

City of Kodiak Regular Council Meeting Agenda for December 8, 2016
7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)

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| I. Call to Order/Roll Call | |
| Invocation/Pledge of Allegiance | |
| II. Previous Minutes | |
| Approval of Minutes of the November 10, 2016, Regular Council Meeting and November 21, 2016, Special Meeting | 1 |
| III. Persons to Be Heard | |
| a. Public Comments (limited to 3 minutes) (486-3231) | |
| IV. Unfinished Business | |
| a. None | |
| V. New Business | |
| a. Resolution No. 2016–42, Adopting a FY2018 State Capital Improvement Program List | 10 |
| b. Resolution No. 2016–43, Reallocating Funds Between General Fund Departments to Support the Addition of a Human Resource Manager and a Human Resource Specialist in the Executive Administration Department..... | 20 |
| c. Authorization of Bid Award for Demolition of Old Kodiak Public Library Building in Preparation of a New Fire Station, Project No. 6015/15-06..... | 26 |
| d. Authorization of Purchase of Centrifuge for the Wastewater Treatment Plant, Project No. 7519/17-03 | 32 |
| e. Authorization of Purchase of Interpretive Panels | 58 |
| f. Election of Deputy Mayor | 74 |
| VI. Staff Reports | |
| a. City Manager | |
| b. City Clerk | |
| VII. Mayor’s Comments | |
| VIII. Council Comments | |
| IX. Audience Comments (limited to 3 minutes) (486-3231) | |
| X. Executive Session | |
| a. Discussion of Strategies for Potential Collective Bargaining Agreements..... | 78 |
| XI. Adjournment | |

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**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, NOVEMBER 10, 2016
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 8 p.m. Councilmembers Laura B. Arboleda, Randall C. Bishop, Charles E. Davidson, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. City Manager Aimée Kniazowski, City Clerk Debra L. Marlar, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

Salvation Army Major Dave Davis gave the invocation and the Pledge of Allegiance was recited.

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the October 13, 2016, regular meeting as presented.

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

III. PERSONS TO BE HEARD

a. Proclamation: Extra Mile Day

Councilmember Walker read the proclamation, which urges each individual in the community to take time on this day to not only “go the extra mile” in his or her own life, but to also acknowledge all those around who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place. The Extra Mile America Foundation requested this proclamation.

b. Public Comments

Major Dave Davis from the Salvation Army said it is the birthday of the U.S. Marine Corp 241, and he stated November 11, 2016, will be Veterans Day and there will be a parade and celebration sponsored by the American Legion Post 17 and VFW 7056. He encouraged the community to attend the local celebration.

IV. UNFINISHED BUSINESS

- a. Second Reading and Public Hearing, Ordinance No. 1360, Amending Kodiak City Code 3.12.020, Limitation on City Manager’s Authority; Kodiak City Code 3.12.030, Open Market Procedures; Kodiak City Code 3.12.040, Advertising for Bids; and Kodiak City Code 3.12.090, Purchase, Contract, or Sale Valid When-Prohibited When; to Increase the Limit on the City Manager’s Contracting Authority From \$15,000 to \$35,000 and to Increase the Limit on Use of Open Market Contracting Procedures to \$50,000**

Mayor Branson read Ordinance No. 1360 by title. The update to the Kodiak City Code section 3.12.040 was last amended in 2000. Cost of goods and services has increased in this period, and this ordinance is intended to catch up with inflation. Many invoices and small projects exceed the City Manager's current spending authority, and this increase will improve procurement efficiency.

Councilmember Davidson MOVED to adopt Ordinance No. 1360.

Councilmember Bishop MOVED to amend Section 4 of Ordinance No. 1360 by striking \$50,000 and inserting \$35,000.

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

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

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

V. NEW BUSINESS

a. **Resolution No. 2016–40, Accepting an Edward Byrne Memorial Justice Assistance Grant From the U. S. Department of Justice**

Mayor Branson read Resolution No. 2016–40 by title. The City of Kodiak has been awarded an Edward Byrne Memorial Justice Assistance Grant by the Office of Justice Programs to provide funding for approved equipment purchases. This grant will repay costs associated with the purchase of approved body camera equipment and redaction software for the Kodiak Police Department.

Councilmember Bishop MOVED to adopt Resolution No. 2016–40.

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

b. **Resolution No. 2016–41, Requesting the Alaska Legislature and Governor Walker to Not Impose Any More Cuts to the Alaska Department of Fish and Game (ADFG) Budget and Particularly to the Division of Commercial Fisheries Budget and Any Tax Revenue Generated From New or Increased State Taxes on the Commercial Seafood Industry Be Used to Fill the Funding Gap for ADFG and Pay for Continuing Effective Management of Alaska's Commercial Fisheries**

Mayor Branson read Resolution No. 2016–41 by title. At the October 19, 2016, joint work session, the Borough indicated it was submitting a resolution to the Alaska Municipal League (AML) Resolution Committee requesting the Governor not impose any more cuts to the Alaska Department of Fish and Game budget, especially the Division of Commercial Fisheries budget. The Borough will request the resolution be included in the AML business meeting for a vote of

the membership. The resolution requires the support of representatives of five member municipalities. The Council voiced a consensus to support the resolution to AML and directed a similar City resolution be brought forward at this meeting. The Fisheries Work Group also endorsed the resolution at its October 12, 2016, meeting.

Councilmember Arboleda MOVED to adopt Resolution No. 2016–41.

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

c. Acceptance of Near Island Conceptual Land Use Plan

In September 2015 Council authorized a professional service contract with DOWL for an updated Near Island Land Use Plan. DOWL is the City’s consultant most familiar with Near Island and has presented at Council work sessions, summarized public outreach efforts, and has updated the Near Island Conceptual Land Use Plan.

Councilmember Bishop MOVED to accept the Near Island Conceptual Land Use Plan.

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

d. Acceptance of Recommendations From the City Marijuana Advisory Special Committee

On May 26, 2016, the Council adopted Ordinance No. 1350, Enacting KCC Chapter 5.52 Prohibiting Marijuana Establishments in the City. The ordinance became effective July 1, 2016, and expires January 1, 2017. The six-month opt out period was to provide time for the City’s Marijuana Advisory Special Committee, which was established by Resolution No. 2016–16, to recommend guidelines for implementing taxation, regulation, production, sale, and use of marijuana within the Kodiak City limit. The committee has held nine meetings since June 2016 and is bringing forward recommendations for Council consideration. Once the Council has accepted the recommendations, staff will work with the City attorney to draft the necessary ordinances.

Councilmember Bishop MOVED to accept the 13 recommendations from the City Marijuana Advisory Special Committee presented at this meeting and direct staff to draft ordinances to implement these recommendations.

Councilmember Davidson MOVED to postpone the vote until all the recommendations from the Marijuana Advisory Committee have been further received.

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

e. Recommendation for Appointment to City Seat on the Planning and Zoning Commission

Three of the seven seats on the Planning and Zoning Commission are designated as City seats. There is one vacant City seat on the Planning and Zoning Commission, and the Council needs to recommend an applicant for appointment.

Councilmember Whiddon MOVED to recommend Chris Hatch for appointment to the vacant City seat on the Planning and Zoning Commission for a term to end in December 2019.

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

f. Authorization of Award of Design and Construction of the Channel Transient Float, Project No. 8525

On September 16, 2016, the City publicly solicited a Request for Proposal (RFP) for the design-build for the Channel Transient Float (CTF) replacement. Proposals were due October 27, 2016. Proposals were received from Pacific Pile & Marine and Turnagain Marine Construction. Both proposals were evaluated by staff using criteria spelled out in the RFP. The evaluation team members included Deputy City Manager Tvenge, Public Works Director Kozak, City Engineer Melvin, Harbormaster White, and Deputy Harbormaster Magnuson.

Councilmember Walker MOVED to authorize award of design and construction for the Channel Transient Float Replacement to Turnagain Marine Construction in an amount not-to-exceed \$2,198,000 with funds coming from Channel Transient Float Replacement Project, Project No. 17-07/8025 and authorize the City Manager to execute the documents on behalf of the City.

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

VI. STAFF REPORTS

a. City Manager

Manager Kniazowski said the Mayor, Clerk, Finance Director, and she recently signed bond re-financing documents, which will save the City over \$1 million. She said payments and interest will decrease in the upcoming year as a result of the refinancing. She said the ice rink is up and running after overcoming some mechanical difficulties. She mentioned the holiday lights will be placed in the downtown area. She congratulated Parks and Recreation Director Gronn and staff for the proclamation of appreciation for their services to the community given by the Kodiak Island Borough Mayor. She informed the public of an ICS 300 course in November that will be taught by Chief Jim Mullican who is an excellent instructor. She said Public Works Director Kozak said the new regulations are in effect requiring snow storage in a location further out of town; therefore, clearing the streets will take longer. She said a public service announcement sharing information regarding snow removal will occur for the community. She said the old library demolition project is out to bid and the old crane is being disassembled at Pier III. She commented that abandoned and junk vehicles are very costly for the City. She said she has signed an agreement with Wanetta Ayers for Economic Development, and she asked the Council to consider dates to meet with Ms. Ayers in the near future. She said Juneau lobbyist Ray Gillespie has been updating the City Manager on current legislative issues. She said she will attend

AML November 14 through November 18. She thanked the Deputy City Manager and Deputy Clerk for preparing this meeting packet.

b. City Clerk

City Clerk Marlar informed the Council the office will be closed November 14 through 16, 2016, while staff attends training in Anchorage. She informed the public of the next scheduled Council meetings.

VII. MAYOR'S COMMENTS

Mayor Branson congratulated the boys swimming team for taking the State title. She saluted veterans for their service. She thanked Councilmembers Arboleda and Bishop for their time, work, and presentation for the Marijuana Advisory Committee. She thanked the Borough for acknowledging Parks and Recreation Director Gronn, and she thanked Mr. Hatch for volunteering for the Planning and Zoning seat. She said she looks forward to AML with the new legislature to discuss the ferry schedule, fiscal plan, and revenue sharing.

VIII. COUNCIL COMMENTS

Councilmember Arboleda thanked Councilmember Bishop and the staff for the work on the Marijuana Advisory Committee. She said the presidential election process has been interesting; she stated divided we fall but united we stand.

Councilmember Davidson expressed admiration for Mayor Branson. He extended his appreciation to the Marijuana Advisory Committee, and he thanked the Finance Director. He wished everyone a happy Thanksgiving. He encouraged everyone to honor veterans in the morning during the parade. He thanked the City staff and said he is honored to serve the community.

Councilmember Walker congratulated the Mayor on the Chicago Cubs win in the World Series. He congratulated Parks and Recreation Director Gronn and his staff for their work and commented that he appreciated the Borough's proclamation. He thanked Mr. Hatch for his service. He said Councilmembers Bishop and Arboleda have done a wonderful job on the Marijuana Advisory Committee. He acknowledged that the compost site building is complete. He wished everyone a happy Thanksgiving, and he thanked staff for their work.

Councilmember Whiddon said Councilmembers Arboleda and Bishop did an excellent job on the marijuana presentation. In honor of Veterans Day he acknowledged the large Coast Guard population in Kodiak. He said there was recently a 30th memorial ceremony for the helicopter that perished on Ugak Island. He commented that Veterans Day is a remembrance of those that have served and for those that have given their life for their country. He thanked the Deputy Clerk for providing administrative support to the Kodiak Fisheries Work Group.

Councilmember Saravia thanked Mr. Hatch for volunteering his time. He expressed his admiration to veterans. He thanked Police Chief Wallace and the staff for their service, and he thanked the Finance Director. He said he appreciated the Marijuana Advisory Committee's work and appreciates the work that Councilmembers Arboleda and Bishop have done.

Councilmember Bishop thanked those men and women who have and are serving. He thanked the staff for their work. He urged safe travel to those traveling over the holiday.

IX. AUDIENCE COMMENTS

None

X. EXECUTIVE SESSION

a. Discussion of Strategies for Potential Collective Bargaining Agreements

Councilmember Whiddon MOVED to enter into executive session pursuant to AS 44.62.310(c)(1) to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City, specifically the City’s strategies for potential collective bargaining agreements.

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

Council entered into Executive Session at 9:05 p.m.

Mayor Branson reconvened the meeting at 10:09 p.m.

XI. ADJOURNMENT

Councilmember Whiddon MOVED to adjourn the meeting.

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

The meeting adjourned at 10:09 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

**MINUTES OF THE SPECIAL COUNCIL MEETING
OF THE CITY OF KODIAK
HELD TUESDAY, NOVEMBER 21, 2016
IN THE KODIAK CITY CONFERENCE ROOM**

I. MEETING CALLED TO ORDER

Mayor Pat Branson called the meeting to order at 1:30 p.m. Councilmembers Laura B. Arboleda, Randall C. Bishop, Gabriel T. Saravia, and Richard H. Walker were present. Councilmembers Charles E. Davidson and John B. Whiddon were absent. A quorum was present. City Manager Aimée Kniazowski, City Clerk Debra Marljar, and Deputy City Manager Mike Tvenge were also present.

II. PUBLIC COMMENTS

None

III. Dominion Pipe & Piling Claim Update

Councilmember Walker MOVED to enter into executive session pursuant to AS 44.62.310(c)(1) to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City, specifically a claim filed by Dominion Pipe and Piling.

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

The Council entered into executive session at 1:32 p.m.
Mayor Branson reconvened the special meeting at 2:01 p.m.

IV. ADJOURNMENT

Councilmember Arboleda MOVED to adjourn the meeting.

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

The meeting adjourned at 2:01 p.m.

CITY OF KODIAK

MAYOR

ATTEST:


CITY CLERK

Minutes Approved:

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NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Date: December 8, 2016

Agenda Item: V. a. **Resolution No. 2016-42, Adopting a FY2018 State Capital Improvement Program List**

SUMMARY: Council and staff reviewed a draft of the City's FY2018 state CIP request resolution at their November 8 work session and again with the City's state lobbyist, Ray Gillespie at the December 6, 2016, work session. Ray Gillespie supported the addition of language requesting the capital projects be considered for inclusion with a statewide bond package if the legislature decides to move a capital budget forward for the upcoming fiscal year. Based on Council discussion and the lobbyist's review, staff prepared the attached resolution requesting three projects that impact life and safety and support for revenue sharing. Staff recommends Council adopt Resolution No. 2016-42, which contains a short list of two ongoing infrastructure improvements, one project for pedestrian safety shared with the Kodiak Island Borough, and a statement of support for continued revenue sharing.

PREVIOUS COUNCIL ACTION:

- November 10, 2016, Council reviewed and discussed a draft resolution for the City's FY2018 state CIP request
- December 6, 2016, Council discussed the resolution and other legislative topics with the City's lobbyist

DISCUSSION: Each year the City prepares and submits a resolution requesting financial support from the State of Alaska for priority projects that require additional funding beyond what the City is capable of covering on its own. This FY2018 resolution contains two key infrastructure projects, design and site preparation for the new fire station, which is critical, and funds to construct the Shelikof Street bulkhead parking area, which has been carried over as a separate phase of the Shelikof Pedestrian Improvement project for several years. However, the parking design will be completed by early 2017 making the project ready for construction if funding is available. A new priority is a request shared with the Kodiak Island Borough to assist with improved lighting and automated crosswalks at two key intersections by Main and East Elementary schools and the Kodiak Middle School to improve safe passage of pedestrians and children coming and going to school. The resolution also contains a statement of support for continued funding of state's revenue sharing program.

The draft project and issues list has been reviewed by the City's lobbyist Ray Gillespie and Council at their November 10 and December 6, 2016, work sessions. Ray Gillespie supported a small list of

priority projects that focus on transportation and life-safety. He said there might also be support for a bond to fund capital projects and encouraged the City to reflect the bond funding possibility in the resolution language. A copy of the draft resolution was also sent to the City's legislative delegation for their review. They can discuss the project list when they attend a Council work session prior to departing for Juneau in January.

The state is facing major financial limitations again this year as the price of oil continues to remain low. This has huge implications for the state and its ability to fund operating and capital budgets. The Governor released a fiscal plan last year that was not supported by the legislature. The Governor stated his budget would contain a very limited capital budget, enough to meet the required match to receive federal funds. Like last year, the upcoming session will be difficult with many hard choices facing the state and its citizens.

The FY2018 state CIP request list is short and focused on life-safety projects. The City's top priority is to move forward with the next phase of replacing the existing fire station, which includes a site preparation package, utility relocates, and building design. This is clearly a life-safety priority that will benefit the entire Kodiak area, not just residents of the City. The Shelikof Street Bulkhead project would be funded through the cruise ship excise tax fund, if available, and will be ready to construct if funding is available. If a bond is successful, the City might see funding through that process, but that remains to be seen. The support for DOT funding to install improved lighting and controlled crosswalks near three schools is also an important life-safety project and one the Mayor and Council wanted to support with the Kodiak Island Borough.

The FY2018 resolution provides a statement of support again this year for continued funding of the state's revenue sharing program, which is under pressure as the state navigates this financial crisis. By supporting the continued funding, the City joins other local governments who are concerned that they will carry the costs of the financial burden of the state's shortfall. Local governments, including Kodiak, do not have the resources to fund the replacement or updates of infrastructure needed to keep adequate services available at the local level.

Staff will send an approved copy of Resolution No. 2016-42 to the Kodiak delegation and state lobbyist, Ray Gillespie, once it is adopted for their use in promoting these important community projects.

ALTERNATIVES:

- 1) Adopt Resolution No. 2016-42 as discussed in November and again in December. The list reflects Council's direction and will provide the delegation and lobbyist with information to use when promoting Kodiak's funding needs during this coming legislative session. This is staff's recommendation.
- 2) Amend or do not adopt the resolution, which is not recommended, as it would not reflect support for the City's key projects as discussed.

FINANCIAL IMPLICATIONS: There are no direct financial implications in adopting the CIP resolution. However, the entire community will benefit if the City receives state funding assistance for any of these important projects. If funded, the much needed fire station project will move forward and the Shelikof project will enhance tourism, improve safety, parking, and public convenience. Funding support from the Borough and DOT will help address pedestrian safety in the school zones that remain poorly lit much of the school year. Finally, if the state continues to fund revenue sharing the City will receive funds to help offset the many costs associated with running a home rule community.

CITY MANAGER'S COMMENTS: The resolution for the City's FY2018 state funding request reflects staff's recommendations, Council and our lobbyist's discussions from the November 10 and December 6 work sessions. The City's lobbyist, Ray Gillespie, supports the projects and approach taken this year. The resolution continues to reflect projects desired by Council, can be advocated for by City representatives and our lobbyist, and can hopefully be supported by our delegation. I am uncertain if we will receive funding in FY2018 due to the state's funding situation. However, we should keep these elements on the list in the event funding does become available. I recommend Council adopt the resolution, keeping in mind that the state will be facing very difficult financial realities this coming year.

ATTACHMENTS:

Attachment A: Resolution No. 2016-42, FY2018 state CIP requests

Attachment B: Resolution No. 2016-01(SUB), FY2017 state CIP requests

PROPOSED MOTION:

Move to adopt Resolution No. 2016-42.

**CITY OF KODIAK
RESOLUTION NUMBER 2016-42**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ADOPTING
A FY2018 STATE CAPITAL IMPROVEMENT PROGRAM LIST**

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

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

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

WHEREAS, the Kodiak City Council has identified and prioritized capital improvement projects for submission to the Alaska State Legislature and Governor for funding consideration due to their significance and/or magnitude; and

WHEREAS, the National Marine Fisheries Service identified Kodiak as the second largest commercial fishing port in the United States in terms of volume and third largest in terms of value of product landed in their most recent national report, and the City requires a large infrastructure to support this commercial activity; and

WHEREAS, the City of Kodiak relies upon the State of Alaska's legislative and matching grant programs and revenue sharing to continue to keep its economy strong.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following infrastructure replacement/improvement projects and issues are considered of primary importance and are hereby adopted as the City of Kodiak's FY2018 State capital improvement project and issues list:

1. New Fire Station, Phase II \$ 4,000,000

The City of Kodiak identified the need to replace its fire station and has been working toward a replacement plan since 2004. The building has clearly outlived its design life. The building is composed of three structures and sits on a site that is currently very limited. The structure is built of cement block type construction built in the 1940s with two block and wood frame additions added in the 1960s and 1975. The structure poses a significant risk of failure in a seismic event. Cracks in the walls and initial separation of one of the additions from the rest of the structure occurred following the large 7+ earthquake in 2016. It has ongoing plumbing, drainage, and water infiltration issues. The facility houses fire and rescue apparatus, three ambulances, and many types of specialty equipment and medical supplies that support the Advanced Life Support services offered to the entire Kodiak area well beyond the City

boundaries. The building condition poses constant challenges and problems to the crews who work and live in the structure. Work to replace this building must continue because it is a key emergency response and life-safety facility for Kodiak and continues to require constant maintenance.

The City proposes completion of the project in three phases. Phase I of this project with a budget of \$1,110,000 and funded by the City was used to study the site, which was determined to be the best site for a new facility once a derelict building is removed. It includes the removal of the old building, site grading, and other work following the demolition of the old building. Phase II would include a site preparation package completed prior to building construction, would make the project more affordable to do in phases, would reduce the impact to the active fire station, and benefit the transition to a new building. It would include design, re-routing of underground utilities, and provide a graded pad for temporary facilities and emergency services equipment. Phase II would total \$4,000,000 and be constructed with the building design anticipated for FY 2018. The remainder, an estimated \$10,000,000, would be required to complete construction and furnish the facility.

The City of Kodiak is requesting funding for Phase II of the New Fire Station project from the State in an amount of \$4,000,000 to ensure the project continues to move forward. This project may also be suitable for a GO Bond package in the event the legislature pursues bonds as a capital budget financing mechanism.

2. Pedestrian Access Improvements to Kodiak Schools \$100,000

The City of Kodiak requests assistance from the State Department of Transportation to install lighted, automated crosswalks at the intersections of Rezanof and Powell and Rezanof and Benny Benson to improve student safety while crossing near two elementary schools and Kodiak Middle School. These areas are poorly lit, and with limited daylight during much of the school year, pose significant safety risks to students and other pedestrians. This project is also being requested by the Kodiak Island Borough and it is one the City of Kodiak supports.

3. State Revenue Sharing

As the cost of providing governmental services rise, the City of Kodiak must rely on and use all sources of revenue carefully to meet its obligations. The City received \$294,635 in revenue sharing this year, a substantial drop from the \$377,926 in FY2017. The City urges the State to continue to provide revenue sharing to local governments through this program.

4. Shelikof Street Bulkhead Parking \$1,100,000

In 2009, the City identified the need for pedestrian improvements from Pier II to downtown Kodiak as the preferred pedestrian route for cruise ship passengers to safely walk the street into the town center and to improve facilities for local residents, workers, and businesses that

use the pier, street, and access to the City’s adjacent 250 slip boat harbor. The first phase of the project, construction of an ADA accessible sidewalk, new retaining walls, improved lighting and parking, and utility work was completed in 2013. The second phase of the project will be completed by January 2017. This phase covered geotechnical investigation, design, permitting, mapping, preparation for permitting through the Army Corps of Engineers, and completion of the design to accommodate a 30 space bulkhead parking area on the south side of Shelikof Street adjacent to St. Paul Harbor. The roadway area adjacent to the proposed bulkhead parking is highly congested. Due to lack of adequate parking, vehicles block walkways, equipment operates in the ROW, and access to businesses is often blocked, forcing pedestrians into the roadway. Construction of additional off-road parking will direct pedestrian traffic out of the congested roadway. The net increase in parking will benefit harbor users and retail businesses along Shelikof Street. It will provide improved and safer pedestrian access from Marine Way to the fish processors in the immediate area. The task for this phase will be to complete construction of the bulkhead parking area, including curb and gutter, paving, lighting, and utility relocates.

The City of Kodiak is requesting state funding assistance for the final construction of this project, including administration, in the amount of \$1,100,000 to enhance pedestrian and vehicle safety. Funds are requested through the Cruise Ship Excise Tax program or through a legislative grant. This project may also be suitable for a GO Bond package in the event the legislature pursues bonds as a capital budget financing mechanism.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

**CITY OF KODIAK
RESOLUTION NUMBER 2016-01(SUB)**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ADOPTING
A FY2017 STATE CAPITAL IMPROVEMENT PROGRAM LIST AND URGING
CONTINUATION OF STATE MATCHING GRANT PROGRAMS AND REVENUE
SHARING**

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

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

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

WHEREAS, the Kodiak City Council has identified and prioritized capital improvement projects for submission to the Alaska State Legislature and Governor for funding consideration due to their significance and/or magnitude; and

WHEREAS, because Kodiak is the second largest commercial fishing port in the United States in terms of volume and third largest in terms of value of product landed, the City requires a large infrastructure to support this commercial activity; and

WHEREAS, the City of Kodiak relies upon the State of Alaska's legislative and matching grant programs and revenue sharing to continue to keep its economy strong.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following infrastructure replacement/improvement projects and issues are considered of primary importance and are hereby adopted as the City of Kodiak's FY2017 State capital improvement project and issues list:

1. Mill Bay Road Pavement Rehabilitation Project: \$1,500,000

Mill Bay Road is a 2.5 mile major arterial that provides access to the City of Kodiak's main business district. It is the most traveled road in Kodiak with approximately 12,000 vehicle trips per day. The City took ownership of Mill Bay Road from the State after it was reconstructed by DOT in 1991. The road surface has developed extreme pavement wear in the driving lanes over the past 23 years and the City milled and repaved in 2001 and 2008. The road continues to deteriorate due to weather and traffic so the City completed a pavement assessment study which recommended repair for the full length of the road. Due to rapid deterioration of the road, the City developed a successful rehabilitation approach and

milled and overlaid approximately 6100 ft. of road to repair the worst sections at a cost of over \$2 million. The remaining 5,480 ft. of repair needed is estimated to cost \$1.5 million. The total road rehabilitation cost, including engineering and construction, is \$4 million. The City has contributed over \$2.5 million to the road rehabilitation project in the past three years. The City is requesting funding assistance for permitting, redesign, and construction for the remaining 5,480 ft. of the road in the amount of \$1,500,000 to fully rehabilitate Mill Bay Road.

2. State Municipal Matching Grant and Harbor Facilities Grant Programs

The economy of the City of Kodiak is based upon commercial fishing and all the work, such as local, state and federal governmental activities associated with support of the fisheries as well as research and enforcement activities are based on Kodiak's fishing industry. Each year Kodiak ranks as a top commercial fishing port. In 2014, NOAA statistics put Kodiak as the second largest commercial fishing port in the United States in terms of volume and third in terms of value. This activity requires an infrastructure from potable water, replacement of aging water, sewer, and storm drain systems, and harbor and dock infrastructure that is much larger than its population might suggest. The City of Kodiak relies heavily on the Department of Environmental Conservation Municipal Matching Grant Program to help fund repairs and replacement of the City's water, sewer, and storm drainage systems. The Kodiak Harbor Department relies on the State's Harbor Facilities Grant Program to help match costs for dock replacements. The City of Kodiak urges the State to continue to support these matching grant programs to avoid shifting the burden of costs back on local governments.

3. State Revenue Sharing

As the cost of providing governmental services rise, the City of Kodiak must rely on and use all sources of revenue carefully to meet its obligations. The City received \$377,926 in revenue sharing this year, a substantial drop from the \$572,936 received three years ago. The City urges the State to continue to provide revenue sharing to local governments through this program.

4. Replacement Ambulance

\$200,000

The City of Kodiak's Fire Department provides advance emergency medical services to the residents, fishermen, and visitors to the City, as well as area Fire Protection Districts 1, 2, and 3, U.S. Coast Guard Base Kodiak, and all non-covered road system areas, with a total population estimate of over 10,000. The Department currently operates three Type 1 Advanced Life Support (ALS) ambulances which respond to an average of 850 medical calls a year. Service life of each ambulance is 10 years. The City has replaced two ambulances, but currently one ambulance has exceeded its expected service life by three years and reliability has become a serious issue with ongoing mechanical and electrical issues. The City will continue to look for funds to help offset the full cost of replacement of this important piece of emergency response equipment and will contribute local general fund money to replace the equipment associated with the ALS type ambulance. Therefore, the City is requesting funding assistance from the Legislature help fund the replacement of 1 Type 1 ambulance for an estimated total of \$200,000.

5. Firefighting and Safety Equipment

\$62,550

The City of Kodiak's Fire Department is a paid department of 13.75 FTEs that serves both the City residents, including 2 commercial boat harbors containing 600 slips and vessels, and those who live and have businesses in mutual aid response districts. The services provided are heavily dependent upon safety and other response equipment for the firefighters, EMTs, and public. The Department purchases necessary equipment through the General Fund and grants. Much of the equipment purchased must meet National Fire Protection Association (NFPA) and OSHA standards and be replaced periodically to maintain certification and ensure safety. The City is finding it more financially demanding to replace the life safety equipment while continuing normal operations as funding sources become more limited. Therefore, the City is requesting funding assistance from the Legislature to fund the replacement of 10 firefighting turnouts which firefighters wear when responding to an incident, 25 SCBA bottles needed to enter a fire or other hazardous environment, and 4 automatic external defibrillators (AEDs) to be placed in response vehicles for an estimated total of \$63,000.

6. Shelikof Street Bulkhead Parking

Funding Request: \$1,565,000

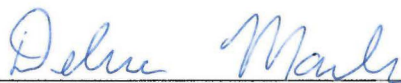
In 2009, the City identified the need for pedestrian improvements from Pier II to downtown Kodiak to more safely accommodate pedestrian traffic and to improve facilities for local residents, workers, and businesses that use the pier, street, and access to the City's adjacent 250 slip boat harbor. The first phase of the project, construction of an ADA accessible sidewalk, new retaining walls, improved lighting and parking, and utility work was completed in 2013. The City is planning for and preparing the permitting and design of the next parking improvement phase of this project, which is to construct a 30 space bulkhead parking area on the south side of Shelikof Street adjacent to St. Paul Harbor. The roadway area adjacent to the proposed bulkhead parking is dangerously congested. Due to lack of adequate parking, vehicles block walkways, equipment operates in the ROW, and access to businesses is often blocked, forcing pedestrians into the roadway. Construction of additional off-road parking will direct pedestrian traffic out of the congested roadway. The net increase in parking will benefit harbor users and retail businesses along Shelikof Street. It will provide improved and safer pedestrian access from Marine Way to the fish processors in the immediate area. Associated tasks for this phase of the project include geotechnical investigation, design, permitting, mapping, construction, improved lighting, and utility relocates. The City of Kodiak is requesting state funding assistance for permitting, design, and construction in the amount of \$1,565,000 to complete design, permit, and construct this bulkhead parking project to enhance pedestrian and vehicle safety.

CITY OF KODIAK



MAYOR

ATTEST:




CITY CLERK

Adopted: January 14, 2016



MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Date: December 8, 2016

Agenda Item: V. b. Resolution No. 2016–43, Reallocating Funds Between General Fund Departments to Support the Addition of a Human Resource Manager and a Human Resource Specialist in the Executive Administration Department

SUMMARY: The attached Resolution No. 2016–43 authorizes the transfer of unused funds from other General Fund departments to cover the costs to hire two human resource (HR) positions in the Executive Administration department in the current fiscal year. The need for professional HR assistance has been known and supported by staff and Council for some time, but with the passage of the voter initiative, Proposition 1, which places the City of Kodiak and its employees under the state’s Public Employment Relations Act (PERA), the work required makes hiring these positions very important. Staff recommends Council adopt Resolution No. 2016–43.

PREVIOUS COUNCIL ACTION: Council has had multiple conversations with the Manager regarding the need to add professional human resource staff to manage the day-to-day needs of the City and its employees in the past two years. They have given support to move forward with filling these positions so the City can better navigate the requirements of the present and future under the Public Employment Relations Act.

BACKGROUND: The State of Alaska adopted a law called the Public Employment Relations Act of 1972. The Act recognized the rights of state employees and employees of political subdivisions of the state to organize for the purposes of collective bargaining. The state also allowed communities the right to opt out of the Act to permit their employees to remain non-represented. Kodiak chose to opt out of PERA following its passage, and City employees remained non-represented until the local election of October 4, 2016, in which City voters adopted a voter initiative, Proposition 1, approving the right of City employees to organize for the purposes of collective bargaining. Proposition 1 passed by a margin of 18 votes: 413 - yes, and 395 - no, and the City administration began the work of preparing for a major change to the City’s work environment.

DISCUSSION: The City Manager and Council held several discussions about the need to add human resource positions to Administration to help with the personnel workload, especially after the voters approved Proposition 1 in October. The current arrangement in the City Manager’s office is that the Deputy Manager oversees the management and implementation of HR related tasks, assisted and supervised by the City Manager. The City must continue its work to ensure HR practices reflect best

practices and ensure policies, rules, and laws are followed in a fair and equitable way. Since Proposition 1 passed, the workload and timeframes required to prepare for unionization and all the steps that go along with the process under PERA has become demanding. More work will be required now that the City is obligated to follow PERA and while employees and at least one union, Teamsters Local 959, take their steps toward formal organization and contract negotiations.

Resolution No. 2016–43 approves a transfer of funds from General Fund departments to the Executive Administration office to cover the expenses to hire two HR positions, a professional Human Resource Manager and a Human Resource Specialist. The positions will be housed in Administration and will work exclusively on HR related duties, perform research, manage confidential files, assist in preparation for union negotiations, and provide orientation and training and direct support to employees. Once Council adopts Resolution No. 2016–43, recruitment will begin, and the office space lease with the Kodiak Island Borough will be amended to reflect the need for additional office space.

Staff recommends Council adopt the resolution so recruitment can begin for the positions as soon as possible.

ALTERNATIVES:

- 1) Adopt Resolution No. 2016–43 and allow staff to begin the process of filling these important personnel positions, which is staff’s recommendation, because professional assistance is required and two positions will help spread the workload and ensure work gets done in a timely and correct way as the City settles in under the PERA rules and requirements.
- 2) Amend or do not pass the resolution. This is not recommended as the workload for the Manager and Deputy Manager is increasing to the point where other work doesn’t get the attention needed.

FINANCIAL IMPLICATIONS: The costs to cover the addition of the positions are laid out in the attached resolution and total \$147,000 for the remainder of FY2017. The money will be transferred from other General Fund departments. These funds have not been spent due to unfilled vacancies. Only the portions related to the first five months of FY2017 will be transferred, as these vacancies will be filled in the latter seven months of FY2017. It is staff’s goal to be as frugal as possible in moving unused and unneeded funds and not take any funds from the General Fund fund balance.

CITY MANAGER’S COMMENTS: The City’s personnel staffing has always been minimal. That approach was not a best practice for an organization of our size and scope, but it was mostly manageable. Even with the addition of the Deputy Manager position, HR related tasks cannot be done in a timely way given other workload requirements. When the voters approved Proposition 1, we knew we would need a trained professional HR manager and specialist to manage the additional work of preparing to meet PERA requirements, to research collective bargaining related matters, and to work closely with Mike and I as we consult with our legal team in dealing with an organized workforce, and

to help City employees understand the changes PERA brings to our workforce, not to mention all the day-to-day personnel tasks that need to be taken care of. I appreciate the support of the Mayor and Council for approving funds to fill these positions so the City can perform at its professional best as we navigate these new requirements and future challenges. Therefore, I urge Council to adopt Resolution No. 2016-43.

ATTACHMENT:

Attachment A: Resolution No. 2016-43

PROPOSED MOTION:

Move to adopt Resolution No. 2016-43.

**CITY OF KODIAK
RESOLUTION NUMBER 2016-43**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK
REALLOCATING FUNDS BETWEEN GENERAL FUND DEPARTMENTS TO
SUPPORT THE ADDITION OF A HUMAN RESOURCE MANAGER AND A
HUMAN RESOURCE SPECIALIST IN THE EXECUTIVE ADMINISTRATION
DEPARTMENT**

WHEREAS, on October 4, 2016, the qualified voters of the City of Kodiak approved a voter initiative, Proposition 1, to require the City of Kodiak employees to be allowed to organize for the purposes of collective bargaining under the State of Alaska's Public Employment Relations Act of 1972; and

WHEREAS, this vote formally and permanently removed the City of Kodiak from the "opt out" provision it selected following passage of the Public Employment Relations Act (PERA); and

WHEREAS, the City of Kodiak must now follow the requirements laid out in PERA and allow employees to select a union or association to represent them in a formal collective bargaining unit in a voting process supervised by the State of Alaska Labor Relations Agency; and

WHEREAS, the process of following the new labor rules and the work required to implement various processes and to ensure existing personnel policies, practices, and duties continue to be met requires the addition of a professional Human Resource Manager and a Human Resource Specialist to be hired in the Executive Administration department; and

WHEREAS, funds to cover the estimated cost of adding the positions can be moved from unused salary and benefit line items in three City departments - Public Works, Finance, and the Police Department for the remainder of Fiscal Year 2017; and

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

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

Section 1. The Fiscal Year 2017 Operating Budget is amended by reallocating \$147,000 from unused and unneeded salary and benefit line items from the Public Works, Finance, and Kodiak Police Departments to the Executive Administration Department for the remainder of Fiscal Year 2017 to pay for the new HR positions as follows:

Reallocation From:

| <u>Account Description</u> | <u>Amount</u> |
|-------------------------------------|---------------|
| Public Works – Building Inspections | \$52,233 |
| Finance – Administration | \$39,632 |
| Police – Canine | \$55,135 |

Reallocation to:

| <u>Account Description</u> | <u>Amount</u> |
|---------------------------------------|---------------|
| Executive Admin – Salaries / Benefits | \$139,600 |
| Nondepartmental – Rent 6 Months | \$ 7,400 |

Section 2. This resolution shall become effective upon adoption.

CITY OF KODIAK

MAYOR


ATTEST:

CITY CLERK

Adopted:

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Glenn Melvin, City Engineer and Mark Kozak, Public Works Director
Date: December 8, 2016

Agenda Item: V. c. **Authorization of Bid Award for Demolition of Old Kodiak Public Library Building in Preparation of a New Fire Station, Project No. 6015/15-06**

SUMMARY: This memo recommends the authorization of award of a contract to demolish the old Kodiak Public Library building. Project bids were received on November 23, 2016, and publically read at the City Conference Room. The City received eight bids and the apparent low bidder was B & R Fish By Products Inc. The bids have been reviewed, and B & R Fish By Products Inc is considered to be the lowest responsible bidder per Kodiak City Code Section 3.12.080. Staff recommends Council authorize the bid award to B & R Fish By Products Inc for the demolition of the building for a total lump sum amount of \$263,245.

PREVIOUS COUNCIL ACTION:

- In early 2004 Council selected USKH to prepare a feasibility study for the replacement of aging City facilities, including the old Kodiak police station building.
- In September 2005 a Hazardous Material Report for Municipal Buildings was prepared by USKH for the City and included the fire station, the old police station and jail, and the library.
- On December 13, 2012, Council authorized a professional A/E services contract for the old Kodiak Police Station Building Demolition Project No. 13-06
- Council approved a capital project to demolish the old police and jail facility in the 2013 budget.
- March 19, 2015, Council authorized the professional services contract with Stantec (formerly USKH) for Pre-Design of the New Fire Station and Condition Assessment of the Old Library Building.
- June 23, 2016, Council authorized the professional services contract for engineering services for demolition of the Old Library Building as part of the New Fire Station Project.

DISCUSSION: In 2015 Stantec performed a condition assessment of the old library building and prepared a construction cost estimate to restore and upgrade the building for general City use as office space. Stantec presented the condition assessment and cost estimate to Council at the February 23, 2016, work session. At the meeting it was discussed and determined that based on the extremely poor condition of the library building the cost of improvements to the building would approach the cost of new construction. It was also pointed out that the old library building, if left in place, would present a major challenge to developing the site for future construction of the new fire station. After Council

discussion, staff was given direction that the old library building should be removed. The Manager directed staff to move forward with the process to have the building removed. Stantec was contracted to provide a professional services contract to assist in preparing the bid documents so the City could bid the demolition project. The bid documents were prepared by staff, placed on the City web site, and publicly advertised in the local newspaper on October 14, 21, 28, and November 4 to comply with the minimum 30-day bid period.

On November 1, 2016, a pre-bid meeting and building walk-through was conducted at the project site and several questions were asked during the meeting. To make sure all questions were clearly answered and conveyed back to all the contractors, staff chose to respond to questions by written addendum.

A second pre-bid meeting and site walk through was held on site November 16. The primary purpose was to expose the exterior footing walls in several locations to allow contractors an opportunity for a more detailed assessment of the hazardous material abatement work potentially needed on the footing walls.

On November 23, 2016, eight bids were received at the City Manager's office then opened and read aloud in the City Conference room. Per City Code, Section 3.12, bids were processed by staff and assembled in the bid tabulation as Attachment A of this memorandum. Based on staff review, the lowest responsive and responsible bidder is B & R Fish By Products Inc with a lump sum bid of \$263,245.

ALTERNATIVES:

- 1) Authorize the bid award to B & R Fish By Products Inc. Staff believes this alternative will benefit the new fire station project development and is consistent with Council direction.
- 2) Do not authorize award of the contract. This alternative is not recommended, because it would allow continued safety risk and costs of maintaining an unoccupied building.

FINANCIAL IMPLICATIONS: The Council approved funding for this project in both the FY2015 and 2016 budgets; the project currently has approximately \$937,000 available and is sufficient for this award and leaves sufficient contingency funding for City administration costs and potential change orders.

LEGAL: N/A

STAFF RECOMMENDATION: Staff, recommends Council authorize a contract with B & R Fish By Products Inc in the amount of \$263,245.00, with funds coming from the Building Improvement Fund, Demolition of Old Kodiak Public Library, Project No. 6015/15-06.

CITY MANAGER'S COMMENTS: The demolition of this building is important and beneficial to the City. The old library has been vacant for more than two years, and the City has incurred expenses

including insurance and utilities costs. It will be good to have this building removed from the site. Therefore, I recommend Council authorize a contract with B & R Fish By Products Inc to remove the building as outlined in the memo.

ATTACHMENT:

Attachment A: City of Kodiak Bid Tabulation, Demolition of Old Kodiak Public Library

PROPOSED MOTION:

Move to authorize the bid award to demolish the Old Library building with B & R Fish By Products Inc. in the amount of \$263,245, with funds coming from the Building Improvement Fund, Demolition of the Old Library building as part of the New Fire Station Project, Project No. 6015/15-06 and authorize the City Manager to execute the documents on behalf of the City.



CITY OF KODIAK BID TABULATION

Project Name: Old Library Demolition

Project Number: 15-06/6015

Date: November 23, 2016

Time: 2:00 p.m.

Date of Invitation: October 14, 2016

Opened By: Mike Tvenge
Mark Kozak

| Addendum No. | Date Issued |
|--------------|-------------|
| 1 | 10/20/2016 |
| 2 | 11/07/2016 |
| 3 | 11/09/2016 |
| 4 | 11/16/2016 |

BIDDER**BASE BID**

ENGINEERS ESTIMATE

\$ **800,000.00**

1. B & R Fish By Products, Inc. \$ 263,245.00

| | |
|-------------------------------------|-----------------------------|
| <input checked="" type="checkbox"/> | Addendums Acknowledged |
| <input checked="" type="checkbox"/> | Bid Bond & Business License |
| <input checked="" type="checkbox"/> | Contractors Certificate |

2. Golden Alaska Excavating, LLC \$ 288,000.00

| | |
|-------------------------------------|-----------------------------|
| <input checked="" type="checkbox"/> | Addendums Acknowledged |
| <input checked="" type="checkbox"/> | Bid Bond & Business License |
| <input checked="" type="checkbox"/> | Contractors Certificate |

3. Brechan Construction LLC \$ 296,000.00

| | |
|-------------------------------------|-----------------------------|
| <input checked="" type="checkbox"/> | Addendums Acknowledged |
| <input checked="" type="checkbox"/> | Bid Bond & Business License |
| <input checked="" type="checkbox"/> | Contractors Certificate |

4. S&S Enterprise dba Kodiak Lawn Care & Snow Removal \$ 375,000.00

| | |
|-------------------------------------|-----------------------------|
| <input checked="" type="checkbox"/> | Addendums Acknowledged |
| <input checked="" type="checkbox"/> | Bid Bond & Business License |
| <input checked="" type="checkbox"/> | Contractors Certificate |

5. Far North Services LLC \$ 407,321.00

| | |
|-------------------------------------|-----------------------------|
| <input checked="" type="checkbox"/> | Addendums Acknowledged |
| <input checked="" type="checkbox"/> | Bid Bond & Business License |
| <input checked="" type="checkbox"/> | Contractors Certificate |

6. Wolverine Supply Inc. \$ 427,000.00

| | |
|-------------------------------------|-----------------------------|
| <input checked="" type="checkbox"/> | Addendums Acknowledged |
| <input checked="" type="checkbox"/> | Bid Bond & Business License |
| <input checked="" type="checkbox"/> | Contractors Certificate |
| <input type="checkbox"/> | |




CITY OF KODIAK BID TABULATION

| BIDDER | | BASE BID |
|-------------------------------------|-----------------------------|-----------------|
| 7. Ahtna Environmental Inc | | \$ 448,000.00 |
| <input checked="" type="checkbox"/> | Addendums Acknowledged | |
| <input checked="" type="checkbox"/> | Bid Bond & Business License | |
| <input checked="" type="checkbox"/> | Contractors Certificate | |
| <input type="checkbox"/> | | |
| 8. Central Environmental Inc. | | \$ 513,397.00 |
| <input checked="" type="checkbox"/> | Addendums Acknowledged | |
| <input checked="" type="checkbox"/> | Bid Bond & Business License | |
| <input checked="" type="checkbox"/> | Contractors Certificate | |

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Mark Kozak, Public Works Director and Glenn Melvin PE, City Engineer
Date: December 8, 2016

Agenda Item: V. d. **Authorization of Purchase of Centrifuge for the Wastewater Treatment Plant, Project No. 7519/17-03**

SUMMARY: The City's Wastewater Treatment Plant (WWTP) produces approximately 2,000 wet tons of bio-solids annually. The sludge is run through an Andritz belt filter press (belt press), which results in the bio-solids product. The belt press is 24 years old and has been assessed several times in the last five years. With the City operating the composting facility and the need to rebuild the belt press within a few years, we requested a proposal from CH2M for design and bidding services for a centrifuge dewatering system. Council authorized the design work with CH2M in September 2016. Staff recommends that Council approve the purchase of the centrifuge for the Wastewater Treatment Plant Centrifuge PN 7519/17-03 from Andritz Separation Inc (Andritz) in the amount of \$390,400.

PREVIOUS COUNCIL ACTION: Council approved the funding for the Centrifuge Project No. 7519/17-03 in the FY2017 budget.

September 22, 2016, Council authorized a professional service agreement with CH2M for design and bidding services for the installation of a centrifuge.

DISCUSSION: The City of Kodiak operates a secondary wastewater treatment plant. The secondary treatment plant treats to a much higher level than a primary plant that most communities in Alaska operate. During the biological treatment process, solids are reduced to a waste product called sludge. This product is then run through the belt press and the final dewatered product is bio-solids.

Using the belt press for the dewatering process typically results in bio-solid cake solids content between 16% and 22% solids. The dewatering process is normally two to three days per week, with a weekly production between 40 and 55 cubic yards per week.

The treatment plant staff had the belt press evaluated by the manufacturer several times over the last five years because of the concern for this critical piece of equipment. Because of the age of the belt press, the assessment indicates that within the next three to five years significant investment will be required if this machine is the only means available. There are a couple of primary reasons for installing a centrifuge for dewatering at this time. The first is the increased solids content of the bio-solids produced from a centrifuge. Todd Williams (Compost Design Engineer) used 18% solids content for the bio-solids during the composting facility design. This was based on the average solids content over the entire year. Staff

sees periods when solids content is as low as 16% to a high of 22%. The estimate is that there should be 24% or above for solids content based on lab test performed on the sludge samples.

The second is the need to either rebuild or replace the belt press with a dewatering machine. Centrifuges have improved significantly over the years and are now the preferred method for dewatering. By installing a centrifuge at this time, there would be many years of serviceable life remaining in the belt press as a backup to the centrifuge. As it is now, if the belt press was to fail, staff has no means to dewater sludge. The WWTP has operated that way since it was built, but the concern over this issue has always been there.

Andritz has come to the plant on numerous occasions for service and assessment of the belt press. One of the major issues is the belt press uses 14 rollers. Only a few rollers are the same size. Due to the high cost of the rollers, staff has tried not to stock them; not too many years ago, they were an on-the-shelf item. That is no longer the case because of the age of the City's press. During Andritz's visit in 2015, staff requested that the available space in the belt press room be evaluated for the purpose of fitting a centrifuge into the building. An Andritz centrifuge will fit in the existing room. Staff also had Andritz complete a test run on the sludge to evaluate potential solids content. The lab results using both a belt filter press and centrifuge showed the WWTP should see solids 25% plus or minus 2%. At the same time, the belt filter press resulted in 14% to 16% solids. Staff had had a second set of test completed this summer. The percent solids are very close to the previous test showing the centrifuge should produce 23% to 24% minimum.

Council authorized a design proposal from CH2M for the design and bidding phase of the project. The key elements of the design include structural evaluation of the flooring system, electrical supply, configuration of the conveyor system, sludge pumping, and chemical feed system, so that the centrifuge will be the primary dewatering method. The belt press will remain in place and would be available as a backup for dewatering if needed. With the estimated remaining service time in the belt press before a major rebuild is necessary, we should have a dependable back up for dewatered sludge.

Staff requested a proposal from Andritz for a sole source purchase of a centrifuge because of the long history of very good service with the City of Kodiak as well as other Alaskan communities. Andritz has D4L centrifuges in Fairbanks at Golden Heart Utilities (two units) and another at Goose Creek Correction in Wasilla. They have smaller D3L at Denali Park Holland America Lodge. Anchorage has a belt filter press just like the treatment plant's existing unit. The City's history with Andritz has always been very good and well supported. Over the years when they are in Alaska, they make a point of coming to Kodiak to support their equipment.

The pre-purchase of the centrifuge allows CH2M to complete the design work to accommodate the exact piece of equipment. The same process was used for the pre-purchase of equipment at the UV facility in order to complete the final design. All design work to this point in the process has been based on the

Andritz D4L centrifuge. The Andritz proposal has been reviewed by CH2M to make sure it meets the City's system needs for processing capacity.

ALTERNATIVES:

- 1) Approve the sole source purchase of the D4L Centrifuge from Andritz, which is staff's recommendation. Moving forward with the pre-purchase of the centrifuge will allow final design to be completed and the installation project to be bid. As mentioned in the design approval recommendation, it will provide a redundant back up to a critical piece of equipment that is depended on weekly.
- 2) Do not approve the purchase, but go out to bid for a centrifuge. This would require significant engineering to prepare a bid package that would address all of the critical elements of the operational needs. Staff does not recommend this approach due to time and cost.
- 3) Take no action at this time and not proceed. Because of the known condition of the belt press this is not recommended. Staff feels they are ready to commit to the piece of equipment in order to complete the design bid package.

FINANCIAL IMPLICATIONS: City Code Section 3.12.070 (d) allows sole source purchases if there is only one supplier which staff recommended and the Manager approved due to the support and quality of the Andritz brand. The centrifuge project was included in the FY2017 budget because of the age of the belt press and the condition assessments completed over the last five years. In addition, this project will have a positive cost savings in the operation of the compost facility because of increased solids content of the delivered bio-solids to the facility. The increased solids content will reduce the annual amount of wood amendments needed for operation.

STAFF RECOMMENDATION: Staff recommends Council authorize the purchase of the D4L Centrifuge from Andritz Separation Inc. in the amount of \$390,400, with funds coming from the Sewer Capital Improvement Fund, WWTP Centrifuge Project No. 7519/17-03.

CITY MANAGER'S COMMENTS: I support Mark's recommendation to pre-purchase this centrifuge. It is critical that we have an operating system in place at all times to dewater sludge, and we haven't had a backup since we started running the plant. Given the age of the belt press, this is a wise move and one that Council supported when the project budget was approved. I am also comfortable with purchasing the centrifuge from one supplier given the company's excellent service over the years. Therefore, I request Council to approve this purchase as laid out in the memo.

ATTACHMENT:

Attachment A: Andritz Separation Inc proposal for the purchase of a centrifuge.

PROPOSED MOTION:

Move to approve the purchase of the D4L Centrifuge from Andritz Separation Inc. in the amount of \$390,400, with funds coming from the Sewer Capital Improvement Fund, WWTP Centrifuge Project No. 7519/17-03.

DECEMBER 8, 2016
Agenda Item V. d. Memo Page 4 of 4

Equipment Supply Proposal

City of Kodiak, AK - Kodiak WWTP

D4L Centrifuge Dewatering Skid

Proposal No: 1078157-1 Rev.1
Reference: Section 44 46 10
Date: 23-Nov-2016

By: Denis Piché
Tel: 403-650-4131
Email: denis.piche@andritz.com



Submitted to:
City of Kodiak Public Works

2410 Mill Bay Road
Kodiak, AK 99615
Attn: Mark Kozak
Tel (907) 486-8060
mkozak@city.kodiak.ak.us

ANDRITZ SEPARATION INC.

1010 Commercial Blvd S.
Arlington, Texas 76001, USA
Phone: +1 817 465 5611
Fax: +1 817 468 3961
www.andritz.com

Local Representative:
APSCO LLC
Joe Buckman
Tel: 573-795-9870
jbuckman@apsco-llc.com

TABLE OF CONTENTS

| | |
|---|-----------|
| Cover Letter | 3 |
| 1. Technical Summary | 4 |
| 1.1 Centrifuge Design Criteria | 4 |
| 1.2 Centrifuge Selection and Expected Performance | 4 |
| 1.3 Centrifuge Technical Data | 5 |
| 1.4 ANDRITZ Centrifuge Features | 7 |
| 2. Scope of Supply | 11 |
| 2.1 Skid Mounted Centrifuge | 11 |
| 2.2 Excluded from Andritz Scope of Supply | 14 |
| 3. Commercial Summary | 15 |
| 3.1 Firm Pricing..... | 15 |
| 3.2 Terms and Conditions..... | 15 |
| 3.3 Special Provisions | 15 |
| 3.4 Validity | 16 |
| 3.5 Terms of Payment | 16 |
| 3.6 Delivery..... | 16 |
| 3.7 Site Supervision..... | 16 |
| 4. Andritz Separation Inc. Standard Terms and Conditions of Sale | 17 |
| Appendix A – Preliminary Drawings | 19 |

Equipment Supply Proposal 1078157-1 Rev.1

TO: City of Kodiak Public Works
ATTENTION: Mark Kozak – Public Works Director
FROM: ANDRITZ Separation Inc.
DATE: November 23, 2016
SUBJECT: Kodiak WWTP – Sludge Dewatering Upgrade
EQUIPMENT: D4L Centrifuge Dewatering Skid

We are pleased to submit the attached Equipment Supply Proposal for the above referenced equipment. The D4L centrifuge being offered is based on a unit that we currently have in stock at our shop in Arlington, TX which will be ready to ship within 16 weeks from approved submittals. Please be advised that the equipment being offered by Andritz is all new equipment which includes a control panel with Allen-Bradley components. The skid package will include a cake discharge conveyor, and the control panel will be shipped loose for installation against the wall near the centrifuge skid. Wiring between the motors and control panel will be installed by a contractor on site.

ANDRITZ is recognized as a world leader in liquids/solids separation, and takes a great deal of pride in the experience, quality, performance, and customer satisfaction that we supply to our many clients. We trust that our quality, service and value will enable ANDRITZ to be the dewatering equipment supplier of choice for this project.

We look forward to working with the City of Kodiak on this project.

Sincerely,

ANDRITZ SEPARATION INC.



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1. Technical Summary

1.1 Centrifuge Design Criteria

| | |
|--|---|
| Application | Municipal Sludge Dewatering |
| Type of sludge | 35% Primary / 65% Secondary (by volume) |
| Feed solids concentration | 2.0 – 2.5% TS |
| Volatile solids content | 75-85 percent TSS |
| Sludge pH | 6 to 8 |
| Maximum solids load per week | 15,000 dry pounds per week |
| Dewatering hours per week | 20 hours per week |
| Maximum solids throughput | 750 dry pounds per hour |
| Sludge feed rate (not including polymer) | 60 gpm at 2.5% TS / 75 gpm at 2.0% TS |

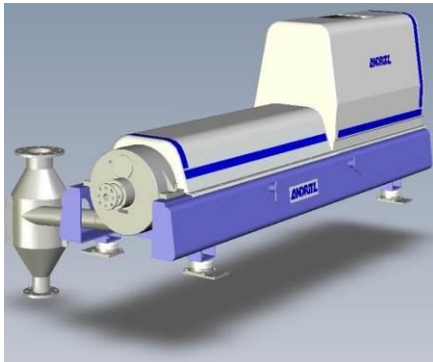
1.2 Centrifuge Selection and Expected Performance

| | |
|---------------------------------|---|
| Centrifuge Type | ANDRITZ D4L Decanter Centrifuge |
| Minimum Dewatered Sludge Solids | 20% TS |
| Minimum Solids Capture | 95% TSS |
| Maximum Polymer Dosage | 30 active lbs. of polymer per ton of dry solids |

Note: Equipment sizing and performance is based on lab tests conducted by Andritz for Kodiak WWTP, Reports L-11315 and L-13185.

1.3 Centrifuge Technical Data

1.3.1 General Machine Data



| | |
|------------------------------|--|
| Model Number: | D4L |
| Dimensions (L x W x H): | 3390 x 1100 x 1500 mm (133 x 43 x 59 in) |
| Dry Weight including drives: | 3,000 kg (6,600 lb) |
| Inside Bowl Diameter: | 430 mm (16.9 in) |
| Bowl Length: | 1521 mm (59.9 in) |
| Maximum bowl speed: | 3600 rpm |
| G value at maximum speed: | 3115 |
| Scroll type: | Counter-Current, High Performance |
| Type of drives: | AC, VFD controlled |
| Main drive motor: | 40 HP TEFC, 1800 RPM, 460V, 3ph, 60 Hz, High Efficiency |
| Backdrive motor size: | 10 HP TEFC, 1800 RPM, 460V, 3ph, 60 Hz, High Efficiency |
| Backdrive Control: | Variable speed drive with automatic torque control |
| Main Bearings: | Grease lubricated, with L10 life of 100,000 hours |
| Gearbox Type: | In-Line Cycloidal Reducer (Sumitomo) |
| Gearbox Torque Rating: | Nominal 5,000 N-m |
| Noise Level: | <85 dB(A) measured at nominal speed from 1m while empty |
| Vibration Level: | <4.5 mm/s maximum on bench test at nominal speed (ISO 10816-1) |
| Wash water flow rate: | 35-70 gpm for 15 minutes at 40-50 psi supply pressure |
| Air flow (de-aerator): | 200 m ³ /h (120 cfm) |
| Pond depth adjustment: | Adjustable sliding weir plates |
| Area Classification: | General / Non Classified |

1.3.2 Materials of Construction

| | |
|--------------------------|-------------------------------------|
| Bowl: | 2304 Duplex stainless steel |
| Feed Chamber: | 316L stainless steel |
| Solids Discharge: | 316L stainless steel |
| Scroll Conveyor: | 316L stainless steel |
| Scroll conveyor flights: | 316L stainless steel |
| Feed Pipe: | 316L stainless steel |
| Housing Casing: | 316L stainless steel |
| Frame: | Carbon steel, epoxy coated |
| Cover: | Fiberglass reinforced plastic (FRP) |
| Guards: | Fiberglass reinforced plastic (FRP) |
| Fasteners: | 316L stainless steel |
| Seals: | BUNA N |

1.3.3 Centrifuge Wear Protection

| | |
|--------------------------|---|
| Scroll Conveyor Flights: | Field-replaceable tungsten carbide tiles over full length of scroll |
| Feed Chamber: | Flame sprayed sintered carbide |
| Conveyor Feed Ports: | Field-replaceable sintered tungsten carbide inserts |
| Solids Discharge Ports: | Field-replaceable sintered tungsten carbide inserts |
| Solids discharge casing | Flame sprayed tungsten carbide or ceramic tile lining |
| Bowl Wall: | Integral cylinder and cone grooving |

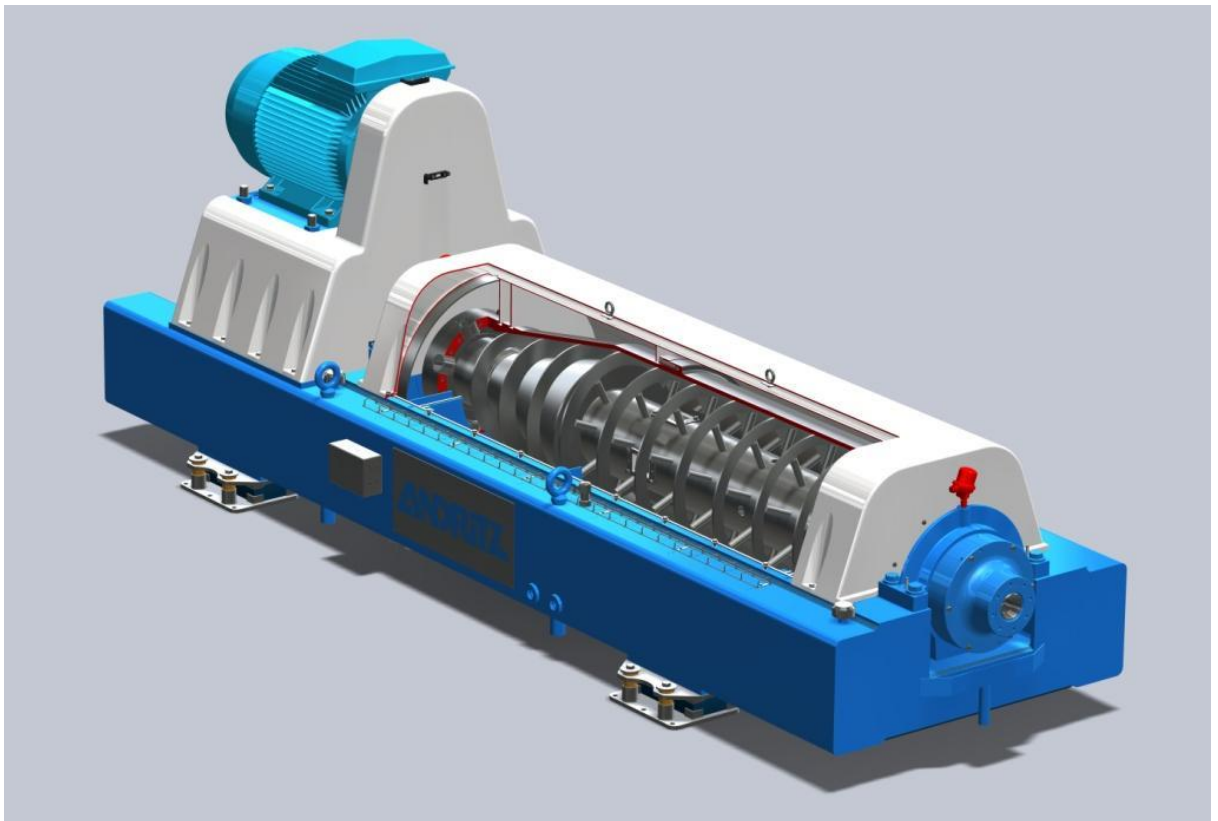
1.3.4 Instrumentation and Controls

| | |
|---------------------------|---|
| Power Input: | 460V, 3ph, 60 Hz |
| Centrifuge Control Panel: | NEMA 4X, SS316, UL508A listed |
| PLC: | Allen-Bradley CompactLogix 1769-L30ER PLC with Ethernet |
| Touchscreen: | Allen-Bradley PanelView PV+7 Standard 12" OIT |
| VFD: | Allen-Bradley 755 Series |
| Control modes: | Automatic torque control, Automatic clean-in-place |
| Area Classification: | General / Non-Classified |

1.4 ANDRITZ Centrifuge Features

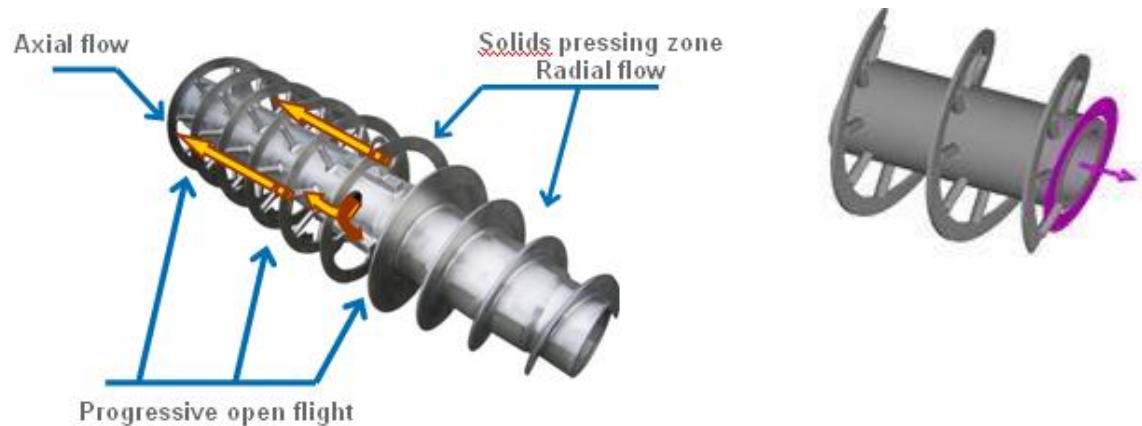
1.4.1 General Equipment Description

The ANDRITZ High Performance Decanter centrifuge is composed of a rotating assembly, driven by electrical motors, supported by two pillow blocks on a base frame. The rotating assembly includes a cylindrical and conical bowl, a scroll conveyor and a gear box, which creates the differential speed between the scroll conveyor and the bowl. The bowl and scroll are independently driven by variable speed drives.



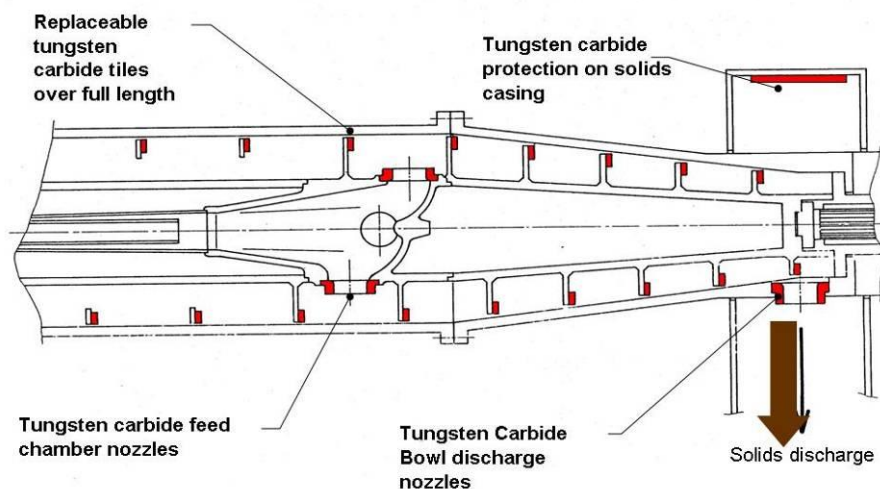
1.4.2 High Performance Scroll

The ANDRITZ High Performance scroll has been designed to increase solids residence time in the process area (to reach lower moisture content) while optimizing the clarified liquid flow, reducing hydraulic turbulences which hinder fines and suspended solids capture. Thanks to the open flight design, the clarified liquid travels axially towards the discharge area over the whole scroll section, instead of being led by a full flight around the scroll hub and in a direction opposite to the scroll displacement.



1.4.3 Abrasion Protection

Andritz offers the most comprehensive abrasion protection available to maximize the operating life of the bowl and scroll, and features field-replaceable components for ease of maintenance.





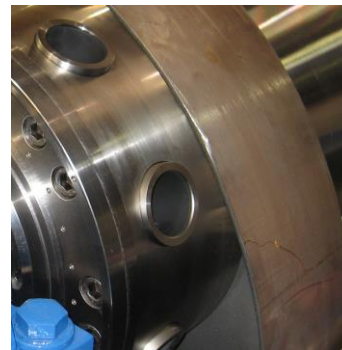
Tungsten carbide cake discharge ports



Machine grooved bowl



Scroll with tungsten carbide wear tiles



Tungsten Carbide lined feed port

1.4.4 Simplified Maintenance

The bowl and scroll are independently balanced at full operating speed prior to shipment, which allows for field repair or replacement of the scroll without the need to send the unit back to the factory for re-balancing. Andritz also offers a scroll exchange program to reduce spare parts inventory.

By installing the drives at the discharge end, the scroll can be easily removed from the feed end without dismantling the bowl or drive mechanism. Andritz provides the L-shaped lifting bar as part of their standard equipment supply. This makes it very easy to remove and inspect the scroll. Other centrifuge manufacturers typically require removal of the bowl from the frame and then removal of the scroll from the bowl.

Easy scroll removal without lifting the bowl or removing drives

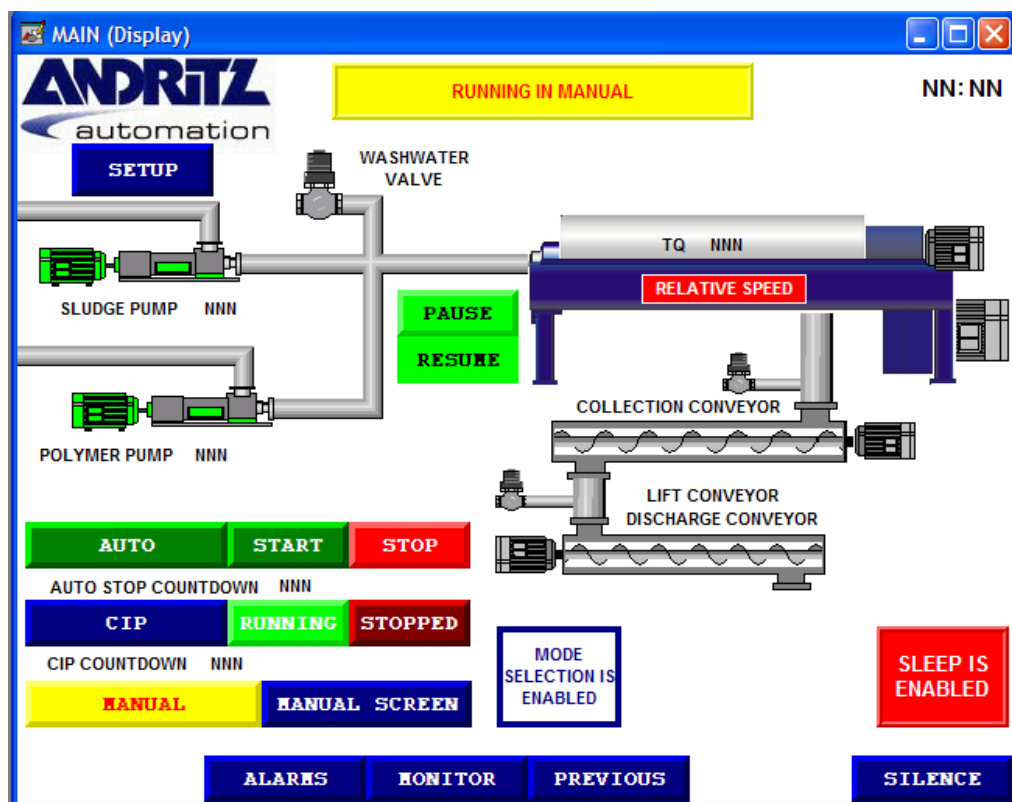


1.4.5 Operator-Friendly Controls

The ANDRITZ centrifuge is designed for continuous, attention-free operation. The advanced centrifuge control system allows full monitoring and adjustments of the system. The start-up and shutdown of the centrifuge can be programmed to occur outside of the operators' working hours and can also allow for 24/7 operation if required.

ANDRITZ supplies a complete control system with touch-screen interface which is capable of controlling the complete dewatering system including centrifuge, polymer system, sludge feed pump, wash-water flow and discharge conveyor. The control system allows for totally automatic operation with operational features including Early Start, Extended Run, Pause & Resume and One Touch. All Andritz centrifuge panels include a modem to assist the customer with remote monitoring, troubleshooting, and software upgrades.

The controls for the centrifuge are designed, programmed and assembled in-house in Arlington, Texas, and are not outsourced to third party vendors.



1.4.6 Local Service and Support

Field service for equipment and controls is provided directly by qualified Andritz personnel. All spare parts are available from our warehouse in Arlington, Texas. Andritz has 5 centrifuge service centers in North America.

2. Scope of Supply

2.1 Skid Mounted Centrifuge

| Item | Qty. | Description |
|------|-------|---|
| 1 | 1 ea. | <p>Andritz D4L Decanter Centrifuge, including:</p> <ul style="list-style-type: none"> • 2304 duplex solid bowl with machined internal grooves • 316L SS scroll conveyor with tungsten carbide tiles over full length • 316L Stainless steel wetted parts • Field-replaceable tungsten carbide feed ports and discharge ports • Fiberglass (FRP) bowl cover and drive guard • Baldor inverter duty motors: 40 HP main drive; 10 HP back drive • Power regeneration drive system • In-line one-stage cyclo speed inducer • Grease-lubricated bearings, L-10 for minimum 100,000 hours • De-aerator for centrate with vent and drain connection • Anti-vibration isolators • Feed manifold for sludge, wash water and polymer, SS316L • Flex connectors for sludge feed, centrate and solids discharge • Area Classification General/Non-Classified |
| 2 | 1 ea. | <p>Centrifuge Control Panel (CCP)</p> <ul style="list-style-type: none"> • NEMA 4X, 316SS freestanding enclosure, UL508A listed • Power supply 460V, 3ph, 60Hz • Allen Bradley CompactLogix 1769 L30ER PLC w/Ethernet • Allen Bradley PV+7 Standard 12" OIT • Allen-Bradley Powerflex PF755 (6 pulse) VFDs • Reversing starter for conveyor • Phoenix VPN router for remote connection • UPS for PLC • DC Buss fuses for VFD's • Main power disconnect switch • Control voltage transformer • Automatic torque control operation / automatic clean-in-place • Interlocks for polymer feed system, sludge pump, wash water supply and discharge conveyor • Area Classification General / Non-Classified |

| | | |
|---|-------|--|
| 3 | 1 lot | <p>Centrifuge Machine Wiring and Instruments</p> <ul style="list-style-type: none"> • Prewired NEMA 4X 316 SS Terminal Box • Two (2) RTD Bearing sensors mounted on the main bearings • One (1) Hardy Vibration sensor • Solenoid valve for centrifuge wash water control • Solenoid valve for conveyor wash water control • Rotameter for polymer solution local flow indication • Rotameter for wash water local flow indication • PVC Coated Conduit |
| 4 | 1 lot | <p>Centrifuge Skid Package and Conveyor, including:</p> <p>Reversing Screw Conveyor (shipped loose for field mounting):</p> <ul style="list-style-type: none"> • Inclined conveyor 12" dia x approx. 10 ft long with single discharge c/w flexible chute approx. 12-24 inches long • 10ga trough with ½" UHMW liners • One (1) 6" flanged drain and spray wash system • High Strength Alloy spiral • Flanged Drive Shaft, grade 1405 • Lot of 12 Ga. Flat Covers with (1) Inlet to match centrifuge discharge • 2HP NORD Drive with Integral NORD Premium Efficiency Motor • Siemens WM-100 Zero Speed Switch • CCC RS-2E E-Stop Pull Cable Switch • HDG Support Stands <p>Skid Assembly:</p> <ul style="list-style-type: none"> • Hot-dip galvanized structural steel skid base and centrifuge frame • FRP grating <p>Interconnecting Piping and Wiring:</p> <ul style="list-style-type: none"> • Deaerator Vent and Centrate piping • Control wiring from skid-mounted instruments to terminal panel • Power wiring to control panel and drive motors by others |
| 5 | 1 lot | <p>Special Tools Included with Equipment Supply</p> <ul style="list-style-type: none"> • One (1) scroll removal lifting device • One (1) pin extractor • One (1) scroll thrust bearing extractor • One (1) greasing set • One (1) set of wrenches • One (1) set of threaded rods • One (1) grease pump |

| | | |
|----|--------|--|
| 6 | 1 lot | <p>Spare Parts Included with Equipment Supply</p> <ul style="list-style-type: none"> • One (1) Set V-Belts • One (1) Set Main Bearings • One (1) Set O-rings and Seals • One (1) Year Supply of Lubricants |
| 7 | 1 lot | <p>Engineering and Documentation</p> <p>Andritz will supply the following documents (one e-copy and 3 hard copies):</p> <ul style="list-style-type: none"> • Arrangement drawings with dimensions for the Andritz scope • Motor list • Written sequence of operation including all interlocks • Control panel layout • Electrical drawings • Mechanical drawings • Terminal box details • Installation, operating and maintenance manuals • Spare Parts List |
| 8 | 1 lot | <p>Freight and insurance to jobsite (not including unloading):</p> <ul style="list-style-type: none"> • Road transport from Pittsburg, TX, to Seattle, WA via step deck trailer • Transport by ocean barge from Port of Seattle to Port of Anchorage, and then to Kodiak, AK • Unloading at Kodiak and transport to site by others |
| 9 | 1 trip | <p>Site Services - Installation Assistance and Functional Testing</p> <ul style="list-style-type: none"> • One trip with 4 days on site for installation assistance and functional testing |
| 10 | 1 trip | <p>Site Services - Training, Startup and Performance Testing</p> <ul style="list-style-type: none"> • One trip with 6 days on site for pre-start training (1 day), startup and performance testing (4 days), and post startup training (1 day) |
| 11 | 1 trip | <p>Site Services: Post-Startup Walkthrough</p> <ul style="list-style-type: none"> • One trip with 2 days on site after approx. 6 months of operation to review operator issues, assist with any troubleshooting and provide follow up operations and maintenance training |
| 12 | 1 lot | <p>Engineer Stamped Seismic Calculations</p> <ul style="list-style-type: none"> • Seismic calculations for skid including centrifuge supports and anchors, stamped by Alaska P.E. • Load information provided for skid foundation design by others |

2.2 Excluded from Andritz Scope of Supply

The Andritz scope of supply does not include the following items as may be necessary for equipment installation & operation to the performance levels specified:

- Civil and structural engineering work, including design & supply of structural steel & concrete as needed for support of the Andritz supplied equipment
- Static calculations of foundations, building and building plans (Andritz will furnish load data)
- Building modifications
- Platforms and access stairs or ladders
- All utilities required for operation and erection
- Unloading and unpacking at site
- Cranes or other lifting devices to install equipment
- Electrical wiring outside of panel
- Other instruments not specified in our scope of supply / outside of panel
- On-site wiring, piping or installation
- Interconnecting piping, valves, fittings, drain hoses, etc. outside of skid
- Sludge feed pump
- Sludge flowmeter
- Polymer system
- Polymer flowmeter
- Wash water pump
- Centrate pump and tank
- Polymer for testing

3. Commercial Summary

3.1 Firm Pricing

| Item | Qty | Description | Firm Price (US Dollars) |
|---|--------|---|-------------------------|
| 1 | 1 ea. | ANDRITZ D4L Decanter Centrifuge | \$ 378,000.00 |
| 2 | 1 ea. | NEMA 4X Control Panel | Incl. in Item 1 |
| 3 | 1 lot | Centrifuge Machine Wiring and Instruments | Incl. in Item 1 |
| 4 | 1 lot | Skid Package and Conveyor | Incl. in Item 1 |
| 5 | 1 lot | Special Tools | Incl. in Item 1 |
| 6 | 1 lot | Spare Parts | Incl. in Item 1 |
| 7 | 1 lot | Engineering and Documentation | Incl. in Item 1 |
| 8 | 1 lot | Freight FOB Jobsite | Incl. in Item 1 |
| 9 | 1 trip | Services - Installation Assistance and Functional Testing | Incl. in Item 1 |
| 10 | 1 trip | Services - Training, Startup and Performance Testing | Incl. in Item 1 |
| 11 | 1 trip | Services - Post Start-up Walkthrough | \$ 7,200.00 |
| 12 | 1 lot | Engineer Stamped Seismic Calculations | \$ 5,200.00 |
| TOTAL FIRM PRICE FOR One (1) D4L Skid Mounted Centrifuge Price given in US Dollars, FOB Jobsite, excluding taxes | | | \$ 390,400.00 |

3.2 Terms and Conditions

This proposal is based on the attached Andritz Separation “Standard Terms and Conditions of Sale”.

3.3 Special Provisions

- Prices quoted are in US Dollars.
- Pricing quoted is FOB Jobsite, and does not include unloading.
- Price does not include bonds, if required these will be at extra cost.
- Pricing does not include any local, state or federal taxes, permits or other fees. Any taxes or fees that may apply must be added to the quoted price and paid by the buyer.

3.4 Validity

This proposal is valid for a period of sixty days.

3.5 Terms of Payment

Andritz Separation agrees to the following payment terms (on a net 30 day basis):

- 30% of Order Value upon return of Approved Submittals
- 60% of Order Value upon Delivery
- 10% of Order Value upon Completion of Startup and Performance Testing

3.6 Delivery

Approval Drawings: 4 weeks after written acceptance of Order
Ready to Ship (from Texas): 16 weeks after return of Approved Submittals

3.7 Site Supervision

Andritz will provide additional field services for \$1,500.00 per day plus expenses, eight (8) hours/day. Travel days will be charged at \$1000.00 per day for weekday travel and \$1500.00 per day for weekend and holiday travel. At the request of the Purchaser, overtime service will be provided at a rate of 1.5 times quoted rates for weekdays and 2.0 times quoted rates for weekends. Expenses are defined as the cost of travel from Seller's plant to the point of installation and return, together with all living expenses during the period of service.

The above charges shall be made for time involved including delays which are beyond the Seller's control.

4. Andritz Separation Inc. Standard Terms and Conditions of Sale

1. TERMS APPLICABLE

The Terms and Conditions of Sale listed below are the exclusive terms and conditions applicable to quotations made and orders acknowledged by the ANDRITZ entity supplying the same ("Seller") for the sales of products, equipment and parts relating thereto ("Products"). If this quotation or acknowledgment contains terms additional to or different from those offered by Buyer, then any acceptance by Seller is expressly made conditional upon Buyer's assent to such additional or different terms. Any of Buyer's terms and conditions that are in addition to or different from those contained herein, which are not separately agreed to by Seller in writing, are hereby objected to and shall be of no effect. [The term "this Agreement" as used herein means this quotation or acknowledgment or purchase order, together with any attachment hereto, any documents expressly incorporated by reference and these Terms and Conditions of Sale.]

2. DELIVERY

Delivery dates are good faith estimates and do not mean that "time is of the essence." Buyer's failure to promptly make advance or interim payments, supply technical information, drawings and approvals will result in a commensurate delay in delivery. Upon and after delivery, risk of loss or damage to the Products shall be Buyer's. Delivery of the Products hereunder will be made on the terms agreed to by the parties as set forth in this Agreement, according to INCOTERMS 2010.

3. WARRANTY

(a) Seller warrants to Buyer that the Products manufactured by it will be delivered free from defects in material and workmanship. This warranty shall commence upon delivery of the Products and shall expire on the earlier to occur of 12 months from initial operation of the Products and 18 months from delivery thereof (the "Warranty Period"). If during the Warranty Period Buyer discovers a defect in material or workmanship of a Product and gives Seller written notice thereof within 10 days of such discovery, Seller will, at its option, either deliver to Buyer, on the same terms as the original delivery was made, according to INCOTERMS 2010, a replacement part or repair the defect in place. Any repair or replacement part furnished pursuant to this warranty are warranted against defects in material and workmanship for one period of 12 months from completion of such repair or replacement, with no further extension. Seller will have no warranty obligations for the Products under this paragraph 3(a): (i) if the Products have not been operated and maintained in accordance with generally approved industry practice and with Seller's specific written instructions; (ii) if the Products are used in connection with any mixture or substance or operating condition other than that for which they were designed; (iii) if Buyer fails to give Seller such written 10 day notice; (iv) if the Products are repaired by someone other than Seller or have been intentionally or accidentally damaged; (v) for corrosion, erosion, ordinary wear and tear or in respect of any parts which by their nature are exposed to severe wear and tear or are considered expendable; or (vi) for expenses incurred for work in connection with the removal of the defective articles and reinstallation following repair or replacement.

(b) Seller further warrants to Buyer that at delivery, the Products manufactured by it will be free of any liens or encumbrances. If there are any such liens or encumbrances, Seller will cause them to be discharged promptly after notification from Buyer of their existence.

(c) THE EXPRESS WARRANTIES SELLER MAKES IN THIS PARAGRAPH 3 ARE THE ONLY WARRANTIES IT WILL MAKE. THERE ARE NO OTHER WARRANTIES, WHETHER STATUTORY, ORAL, EXPRESS OR IMPLIED. IN PARTICULAR, THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(d) The remedies provided in paragraphs 3(a) and 3(b) are Buyer's exclusive remedy for breach of warranty.

(e) With respect to any Product or part thereof not manufactured by Seller, Seller shall pass on to Buyer only those warranties made to Seller by the manufacturer of such Product or part which are capable of being so passed on.

4. LIMITATION OF LIABILITY

Notwithstanding any other provision in this Agreement, the following limitations of liability shall apply:

(a) In no event, whether based on contract, tort (including negligence), strict liability or otherwise, shall Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies be liable to Buyer or any third party for loss of profits, revenue or business opportunity, loss by reason of shutdown of facilities or inability to operate any facility at full capacity, or cost of obtaining other means for performing the functions performed by the Products, loss of future contracts, claims of customers, cost of money or loss of use of capital, in each case whether or not foreseeable, or for any indirect, special, incidental or consequential damages of any nature.

(b) The aggregate liability of Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies, for all claims of any kind for any loss, damage, or expense resulting from, arising out of or connected with the Products or this Agreement or from the performance or breach thereof, together with the cost of performing make good obligations to pass performance tests, if applicable, shall in no event exceed the contract price. The foregoing notwithstanding, Seller's aggregate liability for any claims for (a) delay in delivery shall not exceed 5% and (b) failure to achieve performance requirements, shall not exceed 10% of the contract price.

(c) The limitations and exclusions of liability set forth in this paragraph 4 shall take precedence over any other provision of this Agreement and shall apply whether the claim of liability is based on contract, warranty, tort (including negligence), strict liability, indemnity, or otherwise. The remedies provided in this Agreement are Buyer's exclusive remedies.

(d) All liability of Seller, its officers, directors, employees, subcontractors, suppliers or affiliated companies, resulting from, arising out of or connected with the Products or this Agreement or from the performance or breach thereof shall terminate on the third anniversary of the date of this Agreement.

5. CHANGES, DELETIONS AND EXTRA WORK

Seller will not make changes in the Products unless Buyer and Seller have executed a written Change Order for such change. Any such Change Order will include an appropriate adjustment to the contract price and delivery terms. If the change impairs Seller's ability to satisfy any of its obligations to Buyer, the Change Order will include appropriate modifications to this Agreement. If, after the date of this quotation or acknowledgment, new or revised governmental requirements should require a change in the Products, the change will be subject to this paragraph 5.

6. TAXES

Seller's prices do not include any sales, use, excise or other taxes. In addition to the price specified herein, the amount of any present or future sales, use, excise or other tax applicable to the sale or use of the Products shall be billed to and paid by Buyer unless Buyer provides to Seller a tax-exemption certificate acceptable to the relevant taxing authorities.

7. SECURITY INTEREST

Seller shall retain a purchase money security interest and Buyer hereby grants Seller a lien upon and security interest in the Products until all payments hereunder have been made in full. Buyer acknowledges that Seller may file a financing statement or comparable document as required by applicable law and may take all other action it deems reasonably necessary to perfect and maintain such security interest in Seller and to protect Seller's interest in the Products.

8. SET OFF

Neither Buyer nor any of its affiliates shall have any right to set off claims against Seller or any of its affiliates for amounts owed under this Agreement or otherwise.

9. PATENTS

Unless the Products or any part thereof are designed to Buyer's specifications and provided the Product or any part thereof is not used in any manner other than as specified or approved by Seller in writing, (i) Seller shall defend against any claims made in a suit or proceeding brought against Buyer by an unaffiliated third party that any Product infringes a device claim of a United States or a Canadian patent issued as of the effective date of this Agreement and limited to the field of the specific Products provided under this Agreement, provided Seller is notified promptly in writing and given the necessary authority, information and assistance for the defense of such claims; (ii) Seller shall satisfy a final judgment (after all appeals) for damages entered against Buyer on such claims, so long as such damages are not attributable to willful conduct or sanctioned litigation conduct; and (iii) if such judgment enjoins Buyer from using any Product, then Seller will, at its option: (a) obtain for Buyer the right to continue using such Product or part; (b) eliminate the infringement by replacing or modifying all or part of the Products; or (c) take back such Product or part and refund to Buyer all payments on the purchase price that Seller has received. The foregoing states Seller's entire liability for patent infringement by any Product or part thereof.

10. SOFTWARE LICENSE, WARRANTY, FEES

The following Software Terms and Conditions apply to any embedded or separately packaged software produced by Seller and furnished by Seller hereunder:

(a) Seller hereby grants to Buyer a non-exclusive, non-transferable, non-sub-licensable license to the Software, and any modifications made by Seller thereto only in connection with configuration of the Products and operating system for which the Software is ordered hereunder, and for the end-use purpose stated in the related Seller operating documentation. Buyer agrees that neither it nor any third party shall modify, reverse engineer, decompile or reproduce the Software, except Buyer may create a single copy for backup or archival purposes in accordance with the related Seller operating documentation (the "Copy"). Buyer's license to use the Software and the Copy of such Software shall terminate upon any breach of this Agreement by Buyer. All copies of the Software, including the Copy, are the property of Seller, and all copies for which the license is terminated shall be returned to Seller with written confirmation after termination.

(b) Seller warrants that, on the date of shipment of the Software or the Products containing the Software to Buyer: (1) the Software media contain a true and correct copy of the Software and are free from material defects; (2) Seller has the right to grant the license hereunder; and (3) the Software will function substantially in accordance with the related Seller operating documentation.

(c) If within 12 months from the date of delivery of the Software or Products containing the Software, Buyer discovers that the Software is not as warranted above and notifies Seller in writing prior to the end of such 12 month period, and if Seller determines that it cannot or will not correct the nonconformity, Buyer's and Buyer's Seller-authorized transferee's exclusive remedies, at Seller's option, are: (1) replacement of the nonconforming Software; or (2) termination of this license and a refund of a pro rata share of the contract price or license fee paid.

(d) If any infringement claims are made against Buyer arising out of Buyer's use of the Software in a manner specified by Seller, Seller shall: (i) defend against any claim in a suit or proceeding brought by an unaffiliated third party against Buyer that the Software violates a registered copyright or a confidentiality agreement to which Seller was a party, provided that Seller is notified promptly in writing and given the necessary authority, information and assistance for the defense and settlement of such claims (including the sole authority to select counsel and remove the Software or stop accused infringing usage); (ii) Seller shall satisfy a final judgment (after all appeals) for damages entered against Buyer for such claims, so long as such damages are not attributable to willful conduct or sanctioned litigation conduct; and (iii) if such judgment enjoins Buyer from using the Software, Seller may at its option: (a) obtain for Buyer the right to continue using such Software; (b) eliminate the infringement by replacing or modifying the Software, or (c) take back such Software and refund to Buyer all payments on the purchase price that Seller has received. However, Seller's obligations under this Paragraph 10 shall not apply to the extent that the claim or adverse final judgment relates to: (1) Buyer's running of the Software after being notified to discontinue; (2) non-Seller software, products, data or processes; (3) Buyer's alteration of the Software; (4) Buyer's distribution of the Software to, or its use for the benefit of, any third party; or (5) Buyer's acquisition of confidential information (a) through improper means; (b) under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (c) from a third party who owed to the party asserting the claim a duty to maintain the secrecy or limit the use of the confidential information. Buyer will reimburse Seller for any costs or damages that result from actions 1 to 5. In Seller's discretion and at Seller's own expense, with regard to any actual or perceived infringement claim related to the Software, Seller may: (i) procure the right to use the Software, (ii) replace the Software with a functional equivalent, and/or (iii) modify the Software. Under (ii) and (iii) above, Buyer shall immediately stop use of the allegedly infringing Software.

(e) This warranty set forth in subparagraph (c) above shall only apply when: (1) the Software is not modified by anyone other than Seller or its agents authorized in writing; (2) there is no modification in the Products in which the Software is installed by anyone other than Seller or its agents authorized in writing; (3) the Products are in good operating order and installed in a suitable operating environment; (4) the nonconformity is not caused by Buyer or a third party; (5) Buyer promptly notifies Seller in writing, within the period of time set forth in subparagraph (c) above, of the nonconformity; and (6) all fees for the Software due to Seller have been timely paid. **SELLER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH REGARD TO THE SOFTWARE, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING AND USAGE OF TRADE.**

(f) Buyer and its successors are limited to the remedies specified in this Paragraph 10.

(g) Any subsequent modifications or enhancements to the Software made by Seller are, at Seller's option, subject to a fee.

11. TERMINATION

Buyer may only terminate its order upon written notice to Seller and upon payment to Seller of Seller's termination charges, which shall be specified to Buyer and shall take into account among other things expenses (direct and indirect) incurred and commitments already made by Seller and an appropriate profit; provided, that in no event shall Seller's termination charges be less than 25% of the contract price. Seller shall have the right to suspend

and/or terminate its obligations under this Agreement if payment is not received within 30 days of due date. In the event of the bankruptcy or insolvency of Buyer or in the event of any bankruptcy or insolvency proceeding brought by or against Buyer, Seller shall be entitled to terminate any order outstanding at any time during the period allowed for filing claims against the estate and shall receive reimbursement for its cancellation charges.

12. CONFIDENTIALITY

Buyer acknowledges that the information which Seller submits to Buyer in connection with this quotation, acknowledgment or performance of this Agreement includes Seller's confidential and proprietary information, both of a technical and commercial nature. Buyer agrees not to disclose such information to third parties without Seller's prior written consent. Seller grants to Buyer a non-exclusive, royalty-free, perpetual license to use Seller's confidential and proprietary information for purposes of this Agreement and the Products that are the subject hereof only. Buyer further agrees not to permit any third party to fabricate the Products or any parts thereof from Seller's drawings or to use the drawings other than in connection with this Agreement. Buyer will defend and indemnify Seller from any claim, suit or liability based on personal injury (including death) or property damage related to any Product or part thereof which is fabricated by a third party without Seller's prior written consent and from and against related costs, charges and expenses (including attorneys fees). All copies of Seller's drawings shall remain Seller's property and may be reclaimed by Seller at any time.

13. END USER

If Buyer is not the end user of the Products sold hereunder (the "End User"), then Buyer will use its best efforts to obtain the End User's written consent to be bound to Seller by the provisions hereof. If Buyer does not obtain such End User's consent, Buyer shall defend and indemnify Seller and Seller's agents, employees, subcontractors and suppliers from any action, liability, cost, loss, or expense for which Seller would not have been liable or from which Seller would have been indemnified if Buyer had obtained such End User's consent.

14. FORCE MAJEURE

(a) Force Majeure Defined. For the purpose of this Agreement "Force Majeure" will mean all unforeseeable events, beyond the reasonable control of either party which affect the performance of this Agreement, including, without limitation, acts of God, acts of or advisory of governmental or quasi-governmental authorities, laws or regulations, strikes, lockouts or other industrial disturbances, acts of public enemy, wars, insurrections, riots, epidemics, pandemics, outbreaks of infectious disease or other threats to public health, lightning, earthquakes, fires, storms, severe weather, floods, sabotage, delays in transportation, rejection of main forgings and castings, lack of available shipping by land, sea or air, lack of dock lighthouse or loading or unloading facilities, inability to obtain labor or materials from usual sources, serious accidents involving the work of suppliers or sub-suppliers, thefts and explosions.

(b) Suspension of Obligations. If either Buyer or Seller is unable to carry out its obligations under this Agreement due to Force Majeure, other than the obligation to make payments due hereunder, and the party affected promptly notifies the other of such delay, then all obligations that are affected by Force Majeure will be suspended or reduced for the period of Force Majeure and for such additional time as is required to resume the performance of its obligations, and the delivery schedule will be adjusted to account for the delay.

(c) Option to Terminate. If the period of suspension or reduction of operations will extend for more than four (4) consecutive months or periods of suspension or reduction total more than six (6) months in any twelve (12) month period, then either Buyer or Seller may terminate this Agreement.

15. INDEMNIFICATION AND INSURANCE

(a) Indemnification. Seller agrees to defend and indemnify Buyer from and against any third-party claim for bodily injury or physical property damage ("Loss") arising in connection with the Products provided by Seller hereunder or the work performed by Seller hereunder, but only to the extent such Loss has been caused by the negligence, willful misconduct or other legal fault ("Fault") of Seller. Buyer shall promptly tender the defense of any such third-party claim to Seller. Seller shall be entitled to control the defense and resolution of such claim, provided that Buyer shall be entitled to be represented in the matter by counsel of its choosing at Buyer's sole expense. Where such Loss results from the Fault of both Seller and Buyer or a third party, then Seller's defense and indemnity obligation shall be limited to the proportion of the Loss that Seller's Fault bears to the total Fault.

(b) Insurance. Seller shall maintain commercial general liability insurance with limits of not less than \$2,000,000 per occurrence and in the aggregate covering claims for bodily injury (including death) and physical property damage arising out of the Products. Seller will provide a Certificate of Insurance certifying the existence of such coverages upon request.

16. GENERAL

(a) Seller represents that any Products or parts thereof manufactured by Seller will be produced in compliance with all applicable federal, state and local laws applicable to their manufacture and in accordance with Seller's engineering standards. Seller shall not be liable for failure of the Products to comply with any other specifications, standards, laws or regulations.

(b) This Agreement shall inure only to the benefit of Buyer and Seller and their respective successors and assigns. Any assignment of this Agreement or any of the rights or obligations hereunder, by either party without the written consent of the other party shall be void.

(c) This Agreement contains the entire and only agreement between the parties with respect to the subject matter hereof and supersedes all prior oral and written understandings between Buyer and Seller concerning the Products and any prior course of dealings or usage of the trade not expressly incorporated herein.

(d) This Agreement may be modified, supplemented or amended only by a writing signed by an authorized representative of Seller. Seller's waiver of any breach by Buyer of any terms of this Agreement must also be in writing and any waiver by Seller or failure by Seller to enforce any of the terms and conditions of this Agreement at any time, shall not affect, limit or waive Seller's right thereafter to enforce and compel strict compliance with every term and condition thereof.

(e) (i) If the Products are delivered or performed in the United States, this Agreement and the performance thereof will be governed by and construed according to the laws of the State of Georgia.

(ii) In the circumstances of (i) above, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, or to the Products provided pursuant hereto, shall be definitively settled by arbitration, to the exclusion of courts of law, administered by the American Arbitration Association ("AAA") in accordance with its Construction Industry Arbitration Rules in force at the time this Agreement is signed and to which the parties declare they will adhere (the "AAA Rules"), and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction over the party against whom enforcement is sought or having jurisdiction over any of such party's assets. The arbitration shall be conducted in Atlanta, Georgia by a panel of three members, one of whom will be appointed by each of Buyer and Seller and the third of whom will be the chairman of the panel and will be appointed by mutual agreement of the two party appointed arbitrators. All arbitrators must be persons who are not employees, agents, or former employees or agents of either party. In the event of failure of the two party appointed arbitrators to agree within forty five (45) days after submission of the dispute to arbitration upon the appointment of the third arbitrator, the third arbitrator will be appointed by the AAA in accordance with the AAA Rules. In the event that either of Buyer or Seller fails to appoint an arbitrator within thirty (30) days after submission of the dispute to arbitration, such arbitrator, as well as the third arbitrator, will be appointed by the AAA in accordance with the AAA Rules.

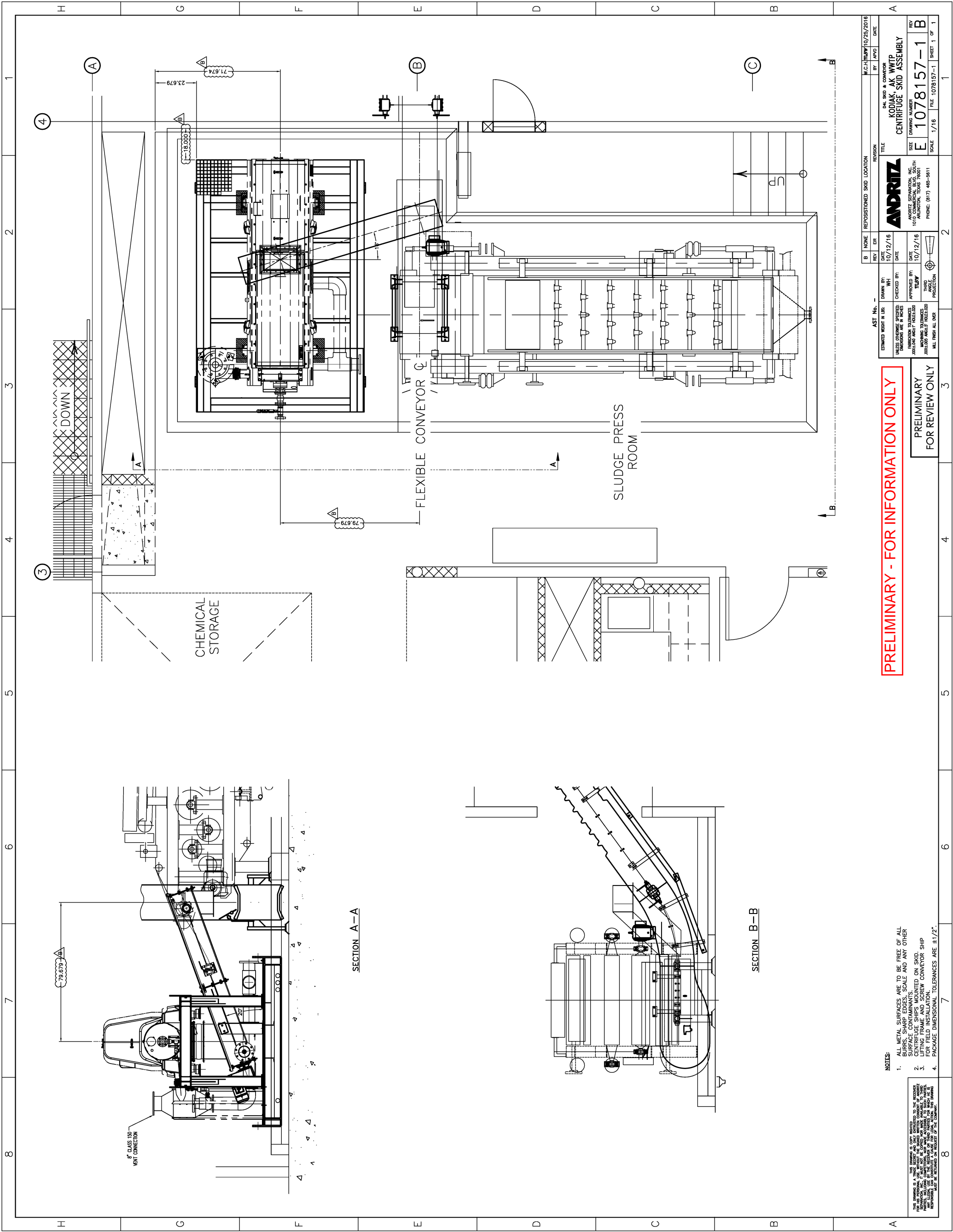
(f) (i) If the Products are delivered or performed in Canada, this Agreement and the performance thereof will be governed by and construed according to the laws of the Province of New Brunswick.

(ii) In the circumstances of (i) above, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, or to the Products provided pursuant hereto, shall be definitively settled under the auspices of the Canadian Commercial Arbitration Centre ("CCAC"), by means of arbitration and to the exclusion of courts of law, in accordance with its General Commercial Arbitration Rules in force at the time the Agreement is signed and to which the parties declare they will adhere (the "CCAC Rules"), and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction over the party against whom enforcement is sought or having jurisdiction over any of such party's assets. The arbitration shall be conducted in Saint John, New Brunswick by a panel of three arbitrators, one of whom will be appointed by each of Buyer and Seller and the third of whom will be the chairman of the arbitral tribunal and will be appointed by mutual agreement of the two party appointed arbitrators. All arbitrators must be persons who are not employees, agents, or former employees or agents of either party. In the event of failure of the two party appointed arbitrators to agree within forty five (45) days after submission of the dispute to arbitration upon the appointment of the third arbitrator, the third arbitrator will be appointed by the CCAC in accordance with the CCAC Rules. In the event that either of Buyer or Seller fails to appoint an arbitrator within thirty (30) days after submission of the dispute to arbitration, such arbitrator, as well as the third arbitrator, will be appointed by the CCAC in accordance with the CCAC Rules.

(g) The parties hereto have required that this Agreement be drawn up in English. Les parties aux présentes ont exigé que la présente convention soit rédigée en anglais.

Apr 2014 Rev.

Appendix A – Preliminary Drawings



PRELIMINARY - FOR INFORMATION ONLY

PRELIMINARY
FOR REVIEW ONLY

- NOTES:**
1. ALL METAL SURFACES ARE TO BE FREE OF ALL BURRS, SHARP EDGES, SCALE AND ANY OTHER DEBRIS CONTAINING OILS.
 2. CENTRIFUGES TO BE MOUNTED ON SKID.
 3. LIFTING FRAME AND SCREW CONVEYOR SHIP FOR FIELD INSTALLATION.
 4. PACKAGE DIMENSIONAL TOLERANCES ARE ±1/2".

THIS DRAWING IS A "BIDDING DOCUMENT" AND IS NOT TO BE USED FOR CONSTRUCTION. IT IS THE RESPONSIBILITY OF THE CONTRACTOR TO VERIFY ALL DIMENSIONS AND CONDITIONS OF THE WORK BEFORE BEGINNING. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AUTHORITIES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES.

| | | | |
|-----|----------|----|------|
| REV | DATE | BY | DATE |
| 1 | 10/12/16 | WH | |
| 2 | 10/12/16 | | |

| | | | |
|-----------|----------|----|------|
| AST No. | DATE | BY | DATE |
| 1078157-1 | 10/12/16 | WH | |
| 1078157-1 | 10/12/16 | | |

| | | |
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| DATE | BY | DATE |
| 10/12/16 | WH | |
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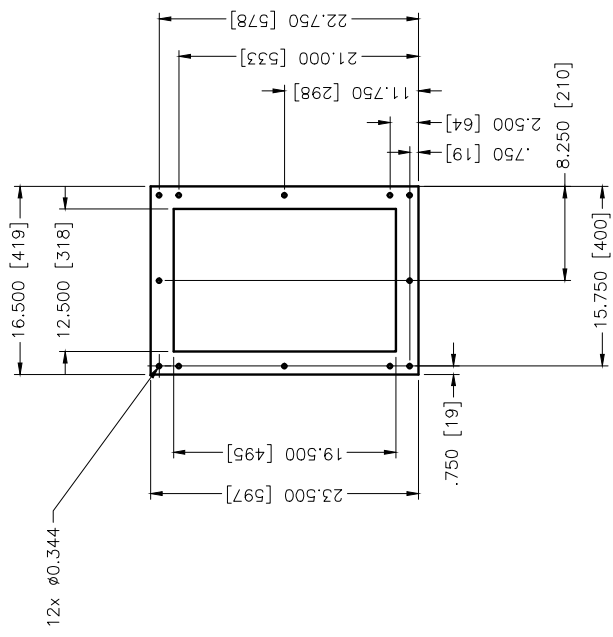
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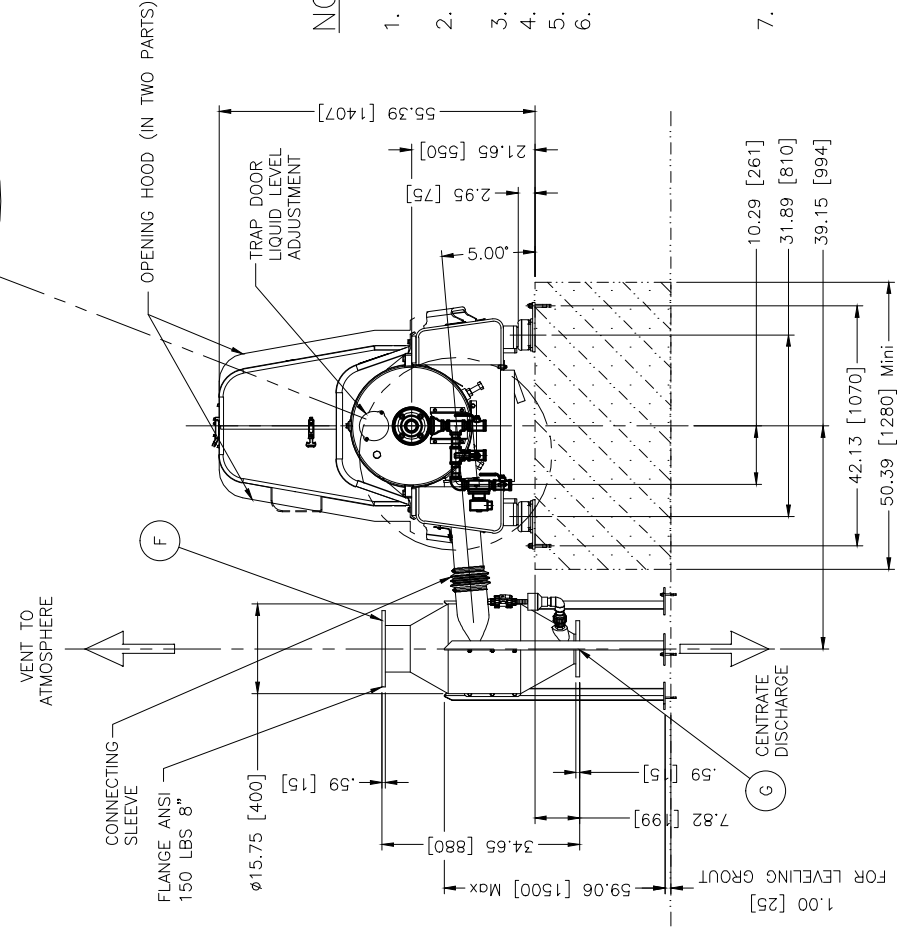
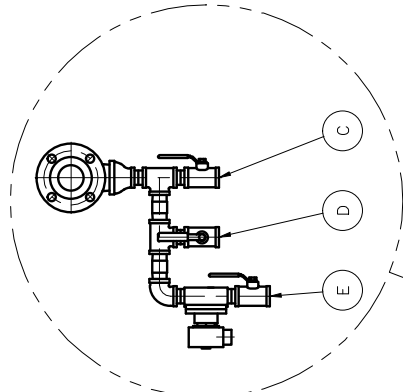
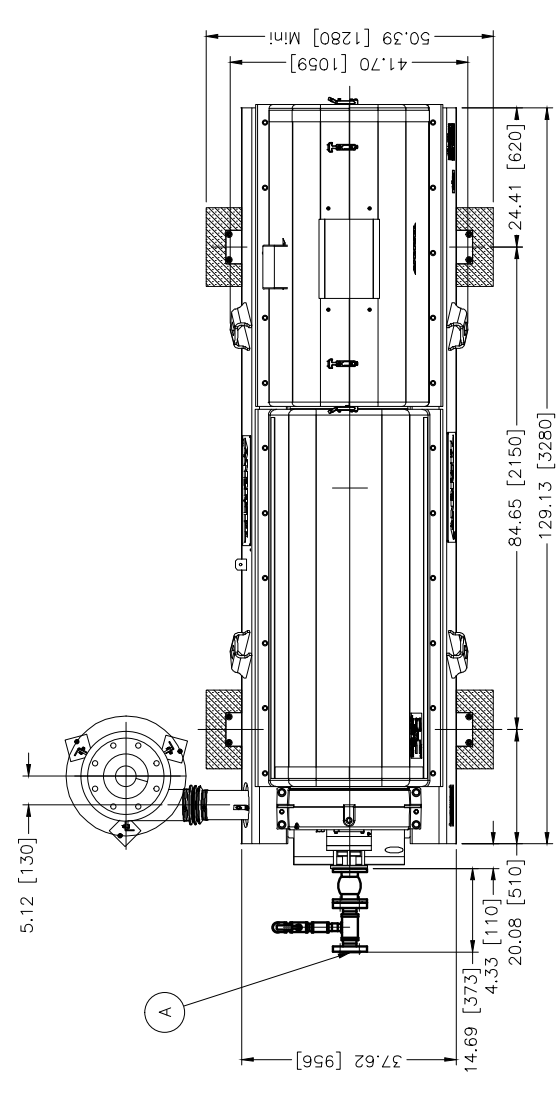
ANDRITZ
ANDRITZ CORPORATION, INC.
1010 COMMERCIAL BLVD., SUITE 100
ARLINGTON, TEXAS 76010
PHONE (817) 466-9811

FILE 1078157-1 SHEET 1 OF 1

| PIPING CONNECTIONS | |
|--------------------|---------------------------------|
| PORT | DESCRIPTION |
| A | 2"-150 LB ANSI FLANGE |
| B | RECTANGULAR SEDIMENTS DISCHARGE |
| C | 1" NPT |
| D | 1" NPT |
| E | 1" NPT |
| F | 8"-150 LB ANSI FLANGE |
| G | 5"-150 LB ANSI FLANGE |

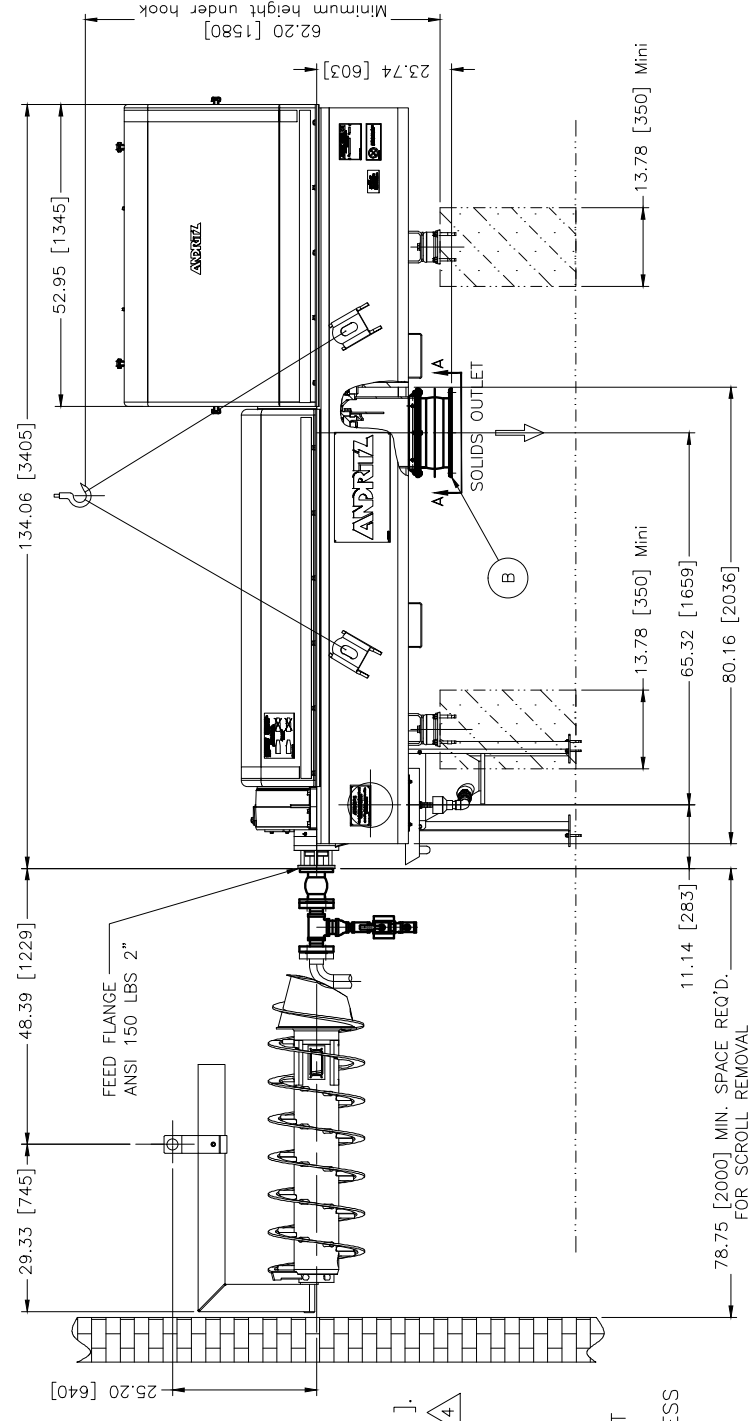


VIEW A-A
SCALE: 1/8



NOTES:

1. ALL PIPING TO AND FROM MACHINE TO BE COMPLETED WITH FLEXIBLE CONNECTIONS.
2. SEE FOUNDATION DETAILS FOR DESIGN LOADS AND CONNECTION DETAILS.
3. ALL DIMENSIONS ARE IN INCHES WITH MM IN [].
4. DRY WEIGHT OF MACHINE 6,744 lb [3,059 kg].
5. SCROLL WEIGHT 1124 lb [510 kg].
6. PROCESS REQUIREMENTS
WASHWATER: 35.2-70.4GPM @ 43.5-58PSI
SHUTDOWN: 15min
CIP: 10min
AIR FLOW: 118CFM
MINIMUM SLUDGE INLET PRESSURE: 7.5 PSI AT CENTRIFUGE FEED FLANGE.
7. ALL CHUTES TO BE SUPPORTED BY OTHERS UNLESS NOTED OTHERWISE.



FOR INFORMATION ONLY
NOT FOR CONSTRUCTION PURPOSES

| REV | DATE | BY | REVISION |
|-----|----------|-----|----------|
| 4 | 05/19/15 | CDH | DH |
| 3 | 01/14/13 | LER | DH |
| 2 | 02/01/12 | dKw | TB |
| 1 | 09/26/11 | OG | TB |

| | | |
|-----------------------------|------------------------|----------|
| ESTIMATED WEIGHT IN LBS: | DRAWN BY: | DATE: |
| UNLESS OTHERWISE SPECIFIED: | TB | 04/13/15 |
| DIMENSIONS ARE IN INCHES | CHECKED BY: | DATE: |
| FABRICATION TOLERANCES | APPROVED BY: | DATE: |
| .XXX±.040 ANG±1° HOLE±.020 | TB | 10/08/02 |
| MACHINING TOLERANCES | THIRD ANGLE PROJECTION | |
| .XXX±.005 ANG±.5° HOLE±.020 | | |
| MILL FINISH ALL OVER | | |

| | | | | | | | | |
|---|------|-------------------------|----------|--------|---------|-----|----|----------|
| 4 | NONE | CHECKED AGAINST 60819-1 | 19-02-14 | NOTE 4 | CHANGED | CDH | DH | 05/19/15 |
| 3 | NONE | GENERAL REVISION | | | | LER | DH | 01/14/13 |
| 2 | NONE | 48343 WAS | 39.66 | | | dKw | TB | 02/01/12 |
| 1 | NONE | UPDATED GRAPHICS | | | | OG | TB | 09/26/11 |

| | |
|---------------------|------------------------|
| TITLE | D4 SERIES - FILE: D/41 |
| GENERAL ARRANGEMENT | |
| DRAWING NUMBER | DMA1643 |
| REV | 4 |

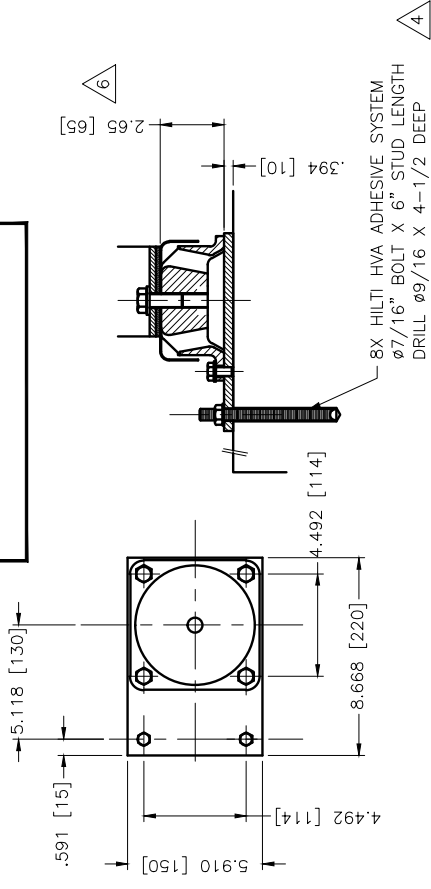
| | | | | | |
|-------|------|------|---------|-------|--------|
| SCALE | 1/16 | FILE | DMA1643 | SHEET | 1 OF 1 |
|-------|------|------|---------|-------|--------|

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| THEORETICAL TOTAL LOAD TO DISTRIBUTE AMONG THE 4 ISOLATORS (IN NORMAL OPERATION) | | | |
|---|-------------------------|---|-----------------------|
| STATIC LOAD | WEIGHT OF EMPTY MACHINE | EQUI. FREQ. | AFTER ISOLATOR |
| | 6,744 [3,059 kg] | 41.7 HZ | +/- 13 LBS [59 N] |
| X 1.2 (WITH PRODUCT) = | 2,500 RPM | +/- 663 LBS [2,950 N] | +/- 16 LBS [73 N] |
| | 3,000 RPM | +/- 818 LBS [3,640 N] | +/- 18 LBS [82 N] |
| | 3,500 RPM | +/- 922 LBS [4,100 N] | +/- 674 LBS [3,000 N] |
| | 400 RPM | +/- 96 LBS [428.57 N] | |
| TOTAL PRACTICAL LOAD TO CONSIDER FOR CALCULATION OF THE FOUNDATION (TO DISTRIBUTE AMONG THE 4 ISOLATORS) | | | |
| VERTICAL | | STATIC = 6,744 LBS [30,000 N] X 1.2 = | 8,093 LBS [36,000 N] |
| HORIZONTAL | | DYNAMIC* = 8,093 LBS [36,000 N] X 10% = | 809 LBS [3,600 N] |
| | | TOTAL = | 8,902 LBS [39,600 N] |
| | | DYNAMIC = 8,093 LBS [36,000 N] X 10% = | 809 LBS [3,600 N] |

(* WHILE SHUT DOWN OF MACHINE, AND IN CASE OF ABNORMAL OR ACCIDENTAL UNBALANCE

ISOLATOR NOTE!
APPLY LOCITITE TO ALL VIBRATION ISOLATOR HARDWARE DURING INSTALLATION.

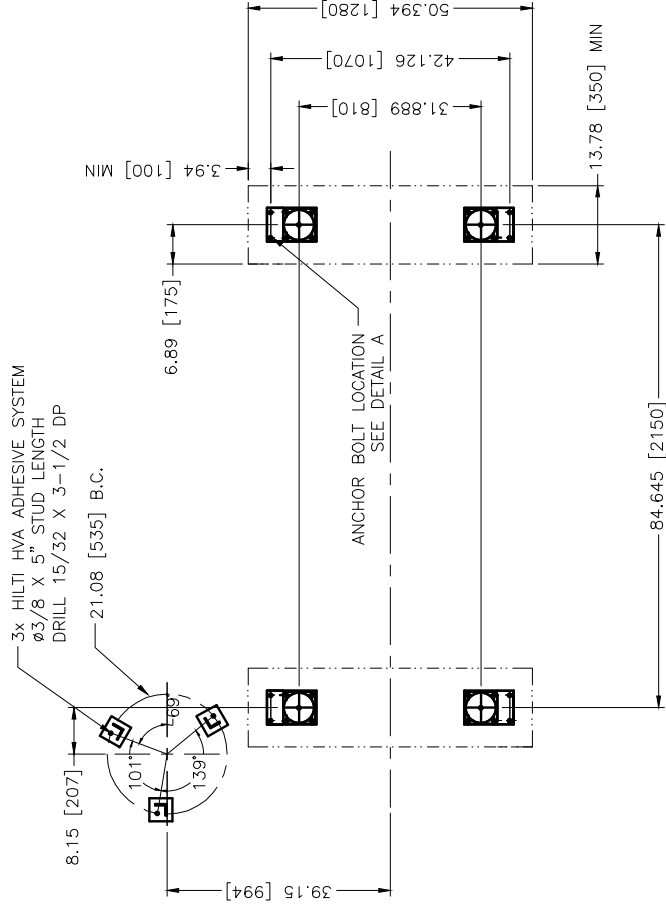


DETAIL A
SCALE: 1/4

NOTES:

- ALL DIMENSIONS ARE IN INCHES WITH mm IN [].
- THE FOUNDATION DESIGN SHOWN INDICATES MINIMUM REQUIREMENTS FOR CLEARANCE AND DRAINAGE. ACTUAL FOUNDATION DESIGN AND CONSTRUCTION TO BE FURNISHED BY OTHERS.
- ALL PIPING TO AND FROM THE MACHINE TO BE COMPLETED WITH FLEXIBLE CONNECTIONS.
- ALL VIBRATION ISOLATION PADS TO BE LEVEL TO WITHIN 1/32".
- APPROXIMATE WEIGHT:
TOTAL MACHINE EMPTY: 6,744 lbs [3,059 kg]
TOTAL MACHINE FULL (WATER): 8093 lbs [3,671 kg]
SCROLL-LIFTING BEAM: 1124 lbs [510 kg]

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FINAL HEIGHT TO BE DETERMINED BY CONTRACTOR



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| REV | DATE | DESCRIPTION | BY | APPROVED | DATE |
|-----|---------|--|-----|----------|---------|
| 1 | 11/1/12 | REVISED AND REDRAWN COMPLETE | LER | | 11/1/12 |
| 2 | | UPDATED NOTES | | | |
| 3 | | UPDATED NOTES | | | |
| 4 | | CHANGED ANCHOR BOLT FROM 1/2 DIA. TO 7/16 DIA FOR TO HOLE CHANGE | | | |
| 5 | | REVISED LOAD TABLE PER REV 1 TO DWG 60819 | | | |
| 6 | | REVISED PER UP DATE 60819-1 19/02/14 | | | |

ANDRITZ
ANDRITZ-RUTHNER, INC.
1010 COMMERCIAL BLVD. SOUTH
ARLINGTON, TEXAS 76001
PHONE: (817) 465-5611



ESTIMATED WEIGHT IN LBS:
UNLESS OTHERWISE SPECIFIED:
DIMENSIONS ARE IN INCHES
FABRICATION TOLERANCES
.XXX±.040 ANG±1° HOLE±.020
MACHINING TOLERANCES
.XXX±.005 ANG±.5° HOLE±.020
MILL FINISH ALL OVER

THIRD ANGLE PROJECTION

DATE: 11/1/12
DRAWN BY: LER
CHECKED BY:
APPROVED BY:

TITLE: D4 SERIES - FILE: D/41 FOUNDATION DETAILS
DRAWING NUMBER: DMF1298
SCALE: 1/16 FILE: DMF1298
SHEET 1 OF 1

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Mike Tvenge, Deputy City Manager 
Date: December 8, 2016

Agenda Item: V. e. Authorization of Purchase of Interpretive Panels

SUMMARY: Local historians Anjuli Grantham and Bruce Schactler have designed a series of displays depicting Kodiak's salmon cannery history. These artistic panels include a narrative depiction of the industry. Ms. Grantham and Mr. Schactler have asked the City to purchase, install, and maintain this display for the benefit of the community. Council and the public have seen renditions of the design, and staff recommends Council approve this purchase and installation of Kodiak's salmon history to be placed on the Brechan Building downtown.

PREVIOUS COUNCIL ACTION: Council has had presentations of this display during two separate work sessions and indicated support for the project.

DISCUSSION: Ms. Grantham and Mr. Schactler have researched this topic and coordinated with Astrid Mueller to design a six panel display for the City. This display is compatible with the recent salmon waste bins placed throughout downtown. Mr. Schactler was instrumental in helping with that project as well, and the City ordered the bins and installed them; much the same process requested here.

Sample designs were presented during Council work sessions along with costs for design, purchase, and estimated shipping costs of the panels to Kodiak. The City now has permission through a Memorandum of Agreement (Attachment A) to install and display the panels (Attachment B) on the South wall of the Brechan Building across from the Harbor office. The costs associated with the design, manufacture, and shipping (Attachment C) total approximately \$16,000. Staff recommends Council authorize an amount not to exceed \$18,000 for this purchase to cover any unexpected costs. Public Works will be responsible for the installation and maintenance of the panels, but there are no installation costs included in these figures.

ALTERNATIVES:

- 1) Approve the purchase of the interpretive panels as described, which is staff's recommendation, because Council has expressed support for this display.
- 2) Do not approve or delay purchase of the panels, which is not recommended and would be inconsistent with previous Council support and direction.

FINANCIAL IMPLICATIONS: The estimated project total cost provided by Ms. Grantham is approximately \$16,000, but staff requests Council to approve the project in an amount not-to-exceed \$18,000, not including installation by Public Works. Funding for this project is in the General Capital Project Fund, Downtown Revitalization Project, Project No. 4039. The project has a current balance of \$145,000. The maintenance of the panels is projected to be minimal for several years, as the design includes 3M vinyl laminated on sheet aluminum protected with an acrylic panel.

LEGAL: The City Attorney reviewed the MOA between the City and Brechan/Alagnak Inc. The panels will remain the property of the City, and permission to install and display these interpretive panels is authorized by the attached MOA.

STAFF RECOMMENDATION: Staff recommends Council authorize purchase and shipment of the interpretive panels in an amount not to exceed \$18,000 with funds coming from the General Capital Project Fund, Downtown Revitalization Project, Project No. 4039.

CITY MANAGER'S COMMENTS: Anjuli Grantham and Bruce Schactler have worked to preserve this piece of Kodiak's fishing history, and I see this as a benefit to our community by displaying for all to see. I appreciate the cooperation of Mark Anderson with ALAGNAK INC. for recognizing the importance of this history and providing space for the display in a highly visible location downtown.

ATTACHMENTS:

Attachment A: City and ALAGNAK INC. Memorandum of Agreement

Attachment B: Placement of interpretive panels drawing

Attachment C: Design, manufacture and shipping quotes

PROPOSED MOTION:

Move to authorize the purchase and shipment of the interpretive panels in an amount not-to-exceed \$18,000 with funds coming from the General Capital Project Fund, Downtown Revitalization Project, Project No. 4039.



MEMORANDUM of AGREEMENT

Interpretive Panels of Kodiak's Salmon Canneries

This agreement is made and entered into by Alagnak Incorporated (Alagnak Inc.) 2705 Mill Bay Road and City of Kodiak Alaska, (City) 710 Mill Bay Road for the purpose of installing and maintaining the Interpretive Panels on the Brechan Building at 502 West Marine Way.

This agreement by mutual consent allows the City to install and maintain up to six (6) Interpretive Panels depicting Kodiak's Salmon Cannery history, designed and produced by Bruce Schactler, Anjuli Grantham and Astrid Mueller LLC. The panels will remain the property of the City.

Alagnak Inc. and the City mutually agree to the following:

The City or an approved designee shall install and maintain at the City's expense, the Interpretive Panels on the Brechan Building for a period of five (5) years beginning on the effective date.

The City has the right to extend the term of this agreement for three additional one year periods.

The installation process and methods shall be provided to Alagnak Inc. for pre-approval prior to installation.

If by mutual written agreement the panels are no longer serving the benefit or become unsightly because of weather, vandalism, or some other means the City reserves the right to repair, replace, or remove the panels and restore the building fasten points to the owners reasonable satisfaction.

Both parties (Alagnak Inc. and City) will provide and maintain individual insurance policy coverage as necessary for the display of the panels.

This is a public and private partnership agreement and both parties agree there will be no fee or cost for the display of the panels on the building.

Approved by:

Mark Anderson 11/29/16

Mark Anderson Date

ALAGNAK, INC.

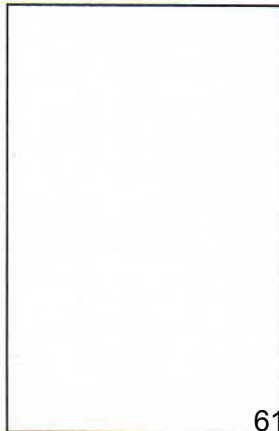
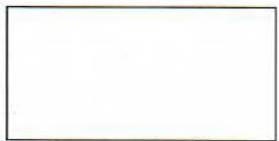
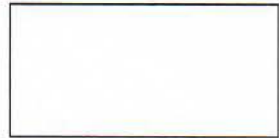
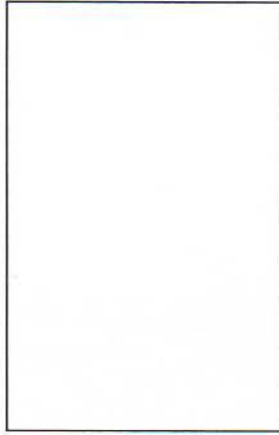
Aimée Kniazowski 11/29/16

Aimée Kniazowski Date

City Manager

Brechan Building, Marine Way Elevation
Showing placement of interpretive panels

Not to Scale



History in a Can: Interpretive Signs for Downtown Kodiak

October 26, 2016

| <u>Vendor</u> | <u>Materials/ Services</u> | <u>Bid</u> |
|-----------------------|---|------------|
| Bruce Schactler | Project Coordination | \$0 |
| Anjuli Grantham | Research, Writing, Image Use Fees | \$5300 |
| Astrid Mueller, LLC | Graphic Design | \$2500 |
| Graphic Works | Panel Fabrication | \$4077 |
| Packaging Store | Packing Panels for Shipping to Kodiak | \$350 |
| Professional Plastics | Acrylic Sheets, Shipping to Seattle | \$2910 |
| Span Alaska | Acrylic shipping from Seattle to Kodiak | \$491 |
| | Panel shipping from Anchorage to Kodiak | \$208 |

Anjuli Grantham
Writer, Historian, Producer

415 Carolyn St. Apt B Kodiak, Alaska 99615
anjuligrantham@gmail.com
www.anjuligrantham.com
206-437-1734

July 21, 2016

Project: Interpretive Panels on Kodiak's Salmon Canneries

Client: City of Kodiak

Description of Services: Anjuli Grantham will lead the interpretive planning and writing of the panels about Kodiak's salmon cannery history, including historical research, writing panel text and locating and selecting images. She will interface with the graphic designer to create the outdoor exhibit.

Bid for Services: \$5000

From **Astrid Mueller, LLC**
 registered at:
 P.O. Box 1943
 Kodiak, AK 99615
 U.S.A.

TAX ID# 26-4382240

Bank information:
 Credit Union 1, 1941 Abbott Rd.,
 Anchorage, AK 99507-3448, USA
 Checking account # 60815228252
 Beneficiary: Astrid Mueller LLC
 Routing # 325272063
 Charter # 66157
 *the bank has no swift/bic but
 accepts international transfers*

Mailing address for checks:
 Astrid Mueller LLC
 P.O. Box 1943
 Kodiak, AK 99615

Paypal account:
 Astrid@AstridMueller.com

Estimate Id **106**
 Issue Date 02/11/2016
 Subject Graphic Design for INTERPRETIVE SIGNS
 DOWNTOWN KODIAK

Estimate For **Anjuli Grantham**

| Item Type | Description | Quantity | Unit Price | Amount |
|----------------------------|---|----------|------------|-----------------|
| brand design - concepts | <p>STEP 1 – CREATING DESIGN DRAFTS</p> <p>With provided information and visuals, creating layout drafts to define and approve design direction. Time will include font research, color palette definition, overall styling definition, in accordance to desired look, feel, purpose and the audience that will benefit of the signs.</p> <p>The chosen layout concept will serve as basis for the refinement and the actual design.</p> <p>Billed hourly, according to actual time spent. Estimating 3-5 hours</p> | 4.00 | \$150.00 | \$600.00 |

| Item Type | Description | Quantity | Unit Price | Amount |
|-------------------------|---|----------|------------|-------------------|
| brand design - concepts | <p>STEP 2 - REFINEMENT & FINALIZING OF SIGNS</p> <p>Filling with actual content and final pictures, and finalizing the signs, in close collaboration with the project lead, to achieve purpose and desired results.</p> <p>Time will depend on how many signs, and how many revisions are requested. Recommended big time saver: Sharing finalized or near-finalized content with me, and avoiding big changes later in the project. Such late changes can increase the design time quite a bit.</p> <p>Billed hourly, according to actual time spent. The time may be lower, depending on complexity.</p> | 8.00 | \$150.00 | \$1,200.00 |
| brand design - concepts | <p>OPTIONAL STEP - SIMPLE GRAPHICS</p> <p>Pricing for such graphics / illustrations can vary quite a bit, depending on complexity.</p> <p>This amount would be enough to create up to 5 simple graphics or 1-2 more complex ones.</p> | 1.00 | \$700.00 | \$700.00 |
| hourly rates | <p>HOURLY RATE - DESIGN: Other design services and graphic design are billed hourly, for you still at our original hourly rate of \$150/hr.</p> <p>HOURLY RATE - COMMUNICATION & SERVICE: For the duration of our design project, up to 2 hours communication time is complementary per month (emails / calls). Additional time spent is invoiced at \$100/hr.</p> <p>HOURLY RATE - CONSULTING: Initial consulting session in context with briefing and project preparation is complementary. I will also offer ideas and recommendations for your business along the way as we work together, whenever I come across something where I see opportunities. Further requested consulting services are billed hourly at \$150/hr</p> | 1.00 | \$0.00 | \$0.00 |

Estimate Total \$2,500.00

Notes

GENERAL TERMS & CONDITIONS

1. Time for Payment

\$500 down payment upon design start, and rest upon completion, payable within 14 days.

2. Delivery Time

Not known yet. Assuming 3-6 weeks for full design project.

3. Default in Payment

In the event the account is turned over for collection, The Client agrees to pay all costs and attorney's fees. The fees described above do not include fees for revisions requested by The Client after approval of the design rendering.

4. Sales Tax

The Client shall be responsible for the payment of sales tax, if any such tax is due.

5. Cancellation

In the event of cancellation or breach by the Client, the Designer shall retain ownership of all rights of copyright and the original artwork, including sketches and any other preliminary materials. The Client shall pay the Designer according to the following schedule: 30% of original full project estimate if cancelled after preliminary sketches or roughs are completed, 100% if cancelled after completion of finished project. The usage rights are not transferred until the Designer has received the full payment. If a project is cancelled after the initial down payment has been made, any not used funds will be refunded within 30 days of the notice.

6. File Formats

Templates for external production will be set-up in Design Software such as Photoshop or InDesign. Templates for internal-use only can also be set-up in standard programs such as Microsoft Office. Design programs are best, but if Microsoft Office is requested, I can make it work for you.

7. Alterations

The templates will be specifically set-up to be altered by you and your team. You'll have all usage rights and design files. The introduction training should cover everything you need to use them, but I'll be happy to assist, come in for additional training if needed, or expand / change templates in the future as needed (additional charges may apply).

8. Recognizability to actual persons in illustrations

not applicable.

9. Revisions

Revisions not listed in the above offer and/or revisions, which are not due to the fault of the Designer, shall be billed separately, at the standard hourly rate as mentioned in the offer, or according to an additional flat fee, which would be calculated by the Designer beforehand.

10. Unauthorized Use

Both Client and Designer will make a good faith effort to resolve any possible disputes. Should these attempts fail, the Client will indemnify the Designer against all claims and expenses, including reasonable attorney's fees, arising from uses for which no release was requested in writing or for uses exceeding the authority granted by a release.

11. Warranty of Originality

The Designer warrants and represents that, to the best of his/her knowledge, the work assigned hereunder is original and has not been previously published, or that consent to use has been obtained on an unlimited basis: that all work or portions thereof obtained through the undersigned from third parties is original or, if previously published, that consent to use has been obtained on an unlimited basis: that the Designer has full authority to make this agreement: and that the work prepared by the Designer does not contain any scandalous, libelous, or unlawful matter. This warranty does not extend to any uses that the Client or others may make of the Designer's product that may infringe on the rights of others. Client expressly agrees that it will hold the Designer harmless for all liability caused by the Client's use of the Designer's product to the extent such use infringes on the rights of others.

12. Limitation of Liability

Client agrees that it shall not hold the Designer or his/her agents or employees liable for any incidental or consequential damages that arise from the Designer's failure to perform any aspect of the Project in a timely manner, regardless of whether such failure was caused by intentional or negligent acts or omissions of the Designer or a third party.

Designer holds Client harmless from and against any and all judgments and related costs and expenses arising out of, or concerning Designer's rights in, the material provided.

13. Dispute Resolution

Both Client and Designer will make a good faith effort to resolve any possible disputes. Should these attempts fail, the first step would be the Small Claims Court, Anchorage, Alaska. Any disputes in excess of \$ 10'000.— (maximum limit for small-claims court Anchorage, Alaska) arising out of this Agreement shall be submitted to binding arbitration before a mutually agreed-upon arbitrator pursuant to the rules of the American Arbitration Association. The Arbitrator's award shall be final, and judgment may be entered in any court having jurisdiction thereof. The Client shall pay all arbitration and court costs, reasonable attorney's fees, and legal interest on any award of judgment in favor of the Designer. Any action pursued in Small Claims Court shall take place in Anchorage, Alaska.

14. Permission to show artwork

Upon completion of the project, the Client gives the Designer permission to show all artworks in her portfolios, without limitation in media,

location or time (Designer's website, further portfolio websites, promotional mailings etc.). By doing so, the Designer will not violate any non-disclosure agreement, trade or marketing secret. The Designer agrees to always give accreditation to the Client in her portfolio whenever she shows the artwork created for this project. The Designer will wait until the designs have been released by the Client for publication, or until the Client has published the designs.

15. Usage rights

For any brand design and branding work, the Client obtains the exclusive rights to use all illustrations and designs without time limit, in all media, for the promotion, marketing and communication of the Client's company. Further usage rights, such as the right to produce and sell illustrations on merchandise for sale, have to be negotiated in addition to this contract, beforehand and in writing. Without any other written agreement, the copyright remains with the Designer.

The Designer will not use or resell the images stated herein again to other parties, unless a mutual agreement has been reached beforehand in writing.

16. Grant of Rights

The grant of reproduction rights is conditioned on receipt of full payment.

17. Credit Line:

Client does their best to give credit to the Designer whenever showing an artwork by the Designer. For instance, credit will be given on websites, with a link to the Designer's website, whenever illustrations or other designs by the Designer are used. Credit does not have to be given to the Designer on promotional items such as business cards and on other items that are not for sale, especially where the credit line would disrupt the quality of the overall design. Good faith will be made to credit the Designer as often as possible.

18. Acceptance of Terms

The Client's consent via email and payment of the down payment shall evidence acceptance of these terms.



GraphicWorks Inc.

5611 silverado way, building d
anchorage, alaska 99518

p 907.272.7400

f 907.272.7473

w graphicworks.net

Estimate #: 16169

| | |
|---------------------------------------|-------------------------------------|
| Created Date: 07/06/2016 | Prepared For: City of Kodiak |
| Salesperson: Lillie Roberts | Contact: Bruce Schactler |
| Office Phone: (907) 272-7400 | Office Phone: (907) 738-6451 |
| Office Fax: (907) 272-7473 | Office Fax: (907) - |
| Email: lillie@graphicworks.net | Email: BSchactler@ak.net |

Description: Outdoor signs - option

| | | Quantity | Unit Price | Subtotal |
|----------|---|----------|------------|------------|
| 1 | Product: VWALLMURAL Description: 3M Lustre Vinyl on .080 Aluminum 5' W x 10' H Width: 60 in Height: 120 in | 3 | \$925.00 | \$2,775.00 |

Notes

Pricing does not include mounting hardware, crating or shipping to Kodiak.

Alaska's only 3M Scotchprint Graphics Authorized Manufacturer and Certified Graphics Installation Company.

Jobs estimated over \$1,500 require 50% deposit with balance due upon completion. All deposits are nonrefundable after 90 days.

Subtotal: \$2,775.00

Total: \$2,775.00

Payment Terms: 50% Dep / Net 30

Client Reply Request

Estimate accepted "As Is". Please proceed with order.

Changes required, please contact me.

SIGN: _____ **Date:** / /



GraphicWorks Inc.
 5611 silverado way, building d
 anchorage, alaska 99518
 p 907.272.7400
 f 907.272.7473
 w graphicworks.net

Estimate #: 16170

| | |
|---------------------------------------|-------------------------------------|
| Created Date: 07/06/2016 | Prepared For: City of Kodiak |
| Salesperson: Lillie Roberts | Contact: Bruce Schactler |
| Office Phone: (907) 272-7400 | Office Phone: (907) 738-6451 |
| Office Fax: (907) 272-7473 | Office Fax: (907) - |
| Email: lillie@graphicworks.net | Email: BSchactler@ak.net |

Description: Outdoor signage - smaller sign

| | | Quantity | Unit Price | Subtotal |
|----------|---|----------|------------|------------|
| 1 | Product: VWALLMURAL | 3 | \$434.00 | \$1,302.00 |
| | Description: 3M Lustre Vinyl on .080 Aluminum 3' W x 5' H | | | |
| | Width: 36 in Height: 60 in | | | |
| | | Quantity | Unit Price | Subtotal |
| 2 | Product: VWALLMURAL | 3 | \$225.00 | \$675.00 |
| | Description: 3M Lustre Vinyl on .080 Aluminum 2' W x 5' H | | | |
| | Width: 24 in Height: 60 in | | | |

Notes

Pricing does not include mounting hardware, crating or shipping to Kodiak.
 Alaska's only 3M Scotchprint Graphics Authorized Manufacturer and Certified Graphics Installation Company.
 Jobs estimated over \$1,500 require 50% deposit with balance due upon completion. All deposits are nonrefundable after 90 days.

Subtotal: \$1,977.00
Total: \$1,977.00

Payment Terms: 50% Dep / Net 30

Client Reply Request

- Estimate accepted "As Is". Please proceed with order.
- Changes required, please contact me.

SIGN: _____ **Date:** / /



3815 W Valley Hwy N
 Auburn, WA 98001

| QUOTE PREPARED FOR: | | QUOTED BY: | |
|---------------------|-------------------------|------------|---------------------|
| Name: | LILLIE ROBERTS | Name: | Paris Hall |
| Company: | GRAPHICWORKS OMC | Phone: | |
| Phone: | (907) 272 - 7400 | Fax: | |
| Fax: | | E-Mail: | Rate@Spanalaska.com |
| E-mail | lillie@graphicworks.net | CC: | |

RATE QUOTATION
 07/18/2016
 Quote #2090696

Origin: ANCHORAGE, AK

Dest: KODIAK, AK

| Description of Shipment or Assessorial Charge | Pcs | L | W | H | Service | Equip Type | Tot Wt | UOM Basis | Total Qty | Min Qty | Rate | Total |
|---|-----|---|---|---|---------|------------|--------|--------------------|-----------|---------|-------|--------|
| ALUMINUM SIGNS 3@120X59X1 3@60X36X1 1@124X64X4 | 7 | | | | Ship | LTL | 475 | Per hundred Pounds | 475.00 | | 38.84 | 184.49 |
| Fuel Surcharges | | | | | Ship | | | percent | | | 12.50 | 23.06 |

Total 207.55

Grand Total: 207.55

Notes:

QUOTED BUSINESS ANCHORAGE, AK TO BUSINESS DOOR KODIAK, AKTHANK YOU PARIS

1. FSC CHANGE NOTIFICATION: Effective 7/10/2016, the fuel surcharge to Alaska, via steamship service, will be changing to 12.5%.
2. You can get rate quotes and schedule pick-ups by calling 800-257-7726. Email addresses for Rates: "rate@spanalaska.com" / Local pick-ups: "auburndispatch@spanalaska.com" / Lower-48 & Inbound Routing: "route@spanalaska.com".
3. Credit Card payments are subject to 3% processing surcharge.
4. Rate quote is valid for a period of 45 days from date of issue, but subject to underlying carriers tariff rate changes.
5. Rates quoted are furnished as a convenience to our customers and are no more than an approximation of freight charges. Actual charges will be determined by the freight characteristics and scope of work actually performed. Additional charges may be incurred for actions taken but not specified withi
6. Rates shown are subject to fuel surcharges in effect on date of receipt of shipment.
7. Shipments of hazardous materials will be subject to additional surcharges.
8. Shipments received lacking a bill of lading, such as those from parcel carriers (UPS, FedEx, etc.) will be subject to a handling fee of \$8.50 per shipment. Shipments will be subject to any limitation of liability / released valuation set forth by the parcel or package carrier's contract of service.
9. Shipments tendered to Span Alaska Transportation are subject to all provisions of Surface Transportation Board tariff STB SPAJ 300
10. Unless credit has been expressly approved by Span Alaska's credit department in writing, payment must be made in full before release of goods at destination. For a credit application please go to "Forms" at spanalaska.com.
11. Unless otherwise indicated, this quote is based on a business to business move, providing one pick up and one delivery. Shipments destined to military bases, schools, churches, government facilities and other such secured locations will be subject to a limited access fee.
12. Unless otherwise indicated, this quote is based on a business to business move. If either origin or destination is a private residence, additional charges will apply. It will also require approval prior to quoting and/or service being provided.
13. Used articles, personal effects and household goods when accepted for transport are subject to a released value of \$.60 per pound unless otherwise declared in writing on the bill of lading.



3815 W Valley Hwy N
Auburn, WA 98001

| QUOTE PREPARED FOR: | | QUOTED BY: | |
|---------------------|-------------------|------------|----------------------|
| Name: | BRUCE | Name: | Kory Smith |
| Company: | KODIAK CITY OF | Phone: | |
| Phone: | (907) 486 - 8640 | Fax: | |
| Fax: | | E-Mail: | Rate@Spanalaska.com |
| E-mail | BSCHACTLER@AK.NET | CC: | DOUGM@SPANALASKA.COM |

RATE QUOTATION
07/20/2016
Quote #2092483

Origin: AUBURN, WA

Dest: KODIAK, AK

| Description of Shipment or Assessorial Charge | Pcs | L | W | H | Service | Equip Type | Tot Wt | UOM Basis | Total Qty | Min Qty | Rate | Total |
|---|-----|-----|----|---|---------|------------|--------|--------------------|-----------|---------|-------|--------|
| ACRYLIC SHEETS | 1 | 120 | 60 | 6 | Ship | LTL | 750 | Per hundred Pounds | 750.00 | | 58.18 | 436.35 |
| Fuel Surcharges | | | | | Ship | | | percent | | | 12.50 | 54.54 |

Total 490.89

Notes:

Grand Total: 490.89

QUOTED FROM SPAN TERMMINAL IN AUBURN

1. FSC CHANGE NOTIFICATION: Effective 7/10/2016, the fuel surcharge to Alaska, via steamship service, will be changing to 12.5%.
2. You can get rate quotes and schedule pick-ups by calling 800-257-7726. Email addresses for Rates: "rate@spanalaska.com" / Local pick-ups: "auburndispatch@spanalaska.com" / Lower-48 & Inbound Routing: "route@spanalaska.com".
3. Credit Card payments are subject to 3% processing surcharge.
4. Rate quote is valid for a period of 45 days from date of issue, but subject to underlying carriers tariff rate changes.
5. Rates quoted are furnished as a convenience to our customers and are no more than an approximation of freight charges. Actual charges will be determined by the freight characteristics and scope of work actually performed. Additional charges may be incurred for actions taken but not specified withi
6. Rates shown are subject to fuel surcharges in effect on date of receipt of shipment.
7. Shipments of hazardous materials will be subject to additional surcharges.
8. Shipments received lacking a bill of lading, such as those from parcel carriers (UPS, FedEx, etc.) will be subject to a handling fee of \$8.50 per shipment. Shipments will be subject to any limitation of liability / released valuation set forth by the parcel or package carrier's contract of service.
9. Shipments tendered to Span Alaska Transportation are subject to all provisions of Surface Transportation Board tariff STB SPAJ 300
10. Unless credit has been expressly approved by Span Alaska's credit department in writing, payment must be made in full before release of goods at destination. For a credit application please go to "Forms" at spanalaska.com.
11. Unless otherwise indicated, this quote is based on a business to business move, providing one pick up and one delivery. Shipments destined to military bases, schools, churches, government facilities and other such secured locations will be subject to a limited access fee.
12. Unless otherwise indicated, this quote is based on a business to business move. If either origin or destination is a private residence, additional charges will apply. It will also require approval prior to quoting and/or service being provided.
13. Used articles, personal effects and household goods when accepted for transport are subject to a released value of \$.60 per pound unless otherwise declared in writing on the bill of lading.

Bruce,

Below is the pricing you requested. As I mentioned on the phone we would ship the material direct from our warehouse in Southern CA to Pacific Alaska Freightways. The listed packaging/freight charge covers the cost for that shipment only.

Matl: 5' x 10', clear, 2 sided abrasion resistant, Acrylic sheet
¼" thickness - \$485.00/EA
3/8" thickness - \$640.00/EA
Lead time approximately 2 weeks
Freight/packaging charge = \$350.00 (based on 4 sheets of 3/8" thickness)

Thank you,

Ed Canales

Inside Sales

6233 Segale Park Drive D
Tukwila, WA 98188
Phone: (253) 872-7430 Ext. 1415
Fax: (253) 872-7704

e.canales@proplas.com
www.professionalplastics.com

The Leading Global Supplier of High-Performance Plastics
Experience Outstanding – AS9120A Certified

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Debra Marlar, City Clerk *DM*
Date: December 8, 2016

Agenda Item: V. f. Election of Deputy Mayor

SUMMARY: Under the provisions of City Charter Article II, Section 2, the City Council shall elect one of its members as Deputy Mayor no sooner than thirty days, nor more than sixty days, from the beginning of the newly-elected Councilmembers' terms. The Deputy Mayor serves a one-year term and acts as Mayor in the Mayor's absence. If a vacancy occurs in the office of Mayor, the Deputy Mayor serves until another Mayor is elected by the Council.

ATTACHMENTS:

Attachment A: City Charter Article II, Section 2
Attachment B: List of previous Deputy Mayors

PROPOSED MOTION:

Move to elect _____ as Deputy Mayor for a one-year term.

OR

Move to elect the Deputy Mayor by a secret vote on paper ballot, provided that the first candidate to receive four affirmative votes be appointed for a one-year term, and further provided that if no candidate receives four affirmative votes in the first ballot, that the applicant with the fewest votes be removed from consideration on subsequent ballots, until a candidate receives four affirmative votes.

Charter of the City of Kodiak, Alaska**Article II****II-2 Mayor and Deputy Mayor**

There shall be a mayor who shall have all the qualifications of a councilmember, and, in addition, must be at least thirty (30) years of age at the time of his election or choice to fill a vacancy. The mayor shall preside at meetings of the council, and shall certify the passage of all ordinances and resolutions passed by it. The mayor shall have no regular administrative duties, except that the mayor shall sign such written obligations of the City as the council may require. If a vacancy occurs in the office of mayor, the council shall elect a qualified person, who may or may not be a councilmember at the time, to be mayor for completion of the unexpired term or until the vacancy is filled by election. If a councilmember is elected mayor, the councilmember's office shall be vacated upon taking office as mayor, and then be filled as prescribed elsewhere by this charter.

Not sooner than thirty (30) days nor more than sixty (60) days from the beginning of the terms of newly elected councilmembers, the council shall elect one of its members deputy mayor, who shall serve as such until the next such first meeting. The deputy mayor shall act as mayor during the absence or disability of the mayor or, if a vacancy occurs in the office of mayor, until another mayor is elected by the council and qualifies. If the office of deputy mayor becomes vacant, the council shall elect from its members another deputy mayor for the completion of the unexpired term. The deputy mayor, when acting as mayor, shall continue to have a vote as councilmember; but the deputy mayor shall not have veto power.


Should both mayor and deputy mayor be absent from a council meeting, a temporary mayor shall be appointed by the council to serve during such absence.

Deputy Mayor Elections

| <u>Date Elected</u> | |
|-------------------------|------------------------------|
| 01/16/1993 | Bernie Ballao |
| 11/10/1994 | Gary Gilbert |
| 11/09/1995 | Tom Walters |
| 11/14/1996 | Kathy Colwell |
| 11/20/1997 | Steven Hobgood |
| 02/12/1998 | Tom Walters |
| 11/12/1998 | Charles Davidson |
| 11/10/1999 | Jesse Vizcocho |
| 11/16/2000 | Barbara Stevens |
| 11/15/2001 | Tom Walters |
| 12/12/2002 | Lydia Olsen |
| 01/08/2004 | David Woodruff |
| 12/14/2004 | Charles Davidson |
| 12/15/2005 | David Woodruff |
| 12/14/2006 | Josie Rosales |
| 11/29/2007 | Gabriel Saravia |
| 12/11/2008 | Jack Maker (resigned 6/9/09) |
| 07/24/2009 | Paul Smith |
| 12/10/2009 | Terry Haines |
| 12/9/2010 | Gabriel Saravia |
| 12/8/2011 | John Whiddon |
| 12/13/2012 | John Whiddon |
| 12/12/2013 | Gabriel Saravia |
| 12/12/2014 | Terry Haines |
| 12/10/15 | Rich Walker |

EXECUTIVE SESSION

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Date: December 8, 2016

Agenda Item: X. a. Discussion of Strategies for Potential Collective Bargaining Agreements

SUMMARY: It is necessary for the Council to convene into an executive session to discuss strategies for potential collective bargaining agreements. The Council will not take formal action during the executive session. If action is to be taken based on executive session discussions, the Council will do so when it reconvenes back into the regular meeting.

Staff recommends Council enter into executive session to discuss strategies for potential collective bargaining agreements.

PROPOSED MOTION:

Move to enter into executive session pursuant to AS 44.62.310(c)(1) to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City, specifically the City's strategies for potential collective bargaining agreements.