	Project Acc't. & Repr.	TBD	TBD					
		Floyd Damron	David Wilson	Lorin Davis	Brad Paulson	Ian VanBlankenst ein	Erin Thatcher	TBD	TBD							
1 Data Analyses	34		12		4	6	12							\$ 7,178	\$ 50	\$ 7,228
2 Dilution Modeling	50		4	2	44									\$ 11,350	\$ -	\$ 11,350
3 Meetings	13	3	6		4									\$ 2,993	\$ 50	\$ 3,043
4 Reporting	105	3	48	2	24		12			12		4		\$ 21,965	\$ 200	\$ 22,165
5 Project Management & QC	42	14										28		\$ 6,174	\$ 250	\$ 6,424
<b>Total</b>	<b>244</b>	<b>20</b>	<b>70</b>	<b>4</b>	<b>76</b>	<b>6</b>	<b>24</b>	<b>12</b>	<b>32</b>	<b>12</b>	<b>24</b>	<b>32</b>	<b>\$0</b>	<b>\$49,660</b>	<b>\$550</b>	<b>\$50,210</b>

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniazowski, City Manager  
**Thru:** Mark Kozak, Public Works Director & Glenn Melvin PE, City Engineer  
**Date:** April 9, 2015

**Agenda Item: V. f. Authorization of Bid Award for Construction of the Composting Facility, Project No. 08-06/7517**

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**SUMMARY:** The City has been working on a solution for long term disposal of biosolids for multiple years. Since 2008, the City has completed a composting pilot project, entered into a public/private partnership for the composting of biosolids, completed a design of a Class A, EQ Composting Facility and bid the project. In addition, staff has worked with the Kodiak Island Borough for property to build this facility on and applied for and received a State of Alaska Sewage Solid Treatment Permit. Three bids were received and opened on March 31. Staff recommends Council approve the bid award for the composting facility to Brechan Construction, LLC in the amount of \$3,390,350.

**PREVIOUS COUNCIL ACTION:**

- Between January 2008 and September 2013, Council authorized twelve different actions including a composting agreement with Quayanna Corp
- October, 2013 Council approved a Compost Facility Design Contract with CH2MHILL

**DISCUSSION:** The City has worked through many obstacles since 2008 to in order to build a Class A, Excellent Quality (EQ) composting facility. The project has gone through many challenges, but a viable, affordable, and sustainable project has been developed and will now be built.

With the support of the Kodiak Island Borough staff and Assembly, the City received approval for the transfer of a parcel of land within the landfill area to construct this composting facility.

The project consists of four structures; 1) a mixing building, 2) a mixing bunker, 3) composting bins and 4) a building that houses the electrical room and office. The 50x70 foot mixing building is a fabric covered facility which contains two bins to hold bio-solids and mixing amendments (wood chips); the mixer which combines the chips and biosolids so they are completely mixed and a conveyor system that moves the mixed material out of the building and into the mixing bunker. The mixing bunker is the receiving area for the composting mixture. It is covered and has an open-end for a loader to move the product into the covered composting bins. These six bins are covered with walls on three sides. The bins have a removable air piping system. The air system operates under negative air, which means air is drawn into the piles of compost material. This allows control of odors and temperature to ensure the product meets regulatory compliance to create Class A, EQ compost. The piping system is designed so

the condensate moisture that is removed from the composting pile settles out in the piping and is removed and stored in a holding tank. The condensate is then disposed of at the WWTP by hauling with a tank truck. The exhausted air is then run through a bio-filter (wood chip mass) to remove odors before dissipating to the air. Lastly, the electrical controls for the air handling system and monitoring system are within 40 feet of the connex structure next to the mixing building. This building houses the electrical room and office for the continuous monitoring of the composting process.

The design was completed and the project was bid on February 19, 2015 of this year. Bids were opened on March 31, 2015 and three bids were received. The lowest bidder was Brechan Construction, LLC.

**ALTERNATIVES:** Approve the award to construct the composting facility to Brechan. This is the only option and is recommended because it is about proper handling and disposal of the biosolids from the entire community, USCG Base and road system surrounding the City of Kodiak. Because the landfill was not able to accept the biosolids for direct disposal as in the past, the City has no alternative except to construct and operate this facility. Other disposal options were evaluated and this was shown to be the best and most economical and sustainable option available.

**FINANCIAL IMPLICATIONS:** The construction of the new composting facility will have ongoing financial impact to the City's operational budget. The City has a contract with Quayanna Corp for biosolid processing from the WWTP at the landfill. This contract will be amended to include the considerations of the new facility and solid waste disposal permit. Staff has begun initial discussions with the contractor so the actual costs are not determined yet.

The sewage solid treatment facility permit will carry an annual fee of just under \$2,000. For this first year of operation, the permit also requires substantial amount of testing above the regulations. This testing is going to be around \$30,000/year. Staff anticipates the City will get approval for a reduction in testing once good results can be shown.

The project currently has approximately \$3.3 million available for construction of the facility and for construction management of the project. In addition, the City has been approved for a \$3 million dollar Alaska Clean Water Fund loan. This loan is in the process of being executed and will be included in the FY2016 budget.

**LEGAL:** Based on the location, plans, and operational aspects of the compost facility, the City successfully met the requirements to receive a permit to operate this new facility from the Alaska Department of Environmental Conservation.

**STAFF RECOMMENDATION:** Staff recommends Council authorize the award for construction of the composting facility to Brechan Construction, LLC. in the amount of \$3,390,350 with funds coming from the Sewer Capital Improvement Fund, Biosolids Management, Project No. 08-06/ 7517.

**CITY MANAGER'S COMMENTS:** I have to echo staff's comments about the long and challenging history of this project. But I am pleased that we've been issued a permit from ADEC to operate the facility and can now award this construction bid. I continue to believe this approach to our biosolid management is the most affordable and sustainable option for the entire community. I look forward to having this facility up and running successfully in the very near future. Therefore, I recommend Council authorize this bid award to Brechan.

**ATTACHMENTS:**

Attachment A: Bid Tab

**PROPOSED MOTION:**

Move to authorize the bid award for construction of the composting facility, Project No. 08-06/7517, to Brechan Construction, LLC in the amount of \$3,390,350 with funds coming from the Sewer Capital Improvement Fund, Biosolids Management, Project No. 08-06/ 7517 and authorize the City Manager to execute the documents on behalf of the City.



Project Name: **Kodiak Composting Facility**

PN: **08-06/7517**

Date: **3/31/15**  
 Time: **2:00 p.m.**  
 Date of Invitation: **2/19/15**  
 Opened By: **Aimée Kniazowski**




Addendum No.	Date Issued
1	2/20/15
2	3/5/15
3	3/6/15
4	3/17/15
5	3/23/15
6	3/24/15
7	3/26/15
8	3/28/15

	<b>BIDDER</b>	<b>BASE BID</b>		<b>ADDITIVE ALTERNATES</b>
<b>ENGINEERS ESTIMATE</b>	<b>\$</b>	<b>2,377,000.00</b>		<b>1. \$ 34,000.00</b>
				<b>2. \$</b>
<hr/>				
<hr/>				
<hr/>				
Brechan Construction LLC	\$	<b>3,459,850.00</b>		1. \$ 69,500.00
<input checked="" type="checkbox"/> Addendums Acknowledged		Base Bid Summary:		2. \$ 27,500.00
<input checked="" type="checkbox"/> Bid Bond & Business License		Lump Sum Bid Price		
		\$3,362,850.00		
<input checked="" type="checkbox"/> Contractors Certificate		Base Bid		
		\$3,362,850.00		
<hr/>				
Blazy Construction	\$	<b>3,470,000.00</b>		1. \$ 64,000.00
<input checked="" type="checkbox"/> Addendums Acknowledged		Base Bid Summary:		2. \$ 24,000.00
<input checked="" type="checkbox"/> Bid Bond & ___ Business License=No copy		Lump Sum Bid Price		
		\$3,470,000.00		
<input type="checkbox"/> Contractors Certificate-number provided=No copy		Base Bid		
		\$3,470,000.00		
<hr/>				
ASRC SKW Eskimos Inc.	\$	<b>4,437,000.00</b>		1. \$ 109,000.00
<input checked="" type="checkbox"/> Addendums Acknowledged		Base Bid Summary:		2. \$ 31,000.00
<input checked="" type="checkbox"/> Bid Bond & Business License		Lump Sum Bid Price		
		\$4,437,000.00		
<input checked="" type="checkbox"/> Contractors Certificate		Base Bid		
		\$4,437,000.00		

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniazowski, City Manager   
**Thru:** Mark Kozak, Public Works Director & Glenn Melvin PE, City Engineer    
**Date:** April 9, 2015

**Agenda Item: V. g. Authorization of a Professional Services Contract for Construction Management Services for the Composting Facility, Project No. 08-06/7517**

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**SUMMARY:** The City has been working on a solution for long term disposal of biosolids for multiple years. Since 2008, the City completed a composting pilot project, entered into a public/private partnership for the composting of biosolids, completed the design of a Class A, Excellent Quality (EQ) composting facility and bid the project. In addition, staff and Council worked with the Kodiak Island Borough to acquire property to build this facility on and applied for and received a State of Alaska Sewage Solid Treatment Permit. Staff recommends Council approve this professional service contract for construction management services during construction of the composting facility to CH2MHILL in the amount of \$394,000.

**PREVIOUS COUNCIL ACTION:**

- Between January 2008 and September 2013, Council authorized twelve different actions including a composting agreement with Quayanna Corp
- October, 2013, Council approved a Compost Facility Design Contract with CH2MHILL
- April 7, 2015, Council reviewed the proposed contract at the work session

**DISCUSSION:** As far back as 2007, CH2MHILL has provided technical and engineering support for the City's efforts to resolve the biosolid disposal issue. They provided study, design, permitting and public meeting support throughout the project.

The initial construction of the compost facility is straight forward with site preparation. Staff will coordinate with CH2MHILL to reduce the number of trips during this phase of the work. The review of the project submittals and responses to contractor questions will be a very important aspect to this project because of the nature of the system. Support with the project loan requirements and pay request is extremely important through completion of the project

In this particular project, the most critical aspect is the start-up and training for operation of the new facility. Staff has had many discussions as to how critical it is that the project gets started correctly and operates within all permitting requirements. CH2MHILL's expertise in this area is critical to the successful outcome as the City works through the initial learning phase of the project. The agreement includes continued support through start-up and early operation phases as well as evaluating facility

performance with the composting contractor and the State of Alaska Department of Environmental Conservation (ADEC) for regulatory compliance.

The contract is broken into two parts; 1) lump sum and 2) time and expense. Lump sum includes tasks that are typically defined and easy for them to put a cost to the service. Time and expense includes a good estimate of expected needs. The work covered under this part of the contract is based on an estimate of service that may be expected. This is also the portion of the contract where City staff can work to manage trips and other cost items to keep the cost within the approved scope of work or even save cost if possible.

**ALTERNATIVES:**

- 1) Authorize the contract with CH2MHILL, which is recommended. The success of many projects stems on good management of the contract requirements, scheduling, quick and responsive answers to contractor questions and monitoring of the actual construction. CH2MHILL has performed this function on multiple City contractors over the years and has always provided a good project with good control on cost and contract compliance.
- 2) Postpone or do not authorize this contract. This project would be difficult to succeed on without the technical support of CH2MHILL and their composting expertise. Because this project is a different type of project than most projects CH2MHILL composting experience is extremely valuable to assure a successful completed project. Staff does not recommend this alternative.

**FINANCIAL IMPLICATIONS:** The project budget has roughly \$3.3 million available for construction and construction management. In addition, staff is finalizing the loan agreement for up to \$3 million for this project. The project has available adequate funds for this construction management contract with CH2MHILL.

**LEGAL:** N/A

**STAFF RECOMMENDATION:** Staff recommends Council authorize the professional services contract with CH2MHILL for construction management services to construct the composting facility with funds coming from the Sewer Capital Improvement Fund, Biosolids Management, Project No. 08-06/ 7517.

**CITY MANAGER'S COMMENTS:** This project is now ready to construct after so many years of effort and challenges. I support staff's recommendation that Council award the professional services contract to CH2MHILL for construction management. The help of the CH2MHILL staff will be critical to the successful completion of construction and start-up of this project.

**ATTACHMENT:**

Attachment A: CH2MHILL Construction Management Contractor for Professional Engineering Services.

**PROPOSED MOTION:**

Move to authorize a professional services contract with CH2MHILL in the amount of \$394,000 for construction management services for the compost facility, with funds coming from the Sewer Capital Improvement Fund, Biosolids Management, Project No. 08-06/7517 and authorize the City Manager to execute the documents on behalf of the City.

**City of Kodiak**  
**AGREEMENT FOR PROFESSIONAL SERVICES**

This agreement is between the City of Kodiak and CH2M HILL Engineers, Inc. for a PROJECT known as the Construction Management Services for the Composting Facility.

**PART I**  
**SPECIAL PROVISIONS**

**SECTION 1 DEFFINITIONS**

In this AGREEMENT:

- A. AGREEMENT means this document with all attachments
- B. CITY means the City of Kodiak
- C. CITY MANAGER means the City Manager of the City of Kodiak or his/her designee who is responsible for approving and signing this AGREEMENT and any amendments.
- D. CITY ENGINEER means the City Engineer of the City of Kodiak who is responsible for the day-today coordination and communication with the ENGINEER. The CITY ENGINEER does not have authority to execute a change of this AGREEMENT or to otherwise bind the City of Kodiak for purposes of this AGREEMENT.
- E. ENGINEER means CH2M HILL Engineers, Inc.
- F. PROJECT means the object of the design or study that the ENGINEER is to perform under this AGREEMENT.

**SECTION 2 SCOPE OF SERVICES**

- A. The ENGINEER is responsible for the professional quality, technical accuracy, timely completion, and the coordination of all designs, drawings, specifications, reports and other construction phase services furnished by the ENGINEER under this AGREEMENT. The ENGINEER shall perform its services in a manner consistent with the level of care and skill normally exercised by professional engineers or consultants performing the same or similar services during the time of this AGREEMENT. The ENGINEER shall, without additional compensation, correct or revise any errors or deficiencies in his design drawings, specifications, reports and other services.
- B. Approval by the CITY of drawings, designs, specifications, reports, and change orders, payment requests and incidental engineering work or materials furnished hereunder shall not in any way relieve the ENGINEER of responsibility for the technical adequacy of the work. Neither the CITY's review, approval or acceptance of, nor payment for, any of the services shall be construed to operate as a waiver of any rights under this AGREEMENT, and the ENGINEER shall be and remain liable in accordance with applicable law and the language

herein for the damages to the CITY caused by the ENGINEER's errors, omissions, or negligent performance of any of the services furnished under this AGREEMENT.

- C. The ENGINEER shall perform the scope of services set forth in Appendix A.
- D. The CITY may make or approve changes to the scope of services in this AGREEMENT. If such changes affect the ENGINEER's cost or time required for performance of the services, an equitable adjustment to the ENGINEER's contract price and schedule will be made through an amendment to this AGREEMENT.
- E. The ENGINEER may not subcontract or assign any portion of the scope of services to any party not identified in this AGREEMENT without prior written approval of the CITY.
- F. The CITY shall not allow any claim for services other than those described in this section.
- G. In the performance of this AGREEMENT, the ENGINEER shall, to the extent practicable, provide for maximum use of structures, machines, products, materials, construction methods, and equipment which are readily available through competitive procurement, or through standard or proven production techniques, methods and processes.
- H. The ENGINEER shall not, in the performance of the work called for by this AGREEMENT, produce a design or specification that requires the use of structures, machines, products, materials, construction methods, equipment or processes which are known by the ENGINEER to be available only from a sole source, unless such use has been adequately justified in writing by the ENGINEER as necessary for the minimum needs of the PROJECT.

### **SECTION 3 TIME FOR PERFORMANCE**

- A. This AGREEMENT becomes effective when signed on behalf of the CITY.
- B. The ENGINEER shall promptly commence performance of the work described in Section 2 and shall complete that performance on or before December 31, 2016.
- C. The CITY may suspend, delay, or interrupt the services of the ENGINEER for the convenience of the CITY. In such an event, the ENGINEER's contract price and schedule shall be equitably adjusted.
- D. The CITY will examine the ENGINEER's studies, reports, sketches, drawings, specifications, proposals, and other documents, obtain the advice of other professionals and consultants as the CITY deems appropriate, and render in writing decisions required of the CITY in a timely manner.
- E. The CITY will give prompt written notice to the ENGINEER whenever the CITY observes or becomes aware of any development that affects the scope or timing of the ENGINEER's services or of any defect in the work of the ENGINEER.

### **SECTION 4 COMPENSATION**

- A. Subject to the ENGINEER's performance, the CITY shall pay the ENGINEER no more than \$394,000, of which \$118,000 is on a lump sum basis and \$276,000 is on a time and expense basis.
- B. The actual costs for all services requested and rendered shall be in accordance with the information set forth in Appendix A.
- C. The ENGINEER may submit invoices for services under this AGREEMENT no more frequently than monthly. The CITY will review each invoice for accuracy and compliance with this AGREEMENT and uncontested charges will be due and payable within 30 days of receipt. If any payment is withheld because the charges are not approved or the ENGINEER's performance is unsatisfactory, the CITY ENGINEER must, within 30 days after the payment denial, notify the ENGINEER in writing of the payment denial and set forth, with reasonable specificity, what charges are not being paid and why. No interest will accrue on any disputed charges until mutually resolved.
- D. The ENGINEER is not entitled to any compensation under this AGREEMENT, other than is expressly provided for in this section.

## **SECTION 5 TERMINATION**

The ENGINEER's services under Section 2 may be terminated:

- A. By mutual consent of the parties.
- B. For the convenience of the CITY, provided that the CITY notifies the ENGINEER in writing of its intent to terminate under this paragraph at least ten (10) days prior to the effective date of the termination.
- C. For cause, by either party where the other party fails in any material way to perform its obligations under this AGREEMENT. Termination under this subsection is subject to the condition that the terminating party notifies the other party of its intent to terminate, stating with reasonable specificity the grounds therefore, and the other party fails to cure the default within thirty (30) days after receiving the notice.
- D. On termination, the ENGINEER shall deliver all work products, completed or not, to the CITY ENGINEER and the ENGINEER will be paid for all authorized services performed up to the termination date.
- E. If the ENGINEER's services are terminated, for whatever reason, the ENGINEER shall not claim any compensation under this AGREEMENT, other than that allowed herein.
- F. If a final audit has not been performed before the ENGINEER's services are terminated, the CITY may recover any payments for costs disallowed as a result of the final audit.
- G. Except as provided in this section, termination of the ENGINEER's services does not affect any other right or obligation of a party under this AGREEMENT.

- H. If, after the CITY terminates this AGREEMENT for cause, and it is determined that such cause did not exist, the termination shall be deemed to have been effected for the convenience of the CITY.
- I. The ENGINEER warrants that no person or selling agency has been employed or retained to solicit or secure this AGREEMENT upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this warranty, the CITY shall terminate this AGREEMENT without liability and shall deduct from the contract price, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.
- J. The CITY shall terminate this AGREEMENT if it is found by the CITY that gratuities (in the form of entertainment, gifts or otherwise) were offered or given by the ENGINEER, or any agent or representative of the ENGINEER, to any official or employee of the CITY, or any citizen serving on an advisory board to the CITY, with a view toward securing a contract, or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performance of this AGREEMENT.

## **SECTION 6 INSURANCE**

- A. The ENGINEER shall maintain the following insurance throughout the term of ENGINEER's performance under this AGREEMENT:
  - 1. Worker's compensation and employer's liability insurance as required by the State of Alaska.
  - 2. Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of the others arising from use of motor vehicles, including on-site and off-site operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.
  - 3. Commercial general liability insurance covering claims for injuries to members of the public or damage to property of others arising out of any covered negligent act or omission of the ENGINEER or of any of its employees, agents, or subcontractors with \$1,000,000 per occurrence and in the aggregate.
  - 4. Professional liability insurance of \$1,000,000 per occurrence and in the aggregate. If written on a "Claims Made" basis, engineer shall keep policy in force for three years after project completion
- B. The CITY shall be named as an additional insured with respect to the ENGINEER's liabilities hereunder in insurance coverages identified in items 2 and 3 and the ENGINEER's insurer shall waive subrogation against the CITY under all policies required by this section. The ENGINEER shall provide the CITY with certificates of insurance.
- C. Each policy of insurance required by this section shall provide for no less than sixty (60) days written notice to the CITY prior to cancellation.



**SECTION 7 ASSIGNMENT**

A. This is a bilateral AGREEMENT. Neither party shall have the power to, or will, assign any of the duties or rights or any claim arising out of or related to this AGREEMENT, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. These conditions and the entire AGREEMENT are binding in the heirs, successors, and assigns of the parties hereto.

**SECTION 8 OWNERSHIP; PUBLICATION, REPRODUCTION & USE OF MATERIAL**

A. Except as otherwise provided herein, all data, reports, drawings, specifications, documents, and other deliverables of the ENGINEER, whether in hard copy or electronic form, prepared as a part of the scope of work are the property of the CITY, which shall retain the exclusive right to publish, disclose, distribute and otherwise use, in whole or in part, any such data, reports, drawings, specifications, documents or other materials. Exclusive rights shall not be attributed to portions of such materials presently in the public domain or which are not subject to copyright.

B. Equipment purchased by the ENGINEER with contract funds shall be the sole property of the CITY and shall be marked and inventoried as such with a copy of the inventory forwarded to the CITY.

C. The ENGINEER’s work products are for the PROJECT identified in this AGREEMENT, whether completed or not. The CITY agrees to indemnify the ENGINEER from all claims, damages, losses, and costs, including, but not limited to, litigation expenses and attorney’s fees arising out of or related to the unauthorized reuse, change or alteration of these work products.

**SECTION 9 NOTICES**

A. Any notice required pertaining to the subject matter of this AGREEMENT shall be either sent via facsimile (FAX) or mailed by prepaid first class registered or certified mail, return receipt requested to the following addresses:

CITY: Glenn Melvin, P.E.  
2410 Mill Bay Road  
Kodiak, Alaska 99615  
Tel: (907) 486-8065 Fax: (907) 486-8066

ENGINEER: Thomas S. Wolf, P.E., PMP  
CH2M HILL Engineers, Inc.  
949 E 36th Avenue Ste 500  
Anchorage AK 99508  
Tel: (907) (907) 762-1707 Fax: (907) 257-2018

B. Notices are effective upon the earlier of receipt, proof of good transmission (facsimiles only), or five (5) days after proof of proper posting.

**SECTION 10 FORCE MAJEURE**

- A. Any failure to perform by either party due to force majeure shall not be deemed a violation or breach hereof.
- B. As used in this AGREEMENT, force majeure is an act or event of substantial magnitude beyond the control of the affected party, which delays the completion of this AGREEMENT, including without limitation:
  - 1. Any interruption, suspension or interference resulting solely from the act of the CITY or neglect by the CITY not otherwise governed by the terms of this AGREEMENT.
  - 2. Strikes or work stoppages.
  - 3. Any interruptions, suspensions or interference with the PROJECT caused by act of GOD, or acts of a public enemy, wars, blockades, insurrections, riots, arrests or restraints or government and people, civil disturbances or similar occurrences.
  - 4. Order of court, administrative agencies or governmental officers other than the CITY.

## **PART II**

### **GENERAL PROVISIONS**

#### **SECTION 1 RELATIONSHIPS OF PARTIES**

- A. The ENGINEER shall perform its obligations hereunder as an independent contractor of the CITY, and nothing herein shall be construed to create a partnership, joint venture, or agency relationship between ENGINEER and CITY. Neither party shall have any authority to enter into agreements of any kind on behalf of the other or have any power or authority to bind or obligate the other in any manner to any third party. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever. The CITY may administer the AGREEMENT and monitor the ENGINEER's compliance with its obligations hereunder. The CITY shall not supervise or direct the ENGINEER other than as provided in this AGREEMENT.

#### **SECTION 2 NONDISCRIMINATION**

- A. The ENGINEER shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age, sex, or marital status or who is a "qualified individual with a disability" (as that phrase is defined in the Americans With Disabilities Act of 1990). The ENGINEER shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, sex, marital status or mental or physical impairment/disability. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training including apprenticeship. The ENGINEER agrees to post, in conspicuous places available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- B. The ENGINEER shall state, in all solicitations or advertisements for employees to work on contract jobs, that all qualified applicants will receive equal consideration for employment with regard to race, color, religion, national origin, ancestry, age, sex, marital status, or mental or physical impairment/disability.
- C. The ENGINEER shall include the provisions of subsections A and B of this section in every subcontract or purchase order under this AGREEMENT, so as to be binding upon every such subcontractor or vendor of the ENGINEER under this AGREEMENT.

#### **SECTION 3 PERMITS, LAWS, AND TAXES**

- A. The ENGINEER shall acquire and maintain in good standing all permits, licenses and other entitlements necessary to its performance under this AGREEMENT. All actions taken by the ENGINEER under this AGREEMENT shall comply with all applicable statutes, ordinances, rules and regulations. The ENGINEER shall pay all taxes pertaining to its performance under this AGREEMENT.

#### **SECTION 4 NONWAIVER**

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

**SECTION 5 AMENDMENT**

- A. This AGREEMENT shall only be amended, modified or changed in writing, executed by authorized representatives of the parties, with the same formality as this AGREEMENT was executed.
- B. For the purposes of any amendment modification or change to the terms and conditions of this AGREEMENT, the only authorized representatives of the parties are:

CITY:                    Aimée Kniaziowski  
                              City Manager  
                              PO Box 1397  
                              Kodiak, Alaska 99615  
                              Tel: (907) 486-8640 Fax: (907) 486-8600

ENGINEER:            Thomas S. Wolf, P.E., PMP  
                              CH2M HILL Engineers, Inc.  
                              949 E 36th Avenue Ste 500  
                              Anchorage AK 99508  
                              Tel: (907) 762-1707 Fax: (907) 257-2018

- C. Any attempt to amend, modify, or change this AGREEMENT by either an unauthorized representative or unauthorized means shall be void.

**SECTION 6 JURISDICTION**

- A. The Substantive law of the State of Alaska shall govern the validity of this AGREEMENT, its interpretation and performance, and any other claims related to it. Any civil action arising from This AGREEMENT shall be brought in the trial courts of the State of Alaska for the Third Judicial District at Kodiak.

**SECTION 7 SEVERABILITY AND SURVIVAL**

- A. If any of the provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.
- B. Limitations of liability, indemnities, and other express representations shall survive termination of this AGREEMENT for any cause.

## **SECTION 8 INDEMNIFICATION**

- A. The ENGINEER shall indemnify, defend, save and hold the CITY harmless from any claims, damages, losses, and costs, including, but not limited to, litigation expenses and attorney's fees, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the errors, omissions, negligence, or willful misconduct of the ENGINEER, the ENGINEER's employees, affiliated corporations, and subcontractors in connection with this PROJECT.
- B. The ENGINEER shall not indemnify, defend, save and hold the CITY harmless from claims, lawsuits, liability, or attorney's fees and costs arising from wrongful or negligent acts, errors or omissions solely of the CITY occurring during the course of or as a result of the performance of this AGREEMENT.
- C. Where claims, lawsuits or liability, including attorneys' fees and costs arise from wrongful or negligent acts of both the CITY and the ENGINEER, the ENGINEER shall indemnify, defend, save, and hold the CITY harmless from only that portion of claims, lawsuits, liability, including attorneys' fees and costs, which result from the ENGINEER's or any subcontractor's wrongful or negligent acts.

## **SECTION 9 ACCESS AND RETENTION OF RECORDS**

- A. The ENGINEER shall maintain accounting records regarding its performance under this AGREEMENT in accordance with generally accepted accounting principles.
- B. The ENGINEER shall, at any time during normal business hours and as often as the CITY may deem necessary, make available to the CITY, for examination, all of its records with respect to all matters covered by this AGREEMENT for a period ending three (3) years after the date the ENGINEER completes performance in accordance with Section 2 of the Special Provisions. Upon request, and within a reasonable time, the ENGINEER shall submit such other information and reports relating to its activities under this AGREEMENT to the CITY, in such form and at such times as the CITY may reasonably require. The ENGINEER shall permit the CITY to audit, examine and make copies of such records, and to make audits of all invoices, materials, payrolls, records of personnel and other data relating to all matters covered by this AGREEMENT. The CITY may, at its option, permit the ENGINEER to submit its records to the CITY in lieu of the retention requirements of this section.

## **SECTION 10 DISPUTE RESOLUTION**

- A. The CITY and the ENGINEER shall use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

**SECTION 11 APPENDICES, SCHEDULES, AND SIGNATURES**

A. This AGREEMENT, including its attachments and schedules, constitutes the entire AGREEMENT, supersedes all prior written or oral understandings, and may only be changed by a written amendment executed by both parties. The following appendices and schedules are hereby made a part of this AGREEMENT.

Appendix A, Scope of Services

IN WITNESS WHEREOF, the parties have executed this AGREEMENT on the date shown below.

CITY OF KODIAK

CH2M Hill Engineers, Inc.

\_\_\_\_\_  
Aimée Kniaziowski  
City Manager

\_\_\_\_\_  
Thomas S. Wolf, P.E., PMP  
VP and Senior Project Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

ATTEST

ATTEST

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

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**City of Kodiak**  
**AGREEMENT FOR PROFESSIONAL SERVICES**  
**with**  
**CH2M Hill Engineers, Inc.**  
**for**  
**Construction Management Services for the Composting Facility PN 08-06/7517**

**APPENDIX A**  
**SCOPE OF SERVICES**

## Introduction

CH2M HILL, the project designer, will provide construction phase services for the City of Kodiak's (City's) Compost Facility construction project. CH2M HILL will provide the part-time Resident Project Representative and the project's non-resident construction phase services, as defined in the Bidding Requirements and Contract Document, issued February, 2015, and as requested by the City.

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

The proposed task budgets are estimates based on predicted levels of effort. Tasks with specific scopes of work, those tasks will be reimbursed on a Lump Sum (LS) basis. LS tasks total \$118,000. Task budgets are provided on page 7 of this Scope of Work.

Tasks with less definitive scopes of work, those tasks will be reimbursed on a Time and Expense (T&E) basis. T&E task budgets may be exceeded for some tasks while other tasks may be under spent, provided the total T&E budget is not exceeded. T&E tasks total \$276,000. Task budgets are provided on page 7 of this Scope of Work.

The total budget for the proposed Scope of Work is \$394,000 (LS + T&E).

If additional services are required by City, or if construction is extended beyond the expected seven (7) month Construction Contract duration, CH2M HILL's construction phase budget may be modified by contract amendment, if additional engineering fees are needed, before CH2M HILL will be expected to perform additional or extended services.

## Assumptions

This scope of work is based on a set of assumptions used to define the work and is the basis for CH2M HILL's construction phase service budget. Major assumptions are listed below; additional assumptions are noted in individual activity descriptions. The City will provide

manpower for some activities necessary to achieve the Project's construction phase objectives. These activities and services are identified in section titled City Furnished Services below.

1. CH2M HILL's role will be to serve as a technical resource to provide assistance as scoped and budgeted herein and requested by City.
2. The budget for this Work is based, in part, on a seven (7) month construction duration from the pre-construction conference and issuance of Construction Contractor Notice-To-Proceed to final Contractor payment and CH2M HILL completion of Record Drawings. Additional resident project representative work beyond this time, if required due to delays or changes in project schedule, will be additional.
3. The presence or duties of CH2M HILL's personnel at a construction site, whether as onsite representatives or otherwise, do not make CH2M HILL or CH2M HILL's personnel in any way responsible for those duties that belong to the City and/or the construction contractor(s) or other entities, and do not relieve the construction contractor(s) or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the construction Contract Documents and any health or safety precautions required by such construction work. CH2M HILL and CH2M HILL's personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractor(s) or other entity or any other persons at the site except CH2M HILL's own personnel. The presence of CH2M HILL's personnel at a construction site is for the purpose of providing to the City a greater degree of confidence that the completed construction work will conform generally to the construction documents and that the integrity of the design concept as reflected in the construction documents has been implemented and preserved by the construction contractor(s). CH2M HILL neither guarantees the performance of the construction contractor(s) nor assumes responsibility for construction contractor's failure to perform work in accordance with the construction documents.

## City of Kodiak-Furnished Services

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

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



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

### **Task 1. Project Startup – LS Task**

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

### **Task 2. Prepare Conformed Contract Documents – LS Task**

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

### **Task 3. Attend Preconstruction Meeting – LS Task**

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

### **Task 4. Assist City of Kodiak with Facility Startup and Training Services – LS Task**

CH2M HILL will assist City during startup of the composting facility. The budget for this assistance is based on the involvement of two (2) CH2M HILL staff for up to 5 week days for pre-startup meeting, performance testing, and training City staff on operating procedures and sampling protocols. Additional work includes development of a bulleted Standard Operating Procedure for ADEC approval and development of a compost use flyer. Ongoing start-up services will be provided for the first 6 months of the facility operation. This will include over the phone and email consultation as well as a one day site visit for each of the first 3 months and then the final 6 month after facility start-up. The staff involved in these services will include CH2M HILL’s Composting specialist and project engineer.

### **Task 5. Prepare Alaska Department of Environmental Conservation (ADEC) Submittals for Approval – LS Task**

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

### **Task 6. Prepare Record Drawings – LS Task**

CH2M HILL will modify construction drawings based on the marked-up drawing set by the Construction Contractor to prepare the project Record Drawings. Construction drawings are to be regularly updated by the Construction Contractor and reviewed monthly by CH2M HILL’s

part-time Resident Project Representative (RPR), however, since Record Drawings are prepared, in part, on the basis of information provided by others, they may not always represent the exact location, type of various components, or exact manner in which the project is finally constructed. CH2M HILL is not responsible for any errors or omissions in the information from others that is incorporated into the Record Drawings.

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

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

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

### **Task 7. Prepare Addendum to Operators' Manual – LS Task**

CH2M HILL will prepare an addendum to the process oriented Operators' Manual for the complete facility that was originally prepared as part of the ADEC permitting task during the design phase. The Operator's manual and addendum will be available electronically and in hard copy.

The equipment O&M Manuals will be compiled by the Construction Contractor. Upon completion the Engineer will review that all O&M manuals, warranties, test reports, as-built drawings and deliverables required by the contract documents are submitted by the Contractor in compliance/conformance with the contract documents.

### **Task 8. Project Management – LS Task**

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

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

CH2M HILL will attend up to two (2) supplemental meetings held in City's office. The Project Manager and part-time RPR will attend meetings to discuss project status, project issues, facilitate decisions, obtain information, or address other project-related needs.

### **Task 9. Project Closeout – LS Task**

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

### **Task 10. Provide Part-Time Resident Project Representative – T&E Task**

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

- ✓ Review and monitor Progress Schedule, Schedule of Submittals, and Schedule of Values by Contractor;
- ✓ Conduct or attend construction meetings;
- ✓ Serve as Engineer's liaison with Contractor;
- ✓ Receive any field submittals;
- ✓ Review the Work, reject defective Work, inspect and arrange testing to determine if Work is in accordance with Contract Documents;
- ✓ Interpret Contract Documents when clarification and interpretations are needed;
- ✓ Consider and evaluate Contractor suggestions for modifications to Drawings or Specifications and provide recommendations to Engineer;
- ✓ Maintain project records;
- ✓ Furnish necessary reports to Engineer on progress of the Work and of the Contractor's compliance with the Progress Schedule and other relevant documents;
- ✓ Review Contractor's partial payment requests and forward payment recommendation to Engineer;
- ✓ Confirm that Contractor provides the required certificates, O&M manuals, Record Drawings, and site records;
- ✓ Conduct inspections necessary to establish list of items required prior to Substantial Completion;
- ✓ Conduct final inspections to determine any incomplete or defective Work and make recommendation to Engineer.

The RPR will travel from Anchorage to Kodiak an average of once per week for a one or two day visit to facilitate executing the duties listed above. Twenty (20) trips (ten (10) one day and ten (two) day trips are budgeted. Trips to Kodiak will occur only during times of significant construction activity at the project site.

### **Task 11. Review Contractor Submittals – T&E Task**

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

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

Construction Contractor. Both City and the Construction Contractor will be responsible for printing the appropriate number of copies for their records.

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

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

### **Task 12. Negotiate and Prepare Change Orders – T&E Task**

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

### **Task 13. Attend Progress Meetings – T&E Task**

CH2M HILL will facilitate on-site construction progress meetings and distribute meeting notes. The total number of progress meetings assumed is twenty (20) for the RPR. Whenever special progress or other construction meetings are needed, CH2M HILL's RPR will set up and conduct those meetings and the Project Manager will attend as needed.

### **Task 14. Technical Site Visits – T&E Task**

CH2M HILL will visit the construction site and attend meetings, as requested and directed by City, to provide miscellaneous technical support and assistance when deemed necessary by the Project Manager or the City. The budget for this task is based on six (6) trips from Anchorage to Kodiak and four (4) trips from Seattle to Kodiak. If additional trips are required, or extended time is needed on site for each trip, additional funds may be required.

### **Task 15. Respond to Contractor Requests for Information – T&E Task**

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

### **Task 16. Review Contractor Payment Requests – T&E Task**

CH2M HILL will review each partial payment request and provide recommendations directly to city regarding Construction Contractor progress payments. RPR will meet monthly with Construction Contractor at the site to review. Work completed and materials stored on-site and incorporated into the work will be reviewed prior to each month's partial payment request being submitted to CH2M HILL. If CH2M HILL has any exceptions to the requested amount on

any partial payment request, CH2M HILL will process the request at a reduced recommended payment amount and an exceptions report will be issued to City.

### Task 17. Conduct Milestone and Final Inspections – T&E Task

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

### Task 18. Provide Warranty Period Assistance – T&E Task

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

### Task 19. Allowance for Undeveloped Scope – T&E Task

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

## Proposed Project Budget

The task budgets for the scope described are presented in the table below. For T&E tasks CH2M HILL labor will be billed at CH2M HILL standard labor rates in effect for the year the work is performed and all expenses will be billed at 1.10 actual cost. CH2M HILL’s billing rates change January 1 each year. Budgets for T&E tasks will be allowed to be adjusted between tasks provided the total T&E budget is not exceeded.

Task	Description (LS = Lump Sum T&E = Time and Expense)	Budget
1	Project Startup – LS Amount	\$6,000
2	Prepare Conformed Contract Documents – LS Task	\$4,000
3	Attend Preconstruction Meeting – LS Task	\$11,000
4	Assist with Facility Startup Services – LS Task	\$44,000
5	Prepare ADEC Submittals for Approval – LS Task	\$5,000
6	Prepare Record Drawings – LS Task	\$12,000
7	Prepare Addendum for Operators’ Manual – LS Task	\$4,500
8	Project Mgmt/Accounting/Contracts – LS Task	\$26,500
9	Project Closeout – LS Task	\$5,000
<b>LUMP SUM SUBTOTAL TASKS 1 - 9</b>		<b>\$118,000</b>
10	Part Time Resident Project Representative – T&E Task	\$88,000
11	Review Contractor Submittals – T&E Task	\$32,000

<b>Task</b>	<b>Description (LS = Lump Sum T&amp;E = Time and Expense)</b>	<b>Budget</b>
12	Negotiate and Prepare Change Orders – T&E Task	\$13,000
13	Attend Progress Meetings – T&E Task	\$7,000
14	Technical Site Visits – T&E Task	\$28,000
15	Respond to RFI's – T&E Task	\$33,000
16	Review Pay Requests – T&E Task	\$8,000
17	Milestone and Final Inspections – T&E Task	\$28,000
18	Warranty and Post Construction Services – T&E Task	\$14,000
19	Allowance for Undeveloped Scope	\$25,000
<b>TIME AND EXPENSE SUBTOTAL TASKS 10 - 19</b>		<b>\$276,000</b>
<b>TOTAL CONTRACT AMOUNT</b>		<b>\$394,000</b>

## **Proposed Project Team**

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

Tom Wolf – Project Manager

Bud Alto – Design Manager/Part-Time Resident Project Representative

Katie Winter – Project Engineer

Todd Williams – Composting Process/Operator's Manual

Design Discipline Leads for construction phase support

Susan Kennedy – Project Assistant