

City of Kodiak Regular Council Meeting Agenda for September 10, 2015
7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)

- I. Call to Order/Roll Call**
 - Pledge of Allegiance/Invocation

- II. Previous Minutes**
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- III. Persons to Be Heard**
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 - b. Public Comments (limited to 3 minutes) (486-3231)

- IV. Unfinished Business**
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- V. New Business**
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 - b. Resolution No. 2015–27, Authorizing the Issuance of a Permit to the High School Tennis Team for the Use of Public Property for Its Tennis Clinic Fundraiser36
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 - a. City Manager
 - b. City Clerk

VII. Mayor's Comments

VIII. Council Comments

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

X. Adjournment

<p>DRAFT</p>

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, AUGUST 13, 2015
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Randall C. Bishop, Charles E. Davidson, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Councilmember Gabriel T. Saravia was absent. Councilmember Terry J. Haines' seat was vacated at the July 23, 2015, meeting. City Manager Aimée Kniaziowski, City Clerk Debra L. Marlar, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

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

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the July 23, 2015, regular meeting as presented.

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

III. PERSONS TO BE HEARD

a. Proclamation: Recognizing the 225th Birthday of the United States Coast Guard

Councilmember Whiddon read the proclamation, which recognizes that on August 4, 2015, the U.S. Coast Guard celebrated 225 years of service to the Nation and the communities it serves. CAPT Westling, USCG accepted the proclamation and on behalf of those in uniform said it was an honor and thanked the Mayor and Council.

b. Public Comments

Marita Kaplan thanked the Mayor and Council for their continued support of the Senior Center, their members, and families.

Marie Rice thanked the Mayor and Council for their support of community gardens. She said those that have toured the gardens have been very pleased.

Ken Reinke requested his nonprofit grant request for in-kind water and sewer services be funded. He said Threshold diverts recyclables from the landfill, and they did over 6,000 hours of training for disabled individuals.

Laura Aboleda introduced herself to the Council and the public. She shared she is running for a Council seat, wants to be in a leadership role, and hopes to see more people in the future at meetings.

Jennifer Monborough, Kodiak Teen Court, reiterated their nonprofit grant request for assistance with rent. She said Teen Court reviews 15 to 30 cases annually, they work with other agencies, and Teen Court benefits the community.

Kathryn Hollis-Buchanan thanked the Council for their support of the American Red Cross. She said funds received from the City do not cover training costs, and she impressed upon the Council the importance of the funding. She said they have run successful drills for emergency preparedness teams, and funding will help with housing of displaced families of fires.

Andy Schroeder, Executive Director of Island Trails Network, commended the Council on the ideas for the pedestrian pathway. He supports all the ideas put forth and suggested their recommendation from 2010. He commented on the area between the Library and East Elementary. He thanked the Council for their service.

Stepan Taufan stated he represents fisheries and voiced his appreciation for the USCG. He commented on a concern about whalers, crimping, and shanghaiing. He spoke on admiring and referred to USCG.

IV. UNFINISHED BUSINESS

a. Second Reading and Public Hearing, Ordinance No. 1337, Amending Kodiak City Code 7.04.060, Control of Animals, Adopting Kodiak City Code 7.04.190, Off-Leash Dog Parks, Amending Kodiak City Code 7.04.180, Control of Animal Offenses-Fine Schedule, and Amending Kodiak City Code 18.32.020, Definitions to Provide for Leash-Free Dog Parks and Related Matters

Mayor Branson read Ordinance No. 1337 by title. The Parks and Recreation Department received requests from community members to add a leash-free dog park to the Kodiak park system. The Parks and Recreation Advisory Board made a motion to support a dog park at the north end of East Addition Park at their April 1, 2015, meeting.

Councilmember Davidson MOVED to adopt Ordinance No. 1337.

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

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

b. Resolution No. 2015–21, Authorizing FY2016 Nonprofit Grant Awards

Mayor Branson read Resolution No. 2015–21 by title. Each year the City Council authorizes grant payments to local nonprofit organizations. The types and levels of funding are based on the City Council's nonprofit funding policy guidelines adopted by Resolution No. 2015–16. The policy resolution stipulates the total amount available for nonprofit grants in a given fiscal year will equal a maximum of one percent of budgeted general fund revenues, exclusive of any fund balance appropriations. The amount budgeted for FY2016 for nonprofit grant payments is \$149,900.

The policy also grants agencies the ability to apply for one-time only non-operational funds for special projects when the City has additional funds available. The City received twenty-three applications for FY2016 from nonprofit organizations that serve Kodiak, up from twenty-one applications last fiscal year, for a total amount requested of \$215,635. Council reviewed the applications at the July 22 and August 11 work sessions and interviewed some applicants.

Councilmember Whiddon MOVED to amend by substituting for the pending resolution, Resolution No. 2015–21(SUB).

Councilmember Whiddon MOVED to amend Resolution No. 2015–21(SUB) as follows:

- Restore 3% funding to all nonprofits funded in Resolution No. 2015–21(SUB);
- Decrease Salvation Army Funding under Public Safety from \$6,050 to \$3,901;
- Decrease American Red Cross of Alaska funding under Emergency Response Support Programs from \$7,390 to \$5,240; and
- Increase the total non-departmental cash contributions from \$149,573.03 to \$149,900.

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

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

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

V. NEW BUSINESS

a. **Resolution No. 2015–25, Authorizing the City of Kodiak to Issue General Obligation Refunding Bonds in the Principal Amount of Not to Exceed \$7,500,000 to Refund Certain Outstanding General Obligation Bonds of the City, Fixing Certain Details of Such Bonds and Authorizing Their Sale**

Mayor Branson read Resolution No. 2015–25 by title. Resolution No. 2015–25 authorizes the City to issue general obligation bonds in an amount not to exceed \$7,500,000 to refund the City’s General Obligation Bonds, 2008 Series A maturing in the years 2019 through 2038, with a principal amount of \$6,280,000 (“2008 Bonds”) that were issued to pay part of the cost of the City’s new public safety building. The purpose of the refunding is to realize debt service savings.

Councilmember Bishop MOVED to adopt Resolution No. 2015–25.

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

b. **Authorization of Water Utility Rate Cost of Service Study Project No. 05-04/7024**

CH2MHILL has prepared several water and sewer rate studies for the City of Kodiak going back to 1982. In 2004 CH2MHILL did a complete cost of service study as part of both a water and sewer rate evaluation. This study was completed in 2005, and the Council adopted five years of the rates projected out over a ten-year period. It has been five years since the last water rate study and current rates were adopted. It has been ten years since the last cost of service study was completed. Staff believes it is important to complete the much more in depth cost of service study to provide this information to the Council.

Councilmember Walker MOVED to authorize a professional services agreement with CH2MHILL in the amount of \$40,400 to perform a water utility cost of service study with funds coming from the Water Capital Improvement Fund, Project No. 05-04/7024 and authorize the City Manager to execute the documents on behalf of the City.

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

c. Authorization to Purchase Trash Cans

The City has been working toward improving the downtown area. The Mayor and Council created a community-based committee to make recommendations to the City in the areas of beautification, public safety, and economic development. The committee and subcommittees have made short and long-term suggestions for improvement in each of the three areas and presented them to Council. A key element of downtown revitalization has been to improve the look of the downtown area. The committee identified the need for new trash cans as a way to improve the looks and cleanliness of the downtown area.

Councilmember Davidson MOVED to authorize the purchase of 28 decorative trash cans from PlayPros Inc. in Tualatin, Oregon, and the shipment of the cans from Tacoma to Kodiak by the most cost efficient shipper in an amount not-to-exceed \$35,000 with funds from the General Fund Capital Project Fund, Downtown Revitalization Project, Project No. 4039.

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

d. Direction for Pedestrian Pathway Grant Funds

The City Council received a presentation in July from the state grants administrator who oversees the City's legislative grants. She advised Council and City staff that the \$384,000 that was awarded in FY2012 for the planning and design of a pathway project (originally requested for a paved pathway from Pier II to Deadman's Curve) will be lost if a decision is not made now on which project to direct the money. The legislative funds come from the cruise ship excise tax funds and require the project to be something that will benefit cruise ship passengers, provide for safety of the passengers, and/or enhance their experience in Kodiak.

Councilmember Walker MOVED to authorize the 2012 legislative pedestrian pathway planning and design grant funds in the amount of \$384,000 be applied to developing a pedestrian pathway

project from Pier II to Near Island and other points of interest and authorize the City Manager to request a planning and design proposal to initiate use of the funds.

Councilmember Whiddon MOVED to amend the motion by striking “and other points of interest.”

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

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

VI. STAFF REPORTS

a. City Manager

Manager Kniazowski said the Matson crane has arrived from Shanghai and commented the crane is the largest in Alaska. She said there have been public service announcements regarding the incoming crane and indicated the offload will be on Saturday. She thanked Matson, Kodiak Police Department, and Alaska Department of Transportation for their work. She indicated the Kennicot is also at Pier II on Saturday. She gave project updates on Pier III, composting, Mill Bay Road repairs, the Monashka Pumphouse, and Pier I. Manager Kniazowski said she and the Mayor met with the planners regarding the 2016-2019 STIP. She said the Deputy Manager will arrive in Kodiak on August 14, 2015. She announced the move of City offices in the KIB building is occurring, and a City conference room will be available in the future. She shared the Planning and Zoning Commission is reviewing the conditional use permit regarding the quarry on August 6, 2015, and Engineer Melvin and Harbormaster White will attend. She complimented Engineer Melvin for his work on the preparation of the conditional use permit. She stated she will be out next week at Alaska Municipal League.

b. City Clerk

Clerk Marlar stated Councilmember Haines' seat is automatically vacated in accordance with City Charter Article II, Section 8, because he has missed more than half of the regular meetings in a six-month period. The City's attorney has reviewed the number of regular meetings held and the number of Mr. Haines absences and has determined that when Mr. Haines missed the July 23, 2015, regular meeting, his seat automatically vacated. She stated Mr. Haines missed the meetings because he is a fisherman and was out of town fishing and that the City Charter does not allow the Council to excuse any absences.

She further stated the City Code requires that the Council appoint a person to fill a vacant seat within 30 days. Because there will not be a quorum to hold a special meeting next week, the City Attorney has advised it is permissible for the Council to reappoint Mr. Haines or appoint another person at tonight's meeting to serve until the October 6 election is certified. She shared the October 6 ballot will contain a two-year seat in addition to two three-year seats.

Councilmember Davidson MOVED to re-appoint Terry Haines to the vacant Councilmember seat until the October 6, 2015, Municipal Election.

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

City Clerk Marlara informed the public of the next scheduled Council work session and regular meeting.

VII. MAYOR’S COMMENTS

Mayor Branson said the paved roads on Mill Bay look great. She said she is pleased with the crane arrival and pleased with the purchase of the trash cans. She reminded the public about the City’s 75th anniversary celebration on September 12 and thanked the volunteers for their assistance.

VIII. COUNCIL COMMENTS

Councilmember Walker said he was pleased with the crane arrival. He said Kodiak is leading in the green with the crane and KEA flywheels.

Councilmember Davidson said he is excited for the crane to be offloaded. He said the existing crane has been fixed many times.

Councilmember Whiddon said it is unfortunate that Mr. Haines’ Council seat was required to be vacated, and he encouraged people to run for the Council. He commented on Pier III. He commented on an Environmental Impact Statement letter, stating the response date is August 28 and approval of the letter is scheduled for City’s August 26 special meeting, and when approved, the letter will be sent to National Marine Fisheries Service.

Councilmember Bishop thanked the City staff for their hardwork. He complimented the community and said there are emerging leaders.

IX. AUDIENCE COMMENTS

None

X. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 8:50 p.m.

AUGUST 13, 2015

7977

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

<p>DRAFT</p>

**MINUTES OF THE SPECIAL COUNCIL MEETING
OF THE CITY OF KODIAK
HELD TUESDAY, AUGUST 26, 2015
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:05 p.m. Councilmembers Randall C. Bishop, Charles E. Davidson, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Councilmember Terry J. Haines was absent. City Manager Aimée Kniazowski, Deputy Clerk Michelle Shuravloff-Nelson, and Assistant Clerk Catherine Perkins were also present.

II. Public Comments on Agenda Items Only

Steven Taufen spoke on fisheries related issues and encouraged the City Council to carefully consider what was included in their letter.

III. Approval of Letter to National Marine Fisheries Service Regarding the Environmental Impact Statement for Gulf of Alaska Trawl Bycatch Management

Councilmember Whiddon read and highlighted key points of the letter to the National Marine Fisheries Service, which urges the North Pacific Fishery Management Council to consider impacts to the largest port in the gulf as they move forward with the trawl bycatch issue in the Gulf of Alaska.

Councilmember Davidson **MOVED** to approve the letter based on the Kodiak Fisheries Work Group recommendation to approve a community response to the National Marine Fisheries Service Environmental Impact Statement on the Gulf of Alaska Bycatch Management Proposal.

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

IV. Endorsement of the Fisheries Work Group Recommendation to Award a Professional Services Contract to Provide an Economic Analysis of the Fishing Industry

The Kodiak Fisheries Work Group is recommending a professional services contract to develop baseline data about how the Gulf of Alaska fisheries, particularly the groundfish fisheries, that are the subject to North Pacific Fishery Management Council action, contribute to the Kodiak Island economy.

Councilmember Walker **MOVED** to endorse the Fisheries Work Group recommendation to award a professional services contract to provide an economic analysis of the fishing industry and authorize the City Manager to expend, if necessary, an amount to exceed the estimated cost of \$15,000.

Councilmember Davidson MOVED postpone the endorsement of a professional services contract to provide economic analysis of the fishing industry to a future meeting to be determined by the City Manager.

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

V. Adjournment

Councilmember Whiddon MOVED to adjourn the meeting.

The Mayor adjourned the meeting at 7:30 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

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PERSONS TO BE HEARD

MEMORANDUM TO COUNCIL

Date: September 10, 2015

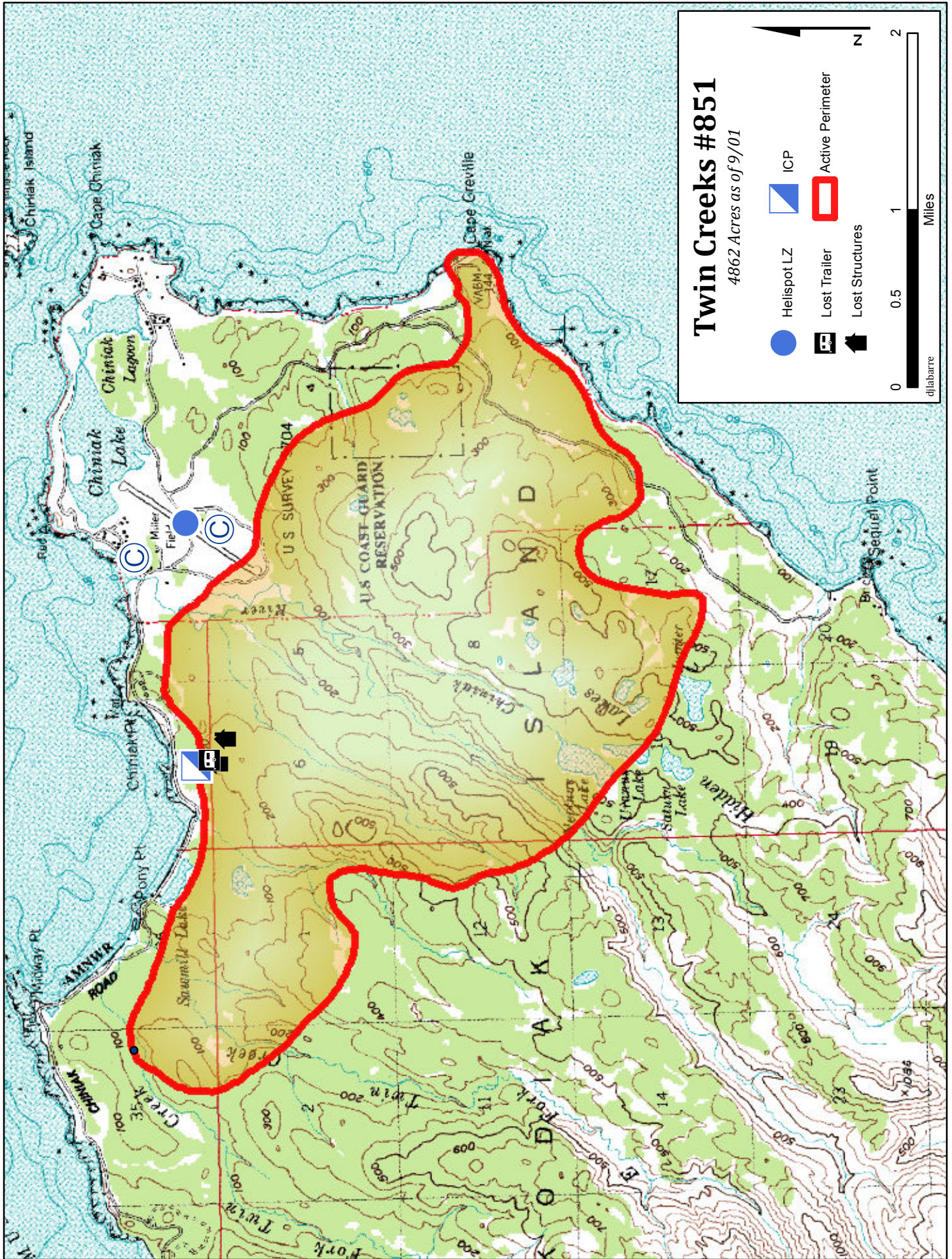
Agenda Item: III. a. Twin Creeks Fire Debriefing (Known Locally as Chiniak Fire)

SUMMARY: The City Manager will provide a debriefing on the Twin Creeks/Chiniak Fire.

ATTACHMENTS:

Attachment A: Maps depicting fire area

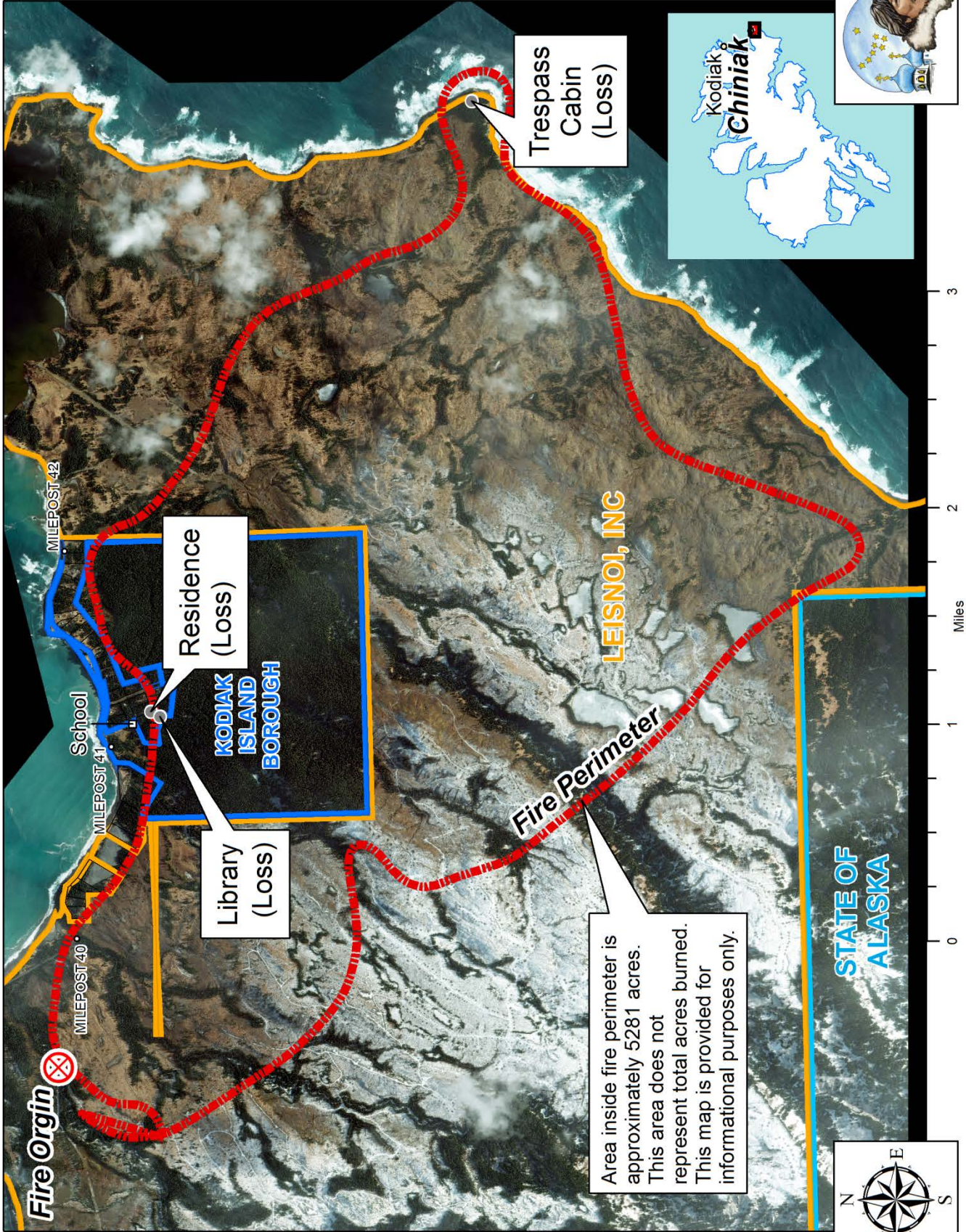
Attachment B: Fire photos



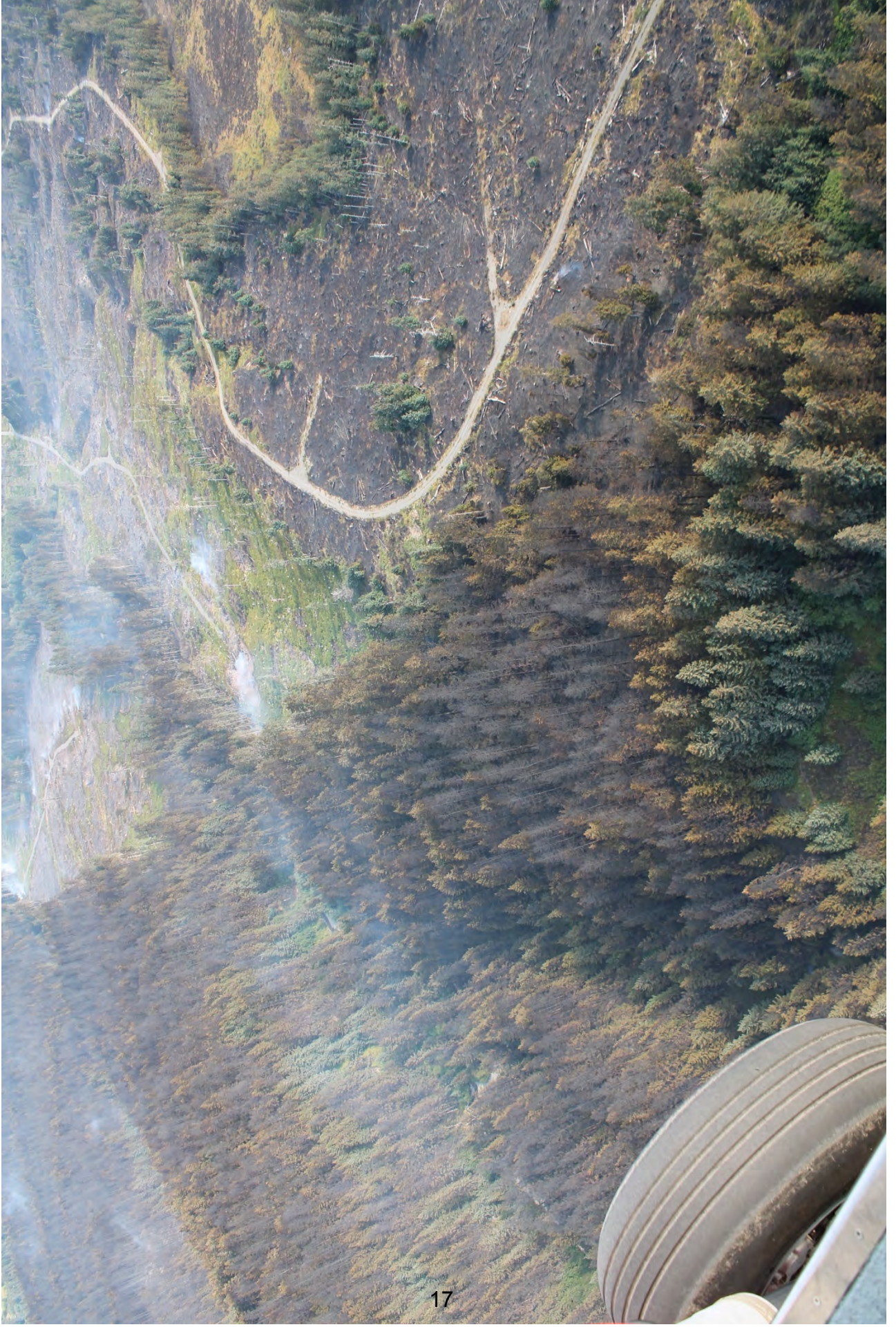
TWIN CREEKS FIRE (CHINIAK, AK)



TWIN CREEKS FIRE (CHINIAK, AK)














UNFINISHED BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager 

Date: September 10, 2015

Agenda Item: IV. a. Resolution No. 2015–19, Supporting “The Subsistence Access Management Act of 2015”

SUMMARY: Resolution No. 2015–19 supports “The Subsistence Access Management Act of 2015,” which is legislation to prohibit any changes in rural determination by the Departments of Interior and Agriculture that would remove a community currently qualified for subsistence rights. This legislation is introduced by Senator Murkowski and Representative Young. Kodiak is currently categorized as rural for the purposes of harvesting fish and wildlife on federal lands. In the Kodiak area, the lands include the Kodiak Wildlife Refuge lands, the Buskin River, and waters around Afognak Island. The determination of rural status using population threshold criteria by the Department of Interior and Agriculture could impact Kodiak’s current rural subsistence status. The “rural” status allows Kodiak to qualify for certain Federal programs, services and funding. Adoption of the resolution will show support for the legislation, which was developed upon requests for assistance from the Kodiak area and other communities concerned about the potential loss of their rural status allowing the retention of subsistence rights.

PREVIOUS COUNCIL ACTION:

- Council adopted Resolution No. 2006–28 on August 24, 2006, in support of Kodiak retaining its rural status.
- Council adopted Resolution No. 2013–29 on October 24, 2013, urging the Secretaries of Agriculture and Interior to revise rural determination process under Alaska National Interest Lands Conservation Act (ANILCA).
- Council postponed Resolution No. 2015–19 on June 25, 2015.

DISCUSSION: The Departments of Interior and Agriculture are undertaking a review of its subsistence management rules that could result in changes that rely more substantially on population thresholds rather than other qualitative or non-numeric considerations that we believe are as or more important in determining whether a community meets the rural determination standard. Kodiak’s geographic isolation and remoteness; a limited road infrastructure; high cost-of-living, including food; historic reliance on subsistence harvest; and significant Native population should be used in the criteria of rural status determinations as previously adopted by resolutions.

“The SACSMAN Act would also require Congressional approval before the federal government unilaterally decides to change the status of any communities under the Alaska National Interest Lands Conservation Act (ANILCA). Kodiak was considered for a potential shift in status as recently as 2006.” Retrieved from Senator Murkowski’s website:

[<http://www.murkowski.senate.gov/public/index.cfm/pressreleases?ID=b2ad2b54-2516-44e3-b49f-5d9ee958b5c8>: [May 11, 2015]

Council postponed adoption of Resolution No. 2015–19 on June 25, 2015, based on concerns expressed by some community members as to the legislation’s intent. The postponement allowed time to better understand the legislation. Senator Murkowski’s staff member Nathan Bergerbest and one of the City’s federal lobbyists, Sebastian O’Kelly, had a teleconference with City and Borough officials on July 31, 2015, to review the legislation and answer questions. The teleconference was informative, and Kodiak representatives were told the intent was to have full congressional approval before any community deemed rural could have that rural determination removed. Based on that information, the Manager and Mayor recommended the resolution be brought back for action at this meeting.

ALTERNATIVES: Council may approve, amend, or fail the resolution.

CITY MANAGER’S COMMENTS: The issue of Kodiak’s classification as rural in order for residents to qualify for subsistence rights is reviewed periodically by the federal government. Kodiak City has taken a stance in support of retaining the designation in 2006 and 2013 (see Attachments B & C). Senator Murkowski and Representative Young support Kodiak’s retention of its rural determination on a permanent basis and have requested a resolution from us in support of their legislation entitled “The Subsistence Access Management Act of 2015.” If Council agrees to adopt the resolution, it will be forwarded to our federal lobbyist Brad Gilman and the Alaska Delegation offices.

ATTACHMENTS:

Attachment A: Resolution No. 2015–19

Attachment B: Resolution No. 2013–29

Attachment C: Resolution No. 2006–28

{Clerk’s note: The motion to adopt was made and postponed on June, 25, 2015. The vote on the motion needs to be taken.}

**CITY OF KODIAK
RESOLUTION NUMBER 2015–19**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK SUPPORT-
ING “THE SUBSISTENCE ACCESS MANAGEMENT ACT OF 2015”**

WHEREAS, subsistence harvest of fish and game has long been part of the history, culture, way-of-life and survival for the residents of Kodiak; and

WHEREAS, subsistence harvest of fish and game is vital for economic, dietary, and food access needs; and

WHEREAS, Congress has long recognized subsistence rights on Federal lands and waters of Alaska Natives and rural residents in Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA); and

WHEREAS, hundreds of Alaska Natives reside in the City or take temporary residence from the outlying villages during the winter months; and

WHEREAS, federal agencies (including those within the Departments of Interior and Agriculture) have long-considered Kodiak “rural” in terms of qualifying for certain federal programs, services and funding; and

WHEREAS, the Departments of Interior and Agriculture have previously determined that Kodiak residents qualified for subsistence rights under the definition of rural determination in ANILCA but are considering the use of a population-based threshold that could put that status in jeopardy; and

WHEREAS, inclusion of the largely transient and nonresident population of the U.S. Coast Guard Base–Kodiak should not be considered by the Departments in their population threshold calculations, as it is a Census-designated place located outside the borders of the City of Kodiak with its administrative authority based in Alameda, CA; and

WHEREAS, the Departments of Interior and Agriculture are undertaking a review of its subsistence management rules that could result in changes that rely more substantially on population thresholds rather than other qualitative or non-numeric considerations that we believe are as or more important in determining whether a community meets the rural determination standard; and

WHEREAS, the Departments have issued a Proposed Rule on January 28, 2015, to consider revisions to its definition of rural determination, with public comments taken until April 1; and

WHEREAS, the Departments should give greater weight in its rural determination decisions to non-population-based considerations including: Kodiak’s geographic isolation and

remoteness; a limited road infrastructure; high cost-of-living, including food; historic reliance on subsistence harvest; significant Native population; and

WHEREAS, there is a great deal of uncertainty that the Departments in their Final Rule may revert to a primarily population-based standard in rural determination decisions that could result in Kodiak residents losing their subsistence rights; and

WHEREAS, Senator Murkowski and Representative Young have introduced companion legislation, titled “The Subsistence Access Management Act of 2015” to prohibit any changes in rural determination by the Departments of Interior and Agriculture that would remove a community currently qualified for subsistence rights unless Congress authorizes such removal;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak, Alaska, strongly endorses the “The Subsistence Access Management Act of 2015” and urges its prompt enactment in the 114th Congress.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Postponed: June 25, 2015

Adopted:

**CITY OF KODIAK
RESOLUTION NUMBER 2013-29**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK URGING
THE SECRETARIES OF AGRICULTURE AND INTERIOR TO REVISE RURAL
DETERMINATION PROCESS UNDER ALASKA NATIONAL INTEREST LANDS
CONSERVATION ACT TITLE VIII**

WHEREAS, the Unified States Congress passed into Law, in 1980, Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA) in order to protect the subsistence rights of rural Alaskans by making subsistence a priority consumptive use of federal lands and waters for rural Alaskans; and

WHEREAS, Congress indicated in Title VIII that protecting subsistence was essential to Alaska Native culture and a rural lifestyle, and that Congress was applying its trust responsibility to Alaska Natives in requiring a subsistence consumptive priority; and

WHEREAS, the federal government through the Federal Subsistence Management Board (FSMB) under the Secretaries of Interior and Agriculture is responsible for protecting rural residents and implementing the Congressional intent of Title VIII and as verified by the 9th Circuit Court decisions (2013); and

WHEREAS, Congress, the Federal Subsistence Board, and the State of Alaska determined that the City of Kodiak and the adjacent road system had significant rural characteristics and, therefore, was designated rural for state and federal purposes in the early 1990s; and

WHEREAS, the Federal Subsistence Board is required every ten years to review but not determine rural residential status to evaluate changes within a community that justify changing its rural status; and

WHEREAS, the determination process is not required and is expensive and stressful to FSMB and to communities; and

WHEREAS, there has been an approximately ten-percent decline in the City of Kodiak's population between 1990 and 2013 (from 6,787 to 6,104) moving the City of Kodiak further away from the benchmark population of 7,000 people; and

WHEREAS, the City of Kodiak and the Kodiak road system continue to possess significant characteristics of a remote geography, including a location without road access from the nearest urban area, cultural and geographical isolation, a high cost of living, and limited access to goods and services; and

WHEREAS, the United States Coast Guard Base does not eliminate or reduce the rural nature of Kodiak, since the Base is an independent census-designated place community, located well outside the boundaries of the City of Kodiak, with its administrative authority based in Alameda, California; and

WHEREAS, the City of Kodiak, along with each of the individual road-system communities have individual and unique characteristics that define them, and they should not be “lumped” together for rural designation purposes in an effort to establish a “community” population greater than a subjective threshold of 7,000 people; and

WHEREAS, the City of Kodiak serves as a hub for outlying villages, whose elders often spend their winters and later years living in town, returning to the village during the summer; and

WHEREAS, many hundreds of Alaska Natives reside in Kodiak and are strongly dependent on subsistence for their cultural and nutritional survival, as are many more residents of the community, due to their economic status or remote lifestyle; and

WHEREAS, the rural characteristics of Kodiak have not significantly changed since Kodiak was originally designated rural to the point where Kodiak residents should be denied their cultural heritage and access to local resources.

NOW, THEREFORE, BE IT RESOLVED that the City of Kodiak strongly suggests the Federal Subsistence Board and the Secretaries of Interior and Agriculture determine that:

- Rural for purposes of ANILCA Title VIII should follow the standards used by the USDA and USDHHS and be based upon geographic and land use classification, which are statistically determined.
- “Rural Characteristics” currently used as criteria should be removed.
- Population aggregation is unneeded and should not occur.
- Communities smaller than those always considered nonrural under ANILCA VIII will remain rural.
- No area determined as “frontier” or “remote” for purposes of federal services should be determined urban or “non-rural” by the Subsistence Board.
- Communities already designated as rural for purposes of ANILCA Title VIII by the Board or by Congress and the Secretaries of Interior and Agriculture shall remain rural.

BE IT FURTHER RESOLVED that Kodiak residents should remain permanently rural for purposes of ANILCA Title VIII, because Kodiak is a geographically and statistically remote archipelago and a community designated as frontier for many federal services.



CITY OF KODIAK

DEPUTY MAYOR

ATTEST:

CITY CLERK

Adopted: October 24, 2013

**CITY OF KODIAK
RESOLUTION NUMBER 06-28**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK URGING
THE FEDERAL SUBSISTENCE BOARD TO DESIGNATE KODIAK RURAL**

WHEREAS, the United States Congress passed into Law, in 1980, Title VIII of the Alaska National Interest Lands Conservation Act (ANILCA) in order to protect the subsistence rights of rural Alaskans by making subsistence a priority use of federal lands and waters for rural Alaskans; and

WHEREAS, Congress indicated in Title VIII that protecting subsistence was essential to Alaska Native culture and a rural lifestyle, and that Congress was applying its trust responsibility to Alaska Natives in requiring a subsistence priority; and

WHEREAS, the federal government assumed authority over subsistence management on public lands in Alaska because they determined that the State of Alaska was not in compliance with Title VIII of ANILCA; therefore the federal government through the Federal Subsistence Management Board is responsible for protecting subsistence and implementing the Congressional intent of Title VIII; and

WHEREAS, Congress recognized that an Alaskan community with a population of more than 7,000 can be rural if it possesses significant characteristics of a rural nature, and this recognition is documented in federal regulations; and

WHEREAS, both the Federal Subsistence Board and the State of Alaska determined that the City of Kodiak and the adjacent road system had significant rural characteristics and, therefore, was designated rural for State and federal purposes in the early 1990s; and

WHEREAS, the Federal Subsistence Board is required to review rural determinations every ten years to evaluate *changes* within a community that justify changing its rural status; and

WHEREAS, the Federal Subsistence Board has recently recommended that Kodiak be changed from rural to nonrural status, thereby eliminating Kodiak's qualification for the rural subsistence priority; and

WHEREAS, the Federal Subsistence Board appears to be basing its recommendation for changing the status of Kodiak primarily on the basis of an aggregate road system population exceeding 7,000, which was true when Kodiak was first designated rural; and

WHEREAS, there has been an approximately ten-percent decline in the City of Kodiak's population between 1990 and 2005 (from 6,787 to 6,088) moving the City of Kodiak further away from the benchmark population of 7,000 people; and

WHEREAS, the City of Kodiak and the Kodiak road system continues to possess significant characteristics of a rural nature, including a remote location, cultural and geographical isolation, a high cost of living, and limited access to goods and services; and

WHEREAS, the United States Coast Guard Base does not eliminate or reduce the rural nature of Kodiak, since the Base functions as an independent community, located well outside the boundaries of the City of Kodiak, with its administrative authority based in Alameda, California; and

WHEREAS, the City of Kodiak, along with each of the individual road-system neighborhoods have individual and unique characteristics that define them, and they should not be “lumped” together for rural designation purposes in an effort to establish a “community” population greater than 7,000 people; and

WHEREAS, the City of Kodiak serves as a hub for outlying villages, whose elders often spend their winters and latter years living in town, returning to the village during the summer; and

WHEREAS, many hundreds of Alaska Natives reside in Kodiak and are strongly dependent on subsistence for their cultural and nutritional survival, as are many more residents of the community, due to their economic status or lifestyle; and

WHEREAS, the subsistence characteristics of Kodiak have not significantly changed, since Kodiak was originally designated rural, to the point where Kodiak residents should be denied their cultural heritage and access to subsistence resources.

NOW, THEREFORE, BE IT RESOLVED that the City of Kodiak strongly opposes the preliminary recommendations of the Federal Subsistence Board that Kodiak be changed from a rural to a nonrural community and urges the Board to make a final decennial determination that Kodiak is rural.

BE IT FURTHER RESOLVED that Kodiak’s significant rural characteristics have not changed since 1990, and Kodiak should remain a rural community for subsistence purposes.

BE IT FURTHER RESOLVED that the City Council of Kodiak, Alaska, requests the Federal Subsistence Board hold its final December hearing in Kodiak, Alaska, for the purposes of listening to local residents’ testimony concerning the importance of confirming Kodiak’s rural status.



CITY OF KODIAK

Carolyn Floyd
MAYOR

ATTEST:

Debra M... ..
CITY CLERK

Adopted: August 24, 2006

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NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Debra Marlar, City Clerk *DM*

Date: September 10, 2015

Agenda Item: V. a. **Resolution No. 2015–26, Naming Election Workers for the October 6, 2015, Regular Municipal Election**

SUMMARY: Resolution No. 2015–26 names election workers and canvass board members for the October 6, 2015, regular municipal election.

PREVIOUS COUNCIL ACTION: Annually, the Council adopts a resolution naming election workers for the regular municipal election.

BACKGROUND: Kodiak City Code specifies that prior to each election, the Council shall appoint judges and clerks for each City precinct and will also appoint a canvass board consisting of at least three persons.

This resolution names election workers and canvass board members for the October 6, 2015, regular municipal election and authorizes the City Clerk to appoint other persons, if necessary, to ensure that an adequate number of workers are present to conduct and canvass the election.

CITY CLERK’S COMMENTS: The City Clerk recommends the Council adopt Resolution No. 2015–26.

ATTACHMENTS:

Attachment A: Resolution No. 2015–26

PROPOSED MOTION:

Move to adopt Resolution No. 2015–26.

**CITY OF KODIAK
RESOLUTION NUMBER 2015–26**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK NAMING
ELECTION WORKERS FOR THE OCTOBER 6, 2015, REGULAR MUNICIPAL
ELECTION**

WHEREAS, the City will conduct a regular municipal election on Tuesday, October 6, 2015; and

WHEREAS, the City Code requires that Judges and Clerks of the election be named.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak, Alaska, hereby appoints the following individuals to serve as election workers for the regular municipal election to be held within the City of Kodiak on Tuesday, October 6, 2015:

- Section 1.** The election workers for Precinct No. 820 (Kodiak No. 1), located at the Harbor-master Building, shall be Merle Powell, Chair and Sandy Peotter, Co-chair; and Margaret Bosworth, Yvonne Boudreau, Jan Chatto, Ellen Lester, and Gretchen Saupe as Judges.
- Section 2.** The election workers for Precinct No. 825 (Kodiak No. 2), located at the Teen Center, shall be Esther Waddell, Chair and Richard Waddell, Co-Chair; and Cecilia Esparza, Nita Nicolas, Carol Wandersee, and Helen Williams as Judges.
- Section 3.** The Accuvote Board shall be the City and Borough Clerks and their staff.
- Section 4.** The Receiving Board shall be Cathy Cordry, Jeanne Miller, and Susan Norton.
- Section 5.** The Canvass Board shall be Charles E. Davidson, Dick Ross, and Deborah Tvenge.
- Section 6.** The City Clerk and Clerk’s staff shall have the authority to fill in where needed, and the City Clerk shall have the authority to appoint additional persons, as necessary, to ensure an adequate number of election workers are available to conduct and canvass the election.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

“The SACSMAN Act would also require Congressional approval before the federal government unilaterally decides to change the status of any communities under the Alaska National Interest Lands Conservation Act (ANILCA). Kodiak was considered for a potential shift in status as recently as 2006.”

Retrieved from Senator Murkowski’s website:

[<http://www.murkowski.senate.gov/public/index.cfm/pressreleases?ID=b2ad2b54-2516-44e3-b49f-5d9ee958b5c8>: [May 11, 2015]

Council postponed adoption of Resolution No. 2015–19 on June 25, 2015, based on concerns expressed by some community members as to the legislation’s intent. The postponement allowed time to better understand the legislation. Senator Murkowski’s staff member Nathan Bergerbest and one of the City’s federal lobbyists, Sebastian O’Kelly, had a teleconference with City and Borough officials on July 31, 2015, to review the legislation and answer questions. The teleconference was informative, and Kodiak representatives were told the intent was to have full congressional approval before any community deemed rural could have that rural determination removed. Based on that information, the Manager and Mayor recommended the resolution be brought back for action at this meeting.

ALTERNATIVES: Council may approve, amend, or fail the resolution.

CITY MANAGER’S COMMENTS: The issue of Kodiak’s classification as rural in order for residents to qualify for subsistence rights is reviewed periodically by the federal government. Kodiak City has taken a stance in support of retaining the designation in 2006 and 2013 (see Attachments B & C). Senator Murkowski and Representative Young support Kodiak’s retention of its rural determination on a permanent basis and have requested a resolution from us in support of their legislation entitled “The Subsistence Access Management Act of 2015.” If Council agrees to adopt the resolution, it will be forwarded to our federal lobbyist Brad Gilman and the Alaska Delegation offices.

ATTACHMENTS:

Attachment A: Resolution No. 2015–19


Attachment B: Resolution No. 2013–29

Attachment C: Resolution No. 2006–28

{Clerk’s note: The motion to adopt was made and postponed on June, 25, 2015. The vote on the motion needs to be taken.}

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Thru: Corey Gronn, Parks and Recreation Director *CG*
Date: September 10, 2015

Agenda Item: V. b. **Resolution No. 2015–27, Authorizing the Issuance of a Permit to the High School Tennis Team for the Use of Public Property for Its Tennis Clinic Fundraiser**

SUMMARY: The high school tennis coach, Steve Johnston, requested the use of Baranof Park tennis courts to run tennis clinics and lessons as a fundraiser from September 10 through October 31, 2015. The purpose is to promote the sport and use of the courts while raising money for the high school tennis team. The tennis team is a high school sport that is completely self-funded. The team raises money to cover the cost of travel and other costs associated with tennis. Staff recommends Council approve this use by adopting Resolution No. 2015–27.

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 tennis team began in 2004. The team represents the school in the Alaska State High School Tennis Tournament. All expenses are met with self-generated funds.

City staff supports the tennis team and coach’s efforts to promote tennis 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 tennis court(s).

ALTERNATIVES:

- 1) Adopt Resolution No. 2015–27, which is staff’s recommendation, because it promotes the use of the City’s tennis courts and helps the high school team raise money for their expenses.
- 2) Do not adopt the resolution, which is not recommended, because it is inconsistent with past actions to support school sports team fundraising events and would impact their opportunity to raise money for their program.

FINANCIAL IMPLICATIONS: There are no financial implications involved in allowing this permitted use.

STAFF RECOMMENDATION: Staff recommends Council approve the high school tennis team's use of the City's tennis courts to provide tennis clinics and lessons to offset their travel and other expenses by adopting Resolution No. 2015-27.

CITY MANAGER'S COMMENTS: This is a worthwhile effort and supports the tennis team's efforts as well as those of the staff. Therefore, I recommend Council approve the resolution.

ATTACHMENTS:

Attachment A: Resolution No. 2015-27

Attachment B: Letter from Steve Johnston, dated August 11, 2015

PROPOSED MOTION:

Move to adopt Resolution No. 2015-27.

**CITY OF KODIAK
RESOLUTION NUMBER 2015-27**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE ISSUANCE OF A PERMIT TO THE HIGH SCHOOL TENNIS TEAM FOR THE USE OF PUBLIC PROPERTY FOR ITS TENNIS CLINIC FUNDRAISER

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

WHEREAS, the Team is sponsoring a tennis clinic for the Kodiak community to raise funds for team travel and to purchase tennis equipment; and

WHEREAS, the Team has requested use of the Baranof Park tennis court(s) from September 10 through October 31, 2015, and will charge a fee and/or request donations; 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 Tennis Team as provided in section 5.04.050(b) and (d) of the City Code for use of public property for its 2015 tennis clinic 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

MAYOR

ATTEST:

CITY CLERK

Adopted:



KHS Tennis Team

Attachment B

Coach Steve Johnston
PO Box 2244 - Kodiak, AK 99615
Phone: 907-654-7014
e-mail: sfjohnston@hotmail.com

Date: 11 August 2015

To: Mayor Ms. Pat Branson
City of Kodiak
722 Mill Bay Rd
Kodiak, AK 99615

From: Mr. Stephen F. Johnston

Re: Use of Baranof Park Tennis Courts

Dear Ms. Pat Branson,

My name is Steve Johnston and I am the head coach for the Kodiak High School (KHS) Tennis Team. This program is a sport at the high school and currently has a membership of some 25+ students. The season runs from August thru the first or second week of October. The club has existed since 2004 when it was started by Craig Johnson and Derrik Magnuson. The team is affiliated with Kodiak High School and represents the school at the annual Alaska State High School State Tennis Tournament. In fact, it was the development of this team in Region 3, that allowed this important tournament to take place. This year Colony High School has stood up a varsity tennis team and the first set of Region 3 Regionals will take place here on Kodiak.

Unlike most KHS sports we are currently entirely self-funded. The team raises money through its own efforts which include an entry fee and fund raising activities such as car washes and bake sales. In addition we receive some support from the Kodiak High School Booster Club which we pay back by assisting in the Bear's Den during various other sporting events. However, to replace worn equipment and enhance our facilities the tennis team needs a greater amount of funding than can be supplied by the above efforts. As such I am looking for financial support or sponsorship from local businesses within the Kodiak Community. As with all sports at KHS, travel is the all consuming problem, typical expenses include a \$300+ round trip airfare Kodiak to Anchorage and \$80 round trip fare for the Alaska State Ferry Kodiak to Homer. Some equipment costs are: new ball machines \$700 to \$1500 (or more), stringing tennis racquets: \$25 per racquet, uniforms: \$20.00 to \$35.00 and practice hit aids: \$100.00


Other possible source of funding would be to run a tennis clinic for the greater Kodiak Community for a fee and/or donations or to request donations while hosting school tournaments. As such I am requesting the use of the Baranof Park tennis courts for various tennis related activities such as tournaments and skills clinics to assist with funding. These various activities would be planned from now through the end of October .

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

Sincerely,

Stephen F. Johnston

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Lon White, Harbormaster
Date: September 10, 2015

Agenda Item: V. c. Resolution 2015-28, Adopting Port of Kodiak Tariff No. 12 to Replace Port of Kodiak Tariff No. 11 Subject to Filing With the Federal Maritime Commission

SUMMARY: The tariff for the Port of Kodiak defines the rules, regulations and rates for wharfage, loading and unloading, demurrage, handling, services, facility charges and dockage at the Port of Kodiak municipal terminals, specifically Piers I, II, and III. The current Tariff No. 11 rules and regulations are out of date and the rates are far below comparable ports in Alaska and on the west coast. Tariff No. 12 supersedes current Tariff No. 11, adjusting the rates to meet current market conditions and modifies the rules and regulations to meet Federal Maritime Commission (FMC) requirements. Staff recommends adopting Resolution No. 2015-28.

PREVIOUS COUNCIL ACTION:

- 1993, Council adopted Tariff No. 11 by Resolution No. 07–1993
- 1998 and 2006, Council approved updates to Tariff No. 11 by Resolution Nos. 1998–18 and 2006–6

DISCUSSION: On February 8, 2015, the City of Kodiak hired BST Associates as a professional consultant to assist in the revision of the Kodiak Port Tariff. BST previously worked to develop the current long-term Preferential Use Agreement, Terminal Operating Contract, and Warehouse Lease Agreement between the City of Kodiak and Horizon Lines/Matson. See Attachment B from BST detailing the development of Tariff No. 12 and the methodology used to achieve the proposed rates.

In addition to the afore mentioned reasons, the current tariff needed to be updated to avoid conflicts with the long-term agreements with Horizon Lines/ Matson. The preferential rates in the contracts would exceed the tariff rates in the near future if not adjusted.

ALTERNATIVES:

- 1) Adopt Resolution No. 2015–28 to approve Tariff No. 12, which will insure Kodiak’s Port is in compliance with current FMC requirements, and rates will be consistent with market conditions. This is staff’s recommendation.

SEPTEMBER 10, 2015
Agenda Item V. c. Memo Page 1 of 2

- 2) Amend Resolution No. 2015–28 to modify Tariff No. 12, which is not recommended, because it would alter the rules and regulations as proposed and would require additional review and approval from the FMC.
- 3) Do not adopt Resolution No. 2015–28. Staff does not recommend this option, because the current tariff rates are out of date and the rules and regulations are not compliant with FMC requirements.

FINANCIAL IMPLICATIONS: The rates recommended in Tariff No. 12 are competitive with comparable markets. The new port rates are not expected to generate significant additional revenue in the immediate future. Currently the majority of business in the port comes from Horizon Lines/Matson, where preferential rates apply. If business in the port increases and additional carriers desire to use port facilities, the new rates would apply. Carriers doing significant volume in the port can negotiate a preferential rate with Council approval.

LEGAL: The city attorney has reviewed Tariff No. 12 and drafted Resolution No. 2015–28. Tariff No. 12 will be submitted to the FMC once it's adopted.

STAFF RECOMMENDATION: Staff recommends Council adopt Resolution No. 2015–28.

CITY MANAGER'S COMMENTS: A considerable amount of work went into the review and analysis develop a replacement for Tariff No. 11. I support the recommendation made by our Harbormaster and encourage Council to adopt the resolution. Once adopted, the tariff will be filed with the Federal Maritime Commission as required.

ATTACHMENTS:

Attachment A: Resolution No. 2015–28 and Port of Kodiak Tariff No. 12

Attachment B: BST Memorandum

PROPOSED MOTION:

Move to adopt Resolution No. 2015–28.

**CITY OF KODIAK
RESOLUTION NUMBER 2015-28**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ADOPTING
PORT OF KODIAK TARIFF NO. 12 TO REPLACE PORT OF KODIAK TARIFF NO.
11 SUBJECT TO FILING WITH THE FEDERAL MARITIME COMMISSION**

WHEREAS, the Tariff for the Port of Kodiak defines the rules, regulations and rates for wharfage, loading and unloading, demurrage, handling, services, facility charges and dockage at Port of Kodiak municipal terminals, Piers I, II, and III; and

WHEREAS, the current Port of Kodiak Tariff No. 11 was adopted by Resolution Number 07-93 and amended by Resolution Numbers 98-18 and 06-6; and

WHEREAS, the Tariff No. 11 rules and regulations are out of date and the rates are far below the rates charged at comparable ports in Alaska and on the west coast; and

WHEREAS, the attached Port of Kodiak Tariff No. 12 has been prepared to supersede Tariff No. 11, adjusting the rates to meet current market conditions and modifying the rules and regulations to meet Federal Maritime Commission requirements.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Port of Kodiak Tariff No. 12, which is attached hereto, is hereby adopted to replace and supersede Port of Kodiak Tariff No. 11.

BE IT FURTHER RESOLVED that Port of Kodiak Tariff No. 12 be filed with the Federal Maritime Commission, said Tariff to become effective upon receipt by the Federal Maritime Commission.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

PORT OF KODIAK

TERMINALS TARIFF NO. 12

(Cancels and replaces Terminals Tariff No. 11)

ITEM 1

..... TITLE PAGE

NOTICE

The electronic form of the Terminals Tariff will govern in the event of any conflict with any paper form of the Terminals Tariff. If you have printed an older version of this tariff, you need to print this version in its entirety.

Naming: Rules, Regulations and Rates for

Wharfage, Loading and Unloading, Wharf Demurrage, Handling, Service and Facilities Charge, Dockage and Other Services at:

The Port of Kodiak Municipal Terminals located at Kodiak, Alaska

ISSUING AGENT:

Lon White, Port and Harbor Director
Telephone (907) 486-8080
FAX (907) 486-8090
E-mail lwhite@city.kodiak.ak.us

Issued by:
City of Kodiak City Council
710 Mill Bay Road
Kodiak, Alaska 99615

FMC Org Number _____
Effective _____

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ITEM 4
ABBREVIATIONS

\$	Dollars
%	Per Centum
BBL	Barrel
BM	Board Measure
Cu. Ft.	Cubic Foot or Feet
Cu. T.	Cubic Ton (40 Cu. Ft.)
FMC	Federal Maritime Commission
ft.	Foot
Hdlg.	Handling
KD	Knock Down
Lbs.	Pounds
Ldg.	Loading
LOA	Length-over-all
M	Thousand
Meas.	Measurement
Misc.	Miscellaneous
NOS	Not Otherwise Specified
Sec.	Section
Stor.	Storage
SU	Set Up
Sq. Ft.	Square Foot
Unl.	Unloading
Viz.	Specifically
Wfg.	Wharfage
Wt.	Weight

Reference Marks	
ABB/ REF	Explanation
[A]	Addition/New
[C]	Change
[D]	Cancel/Eliminated
[I]	Increase
[NC]	No Change
[R]	Reduction/Decrease
%	Percent

ITEM 5
METRIC CONVERSIONS

Metric Conversion factors to be employed in determination of charges assessed under this tariff are as follows:

<u>Measure</u>	<u>Metric Equivalent</u>
1 lb.	0.4536 Kilogram
1 Ton of 2000 lbs.	907.2 Kilogram
1 Inch	2.54 Centimeter
1 Foot	0.3048 Meters
1 Yard	0.9144 Meters
1 Cubic Foot	0.02272 Cubic Meters
40 Cubic Feet	113.27 Cubic Meters

<u>Measure</u>	<u>English Equivalent</u>
1 Kilogram	2.2046 lbs.
1000 Kilograms	2204.6 lbs. or 1.1023 Short Tons
1 Centimeter	0.3937 inches
1 Meter	39.37 inches
1 Cubic Meter	35.314 Cubic Feet

Metric Conversion Table

<u>To Find</u>	<u>Given</u>	<u>Multiply</u>
Metric Tons	Short Tons	Short Tons by 0.907
Short Tons	Metric Tons	Metric Tons by 1.102
Metric Tons	Long Tons	Long Tons by 1.016
Long Tons	Metric Tons	Metric Tons by 0.984
Kilograms	Pounds	Pounds by 0.4536
Pounds	Kilograms	Kilograms by 2.2046
Cubic Meters	Measurement Tons (40 cubic feet)	Measurement Tons by 1.133
Measurement Tons (40 cubic feet)	Cubic Meters	Cubic Meters by 0.883
Cubic Meters	MFBMs (ft. BM in thousands)	MFBMs by 2.36
MFBMs (ft. BM in thousands)	Cubic Meters	Cubic Meters by 0.424

ITEM 6
COMMODITY INDEX

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

ITEM

A

No commodities listed

B

No commodities listed

C

No commodities listed

D

No commodities listed

E

No commodities listed

F

No commodities listed

G

General Cargo NOS - Wharfage210

H

Hazardous – Contaminated Materials - Wharfage212

I

No commodities listed

J

No commodities listed

K

No commodities listed

L

No commodities listed

M

No commodities listed

N

No commodities listed

O

No commodities listed

P

[Petroleum Products, Inbound - Wharfage.....213](#)

[Petroleum Products, Outbound - Wharfage214](#)

Q

No commodities listed

R

[Rock - Wharfage.....211](#)

S

No commodities listed

T

No commodities listed

U

No commodities listed

V

No commodities listed

W

No commodities listed

X

No commodities listed

Y

No commodities listed

Z

No commodities listed

Return to top of [COMMODITY INDEX](#)

SECTION ONE – GENERAL RULES AND REGULATIONS

ITEM 100 [A] **LIMITS OF LIABILITY**

No provision contained in this tariff shall limit or relieve the Port of Kodiak from liability for its own negligence nor require any person, vessel, or lessee to indemnify or hold harmless the Port of Kodiak from liability for its own negligence.

ITEM 101 [A] **APPLICATION OF TARIFF**

(A) NOTICE TO PUBLIC

This tariff is published and filed as required by law and is, therefore, notice that the rates, rules and charges apply to all traffic without specific notice, quotation or arrangement.

(B) USE OF FACILITIES, DEEMED ACCEPTANCE

Use of wharves or facilities shall be deemed an acceptance of this tariff and the terms and conditions named herein.

(C) RATES SUBJECT TO CHANGE

The rates named in this tariff are based upon ordinary traffic and labor conditions. If and when these conditions change because of demand of labor for increased wages, strikes, congestion, or other causes not reasonably within the control of the Port of Kodiak resulting in an increased cost of service, the rates are subject to change, on or after effective date filed with the Federal Maritime Commission.

(D) TARIFF EFFECTIVE

The rates, charges, rules and regulations named in this tariff additions, revisions or supplements thereto, shall apply on all freight received at the terminal on or after effective date of this tariff or effective dates of additions, revisions or supplements thereto, provided, however, that when terminal charges have been prepaid at point of origin, at the terminal tariff rates in effect on date of shipping, such rates prevail even though the shipment is received at destination after effective date of the new tariff, revisions or supplements. Unless otherwise specified, all transit freight received at the terminal and undelivered prior to effective dates of tariff, revisions or supplements thereto, shall be charged the rates in effect on the date such freight was received until entire lot or shipment has been withdrawn.

(E) LIABILITY FOR DAMAGE

The vessel assumes liability for damage caused to port facilities by the vessel. Should unusual structures exist, it is the vessel's responsibility to make the necessary arrangements to protect the dock against damage by them.

ITEM 102

RIGHTS OF OPERATION AND AGREEMENT RESERVED

(A) RIGHT OF AGREEMENT RESERVED

Right is reserved by the Port of Kodiak to enter into agreements with carriers, shippers, consignees and/or their agents concerning rates and services providing such agreements are consistent with existing local, state and federal law governing the civil and business relation of all parties concerned.

(B) LABOR EMERGENCY [A]

When by reason of strike, boycott, walkout or other condition affecting longshore labor supply or port ability to permit, necessary functions of labor in connection with the receipt and delivery of cargo on a port wide basis, the Port and Harbor Director may declare a period of "Labor Emergency" to exist.

During the period of Labor Emergency, the duration of which shall be fixed by the Port and Harbor Director in recognition of the nature of the emergency encountered, the congestion of facilities, duration of labor disruption, accumulation of cargo involved and other similar factors, Free Time (See [ITEM 206](#)) may be extended, Demurrage Charges (See [ITEM 108](#)) may be waived. Subject to Notes 1, 2 and 3.

Note 1: The duration of the Labor Emergency in no case may exceed a period concurrent with the period of actual work stoppage and five work days after.

Note 2: Cargo of Free Time shall obtain an extension of that Free Time period equal to the duration of the Labor Emergency.

Note 3: Cargo on Demurrage at the onset of the period of Labor Emergency shall be relieved of the payment of demurrage charges during the period of Labor Emergency and shall instead be assessed Storage Charges for that period. Demurrage status shall be restored with the expiration of the Labor Emergency.

ITEM 103
RESPONSIBILITY

(A) RESPONSIBILITY FOR LOSS, DAMAGE OR DELAYS [A]

The Port of Kodiak will not be responsible for any loss or damage, caused by fire, frost, heating, dampness, leakage, the elements, evaporation, natural shrinkage, wastage or decay, animals, rats, mice or other rodents, moths, weevils, or other insects, leakage or discharge from sprinkler fire protection systems, collapse of building or equipment, or by floats, logs or piling required in breasting vessels away from wharf; nor will it be liable for any loss, damage or delay arising from insufficient notification or from war, insurrection, shortage of labor, combination, riots, or strikes or any persons in its employ or in the service of others or for any consequences arising there from, except to the extent that any of the aforesaid loss or damage results from grossly negligent acts or omission of the Port, its employees or agents, (Subject to [ITEM 100](#) herein.)

(B) LIABILITY FOR DAMAGES AND/OR INJURY [A]

If and when others than the Port of Kodiak are permitted to perform services on the wharves or premises of the terminal company, they shall be liable for the injury of persons in their employ and shall also be held accountable for malicious acts or thefts by themselves or persons in their employ.

The provisions of this item are applicable to all persons, corporations, associations and the like who in any manner come upon or use the terminal facilities, except to agents or employees of the Port. All such person, corporations, associations and the like shall be strictly liable and responsible for damage to property or for damage or injury to, or for the death of, any person or persons, which may be caused or occasioned by any act or omission of such persons or the acts or omissions of their agents or employees. All such persons who come upon or use the terminal facilities shall be deemed to have irrevocably agreed to indemnify Port of Kodiak for any such loss or damage to persons or property for which a claim is or may be made against the Port, and all such persons shall save and hold the Port harmless from any and all such liability, together with all costs and expenses incurred by the Port in investigating or defending claims therefore, including, but not limited to, court costs, experts fees and attorneys fees.

The indemnification, hold harmless, and non-liability provisions of this section do not apply to losses, damages, or injuries to the extent such losses, damages, or injuries are occasioned by any acts or omission of the Port, its employees or agents.

(C) DUE DILIGENCE [A]

The Port will not be responsible for any loss damage or delay of merchandise which may arise from any cause beyond its direct authority and control, nor for any cause except for want of due diligence of the Port. (Subject to [ITEM 100](#) herein.)

ITEM 104 [A]
SHIPPER'S REQUESTS AND COMPLAINTS

Any interested party may initiate requests or complaints on matters relating to rates, charges, rules and regulations contained in this tariff by filing a statement fully documenting the request or complaint with the City of Kodiak Port and Harbor Director, 710 Mill Bay Road, Kodiak, Alaska 99615.

ITEM 105
ACCEPTANCE, RETENTION AND DELIVERY OF FREIGHT

(A) RIGHT TO REFUSE FREIGHT

Right is reserved by the Port of Kodiak, without responsibility for demurrage, loss or damage, to refuse to accept, receive or unload or to permit vessels to discharge freight. Freight deemed offensive, perishable, or hazardous, or freight not packed in containers suitable to standing ordinary handling incident to its transportation can also be refused under these provisions.

(B) RIGHT TO REMOVE, REPILE, TRANSFER OR WAREHOUSE FREIGHT

Hazardous or offensive freight which, by its nature, is liable to damage other freight, is subject to immediate removal from the wharf and/or wharf premises with all expense and risk of loss or damage for the account of owner, shipper or consignee.

Freight remaining on wharf or wharf premises after expiration of "Free Time", as defined herein, and freight shut out at clearance of vessel may be piled or repiled to make space, transferred to other locations or receptacles within the wharf premises, or removed to a public or private warehouse. All expenses and risks of loss and damages are the responsibility of the owner, shipper, consignee, and/or carrier. (Subject to [ITEM 100](#) herein.)

(C) RIGHT TO WITHHOLD DELIVERY OF FREIGHT

Right is reserved to withhold delivery of freight until all accrued charges and advances against said freight have been paid in full.

(D) RIGHT TO SELL FREIGHT

Freight on which unpaid terminal charges have been accrued may be sold to satisfy such charges and costs. Freight of a perishable nature or of a nature liable to damage other freight may be sold at public or private sale without advertising, provided owner has been given reasonable notice to pay charges and to remove said freight and has neglected or failed to comply.

(E) EXPLOSIVES AND INFLAMMABLES

Explosives and hazardous or highly inflammable commodities or material may only be handled over, or received on, the facilities of the Port of Kodiak with written consent by

and special arrangement with, and at the option of the Port of Kodiak and subject to Federal, State and City rules and regulations.

(F) FREIGHT AT OWNER’S RISK

Owner, shipper, consignee, and carrier shall assume all risk of loss or damage to glass, liquids and fragile articles, freight on open ground or open wharf, log or lumber rafts, and all water craft, if and when permitted by terminal operator to be moored in slips, at moorage dolphins, at wharves, or alongside vessels. (Subject to [ITEM 100](#) herein.)

ITEM 106
RECEIPT OR DELIVERY OF FREIGHT DURING OTHER THAN REGULAR WORKING HOURS

Unless otherwise excepted, prior arrangements must be made with the Port of Kodiak when freight is to be received from, or delivered to, trucks, drays or water carriers on Saturdays, Sundays, holidays or during hours when, under working rules governing labor, the payment of overtime to checkers is necessitated.

The current holidays for the ILWU in Kodiak are: [C]

<u>Holiday</u>	<u>Date (2015)</u>	<u>ILWU Work Rules</u>
New Year	1/1	No work
Martin Luther King Day	1/19	OT
Lincoln Birthday	2/12	OT
President’s Day	2/16	OT
Seward’s Day	3/30	OT
<u>Cesar Chavez Day</u>	<u>3/31</u>	<u>OT</u>
Memorial Day	5/25	POT
July 4th	7/4	OT
<u>Bloody Thursday</u>	<u>7/5</u>	<u>POT</u>
<u>Harry Bridges Day</u>	<u>7/28</u>	<u>OT</u>
Labor Day	9/1	POT
Alaska Day	10/18	OT
Veteran’s Day	11/11	POT
Thanksgiving	11/27	No Work
Christmas	12/25	No Work

Note: Dates shown are for calendar year 2015; some holidays are not based on a specific day of the year (e.g., Martin Luther King Day is a federal holiday held on the third Monday of January);

On no-work days, ILWU personnel will not work a ship but they will tie up a ship. No work holidays start at 1500 the day before and end at 0700 the day after.

OT refers to over time, which is paid at time and one half of prevailing wage. If a holiday falls on a Saturday then Friday is the paid holiday. If it falls on a Sunday then Monday is holiday.

POT refers to Penalty Overtime, which is charged at time and a half of the overtime rate. 2.25 times prevailing wage.

ITEM 107

COLLECTION AND GUARANTEE OF CHARGES AND VESSEL BERTH RESERVATION

[A]

Use of Port facilities or service is conditioned upon satisfactory assurance to the Port by the customer that applicable charges will be paid when due. All charges are due and payable as they accrue or on completion of service or use.

Payment terms are cash unless the Port customer, prior to the use of Port facilities or service, has established credit worthiness acceptable to the Port, and has been relieved of cash payment requirement by the Port.

The Port may require payment of charges in advance, as follows:

1. By the vessel, its owners or agents before vessel is assigned a berth and commences its loading or unloading operations. (Conditions, imposed by the Port, for waiver of cash in advance requirements, are specified in "Conditions of Berth Reservation" - which is incorporated into this tariff under [ITEM 107\(C\)](#)
2. By the owner, shipper, or consignee before cargo leaves the custody of the terminal.
3. For all charges on perishable cargo or cargo of doubtful value and household goods.

All estimates of Port charges are subject to approval and/or adjustment by the Port.

ITEM 107(B)

PORT OF KODIAK SUPPLEMENT TO APPLICATION FOR VESSEL BERTH RESERVATION				
				Date
Vessel	Voyage No.	LOA	ETA	ETD
Vessel Owner/Line	Berth Desired			
Vessel Charterer				
To Load (Commodity Type and Amount)		To Discharge (Commodity Type and Amount)		
Terms of Affreightment		Terms of Affreightment		
Agency Firm		Authorized Individual		
<p>Note: Separate submissions of this document are required when the vessel affreightment for part of the cargo differs from the terms of the affreightment for any other part of the cargo.</p>				
Category of Port Charges	Party Responsible for Payment	Estimated Dollar Amount	For Port/Dock Operator Use	
1. Dockage				
2. Wharfage				
3. Service and Facility Charge				
4. Handling				
5. Misc. (Water, Electricity, Etc.)				
6. Security Fee				
Total Estimated Charges _____				
<p>Pursuant to the instructions set forth in Conditions of Berth Reservation, the undersigned hereby seeks the arrangement of berthing facilities on behalf of the above-named vessels, and attests to the accuracy of the information provided to the extent set forth in Paragraph C.</p>				
Date	(Berth Agent)	(As Agent Only)		
Acceptance of Financially Responsibility for Payment				
<p>In connection with the Application for Vessel Berth Reservations dated _____, 20____ the undersigned hereby accepts responsibility, on its own behalf, for payment of the port charges listed under the line items as designated below which correspond with those designated in the above Supplement to Application for Vessel Berth Reservation, in a maximum amount not to exceed 125 percent (125%) of the aggregate estimated dollar amount shown above for the relevant line items, or 125 percent (125%) of such other sum as the Port, after review and revision of such estimates, has provided to the undersigned in writing, in which latter case a copy of such writing is physically attached hereto.</p>				
Category of Port charges Line item(s) No.			For Port/Dock Operator Use	
(Name of Company)		(Authorized Signature)		
Category of Port charges Line item(s) No.				
(Name of Company)		(Authorized Signature)		
Category of Port charges Line item(s) No.				
(Name of Company)		(Authorized Signature)		
<p>Note: Pursuant to Port of Kodiak Tariff Rule No. 108, in all instances where the "Party Responsible for Payment" listed above has not established credit worthiness with the Port and where responsibility for port charges has not been accepted by another credit worthy entity, the Port shall require payment of cash in advance or posting of acceptable security prior to vessel berthing.</p>				

ITEM 107(C)

**PORT OF KODIAK
CONDITIONS OF VESSEL BERTH RESERVATION**

In accordance with Federal Maritime Commission Docket 83-48, Alaska Maritime Agencies, Inc., et al v. Port of Anacortes, et al and Tariff Rule 108 in the Port of Kodiak Terminals Tariff No. 12, all applications for vessel berth reservation shall be made in the form specified by the Port, and will require the timely filing of the financial responsibility information shown on the Supplement To Application for Vessel Berth Reservation, completed in accordance with and otherwise governed by, the terms and conditions set forth below:

- A. Except where and to the extent waived pursuant to paragraph B below, terms of payment for all acceptable Port charges shall be cash in advance. A cash deposit or acceptable security in an amount equal to 125% of the estimated applicable charges will be required to be posted with the Port, six days prior to the vessel's scheduled arrival, or at such other time as may be authorized or directed by the Port, but in all cases in advance of actual services rendered. In any case in which a cash deposit has been posted, any excess thereof, after satisfaction of all applicable port charges, shall be promptly refunded by the Port to the party posting same.
- B. The Port may waive the requirement of cash in advance as to all or any category or categories of its anticipated port charges when the party responsible for such charges has been identified by the berthing agent to the satisfaction of the Port, and:
 - 1. That party responsible has established credit worthiness acceptable to the Port; or
 - 2. Adequate security, acceptable to the Port, in an amount equal to 125% of the applicable estimated port charges, has been posted; or
 - 3. The agent requesting the berth, or another entity, in each case acceptable to the Port as credit worthy, has personally accepted financial responsibility for the applicable charges.
- C. The vessel agent or other person requesting reservation of a berth ("berthing agent") shall, as part of the berth reservation process, provide to the extent of his knowledge all information called for on the Supplement to Application for Vessel Berth Reservation respecting the vessel, its estimated arrival and departure, amount(s) and type(s) of cargo to be loaded/discharged, and estimate of amount of each category of port charges, as enumerated, and party responsible for thereof. The submission of this form, signed by the berthing agent, shall constitute the berthing agent's attestation as to the accuracy of information therein supplied, based upon and to the extent of information made available to the berthing agent at the time of submission; **and the berthing agent shall be held personally liable to the Port** for any financial loss suffered by the Port as a result of the agent's failure so to report accurately.
- D. Should the berthing agent, subsequent to submission of this form, receive information which materially differs from the information previously provided, and which information the agent reasonably believes is not equally known the Port, it shall immediately notify the Port and, as if requested by the Port, promptly file an amended Supplement to Application for Vessel Berth Reservation with the Port.
- E. All estimates of port charges are subject to approval and/or adjustment by the Port.
- F. The Port shall, promptly after receipt of this form, advise the berthing agent as to (1) its approval or adjusted estimate of port charges, and (2) whether posting of cash or security is required for any one or more categories of such charges and the amount thereof.
- G. In addition to the terms for berth reservation and establishment of financial responsibility set forth herein, requests for berth reservations and assignments of berths shall otherwise be in accordance with all local rules and regulations established by the Port.

ITEM 108
DEMURRAGE, DELAYS AND WAIVER OF CHARGES

(A) DEMURRAGE – TRANSPORTS OR VESSELS [A]

In furnishing the service of ordering, billing out, loading or unloading trucks, or of handling to and from vessels, no responsibility for any demurrage whatsoever on either trucks or vessels will be assumed by the Port of Kodiak. (Subject to [ITEM 100](#) herein)

(B) DELAYS, WAIVER OF CHARGES [C]

Delays in loading, receiving, delivering, or handling freight arising from combinations, riots, or strikes of any persons in the employ of the Port of Kodiak or in the services of other or arising from any other cause not reasonably within control of the Port of Kodiak, will not entitle the owners, shippers, consignees, or carriers of the freight to waiver of wharf demurrage or any other terminal charges or expenses that may be incurred.

ITEM 109
BERTH ASSIGNMENTS

(A) VESSELS REQUIRED TO OBTAIN ASSIGNMENTS [C]

No vessel will be permitted to berth at a facility of the Port of Kodiak without having first made assignment and without such an assignment having been granted. Applications for berth assignment must specify arrival and departure times and dates and the nature and quantity of the freight to be loaded or discharged.

(B) BERTH ASSIGNMENT CONDITIONAL [C]

Berth assignments made by the Port of Kodiak are subject to alteration and revocation in the following conditions:

1. Any vessel assigned a berth for any other purpose than to load or discharge cargo may be ordered to vacate such berth when the Port, at its sole discretion, determines the berth is required for the use of a vessel desiring to load or discharge cargo.
2. Any vessel on berth to load or discharge cargo which, for any reason, experiences a delay in such operations may be ordered to vacate the berth when the Port, at its sole discretion, determines congestion or excessive operational cost is threatened by reason of delay and may be reduced or avoided by the use of the berth of another vessel which is capable of cargo loading or discharge at the berth.
3. Preferential Use Agreements: The Port of Kodiak reserves the right to enter into preferential use agreements subject to City Council approval. Interference with preferential use agreements is not allowed. Preferential use agreements are as follows:

- Pier 1: Alaska Marine Highway System, Petro Marine Services
- Pier 2: National Oceanographic and Atmospheric Administration, Petro Marine Services
- Pier 3: Matson Navigation Company

4. Whenever the Port deems a danger of congestion exists any vessel on berth may be required to work cargo around-the-clock or at overtime expense. Should any vessel refuse to comply the Port may order the vessel to vacate the berth.

ITEM 110 **VESSELS REQUIRED TO MOVE**

(A) ORDERS TO VACATE BERTH [C]

Vessels may occupy a berth, subject to charges named in Item 109, providing such vessel shall vacate the berth upon demand by the Port. Vessels refusing to vacate berth on demand may be moved by tug or otherwise and any expenses, including damages to other vessels, or to wharf structures during such removal, shall be charged to the moved vessel. Vessel at berth engaged in loading or discharging cargo may be required to work overtime at the discretion of the Port. Overtime differentials shall be added to the account of the vessel's owner, agents, or operators.

Whenever an order to vacate a berth is made by the Port under these rules and the order is not complied with in the time specified in the order, the Port may assess a penalty dockage rate of \$500.00 per hour for each hour the vessel remains on berth after such order has been issued.

ITEM 111 **MANIFESTS REQUIRED OF VESSELS [C]**

Masters, owners, agents or operator of vessels are required to furnish the Port of Kodiak with complete copies of vessel manifests showing names of consignees or consignors and the weights or measurements of all freight loaded or discharged at the facilities of the Port of Kodiak. Such manifests must also designate the basis of the weight or measurement on which ocean freight was assessed. In lieu of manifests, certified lists of copies of "boat notes" or mates' receipts containing all information as required above may be accepted.

ITEM 112 **APPLICATION OF RATES**

(A) GENERAL APPLICATION OF RATES

Unless specifically provided for otherwise, rate names in this tariff are in dollars and cents per short ton, barrel, or gallon, according to vessel manifest or lading covering shipment when not in connection with vessel. 1,000 kilograms equals 1 metric ton, which has 2,204.6 pounds. A short ton is 2,000 pounds. To determine the number of short tons, divide metric tons by 0.9072.

(B) SPECIFIC COMMODITY RATES PREVAIL [A]

Unless otherwise excepted, rates provided for specific commodities will prevail over NOS rates or general commodity rates.

ITEM 113

CLASSIFICATION OF TRAFFIC [A]

Vessels, the trade routes on which they operate, and the cargo which they handle are classified below for the purpose of applying the provisions of this tariff. Unless otherwise specified, cargo received from a vessel in one trade route and transshipped on a vessel in another trade route shall be subject to the rates, conditions, and exceptions governing the respective trade route classifications whether or not such cargo is moving on through rates and/or through bills of lading:

(A) COASTWISE TRAFFIC

All traffic between West Coast ports of the United States and Alaska.

(B) INTER-COASTAL TRADE

All traffic between ports of the United States, other than West Coast ports, and Alaska.

(C) INTER-ALASKAN TRADE

Traffic between points in Alaska.

(D) FOREIGN AND NON-CONTIGUOUS TRAFFIC

All cargo shipped from or destined to any point not within the limits of the contiguous boundaries of the U.S.A.

ITEM 114

INSURANCE [C]

No insurance is included in the rates named in this tariff. The Port of Kodiak shall be under no obligation to provide any insurance of any type for any vessel, cargo, or liability arising out of the use of Port facilities. If the Port of Kodiak does acquire any such insurance, the charges for that insurance shall be in addition to the fees described in this tariff.

ITEM 115
PORT FACILITIES [A]

The Port of Kodiak has three multi-use facilities.

- Pier I – Ferry Dock [230' x 42', 26.6' (MLLW)]
Uses: Ferry terminal, Petro Marine bulk fuel facility, and general use for mooring, loading, unloading of fishing and other types of vessels. No welding or open flames permitted at Pier1 without prior authorization from Port and Harbormaster.
Services: Water, bulk fuel
Stevedoring services can be provided by a qualified stevedore.
- Pier II – City Dock [1050' x 64', 38' (MLLW)]
Use: loading/unloading of commercial freight, cruise ships, government vessels, gear work area, moorage for fishing vessels.
Services: water, outside storage, warehouse
Stevedoring services must be provided by a qualified stevedore.
- Pier III – Cargo Terminal: 330' x 110' (940' ' Bollard to Bollard). 38' @ MLLW. Uses: container services/general cargo, 100 gauge container lift
Stevedoring services are provided exclusively by Matson Navigation Co.

ITEM 116
STEVEDORE ACCESS TO AND OPERATIONS ON PROPERTY OF THE PORT

(A) AGREEMENTS [C]

Notice is hereby given that the Port of Kodiak reserves the right to enter into stevedoring agreements or terminal operation contracts with such party or parties as it may select, which agreements or contracts may require users of the Port of Kodiak to procure stevedoring services only through the party or operator selected by the City. Any such parties or operators will operate within the rules, regulations, and rates defined in the Port of Kodiak Tariff.

Commercial carriers must use stevedore services at all port facilities except Pier 1. Unless services are requested, the following vessels are exempt from using stevedore services: vessels of the Alaska Marine Highway System, vessels in port at the invitation of the City for special occasions where the ship will be open to the public, U.S. flagged government vessels, including university research vessels, and vessels seeking fuel or other services from Harbor Enterprises dba Petro Marine Services and North Pacific Fuel aka Petro Star and vessels engaged in construction projects for the port of Kodiak. Commercial fishing vessels, catcher-processors and fish processors, and cargo vessels under 300' are also exempt, unless loading or unloading commercial freight or hazardous materials. For this purpose, commercial freight means cargo transported on a vessel under a bill of lading.

For the purpose of this rule, stevedoring services include, but are not limited to line handling, the loading/unloading of cargo between a ship and the point of rest, loading/unloading cargo or baggage to/from trucks or other means of land conveyance

to/from the terminal facility, and accessorial services pertinent thereto, including line handling.

A current list of Terminal Use Permit Holders is available on request from the Port and Harbor Director.

(B) CARE IN THE PERFORMANCE OF OPERATIONS [A]

The Stevedore shall exercise care in the performance of its operations in order to prevent injury to or death of any person and damage to or destruction or loss of property, whether of the Port, of the Stevedore, of the vessel being stevedored or any other party.

(C) COMPLIANCE WITH FIRE AND SAFETY PRECAUTIONS [A]

The Stevedore shall take all necessary safety and fire precautions, and comply with recognized commercial and marine safety practices, procedures and regulations.

(D) STEVEDORE AND PORT INDEPENDENT CONTRACTORS [A]

In any service relationship the Port and the Stevedore shall be independent contractors, each to the other, and shall not be agents or employees, one for the other, for any purpose.

(E) STEVEDORE SHALL INSURE EFFICIENT AND EXPEDITIOUS VESSEL WORK [A]

In order to insure efficient and expeditious loading and discharge of vessels, and the maximum utilization of the full capacity of the port, the Stevedore shall:

1. Make use of appropriate facilities and equipment furnished by the Port.
2. Have at least one qualified supervisor present at all times while a vessel is loading or unloading.
3. Have at least one responsible officer or representative with full power to make all operating decisions concerning the stevedoring of vessels at the Port, available for contact by the Port at all times and keep the Port informed at all times of how and where such officer or representative may be contacted by the Port.
4. Cooperate fully with the Port in all respects by (I) advising as far in advance as possible the type of vessel, Master's estimate of the quantity of cargo to be loaded or discharged, estimated time to load or discharge, and any special problems that may exist or arise;(II) determining the equipment needed for the operation; and (III) coordinating sequence and timing of operations for the convenience and efficiency of the Port.
5. Promptly restore terminal working areas to a clean, safe and orderly condition on completion of stevedoring operations.

(F) STEVEDORE WARRANTY [A]

As a condition to the right to conduct business or operate on Port property the stevedore shall warrant that all its stevedoring operations shall be conducted at all times with all necessary labor and equipment under competent supervision, with all proper dispatch and in good workmanlike manner, and the conduct of such business or operations on Port property shall be deemed to be an offer of such warranty by the stevedore and its acceptance by the Port.

If any breach of these warranties causes or subjects the Port to any losses, suits, claims, damages or liabilities, the stevedore shall defend, indemnify and save harmless, and reimburse the Port for all such losses, suits, claims, damages, or liabilities. (Subject to [ITEM 100](#) herein.)

(G) INDEMNITY [A]

(Subject to [ITEM 100](#) herein.) The stevedore shall indemnify and hold harmless the Port, its employees and agents from and against any claims, damages, losses or expenses (including attorney's fees) for the injury to or death of any of the stevedore's employees, agents or invitees, or for damage to or destruction of stevedore's property. The stevedore shall also indemnify and hold harmless the Port, its employees, agents and invitees from and against any claims, damages, losses and expenses (including attorney's fees) for injury to or death of any persons (including employees of the Port), and for damage to or destruction of property (including property of the Port), which is caused in whole or in part by any act or omission or breach of these rules by the stevedore, its employees, agents or anyone else for whose acts the stevedore is or may be liable.

1. The indemnification, hold harmless, and non-liability provisions of (G) do not apply to losses, damages, or injuries to the extent such losses, damage, or injuries are occasioned by any negligent acts or omissions of the Port, its employees or agents.
2. The stevedore shall execute and deliver to the Port an indemnity agreement substantially in accord with the terms of this tariff.

(H) INSURANCE [A]

(Subject to [ITEM 100](#) herein.) The stevedore shall obtain, and shall maintain, the following insurance coverage.

1. Workman's Compensation Insurance (including Longshoremen and Harbor Workers Act Coverage) under all applicable Federal and State statutes and municipal ordinances for all the stevedore's employees performing its work, and Employer's Liability Insurance (including liability under the Jones Act) in the amount of not less than \$1,000,000.
2. Comprehensive General Liability against claims for bodily injury, death or property damage occurring on, in or about the vessels being loaded by the stevedore, or the premises of the Port, and the adjoining areas, with limits to bodily injury or

death and property damage of not less than \$1,000,000 for each occurrence and an annual aggregate limit of \$2,000,000.

3. Commercial Automobile Liability Insurance. Minimum limits of liability for injury, death or property damage of \$1,000,000 combined single limit per occurrence. Coverage shall include for owned, hired and non-owned vehicles, if applicable.
4. The stevedore shall submit to the Port certificates of insurance evidencing the foregoing coverage, and said certificates shall provide that the Port is to be given 15 days prior notice of any alteration or cancellation.

(I) STEVEDORE RESPONSIBILITY [A]

It shall be the responsibility of the stevedore, its employees, agents or others for whose acts the stevedore is or may be liable to conduct operations on property of the Port in compliance with Port, Federal, State and Municipal Rules and Regulations. Such rules and regulations shall include but not be limited to speed limits, fire regulations, vehicle access and parking.

ITEM 117
EQUIPMENT PROVIDED BY STEVEDORES [A]

The Port of Kodiak does not have equipment for rental by outside parties. Equipment must be provided by the stevedore or other approved vendor.

The 100-foot gauge container crane at Pier III is owned by Matson. Please check with them for rates.

Cranes and boom trucks are available through local vendors (up to 150 tons) for use at Piers I and II. Check with the Port and Harbor Director for a list of contacts.

ITEM 118
VESSEL OILY WASTE OR GARBAGE DISPOSAL [A]

Vessels which find it necessary to discharge oily waste or garbage at the Port of Kodiak shall contact the Port to arrange for services. Payment of charges for the services and equipment provided will be made directly to the Port of Kodiak by the vessel, its agent, owner, charterer, or any other party responsible for such payment of charges by the vessel.

The discharge by a vessel of oily waste and garbage at any terminal at the Port shall only be in accordance with the terms of this tariff item and applicable federal, state and local laws and regulations. Regulated garbage may not be discharged at the Port of Kodiak. As defined by 9 CFR 94.5 (c)(2), garbage is considered regulated, if, when the garbage is on or removed from the means of conveyance, the means of conveyance has been in any port outside the United States and Canada within the previous 2-year period.

Rates and charges assessed vessels by the Port for use of its facilities or services do not include this service nor insurance coverage for any potential liability of any oily waste hauler and/or reception facility other than the Port.

The Port can provide labor and equipment at Port Facilities on the basis of cost plus 10%. Please refer to the Harbor Fee Schedule for current rates at <http://www.city.kodiak.ak.us/harbor/Pages/RatesandFees.aspx>.

ITEM 119
STORAGE, STAGING AND ASSEMBLING OF NON-CARGO EQUIPMENT AND MATERIALS [A]

The Port, at its sole discretion, shall determine what constitutes cargo and what constitutes non-cargo equipment, materials and stores.

Staging, storage and assembling of non-cargo equipment, materials and stores on Port terminal facilities will be subject to adherence to directives of the Port and Harbor Director or designee. Storage, staging and assembling of materials and equipment as required for vessel repair or alterations, ships stores and other materials not deemed as cargo, will be allotted "Free Time" period of no more than 72 hours prior to the arrival of the vessel and of not more than 72 hours after the departure of the vessel. In recognition of emergency encountered, congestion of facilities, labor disruptions, or other similar factors, free time may be reduced, eliminated or extended at the discretion and directive of the Port's Executive Director or designee.

Free Time is defined as a specified number of days or hours during which materials and equipment may remain on wharf or terminal premises without incurring Port charges (See [ITEM 206A](#)).

Explosives and hazardous inflammable materials may only be handled over, stored on or received on, the facilities of the Port of Kodiak by special arrangement with, and at the option of the Port of Kodiak and subject to Federal, State and City rules and regulations.

End of section, return to [GENERAL INDEX](#).

SECTION TWO – COMMODITY RULES, EXPLANATIONS AND RATES

ITEM 201
WHARFAGE

(A) WHARFAGE DEFINED [C]

“Wharfage” means the charge for the use of the wharf that is assessed on all freight passing or conveyed over, under, through or onto wharf premises or loaded or discharged overside vessels berthed at wharf or moored in wharf slip. No services are covered by this charge. Unless otherwise provided, wharfage shall be considered earned and will be assessed whether or not freight received on wharf or wharf premises from cargo, trucks, drays or water carriers is eventually loaded on vessel.

Note: This wharfage definition takes precedence over, and is a departure from the Federal Maritime Commission definition prescribed in 46 Code of Federal Regulations, Part 525, Marine Terminal Operator Schedules, reading as follows: “Wharfage means a charge assessed against the cargo or vessel on all cargo passing or conveyed over, onto, or under wharves or between vessels (to or from barge, lighter, or water), when berthed at wharf or when moored in slip adjacent to a wharf. Wharfage is solely the charge for use of a wharf and does not include charges for any other service.

(B) WHARFAGE ON DIRECT TRANSFER FREIGHT [A]

Unless otherwise specifically excepted, all freight handled direct between transports and vessels will be subject to full wharfage at the regular rates due according to ship’s manifest and the respective traffic and commodity classifications of the freight.

(C) EXCEPTIONS [A]

Ship’s stores and repair materials and supplies, all when intended for vessels’ own use, consumption of repairs, will be exempt from assessment of wharfage unless wharf employees are required to receipt for such supplies or stores as may be received or unloaded on wharf.

ITEM 202
LOADING AND UNLOADING

(A) LOADING AND UNLOADING DEFINED [C]

The service of loading or unloading cargo between any place on the terminal and trucks, lighters or barges or any other means of conveyance to or from the terminal facility.

ITEM 203
HANDLING

(A) HANDLING DEFINED [A]

The service of physically moving cargo between point of rest and any place on the terminal facility, other than the end of ship's tackle.

ITEM 204
WHARF DEMURRAGE [A]

(A) WHARF DEMURRAGE DEFINED

Wharf Demurrage means a charge assessed against cargo remaining in or on terminal facilities after the expiration of Free Time, unless arrangements have been made for storage. Free time is defined in [ITEM 101](#).

(B) COMPUTING WHARF DEMURRAGE

In computing either Wharf Demurrage or storage on freight delivered to a vessel, the day or days vessel is loading will not be considered demurrage for storage days. On freight delivered to transports, trucks or drays, the day freight is loaded or delivered will be considered a Demurrage or storage day.

Demurrage will be assessed at a rate per square foot per day, based on the "foot print" occupied by cargo in the laydown area or for cargo with overhangs, the footprint plus the area under the overhang that the overhang renders unusable for other storage. See Wharf Demurrage Rates (below)

ITEM 205
WHARF DEMURRAGE RATES [A]

Except as otherwise provided, after expiration of Free Time, as defined in [ITEM 206](#), Wharf Demurrage will be assessed after the allowed Free Time at Piers I and II. Wharf demurrage also applies if vessels are berthed at Pier III under the City's reservation of secondary rights at Pier III. Please refer to harbor fees for dry storage for current rates at <http://www.city.kodiak.ak.us/harbor/Pages/RatesandFees.aspx>.

ITEM 206
FREE TIME [C]

(A) FREE TIME DEFINED

"Free Time" means the period specified in the terminal schedule during which cargo may occupy space assigned to it on terminal property, including off-dock facilities, free of wharf demurrage or terminal storage charges immediately prior to the loading or subsequent to the discharge of such cargo on or off the vessel.

(B) COMPUTING FREE TIME EXCLUSIONS [A]

Except where limited under individual items not to exceed a specified number of days, Free Time is exclusive of Saturdays, Sundays and legal holidays and, unless otherwise specified, is computed from the first 7 a.m. occurring after freight is received or unloaded on wharf or wharf premises or, in case of freight from vessel, from the first 7 a.m. occurring after a vessel completes discharge.

(C) EXTENT OF FREE TIME BY TRAFFIC CLASSIFICATIONS

Unless otherwise provided under individual items, Free Time will be allowed freight according to traffic classifications, as follows:

<u>Traffic Classifications</u>	<u>Free Time Allowed [C]</u>
(As defined in ITEM 113)	

All Cargo	Twelve (12) hours
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(D) COMMODITIES ALLOWED NO FREE TIME [A]

- (1) Explosives, Inflammables, Hazardous Commodities
- (2) Salvaged Freight, Offensive Freight, when either are so designated

ITEM 207
WHARFAGE RATES [C]

Rates in this section apply on traffic moving in all trade routes. Except as otherwise provided, rates apply to metric tonnage for general cargo NOS, Rack and hazardous/contaminated materials and by barrel or gallon for petroleum products in liquid bulk as manifested by vessel for revenue purposes.

When no specific commodity rate is named in this tariff, freight manifested by vessel on a per package basis will be assessed applicable NOS rate by metric ton whichever creates greater revenue. Subject to the following limitations:

<u>Item#</u>	<u>210</u>	<u>211</u>	<u>212</u>	<u>213</u>	<u>214</u>
	<u>Per Short Ton</u>			<u>Inbound</u>	<u>Outbound</u>
	<u>General</u>		<u>Hazardous -</u>	<u>per Barrel</u>	<u>per Gallon</u>
<u>Year</u>	<u>Cargo NOS</u>	<u>Rock</u>	<u>Contaminated</u>	<u>Petroleum Products</u>	
			<u>Materials</u>		
2015	\$6.20 [I]	\$1.00 [NC]	\$13.80 [I]	\$0.31 [A]	\$0.014 [A]
2016	\$6.50 [I]	\$1.04 [I]	\$14.40 [I]	\$0.33 [A]	\$0.015 [A]
2017	\$6.80 [I]	\$1.09 [I]	\$15.00 [I]	\$0.35 [A]	\$0.016 [A]
2018	\$7.10 [I]	\$1.14 [I]	\$15.60 [I]	\$0.37 [A]	\$0.017 [A]
2019	\$7.40 [I]	\$1.19 [I]	\$16.30 [I]	\$0.39 [A]	\$0.018 [A]

Note: OVSERSIDE:

Unless otherwise specified in individual commodity items or other arrangements are made with the Port and Harbor Director, all freight loaded or discharged overside a vessel directly to or from another vessel, barge, lighter, draft, or to or from the water while vessel is berthed at wharf or moored in wharf slip, will be assessed regular wharfage rates.

(A) MINIMUM WHARFAGE [A]

Minimum wharfage charge on any single shipment will be \$75.00.

End of section, return to [GENERAL INDEX](#).

SECTION THREE – MISCELLANEOUS CHARGES

ITEM 301 **DOCKAGE RULES**

(A) DOCKAGE DEFINED

Dockage means the charge assessed against a vessel for berthing at a wharf, pier bulkhead structure, or bank or for mooring to a vessel so berthed.

(B) DOCKAGE PERIOD - HOW CALCULATED [C]

The period of time which dockage will be assessed shall commence when the vessel is made fast to a wharf, or when a vessel is made fast to a vessel so berthed, or when a vessel comes within or moors within a slip; and shall continue until such vessel is completely free from and has vacated such berth or slip. Dockage is billed per 12 hour period or portion thereof.

(C) BASIS FOR COMPUTING CHARGES [C]

Dockage charges will be based upon the overall length of the vessel as published in the most current edition of Lloyd's Register of Shipping at the time the vessel is berthed. Should length figures not be available from the sources, the Port may accept information from the vessel's official papers or measure the vessel.

(D) CONTROL OF VESSELS NOT LOADING OR DISCHARGING [A]

Vessels not engaged in loading or unloading cargo will be docked at a wharf, pier, or seawall structure, or moored to a vessel so docked, or permitted within a slip at the discretion of the Port and then only with the expressed understanding that vessels shall move their position from such a place at the discretion of the Port. Any vessel upon notice to move which refuses or fails to move may be shifted by tug or otherwise by wharf agent and any expenses, damages to vessel or other vessels, or wharf, pier or seawall structure during such removal shall be charged to the vessel so moved.

(E) VESSELS ON LAY STATUS [A]

At the Port's discretion, vessels may be placed on lay status, which may include vessels waiting to discharge and/or load cargo. These vessels may be permitted to moor at a vacant berth, when such berth is available. Standard dockage fees apply.

(F) FREE DOCKAGE [A]

Dockage charges will not be assessed against the vessels at the invitation of the Port of Kodiak for demonstrations and/or public tours and for vessels engaged in construction projects for the Port of Kodiak.

ITEM 302
DOCKAGE AND BARGE MOORING RATES

(A) DOCKAGE RATES [C]

Dockage charges will be assessed on the length-over-all of the vessel. Length-overall shall be construed to mean the linear distance, expressed in feet (meters), from the most forward point on the stem of the vessel to the after-most part of the stern of the vessel, measured parallel to the baseline of the vessel. For dockage billing purposes, length-over-all of the vessel as published in "Lloyd's Register of Shipping" will be used. If no such figure appears in "Lloyd's Register", the Port reserves the right to: (a) obtain the length-over-all from the vessels register, or (b) measure the vessel.

Dockage rates will be assessed as follows unless otherwise specified in this tariff or an agreement between the vessel owner and the Port. Dockage rates in dollars per foot per 12-hour period or portion thereof.

<u>Year</u>	<u>0 to 150 feet</u>	<u>151 to 300 feet</u>	<u>301 to 500 feet</u>	<u>501 to 700 feet</u>	<u>Over 700 feet</u>
2015	\$1.90 [I]	\$2.20 [I]	\$2.50 [I]	\$2.80 [I]	\$3.10 [I]
2016	\$2.00 [I]	\$2.30 [I]	\$2.60 [I]	\$3.00 [I]	\$3.30 [I]
2017	\$2.10 [I]	\$2.40 [I]	\$2.80 [I]	\$3.20 [I]	\$3.50 [I]
2018	\$2.20 [I]	\$2.50 [I]	\$3.00 [I]	\$3.40 [I]	\$3.70 [I]
2019	\$2.30 [I]	\$2.60 [I]	\$3.20 [I]	\$3.60 [I]	\$3.90 [I]

(B) FISHING VESSEL AND LOCAL FREIGHT CRAFT MOORING RATES [A]

Subject to availability and scheduling, commercial fishing vessels assigned exclusive moorage in Kodiak City harbors may berth at Piers I, II, and III without charge the first day, except when dockage is to conduct commercial cargo operations.

Additional days are charged at the rate posted in the harbor fee schedule:
<http://www.city.kodiak.ak.us/harbor/Pages/RatesandFees.aspx>

ITEM 303
FRESH WATER FOR VESSELS

The following charges will be made for furnishing water to vessels berthed at Terminals subject to this tariff:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
First 1,000 gallons	\$125.00 [I]	\$130.00 [I]	\$135.20 [I]	\$140.70 [I]	\$146.40 [I]
Each additional 1,000 gallons or fraction thereof	\$6.25 [I]	\$6.50 [I]	\$6.80 [I]	\$7.10 [I]	\$7.40 [I]

ITEM 304
REPAIRS OF DAMAGES AND ALTERATIONS [C]

The Port of Kodiak will make repairs to its properties of damages caused by companies or persons using its facilities or make repairs or alterations to leased facilities at the request of lessee, subject to the following schedule:

Damage repairs or alterations: Actual Cost Plus 15% [R]

Such repairs or alterations will be performed by the Port of Kodiak, or its agents, except that when necessary repairs or desired alterations are extensive, private contractors may be employed subject to the provision that work performed by private contractors must be accomplished in a manner acceptable to the Port of Kodiak. (Subject to [ITEM 100](#) herein.)

ITEM 305
PASSENGER VESSEL FEE [C]

In addition to other tariff provisions, the terms and conditions of this item apply and charges are assessed to passenger vessels and cruise ships. Passenger vessel fees are not assessed on Alaska Marine Highway Vessels.

(A) TONNAGE FEE

Passenger vessels are charged a tonnage fee (based on the net tonnage of the vessel as provided in the vessel’s documentation) per 12 hour period or portion thereof, as provided in the following table.

<u>Item#</u>	<u>305A</u>
<u>Year</u>	<u>Tonnage Fee</u>
2015 [I]	\$0.20 [I]
2016 [I]	\$0.21 [I]
2017 [I]	\$0.22 [I]
2018 [I]	\$0.22 [I]
2019 [I]	\$0.23 [I]

(B) LIGHTERING FEE

Passenger lightering is charged per 12 hour period or portion thereof, as provided in the following table.

<u>Item#</u>	305B	
	<u>Passenger Lightering</u>	
	<u>Vessels up to</u>	<u>Vessels 151 feet</u>
<u>Year</u>	<u>150 feet</u>	<u>& Longer</u>
2015	\$63.00 [A]	\$630.00 [I]
2016	\$66.00 [A]	\$660.00 [I]
2017	\$69.00 [A]	\$690.00 [I]
2018	\$72.00 [A]	\$720.00 [I]
2019	\$75.00 [A]	\$750.00 [I]

ITEM 306
SECURITY FEE [C]

At the Port's sole discretion, charges may be assessed to cargo and/or vessels for additional Security costs associated with an increase in MARSEC Level mandated by the US Department of Homeland Security.

Security services may be provided upon request at Piers 1 and 2 on the basis of cost plus 10%. Current rates (in 2015) are:

- Straight time labor = \$65/hour plus 10% [NC]
- Over time labor = \$90/hour plus 10% [NC]
- Forklift rental (includes operator and barriers) = \$75 per half hour plus 10% [NC]

Please inquire about current rates in 2016 and future years.

End of section, return to [GENERAL INDEX](#).

Kodiak Tariff Rate Increases

From Paul Sorensen

To: Lon White, Port of Kodiak

Date: August 25, 2015

Re: Kodiak Tariff Rate Increases

Introduction

The existing Port of Kodiak tariff was developed in 1993, with updates in 1998 and 2006. Much has happened in the port industry during the intervening years, which led the Port to develop a new version of the tariff. This included:

- Adjusting tariff rates to meet market conditions in 2015 (and beyond) and to assure that tariff rates are in sync with the rates in preferential use agreements (PUAs).
- Modifying the language of the tariff to take into account Federal Maritime Commission (FMC) requirements and changes in tariffs by other Alaskan and Northwest ports that reflect changing market conditions as well as FMC requirements.

Most ports prepare an annual update to their tariffs but this is not a mandatory requirement. Updates are required if there are substantial changes.

Some Alaskan ports (Anchorage, Seward and Whittier) have begun to set multi-year rates. This allows shippers and carriers to see the near-term rate structures and plan accordingly. It also reduces the time spent by the Port of Kodiak in adjusting the tariff.

This memo describes the methodology used to adjust the Port of Kodiak tariff rates.

Wharfage Rates

Wharfage rates were adjusted upward based upon a review of several factors:

- 2015 rates were initially adjusted for inflation using the Anchorage CPI (averaged 2.5% per year from 2006 to 2014).
- A comparison of 2015 wharfage rates with other ports (Anchorage, Dutch Harbor, Whittier, Seward and Homer in Alaska and Everett, Anacortes, Seattle and Tacoma in US West Coast) was also undertaken.
- Rates were also compared with Kodiak PUA agreement rates (Matson, Petro Marine) to insure that the tariff rates were set at a higher rate than the PUA rates.
- In addition, rates for specific commodities (aggregate or rock) were modified to maintain competitive balance.

As noted above, some ports have begun to set multi-year rates, with annual rates increasing 3.5% to 4.0% per year. The Port of Kodiak rates were adjusted at 4% annually. However, the rates were rounded up to two digits, so the proposed rates increased from 4.3% to 6.1% per year.

Table 1 – Adjusted Port of Kodiak Wharfage Rates

Year	Dry Cargo			Petroleum Products	
	General Cargo NOS	Rock	Hazardous - Contaminated Materials	Inbound per Barrel	Outbound per Gallon
2015	\$6.20	\$1.00	\$13.80	\$0.31	\$0.014
2016	\$6.50	\$1.04	\$14.40	\$0.33	\$0.015
2017	\$6.80	\$1.09	\$15.00	\$0.35	\$0.016
2018	\$7.10	\$1.14	\$15.60	\$0.37	\$0.017
2019	\$7.40	\$1.19	\$16.30	\$0.39	\$0.018
CAGR	4.5%	4.4%	4.3%	6.1%	5.9%

CAGR means compound annual growth rate.

General cargo (NOS)

General cargo rate (NOS or not otherwise specified) is a general category that refers to most of the inbound and outbound dry cargo moving through the Port (excluding rocks and hazardous or contaminated materials). Previous tariffs had a separate rate for general cargo and outbound seafood products. The rates were rolled together into one general cargo NOS rate in the PUA and also in the proposed tariff. The rate was set at \$6.20 per short ton, which is comparable to the Anchorage rate in 2015 (\$6.24 per ton).

One of the primary reasons for updating the tariff was to adjust the tariff rates upward to an appropriate level above the rate in the PUA agreement with Matson. After adjustment, the PUA rate would be 53% to 62% of the new tariff rates during the period from 2015 to 2019. The PUA rates were set at a lower rate and are projected to grow at a faster rate (approximately 7.5% per year). After 2019, the rates will need to be raised again to maintain the PUA rate below the tariff rate.

Table 2 – Comparison of Adjusted Tariff Rate with Matson PUA Rates for General Cargo NOS

Year	General Cargo NOS Tariff Rate	PUA Cargo NOS Rate	PUA Rate as a % of Tariff Rate
2015	\$6.20	\$3.45	56%
2016	\$6.50	\$3.45	53%
2017	\$6.80	\$3.80	56%
2018	\$7.10	\$4.17	59%
2019	\$7.40	\$4.60	62%

Rock

It was decided to keep the wharfage rate for rock (aggregates) at the same rate as in the existing tariff, which is comparable to the Anchorage wharfage rate of \$1.04 per ton.

Hazardous - Contaminated Materials

The wharfage rate for hazardous/contaminated materials is currently \$10.00 per short ton. This rate was adjusted up by the Anchorage CPI rate and then increased by 10%. The Anchorage rate for explosives is \$15.60 per ton in 2015. Most other Alaskan ports do not have a wharfage rate for hazardous/contaminated materials.

Petroleum Products

The PUA rate for inbound and outbound products with Petro Marine was established in 2009 at \$0.215 per barrel inbound and \$0.010 per gallon outbound. There is not currently a rate for petroleum products in existing tariff. A tariff rate was established that is approximately 25 percent higher than the PUA rate.

The new rates were rounded to two digits for inbound and three digits for outbound petroleum products, which were increased at 4.0% per year for years 2016 through 2019. However, as discussed above the actual annual increase is closer to 6% per year due to rounding up.

Table 3 – Comparison of proposed Tariff Rate with PUA Rates for Petroleum Rates

Petro Marine Petroleum Products	2009	2015	25% above PUA
per barrel inbound	\$0.215	\$0.247	\$0.308
per gallon outbound	\$0.010	\$0.011	\$0.014

Minimum Wharfage Charge

The existing tariff did not include a minimum wharfage charge. The minimum rate was set at the Anchorage rate of \$75.00. Seward and Whittier each charge a minimum wharfage rate of \$250 in 2015.

Dockage Rates

Most other ports have a detailed dockage rate system that changes the rate for each additional length of 25 feet (or thereabouts) of the docking vessel. The Port of Kodiak does not have as great a variety of vessel types and lengths as at some other ports. As a result, it was decided to increase the number of length ranges from three to five as shown in Table 4. The inflation adjusted rates were rounded up and then increased at 4.0% per year.

Table 4 – Proposed Port of Kodiak Dockage Rates

Year	0 to 150 feet	151 to 300 feet	301 to 500 feet	501 to 700 feet	Over 700 feet
2015	\$1.90	\$2.20	\$2.50	\$2.80	\$3.10
2016	\$2.00	\$2.30	\$2.60	\$3.00	\$3.30
2017	\$2.10	\$2.40	\$2.80	\$3.20	\$3.50
2018	\$2.20	\$2.50	\$3.00	\$3.40	\$3.70
2019	\$2.30	\$2.60	\$3.20	\$3.60	\$3.90
CAGR	4.9%	4.3%	6.4%	6.5%	5.9%

CAGR means compound annual growth rate.

The comparison of proposed dockage rates with the PUA dockage rate (with Matson) is shown in Table 5. The existing tariff rate for vessels that are the size of those used by Matson is currently \$2.50 per foot per 12-hour period. Under the proposed tariff adjustment, this rate would increase to \$3.10 per foot per 12-hour period and then increased annually at 4.0% (after rounding up).

Under these proposed rates, the PUA rates would be 52% to 58% of the tariff rate. PUA rates were set at a lower rate than the tariff rate but are projected to grow at a faster rate (approximately 8.8% per year). After 2019, the rates will need to be increased again to keep the PUA rate below the tariff rate.

Table 5 – Comparison of Adjusted Tariff Rate with Matson PUA Rates for Dockage

Year	Proposed Tariff Rate for Vessels over 700 feet	PUA Dockage Rate	PUA % of Tariff
2015	\$3.10	\$1.62	52%
2016	\$3.30	\$1.70	52%
2017	\$3.50	\$1.87	53%
2018	\$3.70	\$2.06	56%
2019	\$3.90	\$2.27	58%

Other Rates

Water Rates

Water rates were increased from the existing rates (\$100 for first 1,000 gallons and \$5.00 for each 1,000 gallons over 1,000 gallons) by applying the Anchorage CPI rate from 2006 to 2015 (125% increase).

Future rates were increased at 4.0 percent per year.

Table 6 – Proposed Port of Kodiak Rates for Water Delivered to Ships

Water rates	2015	2016	2017	2018	2019	CAGR 15-19
First 1,000 gallons	\$125.00	\$130.00	\$135.20	\$140.70	\$146.40	4.0%
Each addtl 1,000 gals or fraction thereof	\$6.25	\$6.50	\$6.80	\$7.10	\$7.40	4.3%

CAGR means compound annual growth rate.

Passenger fees

Passenger lightering rates apply to shuttles moving passengers from a cruise ship and other vessels (excluding the Alaska Marine Highway ferries) to shore over a Port of Kodiak dock. The existing tariff rate was \$500 per day for all vessels. This rate was increased by applying the Anchorage CPI rate from 2006 to 2015 (125% increase) or \$625 per day and then rounding to the tenth dollar (\$630 per day).

The Port established a new rate for smaller cruise vessels (up to 150 feet) that is set at 10% of the larger vessel rate.

Table 7 – Proposed Port of Kodiak Rates for Passenger Lightering

Year	Passenger Lightering	
	Vessels up to 150 feet	Vessels 151 feet & Longer
2015	\$63.00	\$630.00
2016	\$66.00	\$660.00
2017	\$69.00	\$690.00
2018	\$72.00	\$720.00
2019	\$75.00	\$750.00
CAGR	4.5%	4.5%

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager 

Date: September 10, 2015

Agenda Item: V. d. **Resolution No. 2015–29, Authorizing a Waiver of Fees in the Schedule of Fees and Charges Sections 4.1.1, Permit; 4.2.1.4, Additional Wiring; and 4.3.1.3, Additional Plumbing Through December 31, 2018, Associated With Relocating Mobile Homes From Jacksons Mobile Home Park**

SUMMARY: This resolution will waive particular fees (building, electrical, and plumbing permits) related to the relocation of mobile homes from Jackson’s Mobile Home Park to another park or parcel allowed under zoning codes. The Kodiak Island Borough adopted a similar resolution at its August 20, 2015, meeting.

PREVIOUS COUNCIL ACTION:

- The Council has received requests from residents of Jackson’s Mobile Home Park at City work sessions and regular meetings for assistance associated with moving their mobile homes from Jackson’s Trailer Park, which will close in May 2016.
- At the July 22, 2015, work session, the Council voiced a consensus to waive certain building code fees pertaining to relocation of mobile homes from Jackson’s Mobile Home Park.

DISCUSSION: Jackson’s Mobile Home Park was sold, and the new property owner served eviction notices to park residents to remove mobile homes by May 2016. Presently, there is insufficient space in approved mobile home parks to relocate all of the mobile homes that will be displaced. Some owners may need to temporarily store their mobile homes until sufficient, approved space is available. This resolution would waive permit fees through December 31, 2018, for the following in conjunction with Borough actions:

General construction permit	\$45.00
Wiring permit	\$30.00
Plumbing permit	\$30.00

ALTERNATIVES:

- 1) Adopt Resolution No. 2015–29, which is the staff recommendation, because the Council voiced a consensus to waive these fees for those who are required to relocate their mobile home.
- 2) Do not adopt Resolution No. 2015–29.

FINANCIAL IMPLICATIONS: The City may lose a small amount of revenue by waiving these fees.

LEGAL: N/A

CITY MANAGER'S COMMENTS: I recommend Council adopt the Resolution No. 2015-29 if Council remains in support of waiving these fees for the Jackson mobile homes as the owners relocate to new locations.

ATTACHMENTS:

Attachment A: Resolution No. 2015-29

PROPOSED MOTION:

Move to adopt Resolution No. 2015-29.

**CITY OF KODIAK
RESOLUTION NUMBER 2015–29**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING A WAIVER OF FEES IN THE SCHEDULE OF FEES AND CHARGES SECTIONS 4.1.1, PERMIT; 4.2.1.4, ADDITIONAL WIRING; AND 4.3.1.3, ADDITIONAL PLUMBING THROUGH DECEMBER 31, 2018, ASSOCIATED WITH RELOCATING MOBILE HOMES FROM JACKSON’S MOBILE HOME PARK

WHEREAS, the City of Kodiak recognizes the recently announced closure of Jackson’s Mobile Home Park will result in the relocation of a number of mobile homes due to a change in land use; and

WHEREAS, the City desires to waive particular fees relating to this relocation to ease the transition of mobile homes into existing mobile home parks or to individual parcels allowed under zoning codes; and

WHEREAS, this resolution authorizes the following fees from the City’s current Schedule of Fees and Charges be waived through December 31, 2018, associated with relocating mobile homes from Jackson’s Mobile Home Park:

4.1.1, Permits, General Construction	\$45.00
4.2.1.4, Permits, Additional wiring, remodeling (residential)	\$30.00
4.2.1.4, Permits, Additional plumbing, remodeling (residential)	\$30.00

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the fees reflected herein for the relocations of mobile homes from Jackson’s Trailer Park to existing parks and individual lots allowed under the zoning code shall become effective upon adoption of this resolution and the fee waiver shall terminate on December 31, 2018.

CITY OF KODIAK

MAYOR

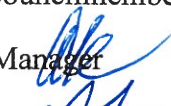

ATTEST:

CITY CLERK

Adopted:

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Thru: Lon White, Harbormaster 
Date: September 10, 2015

Agenda Item: V. e. Authorization of a Temporary Lease Agreement for Alaska Marine Highway Office at Pier II

SUMMARY: The State of Alaska Department of Transportation and Public Facilities is requesting 2,000 square feet (SF) at Pier II for a temporary office trailer for the Alaska Marine Highway System (AMHS) during the construction of Pier I Ferry Terminal. Due to the limited space at Pier I, and for safety reasons, it is in the best interest of the public to relocate the AMHS office to Pier II during construction. The state ferries KENNICOTT and TUSTUMENA will both be berthing at Pier II at that time. Staff recommends authorizing approval of the temporary lease agreement.

PREVIOUS COUNCIL ACTION:

- May 2015, Council approved Resolution N0. 2015-17, authorizing Lease Extension No. 3 of the AMHS Dock License Agreement. This addressed the berthing of the state ferries at Piers I and II.
- January 23, 2014, Council approved a Memorandum of Agreement with the State of Alaska, authorizing Kodiak Ferry Terminal & Dock Improvements, pProject No. 68938.

DISCUSSION: AMHS currently leases office space in the Chamber building at Pier I for use as a ticket office. Temporarily relocating the ticket office to Pier II makes sense for customer convenience and safety. The state project management team plans to operate out of the vacated office space at Pier I during the construction project. Once the new ferry terminal is complete the TUSTUMENA will resume use of the facility, and the ticket office will reopen at Pier I. The projected completion date is June 2016.

The temporary office at Pier II will be a portable office trailer, approximately 60ft long by 14ft wide. The location at Pier II (van row 11) is available for lease and will not impede other uses of the facility. All utilities are available on site and will be installed at AMHS expense. Upon termination of the lease the area will be returned to its original condition by AMHS.

ALTERNATIVES:

- 1) Approve the lease agreement. This is in the best interest of the public and is staff's recommendation.

- 2) Do not authorize the lease agreement. AMHS will need to find an alternate site for the temporary office, but none are available in close proximity to the ferry berthing at Pier II. Staff does not recommend this option.

FINANCIAL IMPLICATIONS: AMHS will pay the applicable monthly rate posted in the Port & Harbor Fee Schedule of 40 cents per square foot. Total monthly lease rate for 2,000 SF is \$800. Total for the anticipated ten-month lease is \$8,000.

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

STAFF RECOMMENDATION: Staff recommends Council authorize the lease with the State of Alaska for temporary office space at Pier II for a period of approximately eight months.

CITY MANAGER'S COMMENTS: I support this recommendation. It will facilitate passenger service while Pier I is under reconstruction forcing the TUSTUMENA to dock at Pier II. The upland area is available and will generate a standard rental fee, and the existing office at Pier I can be utilized by the state project management team.

ATTACHMENTS:

Attachment A: State of Alaska, DOT&PF Lease

PROPOSED MOTION:

Move to approve lease No. 220118 with the State of Alaska Department of Transportation and Public Facilities for temporary office space at Pier II for a period of approximately eight months and authorize the City Manager to execute the documents on behalf of the City.

**LEASE AGREEMENT
STATE OF ALASKA DOT&PF AND CITY OF KODIAK
FOR TEMPORARY OFFICE AT PIER 2
CONTRACT NO. 220118**

THIS LEASE, made this _____ day of _____, 2015, by and between the **City of Kodiak**, an Alaska municipal corporation, herein referred to as "City," and **State of Alaska, Department of Transportation & Public Facilities, Southcoast Region Construction** , herein referred to as "Lessee," provides as follows:

1. Leased Premises. Upon the terms and conditions herein set forth and subject to the prompt payment and performance by Lessee of each and every sum and other obligation hereinafter referred to, the City does hereby lease, let, and demise to the Lessee, and the Lessee does hereby lease from the City the following described premises: that portion of Van Storage Rows 11, near Pier II in Kodiak, comprising 2,000 square feet, and further identified on the schematic drawing attached hereto as Exhibit A.

2. Term. This Lease shall be effective from October 1, 2015, through August 31, 2016, unless terminated earlier as provided below.

3. Rental. Lessee agrees to pay as and for rent the sum of 40 cents per square foot, equaling **EIGHT HUNDRED DOLLARS (\$800.00)** per month.

4. Conditions of Lease. The premises shall be used solely for the following purposes:
(a) Temporary office for Alaska Marine Highway System (approximately 60 x 14)
(b) Parking for customers and employees

5. Improvements. City shall have the right to make additions, alterations, or improvements to the Premises which will not impede Lessee's access to or use of the Premises. Any improvements constructed by Lessee shall be consistent with the limited use of the Premises authorized by this Lease and shall be constructed at Lessee's expense. Upon termination of this Lease, such improvements shall be removed by Lessee at its sole expense.

6. Maintenance. Except as otherwise specifically provided herein, the Lessee shall at all times at its sole expense, maintain the premises in good repair, and in a neat and orderly condition. Lessee shall not cause or permit any litter, debris, or refuse to be accumulated or stored upon the premises and shall promptly remove all such materials without cost to City.

7. Indemnity. Lessee shall defend, indemnify, and hold City, its officers, agents, and employees harmless against any and all actions, suits, proceedings, claims, loss, liens, costs, expense, and liability of every kind and nature whatsoever, including, but not limited to, attorney's fees reasonably incurred for response or defense of injury to or death of persons or loss of or damage to property, including property owned by the City, caused by or incurred as a result of Lessee's use and occupancy of the premises under this Lease. This provision shall not apply to claims, actions, damages, losses, or proceedings caused solely by the negligence of officers, agents, or employees of City.

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

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

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

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

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

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

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

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

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

CITY OF KODIAK
710 Mill Bay Road
Kodiak, AK 99615

STATE OF ALASKA, DOT&PF
SOUTHCOAST REGION CONSTRUCTION
6860 Glacier Highway
P.O. Box 112506
Juneau, AK 99801-2506

Aimée Kniaziowski, City Manager

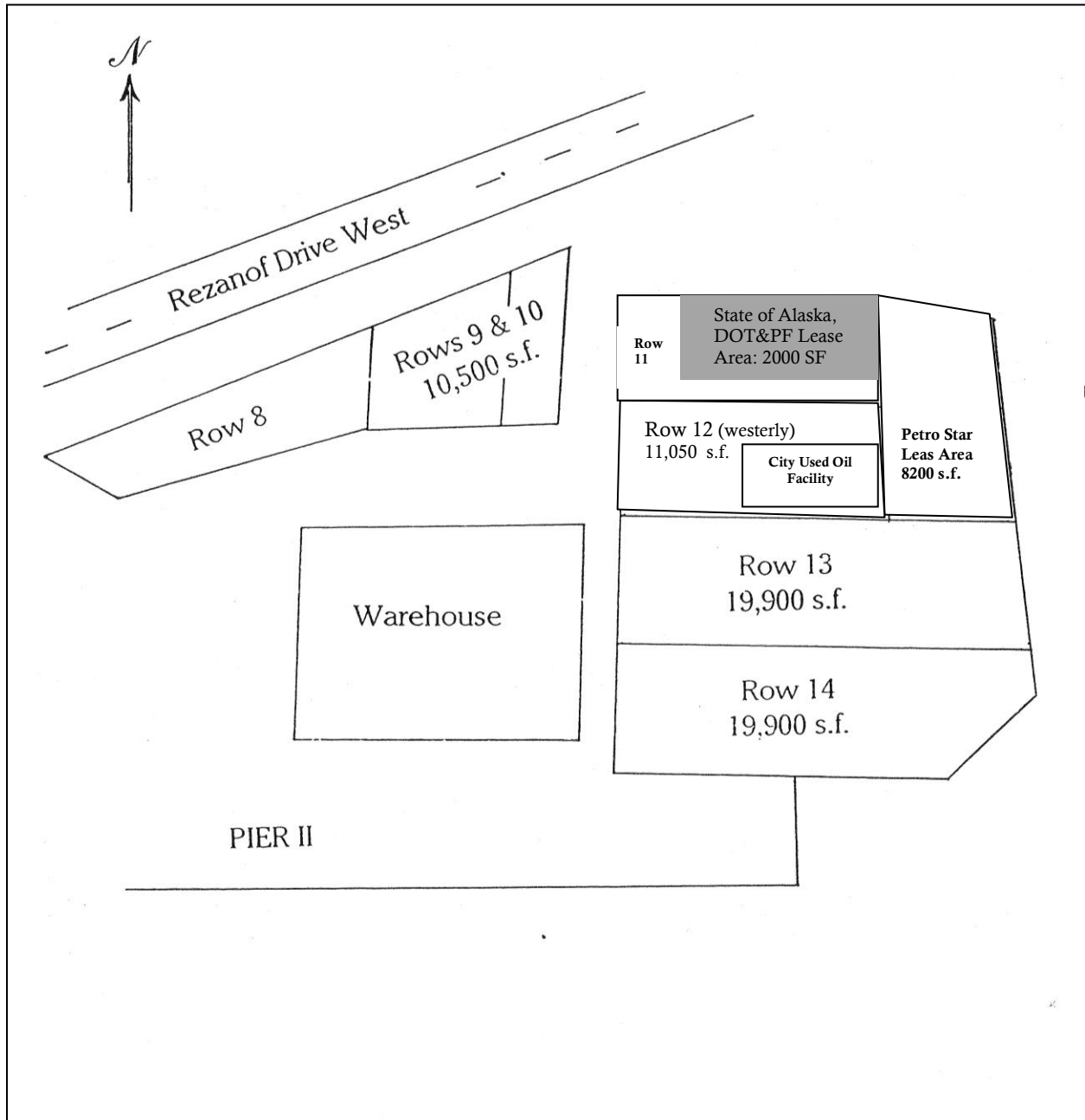
State of Alaska, DOT&PF
Signature, Title

Attest:

Witness:

City Clerk

EXHIBIT A
AMHS Lease Area
Pier II, Kodiak, Alaska



MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager
Thru: Mark Kozak, Public Works Director & Glenn Melvin, City Engineer
Date: September 10, 2015

Agenda Item: V. f. **Authorization of Professional Services Contract for Design of Downtown Sanitary Sewer Lift Stations 3 and 4, Project No. 11-06/7509**

SUMMARY: Beginning in 2011 staff started to evaluate the condition of downtown sanitary sewer Lift Station Nos. 1 and 2. The design to rehabilitate lift station Nos.1 and 2 is at 65 percent and expected to be ready for bid this winter. Lift Station No. 3 (by KEA downtown office) and Lift Station No. 4 (Father Herman Street) have many of the same serious corrosion, electrical, and pump problems as Station Nos. 1 and 2. Staff asked DOWL for a proposal to continue the assessment of how to rehabilitate these next two critical lift stations. Staff recommends Council approve this design memorandum to determine potential options to rehabilitate both lift stations with DOWL in the amount of \$29,605 with funds coming from Sewer Capital Improvement Fund Project No. 7509.

PREVIOUS COUNCIL ACTION: In the FY2016 budget, Council approved funds for the purpose of evaluating and designing the rehabilitation of Lift Stations No. 3 and 4.

DISCUSSION: These two lift stations were included in the capital improvement needs because of operational shortcomings and physical condition of the stations. Beginning in 2011 staff started the evaluations of both Lift Station Nos. 1 and 2 based upon the condition of the two stations. Staff did not feel either could wait until we got to this work as part of the downtown master plan replacement of utilities was underway. Staff recognized that Station Nos. 3 and 4 would need to be either rehabilitated or replaced as soon as Station Nos. 1 and 2 were completed. Both Lift Station Nos. 3 and 4 have the same type of coating, corrosion, electrical, and pumping issues. A major electrical failure or leak within the dry well would result in a catastrophic failure. Both lift stations are below ground and consist of a dry well containing the electrical controls, pumps, and operation valves. The wet wells sit right next to the dry wells and serve as the collection point to pump from. This project will build from work already completed as part of the initial station evaluations performed by Smith and Loveless and Norton Corrosion Limited. As part of the work for Lift Station Nos. 1 and 2, we had both companies assess Lift Station Nos. 3 and 4.

This project will evaluate the options available to us for upgrading the existing stations. The piping within the stations has serious mechanical issues, such as failing valves. Options to replace these are limited. This assessment will look at the technical side of bypass pumping in order to rebuild the station.

The electrical system will be evaluated and improvement options will be recommended for us to evaluate in order to develop the design scope of work.

A phased approach of assessment is being used first before finalizing a design proposal in order to evaluate as many possible options to refurbish the stations in the most cost effective manner.

Lift Station Nos. 3 and 4 were installed as part of the mid-1970 construction of the interceptor system as the City's wastewater treatment plant was being designed and built. The interceptor project started at Lift Station No. 1 near Kodiak Marine Supply and collects the wastewater all the way to Lift Station No. 5 on Metrokin Way. The routing of the interceptor follows the coastline, and the lift stations are located close to some of the original sewer discharge locations. Lift stations increase in size and capacity as they get closer to the Wastewater Treatment Plant (WWTP). Once Lift Station Nos. 1 through 4 are evaluated and rehabilitated, Lift Station No. 5 will be next.

ALTERNATIVES:

- 1) Staff recommends Council authorize the professional service contract with DOWL to evaluate and design work needed on Lift Station Nos. 3 and 4.
- 2) Do not authorize the professional services contract, which is not recommended by staff, because there are so many unknowns about the condition of the existing stations that an accurate scope of work cannot be developed.

FINANCIAL IMPLICATIONS: The funding for this project was added to the existing Downtown Lift Station Project No. 7509. There is \$175,000 budgeted in order to complete the assessment process and then complete the design and bid package. In the long term this project will improve employee safety, improve dependability, and reduce the likelihood of major failures within the interceptor sanitary sewer collection system.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Council approve the professional services agreement with DOWL for Downtown Lift Station Rehabilitation with funds coming from the Sewer Capital Improvement Fund Project No. 7509.

CITY MANAGER'S COMMENTS: I support Mark Kozak's recommendation to move forward with evaluation options on rehabilitation of these lift stations so the appropriate and most affordable design is developed. Funds are adequate and, in the long term, this project will reduce employee risk (confined space entry required), improve dependability of the system, and reduce the likelihood of major failures within the interceptor sanitary sewer collection system. Therefore, I recommend Council approve this contract.

ATTACHMENTS:

Attachment A: DOWL Design Memorandum Proposal, August 14, 2015

Attachment B: Location of Lift Stations

PROPOSED MOTION:

Move to authorize a professional services contract with DOWL for Design of Downtown Sanitary Sewer Lift Station Nos. 3 and 4, Project No. 11-06/7509 in the amount of \$29,605 with funds coming from Sewer Capital Improvement Fund Project No. 7509 and authorize the City Manager to execute the documents on behalf of the City.



August 14, 2015
W.O. 01100

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

Subject: City of Kodiak, Downtown Sanitary Sewer Lift Stations 3 and 4
Proposal for Engineering Services – Design Memorandum

Dear Mr. Kozak:

DOWL is pleased to submit to the City of Kodiak (the City) a proposed scope of work and budget for engineering services to complete a design memorandum for retrofitting/refurbishing the sanitary sewer lift stations 3 and 4 located in the downtown Kodiak area. The City of Kodiak Public Works Department has identified both lift stations as being near the end of their useful lives.

SCOPE OF WORK

The scope of work will include a design study memorandum discussing alternatives for retrofitting/refurbishing existing lift stations 3 and 4.

- **Task 1 - Design Study Memorandum.** DOWL will outline the existing capacity and operations of the existing facilities. We will evaluate the feasibility and costs of replacing the existing pumps and reconfiguring the stations in place. We will evaluate the information determined from site visits from our personnel, as well as reports from the manufacturer, Smith and Loveless, and the conditions assessment team, Norton Corrosion.

DOWL will summarize the existing conditions in the memorandum and use this information to support our recommendations. Following submittal of the design memorandum, we will discuss our findings with the City and finalize the memorandum based on City comments.

Future tasks will be identified and the scope negotiated based on the recommendations made in the design memorandum.

I will be DOWL's Project Manager and your primary point of contact on all civil engineering matters concerning this project. If you have questions or concerns, please call at any time.

ASSUMPTIONS

This proposal is based on the following assumptions and qualifications. If further investigation into the project discloses conditions other than those assumed, we will advise you and assist in making appropriate adjustments to the scope of work and budget.

- The City of Kodiak Public Works Department will provide additional information on the existing conditions of the lift stations, including depth of wet well, approximate dimensions of the flat area at the bottom of the wet well, and the approximate volume of the wet well.
- The City of Kodiak will perform drawdown tests for both lift stations.
- The City of Kodiak will make provisions for legal entry and necessary site access for DOWL, if required.

DELIVERABLE PRODUCTS

We will prepare two copies of the design memorandum.

- Draft design memorandum.
- Final design memorandum.

FEE PROPOSAL

We propose to furnish the above-described services for a total lump sum of \$29,605. See attached estimate for additional detail. A monthly statement will be provided showing the approximate percentage of completion of each of these phases. Payment will be expected within 30 days.

Services performed by DOWL under this agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representation, express or implied, and no warranty or guarantee is included or intended in this agreement or in any report, opinion, document, or otherwise.

Mark Kozak, Director, Public Works
City of Kodiak
August 14, 2015
Page 3

We trust this provided adequate information for evaluating our proposal. We look forward to working with you on this project and will be happy to answer any additional questions you may have.

Sincerely,
DOWL



Aaron R. Christie, P.E.
Project Manager

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Attachment(s): As stated

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

Signature

Date

DOWL
ESTIMATE FOR PROFESSIONAL SERVICES

PROJECT:	City of Kodiak - Lift Stations 3 & 4 Design Study Memorandum	WO#	D60766
		DATE:	14-Aug-15
		Prepared by:	ARC/CCP
CLIENT:	City of Kodiak		

Tasks	Basic Services (Lump Sum)	Total Fees
Task 1	Design Memorandum	\$29,605
	<i>Sub Total For Basic Services</i>	\$29,605
	<i>Revised Total</i>	\$29,605

DOWL
ESTIMATE FOR PROFESSIONAL SERVICES

PROJECT	City of Kodiak - Lift Stations 3 & 4 Design Study Memorandum	WO#	D60766
		DATE:	14-Aug-15
CLIENT:	City of Kodiak	Prepared by	ARC/CCP

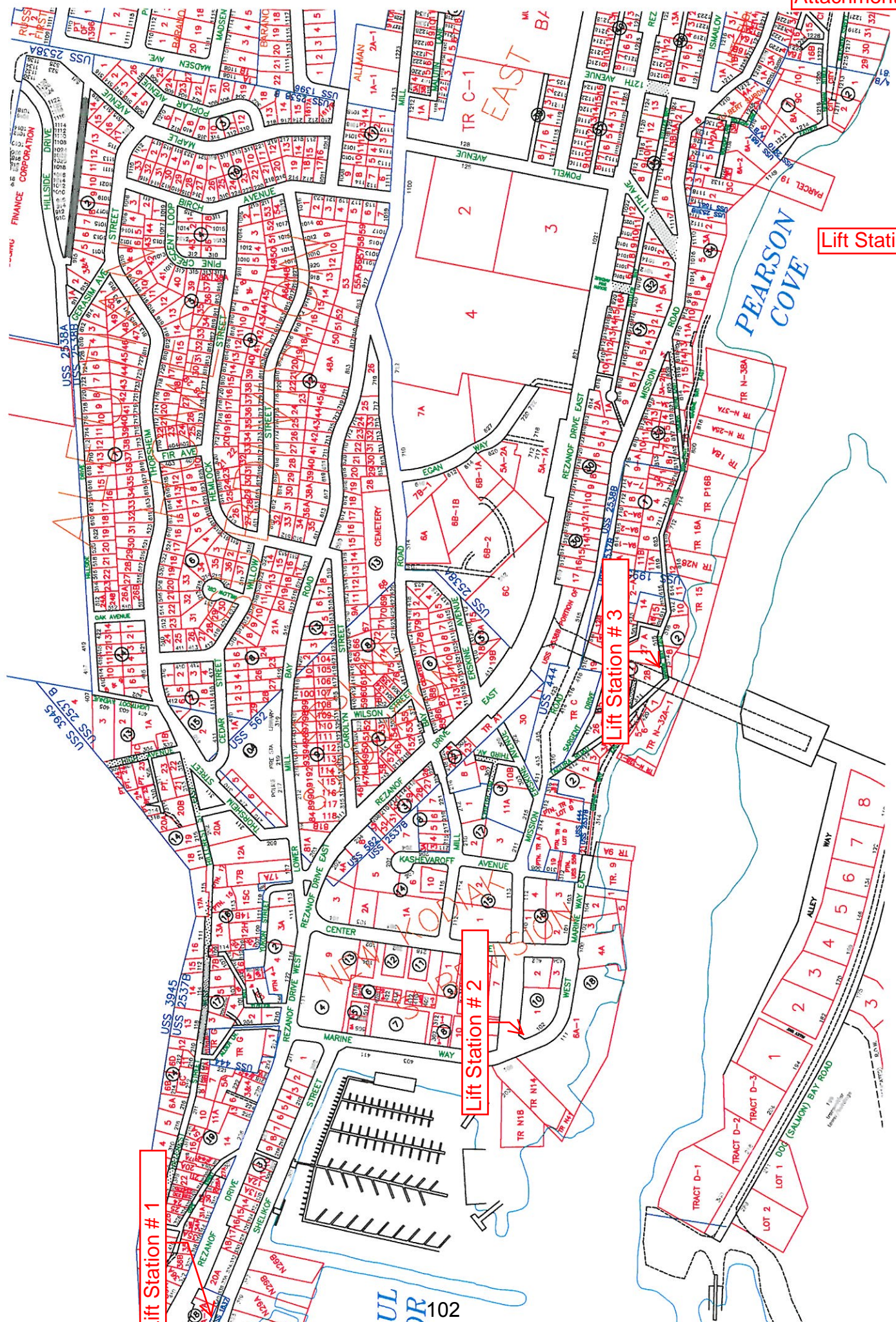
Task Description	Labor Category	Project Manager	Senior Design Engineer	Design Engineer	GIS/Graphics Technician	Admin Asst	Expenses	TOTALS
	Hourly Rate	A. Christie \$180.00	R. Armstrong \$175.00	A. Mattie \$150.00	\$90.00	\$85.00	(+10% Markup)	
Task 1	Design Memorandum							
Project Meetings		2	2	2				
Project Management, Budgeting, Schedule Research		2	1	1				
Operations/Record Drawing Research		2	4	8	1			
Design Memo								
Facility Sizing and Capacity		2	12	32	4	2		
Alternatives Analysis		2	12	32	2	2		
Electrical Assessment Reporting (Subconsultant)						2	\$1,210	
Cost Analysis		2	8	16				
Final Report		2	4	8	4	2		
QA/QC Review		2	4	4		2		
	<i>Subtotal - Hours</i>	16	47	103	11	10		187
	<i>Subtotal - Costs</i>	\$2,880.00	\$8,225.00	\$15,450.00	\$990.00	\$850.00	\$1,210	\$29,605

Lift Station 4

Lift Station # 3

Lift Station # 2

Lift Station # 1



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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager
Thru: Glenn Melvin PE, City Engineer
Date: September 10, 2015
Agenda Item: V. g. **Authorization of a Professional Services Contract to Update the Near Island Land Use Plan, Project No. 15-08/4002**

SUMMARY: It's been several years since Council looked at Near Island, and many new facilities have been constructed including commercial, governmental, industrial, marine businesses, and senior housing. Staff requested a proposal from DOWL for an updated Near Island land use review and plan. DOWL is the City's consultant most familiar with Near Island. This memorandum and attachment describes DOWL's approach to preparing an updated land use plan using stakeholder input and future City development needs to create an updated, usable planning document that can guide Council in making future land use decisions. Staff recommends Council authorize the professional services contract with DOWL to update the Near Island Land Use Plan for \$89,690.

PREVIOUS COUNCIL ACTION:

- 1974, Near Island Comprehensive Development Plan prepared for the City of Kodiak and the Kodiak Island Borough
- 1987, Near Island Development Plan report to the Kodiak City Council prepared by the Near Island Task Force and followed by the 1988 Kodiak Island Borough Ordinance No. 88-01-0 rezoning.
- 1996, City of Kodiak Resolution No. 02-96 providing for the preservation, dedication, and eventual construction of a pedestrian trail around Near Island.
- May 2015, Council requested approval of the project and its start date be delayed until after the busy fishing season to ensure maximum business and community participation in the process.

DISCUSSION: DOWL proposes to update the 1974 and 1987 Development plans to reflect re-zoning ordinances, trail development, land sales, and quarry expansion at St. Herman Harbor. The objective of the development plan update is to provide a tool that will allow the City of Kodiak to plan for future development on Near Island that encourages revenue generation while balancing the needs between development and land conservation. DOWL will prepare a documented plan that will allow the City of Kodiak to productively focus their efforts, make decisions, and anticipate the future. The final land use plan update document will not only describe the options, but will be designed to position projects for future implementation. DOWL will build on the planning efforts that have occurred over the last 40

years and will reference the recommendations of these plans unless they are affected by the key planning issues being addressed in this update.

As part of the land use plan update, DOWL will prepare an implementation plan that will clearly identify the steps required to implement the recommended goals and policies. The implementation plan will also propose a schedule for implementing each step, identify the parties responsible for implementation, and provide information on potential funding sources and any intergovernmental coordination required for successful implementation. Examples of potential steps needed to implement the plan are listed below:

- Revisions of zoning and subdivision regulations to allow for efficient use of both land and the waterfront, promote the community vision, and reduce incompatibilities between adjacent land uses.
- Identification of housing issues and recommendations for policies and/or codes to address identified issues.
- Identification of appropriate lands for commercial development that will allow for economic development.
- Establish the use of appropriate planning tools. An example may be creating overlay districts, which require additional review and oversight to ensure their viability as a community resource.

Once the plan has been drafted, the DOWL team will share the draft plan with the public and prepare a presentation of the basic elements to help communicate the plan to members of the public that might not normally take the time to read the actual plan documents. Information will be succinct and focused on the primary planning issues and the recommended policies and actions outlined in the implementation plan.

Once the public has had an opportunity to respond to the draft plan, DOWL will work with City staff to prepare any recommended changes to the draft plan. DOWL will assist staff in presenting the draft plan to the City Council for approval.

Once the plan has been approved, DOWL will prepare the final plan update document and submit electronic and hard copies of all project materials, including the draft and final plan, GIS/CAD maps and files, and public participation materials.

Additional public involvement needs, outside of the above scope identified, can be provided if needed. This could include additional public meetings, presentations, creating and maintaining a project website, or other services, as needed.

ALTERNATIVES:

- 1) Authorize the professional service contract with DOWL which is consistent with Council's past direction and is recommended by staff. It would aid Council in understanding and planning for the future of Near Island.
- 2) Do not authorize or postpone the project which is not recommended because not having a current update will increase the risk of unorganized development.

FINANCIAL IMPLICATIONS: This project is fully funded in FY 2016 budget.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Council authorize the professional services contract with DOWL for the City of Kodiak Near Island land use plan in the amount of \$89,690 with funds coming from the General Fund Capital Project City Land Development Project, Project No. 15-08/4002.

CITY MANAGER'S COMMENTS: I support award of this contract. Council has wanted a full review of land use, zoning, and land disposal activities for the past several years. The plan was presented to Council in May, and it was decided to delay the award until the end of the busy fishing season to allow for maximum public, land owner, and commercial user input. I recommend Council authorize the award of the contract so work can begin as soon as possible now that the busy fishing season is wrapping up.

ATTACHMENTS:

Attachment A: DOWL proposal letter dated August 26, 2015

PROPOSED MOTION:

Move to approve a professional services contract to DOWL for the Near Island Land Use Plan in the amount of \$89,690 with funds coming from the General Fund Capital Project City Land Development Project, Project No. 15-08/4002 and authorize the City Manager to execute the documents on behalf of the City.



August 26, 2015

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

Subject: City of Kodiak Near Island Development Plan Scope and Fee for Planning Services

Dear Mr. Melvin:

DOWL is pleased to submit a fee and scope of work for planning services associated with the Near Island Development Plan.

SCOPE OF WORK

Based on our understanding of your goals for this project and the assumptions provided, we propose to complete the following tasks:

- **Task 1:** Public Involvement
- **Task 2:** Draft Development Plan
- **Task 3:** Final Development Plan
- **Task 4:** Additional Public Involvement Services

TASK 1: PUBLIC INVOLVEMENT

Public participation is a key element in making sure the Development Plan reflects the community's vision and has broad public support for implementation. The "public" consists of many different entities with different, and sometimes conflicting, needs and desires. One of our team's first tasks will be to develop a public participation plan (PIP). We will meet with key City staff during development of the PIP to make sure it includes the right stakeholders. The plan will be designed to maximize public participation in the planning process and to facilitate the flow of information between the public and the planners. A two-way exchange of information will help the public understand how their input is being used in the process, which can help establish the credibility of the planning process.

Identification of Stakeholders and Technical Advisory Members

Public outreach efforts will be broken out into two forums: stakeholder public meetings and Technical Advisory Committee (TAC) meetings. Stakeholders and TAC members will be identified through discussions with key City staff, other local government staff, business and interest group representatives, and members of the public. Stakeholders and TAC members will likely consist of selected members from the following organizations:

Stakeholders	Technical Advisory Committee
community residents	Near Island land owners
Kodiak Chamber of Commerce	Select City and Borough departments
Kodiak Rotary Club	City Council
social service agencies	Parks and Recreation Advisory Board
civic and special interest groups	Ports and Harbors Advisory Board
	Kodiak Island Borough Planning and Zoning Commission
	Island Trails Network

Working with the groups most directly involved in what happens on Near Island, in addition to the broader public, will make sure the community vision gets translated into policies that work.

We anticipate two TAC meetings and two public meetings as part of completing this project. To be efficient and reduce cost, we will conduct these meetings on the same day. The TAC meetings will be held during the business day, while the public meetings will be held in the evening so that all interested stakeholders may attend. We will schedule any necessary site visits, interviews, and/or meetings to coincide with these team visits. DOWL, with the City of Kodiak, will present the draft Development Plan to the City Council.

Prior to the first TAC and public meeting, we will collect data, including completing appropriate phone interviews. We will present our findings at the initial meetings and gather feedback from attendees. We will present the draft Development Plan at the second round of meetings.

Public Participation Measures

Specific outreach measures will be outlined in the PIP after meeting with City staff and key stakeholders. The PIP will identify appropriate participation methods and the prioritization of those measures that are the most cost effective and efficient for reaching the broadest range of affected stakeholders.

The approach is likely to include, but not be limited to, the following measures:

- Interviews with Key Stakeholders will engage those civic and business leaders that may not normally participate in broader public meetings – including City and Borough staff that implement the day to day decisions that affect development in the community. One-on-one or small group interviews will be used both at the beginning of the process to flesh out issues and ideas, and again later in the planning process to flesh out proposed policies and implementation issues.
- Briefings with the City Council, as needed, to keep them informed about the planning process and to allow their input to be incorporated throughout development of the plans.

- Use of feedback measures that allow the public to see how their input is being used in the planning process. This can be accomplished through creating and maintaining a project page on the City's existing website.

DOWL will discuss public input received and the success of public participation measures used each month at the project progress meeting with the City. The PIP will be revised as needed throughout the process to address issues and opportunities that arise.

Assumptions:

- Only two TAC meetings and public meetings are included in this task.
- No additional social media measures, other than a project page on the City's website, will be required.
- This task includes up to four separate mailings. Creation and distribution of additional mailings will be completed under additional services.

TASK 2: DRAFT DEVELOPMENT PLAN UPDATE

DOWL proposes to complete a Development Plan for Near Island that reflects re-zoning ordinances, the 1990 trails plan, and the quarry expansion plan that have recently been adopted. The basic objective of the Development Plan is to provide a tool that will allow the City of Kodiak to plan for development on Near Island that encourages revenue generation while balancing the needs between development and land conservation. We will prepare a plan that allows the City of Kodiak to productively focus their efforts, make decisions, and anticipate the future. The final Development Plan document will not only describe the options, but will be designed to position projects for future implementation. We will build on the planning efforts that have occurred over the last 40 years and will reference recommendations from these plans unless they are affected by the key planning issues addressed in this plan.

As part of the Development Plan, DOWL will prepare an implementation plan that clearly identifies required steps to implement the recommended goals and policies. The implementation plan will propose a schedule for implementing each step, identify responsible parties for implementation, and identify potential funding sources and any intergovernmental coordination required for successful implementation. Examples of potential steps needed to implement the plan are listed below:

- Revisions of zoning and subdivision regulations to allow for efficient use of both land and the waterfront, promote the community vision, and reduce incompatibilities between adjacent land uses.
- Identification of housing issues and recommendations for policies and/or codes to address identified issues.
- Identification of appropriate lands for commercial development that will allow for economic development.

- Establish the use of appropriate planning tools. An example may be creating overlay districts, which require additional review and oversight to ensure their viability as a community resource.

Presenting the Draft Development Plan

Once the draft plan has been developed, our team will share with the public. We will prepare a presentation of the basic elements to help communicate the plan to members of the public that might not normally take the time to read the actual plan documents. Information will be succinct and focused on the primary planning issues and the recommended policies and actions outlined in the implementation plan.

Assumptions:

- In conversations with Kodiak Mapping the Kodiak Island Borough has available a 2013 ortho-rectified aerial. The City of Kodiak will coordinate with the Ketchikan Island Borough for use of available 2013 ortho-rectified aerial which will be provided to DOWL to create Plan graphics. If the City determines a 2015 ortho-rectified aerial is necessary, we estimate the cost to be about \$20,000.

TASK 3: FINAL DEVELOPMENT PLAN

Once the public has had an opportunity to respond to the draft plan, we will work with City staff to prepare any recommended changes to the draft plan. DOWL will assist staff in presenting the draft plan to the City Council for approval.

Once the plan has been approved, we will prepare the Final Development Plan document and submit electronic and hard copies of all project materials, including the draft and final plan, GIS/CAD maps and files, and public participation materials.

TASK 4: ADDITIONAL PUBLIC INVOLVEMENT SERVICES

Additional public involvement needs, outside of the above scope identified, can be provided as needed. This could include additional TAC and/or public meetings, presentations, creating and maintaining a project website, or other services, as needed.

SCHEDULE

This schedule has been prepared with an assumed notice-to-proceed (NTP) date that is subject to change. Regardless of NTP date, the schedule is intended to demonstrate the expected timeframe to complete each task.

Notice-to-Proceed (NTP) (Assume November 1, 2015)	
Public Involvement Plan	November 20, 2015
Data Collection	December 11, 2015
TAC #1 / Public Meeting #1	January 14, 2015
Draft Development Plan	March 17, 2015
TAC #2 / Public Meeting #2	April 14, 2015

Mr. Glenn Melvin
City of Kodiak
August 26, 2015
Page 5

Present to City Council May 12, 2015
Final Development Plan June 30, 2015

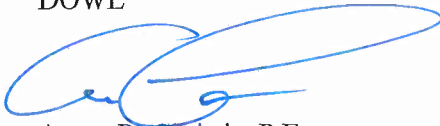
FEE PROPOSAL

We propose to complete the described tasks for a total of \$89,690, which includes a contingency phase for additional public involvement, to be completed on a Time and Material (T&M) basis, if required. A breakout of cost for each task is below:

Task	Fee
Public Involvement	\$31,090
Draft Comprehensive Plan	\$33,665
Final Comprehensive Plan	\$14,935
Additional Public Involvement	\$10,000 (T&M)
TOTALS	\$89,690

Thank you again for considering DOWL for this project. We look forward to working with you on this planning project and will be happy to answer any questions you may have.

Sincerely,
DOWL



Aaron R. Christie, P.E.
Senior Project Manager

Attachment: Detailed Fee Estimate

This proposal/agreement and the Standard Contract Terms and Conditions are accepted, and DOWL is authorized to proceed with this work.

Signature

Date

PROJECT: Near Island Comprehensive Plan Update		CLIENT: City of Kodiak		PROJECT SUMMARY																
Task	Labor Category	Hourly Rate	Hours	Planning Director	Architect/Client Manager	Lead Planner	Planning Technician	GIS/ACAD	Admin	Expenses	TOTALS									
Task 1	Public Involvement							\$31,090												
Task 2	Draft Development Plan							\$33,665												
Task 3	Final Development Plan							\$14,935												
Additional Services (upon request)								\$78,690												
Task 4	Additional Public Involvement (Time and Materials Upon Request)							\$10,000												
TOTAL								\$89,690												
Task 1 - Public Involvement																				
	Public Involvement Plan																			
	Public Meeting # 1 Preparation				2		8													
	Public Meeting # 1				16		8				16									
	Interviews, site visit, meetings with staff, etc.				16		8													
	Public Meeting # 2 Preparation						8													
	Public Meeting # 2				16		8													
	Project page updates, mailings, etc.						10				20									
	Presentation to City Council						8													
	Public Involvement Materials (mailers, postage, boards, etc.)																			\$ 2,500
Public Involvement																				
	Public Meeting #1																			
	Michelle/Aaron/Terry																			\$ 1,500
	Flights																			\$ 420
	Hotel																			\$ 300
	Per Diem																			\$ 420
	Total Trip																			\$ 3,640
	Public Meeting #2																			
	Michelle/Aaron/Terry																			\$ 1,500
	Flights																			\$ 300
	Hotel																			\$ 420
	Per Diem																			\$ 420
	Total Trip																			\$ 3,640
FINAL Presentation																				
	Michelle/Aaron and/or Terry																			\$ 1,500
	Flights																			\$ 420
	Per Diem																			\$ 420
	Total Trip																			\$ 3,640
	Subtotal - Hours							0												0
	Subtotal - Costs							\$0												\$8,860
																				\$31,090

	Planning Director	Landscape Architect/Client Manager	Lead Planner	Planning Technician	GIS/ACAD	Admin	Expenses	TOTALS
	\$225.00	\$180.00	\$125.00	\$80.00	\$100.00	\$85.00		
Hours								
Task 2 - Prepare Draft Development Plan								
Project Management		4						
Prepare Preliminary/Design Graphics					30			
Develop Draft Report	15	25	50	70		8		
Peer Review	4	4						
Incorporate Comments From Review			8	16	26			
Finalize copies						24		
Plan Data								
Subtotal - Hours	19	33	58	86	56	32		
Subtotal - Costs	\$4,275	\$5,940	\$7,250	\$6,880	\$5,600	\$2,720	\$1,000	\$33,665
Task 3 - Prepare Final Development Plan								
Labor Category	Planning Director	Landscape Architect/Client Manager	Lead Planner	Planning Technician	GIS/ACAD	Admin	Expenses	TOTALS
Hourly Rate	\$225.00	\$180.00	\$125.00	\$80.00	\$100.00	\$85.00		
Hours								
Task 3 - Prepare Final Development Plan								
Project Management		4						
Prepare Final		14	15	30				
Revise Graphics					30			
Peer Review	4	4	4					
Incorporate Comments From Review				16				
Finalize								
Subtotal - Hours	4	22	19	46	30	12		
Subtotal - Costs	\$900	\$3,960	\$2,375	\$3,680	\$3,000	\$1,020		\$14,935
PROJECT SUB-TOTAL								
Additional Services (upon request, to be completed on a Time & Materials (T&M) Basis.								
Task 4 - Additional Public Involvement, if necessary								
							\$10,000	

MEMORANDUM TO COUNCIL

To: Mayor and City Councilmember's
From: Aimée Kniazowski, City Manager
Thru: Mark Kozak, Public Works Director
Date: September 10, 2015

Agenda Item: V. h. Authorization of Vehicle Purchases for Public Works, Fire Department, and Parks and Recreation

SUMMARY: Vehicle bid No. 531 consists of replacement vehicles for the Public Works, Parks and Recreation, and Fire Department. Public Works is replacing an existing maintenance pickup with a new 4-wheel drive ¾ ton pickup. Parks and Recreation is replacing a pickup with a 4-wheel drive ½ ton, four door, long bed pickup. Kodiak Fire Department is replacing two existing command vehicles with two 4-wheel drive supercab ¾ pickups. The existing vehicles have been through a mechanical evaluation by the City maintenance shop and have been recommended to be replaced. Staff recommends Council authorize the vehicle purchases for the trucks listed above (Vehicle Bid No. 531) to Kodiak Motors Inc. as the lowest responsible bidder as defined in City Code 3.12.060.

PREVIOUS COUNCIL ACTION: The City Council adopted a vehicle and equipment replacement policy in 2011. These replacement vehicles were budgeted in the FY2016 budget.

DISCUSSION: The Public Works shop does mechanical evaluations on all City vehicles and equipment due for replacement. Each piece is evaluated using a mechanical and structural evaluation process to determine how safe the vehicle or equipment is to operate and then for significant mechanical problems requiring a major investment in repairs. Staff then weighs the estimated repair or component replacement cost against the potential additional years of service. Structural deterioration of the frames on smaller vehicles usually determines the remaining time in service, due primarily to the coastal environment. When each vehicle or piece of heavy equipment is evaluated, the staff also weights the risk of extending the time in service. The shop evaluates the equipment and vehicles before the departments prepare their budgets for the coming fiscal year, usually in April. If a piece of equipment or vehicle is extended one year, that piece usually remains in service for eighteen months to two years before being replaced. Staff modified the bid specs to accept current year models in an effort to save money and improve delivery times.

The vehicle replacement policy estimates replacement of a maintenance pickup at 12 years. Pick # 10 (Public Works) was purchased in 2004. The vehicle is 12 years old and during its evaluation in March 2015 the following items were identified:

- 1) The frame and body are showing extensive rust areas. The rear of the frame has rust holes through the frame.
- 2) The dash is having electrical problems. See attached shop evaluation and photos. Included is a quote to replace the dash. The possibility of delaying replacement for another year was discussed, but it was decided that an eighteen month to two year delay was too risky, especially due to electrical component problems.
- 3) Doors are rusting through as the bed has rust, so the remaining metal is very thin.

Parks and Rec. #7 is a 1997 Dodge Ram 1500 that was recommended for disposal after being evaluated by the City's mechanic. He stated it was not safe to release to public auction. This vehicle has been sitting in the City impound lot since 2013, which requires the Parks Department to borrow other department vehicles to maintain their level of service. The vehicle was evaluated on March 24, 2015, and the following conditions were identified:

- 1) Rear of frame has severe rust.
- 2) Spring hangars and shackles are severely rusted.
- 3) The front clutches in the transmission burned and inoperable.
- 4) Windshield cracked.
- 5) Side mirrors, headlamps, and turn signals gone.
- 6) Transmission inoperable; the front clutches are burned up.

The replacement policy estimates replacement of Fire Department command apparatus at 12 years. C-1 was purchased in 2003 and C-2 was purchased in 2002. Both apparatus are assigned to the Fire Chief and Deputy Fire Chief for emergency response and routine business. C-1 was evaluated on April 1, 2015, and the following items were identified:

- 1) Substantial oil leak between engine and transmission
- 2) Substantial oil leak coming from the engine
- 3) Cylinder head over temperature
- 4) Engine misfiring
- 5) Rear hatch/door substantial corrosion under paint.
- 6) Instrument cluster intermittently failing

C-2 was evaluated on April 8, 2015 and the following items were identified:

- 1) Due to vehicles advance age (1 year past replacement) reliability issues are becoming a factor.
- 2) Vehicle experienced a brake fire after emergency response.
- 3) Vehicle electrical system "cuts out" periodically.

ALTERNATIVES:

- 1) Award the bid to the lowest responsible bidder in the amount of \$26,699 for PW ¾ ton pickup; \$31,826 for the Parks and Rec ½ ton four door long bed pickup; and \$57,002 for the Fire Departments two ¾ ton 4x4 supercab pickups, which is staff's recommendation.
- 2) Reject the bids and do not purchase the new vehicles. This is not recommended, since mechanical evaluations of these vehicles have identified numerous mechanical and structural issues and to delay replacement could put employee or public safety at risk.

FINANCIAL IMPLICATIONS: The funding for replacing the vehicles was approved in the FY2016 budget. The Public Works vehicle is funded in the Water Distribution, machinery and equipment account number 550-560-360-470-126. The Parks and Recreation vehicle is funded in the Parks and Recreation account number 100.170.100.470.126. The Fire Department vehicles are funded in account number 100.150.100.470.126. Each department will be paying annual fees into the vehicle replacement fund. Based on an estimate from Finance for a \$32,000 pickup, annual fees would be roughly \$5,100 per vehicle. Those costs will be taken out of the department's operating budget.

LEGAL: KCC 3.12.060 allows the City to provide a preferential discount of 10% to local bidders if that bid does not exceed the otherwise lowest responsible bidder by more than 10%. Kodiak Motors was the lowest bidder using the Code criteria.

STAFF RECOMMENDATION: Staff recommends that Council approve the award of Vehicle Bid No. 531 to Kodiak Motors Inc in the amount of \$115,527.00 with funds coming from each of the individual department accounts in which the vehicles are funded. City Code 3.12.060 Local Bid preference allows for Council to award to a local bidder if that bid does not exceed the otherwise lowest responsible bid by more than 10 percent. In this case, the Kodiak Motors bid is well within the 10% allowed.

CITY MANAGER'S COMMENTS: Staff followed the City's vehicle replacement policy when proposing the replacement of these vehicles in the FY2016 budget. The shop did a full review of the four pickups and found them to be in poor condition. I support the replacement recommendation and am pleased to see the order go to a local business. I recommend Council authorize the purchases as outlined in the memo and attachments.

ATTACHMENTS:

Attachment A: Kodiak Motors Bid Forms

Attachment B: Cal Worthington Ford Bid Forms

Attachment C: Alaska Sales and Service, Inc Bid Forms

Exhibit A: PW Maintenance Pickup #10 Mechanical Evaluation

Exhibit B: Parks and Recreation Pickup #7 Mechanical Evaluation

Exhibit C: Kodiak Fire Vehicle C-1 & C-2 Mechanical Evaluation

PROPOSED MOTION:

Move to authorize the purchase of four pickup trucks to Kodiak Motors in the amount of \$115,527 for the following replacement vehicles: one Public Works 4-wheel drive $\frac{3}{4}$ ton pickup for \$26,699 funded in the Water Distribution, machinery and equipment account; one Parks and Recreation 4-wheel drive, $\frac{1}{2}$ ton, four door, long bed pickup for \$31,826 funded in the Parks and Recreation machinery and equipment account, and two Kodiak Fire Department 4-wheel drive, supercab, $\frac{3}{4}$ ton pickups for \$57,002 in the Fire Department machinery and equipment account.

Invitation to Bid-531

July 8, 2015

BID FORM

TO: Aimee Kniazowski, City Manager
City of Kodiak
710 Mill Bay Road, Room #219
PO Box 1397
Kodiak AK 99615

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

In compliance with your Invitation to bid for Bid No. 531 dated July 8, 2015, the undersigned hereby proposes to provide the following:

Bid amount

- 1. One (1) ½ ton, 4 full door, long bed truck -Parks & Rec. \$ 31,826.00
- 2. One (1) ¾ ton, standard cab long bed truck-Public Works \$ 26,699.00
- 3. Two (2) ¾ ton, extended cab, short bed trucks-Fire Dpt. \$ 57,002.00

Total \$ 115,527.00

(Turn in Page 7 & 8 in as part of your bid)

Invitation to Bid-531

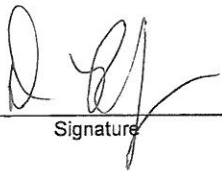
July 8, 2015

Liability Copies of Business License and City Sales Tax Registration enclosed.

Bid price valid for 30 days.

Submitted by:

Dated: 8/7/15

 _____ Signature	<u>Kodiak Motors, Inc</u> _____ Business Name
<u>President</u> _____ Title	<u>201 Center Ave</u> _____ Address
<u>907-486-3204</u> _____ Telephone	<u>Kodiak, AK 99615</u> _____ City, State, Zip

Invitation to Bid-531

July 8, 2015

BID FORM

TO: Aimee Kniaziowski, City Manager
City of Kodiak
710 Mill Bay Road, Room #219
PO Box 1397
Kodiak AK 99615

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

In compliance with your Invitation to bid for Bid No. 531 dated July 8, 2015, the undersigned hereby proposes to provide the following:

	Bid amount
1. One (1) 1/2 ton, 4 full door, long bed truck -Parks & Rec.	# 33048 ⁰⁰
2. One (1) 3/4 ton, standard cab long bed truck-Public Works	<u>25784⁰⁰</u>
3. Two (2) 3/4 ton, extended cab, short bed trucks-Fire Dpt.	<u>55986⁰⁰</u>
	# 114,818 ⁰⁰
	Total <u>114,818⁰⁰</u>

(Turn in Page 7 & 8 in as part of your bid)

Invitation to Bid-531

July 8, 2015

Liability Copies of Business License and City Sales Tax Registration enclosed.

Bid price valid for 30 days.

Submitted by:

Dated:

07 29 15



Signature

CAI Worthington Fore

Business Name

Gov Sales

Title

431 unga ST.

Address

907 793 8233

Telephone

ANCHORAGE AK 99501

City, State, Zip

Alaska Sales Service, Inc
1300 E 5th Avenue
Anchorage AK 99501

Invitation to Bid-531

July 8, 2015

BID FORM

TO: Aimee Kniazowski, City Manager
City of Kodiak
710 Mill Bay Road, Room #219
PO Box 1397
Kodiak AK 99615

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

In compliance with your Invitation to bid for Bid No. 531 dated July 8, 2015, the undersigned hereby proposes to provide the following:

Bid amount

- 1. One (1) 1/2 ton, 4 full door, short bed truck-Parks & Rec. 30,490.23
- 2. One (1) 3/4 ton, standard cab long bed truck-Public Works 29,460.41
- 3. Two (2) 3/4 ton, extended cab, short bed trucks-Fire Dpt. 62,367.78

Total 122,318.42

(Turn in Page 7 & 8 in as part of your bid)

Invitation to Bid-531

July 8, 2015

Liability Copies of Business License and City Sales Tax Registration enclosed.

Bid price valid for until delivery days.

Submitted by: Daniel J. Bacon Dated: 8/1/2015

Daniel J. Bacon Signature Alaska Sales & Service Business Name

Commercial Sales Title 1300 E 5th Avenue Address

907 265 7535 Telephone Anchorage AK 99501 City, State, Zip

danielb@aksales.com

City of Kodiak Vehicle Evaluation

- Evaluation date 3-23-15
- City vehicle ID number 10
- Vehicle odometer reading 80,219.4
- Vehicle history 1FTNF21L34E16147
- Vehicle test drive notes everything checked out
- _____
- Assess engine and transmission performance No problems
- _____

Under vehicle inspection

- Front brakes condition, amount remaining RF Replace LF Replace
- Rear brakes condition, amount remaining RR Replace LR Replace
- Brake hoses, lines and cables Using vise grips to hold in place
- _____
- Suspension and steering components, including tie rods, drag link, ball joints, springs shackles and shocks shock absorbers, cracked, rusted, broken
- _____
- Condition of frame, frame hangers and body mounts Mounts are rusted. Frame has holes rusted in rear
- Transmission, transfer case and differentials ok
- _____
- Underside of engine and engine compartment oil leak on pan

Under hood inspection

- Check all fluid levels and record All fluids are full
- Check battery and charging system Battery & charging system good
- Inspect engine for leaks, exhaust, oil, coolant No leaks
- _____
- Inspect power steering, hoses, belts and accessories No leaks or damage
- _____
- Inspect electrical components and wiring nothing burned, cracked, frayed or broken
- Check cylinder power balance or compression Did compression test with
- scan tool everything checked out
- Check power train control module for codes No codes

Vehicle exterior

- Check for body damage—fenders, bumpers Bumpers rusted & bent up fenders OK

- Check glass—windows, windshield Nothing broken or cracked
- Check lights – lenses and proper operation lenses not cracked or broken

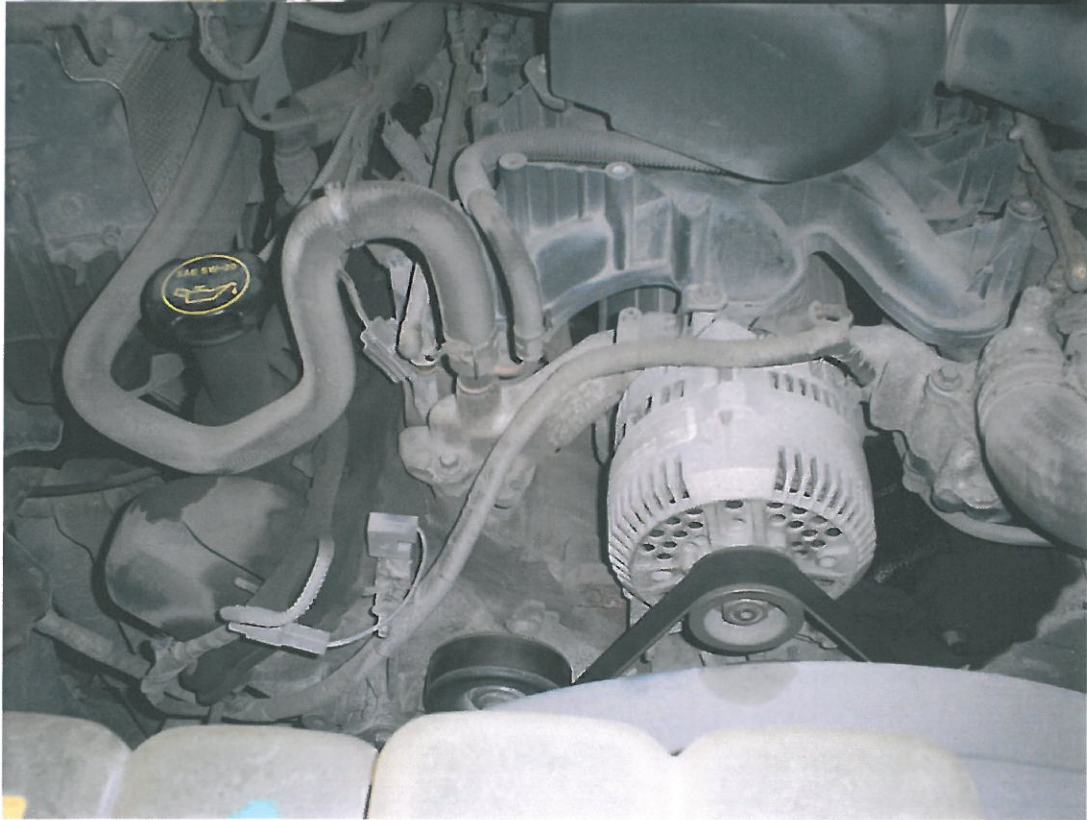
Vehicle interior

- Check interior—seats, steering wheel, pedals and panels _____
- Check vehicle controls and accessories OK except dash keeps going off & on
I think it needs a new instrument cluster

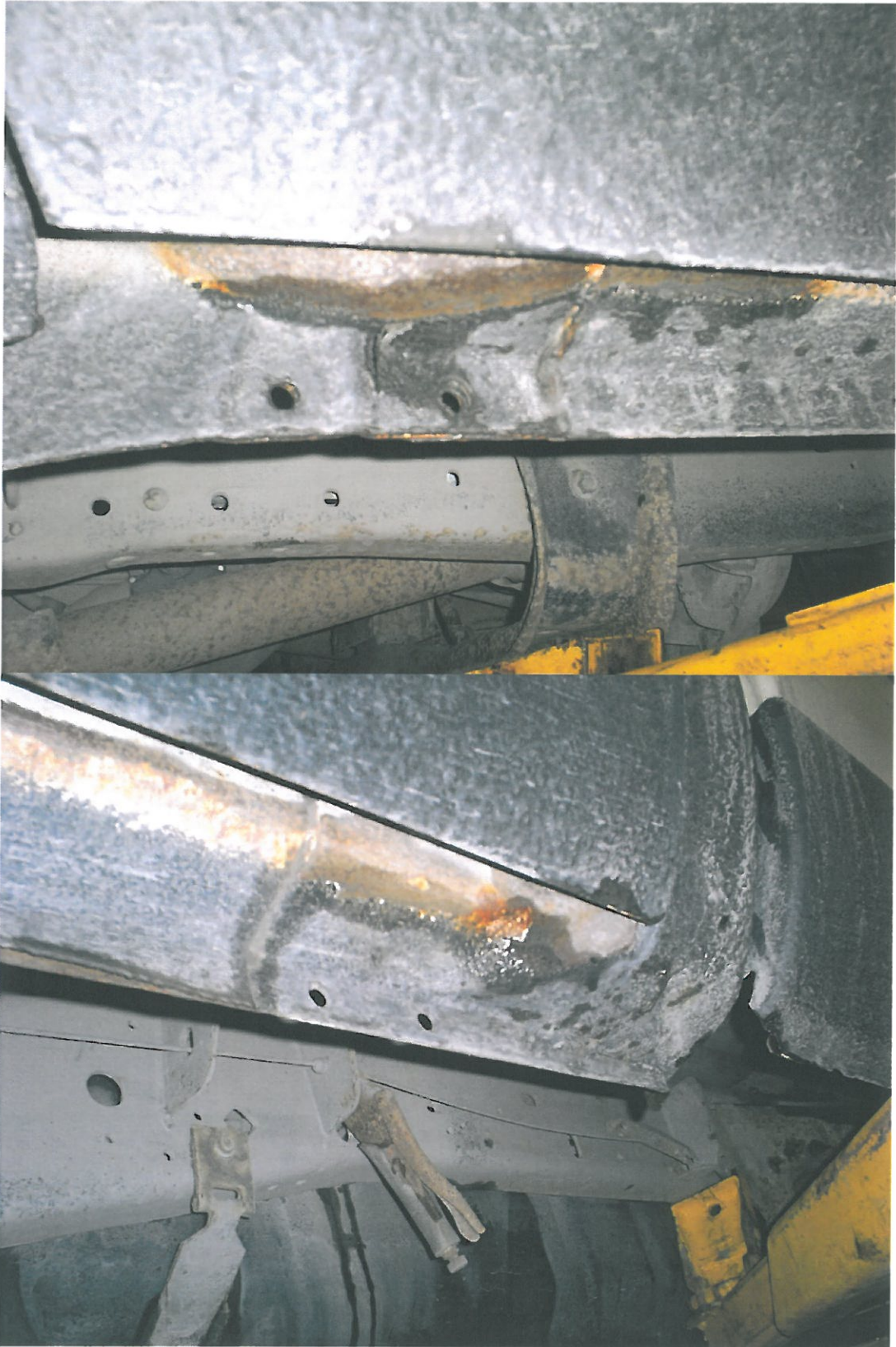
Added notes:

Seats are torn & floor board is starting to rust out. It has holes in it. Rust on doors on the inside on bottom. Bed has lots of rust metal is getting thin

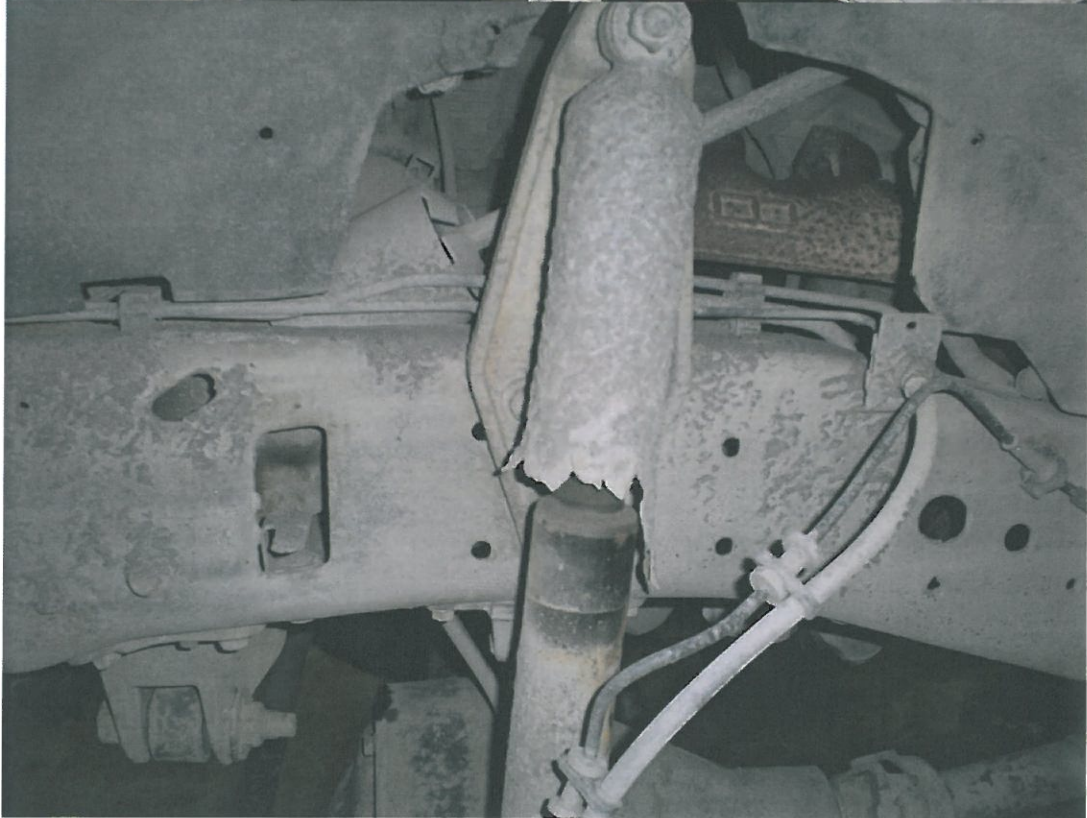
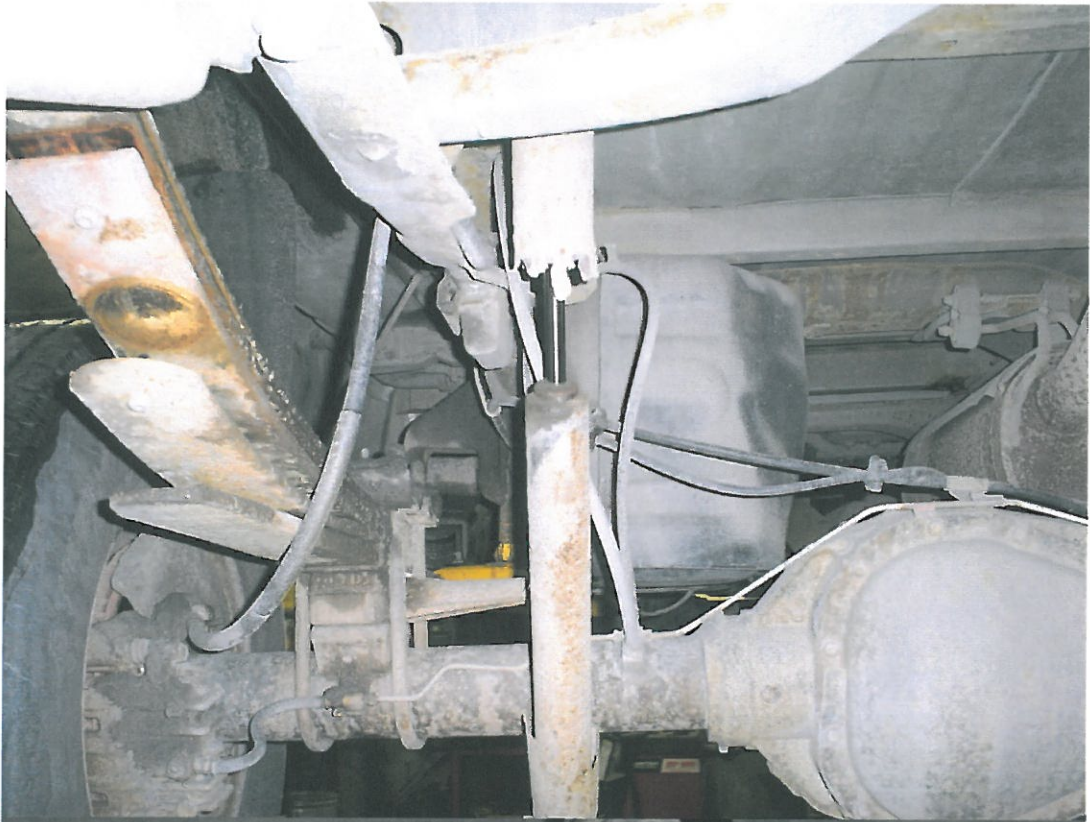














City of Kodiak Vehicle Evaluation

- Evaluation date 3-24-15
- City vehicle ID number 372 PARKS & REC
- Vehicle odometer reading 69708
- Vehicle history _____
- Vehicle test drive notes INOP
- _____
- Assess engine and transmission performance FORWARD CLUTCHES
- IN TRANSMISSION BURNED - INOP

Under vehicle inspection

- Front brakes condition, amount remaining RF _____ LF _____
- Rear brakes condition, amount remaining RR _____ LR _____
- Brake hoses, lines and cables _____
- _____
- Suspension and steering components, including tie rods, drag link, ball joints, springs shackles and shocks _____
- _____
- Condition of frame, frame hangers and body mounts _____
- VERY RUSTED
- Transmission, transfer case and differentials _____
- _____
- Underside of engine and engine compartment _____

Under hood inspection

- Check all fluid levels and record _____
 - Check battery and charging system _____
 - Inspect engine for leaks, exhaust, oil, coolant _____
 - _____
 - Inspect power steering, hoses, belts and accessories _____
 - _____
 - Inspect electrical components and wiring _____
 - Check cylinder power balance or compression _____
 - _____
 - Check power train control module for codes _____
- DID NOT WASTE ANY TIME

Vehicle exterior

- Check for body damage—fenders, bumpers EXTENSIVE DAMAGE
ENTIRE VEHICLE

- Check glass—windows, windshield WINDSHIELD CRACKED
- Check lights – lenses and proper operation HEADLAMPS, TURN SIGNALS,
SIDE VIEW MIRRORS GONE – STOLEN SOME TIME
BETWEEN 2/13/15 AND PRESENT

Vehicle interior

- Check interior—seats, steering wheel, pedals and panels HEADLINER SAGGING
- Check vehicle controls and accessories _____

Added notes:

I DONT BELIEVE THIS VEHICLE IS EVEN
SUITED FOR AUCTION - NEEDS TO GO
TO DUMP

Performed by: *Caron May*

City of Kodiak Vehicle Evaluation

- o Evaluation date 4-1-15
- o City vehicle ID number KFD C1 VIN
- o Vehicle odometer reading 103262 miles
- o Vehicle history 2003 Ford Expedition XLT 5.4L
- o Vehicle test drive notes Runs well, good acceleration.
- o _____
- o Assess engine and transmission performance OK
- o _____

Under vehicle inspection

- o Front brakes condition, amount remaining RF 75% LF 75%
- o Rear brakes condition, amount remaining RR 90% LR 90%
- o Brake hoses, lines and cables OK
- o _____
- o Suspension and steering components, including tie rods, drag link, ball joints, springs shackles and shocks OK
- o _____
- o Condition of frame, frame hangers and body mounts Good
- o _____
- o Transmission, transfer case and differentials OK
- o _____
- o Underside of engine and engine compartment Substantial leak between the engine and the transmission

Under hood inspection

- o Check all fluid levels and record Added 3pnts of oil. All fluids OK
- o Check battery and charging system _____
- o Inspect engine for leaks, exhaust, oil, coolant _____
- o Substantial leak coming from engine.
- o Inspect power steering, hoses, belts and accessories OK
- o _____
- o Inspect electrical components and wiring OK
- o Check cylinder power balance or compression Cylinder 8 is showing a power loss and 5.
- o Check power train control module for codes P1285 Cylinder head over temperature P0316 Engine misfire detected on startup.

Vehicle exterior

- o Check for body damage—fenders, bumpers Rear hatch door has substantial corrosion under paint.

- o Check glass—windows, windshield OK
- o Check lights—lenses and proper operation OK

Vehicle interior

- o Check interior—seats, steering wheel, pedals and panels OK. Armrest between front seats
- o Check vehicle controls and accessories Key pad on drivers door is malfunctioning. is broken

Added notes:

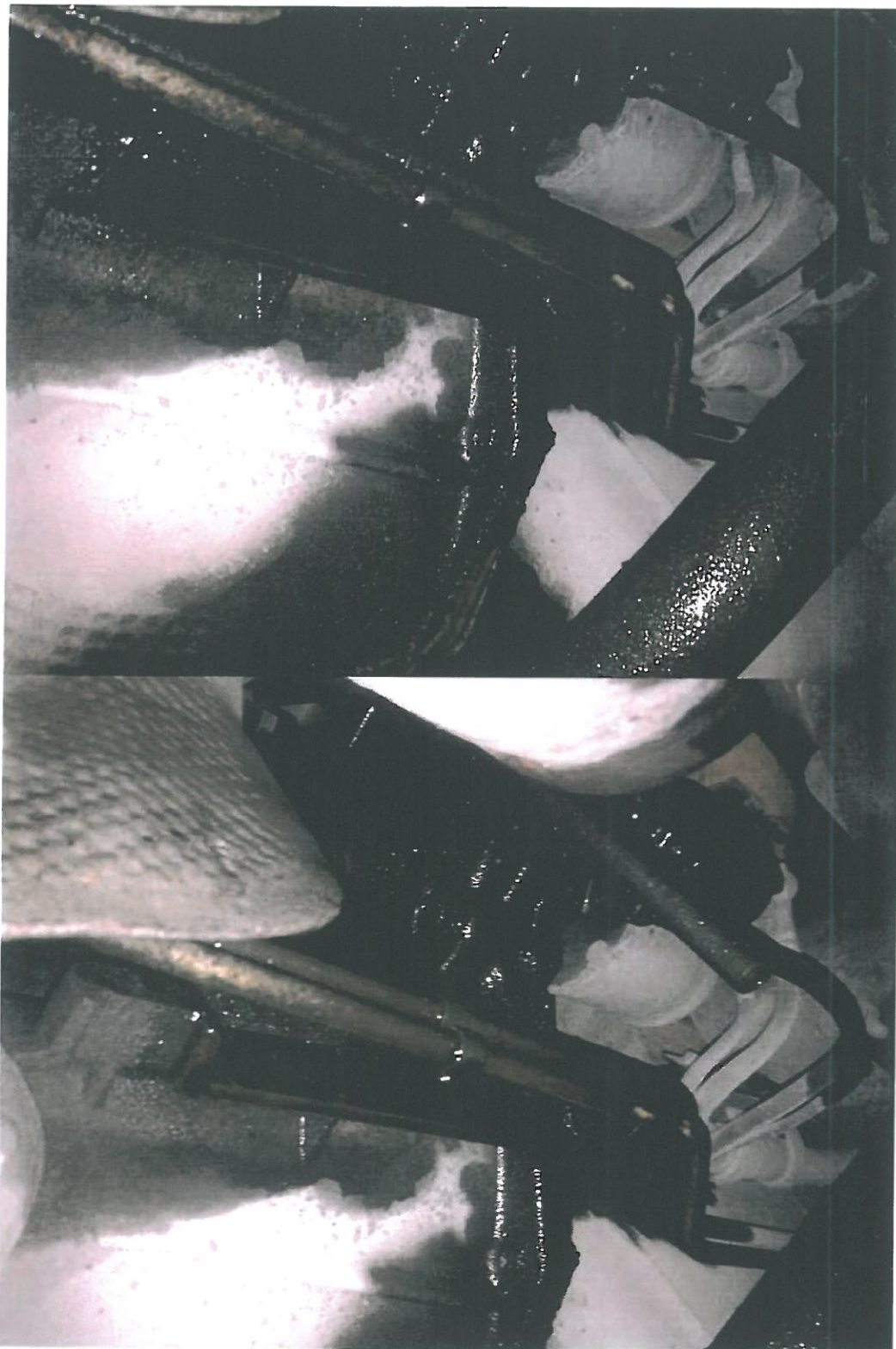
THIS VEHICLE IS 12 YEARS OLD AND DUE FOR REPLACEMENT. IT HAS NUMEROUS ISSUES THAT REQUIRE ATTENTION THAT WILL BE AT SUBSTANTIAL COST TO THE CITY.

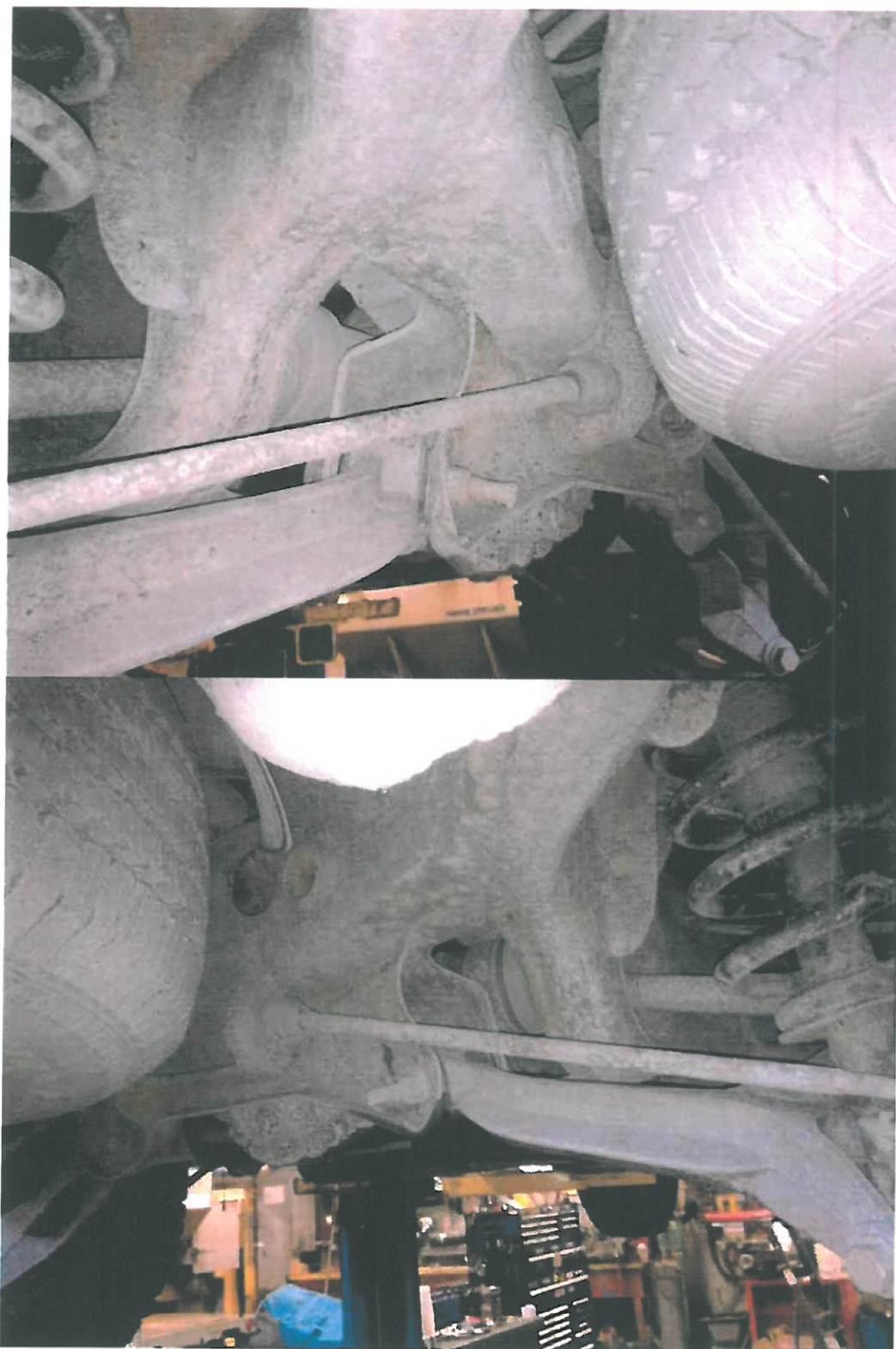
THE MAJOR ISSUES ARE:

- IT HAS A SUBSTANTIAL OIL LEAK BETWEEN THE ENGINE AND TRANSMISSION. THE ENGINE OR TRANSMISSION WILL HAVE TO BE REMOVED TO DETERMINE SOURCE
- THE INSTRUMENT CLUSTER IS INTERMITTENTLY FAILING CAUSING RANDOM ELECTRICAL ISSUES. COST TO REPAIR THIS PROBLEM IN PARTS & LABOR IS CLOSE TO \$1,000
- THE ENGINE POWER BALANCE IS OFF BETWEEN CYLINDERS AND FAULT CODES HAVE BEEN SET, INDICATING A PROBLEM WITH THE FUEL DELIVERY SYSTEM, IGNITION SYSTEM, OR BASE ENGINE

BECAUSE OF THESE MECHANICAL ISSUES AND THE DETERIORATING CONDITION OF THE BODY I WOULD RECOMMEND REPLACING THIS VEHICLE.

CD







City of Kodiak Vehicle Evaluation

- Evaluation date 4-8-15
- City vehicle ID number KFD C2
- Vehicle odometer reading 66,929 miles
- Vehicle history 2002 Ford Excursion XLT
- Vehicle test drive notes _____
- _____
- Assess engine and transmission performance OK
- _____

Under vehicle inspection

- Front brakes condition, amount remaining RF ok 90% life LF ok 90% life
- Rear brakes condition, amount remaining RR ok 100% life LR ok 100% life
- Brake hoses, lines and cables good condition
- _____
- Suspension and steering components, including tie rods, drag link, ball joints, springs shackles and shocks OK
- _____
- Condition of frame, frame hangers and body mounts OK
- _____
- Transmission, transfer case and differentials OK
- _____
- Underside of engine and engine compartment OK

Under hood inspection

- Check all fluid levels and record ok and full
- Check battery and charging system OK
- Inspect engine for leaks, exhaust, oil, coolant no leaks detected
- _____
- Inspect power steering, hoses, belts and accessories OK
- _____
- Inspect electrical components and wiring OK
- Check cylinder power balance or compression OK
- _____
- Check power train control module for codes OK

Vehicle exterior

- Check for body damage—fenders, bumpers OK

- o Check glass—windows, windshield ok
- o Check lights – lenses and proper operation ok

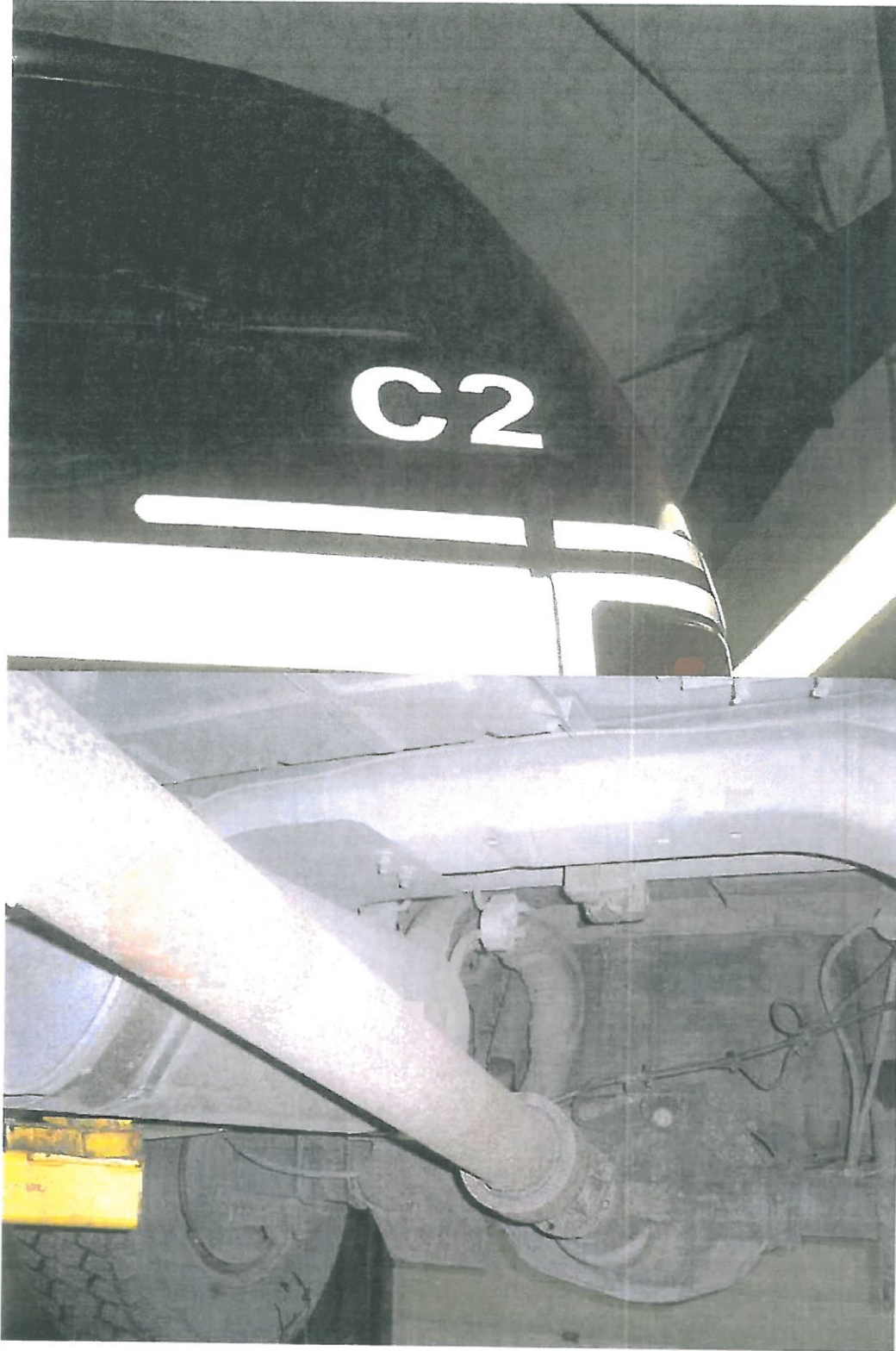
Vehicle interior

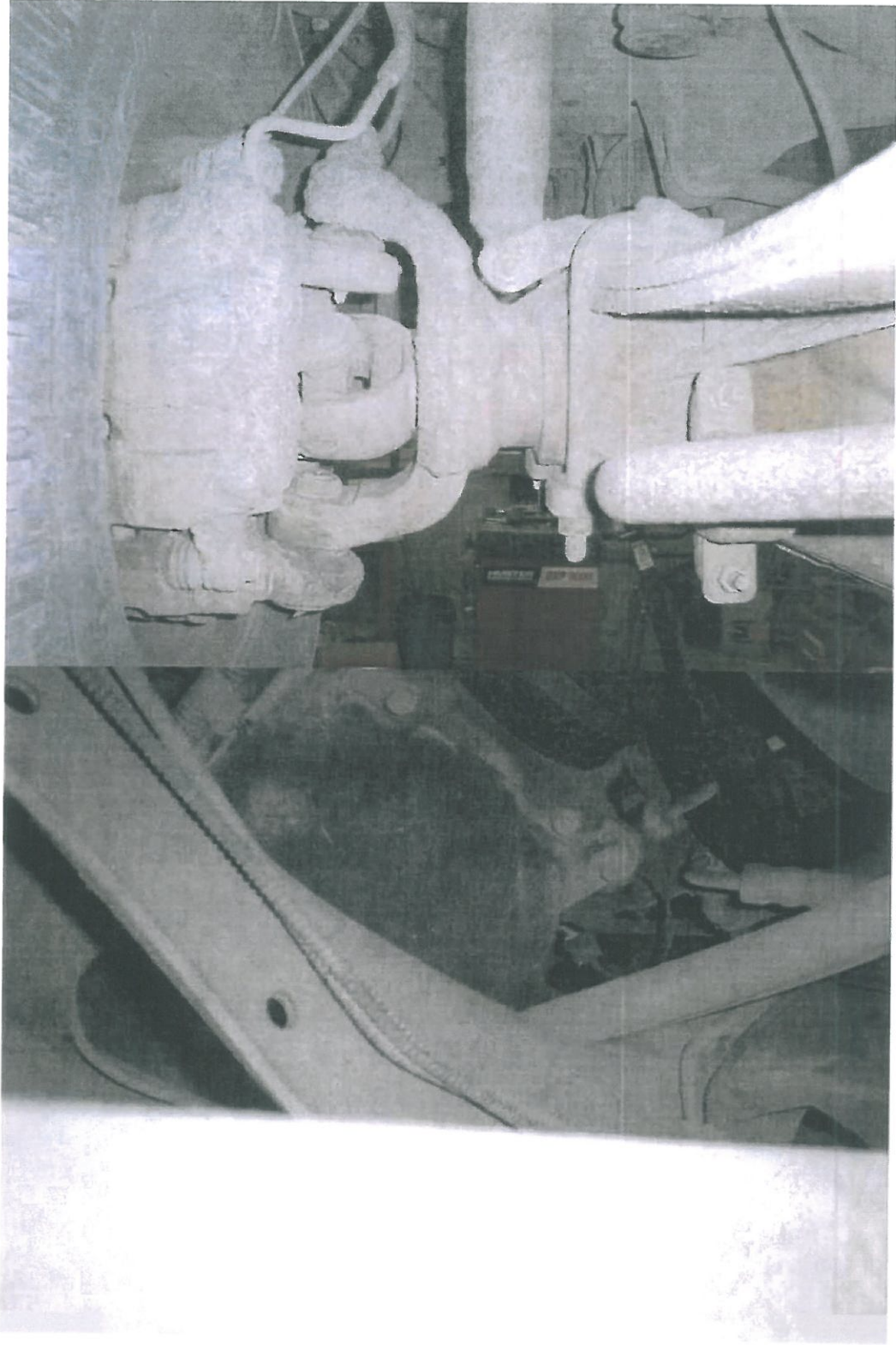
- o Check interior—seats, steering wheel, pedals and panels ok
- o Check vehicle controls and accessories ok

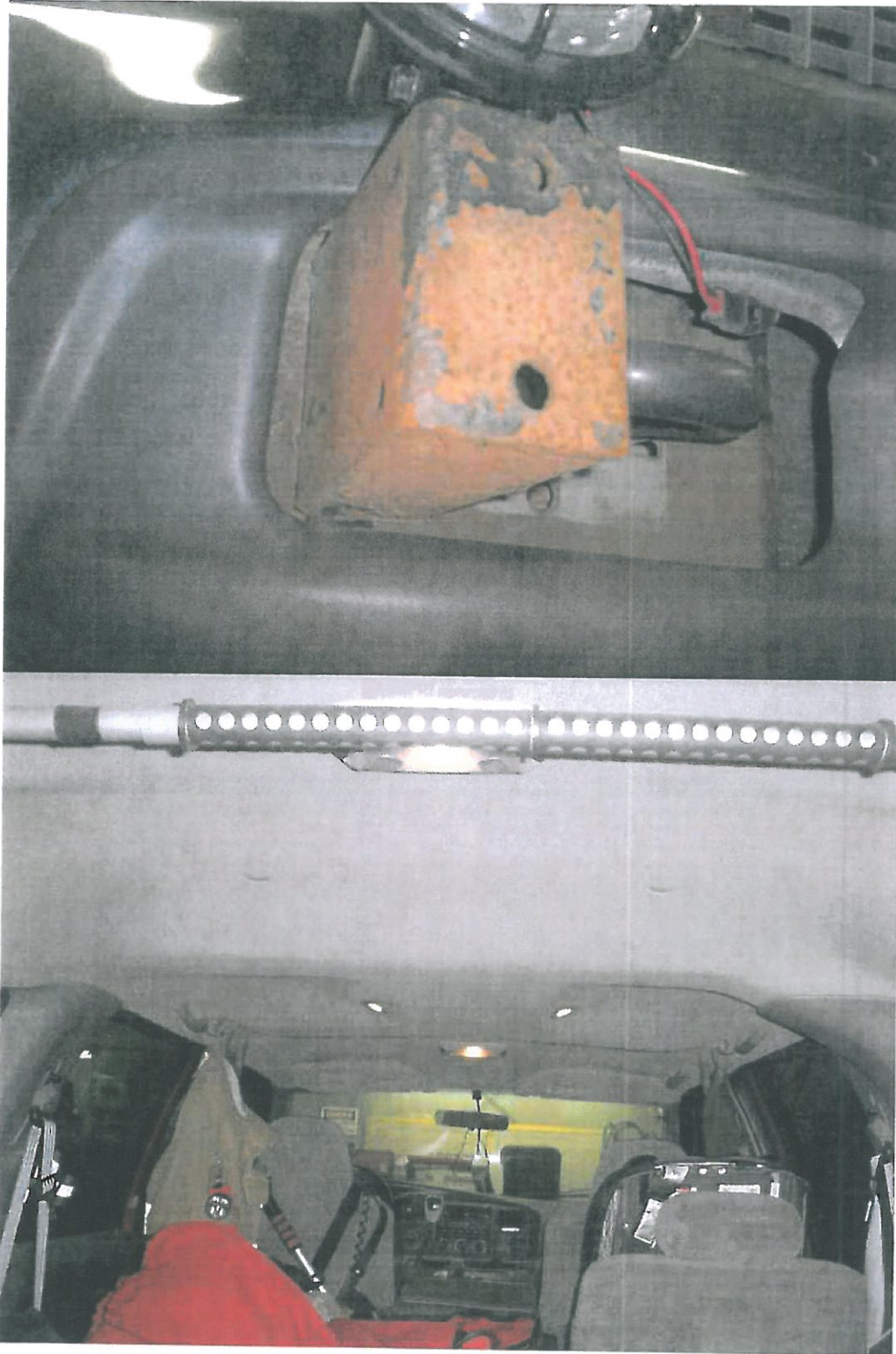
Added notes:

THIS VEHICLE IS 13 YEARS OLD AND ALTHOUGH IT IS IN FAIR SHAPE FOR ITS AGE, IT IS A YEAR PAST ITS REPLACEMENT DATE AND VISITS TO THE SHOP ARE BECOMING MORE FREQUENT. I RECOMMEND CONSIDERING REPLACING THIS VEHICLE AS SOON AS POSSIBLE TO AVOID RELIABILITY ISSUES FOR A RESPONSE VEHICLE AND EXCESSIVE MAINTENANCE COSTS.

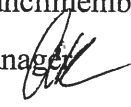








MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Date: September 10, 2015

Agenda Item: V. i. **Authorization to Cancel the September 24, 2015, and October 8, 2015, Regular Meetings and Authorize the City Manager to Schedule a Special Meeting if Needed**

SUMMARY: Staff recommends the regularly scheduled Council meetings for September 24 and October 8, 2015, be cancelled. The City Code requires at least one regular meeting be held monthly and allows cancellation of meetings when there may be a lack of a quorum or when there is little or no business to be considered at a scheduled regular meeting. The City's General Municipal Election occurs on October 6, 2015, during the scheduled Council work session. Staff discussed the meeting schedule with the Council at the August 11 work session, and Council recommended cancelling the September 24 and October 8, 2015, regular meetings and scheduling a special meeting if needed.

PREVIOUS COUNCIL ACTION: The City Council cancels regular meetings and schedules special meetings from time to time due to travel and other scheduling conflicts.

LEGAL: Kodiak City Code identifies regular meetings are held on the second and fourth Thursdays of each month. If a regular meeting must be cancelled, a special meeting may be scheduled. The attendance requirements do not apply to special meetings.

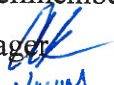

PROPOSED MOTION:

Move to cancel the September 24, and October 8, 2015, regular meetings and authorize the City Manager to schedule a special meeting if needed.

SEPTEMBER 10, 2015
Agenda Item V. i. Memo Page 1 of 1

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Thru: Kelly Mayes, Finance Director 
Date: September 10, 2015

Agenda Item: V. j. Authorization of Purchase and Installation of a Server for the Harbor Department

SUMMARY: The Harbor Department uses the AS400 system for billing and integration into the financial accounting software. The server and operating system that houses the AS400 system is currently 11 years old and reaching the end of its useful life for support. Support services for the server and operating system will terminate on September 30, 2015. Staff recommends Council authorize the purchase and installation of a new AS400 server system to Nordisk Systems Incorporated in an amount not to exceed \$27,500.

PREVIOUS COUNCIL ACTION:

The AS400 system upgrade was part of a Council approved General Capital Project, Project No. 4028 Financial Software Upgrade, which the Harbor department transferred \$20,000 for portions of funding.

DISCUSSION: The support for the server and operating system that house the AS400 system will expire on September 30, 2015. The new server and operating system installation must take place before October 10, 2015. Should support for the server and operating system expire, and any issues occur, there will not be IT technology support from the manufacturer for these systems. Once replaced, the server and operating system, including three years of support, will lengthen the life of the AS400 system for at least three to five years. During this period, the Harbor and Finance Departments will pursue other software systems for marine and harbor billing to integrate appropriately with the Logos New World .Net financial accounting software the City switched to several years ago.

ALTERNATIVES:

- 1) Authorize the purchase and installation of a server for the Harbor Department to extend the software support for one year, which is staff's recommendation to avoid failure and loss of billing and other data from the department.
- 2) Do not authorize the purchase and installation of a server for the Harbor Department, which is not recommended. Due to the timing and ongoing capital projects, it would be difficult to appropriately research, approve, bid, award, and implement new marine and harbor billing software before support services expire.

FINANCIAL IMPLICATIONS: The quote received for the new server and operating system, not including installation and travel costs, is \$19,875.44. Travel and installation costs are estimated to be a not-to-exceed amount of \$7,500. Therefore, total costs of the new server, operating system, installation and travel are estimated not-to-exceed \$27,500. Currently, there is \$34,224 available in Capital Project No. 4028, Financial Software Upgrade.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Council authorize the purchase and installation of the AS400 server for the Harbor Department to Nordisk Systems Incorporated in an amount not to exceed \$27,500.

CITY MANAGER'S COMMENTS: This server is definitely aging past its useful life. With the loss of support services for the hardware and operating system and the resulting possibility of the loss of important, complex Harbor billing information, a replacement is recommended. This will allow the Harbor and Finance departments to maintain the current system and provide adequate time to research, review, and select a system that will meet the Harbor's needs and work fully within the City's New World financial software. Therefore I support the request to authorize the purchase of this equipment.

ATTACHMENTS:

Attachment A: Nordisk Systems, Inc. quote

PROPOSED MOTION:

Move to approve the purchase and installation of a server for the Harbor Department from Nordisk Systems Inc. in an amount not to exceed \$27,500, with funds coming from the General Fund Capital Project Fund, Financial Software Upgrade, Project No. 4028 and authorize the City Manager to execute the documents on behalf of the City.



TO: Lee Peterson / Karl Swanson
City of Kodiak

FROM: Kent Moosman
Nordisk Systems, Inc.
509-532-8764 (phone)
kent@nordisksystems.com (email)

Date 8.12.14

Part Number	Description	Qty	Ext. Price
8202-E4D	Power7+ 8202-E4D 4-Core, 1-Core Licensed, V7.1: 8202-E4D Power 7+ Server Rackmount 4U (3-Yr Warranty 9x5)	1	\$338.00
0041	Device Parity Protection - All	1	n/c
0205	RISC-to-RISC Data Migration	1	n/c
0267	i Operating System Partition Specify	1	n/c
0567	IBM i 7.1 Specify Code	1	n/c
0777	Power 720 4-Core Express Edition	1	n/c
0853	Specify #1888 Load Source Placement	1	n/c
1827	System Port/UPS Conversion Cable	1	\$95.00
1888	139GB 15K RPM SFF SAS Disk Drive	6	\$2,988.00
2145	Primary OS IBM i	1	n/c
3656	SAS SFF Cable	1	\$40.00
3930	System Serial Port Converter Cable	1	\$14.00
4650	Rack Indicator - Not Factory Integrated	1	n/c
5532	System AC Power Supply, 1925W	2	\$800.00
5557	System Console - Ethernet	1	n/c
5638	1.5TB/3.0TB LTO-5 SAS Tape Drive	1	\$3,400.00
5771	SATA Slimline DVD-RAM Drive	1	\$299.00
5899	PCIe2 4-Port 1GbE Adapter	1	\$301.00
6470	Power Cord 6-Ft 125V/15A	2	\$28.00
7134	Rackmount Drawer Bezel & Hardware	1	\$100.00
7145	Rackmount Drawer Rail Kit	1	\$199.00
9300	Language Group Specify US Eng	1	n/c
9441	New IBM i License Core Count	1	n/c
9448	Other IBM i License Core Count	3	n/c
EJ01	Storage Backplane - 8 SFF Bays/175MB RAID/Dual IOA	1	\$1,800.00
EM4B	16GB (2x8GB) Memory DIMMs 1066MHz, 4Gb DDR3 DRAM	2	\$1,700.00
EPCK	4-Core 3.6GHz POWER7+ Processor Module	1	\$820.00
EPDK	One Processor Activation for #EPCK	2	\$1,300.00
EPEK	Zero-priced Processor Activation for #EPCK	2	n/c
ESC6	Shipping & Handling	1	\$339.00
	Total Price 8202-E4D Power7+ Server		\$14,561.00
5733-SPM-0001	Software Maintenance P05 1-Year Extended Registration	1	\$850.00
5733-SPP-4909	1-Year Supportline Uplift to 24x7	1	\$128.00
5733-QU1	Query P05	1	n/c
5770-SS1	IBM i V7	1	n/c
5770-SS1-1383	IBM i V7 Keyed SW Media	1	\$350.00
5770-SSC-1561	IBM i per User Billing, 5 users	1	n/c
5770-WDS	Rational Development Studio P05, OTC per User	10	n/c
5770-XW1	iSeries Access, P05 Processor Based	1	n/c
	Total Price IBM SW, SW Xfer, 1-Yr SWMA for 8202-E4D		\$1,328.00

	Upgrade 3-Year Hardware Warranty 8202-E4D to 24x7		\$1,000.00
	Software Maintenance IBM i, 24x7, years 2-3		\$2,690.44
	Total Price 3-Year IBM Maintenance		\$3,690.44
61857	TDK LTO5 Data Cartridges	8	\$240.00
27637	TDK LTO Cleaning Cartridge	1	\$56.00
	Total TDK Cartridges		\$296.00
	TOTAL		\$19,875.44

Comments: Prices do not include tax or installation/migration services.
Information and pricing in this quote is confidential and for your information only.
Twinax adapter for 8202-E4D is not included (not supported).
Communications adapter for 8202-E4D is not included.
System console (PC) is not included.
Payment terms net 30.

Accepted by: _____ Date: _____ PO#: _____

8202-E4D Power7+ Configuration Summary:
Power7+ 4-core 3.6GHz processor with 1 core licensed (approx. 7,300 CPW)
(Existing model 9406-800 rated at 300 CPW)
V7.1 OS
P05 tier (9406-800 is in P05 tier)
32GB memory, expandable to 512GB (9406-800 has 1GB memory)
SAS RAID controller with 175MB cache
Six 139GB 15K internal SAS disk drives (9406-800 has five 17.54GB drives)
4-port 1Gb ethernet adapter
DVD-RAM
Redundant power supply
Rackmount
1.5TB LTO-5 SAS tape drive (9406-800 has LTO-1 tape drive)
5-User IBM i license
IBM System Software: Query, Rational Dev Studio, iAccess
3-years IBM hardware & software maintenance, 24x7
Eight LTO-5 data cartridges and one LTO cleaning cartridge