



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
Sitka, AK  
(907)747-1811

## Meeting Agenda City and Borough Assembly

*Mayor Mim McConnell  
Deputy Mayor Pete Esquiro,  
Vice Deputy Mayor Thor Christianson,  
Phyllis Hackett, Matthew Hunter, Mike Reif and Michelle Putz*

*Interim Municipal Administrator: John P. Sweeney III  
Municipal Attorney: Robin L. Koutchak  
Municipal Clerk: Colleen Ingman, MMC*

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Monday, October 7, 2013

6:00 PM

Assembly Chambers

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### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[13-198](#) Correspondence 10072013 Packet

Attachments: [Correspondence 100713](#)

[SE Conference & Barnard News](#)

V. CEREMONIAL MATTERS

*Bullying Awareness Month Proclamation*

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (time limits apply)

*Sitka School District - Tim Foulton and SHS Student*

VII. PERSONS TO BE HEARD

*Public participation on any item off the agenda. Not to exceed 3 minutes for any individual.*

VIII. REPORTS

**a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other**

**IX. CONSENT AGENDA**

*All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

- A**     [13-189](#)     Approve the Assembly minutes of the September 24, 2013 meeting  
*Attachments:*   [Minutes](#)
- B**     [13-192](#)     Appointments: 1) Appoint Clara Whitehead and Chris Whitehead to terms on the Parks and Recreation Committee, 2) Reappoint Don Jones to a term on the Police and Fire Commission, and 3) Appoint Mary Ann Peterson on a term on the Port and Harbors Commission  
*Attachments:*   [appointments](#)
- C**     [13-187](#)     Authorize spending a portion of the Fire Departments fixed assets budget for: 1) Instruction Expenses; 2) Four Regulators; 3) Multi-Gas Monitors; and 4) Turnout Gear.  
*Attachments:*   [Fire Chief Memo](#)

**X. UNFINISHED BUSINESS:**

- D**     [13-178](#)     Discussion/Direction on "Buy Local" and Preferential Procurement Policies  
*Attachments:*   [Buy Local docs \(2\)](#)
- E**     [13-179](#)     Climate Action Plan Status and Future  
*Attachments:*   [Climate Action Plan](#)
- F**     [13-197](#)     Approve the Municipal Clerk's Certification of Election  
*Attachments:*   [Certificate of Election 2013](#)
- G**     [13-194](#)     Recognizing outgoing Assembly members - followed by a short recess  
*Attachments:*   [Recognize Outgoing](#)

**XI. NEW BUSINESS:**

- H**     [13-193](#)     Swearing in of Newly Elected Officials  
*Attachments:*   [Oath Example](#)

- I      [ORD 13-40](#)      Amending SGC Title 11 entitled "Vehicles and Traffic" to repeal SGC 11.12.080 entitled "Fine Schedule and Required Appearances," repeal Chapter 11.13 entitled "Alaska Administrative Code Adopted" Chapter 11.28 entitled "Alaska Statutes Adopted," and Chapter 11.48 entitled "Miscellaneous Offenses," and re-enact SGC Chapter 11.28 to be entitled "State Traffic Laws Adopted," to make CBS traffic ordinances consistent with state traffic statutes and regulations and their penalties  
*Attachments:*    [ORD 2013-40](#)
- J      [13-186](#)      Discussion/Direction concerning a potential Memorandum of Agreement with the Alaska Energy Authority - Wind Program for installation of a tower to provide assessments and potential for future utility-grade wind turbine installations.  
*Attachments:*    [MOA AEA Met Tower](#)
- K      [13-190](#)      Authorize the Interim Municipal Administrator to amend a Professional Services Agreement between Currents Consulting and the CBS for engineering services for the Takatz Lake Hydroelectric Feasibility project - \$50,000  
*Attachments:*    [PSA Amendment Currents Consulting Oct13](#)
- L      [13-188](#)      Authorize the Interim Administrator to approve a Professional Services Agreement between TS&H Automation and the CBS for technical services for Blue Lake Hydroelectric Expansion Project, Jarvis St. Diesel Capacity Increase Project and other Supervisory Control and Data Acquisition Support - not to exceed \$150,000  
*Attachments:*    [TS&H Automation](#)
- M      [13-195](#)      Board of Adjustment: Bulk Fuel Facility operated by Delta Western Inc - 5309 Halibut Point Road  
*Attachments:*    [Delta Western Assembly Packet](#)

**XII.      PERSONS TO BE HEARD:**

*Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.*

**XIII.     EXECUTIVE SESSION**

**XIV.     ADJOURNMENT**

*Colleen Ingman, MMC  
Municipal Clerk  
Publish: 10-4-13*



## Legislation Details

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**File #:** 13-198      **Version:** 1      **Name:**  
**Type:** Correspondence      **Status:** AGENDA READY  
**File created:** 10/4/2013      **In control:** City and Borough Assembly  
**On agenda:** 10/7/2013      **Final action:**  
**Title:** Correspondence 10072013 Packet  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Correspondence 100713](#)  
[SE Conference & Barnard News](#)

Date	Ver.	Action By	Action	Result
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## Assembly Update 10-2-13

### **\*Centennial Hall & Library Site Parking Lot Development:**

- Phase IV concrete pedestrian plaza is complete.
- Landscape planting for Phase I and II is complete.
- Striping for the Centennial Hall Parking Lot is complete
- Paving and striping for the Crescent Harbor Parking lot is complete

The project includes the complete reconstruction of the Centennial Hall Parking Lot and Crescent Harbor Parking lot. The improvements include storm drain, water, sewer, curb and gutter, paving, lighting, pedestrian plaza and landscaping.

S&S General Contractors was awarded the construction contract in the amount of \$2,613,651. The total project budget is \$3,950,000.

### **\*Baranof Street Water and Sewer Improvements:**

- All paving, water, sewer and storm drains have been completed
- Road striping is completed

The project includes water, sewer, storm drain, curb and gutter, sidewalk and pavement improvements and has a total funding of \$2,672,500 including Alaska Department of Environmental Conservation (ADEC) Municipal Matching Grant and Loan funds.

The Assembly awarded the construction contract to S&S General Contractors on the April 23, 2013 Assembly meeting, in the amount of \$1,712,916. The total estimated project cost is \$2,232,000.

### **Edgecumbe Drive Street Reconstruction:**

- Public Works has contracted O'Neill Surveying and Engineering to survey Edgecumbe Drive to assist in the design of the improvements. The asbuilt/topographic survey is anticipated to be completed no later than December 15, 2013.
- Public Works anticipates advertising a Request for Qualifications for professional engineering services early fall 2013.

The project is funded through a \$2,900,000 FY2013 State Legislative Grant (Paving Failed Collector Streets – Edgecumbe Drive and Jeff Davis Street). Budgetary cost estimates were completed to help scope the project based on funds available. That estimate indicates approximately \$5.5 million would be required to completely rebuild Edgecumbe Drive from Kimsham to Cascade Creek to include paving, curb and gutter, sidewalk, and storm drain (budget shortfall of \$3.25 million); approximately \$3.5 million

would be required to rebuild Edgcumbe Drive from Kimsham to Cascade Creek to include paving and storm drain only (budget shortfall of \$1.25 million); and approximately \$2.5 million would be required to rebuild Edgcumbe Drive from Kimsham to Cascade Creek to include paving the drive lanes (not shoulders) and storm drain (budget shortfall of \$250,000). Public Works staff has begun planning level work for this project. Test borings were completed along Edgcumbe Drive in areas of suspected subgrade failure and in other areas of interest on March 4-5, 2013. This information will assist in the design of the improvements. Public Works anticipates construction during the summer of 2014.

#### **Ultra Violet (UV) Disinfection Facility:**

- The Kick off meeting for the final design of the project with CH2MHill was held August 26 and 27, 2013.
- A site survey was performed to locate the property corners. This will help delineate the site from the rock piles that are growing at Sawmill Cove Industrial Park. The new topography will be provided to the design consultant for incorporation into the site plan.

The Blue Lake drinking water system is a surface water system, which must comply with the EPA Enhanced Surface Water Treatment Rules (ESWTRs). The subject UV Disinfection Facility will provide the additional microbial and disinfection controls required under the ESWTRs.

The current project cost estimate is \$8,966,000. Funding for this project is provided by State of Alaska Department of Environmental Conservation (ADEC) loans and grants:

- \$4,000,000 FY 2011 ADEC Loan. Includes \$2,500,000 financed with \$1,500,000 subsidized.
  - \$2,550,000 FY 2012 ADEC Loan (pending).
  - \$3,500,000 FY 2012 ADEC Grant (30% local match requirement).
  - \$2,061,000 FY 2013 ADEC Grant (pending - 30% local match requirement).
- \$12,111,000 Total Project Funding.

The grants and loans indicated as pending are grants and loans listed on the Alaska Drinking Water Fund intended use plans, for which CBS has submitted appropriate paper work to have the grant or loan finalized.

#### **ANB Harbor Replacement:**

- Transpac Marinas has begun fabrication of the new main floats in Anacortes, Washington. Float completion is scheduled for early November 2013.

- Mantle Industries (working as a subcontractor to Transpac Marinas) has begun fabrication of the new ANB Harbor gangway. The gangway is scheduled to be completed late October 2013.
- Moffatt & Nichol will be performing several inspections of the floats under fabrication over the next month. CBS Harbor Department Maintenance Supervisor Ron Pratt will accompany M&N staff on two inspections that bookend his own personal travel plans in October 2013.
- The Installation Contract is currently being advertised. Several bid addenda have been released in response to bidder inquiries.
- The anticipated bid opening date for the Installation Contract is October 4, 2013 with a recommendation to award to the Assembly on October 22, 2013.

CBS received a FY13 State of Alaska Municipal Harbor Facility Matching Grant, for the ANB Harbor Replacement Project, which will cover 50% of eligible construction costs not to exceed \$4,250,000 in match funding. CBS has received bond proceeds from the Alaska Municipal Bond Bank in the amount of \$4,600,000 for this project. On January 10, 2013, the Assembly awarded a Professional Services Contract to Moffatt & Nichol for the ANB Harbor Replacement Project. On June 25, 2013, the Assembly approved award of the Procurement Contract to Transpac Marinas, Inc. for \$2,698,870.00. The total project cost is estimated at \$8,130,000.

#### **Storm Water Master Plan Phase II:**

- The project is complete. A report to the Assembly is planned.

The first phase of the Storm Water Master Plan was completed in late June 2012 with Tetra Tech Alaska, LLC gathering existing infrastructure data and condition inventory to include in our GIS system along with precipitation analysis and drainage basin delineation as part of the first phase of the project. The second year grant funding (FY13) was approved by the Alaska Department of Environmental Conservation and the grant agreement was authorized by the Assembly in July 2012. The grant amount of \$43,388 requires a forty percent CBS match of \$28,925.

#### **Alternative Water Source Investigation Filtration (Blue Lake Project):**

- The consultant has prepared the draft RFP for the leasing of the water filter units. The guarantee that the units will be available for installation when needed is under evaluation.
- The consultant was in town on August 26 and 27, 2013 to assist the utility department in preparing the taste test panels. The taste test panels were prepared and presented to the public August 27, 2013.

The proposed schedule has the design completed in October 2013, ADEC permitting completed in March of 2014, construction of the piping and pumping completed in April 2014 and final installation of the filter units in June 2014 for operation in July 2014. The

preliminary design cost estimate has a projected design and construction cost of \$3,000,000. Due to the lack of well potential in the Indian River Valley, temporary surface water filtration will need to be utilized during the Blue Lake Project outage. Award of the design contract to CH2MHILL, was approved by the Assembly on February 12, 2013.

**\*Hollywood & New Archangel design:**

- Public Works advertised a Request for Qualifications for professional engineering services in early fall 2013.
- Received two Statements of Qualification from qualified firms. Dowl HKM LLC. was selected and contract negotiations are underway.

The project includes design for water, sewer, storm drain and pavement improvements, and potentially curb and gutter and sidewalk improvements on Hollywood Way and New Archangel Street from Halibut Point Road to Marine Street. Funding for design is available from ADEC Loans (Hollywood Water \$250,000, Hollywood & New Archangel Sewer \$500,000), General Fund budget for streets (\$5,000), and Enterprise Funds (Hollywood Water \$25,000, Hollywood Sewer \$25,000, New Archangel Sewer \$25,000).

**Airport Baggage and TSA Area design:**

- Public works is awaiting a revised fee proposal from the consultant selected to design the improvements (McCool Carlson Green) and anticipates awarding a professional services contract in fall 2013.

The project includes design for additions to the south and east sides of the terminal to allow expansion of the baggage makeup and TSA baggage screening areas, as well as an overhaul of the terminal layout. The project will also help establish a Passenger Facility Charges (PFC) program that will raise funds for the construction of the work. Funding collected from a previous PFC program amount to \$275,000 for the design project. \$76,000 budgeted for an unfinished Airport Lighting Retrofit project is available if needed.

**Sitka Community Hospital Roof Replacement:**

- Installation of the new roofing is progressing and will be completed in October 2013.

The Assembly approved award of a construction contract to CBC Construction, Inc. in the amount of \$784,754.16 for the Sitka Community Hospital Roof Replacement project on April 23, 2013. Due to the very competitive bid received, a change order to the contract was approved to upgrade the insulation to a better product (polyiso instead of EPS). The project is funded through a \$1,200,000 FY2013 State Legislative Grant.



### **Swan Lake Restoration / Dredging Project (Project # 90747):**

- Public Works is working with Fish and Game and the Rotary Club to develop a dredging schedule for 2014 to coincide with the annual fishing derby on Swan Lake. Once the issues have been resolved, CBS will issue a Change Order adding more dredging quantity to the contract utilizing most of the available grant funding.
- Public Works and the Contractor are planning to complete all of the dredging in 2014.
- Purchase of a refurbished aquatic weed harvester was included in the grant funding. These floating machines cut and remove the vegetation to improve recreational opportunities and water flow through the lake. The search for a suitable harvester is on-going with several suppliers.

The Assembly approved award of a construction contract to Island Enterprises, Inc. in the amount of \$399,806 for the Swan Lake Restoration – Lake Dredging project on April 23, 2013. The project includes dredging prioritized selected locations to improve water flow through the lake, winter habitat for fish, access and recreation in general. The City and Borough of Sitka received \$771,236 in Federal funds through the Coastal Impact Assistance Program (CIAP) for this restoration project on Swan Lake. The grant is administered through the Wildlife and Sport Fish Restoration Program, CIAP Branch and runs through December 2015.

### **Sea Walk – Crescent Harbor Park to National Historic Park:**

- New sidewalks are nearly complete. Landscaping is near completion. Bridges and boardwalks are under construction. Guardrails have arrived and are beginning to be installed.
- Construction is anticipated to continue through the summer 2013 with substantial completion in early October 2013.
- A Grand Opening Ceremony is anticipated to take place the weekend of the Alaska Day Events following substantial completion.

On March 12, 2013, the Assembly approved award of a contract to CBC Construction for the Sea Walk – Crescent Harbor Park to National Historic Park project in the amount of \$1,222,662.14 for the base bid and all five additive alternates. The current phase of the Sea Walk extends from the Centennial Hall Parking Lot to the Sitka National Historic Park boundary near Kelly Street. The Sea Walk is funded by way of the following: \$1,000,000 FY 2011 State of Alaska Grant (Sea Walk Extension Part C), \$700,000 FY 2011 State of Alaska Grant (Crescent Park Sidewalk Widening), \$80,000 Paul Sarbanes Transit in the Parks Programs (TRIP) Grant (applied for and administered by National Park Service), and \$175,000 CPET funds (Sea Walk – Centennial Building to Tennis Courts).

### **Centennial Hall Renovation:**

- The design consultant, McCool Carlson Green, is incorporating the comments from the public meeting into the exterior building design concepts.

The current total estimated cost for this project is \$15.2 million including the new museum wing. Current grant funding allocated specifically to the project is only \$8,230,000. A \$2,000,000 FY10 Legislative Grant designated for a lightering facility visitor's center (previously planned for under the O'Connell Bridge), is eligible to be used for this project since Centennial Hall serves as a visitor center for the Crescent Harbor Lightering Facility. A FY14 Legislative Priority Request was submitted consisting of \$4,200,000 for the Centennial Hall building improvements and \$3,341,000 for combined Library/Centennial Hall heating system improvements; however it does not appear that either request will be funded at this time. Additionally, approximately \$2,000,000 is available in the Marine Passenger Fee Fund that could be used for this project. If additional funds are not secured, the scope of the project will need to be scaled back or phased with additional museum and meeting space expansion planned for the future when funding becomes available.

### **\*Library Development Planning:**

- The Design team is still working with the design group and staff to finalize the conceptual design.
- Professional costs estimate will be prepared once concept design is finalized. It is scheduled in October 2013.
- Finalization of the FEMA information is still outstanding.

The design phase is expected to take 12 months at a minimum with the earliest advertisement for construction planned for late summer/fall 2014. The project construction may be completed in 2015, depending on the phasing plan that is developed.

The State funding of \$5.7 million awarded to CBS is a direct appropriation with no funding match requirements. A private donation of \$400,000 has also been given to the project by the John J. and Eleanor Brust Family. \$350,000.00 of the budget was allocated to the Centennial Hall Parking Lot Project to relocate the Swan Lake storm drain, leaving a current project budget of \$5.75 million for the expansion and renovation of the Library.

### **\*Blatchley Middle School:**

- The Blatchley Middle School Remodel Project is Substantially Complete.
- The Hubble Lighting Controls are working properly.

- Punch list items are being completed and training for School District personnel is taking place.
- The project is substantially complete.

The project budget is \$12.475 million. The project is within its budget. The contract required substantial completion date is August 1, 2013, which was met with the exception of the door correction (installation). The door work will have its own completion date.

**\*Pacific High School:**

- The Pacific High School Renewal Project is Substantially Complete.

The project budget is \$2.671 million and the project is within its budget. The contract required substantial completion date is December 1, 2013.

**\*Water Service Calls; Leaks/Locates/Routine Repairs & Maintenance:**

- During the month, the Water Division responded to 14 callouts; for various locates, water service leaks – all on the customer side and two main breaks.
- Water operators replaced a short section of main on Highland Drive on Friday, September 6, 2013. The main had a corrosion hole on the bottom of the pipe about the size of a quarter.
- September 13, 2013 an 18' section of the 16" cast iron main along SMC Rd. burst in the 700 block. Repairs began that night and into Saturday morning. Approximately 23' of 16" main was replaced. A second circumferential crack was discovered about 8' further out of town from the replaced section. That crack was temporarily repaired using a wraparound clamp. Thursday, September 26<sup>th</sup> that section of main will be replaced with new ductile iron. A section of main on the town side of the original break will also be replaced as a precaution.
- Water operators pressure tested and installed the new 6" HDPE service line, backflow preventer and water meter for Crescent Harbor during the first week of September.
- Water operators continue working daily with DOT's HPR Road subcontractor, Coastal Excavation, by performing locates near their storm drain crossing locations as the contractor makes their way towards town.
- Water operators worked with QAP, DOT's SMC Rd. contractor, to isolate a hydrant that will be moved near the SMCIP Administration building.

- Water operators coordinated with other Public Works staff and paving contractor, Aggregate Construction Inc. (ACI), during and after the paving of Erler and Spruce Streets; new valve box tops were provided to and installed by ACI.
- The Water Division is preparing for the annual flushing program. Each fall the water transmission main and all major distribution lines are flushed at high velocity to remove any sediment that has settled during the previous year. The flushing is preceded by valve box cleaning and leak listening with a special amplification device. This takes place early in the mornings before traffic makes working in the streets difficult and noisy. Noise levels are recorded and compared with previous year's values for individual main line valves which will guide additional leak investigations in specific areas. Flushing is tentatively scheduled to begin the night of October 6<sup>th</sup> and continue until approximately the 16<sup>th</sup>.
- No progress was made on the annual (as time allows) fire hydrant 'weed whacking' and painting program – 25 hydrants have been washed and repainted so far in the Indian River, Lillian Drive, and Price Street neighborhoods. With about 450 hydrants to maintain it is our goal to get around 75 repainted each year – a six-year cycle. With this busy construction season it will be difficult for our small three person crew to accomplish this goal.

**\*Wastewater (WW) Repairs & Maintenance:**

- Wastewater operators continue working with DOT's HPR sub-contractor locating sewer system infrastructure as they install drainage culverts across HPR.
- Operators also continued to clean and paint the interior of lift station generator buildings as time allows.
- WW operators completed cleaning and replacing all air-vacuum valves on the various force mains and the outfall line – this is an annual preventative maintenance task. The valves and piping plug with grease and will not function if they are plugged.
- WW operators continue to do research work on the existing old Lake St. lift station (LS). Individual pumping and dry weather inflow rates were determined during the first week of September. Wet weather flows will be determined after some steady consecutive days of rain. This data along with survey information will be used to select pumps for the replacement LS in the future.
- High run times at the Channel LS were investigated and tracked back to inappropriate water flows entering a residential sanitary sewer. This appears to have reduced compressor run times down to normal. Operators will continue to

closely monitor this station. WW operators check each pump at every LS twice weekly and more frequently during unusual operations.

- The WW crew began a large in-house repair job at the BIHA lift station (LS) wet well on Indian River Rd. This project consumed much of the WW operators time September 9<sup>th</sup> through the 16<sup>th</sup>. The grout around the pump suction lines had failed, were broken in and allowing ground water to flow into the wet well, creating more flow than necessary. These were not small holes but rather a section of the concrete wet well wall that was broken out and replaced with grout when the LS were built. Operators used expanding foam chemical grout that reacts with water forming solid foam and oakum for strength to eventually stop the water from leaking into the wet well. After the water was stopped, they trimmed off excess foam, built forms inside the wet well and eventually poured concrete that attached to the original concrete wall creating a permanent repair. During this project a plug and temporary pump and power were installed in the upstream manhole and connected to the discharge piping down inside the pump chamber part of the LS so the wastewater is flowing as it normally would.

**\*Sawmill Cove Industrial Site – Wastewater (WW) Update:**

- Operators switched 100% of the WW flow from the site to the biological treatment system and have flushed the 7000' 6" force main with water. QAP, the Sawmill Creek Road Contractor, cut out a 600' section of it out of their way to allow for construction of a large retaining wall. With the small extended aeration plant loaded higher it requires more operator attention than under normal low load conditions. The plant is doing ok considering the rapid change in organic loading i.e. more food for the bugs to consume.

**\*Summer Water Quality (WQ) Monitoring of Indian River:**

- This summer's special monitoring of Indian River water continues; the second set of samples were sent to the lab for analysis during the first week of September. This WQ data is needed to fine tune the temporary filtration system design that is needed to serve the public during the Blue Lake penstock outage in 2014. The first taste and odor testing panel was held on August 27, 2013. A second test was conducted in-house on September 19<sup>th</sup> when there were considerably more dead fish in the river. The treated IR water during the second tasting had an objectionable taste and odor to nearly every person trying it. This information has been relayed to our treatment consultants who will develop a plan to cost effectively reduce the taste and odor issues and determine what treatment steps should be included in the treatment train when the salmon are in the river in 2014.

### **Water Division and Electric Department Working together on Blue Lake Water Quality:**

- The Water Division is working with the Electric Department to gather background water quality data out in the lake and around the construction activity as required during the project. This background data from out in the lake and at different depths will help us understand water quality changes in the future as the lake fills to greater depths and as the water moves through the lake towards the intake. The first field monitoring was completed and the first set of samples was sent to the lab for analysis.

### **\*Household Hazardous Waste Collection Event :**

- The biannual household hazardous waste collection event was held at the Wastewater Treatment Plant the weekend of September 28 and 29, 2013.

### **Federal Land Access Program (FLAP) Grant:**

The City and Borough of Sitka has been awarded a \$916,897 MAP-21 Federal Lands Access Program (FLAP) Grant for Phase 5 Cross Trail multimodal pathway (Cross TMP), Baranof Street and Yaw Drive connectors, by Western Federal Lands (WFL). The Assembly approved submission of the grant in Resolution 2013 - 03 in February.

Phase 4 of the project, pathway reconstruction and re-routing from Yaw Drive to the CBS property was funded by the Department of Transportation in the STIP in 2009. DOT planners, with the concurrence with Western Federal Lands (WFL) and CBS, initiated action to combine the two projects as a single \$1.8 million grant and have the project managed by Western Federal Lands for greater efficiency and cost savings.

The CBS is starting to work with the property owners to secure construction licenses and easements of the properties that will be affected during and after the trail is constructed.

- Match Agreement with Western Federal Land has been signed.
- Mental Health Land Trust (MHLT) construction License and Easement documentation has been signed.
- Bureau of Land Management application has been signed and submitted.
- Memorandum of Understanding with Sitka Trail Works and CBS has been signed.
- Reimbursable Agreement with Western Federal Land has been signed and submitted.

### **Solid Waste Management Plan:**

A Request for Qualifications (RFQ) for a consultant to develop a Solid Waste Management Plan began advertisement September 16, 2013 and will open October 14, 2013.

### **Drop off Recycle Center:**

On July 1, 2013, CBS Public Works Department took over the operation of the recycle center. Since then, major changes have been made at the center to help with the transition. Roll off containers have been set in place of the handling system that was designed for plastics in the past. This will allow for a more efficient way of handling the plastics and for a cleaner recycle center. The containers have been moved and the area underneath them has been cleaned. For accessibility, the Baranof Barracuda building has been moved back beside the collection area for aluminum cans. The aluminum can roll off container has also been moved back beside the Barracuda's area.

CBS hired a Recycle Center Operator that started his new position on Tuesday, 20 August 2013. CBS will be looking at picking up recyclables utilizing the same schedule as before. The box truck previously owned and used by the Sitka School district for recyclable pickups, has been transferred to the CBS, and will continue to be used for the recycling operation. Recycle materials will be collected starting the first week of September. The recycling collections at the schools are going good!

### **AT&T Cell on Wheels:**

AT&T requested that the City and Borough of Sitka consider a proposal for AT&T to locate a Cell on Wheels (COW) at Kimsham due to the service issues that they are experiencing. The AT&T Cell on Wheels arrived at Kimsham on Friday, July 12, 2013. As soon as AT&T installs electric on the COW, the installation can be scheduled. This would be a temporary site initially while they negotiated with Department of Education (near Mt. Edgecumbe School) on a permanent site placing a cell tower in place of the water tower that exists now.

- COW is hooked up to electricity and awaiting the circuits.

### **\*New Hires:**

We welcome the following staff members to our Public Works team:

- Doug Bain – Assistant Scrap yard Operator
- Brian Craig – Heavy Equipment Operator
- John Flory – Temporary SCIP Manager/Project Engineer
- Ron Conklin – Recycling Coordinator
- Dave Longtin – Senior Engineer



## BLUE LAKE EXPANSION PROJECT

### MONTHLY UPDATE FOR CITY ASSEMBLY

Report No. 10

Month ending September 30, 2013

#### SCOPE

- 83 ft. dam raise with modified tunnel system and new 15.9 MW powerhouse (\$89 million)
- Eight supply contracts for Owner-Furnished equipment and materials (\$16 million)

#### PROJECT HIGHLIGHTS DURING THIS MONTH

- September 5 – A quarterly executive partnering session was conducted. All indications are that partnering has been beneficial to date.
- September 5 – The City met with Barnard and requested that Barnard provide the temporary Filtration system at Indian River to be utilized during the generation outage. This work will be a change order to the contract. The filtration bid package was issued the following day.
- September 9 – Arctic Slope Regional Corporation (ASRC) McGraw Construction placed 543 CY completing the draft tube ceiling and the power house to elevation 5.94’.
- September 9 – The City made progress payment No. 6 to Gilkes for the turbine generators. Virtually all turbine generator equipment is on site.
- September 9-11 – The City, Gilkes, Barnard, ACRS, and NAES observed the storage of Gilkes equipment and agreed on the methods used. A meeting was held to discuss the installation and commissioning plans. These plans remain to be prepared.
- September 11 – Crux Subsurface completed installing the 6 pressure relief wells at the downstream toe of the dam. The 6 wells have all intercepted the rubble filled gut below the dam as desired. Concrete footings have been installed around each well. Completion of this work was only possible due to the dry September.
- September 12 – FERC approved the draft analysis of the left abutment excavation.
- September 13 – The final structural-stability analysis of the left abutment excavation was forwarded to the Board of Consultants and FERC. The FERC has accepted this analysis as complete and there are now no more issues regarding rock support at the dam.
- September 21 – The first sections of penstock in the powerhouse, at Units 4, and 5 have been installed.
- September 21 – Crux Subsurface (a subcontractor to Barnard) completed the consolidation grouting of the dam foundations. They have found very solid rock requiring essentially no treatment. Seven secondary holes have been required (spots that needed a second injection of grout).
- September 24 – Blue Lake staff advised the City that two suppliers will be providing pricing on the temporary water filters for Indian River.
- September 24 – ASRC placed 372 CY of powerhouse concrete completing the floor at Unit 5 to elevation 13’ (the turbine operating floor level).
- September 24 – Barnard installed the third penstock segment in the powerhouse at Unit 3
- September 29 - ASRC placed 330 CY of powerhouse concrete completing the floor at Unit 4 to elevation 13’.
- September, all month – Barnard continued placing concrete blocks to raise the dam. A total of two 10-ft high blocks are complete on the dam next to the left abutment and nine blocks are complete on the dam next to the right abutment.



- September, all month – Barnard continued construction on the gate chamber. The floor and walls are complete. Forms are being installed to place the crown.
- September, all month – The City continues to minimize generation at Blue Lake and to increase generation at Green Lake. This is being done to balance the two reservoirs to obtain maximum power generation during the next water year.
- September, all month – ASRC, Schmolck Mechanical (SMC), and NAES Electrical continued installing embedded materials for the powerhouse placements.

### COST SUMMARY - updated 9/30/2013

Project Element	Current Contract Total or Projected Amount	Payments	
		Paid this Month	Paid to Date*
<b>Supply Contracts</b>			
Contract 1 - Turbine Generator Equipment	\$11,573,707	\$4,451,043	\$10,258,002
Contract 2 - Switchgear	\$647,672	\$0	\$64,581
Contract 2A - SS Switchgear	\$300,000	\$0	\$0
Contract 3 - Gates and Hoist	\$780,185	\$117,028	\$703,376
Contract 4 - Penstock	\$836,315	\$0	\$795,778
Contract 5 - 69 kV Transformers	\$592,584	\$0	\$119,721
Contract 6 - Bridge Crane Equipment	\$270,518	\$0	\$245,246
Contract 7 - Steel Building	\$1,138,918	\$694,888	\$978,498
Contract 8, Debris Management	\$1,530,000	\$0	\$0
Contract 9, General Construction	\$88,175,661	\$3,172,225	\$40,670,853
Diesel Fuel	\$1,260,000	\$0	\$0
Temporary Filtration**	\$3,000,000	\$0	\$0
<b>Remaining Project Costs</b>		\$0	\$0
License Amendment	\$1,400,000	\$6,553	\$1,182,381
Engineering	\$9,498,393	\$7,106	\$11,493,349
Construction Management	\$8,076,201	\$279,377	\$3,522,976
City Performed Work	\$1,495,000	\$17,661	\$1,367,625
Incentive Payment	\$1,600,000	\$0	\$0
Cost of Insurance/Reserve Account	\$3,500,000	\$0	\$0
<b>TOTALS</b>	<b>\$135,675,154</b>	<b>\$8,745,881</b>	<b>\$71,402,386</b>
<b>ESTIMATED TOTAL PROJECT COST</b>	<b>\$141,517,667</b>		

\*Paid to Date includes unpaid retainage

\*\*Temporary Filtration budget updated. Assembly approval will be requested at a later date for the overrun.

### COST CHANGES THIS MONTH

- No other change orders were issued for the equipment and materials contracts that affect the cost of these goods.
- We continue to expect a series of change orders for the supply contracts for the purchase of additional spare parts (Contracts 1, 2, and 6) over the next months. These suppliers are slow in getting us pricing and information for the spares.

- Change Order 4 was submitted September 27 for eleven change items in the amount of \$766,133.36.
- There are a series of change items still under negotiation as follows:
  - Modification of the dam site staging area (changes in material quantities spoiled in this area and prep work to allow USFS final grading and improvements in this area).
  - Armoring of the reservoir access road (armoring needed as the road area was not rock as expected in the original design).
  - Changes to the powerhouse electrical conduit and cable requirements (a group of small changes in conduit and the addition of a number of control cables).
  - Removal of a rock knob along the powerhouse access road (this knob is at risk of sliding and cannot be adequately reinforced with rock bolts or anchors).
  - Dredging in front of sluice gate valve and repair if necessary. This will be done next spring when the lake is drawn down.

We do not expect these change items to impact the project schedule. We have not received pricing from Barnard for all of the above change items and expect to reach agreement on them in October.

**CONSTRUCTION SCHEDULE MILESTONES: PLANNED/ACTUAL**

Construction Start	11-20-2012 / 12-03-2012	Sub. Comp. BLU #5	10-24-2014/
Drainage Tunnel Comp.	07-01-2013 / 05-05-2013	Sub. Comp. FVU	11-12-2014/
Tunnel ex. complete	08-19-2013 / 07-24-2013	Sub. Comp. BLU#4	11-22-2014/
Ready for Gen. Outage	08-24-2014/	Substantial Completion	02-01-2015/

**NOTES ON PROJECT SCHEDULE**

- The most recent look-ahead schedule submitted by Barnard shows the following upcoming target dates:
  - a. Continued concrete work on the powerhouse floors and walls throughout October.
  - b. Continued dam concrete work throughout October. Placement of 5 blocks is planned during the month.
  - c. Continued placement of the concrete gate shaft liner and gate chamber concrete.
  - d. Continued excavation of the powerhouse access road.
  - e. Removal of the rock knob at the powerhouse access road.
- Most of the Owner Furnished equipment is now on site. We anticipate no issues with delivery times for the eight Owner Furnished equipment contracts.
- The CM team and Electric Department continue working on the City-performed work tasks to ensure these activities are completed on time. Good progress was made in September. In September, design was completed for two electrical cabinets the City will provide. We plan to begin installation of conduit in the switchyard during October. Materials for the switchyard control panel and SCADA system are arriving on site. We are on-track with the City-performed work.

## **PROJECT RISK PROFILE**

A discussion of the major risk areas follows below. As a general rule risks are measured as follows:

**LOW:** Probability of less than 10%, or mitigation cost less than \$1 million.

**MODERATE:** Probability of more than 30%, or mitigation cost up to \$5 million.

**HIGH:** Probability of more than 60%, or mitigation cost likely more than \$5 million.

The City's project team believes the following risk areas will dominate the potential for increases in overall Project cost. We also believe these areas pose the greatest risk for schedule delays.

**Construction Schedule:** In Barnard's most recent (September 2013) schedule, the critical start of the 2014 Generation Outage is shown starting on August 23, 2014, one day ahead of schedule.

**CURRENT RISK: LOW**

**Weather and Lake Levels:** Flows from Blue Lake were cut back significantly in early August to bring the two lakes' water levels into better balance. With the temporary tunnel plug in place, we no longer have a risk of flooding out the tunnel work. With lower than normal rainfall in August and September we now have a reduced probability that both lakes will refill this fall. Refill probabilities are now just above 80%

**CURRENT RISK: LOW (through 2013)**

**Rock Conditions:** Contract 9 includes an allowance of \$2,702,000 for rock support in the Project tunnels, shafts and excavations. This rock support is a combination of rock bolts, shotcrete, and steel arch supports. Project-wide the total underground excavation work is now about 96% complete.

We have determined that there are several areas that need rock support or work beyond the original design. It is fortunate that these areas are generally not critical operating structures. The following areas require additional rock support or removal:

1. In the reservoir and intake area we are adding: above ground slope support along the access road; rock support in the intake area; and have now decided to determine the cost of adding concrete lining in the intake gate shaft.
2. In the powerhouse area, removal of a rock knob along the powerhouse access road as described above

The total underground rock support on the Project is significantly less than budgeted. We have a large under-run on rock support quantities, which will result in cost savings to the City. These cost savings will most likely be used to pay for the added above ground rock support in the intake and powerhouse areas.

**CURRENT RISK: LOW**

**City Performed Work, for Contract 9:** The City has elected to self-perform some work associated with the Project's general construction. This work includes: procurement, installation and field wiring of a switchyard control building; installation and connection of fiber-optic cables from the powerhouse to the dam; control wiring of the Fish Valve Unit generator; and design and installation of the SCADA system. More than 30% of this work is now complete. We continue to make good progress in this work and we are on schedule.

**CURRENT RISK: LOW.** [See Appendix 1-Action Plan at the end of this monthly update, for the status of this self-performed work].

**Temporary Water Filtration Plant:** During the August through September 2014 outage of the Blue Lake tunnel, the City will get its drinking water from a temporary water supply. This temporary system remains to be purchased and installed at Indian River; some final design is still required. This system must be in place and fully operational prior to the Generation Outage. Any delay in the filtration plant beyond August 23, 2014, will delay the hydro expansion Project. Barnard has been asked to provide and install the filtration project as a change order to contract 9. The filtration project is being managed by McMillen LLC and CH2MHILL will perform the final design. The City Water Department will operate the plant with assistance from CH2MHILL and the supplier.

**CURRENT RISK: MODERATE** [The current status of the filtration system design and planned construction is described in Appendix 2. If the filtration system is constructed as planned, we will be on track for the Expansion Project.]

**Other:** This is a broad combination of bad things that might happen such as: earthquakes; construction site accidents; floods; extreme winter weather; fire; labor unrest; etc. We expect that many of these risks would be covered by insurance at least in part.

**CURRENT RISK: LOW**

## PROJECT PHOTO RECORD THIS MONTH

Photos are taken of each work area each month from a fixed location to document construction progress by work area. Relevant photos of the project for this month are provided on the following pages.



**Figure 1. Dam and Left Abutment Area, Harvard continued placing concrete blocks to raise the dam. A total of two 18-ft high blocks are complete on the dam next to the left abutment.**

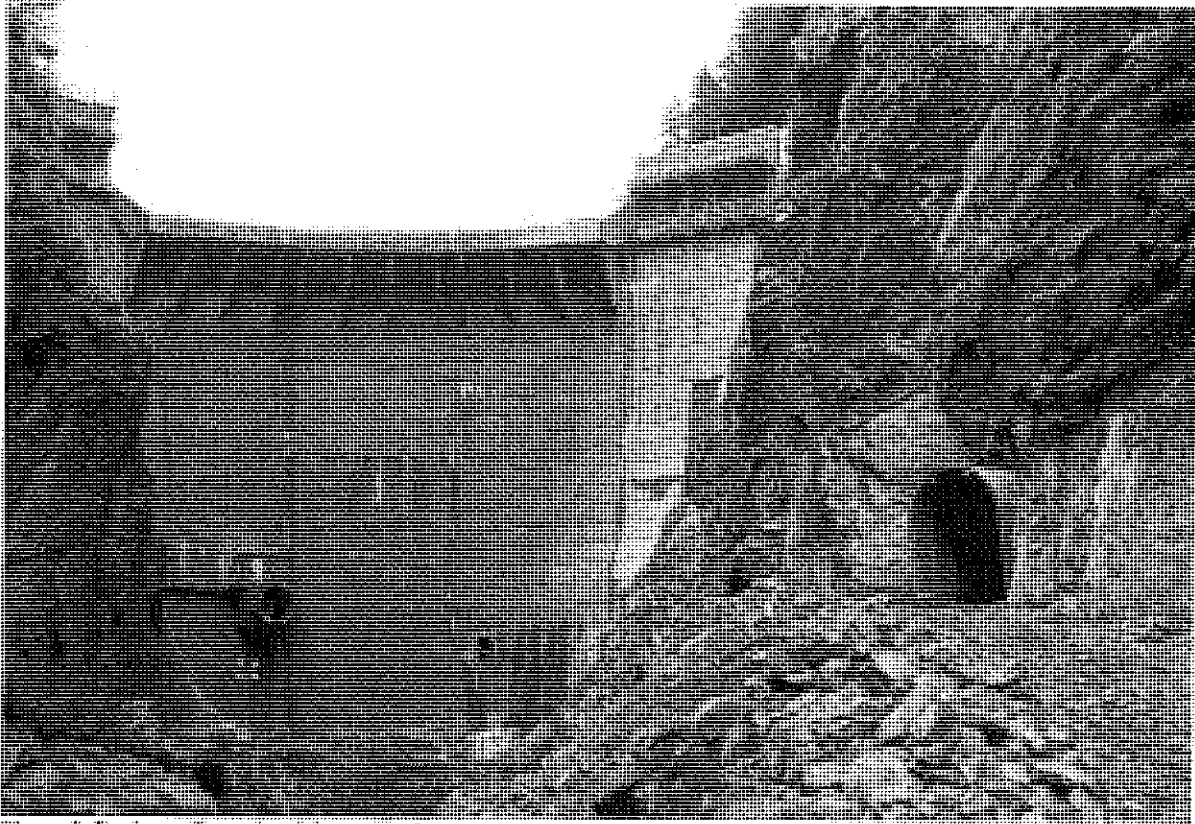
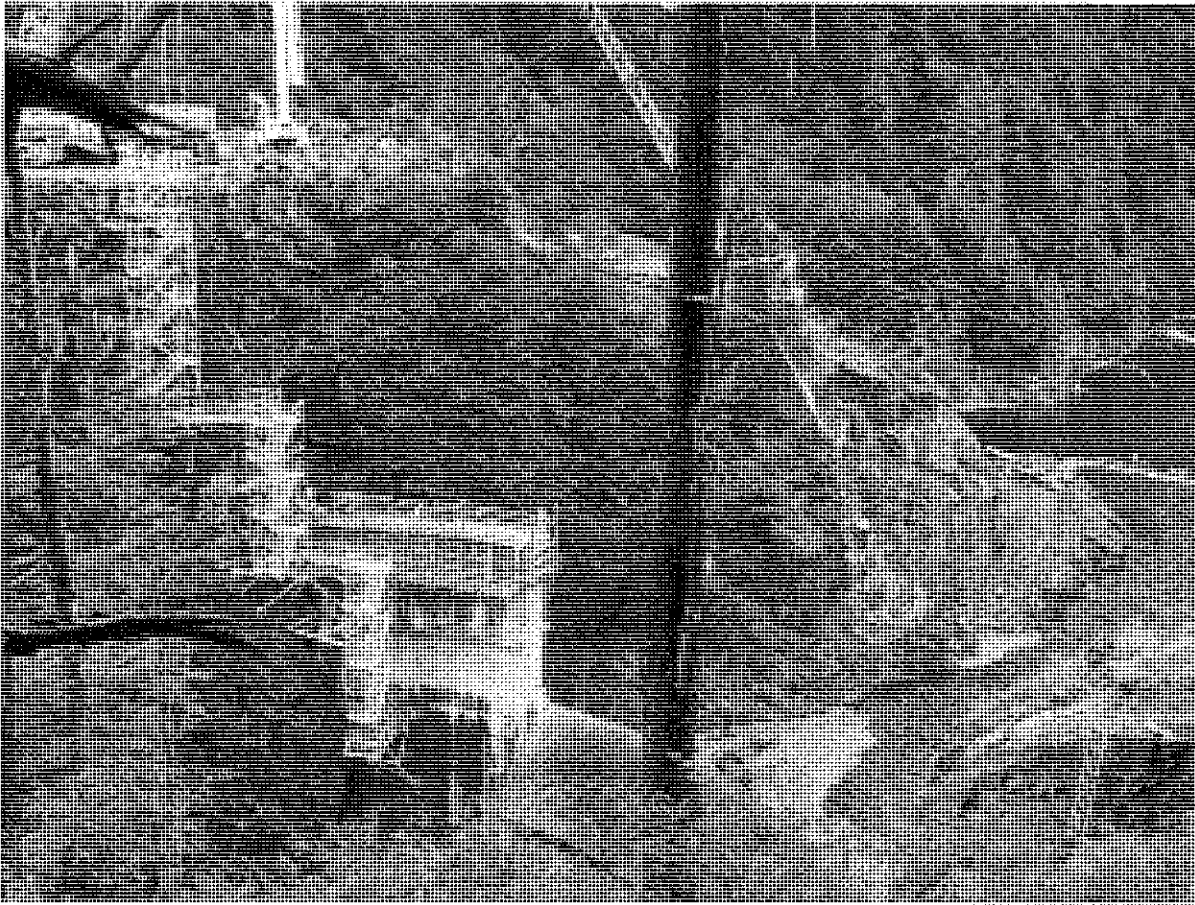


Figure 2. Drainage Tunnel and Sensor Wall, Crain Subcontractor completed installing the 6 permeable rubble walls at the downstream toe of the dam. The 6 wells have all intercepted the rubble filled gut below the dam as desired. Concrete footings have been installed around each well. Completion of this work was only possible due to the dry September.

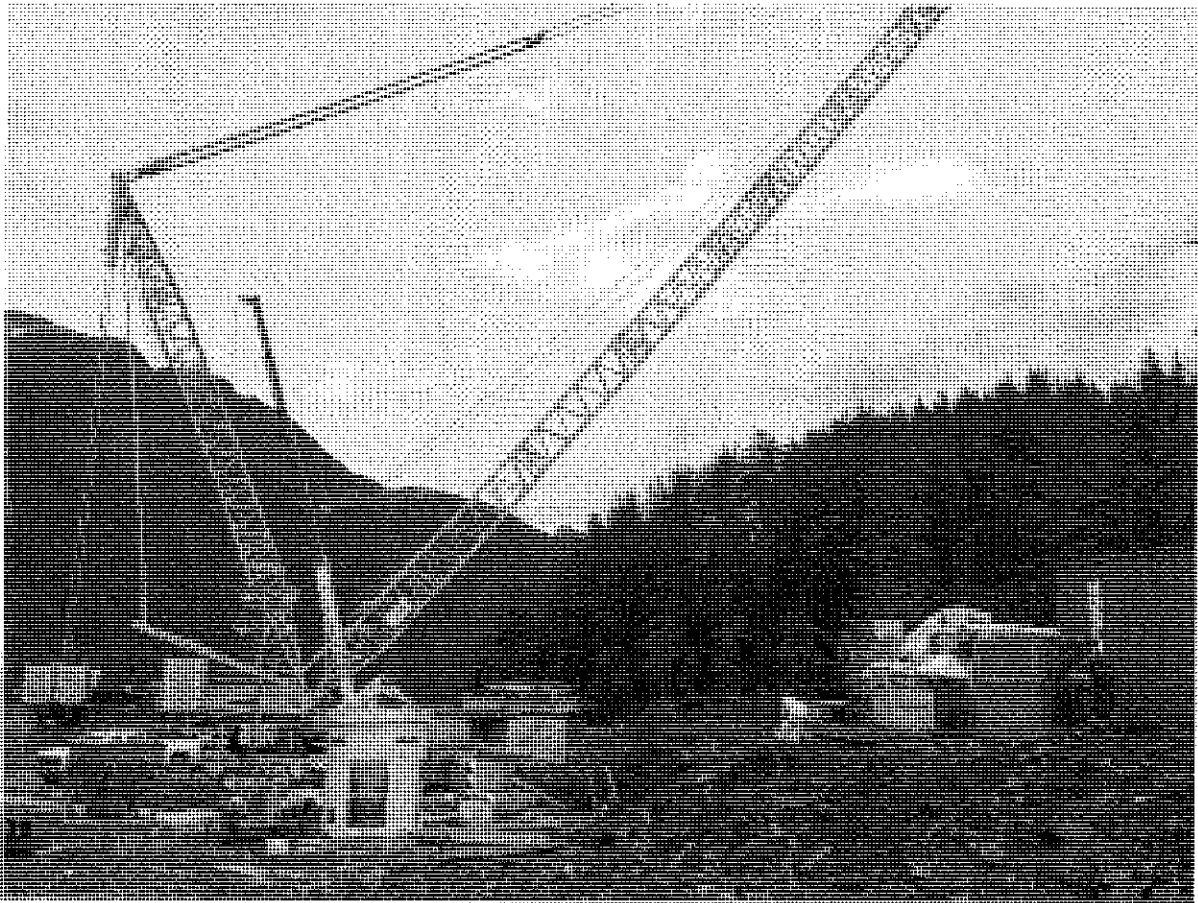


**Figure 3. Intake Portal and Right Abutment, Nine blocks are complete on the dam next to the right abutment.**



**Figure 4. Gate House Location, Barnard continued construction of the gate chamber. The floor and walls have been placed. Forms are being installed to place the crown.**





**Figure 5. Dam Staging area, No change this month.**

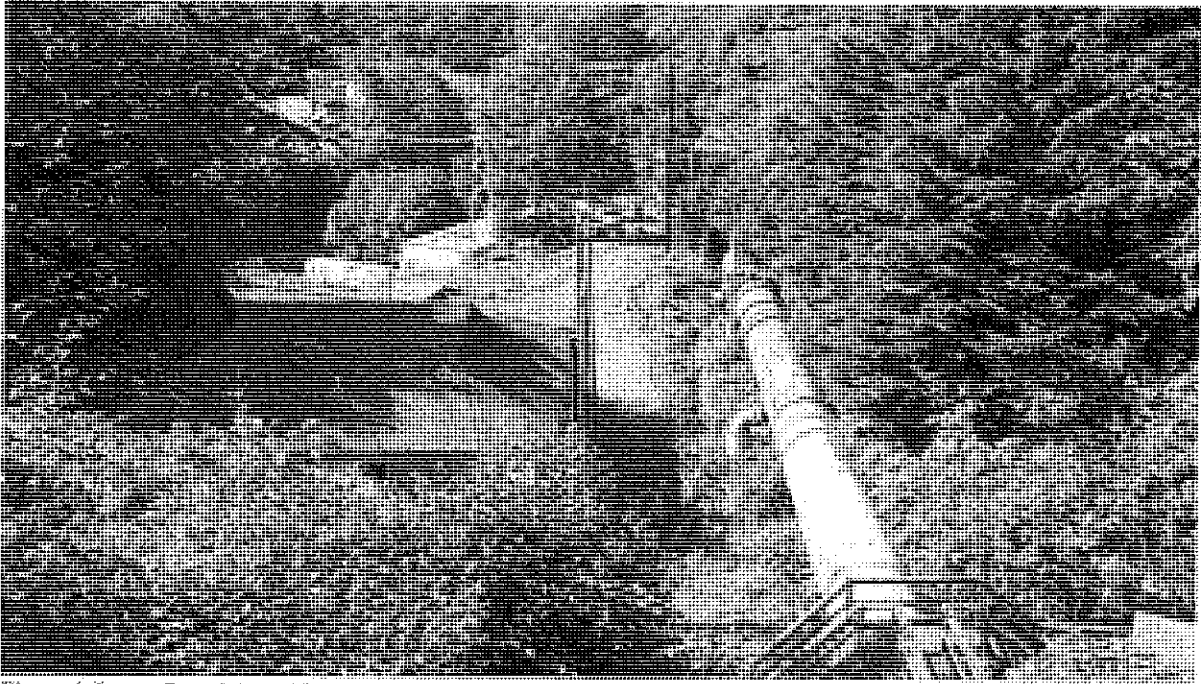
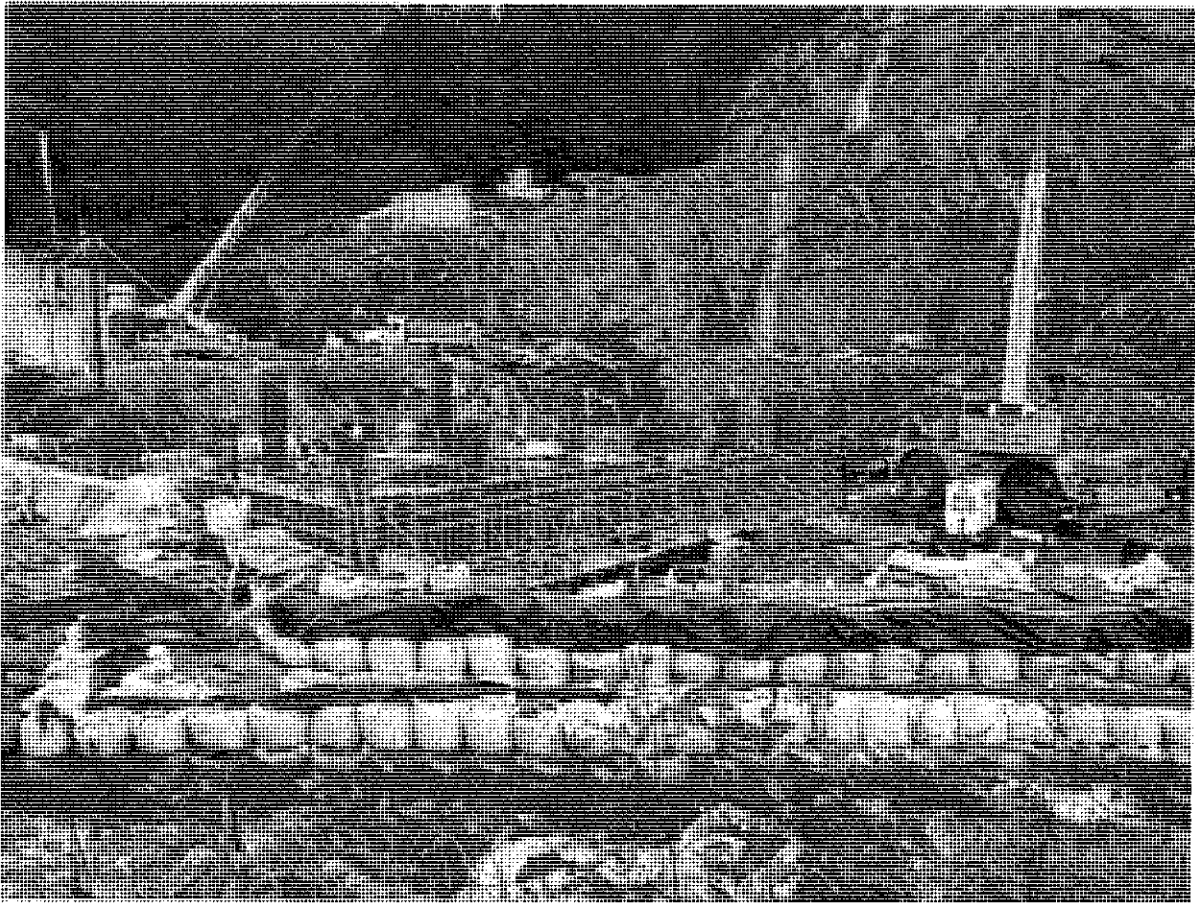


Figure 6. Lower Portal Area, No change this month.



**Figure 7. Fourchamps Site, Arctic Slope Regional Corporation (ASRC) McGraw Construction placed 543 CY completing the draft tube ceiling and the power house to elevation 5.94'. Additionally; a 372 CY placement and a 330 CY placement completing Unit 4 and 5 floor to elevation 13'.**

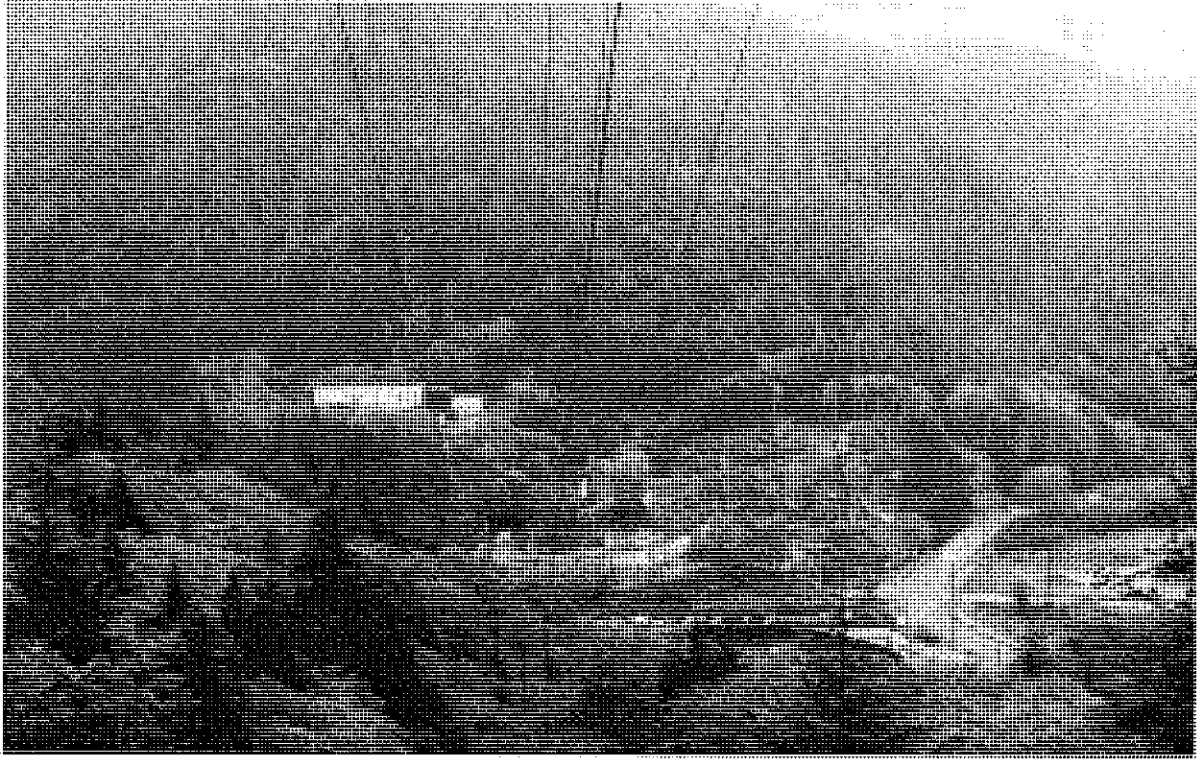


Figure 8. Lower Project Site, Work continued on the powerhouse access road and new powerhouse site.

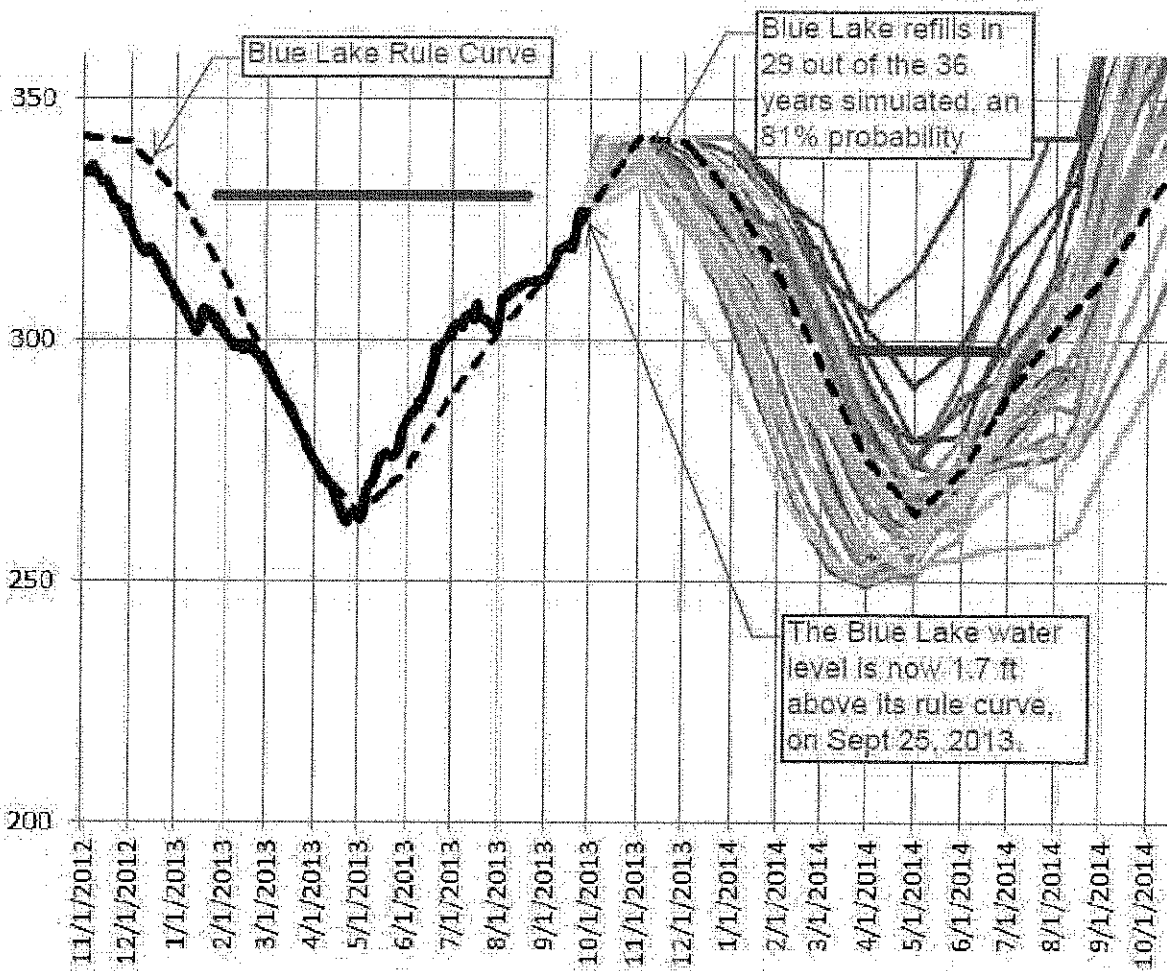
**LAKE LEVEL WINDOW FORECAST**  
**Blue Lake Expansion Project**  
**Contract 9 – General Construction**

Forecast Date: September 26, 2013

Blue Lake WSEL: 326.7 on September 25, 2013

**Highlights:**

1. Through September, the Electric Department continued to cut back the Blue Lake out flows by operating only one Blue Lake turbine-generator unit most of the month. This cut-back is aimed at balancing the water levels in Blue Lake and Green Lake, with a goal of ensuring that both lakes refill fully this fall.
2. With Barnard's installation of a temporary plug in the intake tunnel, the issue of whether the Blue Lake water level will impact construction in 2013 is now moot.
3. Rains in late September helped a lot, both lakes gained several feet relative to their rule curves between September 19 and 25. Blue Lake is 1.7 ft above its rule curve. Green Lake is one foot below its rule curve.
4. The probability of the lakes refilling and spilling has dropped from late August. Blue Lake has an 81% probability of refill and Green Lake, 89%.



**LAKE LEVEL WINDOW FORECAST – GREEN LAKE**  
**Blue Lake Expansion Project**  
**Contract 9 – General Construction**

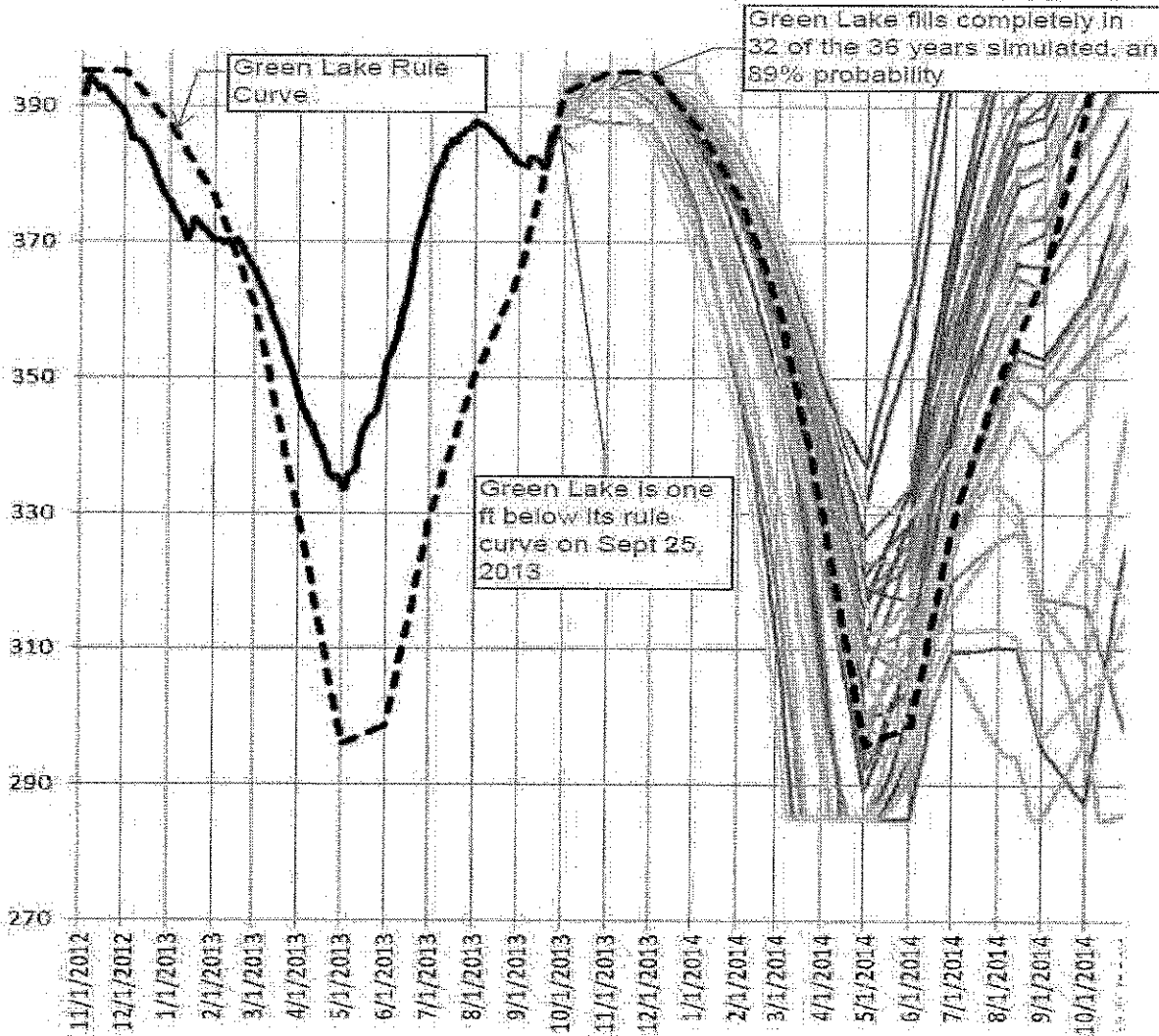
Forecast Date: September 26, 2013

Green Lake WSEL: 385.9 on September 25, 2013

Simulated water levels in Green Lake, for September 26, 2013 lake level forecast.

**Highlights:**

1. CBS Electric Department staff is now running the Green Lake power plant more aggressively (two units on continuously) to reduce Blue Lake generation, store water in Blue Lake and aim towards both lakes spilling about the same time this fall.
2. With more aggressive operation and low rainfall in August and September, Green Lake is now at the same level it was on July 22, more than 2 months ago.
3. The probability that Green Lake will fill completely this fall has now dropped from 97% probable on July 31 to 92% probable on August 29, 2013, to 89% probable on Sept. 26.



*Appendix 1 to Monthly Update for City Assembly*

*September, 2013  
ACTION PLAN  
City Performed Work, for Contract 9*

The following table presents the Project Team's plan, staffing assignments and schedule to ensure that these owner-furnished design, fabrication and construction elements of the Expansion Project do not delay the construction contractor or result in additional costs.

Blue shaded boxes indicate completed work items.

Yellow shaded boxes indicate items of concern.

Project Element	Design Phase		Fabrication, Delivery and Construction		
	Lead	Date planned/ complete	Lead	Date Complete	Notes
PH Plant Function PLC panel, with BOM (north wall, near gridline 4, sits on floor)	S. Kim	4/30/2013/	B. Belley	July 2013	Panel to be "owner furnished" to Barnard. Conduit underneath will go thru cutout.
Industrial water pump pane - control cabinet (outside the south wall of PH)	S. Kim	5/15/2013	B. Belley	June 2013	Panel to be "owner furnished" to Barnard. UPS will give 5-10 minutes of power in the event of an outage. (OK).
Industrial water pump panel VFD cabinet (inside the east wall of PH—southeast corner)	S. Kim	7/15/2013	B. Belley	August 2013	Included with industrial pump panel. See above
Fish Valve Unit as-built	R. Dryden	4/18/2013/			95% of the work that needs to be done is CAD work, to be transferred to the EES CAD team.
Fish Valve Unit interconnection wiring design, diagrams	R. Dryden	6/1/2013/	B. Belley	Oct 2014	Install wiring and startup FVU after Generation Outage. Lots of CAD; similar to the above.
Switchyard control panels – <b>First Priority for Bob</b>	R. Dryden	4/15 /14	B. Belley		Need final drawings from Bob. CBS has 90% of material on site.
Switchyard control enclosure (building)	R. Dryden	4/20/2013/	Parkline		Rennie and Donny Byrd will build the foundation and erect the building.
Switchyard control conduit					Bruce and line crew will install conduit.
Configure Blue Lake Control Room	Tal Frank Dean		Tal		Dean marked up DP-3 panel drawing to show circuits needed for SCADA.
Transfer Green Lake SCADA system	Tal			9/1/2013	Green Lake SCADA system will be located in the SCADA closet, not the Plant function cabinet.
<b>Work in the more distant future</b>					
Site to Site Fiber optic	J. Wheeler, B. Belley	Design Complete and March	Chatham	6/1/2014	Fiber needs to be terminated at the following locations: Gate house, FVU, Switchyard control building, BLU SCADA.
In-plant fiber optics	T. Honadel		B. Belley	6/1/2014	This is 12 fiber cable between SCADA devices at the Blue lake site
SCADA system design and supply	T. Honadel, D. Orbison	Nov 2013	T. Honadel, B. Belley	3/1/2014	Tal has the UEE tags to proceed. Tal witnessed the Gilkes FAT test and is incorporating UEE data in the CBS SCADA system.
PH interconnection diagrams	S. Kim	2/15/2014			Design of interconnects needed to quantify cable schedules. Barnard needs for install in 2014. Seung needs UEE interconnect to complete.
Relay Coordination and Ground Fault Study	EPS Corp.	2/1/2014	EPS	6/1/2014	These are settings for the protective relays and controls
Station interface with old Blue Lake PH	B. Dryden	1/15/2014	J. Wheeler	Nov 2014	Re-power existing PH as a shop area, after Generation Outage. Make sure conduit is in the right place.

## *Appendix 2 to Monthly Update for City Assembly*

**September 30, 2013**

### **Summary of Temporary Filtration Project Status**

#### **Alternative Water Source Investigation Filtration (Blue Lake Project):**

It was decided by Public Works, Water Department, and the Electrical Department to incorporate this work into the general construction contract for the Blue Lake Expansion at a meeting held August 28, 2013. It was decided that:

- CH2MHILL will develop a price request that will be submitted to Barnard as a change order for the supply and installation of the temporary filtration plant for Indian River.
- CH2MHILL will select the filtration elements and proceed with the final design. Barnard will be given the opportunity to adjust their price based on the final design.
- McMillen will perform the construction management.
- The City will provide plant operation with possible assistance from the supplier.

The completion of this work is now in the critical path.

The proposed schedule has the design completed in November 2013, ADEC permitting completed in March 2014, construction of the piping and pumping completed in April 2014 and final installation of the filter units in June 2014 for operation in July 2014. The preliminary design cost estimate has a projected design and construction cost of \$3,000,000. Due to the lack of well potential in the Indian River Valley, temporary surface water filtration will need to be utilized during the Blue Lake Project outage.

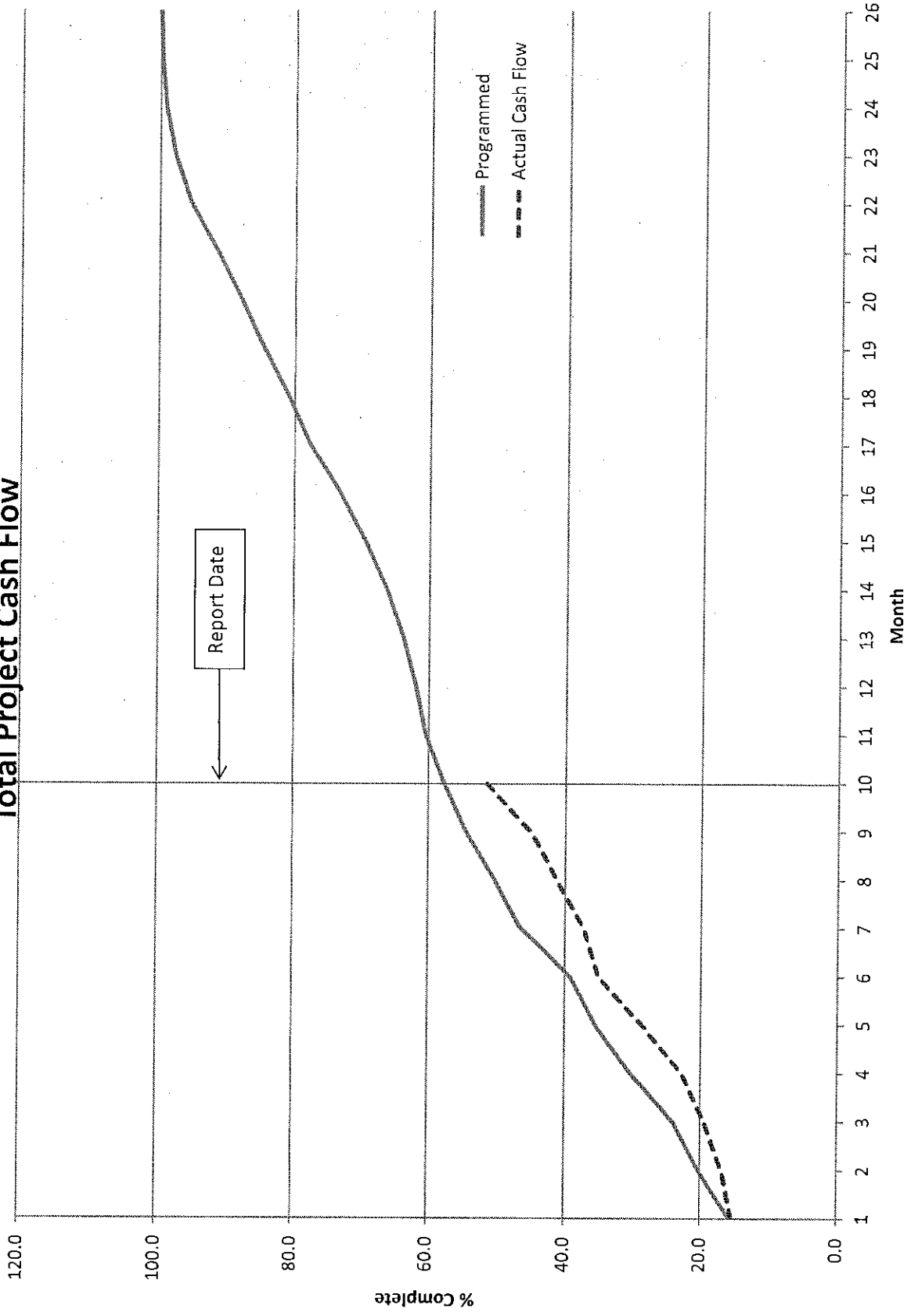
Award of the design contract was approved by the Assembly on February 12, 2013.

#### **Installation of Titan I30 Turbine for Standby Generation:**

- All Titan Complex site retaining walls and sub-grade compaction is now complete.
- Titan Turbine Generator Unit heavy foundation is now being formed, steeled, anchor-bolt aligned and ground grid tie-in prepped.
- Concrete pouring for this unit is scheduled for first week in October; weather permitting (approximately 70 yards high-strength).
- Titan exhaust stack forming and pouring to follow immediately, weather permitting.
- Final U/G circuit planning nearly complete and planning that careful excavation first week in October, weather and materials arrival dependent.
- Mike Carson, electrical engineer for the substation, is scheduled to attend Titan GSU Transformer testing in Missouri October 24-28. This critical transformer scheduled to ship in November.
- Solar Titan unit testing scheduled for November at San Diego. Solar has not indicated any change from the planned March, 2014 Titan Complex arrival at Sitka dockside.
- Final completion of cableways, additional support structures, ground grid and many project details must await the main Titan Package setting on the foundation in the spring. A clear crane operating field is required for this 110 ton structure to be placed in final position.
- The planned fully operational Titan target date is June, 2014.
- Final ADEC Minor Permit AQ0014MSS02 was issued September 25, 2013.
- PCN #004 was received from Solar for the design and installation of a fuel treatment skid. Fuel skid was a requested alternative to a fuel oil purifier. Evaluation of proposal, including cost, is underway.



# Total Project Cash Flow



## BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: SEPTEMBER 30, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

### **1. Progress of work**

#### Environmental Protection

Barnard continues to install erosion and sediment control measures as required at the dam site, storage yard at Sawmill Cove Industrial Park and powerhouse area as ground disturbing activities continue. BMP maintenance and repair is ongoing as needed throughout the project site.

#### Gate Chamber Concrete

Barnard has completed all of the floor and wall concrete placements in the Gate Chamber, behind the concrete plug. Our crews have started setting the pre-built crown formwork with anticipation of placing the crown concrete in early October.

#### Dam Raise

Barnard crews have completed 10 monolith block pours on the dam raise. Our crews are continuing to work on both sides of the existing spillway during the first season work. Barnard crews have also begun concrete work on the left abutment thrust block.

Crux Subsurface has completed the consolidation grouting for the left abutment thrust block and cutoff wall above Elevation 390. All consolidation grouting is now complete.

Crux Subsurface has completed installation of the six pressure relief wells in the plunge pool. Barnard assisted Crux with the placement of the concrete protection caps for each of the wells.

#### Powerhouse

ASRC McGraw has completed the concrete for approximately ½ of the Elevation 13 floor slab in the powerhouse. NAES Power Contractors and Schmolck Mechanical are both working at the powerhouse now to install the embedded drain piping and electrical conduit.

Southeast Earthmovers continues rock excavation for the new powerhouse access road and completed Phase 1 of the penstock excavation.

Barnard crews have installed the first three segments of penstock pipe in the powerhouse to allow the EL 13 concrete placements to be completed.

### **2. Status of Construction**

#### **Status of Ongoing Major Construction Activities**

- Powerhouse Excavation – 85% complete
- Dam Raise – 900 CY placed to date.
- Powerhouse Concrete – 1900 CY placed to date.
- Gate Chamber Concrete – 100 CY placed to date.
- Thrust Block Consolidation Grouting – Complete

## BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: SEPTEMBER 30, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

- Penstock Piping – 135 LF installed.
- Pressure Relief Wells – Complete.

See Section 1 above for construction work completed in September 2013.

### **3. Construction Issues**

The team identified a non-conformance at the Powerhouse in September. It was determined that the powerhouse has been constructed 0.23 feet higher than design elevation. We have determined that we can continue to build the powerhouse at the higher elevation. We are in the process of determining the corrective measures to regain the 0.23 feet of head loss due to the higher turbine centerline elevation.

### **4. Contract Status**

Barnard's key subcontractors for the Blue Lake Project are as follows:

<b>Name</b>	<b>Scope</b>
ASRC McGraw Constructors, LLC	Powerhouse Construction
Southeast Earthmovers, Inc.	Excavation
Blue Lake Tunnelers	Underground Construction
Crux Subsurface	Foundation Grouting, Micropiles, PRW's
O'Neill Surveying and Engineering	Land Survey
Baranof Materials Test Lab	Quality Control
NAES Power Contractors	Turbine-Generator Installation/Electrical

Barnard's key material suppliers for the Blue Lake Project are as follows:

<b>Name</b>	<b>Scope</b>
ASRC McGraw Constructors, LLC	Concrete Supply
Gerdau Reinforcing Steel	Concrete Reinforcing Steel
Haskell Corporation	Misc. Metal Fabrication

### **5. Critical Events and Dates**

Please see attached summary progress schedule updated August 31, 2013.

Critical Dates for the Blue Lake Project are as follows:

<b>Milestone</b>	<b>Date</b>	<b>Required Status of Construction</b>
1	07/01/2013	Drainage Tunnel Complete – Completed May 6, 2013
2	08/19/2013	Initial Intake Excavation Complete – Completed July 21, 2013
3	06/04/2014	Intake Structure Complete
4	08/24/2014	Ready for Generation Outage

## BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: SEPTEMBER 30, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

5	61 days after start of Generation Outage	Substantial Completion of 1 <sup>st</sup> Blue Lake Turbine Generator
6	91 days after start of Generation Outage	Substantial Completion of 2 <sup>nd</sup> Blue Lake Turbine Generator
7	80 days after start of Generation Outage	Substantial Completion of Fish Valve Unit

### 6. Reservoir Filling

Not applicable for this report

### 7. Foundations

Not applicable for this report.

### 8. Sources of Major Construction Material

The City and Borough of Sitka will be providing most of the major construction materials for this project. Please see list below.

<b>Contract No.</b>	<b>Vendor</b>	<b>Scope of Supply</b>
1	Gilbert Gilkes and Gordon, Ltd.	Turbines and Generators
2	Myers	12.47 kV Switchgear
3	Linita Design and Manufacturing	Bulkhead Gate, Fixed Wheel Gate and Hoist
4	T Bailey, Inc.	Penstock and Manifold
5	WEG Electric	69kV Transformers
6	Benchmark Industrial Services	Powerhouse Bridge Crane
7	CHG Building Systems	Powerhouse Building

Materials Received this Period:

Rebar – Barnard has been receiving reinforcing steel for the powerhouse and dam throughout the month of September.

Misc. Metals - Barnard has been receiving misc. metals for various project features throughout the month of September.

Turbine Generator Equipment (Contract 1) – Barnard received the remainder of the T/G equipment in September. Gilkes representatives were onsite in September to inspect the equipment.

Fixed Cone Valve - Barnard took receipt of the fixed cone valve for the penstock drain in late September.

## BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT

For Period Ending: SEPTEMBER 30, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

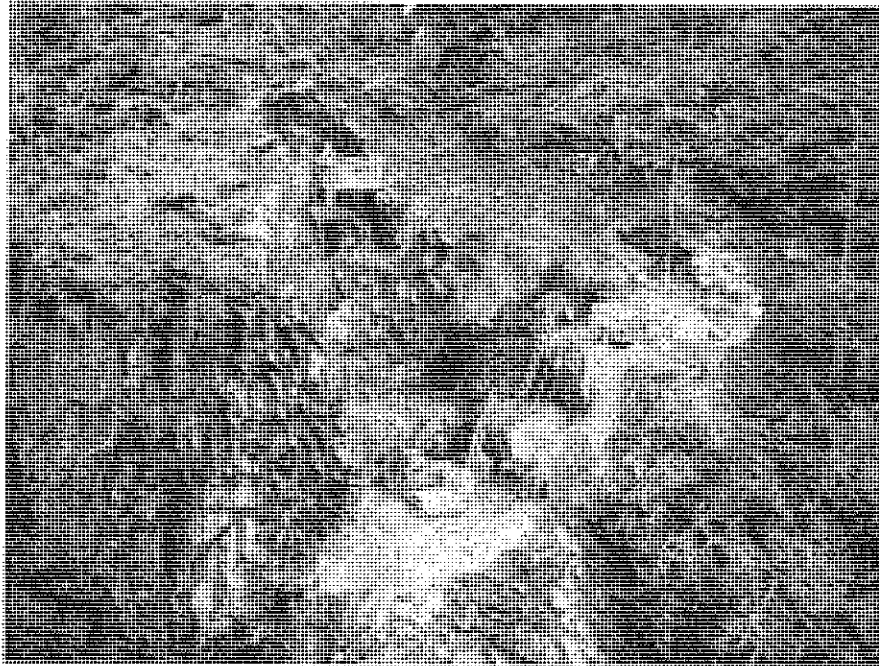
### **9. Material Testing and Results**

Concrete testing is ongoing for the dam raise, gate chamber and powerhouse concrete. No issues have been encountered to date.

### **10. Instrumentation**

Not applicable for this report.

### **11. Photographs**

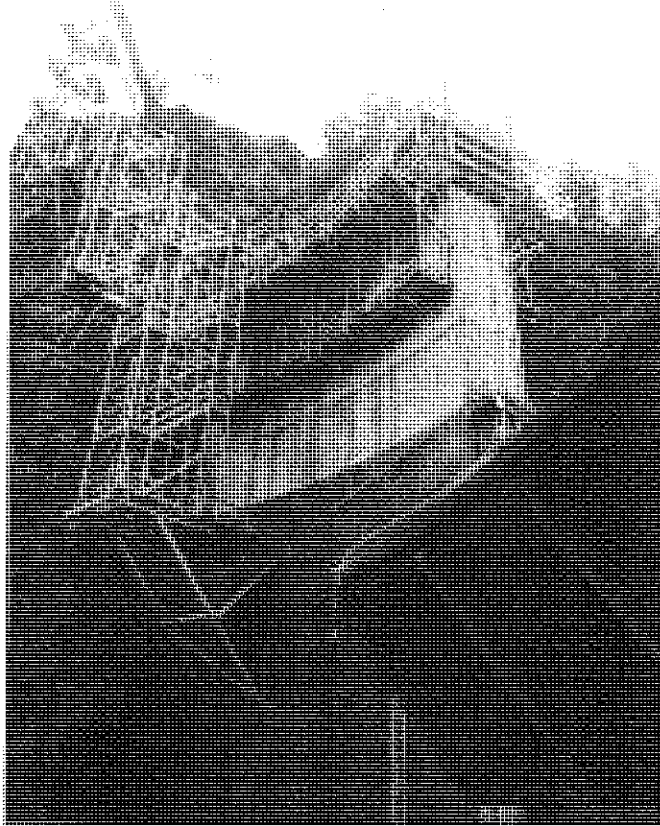


**Figure 1: Cut-off Wall Consolidation Grouting**

**BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

For Period Ending: SEPTEMBER 30, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

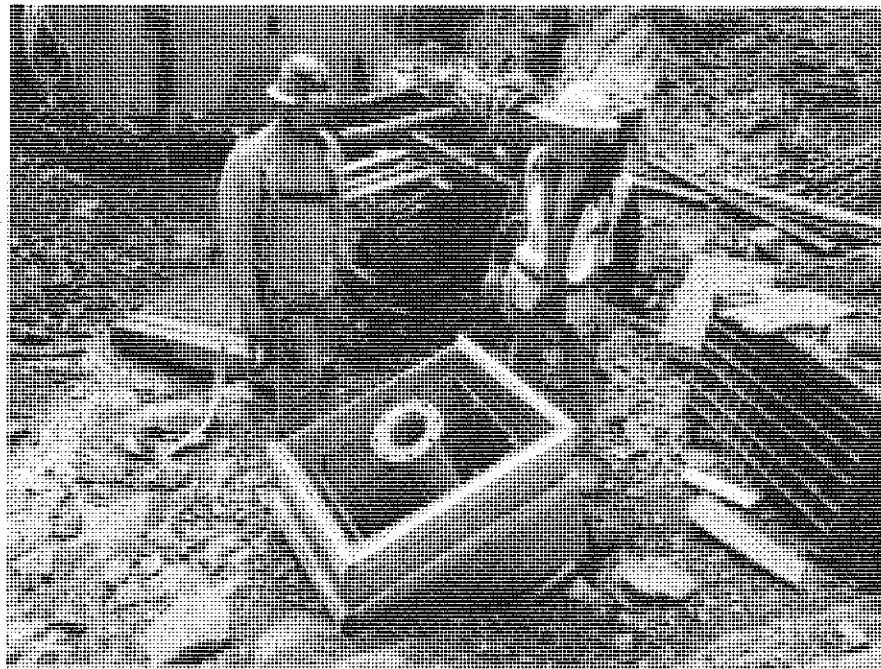


**Figure 2: Dam Raise**

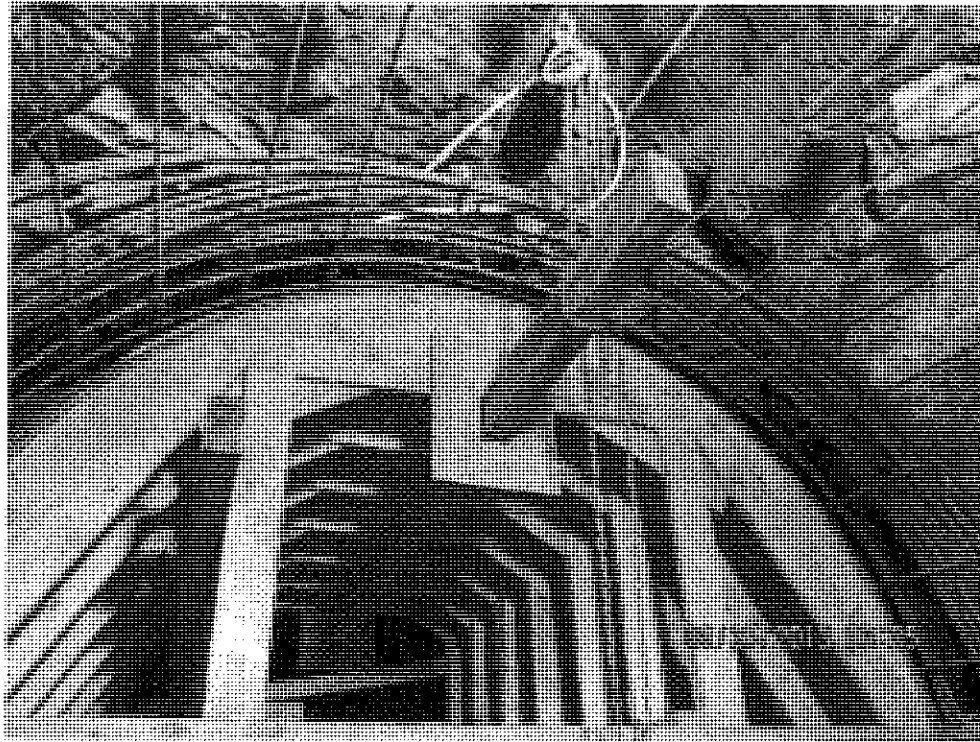
**BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

For Period Ending: SEPTEMBER 30, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.



**Figure 3: Pressure Relief Well Cap**



**Figure 4: Gate Chamber Crown Formwork**

**BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

For Period Ending: SEPTEMBER 30, 2013

Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

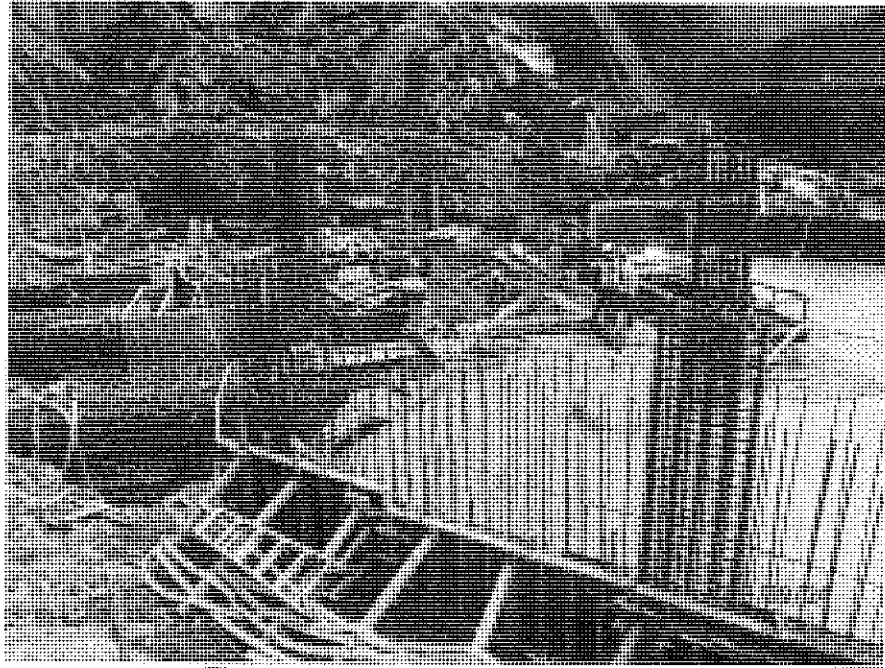


Figure 5: Powerhouse E.L. 13 Finished Floor

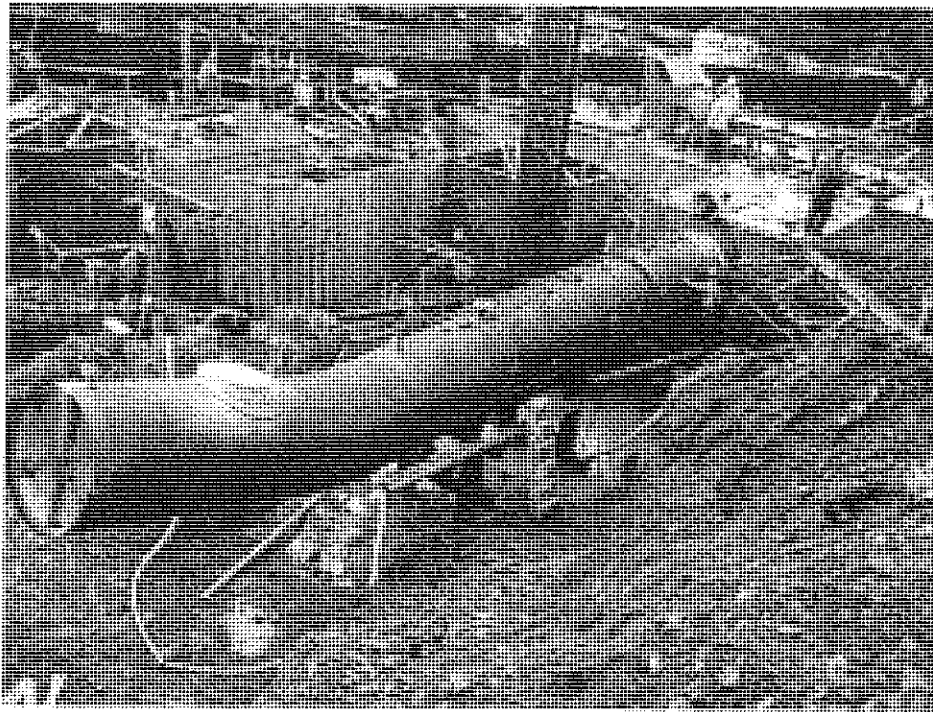


Figure 6: Unit 5 Penstock



## **BLUE LAKE EXPANSION PROJECT MONTHLY CONSTRUCTION REPORT**

For Period Ending: SEPTEMBER 30, 2013

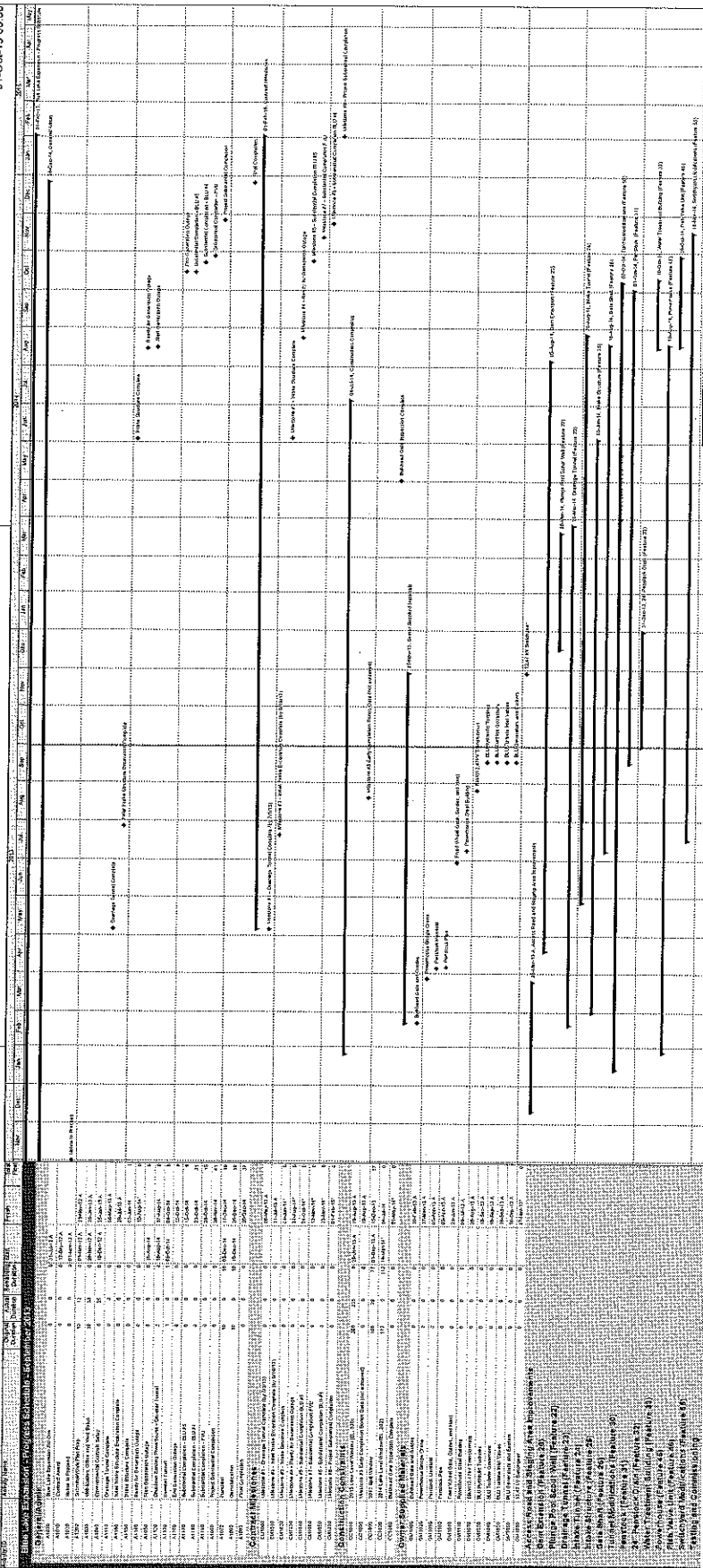
Prepared by: BARNARD CONSTRUCTION COMPANY, INC.

### **12. Erosion Control and Other Environmental Issues**

Barnard is continuing to install the required environmental protection measures on the project site ahead of ground disturbing activities. Ongoing maintenance of dewatering system at powerhouse excavation site will be required to maintain water quality in Sawmill Creek.

### **13. Other Items of Interest**

Blue Lake Expansion - Progress Schedule - September 2013



# Southeast Alaska by the Numbers 2013

A Publication of Southeast Conference

**DEMOGRAPHICS**  
PAGE 6



**VISITOR INDUSTRY**  
PAGE 7



**SEAFOOD**  
PAGE 8



**MINING**  
PAGE 9



**GOVERNMENT**  
PAGE 10



**HEALTH CARE, TIMBER**  
PAGE 11



September 2013

## Changes in Southeast Alaska: 2010 to 2012



THE REGIONAL POPULATION INCREASED BY 2,800 PEOPLE - TO 74,423. A NEW RECORD HIGH.



THE LABOR FORCE INCREASED BY 1,800 JOBS.



JOB EARNINGS INCREASED BY 10%.



280 NEW MINING JOBS WERE CREATED, AN INCREASE OF 50%.



37,000 MORE PEOPLE DEPLANED IN SE TOWNS. 61,000 MORE CRUISE SHIP PASSENGERS VISITED.

## Southeast Alaska's Economy 2013: Significant Growth

It is a good time to live and work in Southeast Alaska, and not just because of 2013's epic summer weather. The economy of Southeast Alaska is in an expansion phase, and has been since 2008. Between 2010 and 2012 the economic growth of the region has intensified—nearly every single economic indicator for the region is up, and continuing to rise.

In 2012 the region reached a new record population, easing past the former record set in 1997. In the last two years, the regional labor force increased by 1,800 jobs. Leading the way were employment gains in mining, professional & business services, the visitor industry, and construction.

Due to these increases, the region has more workers than ever before (46,000), along with the highest total payroll—even when adjusted for inflation.

The number of cruise passengers is up—and expected growth will set visitor records over the next few years. The number of passengers traveling in and to Southeast Alaska by plane and ferry are also up—albeit below peak levels.

The 2013 salmon fishing season is shaping up

to be the best ever, already surpassing the 1999 record for total harvest.

The unemployment rate for the region is down. Housing starts are up slightly, and school enrollment is flat (although it increased in 2011 for the first time in 14 years). Both of these indicators are far below peak levels, but continued improvement is expected.

Falling economic indicators over the last two years were minor. Employment losses were mostly confined to the retail sector and local government losses in Juneau (although total wages remained up). A handful of job losses were also reported in the timber and information sectors.

While most parts of the economy will continue to improve, there are some areas of concern. The price of metals—although up between 2010 and 2012—have begun to drop in 2013, which could have a chilling effect on the mining industry. Sequestration is resulting in cuts to federal programs. Perhaps most worrisome looking forward is the dwindling oil production upon which state revenues are so dependent, along with continued reductions in federal and local government expenditures.

In the meantime, take a moment to enjoy one of the strongest economies the region has experienced.



# A Message from Southeast Conference's Executive Director

## Greetings-

One of the many functions of Southeast Conference is to disseminate economic and socioeconomic information, and this year I am proud to present you with our 2nd annual Southeast Alaska by the Numbers publication.

I hope this report will be valuable to you as you make decisions for your community, business, non-profit, or other government entity. Our consultant, Sheinberg Associates, waded through nearly 150 reports and data sets so that you didn't have to. This year the report provides a two-year snapshot of the regional economy. The story it tells is a great one. It shows that finally, after a great deal of effort from many of you, many economic gains have been realized, and the upward trends appear poised to continue.

No one did this alone—these positive economic trends are materializing because all of us are working together to overcome obstacles. We are Southeast Alaskans, and by working together we have proven that we can overcome adversity. We've learned through difficult times that people and community leaders of Southeast Alaska must think locally and plan regionally. Each component of our economy needs continued support if we are going to maintain these upward trends.

In the past year, Southeast Conference has been working on several initiatives to grow the regional economy. We have been continuing our work with the Alaska Energy Authority, regional electricity providers, and alternative energy providers, to increase the capacity of all of the communities in our region in the quest for energy stability and security. We are working to establish a sustainable and renewable timber industry in Southeast Alaska through collaborating with the U.S. Forest Service, the State of Alaska, and Alaska Native Organizations to reinstate the responsibility of establishing a predictable and reliable timber supply sufficient to sustain the region's timber economy and communities. We also are working to enhance the efficiency and capacity of Alaska's Marine Technology and Trades Industry, which will support a wide array of existing and emerging economic activity dependent upon marine transportation. On that note, don't forget to check out our other September 2013 publication: *The Maritime Economy of Southeast Alaska*.

The mission of Southeast Conference is to undertake and support activities that promote strong economies, healthy communities and a quality environment in Southeast Alaska. Southeast Conference began more than 50 years ago with a group of people supporting the establishment of a regional transportation system in Southeast Alaska. After that success Southeast Conference stayed together through more than a half-century to focus not only on transportation issues but on many other concerns unique to the region. Our membership now includes nearly every community in Southeast Alaska. If you are not a member please join, and join us in growing the economy of the region. We need all the help we can get.

Shelly Wright  
Southeast Conference, Executive Director



Southeast Conference



# The Past Two Years At a Glance

The following table tracks key Southeast Alaska indicators over the past two years, along with associated changes.

DEMOGRAPHICS	2012	2010	% CHANGE*
Population <sup>1</sup>	74,423	71,664	+4%
60 to 79 year olds <sup>2</sup>	11,949	10,262	+16%
Non Juneau Population <sup>1</sup>	41,591	40,389	+3%
Median Age <sup>2</sup>	39.5	39.3	+0.5%
K-12 School District Enrollment <sup>3</sup>	11,490	11,517	-0.2%
GENERAL ECONOMIC CONDITIONS			
Total Labor Force (jobs, includes self-employed & USCG) <sup>6,5</sup>	45,996	44,195	+1,801/ +4%
Total Job Earnings (includes self-employment earnings & USCG) <sup>6,5</sup>	\$2.1 billion	\$1.9 billion	+10%
Total Private Sector Payroll <sup>6,5</sup>	\$1.35 billion	\$1.2 billion	+11%
Average Annual Wage <sup>1</sup>	\$43,371	\$40,881	+6%
Annual Unemployment Rate <sup>1</sup>	6.8%	7.7%	-0.9%
TOP ECONOMIC SECTORS			
2012			
2010			
% CHANGE			
GOVERNMENT			
<b>TOP SECTOR: 36% OF ALL EMPLOYMENT EARNINGS</b>			
Total Government Employment <sup>1,5</sup>	13,882	13,958	-76 jobs / -0.5%
Federal Employment <sup>1,5</sup>	2,246	2,230	+0.7%
State Employment <sup>1</sup>	5,574	5,563	+0.2%
City and Tribal Employment <sup>1</sup>	6,062	6,165	-1.7%
Total Government Payroll (includes USCG) <sup>1</sup>	\$745 million	\$691 million	+8%
COMMERCIAL FISHING & SEAFOOD			
<b>SECOND SECTOR: 12% OF ALL EMPLOYMENT EARNINGS</b>			
Total Seafood Employment (includes fishermen) <sup>6</sup>	4,122	3,966	+156 jobs/+4%
Total Seafood Employment Earnings <sup>6</sup>	\$245.8 million	\$209.5 million	+17%
Shorebased Processing Wholesale Value <sup>7</sup>	\$518.8 million	\$467.7 million	+11%
Pounds Landed (commercial seafood pounds by SE residents) <sup>8</sup>	267,316,798	279,864,836	-4%
Estimated Gross Earnings (ex-vessel value of pounds landed) <sup>8</sup>	\$335,036,429	\$291,748,083	+15%
VISITOR SECTOR			
<b>THIRD SECTOR: 8% OF ALL EMPLOYMENT EARNINGS</b>			
Total Visitor Industry Employment <sup>6</sup>	6,267	5,871	+396 jobs / 7%
Total Visitor Industry Wages/Earnings <sup>6</sup>	\$174 million	\$157 million	+10%
Cruise Passengers <sup>10</sup>	937,000	875,600	+7%
Total Air Passenger Arrivals in Southeast (includes inter-region travel) <sup>11</sup>	898,467	861,451	+4%
Total Southeast AMHS Passengers Arrivals <sup>12</sup>	262,931	251,503	+5%
HEALTH CARE SECTOR (COMBINING PUBLIC & PRIVATE HEALTH)			
<b>FOURTH INDUSTRY: 8% OF ALL EMPLOYMENT EARNINGS</b>			
Health Care Employment <sup>6</sup>	3,223	3,089	+134 jobs / +4%
Health Care Wages <sup>6</sup>	\$162 million	\$149 million	+9%
MINING SECTOR			
<b>TOP GROWTH INDUSTRY</b>			
Total Mining and Exploration Employment <sup>6</sup>	815	536	+279 jobs/ +52%
Total Mining and Exploration Wages <sup>6</sup>	\$79 million	\$51 million	+56%
Price of Gold <sup>15</sup> (Note: metal prices are down in 2013)	\$1,669 per ounce	\$1,225 per ounce	+36%
OTHER SELECTED STATISTICS			
2012			
2010			
% CHANGE			
Professional and Business Services Employment <sup>6</sup>	2,781	2,581	+200 jobs/+8%
Total Retail & Wholesale Trade Employment <sup>6</sup>	5,140	5,291	-151 jobs/-3%
Construction Employment <sup>6</sup>	2,226	2,107	+119 jobs/+6%
Housing Starts <sup>4</sup>	103	100	+3%
Total Timber Harvest (mmbf) <sup>9</sup>	121	147	-16%
Net generation of MwH in Southeast (2010-2011) <sup>13</sup>	408,469	397,457	+3%
Avg. Daily Volume TAPS <sup>14</sup>	547,866	619,655	-12%

Sources: <sup>1</sup>Alaska Department of Labor (ADOL); <sup>2</sup>ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area, 2010 to 2012; <sup>3</sup>Alaska Department of Education and Early Development; <sup>4</sup>Building Permits Survey, US Census; <sup>5</sup>US Coast Guard FOIA; <sup>6</sup>Combination of ADOL 2012 Employment and Wage data; 2011 US Census Nonemployer (self-employment) Statistics; <sup>7</sup>ADF&G Seafood Production of Shorebased Plants in Southeast Alaska, 2000 through 2012; <sup>8</sup>ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information, 2010-2012; <sup>9</sup>Alaska Forest Association; <sup>10</sup>McDowell Group; <sup>11</sup>US Bureau of Transportation Statistics (RITA); <sup>12</sup>Alaska Marine Highway System; <sup>13</sup>Annual Electric Power Industry Report. U.S. Energy Information Administration; <sup>14</sup>Alyeska Pipeline Service Company; <sup>15</sup>Kitco Metals Inc. Special thanks to the Alaska Department of Labor for providing many specialized datasets for this publication.

\*Note: These figures are total change between 2010 & 2012, not the compound annual growth rate.

# The Whole Economy

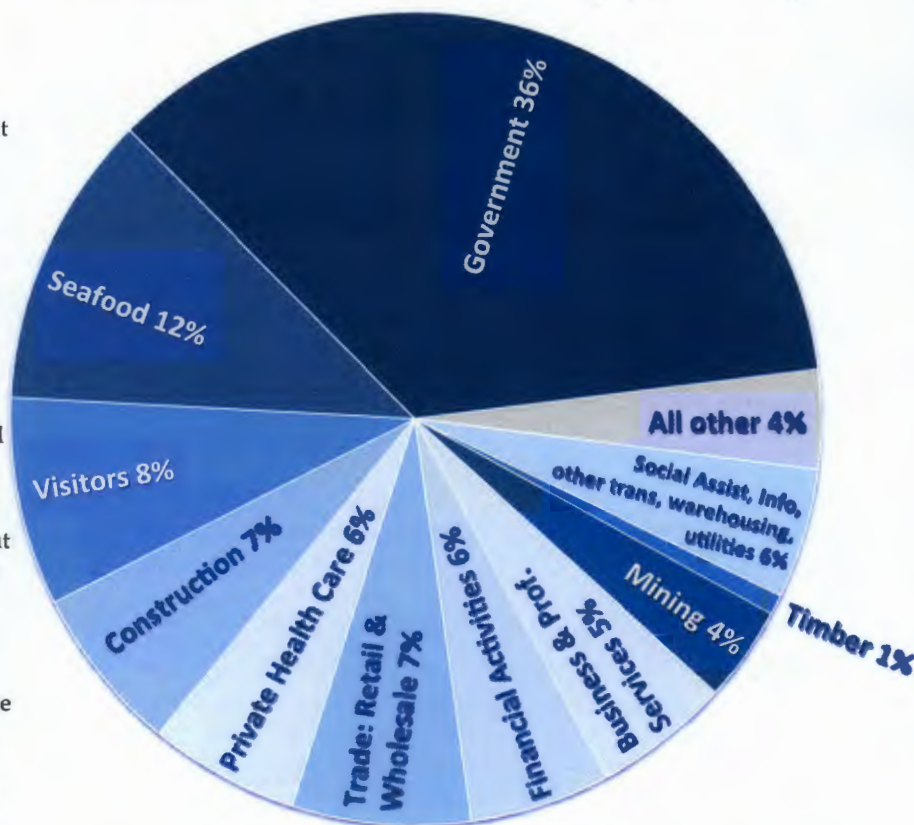
One of the challenges of measuring the Southeast Alaska economy is that Alaska Department of Labor employment and wage data does not include self-employed individuals or their earnings. Nor does it include active duty armed forces. In Southeast this means that commercial fishing efforts and our significant active duty Coast Guard population are often omitted due to lack of data. These groups represent approximately 8,500 people—18 percent of all regional employment.

This publication includes the self-employed and all Coast Guard employees. Self-employment is measured using the US Census Nonemployer Statistics, which track self-employment earnings by compiling tax return data. It lags employee wage data by a year, so to develop a complete picture we used 2012 ADOL and full USGS data, along with 2011 self-employment data.

There are important differences in how employment, self-employment, and active duty data are measured, but combining the data finally provides a clear and accurate picture of the regional economy as a whole. The methodology used here is readily reproducible on an annual basis.

The bulk of all self-employment earnings (39%) are in the seafood sector (mostly commercial fishermen). The pie chart to the right shows the Southeast Alaska regional economy as a whole based on all work related earnings, while the data below provides a detailed breakout of employment and employment earnings.

## 2012 Southeast Alaska Employment Earnings Includes US Coast Guard Payroll & Self-Employment Earnings<sup>1</sup>



## 2012 Southeast Alaska Employment and Employment Related Earnings

	EMPLOYMENT RELATED EARNINGS			EMPLOYMENT NUMBERS		
	Wages (2012)	Self Employment Earnings (2011)*	Total Earnings	Annual Average Employment (2012)	Self-Employed (2011)*	Total Employment
Seafood Industry	\$63,071,138	\$182,707,000	\$245,778,138	1,781	2,341	4,122
Visitor Industry	\$146,657,061	\$26,892,000	\$173,549,061	5,481	786	6,267
Construction Industry	\$98,772,374	\$40,190,000	\$138,962,374	1,550	676	2,226
Health Care Industry (private only)	\$115,624,024	\$10,303,000	\$125,927,024	2,405	208	2,613
Trade: Retail and Wholesale	\$127,401,697	\$21,945,000	\$149,346,697	4,576	564	5,140
Financial Activities	\$60,386,295	\$57,293,000	\$117,679,295	1,320	578	1,898
Professional and Business Services	\$71,124,303	\$42,885,000	\$114,009,303	1,547	1,234	2,781
Mining Industry	\$78,405,118	\$947,000	\$79,352,118	806	9	815
Warehousing, Utilities, & Non-Visitor Transport	\$32,606,429	\$7,891,000	\$40,497,429	732	181	913
Social Services	\$42,775,212	\$3,948,000	\$46,723,212	1,505	230	1,735
Information	\$19,257,088	\$2,121,000	\$21,378,088	442	51	493
Timber Industry	\$14,289,945	\$2,410,000	\$16,699,945	270	61	331
Government (includes all Coast Guard)	\$704,174,162	\$41,062,510*	\$745,236,672	13,318	564*	13,882
All Other	\$52,036,627	\$31,072,000	\$82,623,247	1,771	1,009	2,780
<b>Total</b>	<b>\$1,626,581,471</b>	<b>\$471,666,510</b>	<b>\$2,097,762,603</b>	<b>37,504</b>	<b>8,492</b>	<b>45,996</b>

Sources: <sup>1</sup>Alaska Department of Labor 2012 Employment & Wage data; 2011 US Census Nonemployer (self-employment) Statistics; 2012 US Coast Guard employment & wage data. \* There are no self employed government workers. These columns in Government refer to 2012 active duty Coast Guard personnel employment and wages.

Notes: **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation (NAICS 1125,1141,3117) and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew that did not report income are excluded).

**Visitor Industry** includes leisure and hospitality and visitor transportation (air, water, scenic) (NAICS 71, 72, 481, 487, 483) McDowell Group includes a portion of retail jobs in their visitors analysis - that was not done here.

**Timber** includes forestry and logging support activities for forestry, and wood product manufacturing (NAICS 113, 1153, 321).

# Southeast Alaska Overview

Southeast Alaska is a maritime region and economy. The Southeast Alaska Panhandle, extends 500-miles along the coast from Metlakatla up to Yakutat, encompassing 35,000 square miles. The saltwater shoreline of Southeast Alaska is approximately 18,500 miles. Islands make up 40 percent of the total land area. The region is home to 34 communities. The three largest communities—Juneau, Ketchikan, and Sitka— together are home to 75 percent of the regional population. Native Alaskans make up nearly a quarter (22%) of the region's population.

More than a quarter of all Southeast Alaska wages are directly earned through ocean related employment in 2012. Taken together, the more than 400 businesses and government agencies that are directly tied to the ocean comprise Southeast Alaska's largest economic sector.

## LAND OWNERSHIP

Southeast Alaska's land ownership is dominated by the Federal government, which manages 95 percent of the land base. Most of this (80%) is the Tongass National Forest. An additional 15 percent is Federal land managed primarily by the National Park Service (mostly in the Glacier Bay area) and the Bureau of Land Management.

The State manages 2.4 percent of the total land base, and this figure includes the Alaska Mental Health Trust and University lands. Boroughs and communities own only 53,000 acres—a quarter of one percent of the entire regional land base. Alaska Native Regional and Village Corporations own just under three percent of the remaining land base. Other private land holdings account for about 11,000 acres of all Southeast lands—or 0.05%. The lack of privately owned land and land available for development is unique in Southeast Alaska and impedes the ability of the region to nurture the private sector.

## LOOKING BACK

Until the mid-1990's, the population of Southeast Alaska had enjoyed nearly a century of growth that intensified after Alaska statehood in 1959. During that period the population and employment levels in Southeast more than doubled as the workforce expanded in the areas of mining, government, fishing, tourism, and timber. However, the mid to late 1990's and early 2000's were difficult years in Southeast Alaska.

In the early-1990's, seafood and timber directly accounted for a fifth of the regional economy. However, over the next decade pulp mills and sawmills in the region closed laying off more than 3,000 workers. During the same period, the value of salmon declined worldwide, and by 2002 regional ex-vessel values had fallen by two-thirds below the 1994 peak.



Total Southeast Alaska wages hit bottom in 1997. It would be another ten years before the negative economic consequences of timber industry losses worked their way through the regional economy. Population levels continued to decline through 2007, and 2008 marked the region's timid start to an economy recovery.

When the regional economy began to show signs of recovery, the national recession caused a slump in the visitor industry. Cruise passenger traffic dropped by 15 percent between 2008 and 2010.

It has taken nearly two decades, but the Southeast economy is now in a cycle of growth and is stronger than ever, and in 2010 the region embarked upon a new period of economic expansion.

# Demographics



Photo by Meilani Schijvens

## UP 2,800 PEOPLE OVER 2 YEARS +4%

In 2012, Southeast Alaska reached a new population record. The region population reached 74,423, surpassing the previous peak population level set in 1997.<sup>1</sup>

Between 1997 and 2007, the regional population outside of Juneau plummeted by nine percent (while Juneau population levels remained flat). The long-term population forecasts for the region were bleak—ADOL projected losses of up to 20 percent over 30 years. However instead of continuing to fall, the region's population decline bottomed out in 2007. Between 2008 and 2012, the Southeast population increased each year, for a total increase of 4,200 people (5.5 percent).<sup>1</sup>



The growth intensified and between 2010 and 2012 Southeast Alaska was the fastest growing region of the state, increasing by 2,800 people. The majority of this growth took place in Juneau, which gained 1,600 additional residents during this period. Ketchikan, Sitka and Haines gained a combined 800 new residents. The two fastest

growing communities in that time (among communities larger than 100) were Tenakee Springs and Gustavus with population gains of 16% and 11% respectively.<sup>1</sup> The regional compound annual growth rate was 1.9%.

### WHO ARE THESE NEW PEOPLE?

On average, those who arrived from outside the state between 2009 and 2011 were young, single, and educated: 70% were single; 75% had some college education or more; and two-thirds were under the age of 30.<sup>6</sup> They moved here for jobs in the visitor, seafood, mining, and construction industries, as well as for health care and Coast Guard positions.

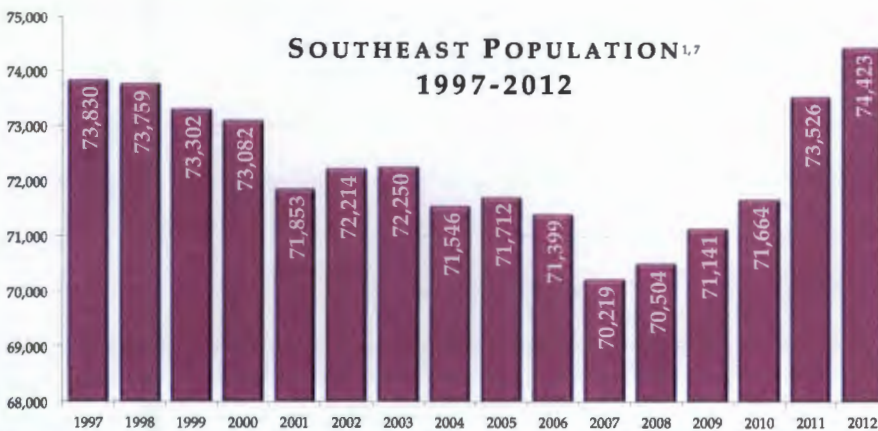
## POPULATION OUTLOOK

The population will continue to increase. Based on 5-year trends expect to see a 1.1% population increase in 2013. The population will also continue to age. Between 2010 and 2012 the number of residents over the age of 60 increased by 16 percent (1,800) and will continue to rise as baby boomers grow older.<sup>2,5</sup> As the grandchildren of baby boomers enter

the school system in larger numbers, expect the K-12 population to rise. Between 1997 and 2010, the number of school children in the region decreased each year for a total loss of 3,000 students.<sup>4</sup> The losses have flattened out, and in 2011 student numbers increased slightly for the first time in 14 years. Unfortunately, these increases will be coming too late for some schools in the region, which are facing closure now due to low enrollment.

### POPULATION CHANGE 2010 TO 2012<sup>1,2</sup>

	2010	2012	Change* 2010 to 2012
Juneau City and Borough	31,275	32,832	5%
Ketchikan Borough	13,477	13,938	3%
Sitka City and Borough	8,881	9,084	2%
Petersburg	2,948	2,972	1%
Haines Borough	2,508	2,620	4%
Wrangell City and Borough	2,369	2,448	3%
Metlakatla	1,405	1,463	4%
Craig	1,201	1,243	3%
Skagway Municipality	968	961	-1%
Klawock	755	799	6%
Hoonah	760	777	2%
Yakutat City and Borough	662	622	-6%
Kake	557	598	7%
Thorne Bay	471	508	8%
Gustavus	442	489	11%
Angeon	459	456	-1%
Saxman	411	432	5%
Hydaburg	376	367	-2%
Coffman Cove	176	181	3%
Tenakee Springs	131	152	16%
Naukati Bay	113	115	2%
Hollis	112	109	-3%
Hyder	87	98	13%
Klukwan	95	93	-2%
Pelican	88	82	-7%
Kasaan	49	69	41%
Port Alexander	52	66	27%
Port Protection	48	42	-13%
Whale Pass	31	39	26%
Edna Bay	42	39	-7%
Kupreanof	27	34	26%
Elfin Cove	20	20	0%
Game Creek	18	19	6%
Point Baker	15	16	7%
<b>Total</b>	<b>71,664</b>	<b>74,423</b>	<b>4%</b>



Sources: <sup>1</sup>Alaska Department of Labor (ADOL); <sup>2</sup>ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area, 2010 to 2012; <sup>3</sup>Alaska Department of Education and Early Development; <sup>4</sup>Alaska Population Projections 2010 to 2035, April 2012; <sup>5</sup>2009-2011 American Community Survey; <sup>6</sup>2010 US Census. \*Note: These percentages are total change, not the compound annual growth rate.



# Southeast Alaska Visitor Industry



Visitors have been coming to Southeast Alaska since John Muir wrote about the region in the 1870's.

## UP 400 JOBS OVER 2 YEARS +7%

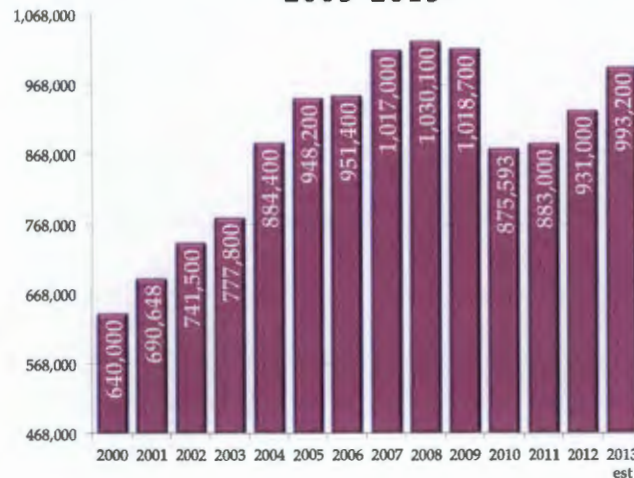
The Southeast Alaska Visitor Industry is experiencing significant growth. Between 2010 and 2012, visitor industry employment increased by seven percent in Southeast Alaska—400 jobs—while tourism-related employment income increased by 10 percent—a \$16.5 million increase in job earnings.<sup>1</sup> Southeast Alaska is the most visited region of the state, attracting nearly 70% of all Alaska summer visitors.<sup>2</sup>

According to McDowell Group, out-of-state visitors spent \$524 million in Southeast Alaska in 2012. On average, visitors spend \$485 per person in the region.<sup>3</sup>

For this publication we define the Visitor Industry as including leisure and hospitality businesses, along with air, water and scenic transportation companies. With this aggregation, the Visitor Industry emerges as the region's largest private sector employer in terms of jobs, accounting for 14% (6,300 jobs) of all employment. Those working in the visitor industry earned \$174 million in 2012—8% of all income earned in Southeast Alaska.<sup>4</sup>

Between 2010 and 2012, cruise passenger traffic to the region increased by seven percent.<sup>5</sup> In 2013, 993,200 cruise ship passengers are projected to visit the region, making 500 voyages on 30 large cruise ships in

## SE CRUISE PASSENGERS 2003-2013<sup>5</sup>



Southeast Alaska.<sup>5</sup> This represents a 110,000-passenger increase from 2010—13% more cruisers. Cruise passenger traffic had increased steadily and significantly for 35 years, but the number of visitors to the region declined in 2009 and 2010 in response to the global recession and a head tax. Approximately five percent of all 2013 cruise ship passengers worldwide visited Southeast Alaska.<sup>6</sup>

It is not just cruise passengers that are visiting the region. Air and ferry passenger numbers are increasing as well.<sup>3,4</sup> Southeast Alaska is becoming a more popular destination for independent travelers as the region gains more a national spotlight. Petersburg was named one of the top 10 yachting communities in the US by Yachting magazine in 2013. The Top Chef season 10 finale aired

earlier this year was filmed in Juneau; as were episodes of the Amazing Race that will air this fall; and Gold Rush—a popular reality TV show filmed in Haines—has begun airing its 4th season.

The volume of visitors attracted to the region has given rise to a rich variety of visitor focused regional businesses that the economy has come to depend on.

## VISITOR INDUSTRY OUTLOOK



The visitor industry in Southeast Alaska tends to follow national and international trends.

As the US economy continues to rebound, so will the Southeast Alaska visitor industry. Along with visitors, the number of jobs and related income in this sector should continue to improve.

In 2014, the number of cruise visitors visiting Southeast Alaska may be slightly lower—by 23,000 passengers—than 2013 projections. Two Princess Cruises ships will be replaced resulting in a 35,000 capacity decrease.<sup>7</sup>

However, expect the region to hit a new cruise passenger record within the next three years, as cruise passenger levels slowly increase.

Worldwide, the projected passenger annual average growth rate of cruise industry is expected to be seven percent through 2017, although growth in the Alaska market is expected to occur more gradually.<sup>6</sup>

Sources: <sup>1</sup>Combination of ADOL 2012 Employment and Wage data; 2011 US Census Nonemployer (self-employment) Statistics; <sup>2</sup>McDowell Group; <sup>3</sup>US Bureau of Transportation Statistics (RITA); <sup>4</sup>Alaska Marine Highway System; <sup>5</sup>Cruise Line Agencies of Alaska, Cruise Ship Calendar for 2013; <sup>6</sup>Cruise Market Watch; <sup>7</sup>Princess Cruises. Note: Visitor Industry includes leisure and hospitality and visitor transportation (air, water, scenic) (NAICS 71, 72, 481, 487, 483) McDowell Group includes a portion of retail jobs in their visitors analysis - that was not done here.



# Southeast Alaska Seafood Industry

Photo Credit: Seafood Producers Cooperative

## UP 150 JOBS OVER 2 YEARS + 4%

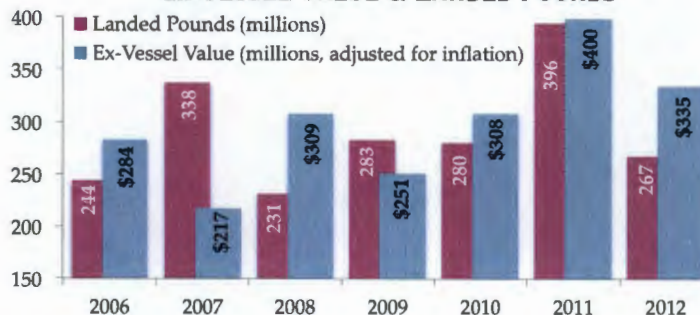
In 2012, the Southeast Alaska total seafood harvest was 267 million pounds, and the 2012 ex-vessel value was \$335 million.<sup>4</sup>

The seafood industry (commercial fishing and seafood processing) is the largest private sector employer in Southeast Alaska in terms of wages, accounting for 12% of all regional wages, and 9% of all employment. In 2012, the average monthly employment for the Southeast Alaska seafood industry was 4,120 (these figures exclude nonresident commercial fishermen, and unreported crew members).<sup>1</sup>

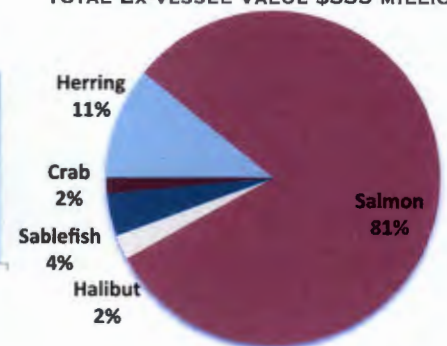
Seafood trends cannot be discussed based on only a year of data because there can be dramatic variations from year to year due to the strength of returning runs and market prices. Case-in-point, in comparison to 2011, 2012 was down significantly. Total pounds landed in Southeast Alaska were down 32% and associated ex-vessel value of that catch was down by 14%. If, on the other hand, 2010 is used as the yardstick by which to compare (as it is throughout this publication) the catch value was up by 15%.<sup>4</sup> The changes in 2012's pounds harvested and value can be largely attributed to the reduced pink return that year; but 2012 prices were generally strong, and chum salmon harvest numbers were 38% higher than 2011.<sup>5</sup>



**2006 TO 2012 SOUTHEAST ALASKA SEAFOOD  
EX-VESSEL VALUE & LANDED POUNDS<sup>4</sup>**



**2012 POUNDS LANDED IN SE<sup>4</sup>  
TOTAL HARVEST 267 MILLION POUNDS  
TOTAL EX-VESSEL VALUE \$335 MILLION**



In 2012, the five salmon species represented more than four-fifths of the region's catch in terms of volume, and 57% of the total ex-vessel value.<sup>4</sup> Halibut and blackcod (sablefish)—while just 6% of total pounds landed—accounted for 34% of the total value of 2012's regional catch.<sup>4</sup>

Shore-based seafood plants in Southeast Alaska processed 196 million pounds of seafood in 2012, with a wholesale value of \$518.8 million.<sup>3</sup> The wholesale value was 16% lower than the year before, but represented a 11% increase over 2010. State shared fisheries taxes on processing activity in 2012 provided \$5.2 million to 18 communities in Southeast Alaska.<sup>7</sup>

Southeast Alaska bested the other regions of the state and was the top salmon harvester in 2012, both in terms of salmon harvested and total value.

## SEAFOOD INDUSTRY OUTLOOK

The 2013 fishing season is shaping up to be one of the best ever.<sup>6</sup> By the end of August

2013, the Southeast commercial salmon catch reached a record total of 98 million fish (surpassing the 1999 record of 97.6 million).<sup>8</sup> Most of the salmon harvested were pinks. Regional fishermen landed 85 million pink salmon—30 million more than projected (and 7 million more than the 1999 record levels). In addition, Southeast Alaska fishermen delivered 9.9 million chum, 2.4 million coho, 867,000 sockeye and 224,000 king salmon to processors. Coho and sockeye came in near projected levels; king harvests were 57% higher; while four million fewer chum were captured.<sup>5,6</sup> Expect the 2014 salmon forecast to be below 2013 levels due to the two-year pink salmon life cycle.

The salmon market has expanded significantly in the US, with strong demand and prices. Salmon is now on 39% of all restaurant menus in the U.S.<sup>9</sup> For halibut, the federal Catch Share Plan being devised now will shift halibut quota between commercial and charter fishing. The outcome of these 2014 decisions will impact future Southeast Alaska halibut related harvest and revenue.

**Sources:** <sup>1</sup>Combination of ADOL 2012 Employment and Wage data; 2011 US Census Nonemployer (self-employment) Statistics; <sup>2</sup>McDowell Group; <sup>3</sup>ADF&G Seafood Production of Shorebased Plants in Southeast Alaska. <sup>4</sup>ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; <sup>5</sup>Run Forecasts and Harvest Projections for 2013 Alaska Salmon Fisheries and Review of the 2012 Season; ADF&G February 2013; <sup>6</sup>ADF&G 2013 Preliminary Alaska Commercial Salmon Harvest - Blue Sheet Updated August 30, 2013; <sup>7</sup>Shared Taxes and Fees Annual Report FY12, ADOR; <sup>8</sup>Alaska Commercial Salmon Harvests and Exvessel Values, ADF&G; <sup>9</sup>Seafood.com 2013. **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation (NAICS 1125,1141,3117) and Southeast Alaska resident commercial fishermen (nonresident fishermen & crew that did not report income are excluded).

# Southeast Alaska Mining Industry



Photo Credit: Kensington Mine

Mineral exploration and mining have been a part of the Southeast Alaska economy since gold was first discovered here in the 1860s.

## UP 280 JOBS OVER TWO YEARS +52%

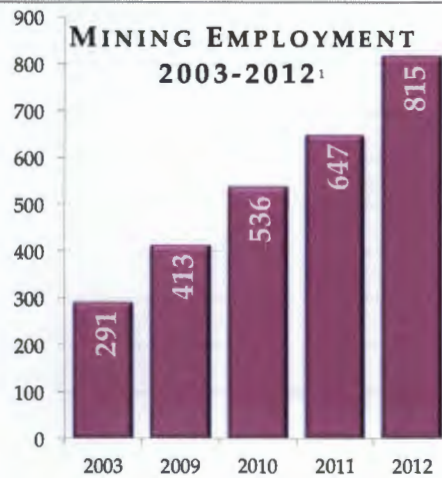
The role of mining in the Southeast economy has significantly increased over the last decade. In 2012, there were 815 mining jobs in Southeast Alaska with a \$79 million payroll. Mining employment in the region was up 52% over 2010 levels, and nearly triple from a decade earlier.<sup>1</sup> With an average annual mining wage of \$97,000, mining wages pay the highest wages of any sector, and are 2.5 times higher than the average private sector wage.<sup>8</sup>

However, the news for mining is not all positive. After rising each year for 11 years in a row, metal prices are falling. The average price of silver in the first half of 2012 was \$25.14 an ounce, a 19% decrease over the 2012 average price. Gold dropped in value by 10% over the same period.<sup>2</sup> Meanwhile, the parent companies of Kensington and Greens Creek mines posted preliminary losses in the 2nd quarter of 2012.

### SIGNIFICANT MINING ACTIVITY AND EXPLORATION IN SOUTHEAST ALASKA INCLUDES:

**GREENS CREEK MINE** (+20 jobs in 2012) is the largest silver mine in the United States, and the sixth largest silver producer in the world. This mine is Juneau's top private employer with 390 permanent year round employees in 2013.<sup>4</sup>

**KENSINGTON MINE** opened in 2010. In 2013, the company employs 310 permanent year-round employees. In 2012, the Kensington mine produced 82,000 ounces of gold (6,000 ounces less than the previous year).<sup>3</sup>



**BOKAN MOUNTAIN PROJECT** is located on southern Prince of Wales Island. The mine plan estimates that 5.2 million tons of rare earth elements will be extracted over an 11 year period, once the mine begins operations. The total cost of building the mine is expected to be \$221 million. The company has announced a 2016 mine completion goal.<sup>5</sup>

**NIBLACK PROJECT** is a copper-zinc-gold-silver-lead deposit located on Prince of Wales Island with an estimated 5.6 million tons of mineral resources. There has been \$87 million invested in the project, and the mine has the potential of creating 200 full time jobs. The company expects to complete the permitting process in 2016, at which time it will begin mill construction.<sup>6</sup>

**HERBERT GLACIER PROJECT** is 18-miles north of downtown Juneau. Initial estimates indicate 182,400 ounces of gold. Claims were staked in 1986 after the deposit was exposed by the retreat of the Herbert Glacier.<sup>7</sup>

Other prospects include the copper-rich **Palmer Project** adjacent to the Haines Highway; the **Poorman Prospect** near Kaasan; **Woewodski** and **Zaremba** gold, silver and zinc prospects located on separate islands near Petersburg and Wrangell; the **Admiral Calder Calcium Carbonate Mine** on Prince of Wales Island; and the historic **AJ mine** in Juneau.

## MINING OUTLOOK

With metal prices falling in 2013 and a softening of the global mining industry, the staggering growth in mining that the region has seen will not likely continue into 2014.



Southeast Alaska's mining industry has always risen and fallen based on mineral prices. If metal prices continue to decline, mining employment levels will become flat, exploration will decrease, and interest in historic mining sites will wane. Other challenges include difficulty securing exploration and development financing as well as environmental permits (Greens Creek currently reports that without a needed tailing expansion permit, the mine cannot operate past 2016). Also, the imposition of the Roadless Rule on the Tongass makes it more difficult both to access mines and for mines to connect to lower-cost renewable energy resources—such as hydropower—in order to supply the intensive energy requirements that accompanies mining.

In the meantime, Southeast Alaska is enjoying the largest mining boom since the days of the goldrush.

Sources: <sup>1</sup>Combination of ADOL 2012 Employment and Wage data; 2011 US Census Nonemployer (self-employment) Statistics; <sup>2</sup>Kitco Metals Inc; <sup>3</sup>Kensington Mine personal communication; <sup>4</sup>Greens Cree Mine personal communication; <sup>5</sup>Preliminary Economic Assessment Bokan Mountain Rare Earth, January 2013, Tetra Tech; <sup>6</sup>Niblack Overview Aug. 2013; <sup>7</sup>Technical Report on the Herbert Glacier Gold Property, April 2013, DuPre and Associates Inc.; <sup>8</sup>ADOL 2012 Employment and Wage data.



U.S. Coast Guard photo: Air Station Sitka, Alaska MH-60 Jayhawk rescue helicopter.

# Southeast Alaska Government

## DOWN 75 JOBS OVER 2 YEARS -0.5%

- State +10 jobs
- Federal +15 jobs
- Local/Tribal -100 jobs

As a whole, government employment was flat between 2010 and 2012.

Government wages make-up 36% of all regional employment earnings (\$745 million) and 30% of the region's jobs (13,900).<sup>1,2</sup>

Forest Service employment has continued to decline. USDA jobs in the region have dropped by more than 150 employees over the past five years, including 30 jobs over the past two years. Since 2010, local government jobs have declined the most, as state and federal budget cuts trickle down to the local level. The City and Borough of Juneau lost 158 workers over the past two years alone.

### TOP FEDERAL EMPLOYER: THE COAST GUARD

The US Coast Guard is now the top federal employer in the region with approximately 700 employees, displacing the Forest Service as USDA jobs decline.

Coast Guard employment in the region has risen slightly over the past two years as Alaska and the Arctic region become increasingly important to U.S. national interests.<sup>2</sup> Retreating sea ice has opened up new possibilities for maritime trade, tourism, and natural resource exploration, resulting in a significant corresponding increase in ship traffic and need for Coast Guard services.<sup>3</sup> Southeast Alaska, despite its distance from the

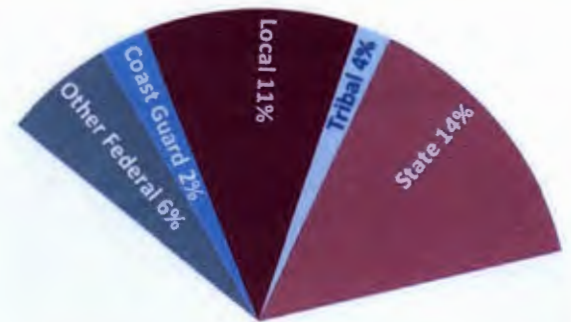
Arctic, has benefited from these development as the USCG builds up its Alaska presence to respond to these changing dynamics in the Arctic.

### DECREASING STATE REVENUE

The Trans-Alaska Oil Pipeline System has been funding 90% of Alaska's unrestricted government funds for most of 35 years. However, the decline in oil production and climbing state General Fund spending have put the state on an unsustainable economic course.<sup>4</sup> North Slope oil fields flow has declined to nearly a quarter of its peak with an average of 547,900 barrels a day in 2012 (down from more than 2 million).<sup>3</sup> According to Alaska Department of Revenue's forecasts, total oil revenues to the state in FY13 are expected to drop by \$2 billion from FY12 levels.<sup>5</sup>

### GOVERNMENT OUTLOOK

The economy of the region is highly dependent on both government employment and spending. In addition to declining state revenue, federal budget cuts will continue to reduce State, local and tribal government programs in the region—recent examples include closure of the SEARHC substance abuse treatment center in Sitka, and reduced Head Start operations in 15



## GOVERNMENT WAGES MADE UP 36% OF ALL SOUTHEAST ALASKA EMPLOYMENT EARNINGS IN 2012<sup>1,2</sup>

towns across the region, both due to sequestration. The near elimination of earmarks (designated Federal spending) will compound upcoming cuts and losses.

Additionally, the region is facing the likely prospect that the federal Payments In Lieu of Taxes (PILT) and Secure Rural Schools (SRS) programs will be reduced or eliminated. Communities receive SRS and PILT funding to compensate for the federal government's ownership of 95% of the regional land base. In 2012, these programs paid local governments \$16.2 million that cannot be easily replaced.<sup>7,8</sup>

Federal, State, local, and tribal government will continue to face revenue challenges in 2014, with negative consequences for the Southeast economy.

Sources: <sup>1</sup>ADOL 2012 Employment and Wage data; <sup>2</sup>United States Coast Guard Response to FOIA 2013-1848; <sup>3</sup>Alyeska Pipeline Service Company; <sup>4</sup>ADOL Southeast Alaska Government Departments 2010-2012; <sup>5</sup>Alaska Department of Revenue, Spring 2013 Forecast; <sup>6</sup>ISER, Maximum Sustainable Yield: FY2014 Update Scott Goldsmith; <sup>7</sup>USFS FY12 ASR 10-1, Payment Summary Secure Rural Schools Act State Payment; <sup>8</sup>FY12 Alaska Payments in Lieu of Taxes (PILT) program; <sup>9</sup>United States Coast Guard Arctic Strategy May 2013.



Photo by PeaceHealth Ketchikan Medical Center.



Photo by Meilani Schijvens

## Southeast Health Care Industry

**UP 130 JOBS OVER 2 YEARS +4%**

When both private and local hospital health care services are taken into account, the health care industry employment accounted for eight percent of all Southeast employment (3,200 workers) and wages in 2012.<sup>1</sup>

The largest health care provider in the region is the Southeast Alaska Regional Health Consortium (SEARHC) followed by the Bartlett Regional and Ketchikan General hospitals.

## HEALTH CARE INDUSTRY OUTLOOK

Due to the aging Southeast Alaska population, health

care needs are rising, and the health care industry is expected to continue to expand in response to these trends.

Statewide, Ambulatory Health Care Service jobs are forecasted to increase 37% between 2010-2020, while hospital employment is expected to rise 28%. As the demands to age in place (at home and in home communities) become stronger, demand for workers in the health care industry will translate into long-term continued growth for this industry region-wide through 2020.<sup>2</sup>

## Southeast Timber & Wood Products Industry

**DOWN 11 JOBS OVER 2 YEARS -3%**

Between 2010 and 2012 timber related employment in Southeast Alaska decreased by 11 jobs (3%), and the total timber harvest fell by 16 percent.<sup>3</sup> Despite these losses total wages attributed to this sector grew by 5% to \$16.7 million over this two-year period.<sup>1</sup>



Today's Southeast Alaska timber industry looks more like it did in the early 1900's than the 1990's. Once the economic backbone of the region accounting for almost 4,500 direct jobs, timber related employment now is only a fraction of the regional economy. In 2012, timber accounted for one percent of jobs and wages in the region with 331 jobs in Southeast (sawmill, logging, logging support and wood product manufacturing jobs).<sup>1</sup>

## TIMBER OUTLOOK

Due to the timing of timber sales (including the Tonka sale) there will be timber harvesting gains in 2013.<sup>3</sup> However, the 2011 reinstatement of the Roadless Rule makes timber harvesting increasingly difficult over

the long-term; while continued uncertainty and the current investment climate threaten the region's remaining capacity, infrastructure, and timber industry expertise. A successful timber industry requires changes to the federal timber harvest policy, a predictable timber supply with sufficient volumes to support industry, the timely release of the four 10-year timber sales, and passage of the Sealaska Land Bill.

## Alaska Native Organizations

Southeast Alaska's Native Corporations (ANCs) are the region's largest private landowners with almost 700,000 acres of land collectively. Augmenting its timber harvest activity, Sealaska and other corporations have instituted large scale forest management programs. ANCs are investing in the reopening of the Kake Fish Processing plant (Rocky Pass Seafoods) and in the operation of several oyster farms (Haa Aani). The Haida Corporation is now investing in a hydroelectric facility at Reynolds Creek to provide energy to Prince of Wales Island. The region's ANCs are making major investments in the resurgence of and recognition of Native art and culture—which is becoming a key differentiator in the region - beyond the scenic majesty, as tourism 'must sees'. Sealaska Heritage Institute just broke ground on its \$20 million Walter Soboleff Center in the heart of downtown Juneau, which will both showcase Southeast's Native cultures and provide resources for scholarly research. Huna Totem Corporation's Icy Strait Point cruise ship destination is in its 10th year of operation. This year they've launched Alaska Native Voices, a consulting service to help others develop cultural tourism ventures. Goldbelt Corporation's Mount Roberts Tram is a top tourist destination, and just one of their many visitor related businesses

Southeast Alaska's Tribes are also part of these collective efforts to build sustainable communities. Several have made new capital improvements in their communities and are working to strengthen cultural programs. The Organized Village of Kasaan is restoring the Chief Son-i-Hat Whale House to preserve the Haida architectural form and culture, already making Kasaan an Alaskan Dream Cruise destination. The Sitka Tribal Tannery is a business that tans sea otter, seal, bear, wolf and other hides. It is poised for growth as it capitalizes on lessons learned and gets ready to expand operations with direct sales and marketing. Southeast Alaska Native Corporation's land, commitment to culture, and business acumen are having a growing economic impact in our region.

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# The Maritime Economy of Southeast Alaska

Photo Credit: Jo Ellen Wendel [alaskafloatsmyboat.com](http://alaskafloatsmyboat.com)

## A Publication of Southeast Conference

September 2013

### Our Ocean-Based Economy

*Southeast Alaska's maritime sector is a vibrant spectrum of businesses and organizations dependent on ocean related commerce.*

Southeast Alaska is a maritime region. Nearly every element of our economy is intermingled with the maritime economy. We depend on barges to import most commodities, including food and fuel. Our seafood industry depends on the wealth of the sea and the flotilla of 3,000 commercial fishing vessels home-ported in the region. A million visitors come to Southeast Alaska on 500 cruise ship voyages in the summer. Freight ships move logs and ore laden with precious metals to market. Alaska Marine Highway ferries provide transportation between communities.

Government employees regulate the fishing industry, guard our coasts, teach fisheries courses, manage coastal areas, operate docks and harbors, and research ocean species and habitat.

Due to the way economic data is typically quantified, the Southeast Alaska maritime industry has not previously been measured as an independent sector. As a result its contributions to the regional economy have not been recognized. This publication quantifies Southeast Alaska's maritime economy and provides an in-depth focus on one of the region's fastest growing segments: maritime manufacturing in the form of ship & boat building and repair.



#### HOW MUCH OF SOUTHEAST ALASKA'S ECONOMY IS MARITIME?

Just over one-quarter of all Southeast Alaska wages are directly earned through ocean related employment in 2012. In Southeast Alaska there are 8,200 "blue jobs" as maritime jobs are sometimes called, with \$475 million in associated wages. Taken together, the more than 400 businesses and government agencies that are directly tied to the ocean comprise Southeast Alaska's largest economic sector.

#### WHAT ARE MARITIME OR "BLUE" JOBS?

Maritime jobs are all jobs related to the ocean. In Southeast Alaska this includes ship and boat builders, fishermen, cannery workers, barge line operators, Coast Guard employees, ferry workers, marine welders, builders of breakwaters, whale watching cruise staff,

marine biologists, fishing lodge owners, sports fishing crew, marine regulation enforcers, kayak guides, boat dealers, salmon hatchery staff, fish permit clerks, fishing gear retailers, and more.

Both private and public sector employment are part of the regional maritime economy, although the region's private sector's contribution is larger. There are nearly three private sector maritime jobs for each public sector job. When all maritime categories are added together, the Southeast Alaska maritime sector directly accounts for 26% of all employment related income and 21% of all Southeast Alaska employment in 2012.

#### A UNIQUELY MARITIME ECONOMY

Maritime employment sets Southeast Alaska apart from the rest of the United States. Private maritime jobs are **49 times more prevalent** in Southeast Alaska than in the US as a whole according to the Bureau of Labor Statistics. Even excluding commercial fishing, which is 95 times more common here than in the US as a whole, the region's maritime businesses are 35 times more concentrated (or specialized) in Southeast Alaska than the nation as a whole. When economists look at an economy to identify the economic drivers, they look at this "location quotient" in order to understand what makes a region unique compared to national norms. The national average is 1.0, and anything over 2.0 is considered to be significant. Southeast Alaska's maritime sector off the charts.

# A Message from Southeast Conference's Executive Director

## Greetings-

We think this publication will change the way you think about the regional economy. We have often grappled with the question: What is Southeast Alaska's top economic driver, and what is it that makes the Southeast economy unique? Some said it was government, or fishing, or tourism, or extractive industries.

The ocean and ocean-related jobs play such a big role in our regional communities and we at Southeast Conference wanted to better understand the role of the Southeast Alaska maritime economy as a whole. Until now, no one had quantified just how big and important that role is. This publication marks the first time that all aspects of our maritime economy have been combined and examined together, and it finally answers those questions above.

**We are a maritime economy.** It is what most marks our identity and what fuels our economic engine. Our maritime economy permeates into every aspect of our economy and includes tourism jobs and fishing jobs; government jobs and natural resource development.

As part of this publication, we want to highlight some of the success stories from across the region related to maritime. Since much has been written about our commercial fishing sector, for this publication we chose to focus on the ship, boat building, and repair sector, as so much exciting growth and change has happened in those areas over the last decade. However, we hope this publication stands as a tribute to all maritime workers and businesses across Southeast Alaska.

New maritime opportunities are emerging across Alaska. Retreating sea ice has increased the accessibility of the Arctic, generating new economic opportunities and an increased US Coast Guard presence. Initiatives, such as those listed in this publication, are occurring that will help us to collaborate as a region and as a State to better recognize the value of maritime opportunities, and to prioritize development of the marine infrastructure necessary to bring higher paying jobs to our rural communities. Success will require industry leadership, strategic planning, and a willingness to work towards new worthwhile opportunities.

Southeast Conference will continue to push forward in this direction on behalf of our membership.

Shelly Wright  
Southeast Conference, Executive Director

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# Southeast Maritime Employment & Wages, 2012



CSM Photos

	NUMBER OF FIRMS	TOTAL WAGES	ANNUAL AVG. EMPLOYMENT	AVERAGE ANNUAL WAGES
<b>SEAFOOD</b> (INCLUDING SELF-EMPLOYED SOUTHEAST ALASKA BASED FISHERMEN)	93 (+ 2,330 fishermen)	\$245,882,790	4,130	\$59,536
<b>WATER TRANSPORTATION</b>	97	\$39,051,375	755	\$51,724
<b>MARINAS AND BOAT DEALERS</b>	12	\$1,549,550	49	\$31,623
<b>SHIP, BOAT BUILDING &amp; REPAIR</b>	7	\$10,001,800	183	\$54,655
<b>MIXED MARINE RECREATION</b> (SPORTS FISHING, KAYAKING, BOATING, FISHING LODGES, SPORTING GOODS STORES, MARINE RECREATION)	114	\$16,888,750	594	\$28,432
<b>MIXED MARINE CONSTRUCTION, ENGINEERING, MANUFACTURING, &amp; RESEARCH</b>	51	\$12,094,190	192	\$62,991
<b>SUBTOTAL PRIVATE REGIONAL MARITIME</b>	<b>374</b>	<b>\$325,468,455</b>	<b>5,903</b>	<b>\$55,136</b>
<b>FEDERAL MARITIME EMPLOYMENT</b> (NMFS, US COAST GUARD, FISHERIES COMPONENT OF US FISH & WILDLIFE)	4	\$70,120,050	897	\$78,172
<b>LOCAL GOVERNMENT MARITIME EMPLOYMENT</b> (INTER-ISLAND FERRY AUTHORITY, DOCKS AND HARBORS STAFF)	20	\$4,665,990	100	\$46,660
<b>STATE MARITIME EMPLOYMENT</b> (AMHS, UNIVERSITY OF ALASKA - UAF, UAS; FISHERIES COMPONENT OF ADF&G)	4	\$74,192,475	1,300	\$57,071
<b>SUBTOTAL PUBLIC REGIONAL MARITIME</b>	<b>28</b>	<b>\$148,978,515</b>	<b>2,297</b>	<b>\$64,858</b>
<b>TOTAL SOUTHEAST MARITIME JOBS &amp; WAGES</b>	<b>402</b>	<b>\$474,446,970</b>	<b>8,200</b>	<b>\$57,860</b>

Primary Source: Alaska Department of Labor.

Seafood Includes: Mariculture, Seafood Product Preparation and Packaging, Merchant Wholesalers, Seafood Markets (NAICS codes 1125, 1141, 3117, 42446, 44522) 2012.

Water Transportation includes: Water Transportation, Support Activities for Water Transportation, Scenic and Sightseeing Transportation (NAICS codes 483, 4883, 4872) 2012.

Marinas and Boat Dealers includes: Marinas and Boat Dealer (NAICS codes 441222, 71393) 2012.

Ship, Boat Building & Repair includes: Ship, Boat Building & Repair (NAICS code 3366) 2012.

Mixed Marine Recreation includes NAICS codes 42391, 532292, 71211, 71212, 71213, 71399, 721214, 81149 for 2012.

Mixed Marine Construction/Manufacturing/Engineering/Research includes NAICS codes 23621, 2379, 311119, 31491, 332999, 333923, 42383, 54133, 541712, 541990, 611519 for 2012.

**Other data sources:** **Commercial Fishermen:** Data for this category includes 2011 US Census Nonemployer (self-employment) statistics. **US Coast Guard:** US Coast Guard employment and wage data provided by the US Coast Guard, 2012. **AMHS Employment:** AMHS employment and wage data provided by AMHS, 2012. **Alaska Department of Fish and Game** provided fish related job data, 2012. **US Fish and Wildlife and National Marine Fisheries Service:** Provided by the the United States Office of Personnel Management, 2012. **University of Alaska:** University of Alaska System Institutional Research & Analysis provided wage and labor information for UAS and UAF maritime related employment. **Dock and Harbors City Employees:** Survey by Sheinberg Associates, April 2013. Some rounding has occurred.

**Notes:** The goal of this analysis is to incorporate and measure the entire Southeast Alaska maritime economy. However, there is maritime-related employment in the supply chain base that provides specialized goods and professional services to the maritime industry that these figures do not include, such as plumbing and heating businesses that work on homes as well as boats, locksmiths with marine clientele, seafood restaurants, and employment agencies that hire ferry workers. Nor do these figures take into account the multiplier effects of maritime jobs on the region—each maritime dollar spent or job created leads to additional spending and employment as dollars working their way through the regional economy.

The 26% percent of work income from chart on page one is based on \$1.85 billion earned. This is slightly lower than the "Southeast by the Numbers" value because self-employment data (other than commercial fishing) could not be analyzed in enough detail to separate maritime from non-maritime employment, and thus was excluded from this analysis.

# "Blue" Jobs in the Region's Public & Private Sectors



Photo Credit: Jo Ellen Wendel [alaskafloatsmyboat.com](http://alaskafloatsmyboat.com)

*Southeast Alaska's maritime industry and related economic activity comprise the regional "Blue Economy."*

## PRIVATE SECTOR MARITIME JOBS AND WAGES

There are 5,900 private sector employees and commercial fishermen in Southeast Alaska, earning \$326 million annually, whose livelihood is linked to maritime industries. Their earnings account for 30% of all Southeast Alaska private sector employment income.

Some private sector "blue" jobs are solely linked to the oceans. These include commercial fishermen, and those employed by seafood plants, mariculture operations, barge and marine freight services, whale watching and other ocean-based excursions, charter fishing, marinas, boat dealers, and ship and boat building and repair craftsmen.

A smaller component—representing about 10% of private maritime employment—is mixed maritime; where jobs cannot be seamlessly separated from non-maritime jobs. Examples are construction firms that do work in marine construction (breakwater and seawall work, dock repair, pile driving, or boat lift installation) as well as non-marine construction; or "commercial recreational" lodges, which is a category that includes fishing lodges as well as hunting lodges. Other ocean-dependent businesses included in mixed categories are fishing guide services, sailing clubs, marine engineering, oceanographic research, boat and kayak rentals, marine and fishing equipment suppliers, dry-bag manufacturers, marine surveyors, and outboard motor repair shops. Employment in this category is more likely to be connected to the visitor industry and is highly seasonal.

## GOVERNMENT SECTOR JOBS MARITIME AND WAGES

The public sector also has a significant amount of maritime employment, including 2,300 government jobs with a direct maritime component.

### STATE MARITIME EMPLOYMENT

The largest share of these public sector



maritime positions—1,300—are with the State of Alaska. This is linked to the enormous investment the State has made in marine public transportation. The Alaska

Marine Highway System has 900 employees in Southeast Alaska. Among the many duties AMHS employees are responsible for include operating ships, providing shore support, ensuring that engine rooms are operating properly, and providing housekeeping services. In 2012, 263,000 passengers and 85,000 vehicles sailed on ferries in Southeast Alaska.

The Alaska Department of Fish and Game provides a significant number of State maritime jobs in the region. These jobs include boat officers; fisheries biologists, scientists, and analysts; and serve the Commercial Fisheries Entry Commission, and the divisions of the Sport Fisheries, Habitat,

Subsistence, or support the Board of Fish. The University of Alaska's School of Fisheries and Ocean Science also has a small presence in Southeast Alaska, and other University employment are the UAS professors who teach Marine Technology, Diesel, and Fisheries Technology courses.

### FEDERAL MARITIME EMPLOYMENT

Forty percent of all federal wages paid to Southeast Alaskans are maritime wages. There are 700 US Coast Guard personnel stationed in Southeast Alaska—including both active duty and civilian staff, with associated wages of \$51 million.



The National Marine Fisheries Service (NMFS) also is a significant employer here, with 180 average annual employees. Most NMFS employees are involved in scientific research of fish stocks, fish habitats, or the chemistry of marine environments through the Ted Stevens Marine Research Institute laboratories, opened in Juneau in 2007.

US Fish and Wildlife maritime positions round out this category, albeit with a smaller presence than the other two federal organizations with maritime employment.

### LOCAL GOVERNMENT MARITIME EMPLOYMENT

Two percent of all local government wages are directly tied to maritime employment. These include our municipal docks and harbors staff and Inter-Island Ferry employees.

# Our Rich Maritime Heritage



State of Alaska Digital Archives: Mr. Lawson standing in front of combination fishing seine and tugboat that he built in 1938.

## 10,000 YEARS OF A MARITIME ECONOMY

The most dominant feature of Southeast Alaska is its ocean. Southeast Alaska consists of a narrow strip of mainland and a chain of 1,100 islands that make up the Alexander Archipelago. While the region stretches just 500 miles from the southern Dixon Entrance waters to Yakutat in the north, the saltwater shoreline of Southeast Alaska is approximately 18,500 miles. Nearly every community in the region is next to the ocean, and many places in Southeast are accessible only by boat or seaplane.

Maritime jobs are not new to Southeast Alaska. Southeast Alaska's maritime sector is the region's largest sector as well as its oldest. Southeast Alaska has been a maritime economy for over 10,000 years linked to the seafaring, canoe building and tidal wealth of the Tlingit, Haida, and Tsimshian—the Alaska Native groups that dominated the region for millennia. In modern times, the sea was a critical element in the rise of most of our industries. Indeed, every economic turn of the region's history was either enabled by, or directly resulting from, the region's connection to the ocean.

**TLINGIT TRADING:** The coastal lands of Southeast Alaska provided an ideal setting for the Tlingit—often called the "Tides People"—to thrive. The ocean provided abundant fish and sea mammals, as well as a transportation corridor. Highly-skilled navigators, the Tlingit developed ocean trade routes, using large ocean-going canoes for trading, visiting neighboring villages and waging war—



Canoe travelers arrive at the 2013 Chief Shakes Tribal House rededication

building onshore aids to navigation to help Southeast's first people find their way. In contrast to other indigenous peoples who often struggled just to survive, the Tlingit spent relatively little time harvesting and storing easily obtained marine foods and instead were able to focus on becoming sophisticated traders and craftsmen.

**FUR TRADE:** When the Russians descended on the region in the eighteenth century in a fleet of boats in pursuit of fur-bearing animals, they brought with them ship-building skills and operations. During the period of Russian control of the region, Sitka became a global destination for ships, making repair and marine fabrication skills essential during the Russian period.

**SEAFOOD:** Fishing and fish processing have long historical roots in the region. By the late 1800s, commercial fishing and canneries had become the largest economic driver in Southeast. Today seafood related jobs to account for 12% of all regional earnings.



Hecla Photo: Miners waiting for the boat to take them to Juneau from the Greens Creek Mine.

**MINING:** The discovery of gold brought thousands of miners and their families to the area by ship. By 1920, the Juneau-based AJ Mine was the largest low-grade gold mine in the world. Today, nearly a million tons of zinc, lead, gold, and silver continue to ship out of Southeast Alaska annually by ore carrier freight ships.

**TIMBER:** Once the economic backbone of the region, timber operations have always relied on waterways to move logs to market. Logging camps themselves were often floating communities, built directly on the ocean. In 2011, log carriers made 31 port calls to Southeast Alaska communities to ship timber.



**TOURISM:** Visitors have been coming to Southeast Alaska via marine transport since John Muir wrote about the region in the 1870's. In 1890, steamships brought 5,000 travelers. In 2013, cruise ships will bring more than a million passengers to the region on separate 500 voyages. The volume of visitors attracted to the region has given rise to a rich variety of local visitor businesses that benefit from the sea, from sports fishing to whale watching to guided kayak tours and more.

September 2013

# The Barnard Monthly

Newsletter for the Employees and Friends of the Barnard Companies

## Busy Blue Lake Crews Place Concrete Atop Dam, Line Tunnel, Build Powerhouse



### Inside this issue:

Blue Lake continued and Partnering	2
Snoqualmie Plants Commissioned	3
New Project In Texas	
Central T Update; New ENR Rankings	4
Montrose Completion and Compliment	5
Notes from PG&E Alliance Team	6
Cub Scouts Visit PG&E Site	
Bill Hruza; Bid Results; Flu Clinic	7
Trash Talk	8
Halloween Safety	
Supporting the USO	9
Barnard's "Next Generation"	
Wedding Bells	10
The Month in Photos	11
Project Photo Album	12

A Barnard crew uses an 8 CY Gar-bro concrete bucket to place the concrete on the dam's right abutment. (Photo by Derik Olsen Photography.)

(Sitka, Alaska) At the **Blue Lake Expansion Project**, Barnard crews are busy placing mass concrete on the right abutment of Blue Lake Dam. Visitors from the Home Office got a great view of the concrete placement from the scaffolding in early and late September. By the end of the month, our crews had placed 10 monolith blocks on the left and right abutments of the existing 145-foot dam that we're raising 83 feet for the *City and Borough of Sitka*. We have been coordinating our work on the abutments with subcontractor *Crux Subsurface, Inc.* We will soon begin working on the dam's left side as well as the left abutment thrust block.

the six required pressure relief wells in the plunge pool below Blue Lake Dam. These wells allow the City of Sitka to monitor water leakage under the new dam as well as relieve additional water pressure under the dam from the additional 83 feet of head pressure. Crux also completed the consolidation grouting program on the left abutment thrust block and cutoff wall. They have demobilized from the site until early next year when they'll begin a curtain grouting program after our concrete work on the abutments is complete.

At the same time, Barnard crews have been working in the intake tunnel

Crux recently completed installation of

(continued on page 2)

## Blue Lake *(continued from page 1)*

behind a temporary concrete plug. This has allowed us to complete additional work this year as the water level in Blue Lake rises. We have now completed all of the tunnel floor and wall concrete placements, and have begun setting up the shored decking required for tunnel crown concrete. Our crews are working with *Rebar Placement Company, Inc. (RPC)* to install the extensive reinforcing steel in the tunnel chamber.

Downstream, subcontractor *ASRC McGraw* continues with the concrete work at the new Blue Lake powerhouse. They have placed over 1,500 CY of concrete to date. Electrical (*NAES Power Contractors*), mechanical (*Schmolck Mechanical Contractors, Inc.*) and rebar (*RPC*) crews have been working hand-in-hand with ASRC to install all of the required embedments. *Southeast Earthmovers, Inc.* has continued excavation for the new powerhouse access road as well as excavation for the new penstock piping.

Barnard crews have recently joined the mix at the powerhouse, installing two penstock segments that enter the



*Crews work on the new Blue Lake powerhouse.*

new powerhouse. Soon, we'll install a third and later in the project when the powerhouse building is complete we'll also complete the penstocks.

Also in September, the Blue Lake Team held an Executive Level Partnering meeting in Sitka led by industry Partnering expert, Chuck Cowan. The meeting included executives from the

City and Borough of Sitka, *McMillen, LLC* (project CM), Barnard and ASRC McGraw. The group openly discussed the status of the project as well as any concerns. Our Team continues to use the Partnering approach at Blue Lake. We hold monthly meetings to discuss how well the Team is doing at achieving the project goals.

— *Blue Lake Team*



*Participants in Sept. 5, 2013 Executive Partnering meeting, l to r: Jay Sweeney, City and Borough of Sitka Interim Municipal Administrator; Richard Linden, McMillen Resident Project Representative; Jim Mendenhall, ASRC CEO; Andrew Pharis, McMillen Project Administrator; Chuck Cowan, Charles Cowan & Assocs., Partnering Facilitator; Michael Harmon, Sitka Director of Public Works; Rick Taylor, Barnard Superintendent; Jeff Higgins, Barnard CEO; Chuck McGraw, ASRC Vice President; Dean Orbison, City and Borough of Sitka Project Manager; Clif Stump, Barnard Project Manager; Derek Tisdell, Barnard VP/Operations Manager; and Tracey Chambers, Barnard Superintendent. (photo by Derik Olsen Photography)*

## Snoqualmie Update: Plants 1 and 2 Are Operating!



A look at the Plant 1 Powerhouse Pelton units. Needle valves and controls are on the left and Units 2 and 3 and testing personnel can be seen on the right.

(Snoqualmie, Washington) There's a lot to be done to commission an enlarged and restored power plant, particularly if it was built 100 years ago in a cavern 270 feet below ground level. Our Team at the **Snoqualmie Falls Hydroelectric Redevelopment Project** has accomplished the task! Puget Sound Energy has now granted Commercial Operations for Plant 1 upon successfully testing and synchronizing all five turbine-generator units in the cavern. Plant 1 HVAC and fire alarm systems were commissioned last week. The final piece of commissioning, testing Unit 5 load rejection, is on hold due to low river flows. We anticipate adequate flows for these tests in the beginning of October.

After being protected for nearly three years, the historic Plant 1 generators are turning once again. Commissioning required a long, thorough process. On July 13, Unit 3 was watered and moved for the first time since construction began. Under the watch of many observers, water was added from the turbine isolation valves to needle valves that control water flow for the unit. PSE operators on standby listened for any leakage inside the turbine. When the signal was given to start the lube oil pumps and provide water flow, the initial startup sounded very similar to an old locomotive. It

lasted only a few seconds before the needle valves were closed and listening for any noises began. Only minor adjustments were needed. The mechanical tuning continued to monitor bearing temperatures at different stages before reaching full speed. This exercise provided light at the end of the tunnel – it was the moment many had been working toward for years.

Leading up to this point, many additional pieces of equipment had also been energized for the first time, including a new 115kV transformer, switchgear at the surface and in the cavern, intake gate hoists, flow measurement,

and also filling of the new 270-foot vertical penstock with over 25 flanged connections for the first time.

At Plant 2, PSE held a grand opening for the recently constructed parks, which opened to the public on Sept. 14.

Barnard crews and subcontractors are making their way through punch list items to close out the project and demobilize this fall. Barnard worked on the project's design in a Design-Assist capacity with Engineer *Klohn Crippen Berger*.

— Snoqualmie Team



Left to right, Dave Johnson (PSE), Adam Schrock (Barnard), and Byron Kurtz (PSE) stand at Unit 3's local controls.

### Barnard Heads Back to Texas!

The Lower Colorado River Authority (LCRA) Board of Directors voted unanimously on Sept. 18 to award its Lower Basin Reservoir CM at Risk Contract to Barnard. We were selected from among six teams that prequalified for the project.

Our Team will begin working immediately with LCRA and Design Engineer CH2M Hill under a pre-construction services contract. Construction is anticipated to start in April 2014.

This new off-stream above-ground reservoir will be located near Lane City, Texas, southwest of Houston. At present, it is planned to have a 40-foot-high earthen



embankment stretching 28,000 LF, creating a reservoir capable of holding 40,000 acre-feet of water. For frame of reference, Reservoir No. 2 at Peace River holds 18,420 acre-feet of water. The project also includes rebuilding a 560 cfs pump station and canal system, construction of a new 560 cfs lift station and rehabilitation of an existing in-stream concrete dam on the Lower Colorado River.

Congratulations to all involved!

### The View from Central T

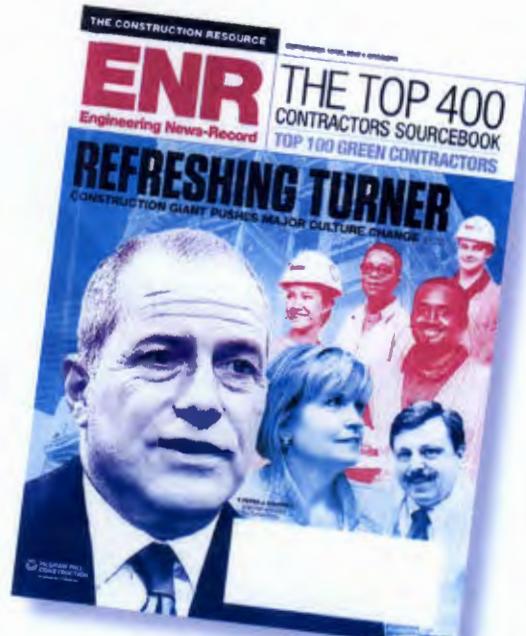
(San Francisco, California) At the Central Subway Tunnel Project for the San Francisco Municipal Transportation Agency, our Barnard Impregilo Healy JV Team moves forward on southbound tunnel construction, shown here on the left while assembling the Tunnel Boring Machine for the northbound tunnel on the right. This is taking place in the launch box directly under San Francisco's I-80 overpass. The project was designed by PB/Telamon JV.

— Central T Team



### New ENR Rankings

We have a Barnard first! The latest Engineering News-Record (ENR) Sourcebook came out this month, listing some additional ranking categories as well as reiterating the year's standings. For the first time, Barnard ranked among the Top 5 Contractors in Hydro Plants; we're #4.



We also ranked #13 out of the Top 20 Contractors in Water Supply, which falls under ENR's Environment category.

Our other two 2013 ENR rankings include: #49 nationally among the Top 200 Environmental Contractors and #245 nationally among the Top 400 Contractors.

## Montrose Project Team Wraps Up and Moves Out

(Toba Valley, British Columbia)  
 With winter fast approaching and the penstock repair complete, our subcontractors have demobilized and our equipment is moving out. At the **Montrose Penstock Repair Project** in a remote valley in British Columbia, we reached our ultimate goal recently when the second generator at the Montrose powerhouse began its ramp up and sent power to the grid. Happy days!

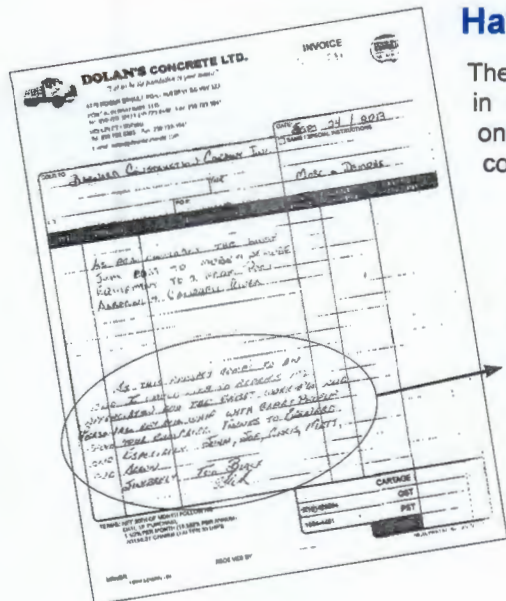
Pipe fit up, welding, coating, and CLSM backfill have all been completed on this project for owner *Toba Montrose General Partnership*. Our subcontractors have demobilized along with 80 percent of our Barnard equipment, trailers, etc.

It's fitting that our expansion into Canada took place in such a remote location; British Columbia's Sunshine Coast is similar to many other wild areas where Canadians plan to draw their energy from in coming years through production of more hydroelectric power.

— Montrose Team



Top: Crews complete penstock replacement at the Montrose project.  
 Bottom: Wildlife in the Toba Valley is sure to miss our Team – they visited almost daily.



### Hats Off to the Montrose Team!

The **Montrose Team**, including **Jill Barclay** in Accounting, received hearty thanks from one of several subcontractors on our recently completed job. We offer congrats as well!

*“As this project comes to an end, I would like to express my appreciation for the great working and personal relationship with great people from your company. Thanks to Barnard and especially **John, Joe, Chris, Matt and Aaron.**”*

Sincerely,  
 Tom Black

*“When people keep telling you that you can't do a thing, you kind of like to try it.”*

—Margaret Chase Smith,  
 American politician



## Our PG&E Alliance Team Hard at Work throughout Northern California

(Northern California) Our PG&E Alliance Team has been busy this month with projects stretching from Orland and Chico in the north to Woodland, Davis and West Sacramento at the south end. Two of these projects currently focus on West Sacramento, where one crew on the **16-inch L172A Replacement Project** is installing approximately 16,447 LF of new 16-inch steel gas pipeline. The second, the **T-282-13 West Sacramento Hydrotest Project**, involves hydrostatically testing two 12-inch lines that travel under the Sacramento River. These are slated to be tied into our R-037 replacement project.



Welders weld a 16-inch tie-in assembly.

Our Team began working with *Pacific Gas & Electric* in February 2013 as part of the development of a multi-year "Alliance" partnership created to construct PG&E's Natural Gas Pipeline Modernization Program. This Program is dedicated to strengthening and improving the integrity and safety of PG&E's natural gas transmission system over the next decade. At present, our Team has been assigned to manage and work in a region in Northern California.

The 16-inch L-172A Replacement Project mobilized on Aug. 20. Work there occurs six days a week on double shifts. It includes eight APS crews and eight subcontractors onsite. Upcoming subcontracted work on the project includes two Horizontal Directional Drills (HDDs) that require a total of 1,407 LF of HDD work set to begin in early October. The drill sites are divided into two sections: one consisting of 717 LF and another is 690 LF. Additionally, we have one jack/bore scheduled to begin in mid-October at Jefferson St/I-80. This bore will require two bore pits dug to a depth of roughly 18 feet on either side of an I-80 overpass.

section of the City was important to West Sacramento during the design phase.

The far east end of our project requires a tie-in back to the existing L-172a line. This tie-in occurs within a couple hundred feet of the Sacramento River. The T-282 project is being performed to test the existing pipe that we will be tying into. Crews at this project also mobilized in late August and have been excavating and fabricating tie-in spools. The project consists of hydrostatically testing two 12-inch lines that travel under the Sacramento River, to be tied into our R-037 replacement project mentioned earlier. The testing extends roughly 0.79 miles from the west side of the Sacramento River to PG&E's Sacramento Load Center on the river's east side.

Along with installation of the new 16-inch steel gas pipeline, this project includes the retirement of the existing L-172a line, which follows a different alignment through residential neighborhoods. Moving the new line out of these residential areas and into the more industrial

L-172a Replacement has been a challenge due to the poor soil conditions, groundwater and heavy traffic, but with the expertise of the craft and our management team, both of these projects will be successful.

— PG&E Alliance Team



Excavation at the West Sacramento project.

## Barnard's PG&E Alliance Team in Woodland Co-Hosts Cub Scout Tour

Curious about the construction work going on in their neighborhood, Cub Scouts in Packs 90 and 133 requested a project visit at our Woodland, California, jobsite. So, on Aug. 29, the boys, ages 8 to 10, and their chaperones met at the Barnard Yard in Woodland, where they learned about PG&E and specifically PG&E Safety before heading out on a tour of the Line 220 Replacement Project to view heavy equipment, welding, backfilling and the excavation. They were very excited to learn about the project and also to receive safety vests, safety glasses and hard hats, as well as a PG&E bag filled with goodies. Pictured from left to right: **Dianna Combs**, Barnard Safety Educator; **Tony Moua**, Barnard Project Engineer; **Josh Montgomery**, Canus Lead Inspector; the **Cub Scout Pack**; **Paul Shupe**, G&C/APS Assistant Superintendent; and **Nav Dosanjh**, PG&E Customer Outreach.



## Remembering Bill Hruza

We're so sorry to note the passing of **Bill Hruza**, 67, on Sept. 14, 2013. He died in Pomona, California, after a four-year battle with cancer.

Bill worked as a Foreman for Barnard for many years on projects throughout the country, including Saluda Dam,

EAA A-1 Reservoir, and Owens Lake Phases V and VII.

His obituary in the Lincoln, Nebraska, *Journal Star* noted that "Bill loved life, his family; and he enjoyed the many people he met along the way." He is survived by many sisters, brothers,

nieces and nephews and will be missed by his many friends in the field.

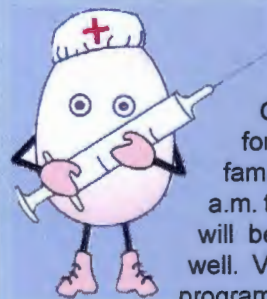
You can read his obituary and find out additional information at the newspaper's website: [www.journalstar.com](http://www.journalstar.com).

### Bid Results

**EAA A-1 FLOW EQUALIZATION BASIN**  
**West Palm Beach, Florida**  
**South Florida Water Management District**  
**September 18, 2013**

Florida Equipment Rental.....	\$59,921,483
MCM.....	\$62,260,000
<b>Barnard.....</b>	<b>\$75,650,000</b>
Archer Western.....	\$80,860,000
Douglas & Higgins.....	\$82,874,800
Harry Pepper.....	\$87,431,403

### Flu Clinic



It's that time again – time to boost your immune system as we enter "flu season." The Home Office will hold a vaccination clinic for Barnard employees and their families on Tues., Oct. 15, from 7:30 a.m. to 9:30 a.m. The mist immunization will be available for small children as well. Vaccines are part of our wellness program, so there will be no charge.

"Logic will take you from A to B. Imagination will take you everywhere."

—Albert Einstein,  
 theoretical physicist

## Trash Talk with Kathi Jenkins, *Corporate Environmental Director*



### Let's Talk Trash.

This column is called "Trash Talk with Kathi Jenkins" for a reason. Let's talk some trash!

What can we put into our regular dumpster and what has to be disposed of separately? This may seem like an easy question, but the answer actually is complicated.

Regulations vary by state and sometimes even by county. As a rule, construction debris wastes and hazardous wastes are separate entities.

In the box below is a quick breakdown of what is typically okay to put into a regular dumpster and what you must deliver to a landfill. While I'm on my soapbox, consider asking the disposal company what they do for landfill diversion? Please ask if they offer any recycle or reuse programs for your construction debris, because many times clean wood, paper, plastics, and even concrete and rebar can be diverted from the landfill easily and cost-efficiently.

And while we're at it, the following household hazardous waste requires special disposal methods. If you're unsure of

how to dispose of something hazardous at your home, call your local city solid waste department for guidance.

Typical household hazardous wastes include: paints and solvents; motor oil, antifreeze and other automotive wastes; pesticides; fluorescent light bulbs (they contain mercury); electronics such as computers, televisions and phones; propane cylinders; appliances containing refrigerants; batteries containing nickel cadmium or lithium; ammunition; and radioactive wastes, which can be found in many smoke detectors.



Please remember to think before you toss things into the trash. Ask yourself, "Does it belong in a trash can or does it require some more effort?" Don't hesitate to contact me if you have any questions!



Typically suitable for disposal in a dumpster:

- Office wastes
- Food wastes
- Packaging such as plastic wrap or cardboard boxes
- Demolished concrete
- Rebar
- Wood

Check your local regulations before throwing these into the dumpster:

- Used oil
- Used oil filters
- Spill cleanup materials, including soil, rags and pads
- Respirator cartridges
- Chemical containers, even if they're empty (epoxy, paint, concrete cure compound, etc.)
- Batteries
- Fluorescent light bulbs
- Compressed gas cylinders (oxygen, propane, etc.)

"The pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty."

—Winston Churchill,  
former British Prime Minister

## Keeping Halloween “Spooky” but Safe

Just as we plan for safety on our projects, you should plan for safety at home. With Halloween coming up, now is a good time to think about the safety of your family during this holiday.

One great resource that can assist you with this planning can be found at: <http://www.halloween-safety.com>

This website offers tips for both kids



and adults – everything from pumpkin carving, costume selection, and night visibility safety, to what has become a most critical aspect of Halloween Safety, stranger safety.

Several other websites are available as well. A little safety planning is not as spooky as it seems!



— Safety Department

## Gilboa Dam Team Helps the Gunlock Family Support the USO

*“Millions of times each year at hundreds of locations around the world, the USO lifts the spirits of America’s troops and their families. A nonprofit, congressionally chartered, private organization, the USO relies on the generosity of individuals, organizations and corporations to support its activities.”* [www.uso.org](http://www.uso.org)

Some of that generosity and support noted on the USO Home Page comes from our Team at the Gilboa Dam Reconstruction Project where **Teresa** and **Sam Gunlock** have spearheaded USO fundraising through a “mini-store” set up on shelves next to Teresa’s desk. Teresa is our Project Secretary and Sam is a Project Engineer at Gilboa.

They decided to begin selling snacks in July, just after their son, **Tyler Gill**, 20, deployed to Bagram, Afghanistan. Tyler is currently serving as an MP Specialist E4 in the U.S. Army there. He began his service in the Army in August 2011. He spent a year stationed in Seoul, South Korea, before being sent to Afghanistan, where he is a border and customs clearance agent. When Teresa asked him how family and friends could show support for our troops, Tyler chose the USO.



*Teresa and Sam Gunlock with their children, Shelby Gill, 16, and Tyler Gill, 20, at Tyler’s deployment.*

The Gunlocks buy the goods as their donation and then charge a little extra when selling them at the jobsite. All proceeds go to the USO. Teresa said the Gilboa Team has been very supportive and the store keeps growing.



*Tyler Gill (right) in Afghanistan.*

### Celebrate Barnard's "Next Generation"

### Wedding Bells!



Be sure to congratulate Tyler and Jess Askin on the birth of their daughter, Lucile Bean Askin, born Aug. 27 at Bozeman Deaconess Hospital! Lucy weighed 7 lbs. 11 oz. at birth and was 20 inches long. Mom and baby are doing well. Grandparents include Jill and Jerry Askin. Tyler is currently estimating at the Home Office.



Let's congratulate newlyweds, Mike Sinon and Anya Graa! The two were married on July 27 back where they met in Butte, Montana, in a ceremony witnessed by loved ones. Now, they're currently in the Bay Area, where Mike is working at the Central Subway Tunnel Project and Anya is practicing her cooking while looking for work. They both look forward to continuing their journey through life together.

"You look ridiculous if you dance. You look ridiculous if you don't dance. So you might as well dance."

—Gertrude Stein, American writer

### Blue Lake Tour Thank You Notes

Few remote projects are toured as often as the Blue Lake Expansion Project in Sitka, Alaska, it would seem. Over the last six months, the City and Borough of Sitka has hosted six tours for local residents, as well as tours for the EPA, Alaska Dept. of Environmental Conservation (ADEC), DNR, Renewable Energy Alaska Project (REAP), Alaska Energy Authority (AEA), FERC, Alaska Bond Bank, Stanford University, and various Alaska Assembly members. Possibly the most enthusiastic was the 5th grade class from Keet Gooshi Heen Elementary School, who sent personal thank you notes to Dean Orbison, Sitka's Project Manager. We regret that we have space for only two.

Dear Mr. Orbison  
I thought our field trip was  
awesome! My favorite thing about  
the field trip was how nice your  
employees were to us.  
I learned a lot about dams!  
Oh and I also learned that  
I am not scared of heights.  
I wish you to learn  
more about how scary  
your job is. Do you like  
spaghetti? TTYL, Madison

Dear Mr. Orbison,  
Thank you for letting our class and I go see  
the crane and the Dam. I learned that  
adding more water is called the head.  
I loved when you let us go on the  
scaffolding to look at the Dam.  
I want to learn more about the tunnel  
and where it goes.  
Eric  
Atunado  
Sincerely,  
Eric

The Month in Photos



(Above left) Congratulations to four-year-old **Ethan Arvidson** on taking 3rd in the "5 and Under Class" at Montana's State Championship BMX race held Aug. 25 in Bozeman. Ethan is the son of **Gerry and Tracy Arvidson**. (Middle) A group from the Home Office toured the Blue Lake Expansion Project recently. This group in the manbasket went down the shaft to the tunnel. L to r: photographer **Derik Olsen**, Massive website designer **Ben Bennett**, and **Jean Conover**, accompanied by Superintendent **Tracey Chambers**. (Right) **Lee Marcus** does some reconnaissance in the Atlantic Ocean during an EAA site tour earlier this month.



(Above left) **Chris Eckhardt** had a good outing with a muzzleloader, taking this buck in Colorado. (Above middle) **Bill Macy** (left) went to Reno this month to cheer on his uncle **Nick Macy** at the Reno Air Races. Nick flies an AT-6 named Six-Cat. Bill is pictured with his parents, **Rosemary and Mike**, and brother **TJ**. (Above right) Way to go! The **Afong family** wound up the summer running in the Sacramento Rebel 5K on Aug. 24 with (l to r) **Isabel** finishing 1st, husband **Zach** finishing 2nd, and **Nevin** finishing 3rd in their respective age categories. (Right) The Afongs recently began school in Woodland with **Isabel** now in 8th grade, **Nevin** in 7th, and **Natalie** starting Prekinder. **Adriana** (not pictured) is a Project Engineer at our PG&E office in Woodland.



(Left) Congrats to Barnard's Rotary Club 2013 Golf in the Dark Team on their Third Place victory at the tournament held at Riverside Country Club in Bozeman. Rotary International uses the event to raise funds for community service efforts in the Gallatin Valley. This year the focus is on improvements to the East Gallatin Recreation Area. Our team included (l to r): **Clay Spellman**, **Lyle McClellan**, **Jim Tilleman** and **Jimmy McGauley**.





## Project Photo Album



1. Taken earlier in the month at Central T, this is a look at our southbound tunnel on the left and the starter ring for the northbound tunnel on the right.
2. The scenery on a rare clear day at Blue Lake is unparalleled. See pages 1 and 2 for our team's challenging work on the dam in the steep canyon just out of this frame on the right.
3. This updated photo of the partially dismantled Glines Canyon Dam near Port Angeles, Washington, shows that our work at this dam decommissioning project is nearly complete. Sediment

- movement and fish protection are dictating the scheduling of our remaining work there.
4. The West Sacramento laydown yard for our PG&E work is adjacent to our largest excavation on that project at Location A on the left side of the photo.
  5. Foreman **Bryon Graaskamp** talks to project visitors atop Blue Lake Dam.
  6. **Tim Barnard** (center) meets a crew just coming off of Blue Lake Dam via manbasket.



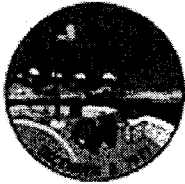
## Legislation Details

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File #: 13-189      Version: 1      Name:  
Type: Minutes      Status: AGENDA READY  
File created: 10/2/2013      In control: City and Borough Assembly  
On agenda: 10/7/2013      Final action:  
Title: Approve the Assembly minutes of the September 24, 2013 meeting  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Minutes](#)

Date	Ver.	Action By	Action	Result
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# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
Sitka, AK  
(907)747-1811

## Minutes - Draft City and Borough Assembly

*Mayor Mim McConnell  
Deputy Mayor Pete Esquiro,  
Vice Deputy Mayor Thor Christianson,  
Phyllis Hackett, Matthew Hunter, Mike Reif and Michelle Putz*

*Interim Municipal Administrator: John P. Sweeney III  
Municipal Attorney: Robin L. Koutchak  
Municipal Clerk: Colleen Ingman, MMC*

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Tuesday, September 24, 2013

6:00 PM

Assembly Chambers

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### WORKSESSION - 5:00 PM - Off the Grid Municipal Land Sales Discussion

### REGULAR MEETING

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL

**Present:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

### IV. CORRESPONDENCE/AGENDA CHANGES

#### Agenda Changes

Interim Administrator Jay Sweeney recommended that Item K be removed from the agenda as requested by Mark Gorman. Sweeney went on to explain that the Mayor and him have a routine when reviewing the agenda and since they were both preoccupied with their attendance at Southeast Conference that formal review did not take place. Mr. Gorman was misled by staff giving incorrect information, and that Gorman is happy to come to work under the terms of the offer previously extended without a contract. Sweeney, the Attorney and Clerk were completely unaware that staff was negotiating a contract with Gorman. I am ultimately responsible and accept the blame. Gorman had nothing to do with the notion of a contract, and did not initiate it. Sweeney pledged to continue to improve staff communication and coordination so that these types of things do not re-occur.

13-185

Correspondence

RFQ for Solid Waste Management Plan has begun advertising. Putz asked if fire hydrant painting is allowed. Harmon replied "Yes" and for

interested persons to contact the Public Works office. Hackett mentioned the praise the Cavitt family had for the harbor department.

#### V. CEREMONIAL MATTERS

Mayor thanked Ed Ronco for his time in Sitka and wished him the best in his future endeavors.

#### VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (time limits apply)

Government-to-Government: STA vice Chair Benjamen Miyasato thanked Michelle Putz for serving as liaison to the Tribe and Thor Christianson for his service on the assembly.

#### VII. PERSONS TO BE HEARD

Executive Director of Chamber of Commerce thanked everyone for the warm welcome for Southeast Conference. They had over 200 attendees. ATIA Conference will be held October 7-10 with 400 attendees. The Chamber estimates they will spend nearly half million dollars. Seasons End Celebration is this Saturday sponsored by Chamber, Cruise Line agencies, Allen Marine and the local seafood processors. Assembly candidate forum is at tomorrow's Chamber luncheon; the Governor is speaking October 2 and Susan Bell with USDA will be the speaker for the following Wednesday.

Tonia Rioux, director of Sitka Convention and Visitors Bureau praised Centennial Hall staff for their responsiveness. The Alaska Travel Industry Convention bulk of sessions will be held at Sheldon Jackson College with all general sessions being held in the Hames gym. She invited all assemblymembers to the opening reception to be held at Harrigan Hall on Tuesday, October 8. The Governor will be here as well.

#### VIII. REPORTS

##### a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

Mayor - Attended LEPC, Southeast Conference including the Mayor's meeting where she is now serving as the Chair. That group is working on some resolutions one on herbicides and another on ferry schedules. Did the welcome for Southeast Conference as well as attended. Sweeney, Campbell and her met with Weinstein from Senator Beigch's office; she attended the ATIA planning meeting.

Interim Administrator - Attended the entire Southeast Conference and met with Weinstein; attended with Harmon and Schmidt the STA Government-to-Government monthly meeting where there was a lengthy discussion of a permanent location for the Community Ride. This is his last assembly meeting as your interim administrator Harmon will be acting at your next meeting. Assembly members praised Sweeney and thanked him for serving during this time period.

Liaisons - Historic Preservation Commission is developing a handout for contractors. Putz appreciates the working relationship with the Tribe. Putz also attended Southeast Conference. Hunter attended the Ports and Harbors and Police and Fire Commission meetings the P&F had a presentation on hearing officer duties next meeting they plan to talk about the "Ride" additionally there will be a public meeting on October 3rd at 6:00 PM regarding Community Ride.

Clerk - Absentee voting has begun and is available on the 3rd floor of City Hall through Monday September 30 at 5:00 PM. She announced they are getting ready to order iPads and the question came up as to whether the assemblymembers would rather order their own accessories such as keyboards etc., and get reimbursed or if the desire is to standardize. During recesses a majority of assemblymembers wished to standardized and have the city order.

Other - Reif presented to Stanford University students while in town. He spoke to the ballot proposition that would free up around \$380,000 of general fund monies to be used for other things and extend the 6% sales tax two years. He hopes the community will support the proposition. He and Christianson sponsored the ordinance putting the question on the ballot.

## **IX. CONSENT AGENDA**

- A 13-183** Approve the minutes of the September 10, 2013 Assembly meeting  
**This item was APPROVED ON THE CONSENT AGENDA.**
- B 13-181** Reappoint Mary Stensvold to the Sitka Convention and Visitors Bureau  
**This item was APPROVED ON THE CONSENT AGENDA.**
- C RES 13-16** Commenting on the Federal Subsistence Management Program's Rural Determination Process  
Putz asked Campbell about the 11,000 figure. Campbell responded the 11,000 would benefit Sitka as it is unlikely Sitka's population would surpass that figure and we wouldn't have to prove again and again we are a rural community. Additionally, the 11,000 was suggested by the

secretary of agriculture it is a guideline only. The Subsistence Board public hearing is a great addition to Sitka - Sitka was not one of the original considerations. Campbell believes it will be staffers from federal agencies coming opposed to the actual subsistence board. You have until November 1st to comment. A request was made to put this information on the city's web page.

**A motion was made by Hunter that this Resolution be APPROVED. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

**X. UNFINISHED BUSINESS:**

**D ORD 13-37** Adjusting the FY13 and FY14 Budgets

**This item was PASSED ON SECOND READING.**

**Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

**E ORD 13-38** Authorizing the issuance of junior lien electric revenue bonds of the City in the principal amount of not to exceed \$50,000,000 to finance a portion of the cost of expanding the Blue Lake hydroelectric project; providing for the issuance of the bonds in one or more series; and authorizing the sale of the bonds to the Alaska Municipal Bond Bank

Sweeney explained that the City is going ahead with \$27,000 million for now, even though the ordinance authorizes more. This way nothing will be required from the Assembly if the City needs to move forward with additional funding. Hackett asked whether there would be an opportunity for purchasing the bonds by Sitkans. The National Bond Bank sells its bonds. There are days for institutional sales and retail sales. They will try and sell as much as possible on an institutional basis say to insurance companies etc. on the next day they will be sold to brokerage firms; those firms could re-sell to investors. Individuals do not have an opportunity to buy directly.

**A motion was made by Putz that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

**F ORD 13-39** Amending Subsection 15.01.020 of the SGC Electrical rates by increasing rates for all customer classes to fund approved electrical utility capital projects including the Blue Lake hydroelectric expansion project - Effective July 2014

Putz shared an idea that perhaps the Tribe can get funding or a grant that would help tribal citizens with electrical costs.

**A motion was made by Reif that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

**G ORD 13-36**

Amending the official Sitka Zoning Map to rezone a portion of Lot 5C Department of Public Safety Subdivision U.S. Survey 407 Tract B from R-2 MHP Multifamily and Mobile Home to I Industrial

Marlie Loomis is opposed. When we purchased the home we knew there was a rock quarry up there but there wasn't much rock left. Then BIHA expanded their operations. There are many families with kids that play in the area.

Beau Hedrick lives at 102 Thomas Young Circle, the last home before the gate; he purchased his home just over a year ago with the understanding that they will be moving rock out of there for a few more months. Semis are flying coming out of there. He would rather see hauling at night than during the day when his kids are playing.

Planner I Maegan Bosak and Cliff Richter with BIHA said there were four meetings of the Planning Commission our primary purpose when we acquired the project was to reclaim the site and develop for residential use in the future. BIHA created all of the existing neighborhoods in that area reasoning that they are in the home building business, not the rock business. The applicant asked for a 10 year permit but the Planning Commission changed it to 20 years.

**A motion was made by Putz that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**

**Yes:** 5 - Esquiro, Reif, Hunter, Putz, and McConnell

**No:** 2 - Christianson, and Hackett

**H 13-175**

Approve transfer(s) and/or designations from the General Fund FY'13 surplus reserves to the Public Infrastructure Sinking Fund

Putz and Hackett urged consideration of always holding back a percentage opposed to spending it all - defeats the purpose. Harmon reported that the city received some state funding for Edgecumbe Drive but it is vastly short for the project to be fully accomplished. Storm drains are at the end of their useful life and underground utilities are a big unknown. The sidewalks need to comply with ADA standards and we need to take care of sink holes. Pavers will be in town next summer which may give us an opportunity to get more competitive bids. If that is the case, then perhaps a little more funding will become available. This is the biggest piece of road we have in the city's inventory. It gets far more traffic than any other road in the city's inventory; it is a prime transportation coordinator. Esquiro wanted to know if we were to do the project at the \$3.5 million project cost what would we be giving up?

Harmon responded we would not be able to address the sidewalks, curbing and settlement areas. Harmon explained that it is difficult to come back and do sidewalks on a different lifecycle. ADA compliance puts us at liability if it doesn't get addressed when we are doing upgrades.

**A motion was made by Hunter to approve designating \$653,219 for the Edgecumbe Drive Repaving project, and further move that \$827,325.85 be transferred from the Public Infrastructure Sinking Fund to the General Fund and appropriated and designated for Edgecumbe Drive Repaving Project as being in the interest of public welfare. The motion PASSED by the following vote.**

**Yes:** 6 - Christianson, Reif, Hunter, Putz, McConnell, and Hackett

**No:** 1 - Esquiro

I 13-174

Discussion/Direction on a compensation study for non-represented employees

Hackett believes the city should wait until Gorman is on board to get his input prior to any study.

**A motion was made by Hackett that this item be POSTPONED until the second regular assembly meeting in November. The motion to POSTPONE FAILED by the following vote.**

**Yes:** 3 - Christianson, Esquiro, and Hackett

**No:** 4 - Reif, Hunter, Putz, and McConnell

Sweeney gave a brief synopsis. The representative employees have collective bargaining. There is a feeling that the non-represented employees are neglected and not taken care of. The city needs a mechanism to address this. One thing that was central was "their compensation and employment blows like a leaf in the wind and is at the sole discretion of the administrator." Over the years they have fallen behind those benefits and increases of bargaining unit employees. Senior department heads are having a very difficult time convincing their bargaining unit employees to step up to management. They would receive a whole lot more work and less pay. Sweeney estimates the study would cost \$20,000 to \$25,000.

Mark Danielson, Human Resource Director spoke to 2/3 of work force. In his opinion you have wage compression. Our classification system is 15-20 years old. The classification for union employees gets regularly addressed through collective bargaining the non represented employees do not.

Sweeney reiterated that senior positions are under compensated. Another factor that the department head offered is all their afterhours and weekend work goes on without any compensation but if they were a collective bargaining employee they would be compensated. Hunter recalled when the water main broke he was called out as a volunteer and

he noted that many city employees that responded and worked through the night were salaried employees receiving no compensation.

**A motion was made by Christianson to direct the Municipal Administrator to prepare a Request for Proposal (RFP) for a Compensation Philosophy Study that would include examining alternative ways of compensating non-representative employees and to bring the RFP back before the Assembly. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

**XI. NEW BUSINESS:**

**J 13-182**

**Board of Adjustment** - Approve a Natural Resource Extraction Conditional Use Permit submitted by Baranof Island Housing Authority and associated conditions and findings

Christianson recused himself as he is close friends with those offering testimony and felt he would be biased.

Staff Presentation - Planner I Maegan Bosak explained the entire expansion is for 20 years and this conditional use permit precedes all others. She added, the Planning Department wanted to make sure that the neighborhood knew of BIHA's application so they expanded the notice to ensure that the public was well informed. It was a lengthy process, including four public hearings. There is an annual review and that requirement can be extended for as many years as needed.

Applicant Presentation - BIHA estimates they would quarry somewhere between 10,000 - 20,000 cubic yards a year. He added that there is no guarantee that BIHA will be providing rock to the Trooper Academy project.

Public Testimony - Marlie Loomis brought up the need for reduced speed limits, adding it is a downhill grade and the trucks break all the way. She doesn't think 15 mph would be popular, she appreciates knowing that there won't be the amount of trucks transporting as they are currently experiencing.

Beau Hedrick questioned the need to haul on Saturdays and the times. He wondered if BIHA could accommodate by working around school bus pickup and delivery schedule. He would also like to see some advance notice to residents so they can give their children a heads-up. He supports a stop and speed sign being erected.

Clarifying Statements - Reif had a question for Harmon on Sitka's rock shortage. Harmon confirmed the need for rock in the community. He projects the community needs nearly 50,000 cubic yards a year to fulfill community wide needs. Harmon pointed out that load restrictions and safety checks really play into safety and wear and tear on our roads.

Rebuttal

Staff - Thinks the signage is a great idea and BIHA is willing to work on that, plus the Planning Commission is always willing to hear any complaints.

Applicant - Contractors usually want as many hours as possible. They had no issue with Putz's suggestion of putting a notice in the newspaper when there was going to be increased traffic. As far as their ability to build an alternate road they have looked at Sisters Lane but it was very costly. If they could find a partner it might be a possibility but not currently.

Deliberation - Members discussed different conditions and what was enforceable and what wasn't. Putz mentioned that we are pretty lucky to have a developer who really cares about how to do it. Two additional conditions numerated 18 & 19 were added.

**A motion was made by Putz to convene as the Board of Adjustment. The motion PASSED unanimously.**

**A motion was made by Reif to approve a conditional use permit submitted by Baranof Island Housing Authority (BIHA) for expansion of natural resource extraction and mining support facilities located at the far end of Yaw Drive, and further support the conditions and findings recommended by the Planning Commission and request that they are listed in their entirety as part of the official record.**

**CONDITIONS:**

1. The permit is contingent upon the passage of the rezoning ordinance involving 36 acres;
2. The quarry and rock crusher shall operate consistent with the plans and narrative submitted with the application or as modified by the following conditions;
3. The buffers shown on the development plan shall be maintained and vegetation shall remain in the buffers to the fullest extent possible. Any rock removal within the buffers shall be limited to the minimum amount necessary to insure the safety of the operations;
4. The permit is for 20 years with opportunities for one-year extensions;
5. The plan for the benches included in the submittal shall be followed;
6. Approval will be obtained by the U.S. Corps of Engineers of wetland issues;
7. The Municipality to sign off on the drainage plan;
8. The Planning Office may allow for minor modifications of the site and operational plan. Land owners in the subdivisions along Yaw Drive and Indian River Road have appeal rights to the Planning Commission and the Assembly;
9. The rock crusher shall be located on the site in a manner that minimizes its ability to be heard in the Indian River Valley. The crusher shall be relocated, with that goal in mind as the quarry activity expands;
10. Quarrying activities, rock sorting, and vehicular movements in the quarry are limited to Monday through Saturday from 7:00 am to 7:00 pm. Loading and



truck movements may occur on a limited basis on Sunday if necessary approved consistent with below;

11. The Planning Commission, following an advertised public hearing, may allow a short term expansion of quarry operations on Sunday between the hours of 10:00 am and 4:00 pm. That expansion of operations shall only be allowed for a 45 day period each year. Any expansion of the hours shall only be for a public project and shall only be made after a finding is made that nearby properties will not be adversely affected. Land owners in the subdivisions along Yaw Drive and Indian River Road may appeal any Planning Commission temporary extension to the Assembly within ten calendar days of the decision on the extension;

12. Truck traffic along Yaw Drive and Indian River Road is only allowed between the hours of 7:00 am and 6:00 pm Monday through Saturday;

13. The Planning Commission, following an advertised public hearing, may allow a short term expansion of truck traffic operations on Yaw Drive and Indian River Road on Sunday between the hours of 10:00 am and 4:00 pm. That expansion of operations shall only be allowed for a 45 day period each year. Any expansion of the hours shall only be for a public project and shall only be made after a finding is made that nearby properties will not be adversely affected. Land owners in the subdivisions along Yaw Drive and Indian River Road may appeal any Planning Commission temporary extension to the Assembly within ten calendar days of the decision on the extension;

14. The rock crusher shall only operate in the quarry between the hours of 8:00 am and 5:00 pm Monday through Friday;

15. The Planning Commission, following an advertised public hearing, may allow a short term expansion of crusher operations on Yaw Drive and Indian River Road on Sunday between the hours of 10:00 am and 4:00 pm. That expansion of operations shall only be allowed for a 45 day period each year. Any expansion of the hours shall only be for a public project and shall only be made after a finding is made that nearby properties will not be adversely affected. Land owners in the subdivisions along Yaw Drive and Indian River Road may appeal any Planning Commission temporary extension to the Assembly within ten calendar days of the decision on the extension;

16. The Planning Commission shall hold an advertised public hearing within 13 months of the expansion of operations, outside of the original 18.8 acres quarry approved in the earlier conditional use permit. The owner shall notify the Planning Office, in writing, within one month of the expansion of quarry operations and shall file a written narrative, describing operations, within 11 months of the expansion of operations onto the additional area. The Planning Commission, at its discretion, may require as many additional annual reviews as it deems necessary. The purpose of the review is to develop strategies to minimize impacts on nearby properties;

17. In the event complaints arise about the operations of the quarry that cannot be resolved between Municipal staff and the owner, the Planning Commission is tasked with working to resolve the concerns with appeal opportunities by nearby property owners to the Assembly;

18. Install a stop sign at the turn off at Thomas Young Circle on the downhill side coming from the quarry; and

19. Post speed signage on Yaw Drive trucks 20 MPH and cars 25 MPH.

#### **FINDINGS:**

1. The Planning Commission finds that the proposed conditional use permit

will not:

- a. Be detrimental to the public health, safety, and general welfare;
  - b. Adversely affect the established character of the surrounding vicinity; nor
  - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located;
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation. Specifically Sections 2.3.4, 2.3.6 and 2.5.2 of the comprehensive plan;
  3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced. Specifically the 19 conditions added to the conditional use permit;
  4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard;
  5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or those conditions can be imposed to lessen any adverse impacts on such facilities and services. Specifically mitigate truck traffic on Yaw Drive; and
  6. Burden of Proof. The applicant has met the burden of proof.

Yes: 6 - Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

Recused: 1 - Christianson

**A motion was made by Hackett to add a stop sign at the turn off area at Thomas Young Circle. The amendment Passed unanimously.**

**A motion was made by Hunter to add condition 19. To add signage on Yaw Drive Trucks 20 MPH and Cars 25 MPH. The motion to AMEND PASSED by a unanimous voice vote.**

**Motion by Putz to reconvene as the Assembly in regular session. This motion PASSED unanimously on a voice vote.**

**K 13-177**

Approve Employment Agreement between CBS and Municipal Administrator Mark Gorman

**This item was pulled under Agenda Changes at the beginning of the meeting.**

**L 13-180**

Approve transferring funds from FY'13 surplus reserves to achieve the intended 92% of actual bed tax revenue for Sitka Convention and Visitors Bureau

Director Tonia Rioux passed on that historically they have been funded at 80% of the actual bed tax. This proposed adjustment would allow us to do more marketing, and expand our web services. Jennifer Robinson reported that the Chamber of Commerce recognizes the substantial

impact of visitors to our economy and tax dollars to our municipality.

Christianson spoke to why we have the bed tax, believing that 8% is reasonable to manage the bed tax. He too believes we need to be very aggressive on our marketing which takes money. Reif is in support but suggested that should we over estimate then we would need to decrease the appropriation. Hackett opined that their budget process just doesn't seem right to her. Esquiro supports and hopes they are keeping a log of their expenses that they'll share at a later date.

**Motion by Christianson to transfer \$45,778 from FY'13 surplus reserves to Sitka Convention and visitors Bureau in order to achieve the intended 92% of actual bed tax revenue. The motion PASSED by the following vote.**

**Yes:** 6 - Christianson, Esquiro, Reif, Hunter, McConnell, and Hackett

**No:** 1 - Putz

**M 13-184**

Discussion/Decision on a grading request for the Hames Parking lot before the ATIA Conference

Harmon estimated a quick fix would cost the city \$3,500 and would last about a month. To do it right and for it to last longer, the lot would need to be graded below the pot holes etc. that would cost \$14,000.

Director Roger Schmidt of Sitka Fine Arts Camp mentioned that they have some volunteers, buckets and shovels and even a small grader. But they need some help with the parking lot before the ATIA Conference.

Shelia Finkenbinder supports the Convention and Visitors Bureau. She commented that the campus is used by everyone and this is a community convention.

Jennifer Robinson asked the entire community to work together to make Sitka shine for this convention, reiterating this is a big convention for Sitka and we want them to see Sitka as amazing.

**A motion was made by Christianson to approve the City to partner with Hames Wellness Center/Sitka Fine Arts Council to grade and compact the parking lot immediate adjacent to the Hames Wellness facility and latter in the meeting amended to take \$7,500 from the General Fund to accomplish this. The final motion as AMENDED PASSED by the following vote.**

**Yes:** 4 - Christianson, Hunter, McConnell, and Hackett

**No:** 3 - Esquiro, Reif, and Putz

Hackett has a problem taking funding out of non-profits grants thinks that is the wrong funding source.

**Motion to AMEND by Christianson to use \$7,500 of the unexpended non-profit funding. The amendment FAILED by the following vote.**

**Yes:** 3 - Christianson, Hunter, and Putz

**No:** 4 - Esquiro, Reif, McConnell, and Hackett

**Motion by Reif to EXTEND the meeting. The meeting to EXTEND FAILED on a 5-2 vote with Hunter and Esquiro opposed. To extend passed 10:30 PM with seven members present requires 6 members vote in favor.**

Reif interjected what do you want from the city? Schmidt replied whatever the assembly would be willing to do. Sitka Fine Arts Camp have inherited a lot of public parking for things like the Health Summit, Health Fair and even harbor users etc., the more help we can get from the Assembly to maintain the better; it is a public space in his opinion. But the immediate need is put Sitka's best face forward for this conference. Reif queried why didn't this come to them in the form of a non-profit grant application? Schmidt didn't consider the parking lot as a responsibility of Sitka Fine Arts Camp at the time.

Hackett suggested that if the assembly were willing to consider the larger process is that something the Sitka Fine Arts Camp would and could be willing to share 50-50?

**A motion was made by Christianson that \$7,500 be taken from the General Fund. The motion on this amendment PASSED by the following vote.**

**Yes:** 4 - Christianson, Hunter, McConnell, and Hackett

**No:** 3 - Esquiro, Reif, and Putz

**N 13-178** Discussion/Direction on "Buy Local" and Preferential Procurement Policies

**This item was POSTPONED.**

**O 13-179** Climate Action Plan Status and Future

**This item was POSTPONED.**

## **XII. ADJOURNMENT**

**With no favorable motion to EXTEND the meeting automatically ADJOURNED at 10:30 PM. The two remaining items N & O will be brought up under Unfinished Business at the October 7, 2013 meeting.**



## Legislation Details

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File #: 13-192      Version: 1      Name:

Type: Appointment      Status: AGENDA READY

File created: 10/2/2013      In control: City and Borough Assembly

On agenda: 10/7/2013      Final action:

Title: Appointments: 1) Appoint Clara Whitehead and Chris Whitehead to terms on the Parks and Recreation Committee, 2) Reappoint Don Jones to a term on the Police and Fire Commission, and 3) Appoint Mary Ann Peterson on a term on the Port and Harbors Commission

Sponsors:

Indexes:

Code sections:

Attachments: [appointments](#)

Date	Ver.	Action By	Action	Result
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**If this item is pulled from the Consent Agenda  
the following motion would be in order:**

**Appointments**

**I move to appoint: 1) Clara Whitehead and Chris Whitehead to terms on the Parks and Recreation Committee; 2) Reappoint Don Jones to a term on the Police and Fire Commission; and 3) Appoint Mary Ann Peterson to a term on the Port and Harbors Commission**



## Legislation Details

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File #: 13-187      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 10/2/2013      In control: City and Borough Assembly

On agenda: 10/7/2013      Final action:

Title: Authorize spending a portion of the Fire Departments fixed assets budget for: 1) Instruction Expenses;  
2) Four Regulators; 3) Multi-Gas Monitors; and 4) Turnout Gear.

Sponsors:

Indexes:

Code sections:

Attachments: [Fire Chief Memo](#)

Date	Ver.	Action By	Action	Result
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# City and Borough of Sitka

FIRE DEPARTMENT

209 LAKE ST. • SITKA, ALASKA • 99835

907-747-3233

Oct. 1, 2013

To the Assembly of the City and Borough of Sitka,

Via: Jay Sweeney Acting City Administrator,

*Oct 1, 2013*

In this year's budget, we have in the fixed assets portion \$85000.00 for mandatory air pack upgrades. Through money from the state, that the Alaska Fire Chiefs Association applied for, it looks like most of the cost for these upgrades will be covered.

What we would like to look at is spending a portion of that amount on a few items that will benefit the department immensely.

- 1.) A few years ago we purchased a software system that has never really worked right for us. It is called Fire house and would allow us to do all of the reports that are required for the state for both EMS and fire. We would like to bring up an individual from this company to figure out what we are doing wrong and set us on the right track. For three days of instruction and all expenses it would be \$7500.00.
- 2.) We have recognized a need for hazmat level A Scott CBRN QD Regulators w/HUD for Level A hazmat response to make it safer for our response to hazmat emergencies. Four regulators would cost \$5000.
- 3.) Multi Gas monitors for hazmat responses so that we are able to read and monitor gases that may be involved in a hazmat response. Four monitors at \$800 each \$3200.00 Total
- 4.) Turnout gear is an item that we are always in need of. It has a 10 year life according to standards but can wear out quicker depending on training and fires that we have. For a number of years we did not purchase any and it has now come to that time when we need to replace gear, and in the new union contract it states that we will supply all engineers (6) with a second set of gear. So what I am asking is that we be able to purchase 10 sets of gear total at a cost of \$20000.00.

These four items would greatly help the department in trying to stay ahead of the game, and will greatly improve our response on any emergency scene. Total cost would be \$35700.00.

Thanks very much for your time

David E. Miller





## Legislation Details

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File #: 13-178      Version: 1      Name:  
Type: Item      Status: AGENDA READY  
File created: 9/17/2013      In control: City and Borough Assembly  
On agenda: 9/24/2013      Final action:  
Title: Discussion/Direction on "Buy Local" and Preferential Procurement Policies  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Buy Local docs \(2\)](#)

Date	Ver.	Action By	Action	Result
9/24/2013	1	City and Borough Assembly		



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

**September 18, 2013**

**TO: Mayor and Assembly**

**FR: Members Michelle Putz and Matt Hunter**

Several months ago a local business owner asked me if the City would consider supporting local businesses by trying to increase the level of local purchasing. As stated in one of the attachments, they "want our tax dollars to circulate more thoroughly in our own community, generating more local business revenues, quality jobs and available tax revenue for public services provided."

This person provided multiple suggestions. In some cases the suggestions ask for reporting of non-local purchases, so that the Assembly may learn how much City money is being spent locally and how much is being spent on businesses outside the City. They suggest giving local businesses the opportunity to try to meet or beat online quotes. They also provided examples of preferential public procurement policies for both small purchases (\$5,000+) and for larger bid items. In many cases the policies provide a 1 to 10% price or point preference. Some also include provisions for starting a list of interested businesses. All require the businesses to provide information proving their local connections.

Communities across the United States have adopted preferential policies. One of the examples provided is from Ketchikan, Alaska.

We had hoped to bring forward an ordinance proposing local procurement, but we wanted to give the Assembly and staff an opportunity to discuss the concepts prior to drafting any ordinances or policies. If the Assembly is amenable, a combination of Madison, WI and Ketchikan's policies, or other cities' policies (from the Public-Procurement-Preferences/Localizing Government Contracts documents) might best meet the desired outcome of supporting local businesses, recirculating local money, and increasing local tax revenues.

If the Assembly is generally supportive, we'd like to recommend further review and work by the staff to draft appropriate policy. Jay Sweeney, as Interim Municipal Administrator, and Robin Koutchak, Municipal Attorney, have briefly reviewed these policies but have not provided recommendations to adjust the examples to fit Sitka's situation.

## Ways the City can help Local Businesses

### The Situation

1. We're a typical business and the amount of purchases by the city at our business over the past 3-4 years has dropped by 60%
2. Every single city office and department uses computers and computer-related products. A vast majority of purchases by 100 Lincoln St, Sitka Community Hospital, Sitka School District and all the varied departments are made off island.
3. Bids for computer systems are solicited from companies like Dell, and we used to be asked if we could meet or beat the quote and that is no longer even asked. We used to supply computers for the city and the feedback that we got is that people were pleased with the quality, pricing, and support. We aren't even asked and no one ever said why that changed.
4. There are no incentives, rewards, or premiums for shopping locally, nor are there policies or controls to assure local purchases are made first. Pots of trees don't revitalize downtown.
5. Spend a week in front of 100 Lincoln St. and watch the number of UPS, FedEx, and USPS deliveries being made for products purchased outside of Sitka. An interesting survey would be to ask City Officials, Department Heads and Project Managers to submit their receipts for local purchases.
6. We contribute significant amounts of money in support of local non-profits and charities in this community and their priority is to shop online assuming that will be the lowest price without even checking locally first.
7. There are companies that lowball prices because they make their money by charging excess in the shipping. We don't do that. We pass through actual shipping costs, and our prices can often meet or beat what people are seeing online.
8. The city and other tax exempt organizations, like AMSEA, don't pay sales tax, that way there is some equity between local business and online retailers.
9. In the instance of taxable individuals and organizations a local business has a 5% or 6% "penalty" added to the prices that they offer by the addition of the local sales tax. Online retailers don't collect and forward this tax to the City.
10. Most people have no idea that the profit margin in electronics is VERY slim. In order to compete with such slim margins it is imperative to have sales in large volume to make up for not having much profit in any one item.
11. The City doesn't make any money in the form of sales tax by shopping here, but their shopping here helps us to stay in business so that other people shopping here are paying sales tax to the city.
12. I'm a taxpayer and I pay taxes; as a retailer I am required to collect, record, and submit sales tax for the city(for free); I resent having my money sent out of town in the form of

city purchases online and I resent having it spent with online retailers that are putting bricks and sticks retailers out of business.

### **Suggestions**

13. Make it part of the City Manager's and Department Head's responsibilities to report the number of local purchases versus online purchases on a monthly basis and to make these reports available to the Assembly. I think the utilization of credit cards over Purchase Orders in the last couple of years has seriously increased online versus local purchases.
14. Make it a requirement that a Department Head approve making an online purchase only after an attempt is made to make the purchase locally. Department Heads should follow the same procedure.
15. For significant purchases, local merchants should be offered the opportunity to meet or beat whatever price the city has received in a quote.
16. Online purchases made by the City should be subject to City sales tax by adding 5% to the purchase price of the online product.
17. Require local organizations applying for funds/grants/loans to show that they are making local purchases or at least have requested competitive bids in order to qualify for receiving local money

# Localizing Government Contracts

## *A Key Strategy to Fortify Jackson County's Local Economy*

May 2011

Offered by PROJECT ROGUE VALLEY  
A project of the Jackson County Local Action Coalition  
[www.jclac.org](http://www.jclac.org)

Overview.....	1
The Case for Preferential Policies.....	2
Legal Challenges.....	3
Nominal Bid Price versus Total Economic Impact.....	3
The Screening Criteria .....	4
Closing Comments.....	4
Appendix: Preferential Public Procurement Policies in the USA.....	6
Madison, WI .....	6
San Jose, CA .....	9
Ketchikan, Alaska.....	10
Los Angeles, CA.....	11
Columbus, OH .....	12
Albuquerque, NM .....	13

## Overview

This report aims to make a positive contribution to the ongoing public discussion on the desirability and viability of increasing the participation of locally-owned businesses in providing contracted government goods and services. In line with consistent research proving the strong economic benefits to communities of patronizing local businesses, the Jackson County Local Action Coalition (JCLAC) strongly supports policies that increase participation of local businesses and employees in government contracts. We want our tax dollars to circulate more thoroughly in our own community, generating more local business revenues, quality jobs and available tax revenue for public services. This is a priority issue for JCLAC's newly formed Project Rogue Valley ([www.jclac.org](http://www.jclac.org)).

On April 11, 2011, a letter from Commissioner Smith on behalf of the Board of Commissioners appeared in the *Mail Tribune* newspaper, responding to appeals to increase local content in government contracting. The letter's main point was that the U.S. Constitution and other laws prohibit preferential treatment of local bidders, or at least makes preferential policies highly risky for the county. "Instead of risking fruitless litigation over regulatory preferences," the letter concluded, "the county will aggressively pursue other, legal ways to help the local economy."

We believe Commissioner Smith's letter cited some important legal issues, and that caution is essential in formulating new policies. At the same time, we respectfully suggest that the letter overlooks some fully legal approaches to increasing local content in

government purchasing, some of which have already been developed and implemented by local jurisdictions around the country.

**We offer this report as a sampler of policy approaches that the Board can consider, because we want Jackson County to be among the growing number of jurisdictions that are finding ways to more effectively put tax dollars to work strengthening their local economies and communities.**

## The Case for Preferential Policies

According to the National Association of State Procurement Officials, the use and breadth of preference policies by State governments is increasing. Twenty-seven states provide legal preference for in-state bidders. Thirty-nine use the location of a firm as a tiebreaker if all other aspects of the bid are equal (e.g. price, performance). Twenty-one states have “Buy American” laws that affect public procurement.<sup>1</sup>

At the municipal level, several dozen cities favor local businesses and products in government purchasing, according to the government watchdog organization New Rules Organization.<sup>2</sup> These include

- Los Angeles, California
- Columbus, Ohio
- San Jose, California
- San Francisco, California
- Albuquerque, New Mexico
- Ketchikan, Alaska
- Madison, Wisconsin

Some have several levels of preference. San Francisco allows higher bids from in-city vendors (five percent), and an additional five percent price preference for women- or minority-owned local businesses. Many cities have a cap on the size of a contract that don't have to be awarded to the lowest bidder. Others reduce the bid differential allowed as the contract size increases.

We have appended the specific procurement ordinances of these six cities in the back of this document.

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<sup>1</sup> [http://www.naspo.org/documents/2009\\_Survey\\_of\\_State\\_Government\\_Procurement\\_Exec\\_Summary.pdf](http://www.naspo.org/documents/2009_Survey_of_State_Government_Procurement_Exec_Summary.pdf)

<sup>2</sup> <http://www.newrules.org/retail/rules/local-purchasing-preferences>

## ***Legal Challenges***

The constitutionality of state and local governments favoring local businesses in their procurement practices has been challenged in the courts. Out-of-state companies argue that such favoritism conflicts with the Commerce Clause of the Constitution (Article 1, §8), as well as the equal protection and due process clauses of the 14th Amendment. But courts have generally upheld local preference statutes. This is especially true if the state or city can make a reasonable case that the statutes will achieve a legitimate state or local interest (e.g., expanding the local economy).

One case, for example, involved a South Carolina policy that allowed in-state firms to be awarded a contract even if their bid price was five percent higher. Smith Setzer & Sons, a manufacturer of reinforced concrete pipes headquartered in North Carolina, was the lowest bidder on many South Carolina contracts that were awarded to in-state companies because of the preference statute. The company sued.

The Fourth Circuit Court of Appeals concluded that states could discriminate in favor of local or in-state firms when they act as "market participants" — that is, when they themselves were the customers. In this case, in reviewing the statute the "legislation is presumed to be valid and will be sustained if the classification drawn by the statute is rationally related to a legitimate state interest."

The Court went on to note, "rules stating a preference that such (tax) monies (i.e., generated from the citizens of the state) be recycled within the local economy, either through the purchase of locally-produced products or through purchases from local vendors, rather than funneled out of state, reflect legitimate state concerns." And it pointed to an econometric study done by the state showing that although South Carolina could save \$50,000 by purchasing Smith Seltzer's product, the state's economy would suffer an overall economic loss (in terms of lost jobs, tax revenue, etc.) of \$2.1 million if it did so.

Another legality involves international treaty law, particularly that of the World Trade Organization agreements regarding "free trade and equal access to markets."

## ***Nominal Bid Price versus Total Economic Impact***

An important approach to favoring local business has been to focus on the total economic impact resulting from awarding a business the public contract. Here the bid price given by a vendor is only part of the total price of the contract. The total economic impact, particularly tax revenues to the county generated by contracting with local business, should be factored into the total price of the vendor's bid. The true price of a bid, therefore, is the nominal price **minus** expected tax receipts.

This method is specifically crafted to avoid violation of federal or international treaty law. It neutralizes charges of unfairness because non-local companies, with extensive use of local employees and suppliers in fulfillment of their contract, can often demonstrate the lowest cost alternative to the purchasing government. The Colorado legislature is currently considering legislation to adopt this formula for evaluating vendors for state contracts.

### ***The Screening Criteria***

The method to enact this approach entails the establishment of a list of economic impact questions to be included in all invitations for bids or requests for proposals (RFPs). The information solicited to determine the economic impact of each bid may include

1. Whether the bidder is headquartered in Jackson County.
2. The percentage ownership of the bidder's company that is owned by one or more Jackson County residents.
3. The number or percentage of employees who will likely be assigned to the proposed project who live in Jackson County .
4. The estimated percentage of purchases that the bidder will make in connection with the proposed project that are from Jackson County sources.
5. The estimated percentage of operating expenses that will be incurred by the bidder in connection with the proposed project that will be paid to Jackson County-based sources.

From this information, the county can devise a system for determining the minimum economic impact to the county for the following variables:

1. County or city taxes and fees to be generated and paid by the bidder as a result of the proposed project.
2. County property tax to be generated and paid by the bidder as a result of the proposed project.

### **Closing Comments**

The policy specifics described above are intended merely to suggest some of the practical alternatives already available to jurisdictions who are committed to increasing contract with their local business communities. Any new policy adopted by the Board will of course have to fit the particular circumstances of Jackson County.

The absence of a sales tax in Oregon makes the element of tax revenues returning to County coffers more difficult to calculate. Nonetheless, increased income and job security for county residents strengthens the commercial and residential real estate markets, and therefore property values and property tax receipts. Also, income and job



security leads to larger income tax revenue that supports Oregon State services that are delivered in Jackson County.

We hope our efforts to assemble the work of other jurisdictions, detailed in the following Appendix, provide a helpful foundation for the formulation of a legally sound, economically beneficial policy to enhance local procurement.

**In summary, we urge Jackson County leadership to actively explore and build on the advances made by other jurisdictions to enhance locally-sourced government procurement.** We ask that this focus be given very high priority in the mix of county efforts to improve the economic prospects of our citizens. We view the economic benefits of fortifying the circulation of local dollars within the community economy as undeniable, and believe those benefits will only increase in months and years to come.

JCLAC stands ready to support and cooperate with the county's progress towards local procurement in any possible way, and thanks the Board of Commissioners for its consideration of this vital matter.

## **Appendix: Preferential Public Procurement Policies in the USA**

### ***Madison, WI***

On purchases over \$5,000, the city of Madison, Wisconsin, grants local businesses a 1% price preference on bids and a 5% point preference on RFPs (request for proposal). To qualify as "local," a business must meet at least two of three criteria involving the portion of its employees working at facilities in the local area (at least 50%), portion of ownership vested with local residents (at least 50%), and portion of sourcing within the local area (at least 15%). Businesses are ranked based on these factors so that some may be listed as more local than others. (On purchases under \$5,000, city staff are encouraged, but not required, to buy local.)

City of Madison - Legislative File Number 05943

Adopting the Local Preference Purchasing Policy dated March 20, 2007.

#### **PREAMBLE**

Local preference purchasing policies, or Buy Local policies, have been adopted by various municipalities to provide a formal preference for acquiring goods and services for their operations through local vendors.

A subcommittee of members from the Board of Estimates and the Economic Development Commission (EDC) have considered the issue of potential Buy Local policies for the City of Madison and made several recommendations.

The subcommittee's findings and recommendations, as modified by EDC and Mayor Dave Cieslewicz, are embodied in the policy document.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council of the City of Madison hereby adopts the following Local Preference Purchasing Policy dated March 20, 2007. These provisions would become effective four months after Council adoption.

SUBJECT: Local Preference Purchasing Policy

DATE: March 20, 2007

Public purpose. There are two primary potential public benefits to the City of Madison adopting a local preference purchasing, or Buy Local, policy. First, buying locally retains and circulates more money in the local economy. Second, the City's adoption of a Buy Local policy would encourage area residents, businesses and other units of government to also buy locally.

Current condition. The City has a primarily decentralized approach to purchasing and delegates authority to agency staff for many of its purchases. Current purchasing oversight falls into three categories:

Purchases less than \$5,000 are made by agency staff using their best judgment. This informal process has limited oversight by staff in the Comptroller's Office. These purchases are typically paid for using P-Cards and limited purchase orders (LPOs).

## Localizing Government Contracts in Jackson County, Oregon

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Purchases from \$5,000 to \$25,000 involve formal written quotes that seek three bidders. Agency managers typically determine which vendor to use. Comptroller staff rarely oversee such purchases. Payment is typically made via purchase order.

Purchases over \$25,000 are coordinated and reviewed by purchasing staff in the Comptroller's Office. This is the most formal purchasing process under current practices.

Payment is typically made via purchase order.

Address is the only data currently collected that can be used to determine whether a business is local. About 70% of purchase orders currently involve an address within Dane County. About half of P-Card purchases are made at a Dane County address.

Specific policies. The City will implement a simple policy that can be easily followed by vendors and administered by City staff.

Reflecting current purchasing practices, the City will adopt two policies: one that applies to purchases under \$5,000 and another that applies to purchases over \$5,000. These policies will apply based on the dollar amount of the purchase, not the method of payment (P-Card vs. purchase order vs. LPO).

The "local area" is defined as Dane County and any other county participating in the regional economic development entity that has a policy providing preference to vendors located in at least its county and Dane County. This reciprocal arrangement applies on a county-wide basis. If a municipality within a certain county implements a policy that provides preference to vendors in the county in which it is located and Dane County, then the City of Madison local preference applies to vendors in that county.

Purchases under \$5,000. Given the decentralized and informal nature of such purchases, holders of City P-Cards will be encouraged, but not required, to use local vendors.

To facilitate the identification of local vendors, the City will provide an opportunity for vendors to identify themselves as local according to several criteria. First, they must have a physical address within the local area. In addition, a vendor may self identify its:

Portion of its employees working at facilities in the local area (minimum 50% to be considered local);

Portion of ownership vested in residents of the local area (minimum 50% to be considered local);

Portion of business sourcing within the local area (minimum 15% to be considered local). Sourcing includes the local acquisition of supplies and raw materials or support services like contract employees, accounting, advertising, banking, printing, etc.

Only businesses that meet the minimum level for two of the three additional criteria are considered local. Resulting scores will result in a ranking of businesses, which is to say that some businesses on the list may be ranked as more local than others.

Any person or organization may voluntarily contribute to this list via the Internet. The resulting list will be provided to authorized holders of City P-Cards as well as to citizens to help guide their buying decisions. The City's Information Services Department will be consulted on how this list will best be made available for this purpose.

Purchases over \$5,000. To determine if a vendor is local, questions will be incorporated into formal bid documents and requests for proposal. A vendor must have a physical address within the local area and meet two of the three minimum criteria above to be considered local. Based on these criteria, a vendor is either considered local or non-local. There are no varying degrees or rankings applied.

For these more formal purchases, there are two sets of policies that depend on the method used to make the purchase.

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## Localizing Government Contracts in Jackson County, Oregon

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**Bids.** The acquisition of commodities over \$5,000 is typically done by bids. Generally, the only criteria used in making the determination is purchase price. For these purchases, local vendors are provided a 1% preference. If a local vendor submits a bid within 1% of the lowest non-local bidder, the purchase is awarded to that local vendor.

**Requests for Proposal.** RFP's are typically used to acquire services over \$5,000. They are evaluated against criteria in addition to purchase price that can include timeliness of delivery, past performance and other factors. RFP's are scored against these established criteria. Local vendors are provided with a bonus equal to 5% of total available points.

**Exemptions and limitations.** This policy is subject to certain prescribed exemptions. Due to state law, Buy Local policies may not apply to public works projects. Due to federal restrictions, federally funded programs are also exempt. Exemptions will also be made for emergencies, sole source purchases, cooperative purchasing agreements and cases in which a local vendor is not qualified as determined by City staff. If it is determined by City staff that a vendor has misrepresented its local status, it will be ineligible to receive preference.

**Reporting requirements.** Purchasing staff will conduct a review of purchasing transactions and report annually to the Common Council at their first meeting in March on the dollar amount of procurements made from local vendors included in the City's database and the increase from year to year in the amount of locally purchased supplies and commodities. Purchasing staff will provide a similar report regarding purchases of commodities and services over \$5,000 using the bid and RFP processes.

### Fiscal Note

Implementation of this local preference purchasing policy will establish new administrative responsibilities for staff in Information Services, central Purchasing and in the many operating departments who participate in the daily purchasing activities of City government. IS would be responsible for developing an on-line system for vendors to identify themselves as "local" and to maintain a list of these vendors on the City's web site for use by City staff and the public. Central Purchasing would be responsible for modifying current bid and RFP document formats to incorporate local preference criteria into the standard vendor selection processes for purchases over \$25,000. Staff in all City agencies that make purchasing decisions over \$5,000 would be responsible for incorporating the same criteria into their competitive selection processes when making vendor selections. Based on the proposed policy structure and the 4-month implementation timeline, it is likely that the necessary implementation work can be accomplished with available staff resources.

The policy also creates a 1% price preference or a 5% scoring preference for local vendors responding to non-public works bids, requests for quotations and requests for proposals. To the extent that these preferences result in the award of bids and contracts to other than the lowest price or highest scoring vendors, there is likely to be an increase in the price paid by the City for products and services. The extent of this potential increase is not known at this time, but Central Purchasing staff does not anticipate a substantial increase in costs given past experience. Following implementation of this policy, staff would attempt to accumulate and report the extent to which the award of bids and contracts has been influenced by the new policy.

More information:

City's Local Purchasing Database [1] - Madison maintains an online directory of local businesses to help city staff identify local options for purchases.

Wisconsin

<http://www.cityofmadison.com/business/localPurchasing/index.cfm>

## **San Jose, CA**

San Jose grants local small businesses (those with 35 or fewer employees) a 5% price preference in the awarding of city contracts. For services provided through a request-for-proposal process, local small businesses receive a 10% point advantage. (Local businesses of all sizes also receive a 2.5% preference, but the city defines a "local" business as any business with a location in Santa Clara County.)

From the City of San Jose Code of Ordinances:

### **Part 4 AWARD OF CONTRACTS**

#### **4.12.320 Application of preference in award of contracts.**

A. Prior to the issuance of a solicitation, the procurement authority shall make a determination of whether price shall be the determinative factor in the award of the solicitation.

B. For solicitations where price has been chosen as the determinative factor, the preferences granted under this chapter shall be applied as follows:

1. Bidders who qualify as a local business shall be given a credit of two and one-half (2.5) percent of the cost bid; and

2. Bidders who qualify as a small business shall be given a credit of two and one-half (2.5) percent of the cost bid.

C. For solicitations where price has not been chosen as the determinative factor the preferences granted under this chapter shall be applied as follows:

1. Bidders who qualify as a local business enterprise shall be given a credit equal to five (5) percent of the total points used to determine the most advantageous quote or proposal.

2. Bidders who qualify as a small business enterprise shall be given a credit equal to five (5) percent of the total points used to determine the most advantageous quote or proposal.  
(Ord. 27980.)

### **Part 1 DEFINITIONS**

4.12.060 Small business enterprise. As used in this title, "small business enterprise" means a local business enterprise that has thirty-five (35) or fewer total employees. With respect to bids or proposals submitted by partnerships or joint ventures, the number of employees for purposes of qualifying as a small business enterprise shall be determined by the total number of employees of each of the members of the partnership or joint venture combined. (Ord. 27980.)

4.12.030 Local business enterprise. "Local business enterprise" means a business enterprise, including but not limited to a sole proprietorship, partnership, or corporation, which has a legitimate business presence in the County of Santa Clara, California. Evidence of legitimate business presence in San José shall include:

A. Having a current San José business tax certificate; and

B. Having either of the following types of offices operating legally within the County of Santa Clara:

1. The contractor's principal business office; or

2. The contractor's regional, branch or satellite office with at least one (1) full-time employee located in the County of Santa Clara.

(Ord. 27980.)

More information: <http://www.sjeconomy.com/businessassistance/smallbiz.asp>  
[1]

Small Business Opportunity Program [1] — San Jose's procurement preference is part of this larger city initiative to increase opportunities for small local enterprises to do business with the city.

### ***Ketchikan, Alaska***

Ketchikan provides a 10% preference for local businesses on bids valued at up to \$100,000 and a 7% preference on those between \$100,000 and \$200,000. No preference is awarded on contracts above that amount.

3.12.040 Purchases of supplies, materials, equipment or services -- when competitive bidding or quotations are required.

(4) Local Bidder Preference Award.

(A) Unless contrary to federal or state law or regulation, a contract or purchase for supplies, materials, equipment or contractual services the amount of which is less than two hundred thousand dollars shall be awarded to a local bidder where the bid by such local bidder is in all material respects comparable to the lowest responsible non-local bid if the amount bid by such local bidder does not exceed the lowest responsible non-local bid by more than:

(i) Ten percent (10%) of the amount bid by the lowest responsible non-local bidder if that non-local bidder's bid is \$100,000 or less;

(ii) Seven percent (7%) of the amount bid by the lowest responsible non-local bidder or \$10,000, whichever is less, if that non-local bidder's bid is greater than \$100,000 but less than or equal to \$200,000.

No local bidder preference will be allowed if the lowest responsible non-local bidder's bid exceeds \$200,000. The council may by motion adopted prior to bid opening exempt any contract or purchase from the local bidder preference set forth in the preceding sentence.

(B) "Local bidder," for purposes of the preceding paragraph means a person who:

(i) Holds a current Alaska business license;

(ii) Submits a bid for goods or services under the name appearing on the person's current Alaska business license;

(iii) Has maintained a place of business within the boundaries of the Ketchikan Gateway Borough for a period of six months immediately preceding the date of the bid; and

(iv) Is not delinquent in the payment of any taxes, charges or assessments owing to the city of Ketchikan or the Ketchikan Gateway Borough on account of that business.

(C) The manager may require such documentation or verification by the person claiming to be a local bidder as is deemed necessary to establish the requirements of (B) above.

Note: The complete text of the city's purchasing policy can be found under Title 3 of the Ketchikan Municipal Code [1]. <http://www.city.ketchikan.ak.us/>



**Attached**

Title 3

REVENUE AND FINANCE

Chapter 3.12

PURCHASES AND SALES

Sections:

- 3.12.010 Contractual services defined.
- 3.12.012 Public improvement defined.
- 3.12.020 City manager or authorized personnel to make purchases.
- 3.12.030 When prior approval by the council is required.
- 3.12.035 Purchase of public improvements - when competitive bidding or quotations are required.
- 3.12.040 Purchases of supplies, materials, equipment or services -- when competitive bidding or quotations are required.
- 3.12.041 Awarding of competitive bids.
- 3.12.042 Competitive bid appeals process.
- 3.12.043 Competitive sealed proposals.
- 3.12.050 Purchasing--When competitive bidding or quotations are not required.
- 3.12.051 Professional service contracts.
- 3.12.055 Acquisition of real property, leases, easements and permits.
- 3.12.060 Sale or other disposition of real property or interest therein.
- 3.12.070 Sale or other disposition of personal property, or interest therein.

**3.12.010 Contractual services defined.** "Contractual services," for the purpose of this chapter, means services performed for the city by persons not in the employment of the city, and may include the use of equipment or the furnishing of commodities in connection with said services under express or implied contract. Contractual services include travel; freight; express, parcel post, postage; telephone; telegraph; utilities; rents; printing and binding; repairs, alterations, and maintenance of buildings, equipment, streets and bridges, and other physical facilities of the city; and other services performed for the city by persons not in the employment of the city. (Ord. 822 §1(part). 1975)

**3.12.012 Public improvement defined.** "Public improvement," as used in this Chapter, means the erection, building, construction, placement, creation or expulsion of an improvement to land. (Ord. 822 §1(part). 1975)

**3.12.020 City manager or authorized personnel to make purchases.** All purchases of supplies, materials, equipment, and contractual services for the offices, departments, and agencies of the city government, shall be made by the city manager or by other city personnel in accordance with purchase authorization issued by the city manager. (Ord. 822 §1(part). 1975)

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As to the authority of the city manager to contract for the purchase and sale of needed supplies, material and equipment, see Charter §5-16, §5-17 and §5-19.

**3.12.030 When prior approval by the council is required.** Every contract for, or purchase of, supplies, materials, equipment, contractual services, or public improvements for more than fifty thousand dollars shall require the prior approval by motion or resolution of the council; and under no circumstances may such contract or purchase be made without first obtaining the approval of the council. (Ord.1151, §1, 1988. Ord. 822 §1(part), 1975)

**3.12.035 Purchases of public improvements - when competitive bidding or quotations are required.** (a) Purchases of or contracts for public improvements with a cost of \$5,000 or less may be made on the open market without competitive bidding quotations, or solicitations, provided that such purchases or contracts are for budgeted items or items previously approved by the council.

(b) Purchases of or contracts for public improvements with a cost in excess of \$5,000, but not more than \$50,000, shall, at the option of the purchasing authority, be awarded either by solicitation for written quotations made to at least three contractors or through the competitive bidding or proposal process described in section 3.12.040(c), section 3.12.041, section 3.12.042, and section 3.12.043.

(c) Except as provided in (d) below, purchases of or contracts for public improvements with a cost in excess of \$50,000 shall be awarded through the competitive bidding or proposal process described in section 3.12.040(c), section 3.12.041, section 3.12.042, and section 3.12.043.

(d) Purchases of or contracts for public improvements may be awarded without notice and without competitive bidding or proposals:

(1) When the public improvement can only be provided by a single contractor;  
(2) When the public improvement can be purchased from another unit of government at a price or rate determined by government authority;

(3) When the public improvement is purchased from a public utility;  
(4) When the public improvements should be purchased from a specific contractor in order to prevent incompatibility with previously purchased supplies, materials, equipment or public improvements. For purposes of this subparagraph, the term "incompatibility" is defined as: (A) the inability to interconnect, combine, interchange, or join, or (B) that which causes substantial duplication in maintenance, expertise, or training or in the stocking of parts, materials, supplies or replacements. Any purchase which is to be excluded from competitive bidding by the authority of this subparagraph must be first approved by the council.

(5) When the public improvements are required on an emergency basis, provided, however, that to the extent practical under the conditions of the emergency, the council shall declare the emergency;

(6) When it is advantageous to the city to enter into a contract with a person, firm or corporation for the same public improvement under substantially the same terms as such person, firm or corporation is providing another municipal or state government, or the United States, where such public improvements are being provided the other unit of government on the basis of competitive bidding, or pursuant to a contract with or through such other government unit so that the benefit of the competitive bidding accrues to the city;

(7) When competitive bidding has been followed, but only one, or no bids are received, or all bids are rejected. In such a case, after council approval, the manager may proceed to have the public improvements constructed without further competitive bidding;

(8) When additional public improvements beyond the scope of an existing contract can be obtained by change order to the contract provided, however, that the existing contract was awarded through the competitive bidding process, that the change order for each additional public improvement does not exceed fifteen percent of the original bid price, and that the council approves the change order;



(9) Notwithstanding any provision of this chapter, the council may also exempt any particular purchase from competitive bidding or other requirements by a non-emergency ordinance adopted pursuant to and as provided for in sections 5-16 and 5-17 of the city charter. (Ord. 1632, §1, 2009; Ord. 1291 §2, 1994)

**3.12.040 Purchases of supplies, materials, equipment or services – when competitive bidding or quotations are required.** (a) Purchases of, or contracts for, supplies, materials, equipment, or contractual services, with a cost of ten thousand dollars or less in a single transaction may be made on the open market without competitive bidding, quotations, or solicitations, provided that such purchases or contracts are for budgeted items or items previously approved by the council.

(b) Except as otherwise provided in section 3.12.043 or section 3.12.050, purchases of or contracts for supplies, materials, equipment, or contractual services, with a cost in excess of ten thousand dollars but not more than fifty thousand dollars in a single transaction shall, at the option of the city's purchasing authority, be made in the open market by written quotation or through the competitive bidding process set out in subsection (c) of this section, section 3.12.041 and section 3.12.042, the competitive sealed proposals process set out in section 3.12.043 or the professional services process set out in section 3.12.050. The city's purchasing authority shall solicit quotations or offers from at least three persons, firms or corporations.

(c) Contracts over fifty thousand dollars.

(1) Except as otherwise provided in section 3.12.043 or section 3.12.050, before any purchase of, or contract for, supplies, materials, equipment, or contractual services is made, when the cost thereof is estimated to exceed fifty thousand dollars, the city purchasing authority shall submit specifications and invitations to bid to at least three persons, firms, or corporations dealing in and able to supply the same, or to a lesser number if there are not three dealing in and able to supply the same. The purchasing authority shall also publish notice of the proposed purchase and invitations to bid in a newspaper of general circulation within the city.

(2) When there are at least three persons, firms, or corporations that qualify as local, as defined in subsection (c)(4) of this section, the purchasing authority is not required to, but may submit invitations to bid to non-local persons, firms, or corporations. The purchasing authority shall, however, submit invitations to bid to non-local persons, firms, or corporations when the purchasing authority determines such action is necessary to secure bids or to create competitive conditions, or when such action may result in a savings for the city.

(3) All bids shall be sealed and shall be opened in public at a time and place designated in the notice inviting bids. Information which would reveal the number of bids received and the identity of bidders shall not be released until after the time for submission of bids has passed. The purchasing authority may repeatedly reject any and all bids, may proceed under subsection 3.12.050(10) or may call for new bids as in the first instance, except that as an additional requirement each of the bidders whose bids were rejected shall be timely notified of a call for new bids and of the changes, if any, in the specifications or other requirements for such new bids.

(4) Local Bidder Preference Award. (A) Unless contrary to federal or state law or regulation, a contract or purchase for supplies, materials, equipment or contractual services the amount of which is less than two hundred thousand dollars shall be awarded to a local bidder where the bid by such local bidder is in all material respects comparable to the lowest responsible non-local bid if the amount bid by such local bidder does not exceed the lowest responsible non-local bid by more than:

(i) Ten percent (10%) of the amount bid by the lowest responsible non-local bidder if that non-local bidder's bid is \$100,000 or less;

(ii) Seven percent (7%) of the amount bid by the lowest responsible non-local bidder or \$10,000, whichever is less, if that non-local bidder's bid is greater than \$100,000 but less than or equal to \$200,000.

No local bidder preference will be allowed if the lowest responsible non-local bidder's bid exceeds \$200,000. The council may by motion adopted prior to bid opening exempt any contract or purchase from the local bidder preference set forth in the preceding sentence.

(B) "Local bidder," for purposes of the preceding paragraph means a person who:

(i) Holds a current Alaska business license;  
(ii) Submits a bid for goods or services under the name appearing on the person's current Alaska business license;

(iii) Has maintained a place of business within the boundaries of the Ketchikan Gateway Borough for a period of six months immediately preceding the date of the bid; and

(iv) Is not delinquent in the payment of any taxes, charges or assessments owing to the city of Ketchikan or the Ketchikan Gateway Borough on account of that business.

(C) The manager may require such documentation or verification by the person claiming to be a local bidder as is deemed necessary to establish the requirements of (B) above. (Ord. 1632, §2, 2009; Ord. 1379 §1 & 2, 1997; Ord. 1296 §1, 1994; Ord. 1291 §3, 1994; Ord. 1255 §1, 1993; Ord. 1241 §1, 1992; Ord. 1053 §1, 1985; Ord. 1048 §1, 1984; Ord. 1031 §1, 1984; Ord. 956 §1, 1981; Ord. 886 §2, 1977; Ord. 822 §1 (part), 1975)

**3.12.041 Awarding of competitive bids.** (a) All requests for bids or proposals shall include clear and precise discussion of the specific evaluation factors to be used in awarding bids.

(b) All requests for bids or proposals shall be as detailed as possible without preventing qualified bidders or proposers from submitting bids or proposals. Individual brand names will not be specified in requests for bids or proposals unless no functionally equivalent products exist.

(c) All purchases that are competitively bid under Section 3.12.040 shall be awarded to the responsive bidder whose bid or proposal is determined to be most advantageous to the city, taking into consideration price and other evaluation factors as set out in the request for bid or request for proposal. (Ord. 1184, §1, 1990)

**3.12.042 Appeals process.** (a) Unless it is decided to reject all bids or proposals, all bidders or proponents under the competitive bidding or competitive sealed proposal procedures of this chapter will be given a notice of intent to award the bid or proposal. The notice shall identify the bidder or proponent whose bid or proposal is recommended for award, shall contain information relating to all submitted bids or proposals, and shall inform the bidder or proponent of the appeals process set forth in this section.

(b) Any bidder or proponent which has any objection to the recommended award of bid or proposal and which claims to be the lowest responsible bidder or more qualified proponent shall file a written notification of appeal with the city clerk. The notification of appeal shall specifically state all of the reasons for the appeal, the specific action requested by the bidder or proponent, the specific parts of the bid or proposal or bid or proposal documents on which the appeal is based, the reasons the bidder or proponent claims to be the lowest responsible bidder or most qualified proponent, and all statements, documents and other relevant materials which the bidder or proponent will submit in support of its appeal. The notification of appeal shall be filed with the city clerk by either:

(1) 5:00 p.m. on the Thursday one week prior to the city council meeting where the bid or proposal is to be awarded; or

(2) within five calendar days from the date the notice of intent to award was delivered to the bidder or proponent which filed the notification of appeal, whichever is earlier. In no event, however, shall a bidder or proponent have less than two weekdays from the time it receives the notice of intent to award until the time it is required to have filed a notification of appeal. Not later than two days before the city council meeting where the bid or proposal is to be awarded, the city clerk shall notify all other bidders or proponents of the appeal and of their right to contest the appeal.

(c) The council shall hear the appeal and any responses or information from other bidders or proponents. The council may then, without further opportunity for appeal, award the contract to any bidder or proponent.

(d) A bidder or proponent which objects to the notice of intent to award a bid or proposal, but which fails to timely and completely file a notification of appeal with the city clerk shall have no right to appeal or contest the award of bid or proposal, and shall have no claim or cause of action relating to the bid or proposal process, the bid or proposal documents and specifications, the bids or proposals themselves, or the award. A bidder or proponent which has submitted the bid or proposal recommended for award but which does not respond to a notification of appeal by either submitting a written response to each of the reasons for appeal or by presenting such response at the council meeting when the appeal is heard, shall have no right to appeal or contest the award of bid or proposal, and shall have no claim or cause of action relating to the bid or proposal process, the bid or proposal documents and specifications, the bids or proposals themselves or the award. The council may, in its discretion, consider any objection whether or not a complete or timely notification of appeal or response has been filed or presented but any such consideration shall be final and not subject to appeal, contest, claim or cause of action.

(e) The council or the manager may at any time exempt any award of bid or proposal from all or any part of the appeals process set forth in this section provided that all bidders or proponents are timely notified in writing of the exemption, the reasons for exempting the particular award, the process which will be used in awarding a bid or proposal, the time at which any objection to the award may be made, and the time at which an award of bid or proposal may be made. (Ord. 1632, §3, 2009; Ord. 1291 §4, 1994; Ord. 1184, §2, 1990)

**3.12.043 Competitive sealed proposals.** (a) Subject to any prior approval by the council under section 3.12.030, if the manager determines that use of competitive sealed bidding or other procurement process under this chapter is not practicable, the city may procure supplies, materials, equipment, public improvements, or contractual services by competitive sealed proposals under this section.

(b) The manager shall solicit competitive sealed proposals by issuing a request for proposals. The request for proposals shall state, or incorporate by reference, all specifications and contractual terms and conditions to which a proposal must respond, and shall state the factors to be considered in evaluating proposals and the relative importance of those factors. Public notice of a requested for proposals shall be published in a newspaper of general circulation within the city together with such other public notice as the manager may deem appropriate.

(c) Sealed proposals shall be designated as such on an outer envelope and shall be submitted by mail or in person at the place and no later than the time specified in the request for proposals. Proposals not submitted at the place or within the time so specified shall not be opened or considered.

(d) Proposals shall be received at the time and place designated in the request for proposals, and shall be opened so as to avoid disclosing their contents to competing proponents during the process of negotiation. Proposals, tabulations, and evaluations thereof shall be open to

public inspection only after the issuance of a notice of intent to award the contract. Unless all proposals are rejected, the manager shall issue a notice of intent to award the contract.

(e) In the manner provided in the request for proposals, the manager may negotiate with those responsible proponents whose proposals are determined by the manager to be reasonably responsive to the request for proposals. Negotiations shall be used to clarify and assure full understanding of the requirements of the request for proposals. The manager may permit proponents to revise their proposals after submission and prior to award to obtain best and final offers. Proponents deemed eligible for negotiations shall be treated equally regarding any opportunity to discuss and revise proposals. In conducting negotiations or requesting revisions, neither the manager nor any other city officer or employee shall disclose any information derived from proposals of competing proponents.

(f) If fair and reasonable compensation, contract requirements, and contract documents can be agreed upon with the most qualified proponent, the contract shall be awarded to that proponent.

(g) If fair and reasonable compensation, contract requirements, and contract documents cannot be agreed upon with the most qualified proponent, the manager shall advise the proponent of the termination of negotiations. If the proposals were submitted by one or more other proponents determined to be qualified, negotiations may be conducted with such other proponents in the order of their respective rankings. The contract may be awarded to the proponent then determined to be most advantageous to the city.

(h) Awards shall be made by written notice to the proponent whose final proposal is determined to be most advantageous to the city. No criteria other than those set forth in the request for proposals may be used in proposal evaluation. If the manager determines that it is in the best interest of the city to do so, the city may reject all proposals. (Ord. 1632, §4, 2009)

**3.12.050 Purchasing--When competitive bidding or quotations are not required.** (a)

The following may be purchased or contracted for without competitive bidding or soliciting quotations:

(1) Supplies, materials, equipment, contractual services, the cost of which does not exceed ten thousand dollars in a single transaction;

(2) Supplies, materials, equipment or contractual services which can be furnished only by a single dealer, which have a uniform price wherever purchased or which are telecommunications supplies, materials, or equipment purchased by KPU for retail sale or lease;

(3) Supplies, materials, equipment or contractual services purchased from another unit of government at a price or rate determined by governmental authority;

(4) Supplies, materials, equipment or contractual services purchased from a public utility at a price or rate determined by governmental authority;

(5) Contractual services of a professional nature, such as engineering, architectural, legal, medical or consulting services;

(6) Supplies, materials, equipment or contractual services which should be purchased from a specific source in order to prevent incompatibility with previously purchased supplies, materials, equipment or contractual services. For purpose of this subparagraph, the term "incompatibility" is defined as:

(A) the inability to interconnect, combine, interchange, or join; or

(B) that which causes substantial duplication in maintenance, expertise or training or in the stocking of parts, materials, supplies or replacements. Any purchase which is to be excluded from competitive bidding by the authority of this subparagraph which exceeds ten thousand dollars, must first be approved by the council;

(7) Supplies, materials, equipment or contractual services which are required on an emergency basis, provided, however, that to the extent practical under the conditions of the emergency, the council shall declare an emergency.

(8) Placement or purchase of insurance;

(9) When it is advantageous to the city to enter into a contract with a person, firm or corporation for the same supplies or services under substantially the same terms as such person, firm or corporation is providing another municipal or state government, or the United States, where such supplies or services are being provided the other government unit on the basis of formal bids, price quotations or other competitive proposal procedure or pursuant to a contract with or through such other government unit so that the benefit of the price quotation or other competitive proposal accrues to the city;

(10) When competitive bidding has been followed, but only one, or no bids or quotations, are received, or the bids or quotations are rejected. In such a case, after council approval, the manager may proceed to have the supplies, materials, or equipment purchased, the services performed or the public improvements constructed without further competitive bidding or quotation;

(11) The purchase of used vehicles or equipment when such purchase has been determined by the manager to be in the best interest of the city;

(12) The purchase of new equipment to be used at or in connection with the Ketchikan Shipyard, when and under such terms and conditions as the council, in its sole judgment, deems advantageous to the city;

(13) Notwithstanding any provision in this chapter, the council may also exempt any particular purchase from competitive bidding or other requirements by a non-emergency ordinance adopted pursuant to and as provided for in Sections 5-16 and 5-17 of the city charter. (Ord. 1291 §5-8, 1994; Ord. 1104 §1-3, 1987; Ord. 1103 §1, 1987; Ord. 822 §1(part), 1975)

### **3.12.051 Professional service contracts.** (a) Definitions.

(1) Professional services as used in this section shall mean professional, technical or consultant services that are predominantly intellectual in character and that:

(A) Include analysis, evaluation, prediction, planning or recommendations, and

(B) Result in the production of a report, plan, drawings, or the completion of a task.

Examples of professional service contractors include, but are not limited to: accountants, architects, appraisers, engineers, land surveyors, financial consultants, attorneys, planning consultants, economists, computer programmers and system analysts, insurance consultants and risk analysts, insurance providers, and other specialized consultants.

(2) Request for proposals means a written solicitation for contract proposals by prospective contractors that sets out the nature of the services to be performed or product to be secured with sufficient information for a qualified prospective contractor to prepare a responsive contract proposal for consideration and evaluation by the city.

(b) Professional service contracts generally; contract authority.

(1) The manager may award and sign, without prior approval of the council, any contract for professional services if adequate funding is budgeted, except as provided in this subsection.

(2) Any proposed professional service contracts with an estimated cost in excess of fifty thousand dollars shall be awarded by the council.

(3) The manager shall utilize a selection committee including the manager or manager's designee, a department head, members of the American Society of Civil Engineers,

American Society of Mechanical Engineers, American Institute of Architecture and/or other professional organizations and interested citizens as the manager deems appropriate to evaluate proposals and select the best qualified professional services contractor to provide the required service. All meetings of selection committees shall be open to the public.

(c) Solicitation of proposals.

(1) When the city proposes to enter into a contract for professional services, it shall:

(A) Publish a public notice soliciting proposals for the proposed professional services contract at least two times in a newspaper of general circulation in the city and post notice in such other location as the manager deems appropriate. The first notice shall be published not less than twenty-one days before the deadline for submittal of proposals as announced in the public notice and the second notice shall be published not less than seven days thereafter. The notice shall include:

(1) A brief description of the proposed project for which the city is seeking professional services;

(2) The procedure by which a person or firm interested in the professional services contract may make a proposal to the city for consideration for the contract; and

(3) The deadline for submittals.

(2) The provisions of this section do not apply if:

(A) The manager demonstrates to the council that there is a single source of the expertise or knowledge required, or that one person or firm can clearly perform the required tasks more satisfactorily because of the person's or firm's prior work;

(B) The manager makes a determination that public necessity will not permit delay incident to the procedures otherwise required by this section; or

(C) The service is to be provided by another government agency; or

(D) The estimated cost of the contract does not exceed fifty thousand dollars.

(3) In addition to other criteria set forth in the request for proposals, the following selection factors shall be considered by the city when it evaluates the proposals received:

(A) Specialized experience and technical competence of the person or firm (including a joint venture or association) with the type of service required;

(B) Capacity of the person or firm to perform the work including any specialized services, within the time limitations;

(C) Character, integrity, reputation, judgment, experience and efficiency of the person or firm;

(D) Past record and performance on contracts with the city or other governmental agencies and private industry with respect to such factors as control of costs, quality of work and ability to meet schedules;

(E) Familiarity with the details of the project;

(F) Degree of local employment to be provided by the person or firm in the performance of the contract by the person or firm; and

(G) Estimated cost of services.

(d) Professional services contract terms. Contracts may be lump sum, cost plus a fixed fee, unit price, cost times a multiplier, or on such other terms as are deemed appropriate to the project involved. (Ord. 1291 §9, 1994; Ord. 1186, §1, 1990)

**3.12.055 Acquisition of real property, leases, easements and permits.** (a) No real property may be acquired by the city without first being specifically approved by the council. No lease, easement or permit to use land may be acquired by the city for a payment in excess of five

thousand dollars without first being specifically approved by the council. The manager is authorized to acquire from budgeted funds and without further council approval, leases, easements or permits priced at less than the amount set forth above. For the purposes of this section the term "price" means the cash paid to the seller plus the value of goods and services provided to the seller which:

- (1) Are given in consideration for the lease, easement or permit; and
- (2) were not otherwise needed by the city at any time for its use of the lease, permit or easement.

The provisions of this section shall not apply to land exchanges under section 3.12.060. (Ord. 1266 §1, 1993)

**3.12.060 Sale or other disposition of real property or interest therein.** (a) No real property, or interest therein, of any value may be sold, leased, exchanged or otherwise disposed of until the council has declared by motion or resolution that the real property, or interest therein, is surplus, or unneeded, or that the transaction is otherwise in the best interest of the city.

(b) Except as otherwise provided in this chapter, the manager may sell, lease, exchange or otherwise dispose of real property, or an interest therein, only after appraisal of the fair market value thereof by a qualified appraiser obtained by the city, and the price shall be not less than the fair market value plus the cost of the appraisal plus survey, platting, recording and other costs to the city attendant to the transaction.

(c) Except when the disposition is otherwise exempt from competitive bidding, the proposed disposition of real property, or interest therein, shall be advertised in a newspaper of general circulation in the city to advise prospective buyers of the proposed disposition and to provide an opportunity to submit such bids. All bids shall be sealed and shall be opened in public at a designated time and place, except when the sale is by auction. The manager may repeatedly reject all bids and advertise or give notice again. If a responsive bid at the minimum price set forth in paragraph (b) is not received, the city manager may, within one year from the date bids were to be opened, dispose of the property at such minimum price without further advertisement, bidding or authorization. After one year from the date bids were to be opened, the city manager may dispose of such property without further advertising, bidding or authorization if the price for the property is not less than the fair market value as determined by an appraisal performed within one year prior to the date of disposal by a qualified appraiser plus the costs of appraisal, survey, platting, recording and other costs to the city attendant to the transaction.

(d) The manager, after council approval by motion or resolution, may sell, lease, exchange or otherwise dispose of the following real property, or an interest therein, without giving an opportunity for competitive bidding, subject to compliance with the provisions of section 5-17 of the city charter:

(1) Real property, or an interest therein, to be exchanged for other real property, or an interest therein, which is determined by an appraisal prepared by a qualified appraiser obtained by the city to be at least equal in value to the city property or the interest therein that is to be exchanged, or if the city's property is determined to be greater in value, if the difference is made up in cash to the city. The person receiving the city property or interest to be exchanged shall pay the cost of the appraisal, plus survey, platting, recording and all other costs to the city attendant to the transaction;

(2) Sale, lease, donation, exchange or other transfer of real property, or an interest therein, to or with another municipality, a state, or the United States, when and under such terms and conditions as the council, in its sole judgment, deems advantageous to the city;

(3) Parcels of real property that are substandard in size or configuration under existing zoning, which may be disposed of by sale or exchange to the legal owner of adjoining

property, with such adjoining parcel to be then replatted to incorporate therein such substandard parcel sold or exchanged; provided, however, that the sale price or exchange value shall be at least equal to the fair market value of the city property or interest therein transferred, which may be determined by using the current assessed value of the property, or a comparable portion of such property, as established by the Ketchikan Gateway Borough assessor, plus survey, platting, recording and other costs to the city attendant to the transaction;

(4) Easements may be released to the legal owner of the servient property when and under such terms and conditions as the council, in its sole judgment, deems advantageous to the city.

(e) Notwithstanding any other provision herein, a sale, lease or other disposal of real property, or interest therein, the value of which is more than thirty thousand dollars, must meet and comply with all of the requirements of section 5-17 of the city charter.

(f) Real property sold, traded, or exchanged shall be conveyed by the city without warranty.

(g) Notwithstanding any provision in this chapter, the council may also exempt any particular contract, sale, lease, exchange, disposal or other transaction from competitive bidding or other requirements by a non-emergency ordinance adopted pursuant to and as provided for in sections 5-16 and 5-17 of the city Charter. (Ord. 1209, §1, 1991; Ord. 1142, §1, 1988; Ord. 1103, §3, 1987)

**3.12.070 Sale or other disposition of personal property, or interest therein.** (a) The manager may sell or otherwise dispose of any surplus, obsolete or unneeded supplies, materials, equipment or other personal property with a value of two thousand dollars or less, by giving notice of each proposed disposition in such manner as he deems reasonable and appropriate; provided, however, the manager shall not be required to give notice if the cost of giving notice exceeds the value of the supplies, materials, equipment or other personal property.

(b) No supplies, materials, equipment or other personal property of a value of more than two thousand dollars other than scrap metal may be sold or otherwise disposed of until the council has declared, by motion or resolution, such property surplus, obsolete, unneeded, or that the transaction is otherwise in the best interest of the city. (Ord. 1610, §1, 2008)

(c) Except as provided in subsection (a) of this section, or when the disposition is otherwise exempt from competitive bidding, the proposed disposition of personal property, or interest therein, shall be advertised in a newspaper of general circulation in the city to advise prospective buyers of the proposed disposition and to provide an opportunity to submit such bids. All bids shall be sealed and shall be opened in public at a designated time and place, except when the sale is by auction. The manager may repeatedly reject all bids and advertise or give notice again.

(d) Personal property, or an interest therein, may, subject to the provisions of section 5-17 of the city charter, be sold or otherwise disposed of without competitive bidding as follows:

(1) Supplies, materials, equipment or other personal property, or any interest therein, may be sold or otherwise disposed of by the manager when the total value thereof, as estimated by the manager, does not exceed collectively two thousand dollars.

(2) The manager may sell, lease, donate, exchange or otherwise dispose of personal property, or an interest therein, to or with another municipality, a state or the United States when and under such terms and conditions as the council, in its sole judgment, deems advantageous to the city.

(e) Notwithstanding any other provision in this chapter, the council may also exempt any particular contract, sale, lease, exchange, disposal or other transaction from competitive bidding or other requirements by a nonemergency ordinance adopted pursuant to and as provided for in Sections 5-16 and 5-17 of the city Charter. (Ord. 1103 §5, 1987)



## **Los Angeles, CA**

On contracts of \$100,000 or less, the city of Los Angeles grants a 10% preference to small, local businesses. A small, local business is defined as one that is independently owned and operated, located in the county of Los Angeles, and not "dominant in its field of operations."

Los Angeles County also grants small, local businesses a 5% preference on county contracts.

### Sec. 10.25. Small, Local Business.

A business entity shall qualify as a "Small, Local Business" as used in this ordinance if it:

(a) Is not (or together with an affiliate) dominant in its field of operations.

(b) Is independently owned and operated, with its principal office located in the County of Los Angeles and holds a City business license issued by the Tax and Permit Division of the City Clerk's office, if this firm is subject to the City Business Tax.

(c) Has requested classification as a Small, Local Business and has been approved as such by the City. In order to be so approved, a business entity shall set forth, under penalty of perjury, such information as is requested by the City on either electronic or hardcopy forms supplied by the City as part of the supplier registration process and/or not less than five (5) calendar days before the last day for submission of the bid or proposal as to which the business entity seeks to qualify as a Small, Local Business. The forms containing the required information shall be submitted to the Department of Public Works, Bureau of Contract Administration. Among the criteria the City shall consider in determining whether a business entity so qualifies is whether the business entity, together with any affiliate, has annual receipts which are less than \$3 million for the previous fiscal year. The City may in the alternative request such information for the previous calendar year.

#### SECTION HISTORY

Added by Ord. No. 153,662, Eff. 6-1-80.

Amended by: Ord. No. 157,595, Eff. 5-15-83, Ord. No. 169,059, Eff. 10-24-93; Ord. No. 173,186, Eff. 5-22-00; Subsec. (c), Ord. No. 174,048, Eff. 8-5-01.

### Sec. 10.28. Award of Contracts.

Any supplier or contractor who qualifies as a "Small, Local Business" and is a responsible bidder or proposer shall be granted a preference as to all contracts of \$100,000 or less, for which bids or proposals were solicited, in an amount equal to 10% of the bid or proposal of the lowest and best responsible bidder or proposer, if that latter bidder or proposer has not qualified as a Small, Local Business. If, after deduction of the 10% preference from the bid or proposal of the Small, Local Business, the bid or proposal is equal to or less than the lowest bid or proposal, the bid or proposal of that Small, Local Business shall be deemed to be the lowest bid or proposal.

#### SECTION HISTORY

Added by Ord. No. 153,662, Eff. 6-1-89.

Amended by: Ord. No. 165,973, Eff. 7-23-90; Ord. No. 173,186, Eff. 5-22-00; Ord. No. 174,048, Eff. 8-5-01.

#### More Information:

City of Los Angeles Small Local Business Program Fact Sheet & Application [1]

Los Angeles County also grants a 5% preference to local small businesses through its Local Business Enterprise Preference Program [2].

## ***Columbus, OH***

Columbus grants a 5% preference to local businesses for the procurement of supplies valued at \$20,000 or less, other than construction and professional services, and a 1% preference to local businesses otherwise.

Excerpts from the Columbus City Code:

### 329.04 Definitions.

(k) Local Bidder. An individual or business entity: (1) whose principal place of business is located within the corporation limits of the city of Columbus or the county of Franklin as registered in official documents filed with the Secretary of State, state of Ohio, or Franklin County recorder's office; or (2) who holds a valid vendor's license which indicates that its place of business is located within the corporation limits of the city of Columbus or county of Franklin.

### 329.06 Competitive sealed bidding.

(a) The establishment of universal term contracts and/or the procurement of all materials, supplies and equipment shall be conducted under this section as follows:

(8) In determining the lowest bid for purposes of awarding a contract under this section, a local bidder shall receive a credit equal to one (1) percent of the lowest bid submitted by a non local bidder or twenty thousand dollars (\$20,000.00), whichever is less.

(b) The procurement of all service contracts except construction, custodial, landscaping, guard and security services, cleaning and recycling services, and professional services shall be conducted under this section as follows:

(8) In determining the lowest bid for purposes of awarding a contract under this section, a local bidder shall receive a credit equal to one (1) percent of the lowest bid submitted by a non local bidder or twenty thousand dollars (\$20,000.00), whichever is less.

(c) The procurement of all custodial, landscaping, guard and security service, cleaning and recycling service contracts shall be conducted under this section as follows:

(9) In determining the lowest bid for purposes of awarding a contract under this section, a local bidder, as defined in Section 329.04(k), shall receive credit equal to one (1) percent of the lowest bid submitted by a non-local bidder or twenty thousand dollars (\$20,000.00), whichever is less.

### 329.07 Exceptions to competitive sealed bidding.

(d) Procurement of Materials, Supplies, Equipment, and Services Other Than Construction and Professional Services not Exceeding Twenty Thousand Dollars (\$20,000.00).

(3) In determining the lowest bid for purposes of awarding a contract under this section, a local bidder (as defined in Section 329.04(k)), shall receive credit equal to five (5) percent of the lowest bid submitted by a non-local bidder, where bids do not exceed twenty thousand dollars (\$20,000.00).

## **Albuquerque, NM**

Albuquerque provides a 5% preference to local businesses and small businesses (under 20 employees).

From the Albuquerque City Code:

§ 5-5-17 RESIDENT, LOCAL AND SMALL BUSINESS PREFERENCES.

### **(A) Application of Preferences.**

(1) A local preference shall be applied to all requests for bids, requests for proposals, and requests for quotes for the purchase of goods or services or for the award of concession contracts.

(2) A small business preference shall be applied to all requests for bids, requests for proposals, and requests for quotes for the purchase of goods or services.

(3) The state's Resident Contractor Preference shall be applied to all requests for bids or requests for proposals for the award of construction, in accordance with state law.

(4) A resident preference based on the state's Resident Business Preference shall be applied to a request for bids or request for proposals for the purchase of goods or services, but only if no offers have been received in response to the solicitation from offerors eligible for the local preference.

(5) The local, small business and resident preferences shall not be applied to any solicitation for a purchase or concession contract in excess of \$5,000,000, for a federal aid construction project, or when the expenditure of federal funds designated for the contract is involved.

(6) The local, small business and resident preferences shall be applied by multiplying the amount bid or quoted or the proposal score of all eligible offers by the appropriate Preference Factor in determination of the recommended offeror for the solicitation.

### **(B) Definitions.**

(1) LOCAL BUSINESS shall mean a business that maintains its principal office and place of business in the Greater Albuquerque Metropolitan Area, defined in Section 3 of this Article.

(2) PREFERENCE FACTOR shall mean .95 when applied to bids and quotes, which factor shall be multiplied times the amount of the eligible bid, and shall mean 1.05 when applied to proposals, and shall be multiplied times the total score given each eligible proposal during evaluation.

(3) RESIDENT CONTRACTOR PREFERENCE shall mean the preference described in Section 13-4-2 NMSA 1978, as currently enacted or hereafter amended.

(4) RESIDENT BUSINESS PREFERENCE shall mean the preference described in Section 13-1-21 NMSA 1978, as currently enacted or hereafter amended.

(5) SMALL BUSINESS shall mean a local business which employs an average of fewer than 20 full-time employees in a calendar year.

### **(C) Eligibility for Preferences.**

(1) To qualify for a local or small business preference, the offeror must submit verifiable information certified by the offeror with its offer, unless an alternative method of pre-offer certification is established by the City Purchasing Officer.

(2) To qualify for a resident preference and the state's Resident Contractor Preference, an offeror must submit a valid number issued by the State of New Mexico with its offer.

## Localizing Government Contracts in Jackson County, Oregon

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(3) If necessary the Central Purchasing Office may seek additional information or proof to verify the offeror's eligibility.

(4) Only the principal offeror or one of the principal offerors, not a subcontractor, may qualify an offer for a preference.

(D) Small Business Goal. Each fiscal year the Central Purchasing Office shall strive to award to small businesses competed city purchases for goods and services processed through that office equivalent to 10% of the total value of such purchases for the prior fiscal year.

('74 Code, § 5-7-17) (Ord. 6-1991; Am. Ord. 30-1998; Am. Ord. 33-2002; Am. Ord. 33-2007) Penalty, see § 1-1-99

Data compiled and organized by Granada Research, Talent, OR,  
[www.granadaresearch.wordpress.com](http://www.granadaresearch.wordpress.com). This report sponsored by the Jackson County  
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**City and Borough of Sitka**  
**Climate Action Plan**  
**June 11, 2010**

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## TABLE OF CONTENTS

<b>SECTION</b>	<b>Page Number</b>
1.0 Summary.....	1
2.0 Climate Action Planning Background.....	3
2.1 Introduction .....	3
2.2 Implications Of Climate Change for Sitka-Adaptation and Mitigation .....	5
2.3 Greenhouse Gas Emissions in Sitka .....	10
2.4 Sitka’s Greenhouse Gas Emissions Reduction Targets.....	12
2.5 Adjustments to Baseline Data .....	13
2.6 55,000 Tons of eCO <sub>2</sub> : Sitka’s Electricity Shortfall .....	14
3.0 Emissions Reduction Initiatives .....	16
3.1 Actions Already Accomplished .....	17
3.2 Recommendations from Energy Audits .....	19
3.2.1 City Buildings – Energy Audit Initiatives.....	19
3.2.2 School Buildings – Energy Audit Initiatives .....	21
3.3 Other Initiatives: Facility Heating .....	22
3.3.1 City Buildings Heating .....	23
3.3.2 School Buildings Heating .....	24
3.4 Other Energy Efficiency Initiatives .....	25
3.4.1 Other City Energy Efficiency Initiatives.....	26
3.4.2 Other School Energy Efficiency Initiatives.....	28
3.5 Other Initiatives: Transportation.....	29
3.6 Other Initiatives: Purchasing and Waste Reduction .....	36
3.6.1 City Purchasing and Waste Policies .....	37
3.6.2 School Purchasing and Waste Policies .....	41
3.7 Other Initiatives: All Employees .....	43
3.8 Community Wide Measures: Planning, Zoning, Public Outreach, and Policy .....	47
4.0 References.....	54
 <b>APPENDICES</b>	
5.0 Appendix A Energy Audit Initiatives.....	55
6.0 Appendix B CAP Initiative Funding.....	59
7.0 Appendix C CAP Implementation .....	63
8.0 Appendix D CAP Monitoring .....	66
9.0 Appendix E Past City Energy Efficiency Actions.....	67
10.0 Appendix F Initiatives Not Included in the CAP.....	68

## 1.0 Summary

The City and Borough of Sitka Assembly committed to taking action on climate change by endorsing the U.S. Mayor's Climate Protection Agreement in December of 2007. A key component of the Agreement was the climate action planning process of which this Climate Action Plan (CAP or Plan) is a major part (sections 2.0 & 3.0). This Plan specifically targets municipal operations and actions.

In this report, carbon dioxide is measured in terms of equivalent carbon dioxide (eCO<sub>2</sub>) which is a combination of the carbon dioxide formed by using/burning gas and diesel (in vehicles and for heating), plus the carbon dioxide formed when the City uses diesel to generate electricity.

Municipal operations for the City and Borough of Sitka (City) generated 3,732 tons of eCO<sub>2</sub> in 2003 (City of Sitka 2008). In 2009, the City set a goal for a municipal greenhouse gas reduction of 25% from 2003 levels by 2020. To meet this goal, the Sitka Climate Action Plan Task Force (Task Force) was formed and asked to find actions that would reduce the City's emissions by 934 tons per year by 2020. Due to the addition of the Performing Arts Center, an estimated additional 71 tons of eCO<sub>2</sub> not accounted for in the City's 2008 emissions inventory are emitted by School operations. The Task Force compensated for this addition and sought 1,005 tons per year of eCO<sub>2</sub> reductions to meet the overall goal. The initiatives (and some baseline adjustments) are summarized in Table 1.

The Task Force came up with greenhouse gas emission-reducing initiatives through four processes:

- 1) reviewing and taking items directly from energy audits of City and School buildings,
- 2) taking direct recommendations from City and School staff, Assembly, and some City commission members,
- 3) through our research into other City's climate action plans, and
- 4) through individual proposals from the community or Task Force members.

The Task Force reviewed all planned and proposed initiatives that could reduce greenhouse gas emissions. Several projects listed are planned and budgeted for, or planned but not yet budgeted. The Task Force supports those proposals and displays these initiatives as information for the Assembly & staff.

Many situations made meeting the City's carbon emissions goal more difficult and more expensive than originally expected. The need for ventilation at Blatchley Middle School negated using the school's energy audit proposals to reduce the City's greenhouse gas emissions because the proposals were all needed to match the energy increase from proper ventilation. The energy audits at the City buildings were helpful in finding useful, cost-effective energy/CO<sub>2</sub> savings. However, the other schools (some of the largest CO<sub>2</sub> emitters) and some of the other City buildings do not have energy audits; thus, the Task Force did not have enough information to recommend appropriate "low hanging fruit" energy conservation proposals at many facilities. Additionally, while electricity-saving initiatives are absolutely necessary to bring down the City's overall electric load (and reduce the potential for using diesel), electricity-saving actions have a miniscule effect on eCO<sub>2</sub> emissions (0.00007 tons of eCO<sub>2</sub>/kWh). Past energy efficiency activities have helped to reduce the City's current "carbon footprint." At the same time, those activities cannot be used to provide additional reductions at this time; added activities may require additional ventilation. The addition of the Performing Arts Center required additional measures to be found. The City has done an excellent job of reducing energy use at its facilities; the Task Force realizes that to meet the City's goal, more drastic energy reduction measures will be necessary.

The proposals are expected to be implemented over an extended time frame (from 2010 through 2020) and the City is not expected to bear all the costs of the proposals. Lists of funding and implementation opportunities are located in Appendices B & C of this Plan. In some cases, grant funds are already available or being requested. To best implement this plan, the Task Force suggests the following be completed first:



- 1) Review funding and implementation opportunities and options (Appendix B and C),
- 2) Implement planned and budgeted items and energy conservation items related to behavior modification (e.g., turning off computers, reducing vehicle idling, etc.-Appendix A, Table A-1); these modifications cost little, but save a lot,
- 3) Replace current diesel generators (see section 2.6) to have the greatest impact,
- 4) Install Sitka High School electric boiler (since parts are purchased and labor is budgeted-see section 3.3.2).

**Initiatives Proposed to Meet Sitka's Emissions Reduction Goal**

Item	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Life Cycle Savings	eCO <sub>2</sub> Reduction (Tons per year)	CAP Section Number
Vehicle fuel adjustment – avg. snow year	N/A			N/A	144	2.5
Actions Already Accomplished (2007-2009)	\$1,801,613	41,340	9,990		103	3.1
City Building Energy Audit Initiatives - Planned	\$185,165	86,370	4,200	\$257,300	48	3.2.1
City Building Energy Audit Initiatives - Unbudgeted	\$225,500	92,777	5,270	\$215,400	59	3.2.1
Blatchley Middle School Energy Audit - All Initiatives	\$1,458,358	740,007 <sup>1</sup>	26,178 <sup>1</sup>	\$1,679,228	Net 0 <sup>1</sup>	3.2.2
City Building Electric Heating <sup>2</sup>	\$1,233,000	(823,308)	20,065	*	144	3.3.1
School Building Electric Heating (SHS, KGH, BE) <sup>2</sup>	Est. \$900,000	(1,343,922)	37,629	*	376	3.3.2
Other City Energy Efficiency Initiatives <sup>2</sup>	\$5,500,000	200,000	783,043 (over 11 yr)	*	90 <sup>5</sup>	3.4.1
Other School Energy Efficiency Initiatives <sup>2</sup>	\$3,000,000	(63,628)	1,379	*	13	3.4.2
Vehicle Fuel Efficiency Projects	\$180,000 <sup>4</sup>	N/A	10,322	\$36,088/yr <sup>5</sup>	100 <sup>6</sup>	3.5
City Purchasing and Waste Policies	\$197,000 (\$145,000 is annual cost)	N/A	N/A	\$176,400/yr <sup>5</sup>	37	3.6.1
School Purchasing and Waste Policies	\$5,000	N/A	N/A	\$10,000/yr <sup>5</sup>	5	3.6.2
Community Wide Measures: Planning, Zoning, Public Outreach	Generally low cost	Low to moderate	Low to moderate	Low to moderate	Low	3.8
<b>TOTAL</b>					<b>1,119</b>	

\*Electricity use increases because electric heat is substituted for oil heat; savings is minimal; In most cases the Task Force assumed that when adding electric heat to a building, only 30% of the heating would be done with electricity (use expected extra capacity at hydroelectric facilities and help avoid burning diesel to generate power).

<sup>1</sup> All energy audit actions must be completed at BMS to offset the expected energy increase caused by improving ventilation

<sup>2</sup> These capital improvement projects are anticipated to be 70% grant funded

<sup>3</sup> Estimate; SHS parts already purchased and labor budgeted

<sup>4</sup> Estimated total vehicle cost, based on 6 vehicles being phased in over 10 years

<sup>5</sup> Estimated annual savings

<sup>6</sup> Assumes CO<sub>2</sub> emissions of 19.4 pounds per gallon of gasoline (source: US EPA <http://www.epa.gov/otaq/climate/420f05001.htm>)

## 2.0 Climate Action Planning Background

### 2.1 Introduction

The City and Borough of Sitka Assembly committed to taking action on climate change by endorsing the U.S. Mayor's Climate Protection Agreement in December of 2007. A key component of the Agreement was the climate action planning process; participating municipalities inventory greenhouse gas emissions from municipal operations and from the surrounding community and use that information to set reduction targets and to develop an action plan to reduce emissions.

Progress toward the development of a local climate action plan for Sitka began early in 2008 following a series of presentations on ocean acidification and climate action planning sponsored by fishing and environmental organizations. In April of 2008, the City of Sitka passed a motion to join Local Governments for Sustainability (also known as ICLEI<sup>1</sup>) joining over 600 local governments as a participant in the Cities for Climate Protection Campaign.

The Cities for Climate Protection Campaign assists local governments in the process of reducing greenhouse gas emissions and planning for community sustainability. The broader goal of the Campaign is to achieve significant reductions in U.S. greenhouse gas emissions through the cumulative reductions achieved by communities. Communities involved range in size from towns smaller than Sitka to cities like Los Angeles and Chicago. The Campaign involves five steps:

- (1) conduct a baseline emissions inventory and forecast;
- (2) adopt an emissions reduction target;
- (3) develop a local climate action plan;
- (4) implement policies and measures and
- (5) monitor and verify results.

According to a 2005 survey, communities that completed and implemented plans collectively reduced greenhouse gas emissions by 23 million tons and collectively saved \$535 million through reduced fuel and electricity usage.

In June of 2008, the City and Borough of Sitka Assembly passed Resolution 2008-19 establishing a Climate Action Plan Task Force. The resolution made the Task Force "responsible for studying and making recommendations to the Sitka Assembly on ways to plan for and mitigate the impacts of climate change on the City and Borough of Sitka's economy, infrastructure and future development, and methods the City and Borough of Sitka can employ to reduce the emission of greenhouse gases."

During the summer of 2008, an intern, Chandler O'Connell, assisted in completing the first step - the inventory. The City of Sitka completed the second step in March of 2009 by passing Resolution 2009-37, which provides for a greenhouse gas emissions reduction target of 25% by 2020 using 2003 levels as a baseline.

This climate action plan is the third step in the program. Using data from the emissions inventory, the task force began researching measures that could be undertaken by the City to reduce greenhouse gas emissions from municipal and school operations and actions. Sections 3.1 through 3.7 of this plan display actions the City and schools can take to move towards the greenhouse gas emission reduction goal. A section on community wide measures (3.8) recommends adjustments to planning and zoning and seeks to utilize public opportunities, funding, and education in order to increase community-wide reductions in greenhouse gas emissions. These reductions are outside of municipal reductions, but are under the management of the City and seek to reduce emissions mainly through small changes in current policy.

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<sup>1</sup> International Council for Local Environmental Initiatives.

This section also recommends policy changes at municipal, state, and federal levels to spur action at the highest levels of government as part of a global response to mitigate climate change.

This plan also includes a section (2.2) on potential climate impacts to the Region and City that addresses and suggests local adaptation measures to address local impacts of climate change. Sitka's climate is changing and changes will continue even if global greenhouse reduction goals are met. Adaptation recommendations have the objectives of maintaining a resilient local economy, protecting existing infrastructure, increasing preparation for extreme weather events, and developing policies to guide future development.

Finally, the Climate Action Plan addresses funding and monitoring in the attached appendices. If used as intended, the Climate Action Plan will provide immediate local benefits and make a contribution to the global effort to mitigate climate change that will serve as a model for many other small communities.

## 2.2 Implications of Climate Change for Sitka – Adaptation & Mitigation

### Climate Change Background

The planet receives heat from sunlight that passes largely unfiltered through the atmosphere and warms the earth's surface. As the earth's surface warms, it emits heat energy back into the atmosphere. Atmospheric gases such as carbon dioxide and methane absorb some of this heat energy and another portion reradiates back into space. But as carbon dioxide and methane gas concentrations increase in the atmosphere, more heat is absorbed, causing increased warming of the earth-atmosphere system. This warming affects temperatures, weather patterns, and climate. In turn, these changes affect things like fisheries, forests and wildlife, sea level, and storm intensity. Increased carbon dioxide is also changing ocean chemistry and increasing the acidity of sea water with resultant effects on marine organisms.

### Climate Change and Sitka

The citizens of the City and Borough of Sitka have created a community and economy in an environment heavily dependent on the existing climate. Sitka's vulnerabilities are those related to the City and Borough's close relationship to the ocean, both economically and physically. Any significant increase in temperature may cause the climate to change in an unpredictable manner, placing traditional means of subsistence and our natural resource driven economy in jeopardy. These changes will have to be adapted to while mitigation measures are put in place.

### *Fishery Impacts and Ocean Acidification*

The oceans absorb considerable quantities of carbon dioxide, up to 525 billion tons since the start of the Industrial Revolution (AMCC 2008). Carbon dioxide dissolves in sea water, making it more acidic and corrosive to marine organisms that range from plankton to coral to crab and other shellfish. Scientists fear that an increasingly acidic ocean environment could impact the biodiversity and food web in high-latitude marine ecosystems in the near term (AMCC 2008).

When CO<sub>2</sub> reacts with seawater, the reduction in seawater pH also reduces the availability of carbonate ions, which play an important role in shell formation for a number of marine organisms such as corals, marine plankton, and shellfish. This phenomenon, which is commonly called "ocean acidification," could have profound impacts on some of the most basic biological and geochemical processes of the sea in coming decades. Some of the smaller calcifying organisms, such as pteropods, are important food sources for higher marine organisms like salmon (NOAA 2010).

It is estimated that a 10% increase in water temperature leads to a 3% drop in mature salmon body weight (due to physiological effects) while a 10% decrease in pteropod production leads to a 20% drop in mature salmon body weight (due to prey limitation) (Aydin et al. 2005). Pteropods are estimated to be 45% of juvenile pink salmon diet (Aydin et al. 2005). Other salmon are largely unstudied, but substantial effects of ocean acidification are expected.

Declining coral reefs, due to increases in temperature and decreases in carbonate ions, would have negative impacts on fisheries. Abundance of commercially important shellfish species may also decline and negative impacts on finfish may occur. This rapidly emerging scientific issue and possible ecological impacts have raised serious concerns across the scientific and fisheries resource management communities (NOAA 2010, Fabry et al. 2008).

One of the most significant local impacts from temperature increases and changing precipitation patterns pertains to watersheds and hydrological systems. In 2001, the Forest Service reported significant fish kills in several southern Tongass watersheds that "corresponded with low stream-flow and high air temperature events." That summer, the agency reported 318 days of high stream temperature at 18 sites on Prince of Wales Island in between June and September. Seven of the sites had temperatures over 68° F

that significantly exceeded the recommended 59° F threshold. Stream flows declined to roughly 17% of the average flow for a ten day period in August and the low flows corresponded with high stream temperatures. Alaska Department of Fish and Game reported widespread fish kills at some of these sites, Staney Creek and Thorne River, and estimated that there were up to 50,000 dead fish in each watershed.

Two years later, in 2003, there was another extensive kill of unspawned salmon in the same Staney Creek Watershed. During the next year, 2004, there was yet another 20,000 fish kill in Staney Creek. As record temperatures and record low levels of precipitation occurred throughout the Tongass that year, the temperatures of some small streams rose to 82° F. In many cases salmon delayed their migration and in some cases even bypassed their natal streams on the islands in order to spawn in mainland streams cooled by glacial runoff. Two years later, the pink salmon run failed to show up and fish returns were nearly 80% less than predicted. The management director of the Alaska Department of Fish and Game's Commercial Fisheries Division attributed the poor run in large part to the warm temperatures that occurred during the parent year.

### ***Forest and Wildlife Impacts***

The Forest Service has documented Spruce Needle Aphid outbreaks on the Tongass beginning in 1998. Aphids defoliated 30,000 acres in 2003 and 9,120 acres in 2006. Together, Black-headed Budworms and Spruce Needle Aphids have defoliated or affected over 300,000 acres on the Tongass since 1991. The panel unequivocally attributed the infestation to warming temperatures. The Forest Service observed the presence of the Spruce Beetle on the Tongass in 2006, an insect it characterizes as “the most destructive forest insect Alaska-wide” that can cause up to 75% mortality rates in Sitka spruce stands.

Southeast Alaska has had a dynamic geologic history, which caused many of its terrestrial species to be isolated on its islands, resulting in a large number of endemic species that are highly susceptible to habitat changes. The United Nations Intergovernmental Panel on Climate Change (IPCC) projects high extinction risks for 20 – 30% of all plants and animals if global air temperatures continue to increase rapidly.

Subsistence and game species may also face increased viability risks from climate change impacts. Severe precipitation events can fundamentally alter prime winter deer habitat. Deer populations plummeted in portions of Baranof and Chichagof Islands because of the 2006/2007 winter severe snow event, causing the closure of the doe harvest by emergency order. The Department of Fish and Game directed the closure after finding various locations where there was substantial winter-related deer mortality.

### **Mitigation/Adaptation Measures for Fisheries, Forest, and Wildlife Impacts**

- Implement this plan and support climate action in other cities, and at the state, national, and international levels.

### ***Rising Sea Levels and Tides***

Globally, ocean and sea levels have continued to rise between 1 and 3 millimeters (mm) per year. Due to accelerated climate change effects, sea levels may rise as much as 1.3 meters over the next century (Brahic 2008). However, models of glacial flow in the smaller present-day ice sheets show that a probable maximum value for sea level rise in the next century is 800 mm.

Initially in Sitka and Southeast Alaska, rising ocean and sea levels may be mitigated by the “post-glacial isostatic rebound” effect. This occurs when glacial melting relieves the underlying land mass of weight and it is allowed to “spring” back up. Uplift rates from isostatic rebound are about 3 to 4 mm per year for the Sitka area (Larsen et al. 2005). The current rate of sea level rise is estimated at 3.2 mm per year. In their high scenario, the IPCC report projects that the rate of sea level rise will be somewhere between 2.6 to 5.9 mm year during this century (IPCC report, 2007). However, the report does not take into account

losses due to ice dynamics. A recent publication (Pfeffer et al., 2008) takes ice dynamics into account and projects the probable rate of sea level rise during the 21st century to be about 8 mm per year.

What this means for Sitka is that sea level rise is currently keeping pace with isostatic rebound, but in the future sea level rise will outpace the rebound. Sitka should expect some inundation of low-lying coastal areas in the coming decades (Motyka, Pers. Comm. 2010).

Resulting tidal changes are difficult to estimate, but the mean high tide line in Sitka Sound will rise exponentially in relationship to each sea level increase (i.e. a 500 mm rise in sea level does not mean that the mean high tide line only raises 500 mm). Low-lying residential, commercial, and government properties are at the highest risk of being impacted by this climate change effect.

Rising sea levels and tides will most directly impact those properties and infrastructure along the shoreline with damages and loss from flooding. These could include:

- Flooding of Commercial and Residential Properties
- Interruption of Commercial Air Service
- Increase in Property Flood Insurance Premiums
- Loss of Coastal Property Values
- Degradation of Harbor Protection for Marine Vessels/Aircraft

#### **Mitigation/Adaptation Measures for Rising Sea Level and Tides**

- Increase zoning setbacks from mean high tide line for further coastal construction
- Conduct engineering study on elevation, composition, and strength of harbor breakwaters and sea walls
- Partner with the FAA to explore impacts to the airport and airport operations in regards to runway elevation and sea level change.



**Source:** <http://www.guardian.co.uk/global/2009/apr/17/alaska-migration-climate-change>

#### ***Increased Storm Intensity and Frequency***

Sitka is the only city in the Southeast that directly faces the Gulf of Alaska; any increase in Gulf generated storm intensity will directly impact the community. Since the late 1970s, the number of days in south-central and southeast Alaska coastal areas with the fastest wind speed in excess of 50 knots has increased dramatically (Weller and Anderson 1998). Increased storm intensities can be experienced as one or a combination of the following: an increase in sustained wind intensities, increase in damaging winter storm precipitation (ice/snow) levels (per storm), and greater breaking wave action. Raised sea

level and tide effects can also be synergistically intensified by an increase in severe storm patterns. Sitka could also experience coastal erosion due to higher sea levels and increased storm intensity (USGS 2006).

Damage will come from high wind damage, flooding, and severe sea action on fixed objects to include:

- Interruption in electric service due to downed power lines
- Wind/sea effects on property and infrastructure (roads, airport, harbor breakwaters, waste water treatment plant, storm drains, etc.)

### **Mitigation/Adaptation Measures for Increased Storm Intensity and Frequency**

- Measures will have to take into consideration the proximity of residential and commercial properties, as well as critical infrastructure to effects from violent sea action.

### **Increase in Temperature – Change in Precipitation**

During the 21st century, Alaska (and the Arctic region as a whole) will warm at least twice as much as the rest of the world. Annual average global temperatures have increased 1° F degree over the past fifty years while annual average temperatures have increased 4° F in Alaska and 7° in the Alaskan Interior. Two of the most accepted model results project additional warming ranges from either 2 to 5° F or 1.5 – 3.6° F between the present and 2030. Temperatures in Juneau increased roughly 3° F between 1940 and 2005 and annual precipitation increased by 2.6 inches over the same period. These statistics are consistent with the projected effect that climate change will have in Southeast Alaska: a shift to a warmer, wetter climate regime. The same study projected that average air temperatures there may increase by approximately 10° F by the end of this century.

Because of these changes, the IPCC cautioned that “[t]he resilience of many ecosystems is *likely* to be exceeded this century by an unprecedented combination of climate change associated disturbances” such as flooding, drought, wildfire, insect infestations, and ocean acidification.

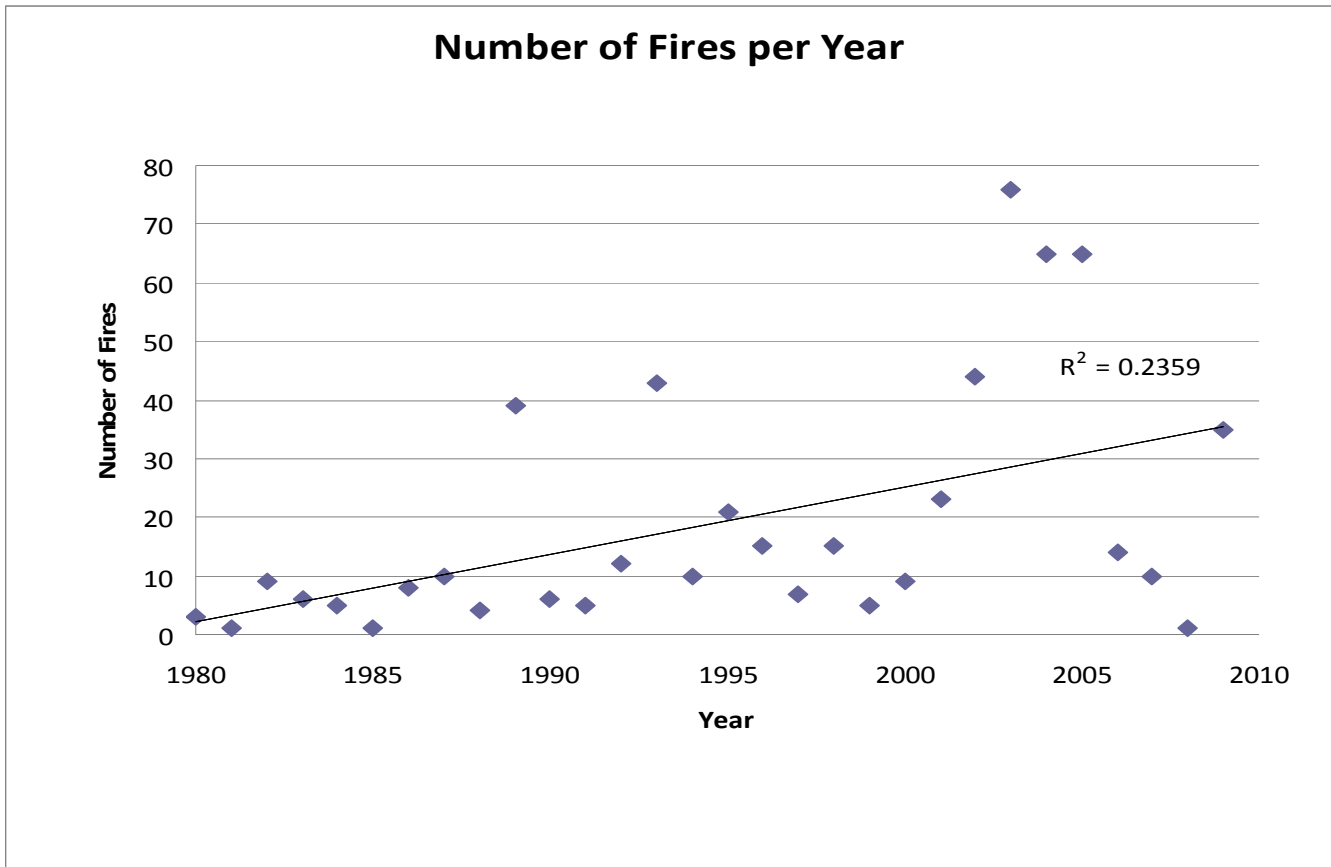
Recent winters have been consistent with climate change model projections indicating that during winter months, there would be a greatly elevated area of precipitation adjacent to Southeast Alaska in the Gulf of Alaska. The reason for the anticipated increase is because the atmosphere will have to absorb more moisture from the warming ocean through evaporation – moisture that turns into precipitation as the air is forced over our coastal mountains. Snowfall at lower elevations will generally decrease due to the warming trend. Juneau has documented a decrease in snowfall at sea level over the past sixty years even as overall precipitation increased.

Other studies indicate that the southern coastal regions of Alaska may experience up to a 10% reduction in annual rainfall due to Climate Change (US Global Change Research Program 2000). This may affect the City and Borough’s production of potable water and electricity, as well as make the area more susceptible to wild fires (Karl et al. 2009). Preliminary data provided by the Tongass National Forest appears to indicate an increase in the number of wildland fires Forest-wide and somewhat of an increase in the size of fires (see Figure 2; USFS Fire Dispatch 2010). Residential and commercial developments in Sitka have resulted in many houses and neighborhoods integrated into heavily forested areas. Clearing for construction and the loss of “old growth” forest has resulted in less mature trees with more underbrush around residential areas. Warmer temps with increased transpiration will reduce stored water resources, even with increased rainfall. The change in conditions is hard to determine, but will have multiple effects:

- Changes in temperature and precipitation will affect coastal forest hydrology and salmon spawning streams important to subsistence, commercial, and sport fisheries.
- Changes in hydrologic systems may reduce or change hydroelectric power production capabilities

- Greater chance of forest fires in the City and Borough and insect infestations increasing in frequency and intensity. In the past decade, Alaska has witnessed a record loss of forests to fires and spruce bark beetles (State of Alaska 2009).

**Figure 2: Number of Forest Fires from 1980 through 2009 on the Tongass National Forest**



**Mitigation/Adaptation Measures for Increase in Temperature – Change in Precipitation**

- Ensure emerging businesses/industries are electric energy efficient, or have alternative power/heating means during low power generation periods; encourage continued energy efficient practices by citizens; investigate wind and/or tidal generators;
- Prepare contingency water conservation plans/practices for the City and Borough
- Investigate zoning changes that encourage non-flammable roofing materials; work with National Forest Service (NFS) to educate the public about firebreaks and clearing underbrush; establish burn bans when necessary; work with NFS and surrounding communities to explore the possibility of maintaining and using a regional fire boat for islands and remote cabin sites as needed.

**CONCLUSION**

If climate model projections prove to be even moderately accurate, global temperatures by the end of the next century will be higher than at any time during the last 120,000 years. With such unprecedented climate change, impacts to all parts of the climate system are likely to be substantial. Failure to introduce some form of global greenhouse gas emission reduction strategy will merely extend the time frame of anthropogenic climate change that humanity may already be witnessing. Preparation for and adaptation to changes in local climate will be crucial to protecting Sitka’s physical and economic infrastructure.



## 2.3 Greenhouse Gas Emissions in Sitka

### Climate Action Planning Process and Methodology

The Climate Action Plan Task Force used the Clean Air and Climate Protection software provided by ICLEI to prepare greenhouse gas emissions and forecasts. The software generates reports and charts depicting community-wide emissions and those of municipal government separate from the rest of the community. The separate municipal emissions inventory is for the purpose of establishing targets for the municipality that can realistically be achieved through governmental action, whereas community reductions will require the volunteer spirit and civic commitment of Sitka's citizens, as well as potential assistance from the City of Sitka.

This Climate Action Plan is for adoption and implementation by the city government. Measures and recommendations specifically target municipal operations and are for the purpose of helping the City meet greenhouse gas reductions of 25% (from 2003 level) by 2020. Some of the measures will also help to reduce community-wide emissions, such as land-use planning policies that reduce driving and outreach efforts designed to help residents and businesses minimize their "carbon footprint."

It is important to note that it is difficult to calculate emissions from energy with precision even though the software is a sophisticated and useful tool. The model depends on numerous assumptions, and there are some limitations associated with the quality and quantity of data. Therefore, specific numbers generated by the models are best viewed as approximations rather than exact values (City of Sitka 2008, especially pp. 12-13).

Assumptions that were made throughout the plan:

- Fuel prices would be \$4 per gallon. This value was chosen because, while fuel prices fluctuate, they continue to rise because of increasing demand and reduced availability.
- eCO<sub>2</sub> and dollar savings will not be completely realized until full implementation of the initiative occurs.

### Conversion Factors Used:

When you burn gas or diesel, you are simultaneously vaporizing it and chemically bonding it with oxygen in the air. Carbon dioxide — or CO<sub>2</sub> — is one carbon atom joined to two oxygen atoms. Oxygen is a little bit heavier than carbon, so when you stick two oxygen atoms onto every available carbon atom, you end up with an amount of CO<sub>2</sub> that is roughly triple the weight of the gasoline. Thus, one gallon of gas, weighing roughly 6.3 pounds, ends up at 19.6 pounds of CO<sub>2</sub> (Terrapass 2010). In terms of Sitka's electrical generation, CO<sub>2</sub> is produced when the City must use diesel to generate electricity. The electricity to CO<sub>2</sub> conversion factor below is based on the recent average use of diesel.

- 1 kWh = 0.00007 tons of eCO<sub>2</sub> - source CACP software provided to us from ICLEI
- In general 1 gallon of distillate fuel = 0.01 tons of eCO<sub>2</sub> (based on a combination of 1 gallon of diesel = 22.384 pounds eCO<sub>2</sub>/gallon; 1 gallon of motor gasoline = 19.564 pounds eCO<sub>2</sub>/gallon Source: EPA)

### Examples:

eCO<sub>2</sub> produced (or reduced) by electricity: 245 kWh/year x 0.00007 tons of eCO<sub>2</sub>/kWh = 0.01715 tons/year of eCO<sub>2</sub>

eCO<sub>2</sub> produced (or reduced) by fuel consumption: 650 gallons of fuel/year x 0.01 tons of eCO<sub>2</sub>/gallon = 6.5 tons/year of eCO<sub>2</sub>

### Summary of Sitka's Greenhouse Gas Emissions: 2003 and 2006

According to Sitka’s inventory, during the baseline year of 2003, Sitka released 91,677 tons per year of equivalent CO<sub>2</sub> (tons per year eCO<sub>2</sub>). The residential sector produced the greatest amount of emissions, 31%, with most of this produced by burning heating oil. Road and marine transportation sectors were similar, producing approximately 28% and 29% of community emissions. Commercial and industrial facilities were responsible for the remainder – nearly 15% of community emissions (City of Sitka 2008).

Municipal operations generated 3,732 tons per year of eCO<sub>2</sub> in 2003 (Table 2). City facilities were responsible for 81.6% of these emissions, with the city municipal vehicle fleet accounting for 14.7% of total emissions (City of Sitka 2008).

**Table 2: Sitka’s Municipal Emissions Summary 2003**

	<b>Equivalent eCO<sub>2</sub> (Tons per year)</b>	<b>Equivalent eCO<sub>2</sub> (%)</b>	<b>Cost (\$)</b>
<b>Buildings- Electricity</b>	66	1.77%	671,990
<b>Buildings- Heating Oil</b>	2,981	79.86%	302,393
<b>Vehicle Fleet- Diesel</b>	105	2.81%	14,461
<b>Vehicle Fleet-Gasoline</b>	445	11.92%	63,002
<b>Employee Commute- Diesel</b>	9	0.24%	
<b>Employee Commute- Gasoline</b>	111	2.97%	
<b>Streetlights-Electricity</b>	7	0.19%	103,504
<b>Water/Sewage-Electricity</b>	9	0.24%	86,311
<b>Waste</b>	-600	0.00%	
<b>Total (Waste not Included)</b>	<b>3,733</b>	<b>100%</b>	<b>1,241,661</b>

O’Connell also collected data for 2006 to provide information from an intermediate year. Community greenhouse gas emissions increased by 3,925 tons per year to a total of 95,620 tons per year of eCO<sub>2</sub> in 2006. Residential emissions remained at levels similar to 2003 and there was a decrease in emissions from the commercial and road transportation sectors. However, there was a substantial increase in emissions from the marine transportation sector – nearly 8,000 tons per year more than was produced in 2003 (City of Sitka 2008).

Municipal operations in 2006 produced 3,728 tons per year of the community total – nearly the same amount as in 2003. Between 2003 and 2006 total eCO<sub>2</sub> emissions remained nearly the same, decreasing by 5 tons per year. While most sectors of municipal operations actually increased their total emissions in this time period, the Building sector, the largest municipal contributor of greenhouse gases, decreased its emissions by 294 tons per year, leading to a decrease in the net-total of city emissions. Figure 7 of the emissions inventory shows the 10 greatest emissions contributors among city buildings for 2003 and 2006. While most buildings maintained similar energy consumption patterns between the baseline and intermediate year, some showed significant changes. Blatchley Middle School decreased total emissions by 385 tons per year of eCO<sub>2</sub>. This is due to the fact that during this time period Blatchley added an electric heating system and supplemented their oil heating system with electricity, thus decreasing their annual heating oil use by 33,873 gallons.

Given the actions completed to improve energy efficiency (see section 3.1) and reduce fuel use, the Task Force explored why the City’s eCO<sub>2</sub> emissions were not significantly lower in 2006. The Task Force recognized that the difference between 2003 and 2006 was a significant increase in diesel fuel for the vehicle fleet. Discussions with City Staff and others pointed to a very high snow-removal load in 2006 (S. Brylinsky and others, Pers. Comm. 2010). This unusually high snow load was accounted for in the development of this plan (see sections 1.0 and 2.5).

## **2.4 Sitka's Greenhouse Gas Emissions Reduction Targets**

The consensus of the global climate science community is that greenhouse gas reductions should strive for levels that would prevent average global temperatures from rising more than 2° Celsius above pre-industrial levels. This temperature threshold would trigger a sharp rise in the risk of dangerous impacts.

The longer term goal endorsed by the world's leading climate scientists is to reduce greenhouse gas emissions to 80% below 1990s levels by 2050 to avoid exceeding the 2° C threshold. The shorter term goal set forth in the U.S. Mayors Climate Protection Agreement espoused the reduction goals set by the Kyoto Protocol – a reduction of 7% below 1990 levels by 2012. Although the Task Force does not have data on Sitka's 1990 emissions levels, the Task Force reviewed updated scientific findings and emission reduction targets adopted over the past year with the goal of meeting Kyoto Protocol targets.

City and Borough of Sitka Resolution 2009-37 directs the Task Force to set a 25% reduction target from 2003 levels which entails reducing greenhouse gas emissions from municipal operations by 933.25 tons annually in order to achieve a 25% reduction. Such a reduction could reduce fossil fuel consumption by up to 84,000 gallons per year, or a potential savings of up to \$336,000 per year at four dollars per gallon for fuel.

Due to the addition of the Performing Arts Center, an additional 71 tons per year of eCO<sub>2</sub> not accounted for in the City's emissions inventory are now emitted by School operations. The Task Force compensated for this addition (see section 2.5 below for more information) and sought 1,005 tons per year of eCO<sub>2</sub> reductions to meet the overall goal. The City needs to recognize that any future development (in terms of increasing the number or size of municipal buildings) will increase the City's overall greenhouse gas emissions. Thus, to continue to meet the Assembly's goal, high efficiency standards and the availability of electric heat will be necessary in all new buildings and additions.

## 2.5 Adjustment to Baseline Data

The Task Force recognized that several adjustments to the baseline eCO<sub>2</sub> emissions are necessary to provide an accurate estimate of current and future municipal emissions based on additional information gathered after completion of the original emissions inventory.

The Task Force noted a significant decrease in heating oil used by buildings and increase in diesel fuel used by the vehicle fleet between the 2003 and 2006 emissions inventory results. The decrease in heating oil can be accounted for through implementation of numerous building energy reduction/energy efficiency projects (section 3.1). Discussions with City Staff and others pointed to a very high snow-removal load in 2006 (as first discussed in Section 2.3). The amount of snowfall in 2006 was greater than average, necessitating a greater consumption of fuel for clearing snow.

The overall reduction in eCO<sub>2</sub> emissions from buildings between 2003 and 2006 was 294 tons. Except as noted under Blatchley Middle School (section 3.2.2), these lowered emissions are expected to continue since the reduction is based on building efficiency upgrades that will continue to reduce emissions indefinitely. The unusually high use of diesel fuel to remove snow (that appeared in the 2006 inventory) is not expected to continue in most years. Thus, in an average year, the Task Force expects a continuing net reduction of about 144 tons per year of eCO<sub>2</sub> (estimating that ½ of the amount of additional fuel used (14,400 gallons) for snow removal would be needed in an average year). This continued savings of 144 tons per year of eCO<sub>2</sub> was included in Table 1 as a eCO<sub>2</sub> reduction that would help meet the City's goal.

Sitka High School's Performing Arts Center was completed in July 2008. That building and its energy use were not accounted for in the 2003 or 2006 emissions inventories. On average, an approximate 10% increase in diesel fuel use was observed with the addition of the Performing Arts Center (to the High School's current fuel use); operation of the building emitted an average of about 71 tons of eCO<sub>2</sub> per year. The fuel and electricity needed to operate that facility will need to be added to the City's carbon footprint and additional energy/fuel savings will need to be found to compensate for the additional emissions of this building. To reach the City's emissions inventory goal, 1,005 tons of eCO<sub>2</sub> (934 tons + 71 tons) will need to be reduced yearly.

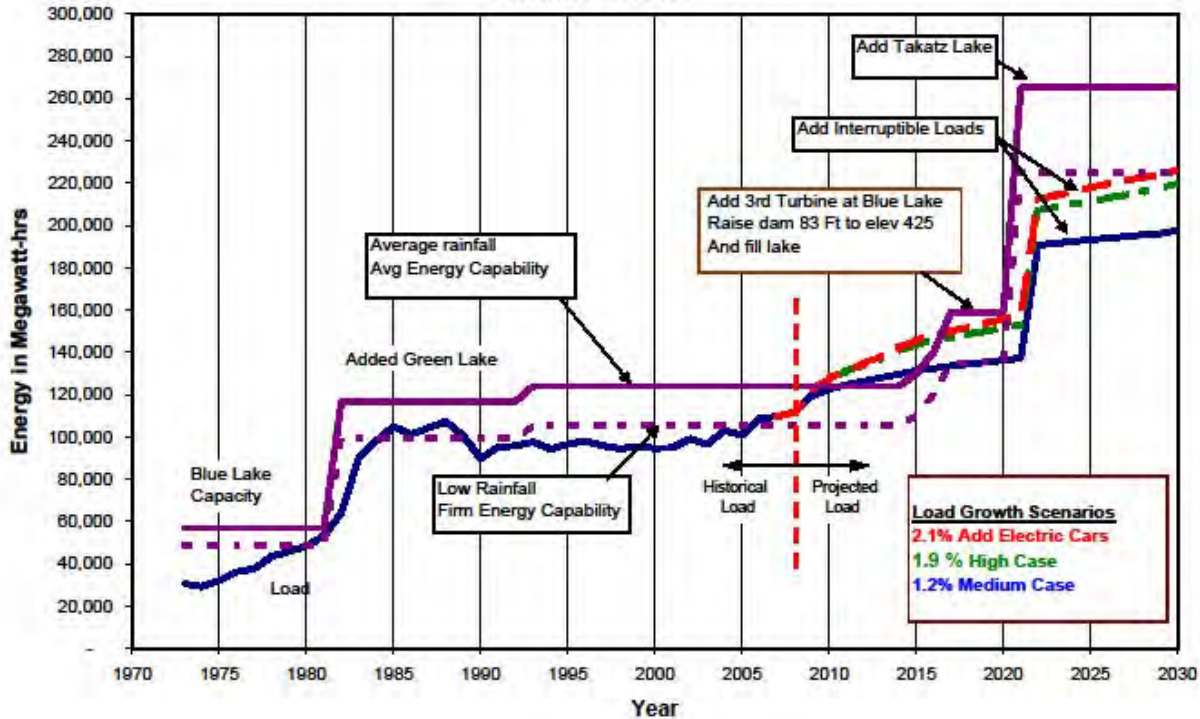
Additionally, the Community Hospital was omitted from the City's emissions inventory despite the fact that it is a City-owned building. This building has its own maintenance department and the City does not track its maintenance or fuel use. While this building and its staff were not considered during the inventory nor discussed here in a substantial way, actions by the City and the Hospital that reduce fuel consumption by 22% or more and conserve electricity would help meet the City's overall CAP goal. The hospital uses about 46,000 gallons diesel per year for heating. If the hospital added electric heat, 145 tons per year of eCO<sub>2</sub> could be reduced (assuming 30% of oil used). This equates to about \$184,000 (at \$4/gal) in fuel use per year. A 2002 cost estimate for the addition of an electric heating system at the hospital was about \$150,000.

## 2.6 55,000 Tons of eCO<sub>2</sub>: Sitka's Electricity Shortfall

Historically, electricity generation from diesel has produced 1% or less of Sitka's electricity (City of Sitka 2008). Recent estimates indicate that diesel now produces about 1 to 2% of Sitka's electricity (Brewton, Pers. Comm 2008). But if the load on the electrical system increases through a combination of alternative building heat systems, residential conversions to electric heat and electric cars, system loads may require supplemental power generation that currently relies on diesel (see Figure 1).

**Figure 1: Sitka's Electric Energy Requirements and Resources (1973-2030)**

September 13, 2008



Source: City and Borough of Sitka Electric Department

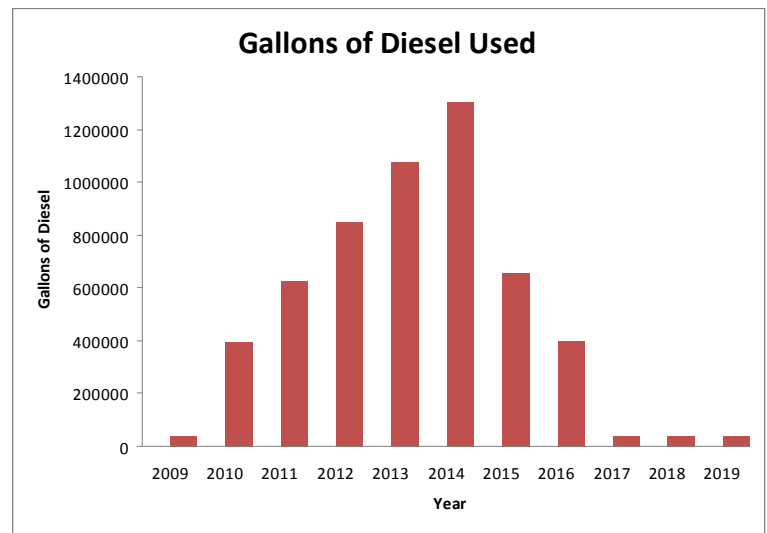
According to the Electric Department's 2008 Energy Plan, the demand for power will exceed supply starting around 2010 while the community waits for the Blue Lake hydroelectric project to be completed. The plan projects an annual increase in demand of 3%. If the price of heating oil increases dramatically over the next decade, demand for electricity will rise as well. Figure 1 shows projected energy demand (blue, green and red lines) largely being met by hydroelectric power generation (purple and blue lines) except between 2010 and 2017, where the shortfall will be met by greatly increasing the amount of power generated by burning diesel. These projections were based on construction of a dam at Takatz Lake and a cost of \$3.00 per gallon. It is highly likely the cost of diesel will be much higher during this time frame, creating a greater shortfall as people try to switch to less expensive electric heating.

Projected diesel use for 2009 to 2019 is approximately 5.5 million gallons at a cost of \$22,000,000 (Table 3) vs. the current trend of about 440,000 gallons for 1999 to 2009. Starting in 2017 the electric generation capacity is again expected to meet 99% of the City and community's needs. **\*\*Note:** As of 5/2010, Sitka has not exceeded normal diesel use and design work on the Blue Lake Dam may bring the project on line one year earlier than projected in this data.\*\* We typically use about 40,000 gallons of diesel generation a year to meet energy shortfalls and to stabilize the power frequency. The Climate Action Plan helps the City arrive at the goal of a 25% reduction in eCO<sub>2</sub> from our 2003 level by January 2020. However, we will have a very expensive and high eCO<sub>2</sub> spike (54,716 tons over 11 years, see Figure 2) due to the electricity shortfall,

**Table 3: Gallons of Diesel Used/Tons of eCO<sub>2</sub> from Electricity Generation**

Year	Gallons	Appx. Tons of eCO <sub>2</sub> to Generate Electricity
2009	40,000	400
2010	394,500	3,945
2011	627,929	6,279
2012	849,929	8,499
2013	1,075,786	10,758
2014	1,304,786	13,048
2015	659,286	6,593
2016	399,429	3,994
2017	40,000	400
2018	40,000	400
2019	40,000	400
<b>Total</b>	<b>5,471,645</b>	<b>54,716</b>

**Figure 2: Electricity Shortfall (fuel use if generators are not replaced)**



### Coping with the Short Term Electricity Shortage

The extremely inefficient old diesel generators will be put to increasingly hard use through 2012, when the department plans on replacing them with new units to be housed in a new building. This replacement is dependent on grant funding. The Task Force supports and recommends implementation of the Electric Department’s plan to replace the current, older model generators with newer, far more efficient generators. The new generators will be about 22% more efficient than the old generators at a cost of about \$5 million. The Task Force recommends the City reassess this short-term increase in diesel generation outside of the Climate Action Plan. Possible measures include:

- Continue to encourage citizens and businesses to maintain and use their efficient diesel heaters as needed until the Blue Lake project is completed.
- Provide additional information to Sitka’s citizens and businesses about the coming electricity shortfall and what it will mean to their electric rates.
- Increase education and provide signs on Sitka’s “Power Supply Status” (red, yellow, green light)
- Extreme Conservation Measures: Similar to those adopted in Juneau when their hydropower was knocked out by avalanche.
- Encourage conservation through electric rate adjustment (see Appendix B, 1.1.1).
- Diversification and decentralization of energy supplies.
- Development of alternative energy sources, such as wind, ocean heat pumps, and geothermal resources.
- Promote research and possibly stockpile alternative fuels, such as fish-based biodiesel. Silver Bay Seafoods is planning on operating a fish meal plant at the industrial park. This plant would process fish waste from all processors and allow for a source of fish oil. The Alaska Center for Energy and Power has been successfully running generators on fish oil and fish/diesel mixtures. Examples can be seen at [www.uaf.edu/acep](http://www.uaf.edu/acep)

### Keeping Up with Demand

The City’s projections do not include new conservation measures or any energy sources besides dams and diesel generators. Investing in renewable energy generation, such as wind, ocean heat exchangers, and geothermal, would add diversity and stability to our power generation portfolio. Planning now for major community-wide conservation measures beyond the scope of the Climate Action Plan would greatly reduce the cost and eCO<sub>2</sub> emissions.

### 3.0 Emissions Reduction Measures

This section addresses energy conservation with an emphasis on heating, lighting, and powering equipment within buildings as well as on transportation, purchasing and waste, and other measures. Heating oil is a major source of municipal carbon emissions. Consequently, a primary objective of this Climate Action Plan is to provide recommendations that will increase building efficiency and substitute electric heat sources for oil heat where feasible.

Sitka is fortunate in that it generates the majority of its energy from hydropower. Because of hydropower, electricity use in city facilities produces a comparatively modest amount of greenhouse gas emissions. For example, in 2003, electricity use for buildings, streetlights and water was responsible for 82 tons per year of greenhouse gas emissions - 2.2% of total emissions from municipal operations (City of Sitka 2008). There was a slight but notable increase in 2006 as municipal electricity use was responsible for 91 tons per year of greenhouse gas emissions, or slightly more than 2.4% of total municipal emissions.

The quandary for the Task Force, then, was how to make a transition to increased electricity usage in order to minimize fossil fuel consumption without increasing the use of diesel to create electricity. The Task Force concluded that increased energy conservation and improved energy efficiency must accompany the transition away from heating oil.

The Task Force came up with proposals through 4 processes:

- 1) reviewing and taking items directly from energy audits of City and School buildings,
- 2) taking direct recommendations from City and School staff and plans (City of Sitka 2009), Assembly, and some City commission members,
- 3) through our research into other City's climate action plans, and
- 4) through individual proposals from the community or Task Force members.

This section first addresses measures applicable to city and schools facilities because facilities are the major source of emissions. Measures described in energy audits are first, followed by heating and other energy efficiency projects. The section goes on to address transportation measures that can reduce emissions from the Sitka's second largest emission sector. Subsequent sections address waste and purchasing, energy conservation, planning, zoning, community outreach, and policy. These latter sections will not yield high levels of emission reductions. But the Task Force believes that these recommendations are equally important because of the need to offset the increased load on the electrical system in order to minimize the use of diesel for electricity generation.

All initiatives included in Chapter 3 of the Plan are recommendations from the Task Force. As further research into initiatives occurs and other products and processes are developed, new initiatives not included in this Plan may be developed and implemented, and initiatives proposed by this Plan may be dropped because of infeasibility or extreme costs. The intent of the Plan is to meet the goal shown in Section 2.4 using whatever initiatives are most feasible and cost-effective, whether they are in this Plan or developed in the future.

### 3.1 Actions Already Accomplished

Sitka has completed a number of projects over the past eleven years that are and will continue to reduce heating oil and electricity consumption. Between 2002 and 2006, the City of Sitka spent over \$2.8 million on municipal energy conservation/ greenhouse gas emissions reduction projects that ranged from roof and insulation replacement to installing electric boilers. The city set up Direct Digital Control (DDC) systems for heating/ventilation at several facilities in order to provide these facilities with programmable and automatic adjustments to heat and ventilation. A 2005 library retrofit produced savings as well as increased comfort (C. Wilbur, Interview 2/25/2009). Additional funds were spent roofing/insulating schools and installing an electric boiler at Blatchley Middle School (see Appendix D for past activities pre-2007). The Task Force assumed that all projects completed in or before 2006 were included and counted in the 2003/2006 emissions inventory – any benefits gained from these projects would be reflected in those numbers.

Since 2006, seven major energy conservation projects have been accomplished at a cost of \$1.8 million to the City (and their partners). These projects are saving approximately 41,340 kWh/year of electricity and about 8,950 gallons/year of diesel fuel. The total eCO<sub>2</sub> reduction from these projects is about 95 tons/year. As the Task Force looked at reaching a goal of 25% reduction from 2003 levels, this amount (95 tons per year of eCO<sub>2</sub>) was subtracted from the goal. Three additional completed projects, energy audits on City buildings, an energy audit for Blatchley Middle School, and an automatic meter reading fund do not save energy or eCO<sub>2</sub> directly, but will lead to savings as the actions related to them are implemented.

**Table 4: Energy Conservation Actions Already Accomplished; Projects Completed after 2006**

Item	Building	Year Accomplished	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	eCO <sub>2</sub> Reduction (Tons per year) <sup>1</sup>
Install Control System	Airport	2007	\$145,000	0	2,289	22.89
Replace Roof/ Increase Insulation	Airport	2007	\$893,000			
Optimize HVAC controls	Airport	2008	\$160,000			
Turn off Supply Fan SF-3	Airport	2009	\$200	3,300	220	2.43
Replace Control System	Animal Shelter	2007	\$17,413	13,900	237	3.34
Replace Roof/ Increase Insulation	WWTP	2008	\$503,000	24,140	6,204	63.73
Roundabout	Vehicles	2009	N/A	0	1,040	10.4
<b>Total</b>	-	-	<b>\$1,801,613</b>	<b>41,340</b>	<b>9,990</b>	<b>102.79</b>

<sup>1</sup> In this report, carbon dioxide is measured in terms of equivalent carbon dioxide (eCO<sub>2</sub>); it includes the carbon dioxide formed by using gas and diesel (in vehicles and for heating) plus the carbon dioxide formed by the use of diesel to generate electricity.

The City also approved and participated in the construction of a roundabout/removal of a 4-way stop at a main Sitka intersection (July 2009). City studies estimate a community fuel reduction of about 80,000 gallons/yr due to the relief of congestion. The City's motor vehicle fleet (107 vehicles) is approximately 1.3% of total motor vehicles in Sitka (estimated to be 8,171 vehicles) (Alaska Division of Motor



Vehicles 2007). The City's fuel savings that can be attributed to the roundabout's reduced stopping requirements is estimated to be about 1,040 gallons per year (i.e. 1.3% of 80,000 gallons).

## **3.2 Recommendations from Energy Audits**

Sitka's facilities generate the majority of municipal eCO<sub>2</sub>. In 2003, building heating generated 2,981 tons per year of eCO<sub>2</sub> and building electricity generated 66 tons per year of eCO<sub>2</sub> (City of Sitka 2008). In 2003, electricity use in municipal buildings cost \$670,990.00 (City of Sitka 2008). Energy audit initiatives focus on conservation of electricity and heating oil at municipal facilities. Implementing these and other energy conservation measures has two benefits – it reduces the cost of municipal operations and reduces the chances of over-taxing the City's hydropower-generated electricity while allowing for use of electricity for heating systems and vehicles.

Sitka contracted to have energy audits completed on eight municipal buildings in 2009: Sitka Airport, Centennial Building, City Hall, Fire Hall, Library, Public Services Office/Shop, Senior Center, and Waste Water Treatment Plant. These audits and the recommendations for projects from these audits form the backbone of this Climate Action Plan. At a cost of \$3,750 each, they are a tremendous value. The recommendations contained in them move us toward the carbon reduction goal the city has set for itself in the most cost-effective manner possible. The data they have provided, in terms of data and cost projections, has been invaluable to the compilation of the Climate Action Plan.

Although reducing carbon emissions from Sitka's schools involves measures that are similar to those needed to reduce emissions from Sitka's municipal operations, this Climate Action Plan addresses schools separately for two reasons: Sitka's four schools continue to be the most significant emitters with the high school being the highest emitter, and the school district has its own maintenance department and funding sources. Carbon emission reductions in schools will be addressed by working with school district personnel as much as or more than municipal departments.

One school building, Blatchley Middle School, was audited in 2010. While over 26 projects were proposed in the energy audit for BMS, all of these projects will need to be implemented to maintain the current eCO<sub>2</sub> emissions at the school. This is further explained below under section 3.2.2, Schools.

### **3.2.1 City Buildings – Energy Audit Initiatives                      107 tons/yr eCO<sub>2</sub>**

The City of Sitka hired Alaska Energy Engineering, LLC to complete energy audits on eight City buildings in 2009 at a cost of \$30,000

The Task Force had originally proposed to prioritize projects by implementation cost, life cycle savings, and eCO<sub>2</sub> reduction. However, with the realization that the Plan would be unable to meet the emissions reduction goal without completing all medium and high priority projects in the energy audits, the Task Force determined all the medium and high priority projects from the audit should be included in the Plan.

**Measure Status:** Ongoing and Proposed**Responsible Department:** Public Works**eCO<sub>2</sub> Savings:** 107 tons per year

Fourteen initiatives from the 2009 City Building energy audit are beginning to be implemented or are planned to occur between Fiscal Year (FY) 2010 and FY 2012. Initiatives range from setting computers to sleep mode and turning off unused computers to retrocommissioning six City buildings. The eCO<sub>2</sub> reduction would be 48 tons per year (see Table 5). The complete list of planned city building initiatives needed to meet this reduction is shown in Appendix A, as Table A-1.

**Table 5: Summary of City Building Energy Audit Initiatives-Planned**

	<b>Implementation Cost</b>	<b>Energy Reduction (kWh/Yr)</b>	<b>Energy Reduction (Gal/Yr)</b>	<b>Life Cycle Savings</b>	<b>eCO<sub>2</sub> Reduction (Tons per year)</b>
<b>TOTAL Planned Initiatives</b>	\$185,165	86,370	4,200	\$257,300	48

Most initiatives from the 2009 energy audits have not yet been scheduled or budgeted for. If implemented before 2020, the remaining thirty-one medium and high priority initiatives from the 2009 energy audit would yield an eCO<sub>2</sub> reduction of 59 tons per year at a cost of \$225,500 (see Table 6, below). The complete list of unbudgeted city building initiatives needed to meet this reduction is shown in Appendix A, as Table A-2.

**Table 6: Summary of City Building Energy Audit Initiatives-Unbudgeted**

	<b>Implementation Cost</b>	<b>Energy Reduction (kWh/Yr)</b>	<b>Energy Reduction (Gal/Yr)</b>	<b>Life Cycle Savings</b>	<b>eCO<sub>2</sub> Reduction (Tons per year)</b>
<b>TOTAL Unbudgeted Initiatives</b>	\$225,500	92,777	5,270	\$215,400	59

**Method:** Some actions will involve educating employees and asking for their support of actions. In other cases, smaller initiatives may be completed by City staff. For larger projects, contracts with builders will be necessary.

**Calculations:**

- Actions proposed are only those that were already planned or were described as medium or high priority in the energy audits.

### 3.2.2 School Buildings – Energy Audit Initiatives 0 tons/yr eCO<sub>2</sub>

Blatchley Middle School is the only school that has an energy audit in Sitka. The audit was completed in 2010. While over 26 projects were proposed in the energy audit for BMS, all of these projects will need to be implemented to maintain the current eCO<sub>2</sub> emissions at the school. The audit found that the building is currently under-ventilated. In a note to the Task Force from Jim Rehfeldt of Alaska Energy Engineering, LLC, Jim explained, “Increasing the ventilation to proper levels—a likely scenario once the renovation project is completed—will significantly increase fuel oil use...I estimate that fuel oil use will increase to 66,900 gallons per year. It is from this baseline of 66,900 gallons per year that I evaluated the energy savings of the [energy audit initiatives]. I calculate that [these initiatives] will reduce fuel use by [about] 25,300 gallons, which results in an annual consumption of 41,600 gallons.” (J. Rehfeldt, Pers. Comm. 2010). The heating fuel use is a net increase of 3,400 gallons of diesel per year. The items proposed for Blatchley will not count towards the goal because all of these energy-saving projects are needed to offset necessary ventilation adjustments that will increase the building’s heating load. If all of these items are not completed, the City should expect a rise in the schools’ energy use and eCO<sub>2</sub> production.

**RECOMMENDATION: Implement Blatchley Middle School Energy Audit Initiatives** **Schools**

**Measure Status:** Ongoing and Proposed

**Responsible Department:** Sitka School District and Public Works

**eCO<sub>2</sub> Savings:** Net 0 tons per year

Several initiatives from the 2010 energy audits are being planned and budgeted for at Blatchley Middle School. The 26 initiatives from the 2010 energy audit would cost approximately \$1.5 million with a life cycle savings of about \$1.7 million (see Table 7, below). The complete list of initiatives needed to stay at net 0 eCO<sub>2</sub> is shown in Appendix A, as Table A-3.

**Table 7: Summary of Blatchley Middle School Energy Audit Initiatives**

	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Life Cycle Savings
<b>TOTAL BMS Initiatives</b>	\$1,458,358	740,007	26,178	\$1,679,228

**Method:** Some actions will involve educating school staff and asking for their support of actions. In other cases, smaller initiatives may be completed by school staff. For larger projects, contracts with builders will be necessary. Consider performance contracting for the entire set of projects.

**Calculations:**

- Actions proposed are all from the energy audit.

**Note:** Observations by building users find that the heat is constantly on in the building. Due to the current ventilation issues and excessive heat in the building, many windows are left open during the winter. There is a possibility that with correct ventilation and heating, comfort would increase and fewer windows would be opened and less heating would be necessary. Users of the building may need information and education to change their current behavior.

### **3.3 Other Initiatives: Facility Heating**

In 2003, heating generated 2,981 tons per year of eCO<sub>2</sub> and building electricity generated 66 tons per year of eCO<sub>2</sub> (City of Sitka 2008). Together, these emissions constituted 81.6% of municipal emissions during the baseline year and heating oil was responsible for nearly all of the building emissions (79.9% of the annual total).

While energy audit activities will help the City save money and move towards the greenhouse gas emission reduction goal, more far-reaching measures will be needed to reach the goal and to set the City up to take advantage of the future availability of electricity, reduce the effects of fluctuating oil costs, and further reduce its emissions. The Task Force proposes the addition of an electric heating option to City and School buildings.

As an example of the benefits of this heating option, in 2006, municipal building sector emissions declined by 294 tons per year from 2003 levels. The decline was primarily attributable to the installation of an electric boiler at Blatchley Middle School and the City/State building. The electric boiler enabled the school to decrease its annual heating oil use by 33,873 gallons at a cost of a little under \$300,000. Blatchley's emissions dropped from 800 tons per year in 2003 to just over 400 tons per year in 2006 (City of Sitka 2008). The percentage of emissions resulting from heating buildings declined to 71.7% from 2003.

The addition of electric heating in some buildings is simpler and less costly than in other buildings. Buildings with room for the electric boiler in their current space will be less costly than those needing a separate structure to house the electric boiler. The electric baseboard and unit heaters proposed for some buildings will not require substantial space, but will require re-wiring.

Any future development (in terms of increasing the number or size of municipal buildings) will increase the City's overall greenhouse gas emissions. Thus to continue to meet the Assembly's goal, high efficiency standards and the availability and use of electric heat will be necessary in all new buildings and additions. All new construction design should include space, wiring, and equipment for an electric boiler or other electric heating device. The ability to use electric heat in the future (once additional electrical capacity is developed) will allow the City to use excess hydroelectricity and more quickly pay off any debts on that development, as well as provide further opportunities for substantial greenhouse gas reductions.

### 3.3.1 City Buildings Heating

up to 144 tons/yr eCO<sub>2</sub>

**RECOMMENDATION: Add Electric Heating Option-City Buildings    Electric/Public Works**

**Measure Status:** Proposed

**Responsible Department:** Electric Department/Public Works

**eCO<sub>2</sub> Savings:** 144 tons (all buildings 30% electric heat)

Install electric boilers in 7 City buildings and electric baseboard or unit heaters in 2 City buildings alongside the current fuel boilers. This would allow the city to turn the boilers on at times when the hydroelectric system has surplus electricity. Using excess electricity will increase the revenue paid to the debt service especially in the colder, rainy season when the hydroelectric dams typically overflows. Centennial Hall is recommended as the highest priority, followed by the Fire Hall and the other buildings.

Consider using heat pump technology in smaller buildings to drastically reduce the amount of electricity needed to heat the building. Air-to-air heat exchangers provide equivalent heat using 25% of the electricity of conventional, or conduction electric heat.

**Method:** The Electric and Public Works Departments would determine methods to purchase and install these items.

**Table 8: Add Electric Heating Option – City Buildings**

Building	Implementation Cost	Energy Increase (kWh/Yr)	Energy Reduction (Gal/Yr)	Yearly Savings in Dollars <sup>1</sup>	eCO <sub>2</sub> Reduction (Tons/yr)
Centennial Hall	\$49,000 (2002)	88,643	2,190	\$866	15.7
Fire Hall	Est. \$150,000	111,484	2,754	\$375	19.7
Public Services Center	Est. \$200,000	98,005	2,421	(\$3,119)	17.3
Sawmill Cove Admin.	Est. \$100,000	78,127	1,930	(\$1,621)	13.8
WWTP	Est. \$100,000	110,876	2,739	(\$569)	19.6
Airport*	Est. \$500,000	214,516	5,300	\$743	38
Library*	\$44,000 (2002)	65,656	1,622	(\$33.91)	11.6
Animal Shelter**	Est. \$40,000	34,862	861	\$379	6.2
Corrosion Control Building**	Est. \$50,000	21,139	248	\$154	1.8
<b>Total</b>	Est. \$1,233,000	823,308	20,065	N/A	143.7

<sup>1</sup> Assumes fuel at \$4/gal. and electric price at current rate

\* Will require construction of an added building to house electric boiler;

\*\*Using electric baseboard and unit heaters (rewiring required)

#### Calculations/Assumptions:

- The Task Force assumed that electric heat could only be used to replace about 30% of the diesel used by these buildings (based on past data from Blatchley Middle School)
- Yearly savings based on \$4/gal fuel; higher fuel costs provide better payback
- Schedule additions to coincide with availability of electricity; the electric option will be logical preparation for the Takatz Lake Hydroelectric project.

### 3.3.2 School Buildings Heating

up to 376 tons/yr eCO<sub>2</sub>

**RECOMMENDATION: Add Electric Heating Option-School Buildings**

**Schools/  
Electric Dept.**

**Measure Status:** Proposed (and Ongoing)

**Responsible Department:** Sitka School District and Electric Dept.

**eCO<sub>2</sub> Savings:** 376 tons per year

Complete installation of 1.5 MW electric boiler at Sitka High School. The majority of equipment and materials for this installation has been purchased and are ready for installation. It is doubtful sufficient hydroelectric generation will be available to operate the electric heat year round. However, during a typical fall and early winter season, the City often spills water at the lakes. Utilization of electric heat at that time would certainly reduce some oil usage while increasing electric revenues.

Install similar electric boilers at Keet Gooshi Heen and Baranof Elementary School; utilize electric heat when excess power is available. These replacements should be timed to coincide with increased electricity availability.

**Method:** City would work with the school district to purchase and install these items.

**Table 9: Add Electric Heating Option – Schools**

Building	Implementation Cost	Energy Increase (kWh/Yr)	Energy Reduction (Gal/Yr)	Yearly Savings in Dollars <sup>1</sup>	eCO <sub>2</sub> Reduction (Tons per year)
Sitka High School	Appx. \$500,000 - parts are paid for; labor is budgeted	763,494	21,377	(\$1,744)	214
Keet Gooshi Heen	Estimated at \$230,000	299,394	8,383	(\$3,495)	83
Baranof E.S.	\$170,000 (2002 est.)	281,034	7,869	(\$928)	79
<b>TOTAL</b>	Est. \$900,000	1,343,922	37,629		376

<sup>1</sup> Assumes fuel at \$4/gal. and electric price at current rate

**Calculations/Assumptions:**

- The Task Force assumed that electric heat could only be used to replace about 30% of the diesel used by these buildings (based on past data from Blatchley Middle School)
- Total cost is low due to the previous purchase of SHS equipment

### **3.4 Other Energy Efficiency Measures**

The following energy efficiency activities are ongoing or will help the City and School District save money and move towards the greenhouse gas emission reduction goal. These measures focus on initiatives not covered by the sections on energy audits and heating.

#### **3.4.1 Other City Energy Efficiency Initiatives 90 tons/yr eCO<sub>2</sub>**

Other City energy efficiency proposals are being considered or being implemented. Projects range from small scale to large scale. Large scale proposals are described in the attached information sheets. Smaller scale projects like the two described below also provide energy and cost savings.

Sitka uses LEED standards as best management practices for operation and maintenance for its facilities and has been a member of the Green Building Council (C. Wilbur, Pers. Comm. 2/25/2009).

There is substantial interest in alternative energy projects in Sitka; however few individuals have a true understanding of the cost and knowledge of the technical complexities to install a renewable system. A renewable energy pilot project, under the direction of the Electric Department technical staff, could procure and install a demonstration project, such as solar, wind or biomass that would provide renewable energy for a city facility. The intent would be to provide a hands-on project for the general public to use as a basis to make a decision about private investment in renewable energy. With the Electric Department installing the project, the City would have accurate cost information and technical abilities to truly demonstrate what is involved to install such a system.



**Measure Status:** Initial stage begun; EPA permit application and associated monitoring

**Responsible Department:** Electric Dept.

**eCO<sub>2</sub> Savings:** 88 tons per year

Replace existing generators with new, more efficient units in a new building. The Electric Department projections call for considerably more diesel generation between 2010 and 2020 as demand grows while additional hydroelectric generation is constructed. The department has embarked on a course of action they hope will result in replacement of the generators by 2013.

Due to increasing demand during the Blue Lake expansion project, projected diesel usage between 2010 and 2019 is ~5.5 million gallons. If the new generators come on line by January 1, 2013, the 22% increased efficiency will save approximately 783,043 gallons of diesel (\$3,132,000 at \$4/gal) and avoid 7,830 tons eCO<sub>2</sub>. By 2019, when the community returns to our average annual rate of 40,000 gallons a year of diesel generation, the annual savings will be 8,800 gallons (\$35,000/year at \$4/gal) and 88 tons per year of eCO<sub>2</sub>.

**Payback Period:** This measure is estimated to cost up to \$5 million. Almost 50% of the cost of this project (\$3,132,000) will be paid back through fuel conservation between 2013 and 2016, when diesel generation use will peak before the completion of the Blue Lake expansion project. From 2017 onward, the anticipated savings of 8,800 gallons at \$4/gallon shows an additional 53 years to retire the remainder of the investment. Additional factors to consider in calculating the payback period include the percentage of the project that is grant funded, and the high probability that generator efficiency and the cost of diesel fuel will exceed current predictions by 2013. Grants for generator replacement have been identified and EPA permits for increased diesel use have been applied for.

**Based on:**

3% per year increase in demand for electricity

\$4.00/gallon cost of diesel in 2013

Installation of generators capable of 22% greater efficiency by 2013

Return to present minimal usage of generators (40K gallons) by 2017

1 gallon of diesel emits 0.01 tons per year of eCO<sub>2</sub>

**Additional benefits:**

- Improved air quality due to improved efficiency and better equipment

**Special Note:** Extreme conservation practices taken between 2012 and 2014 will reduce impending financial and environmental problems associated with this measure.

**Measure Status:** Proposed (partially ongoing)

**Responsible Department:** Electric Dept.

**eCO<sub>2</sub> Savings:** 2.6 – 2.9 (estimated at 2.6) tons per year for 75 bulb replacement (32-36 for 900 bulb replacement)

This project would be a continuation of a street light replacement project partially funded by an Energy Efficiency and Conservation Block Grant (EECBG) from the Department of Energy. The City & Borough of Sitka presently operates around 900 street and security lights of various sizes. The most common is the 150 watt High Pressure Sodium (HPS) lamp and there are about 450 of these lamps installed. The City started a pilot street light replacement project consisting of installation of new energy efficient types of street lights at a few locations to allow public evaluation of the technology. The City will meter each individual light to ensure accurate energy consumption data and promote a public campaign for input on the quality and effectiveness of the lights. A major mistake some municipalities have made is focusing on the energy savings without recognizing the quality of the light.

Based on the engineering evaluation of energy data and public input, the City would then proceed with implementation of a full street light replacement project. It is estimated the City could replace 75 HPS street lights with energy efficient LED lights for approximately \$48,750 with an estimated energy savings of 42,750 kWh per year. It is estimated the City could replace 75 HPS lights with energy efficient magnetic induction lights for approximately \$32,250 with an estimated energy savings of 38,000 kWh per year. All the HPS streetlights on the State roads are under the control of Alaska Dept. of Transportation & Public Facilities and as such require State approval before they are replaced with alternative fixtures. The early focus on this measure would be to replace all City owned HPS fixtures with new energy efficient fixtures.

**Method:** Replacements would be made by Electric Department staff.

**Table 10: Streetlight replacement options**

	<b>Implementation Cost</b>	<b>Energy Reduction (kWh/Yr)</b>	<b>Energy Reduction (Gal/Yr)</b>	<b>Life Cycle Savings</b>	<b>eCO<sub>2</sub> Reduction (Tons per year)</b>
<b>Street light replacement - 900 LEDs</b>	\$628,200	513,000	N/A	\$580,500	35.9
<b>Street light replacement - 900 magnetic induction</b>	\$349,200	456,300	N/A	\$886,500	31.9

### 3.4.2 Other School Energy Efficiency Initiatives

13 tons/yr eCO<sub>2</sub>

Several other City energy efficiency proposals are being considered or being implemented. Projects range from small scale to large scale.

**RECOMMENDATION: Energy Efficient Remodel of Pacific High School**

**Schools**

**Measure Status:** Awaiting Funding

**Responsible Department:** Sitka School District

**eCO<sub>2</sub> Savings:** 13 tons per year

**Cost:** 30% match of capital improvement grant = \$900,000

Pacific High School (PHS) would like to be a model of Sitka's potential to be carbon neutral. The school's location on Lincoln Street provides the ideal opportunity to showcase Sitka's resolve to make a difference in reducing eCO<sub>2</sub> emissions to tourists and the public. Pacific High students and staff plan to do much of the design work, and would like to pursue LEED certification.

In 2003, PHS consumed 3,390 gallons of fuel at a cost of \$3,855, with an average price of \$1.15/gallon; at a future projected price of \$4.00/gallon, it would have cost \$13,560. In 2008, they consumed 4,491 gallons of fuel at a cost of \$15,271; during this time fuel prices ranged from \$4.47 to \$2.42 per gallon.

Remodeling will also reduce the school's electric consumption and increase its heating efficiency. Currently, the school building is inefficient. Heat sinks in PHS include the front door (single glazing, no thermal break, and inefficient weather stripping); an arctic entrance here would provide savings. The school walls are insulated below optimal R-values of R-25 to R-30. The roof is insulated below recommended values of R-50 to R-60. The windows are double-paned, but without a thermal break and have worn seals. The boiler has no flu damper and loses heat when not in use. The building has no air handling unit and is under-ventilated; windows and doors are kept open to compensate. The school needs to replace the manual thermostat with digital controls. The school has three classrooms which are used most of the day. Janitors turn off the lights at night, but occupancy sensors would help in the bathrooms.

If PHS uses energy efficient measures during its redesign, coupled with an electric baseboard heating system, the projected heating bill would range from \$13,157 to \$13,789 (including both electric and oil heat costs). The small size of the school could allow for more electric (heat) consumption and would reduce the heating bill further.

An implementation cost of \$900,000 is at the high end of a grant amount. PHS is trying to partner with the Vo-Tech Youth Build program to bring down the costs for the city.

#### **Calculations/Assumptions:**

- While full conversion to electric heat is preferred the Task Force assumed that electric heat would replace about 35% of the diesel used.
- PHS's design is comparable to the Career Center located next door. It has an electric baseboard heating system, which is recommended for PHS. PHS is 38% larger than the Career Center. On average, the electric boiler at the Career Center accounts for 40% to 65% of the building's electricity usage. Projected annual consumption for PHS can be estimated from this information
- Estimate used fuel prices at \$4.00/gallon, PHS's 2008 heating bill minus 35%, then adding 38% of the Career Center's electric consumption.

### 3.5 Other Initiatives: Transportation

up to 100 tons/yr of eCO<sub>2</sub>

Municipal transportation sector emissions increased between 2003 and 2006. The main factor appeared to be the heavy snow in 2006 and the increased need for snow removal (see Section 2.5). Gas and diesel-fueled vehicles were responsible for nearly 15% of total municipal emissions in 2003 and approximately 22.5% of total municipal emissions in 2006 (City of Sitka 2008). The inventory indicates that these emissions may level off over time due to projected changes in average vehicle emissions. The city spent slightly more than \$77,000 to fuel its vehicles in 2003 and more than twice that amount - nearly \$166,000 - in 2006.

It is also notable that city employee commutes generate another 120 tons per year of eCO<sub>2</sub> - slightly more than 3% of total municipal emissions. Finally, it is important to point out that transportation sector emissions do not include all emissions associated with fossil-fuel driven transportation. Even though air travel, ferry travel, and marine shipping are significant sources of greenhouse gas emissions, local government has little influence over these sectors and it would also be difficult to accurately approximate emissions from these sectors (City of Sitka 2008).

The City currently owns a total of about 107 vehicles (Table 11). Replacement of vehicles is limited; approximately 12 passenger vehicles are expected to be replaced between 2010 and 2020 (Fitzsimmons 2010). Heavy trucks, light trucks, and pickups were not considered for replacement with hybrid vehicles or all-electric vehicles (due to the recognized need for large trucks to do heavy work). The current emission reductions are based on the current expected vehicle replacement rate. This evaluation considers comparisons of actual emissions during transportation (but not during the entire life cycle of the vehicle). Therefore, all-electric vehicles are considered to have zero emissions.

#### FIGURES AND TABLES

**Table 11. City and Borough of Sitka VEHICLE TYPES in 2006 and projected for 2020.**

Car type	2006			2020				
	Number of vehicles			Number of vehicles				
	Gasoline	Diesel	Total	Gasoline	Diesel	Hybrid	All-electric	Total
Auto full-size	7	0	7	4	0	2	1	7
Passenger vehicle	23	10	33	17	10	2	1	30
Light truck/SUV/Pickups	44	2	46	40	2	0	0	42
Heavy Truck	2	19	21	2	19	0	0	21
<b>Total</b>	<b>76</b>	<b>31</b>	<b>107</b>	<b>63</b>	<b>31</b>	<b>4</b>	<b>2</b>	<b>100</b>

Note: 2020 vehicle totals are based on the City and Borough adopting "Right Sizing" and "Hybrid/Electric Vehicle Purchase" recommendations (pages 31-32).

**Table 12. City and Borough of Sitka FUEL CONSUMPTION in 2006 and projected for 2020.**

Car type	2006		2020			
	Total gallons fuel		Total gallons fuel			
	Gasoline	Diesel	Gasoline	Diesel	Hybrid*	All-electric
Auto full-size	8,670	0	4,325	0	1,238	0
Passenger vehicle	11,252	6,449	8,541	5,630	1,238	0
Light truck/SUV/Pickups	23,146	1,108	20,206	967	0	0
Heavy Truck	1,021	27,042	891	23,608	0	0
<b>Total</b>	<b>44,089</b>	<b>34,599</b>	<b>33,963</b>	<b>30,205</b>	<b>2,476</b>	<b>0</b>

\*assumes that hybrids have a 50% fuel savings (vs. conventional vehicles)

### **Added Information about Electric/Hybrid Vehicles:**

- Commercial all-electric vehicles are likely to be available within the next few years
- Sitka already has several all-electric vehicles and hybrid vehicles in use (i.e. demonstration and community awareness has already begun)
- Sitka's relatively level terrain bodes well for all-electric vehicles, which generally have less powerful motors than conventional vehicles (same for relatively low speed limits)
- Widespread use of all-electric vehicles in Sitka would need to be phased in only after additional hydroelectric capacity is added
- Strong community cooperation could help with issues such as scheduling recharging periods (for night-time and day-time users); strong community support and environmental ethic should favor a transition to all-electric vehicles.
- Policy incentives (local, state, and/or federal) could assist with all-electric vehicle implementation

**Measure Status:** Proposed

**Responsible Department:** City Administrator with Department Staff input

**eCO<sub>2</sub> Savings:** 34.63 Tons per year

**Financial Savings by 2020 (Fuel Only):** \$14,284

Current vehicles in every department would be evaluated to determine if the number, size and the fuel type of the vehicles are appropriate based on the frequency and type of use. Overall, the City may determine that 23 (33 total) passenger and 44 (46 total) Light Truck/SUV/Pickup vehicles are excessive to their needs. A minimal 6% overall reduction in the City and Borough 107 vehicle fleet can net a large return in savings and eCO<sub>2</sub> reduction (these savings are based on the assumption that a reduction in the vehicle fleet will net a proportional decrease in usage, thereby reducing average gasoline consumption by the municipal fleet). Additionally, where feasible, the City will purchase smaller, more fuel efficient vehicles for each department. In the future, when upgrading the fleet, the City would take into account the main use of the vehicle and will purchase the smallest and most fuel-efficient vehicle in the class required for the job (see additional proposals concerning vehicle fleet transition to hybrid/all electric).

- Reduction of Gasoline Passenger Vehicles from 23 to 20: 3 x 489 gal/yr = 1467 gallons
- Reduction of Light Trucks/SUVs/Pickups from 44 to 40: 4 x 526 gal/yr = 2104 gallons
- Financial Savings from avoided fuel costs: 3571 gallons at @\$4/gal = \$14, 284
- eCO<sub>2</sub> reduction: 3571 gallons of gasoline x 19.4 lbs eCO<sub>2</sub>/gal gas (most smaller vehicles use gas, not diesel) = 69,277 lbs.
- Total Implementation Cost: \$0
- Payback: No costs incurred to reduce fleet.

### **Co-Benefits**

- Reduced Maintenance Costs
- Potential income from sale of excess vehicles
- Better Air Quality
- Reduced insurance costs
- More efficient operating practices

### **Success Stories**

The governor of the State of California ordered the sale of 15% of the state's vehicle fleet in July of 2009 to reduce surplus and address complaints about the unnecessary use of state vehicles by employees. This reduction is estimated to save California \$24 million.

The City of Vancouver, City of Victoria, and City of Toronto have all gone through vehicle and fleet right-sizing efforts. They have reduced the amount of their capital investment in vehicles and lowered eCO<sub>2</sub> emissions as a result.

**Measure Status:** Proposed

**Duration:** Phased in between 2010 and 2020

**Responsible Department:** All Departments purchasing full size and passenger vehicles

**eCO<sub>2</sub> Savings:** 26.2 tons per year

**Financial Savings:** \$10,800 per year (assumes \$4.00 per gallon fuel cost)

Replacement of 6 passenger vehicles with conventional hybrid vehicles (4) and all-electric vehicles (2) will save approximately 2,700 gallons of gasoline per year (3.4% of current fuel consumption).

Passenger vehicles and auto full-size vehicles would be considered for replacement with either conventional hybrid or all-electric vehicles. By 2020, we would expect about 4 hybrid vehicles and 2 all-electric vehicles in the CBS fleet. This is based on a replacement schedule of 12 vehicles over a 10 year period (where 6 of the replacements would continue to be convention gasoline or diesel vehicles). If this replacement schedule were realized, in year 2020 approximately 6% of CBS vehicles would be “alternative fuel” vehicles.

Vehicle replacement strategies for hybrid and/or all-electric vehicles would depend on specific needs as these vehicles are being phased into the CBS fleet over the next 10 years. For example, all-electric vehicles could be used to replace light duty vehicles (i.e. passenger cars) with limited driving ranges, while hybrids could replace larger vehicles. It would also be important to review the availability and prices of specific models throughout the 10 year replacement period. Given the difficulty in projecting what types and models of new vehicles will be available between now and year 2020, in this report we do not make specific recommendations regarding vehicle replacement.

\*As replacements occur, consider research showing limited to no fuel savings through the use of hybrids in local (other SE Alaska cities) situations.

**Calculations:**

- total fuel consumption by City and Borough of Sitka fleet in 2006: approx. 78,688 gallons/year
- Hybrid vehicles would achieve a fuel efficiency (miles per gallon) of approximately twice the fuel efficiency of conventional (gasoline) vehicles.
- expected fuel reduction: 2,700 gallons per year (3.4% of vehicle fuel consumption)
- expected eCO<sub>2</sub> reductions (based on 19.4 lbs. per gallon): 26.2 tons per year

**Additional benefits:**

- Improved air quality due to reduced combustion of fossil fuels

**Measure Status:** Proposed

**Duration:** Phased in between 2010 and 2020

**Responsible Department:** All Departments purchasing full size and passenger vehicles

**eCO<sub>2</sub> Savings:** 7.6 tons per year

**Financial Savings:** \$3,144 per year (assumes \$4.00 per gallon fuel cost)

Increase fuel efficiency by purchasing more fuel efficient models when replacing 6 conventional (gasoline) vehicles for the city fleet as well as when replacing any light trucks/SUVs/pickups. This measure will save an estimated 1% of current fuel consumption.

Vehicles could potentially have greater fuel-efficiency in year 2020 than today (2010). This is based on a reasonable expectation of rising fuel prices over the next 10 years, and the response by automakers to make vehicles less costly to operate. If this trend occurs, fuel consumption could be reduced for City and Borough of Sitka vehicles in year 2020, even with no reduction in fleet driving miles. Vehicles affected could include trucks, SUVs, and heavy duty vehicles, as well as some passenger vehicles.

The estimated fuel savings for this measure is 786 gallons per year (approximately 1% of current fleet-wide fuel consumption). The bulk of this savings would be realized from the 6 new conventional (i.e. gasoline powered) vehicles that would be purchased over the next 10 years with some contribution from replacement of light trucks/SUVs/pickups.

#### **Calculations:**

- total fuel consumption by City and Borough of Sitka fleet in 2006: approx. 78,688 gallons per year
- fuel reduction due to increased efficiency of new vehicles: estimated to be 1% of total
- expected fuel reduction: 786 gallons per year
- expected eCO<sub>2</sub> reductions (based on 19.4 lbs. per gallon): 7.6 tons per year

#### **Additional benefits:**

- Improved air quality due to reduced combustion of fossil fuels
- Reduced fuel costs of close to \$3,144 per year



**Status of this Measure:** proposed

**Duration:** phased in between 2010 and 2020

**Responsible Department:** All Departments

**eCO<sub>2</sub> Savings:** 19 tons per year

**\$ savings:** \$7,860 per year (assumes \$4.00 per gallon fuel cost)

Practices to reduce vehicle idling will be encouraged for all City and Borough of Sitka vehicles. When fully implemented, this measure could save up to 3,930 gallons per year (2.5% of current fleet-wide fuel consumption).

Reduced vehicle idling should not be overlooked as an opportunity for increased fuel efficiency. Reduced idling has been recognized as being important in improving air quality and health, as well as saving fuel ([www.idlefreeVT.org](http://www.idlefreeVT.org)). It has been estimated that between 5 and 7% of total fuel used in private vehicles can be attributed to idling (Taylor 2003), and that idling reduction programs could reduce consumer fuel use by up to 1.8%.

This measure will also include other fuel conservation measures, including driving fewer miles when possible, making fewer trips, monitoring tire pressures, and/or carpooling whenever feasible.

#### **Calculations:**

- total fuel consumption by City and Borough of Sitka fleet in 2006: approx. 78,688 gallons per year
- fuel reduction due to reduced idling and other conservation measures: estimated to be 2.55% of total
- expected fuel reduction: 1,965 gallons per year
- expected eCO<sub>2</sub> reductions (based on 19.4 lbs. per gallon): 19 tons per year

#### **Additional benefits:**

- Improved air quality due to reduced combustion of fossil fuels
- Reduced fuel costs of close to \$7,860 per year

**Measure Status:** Proposed

**Responsible Department:** City Administrator

**eCO<sub>2</sub> Savings:** 12.6 Tons per year

U.S. Public Law 101-509 authorizes Federal agencies to use appropriated funds to pay all or a portion of their employees' public transportation costs, provided such payments are in conjunction with existing programs encouraging the use of public mass transportation. The City and Borough of Sitka could adopt a similar measure to encourage the use of the Community Ride bus system, reducing the number of single-occupancy vehicles on the road for the purpose of transiting to/from work. This proposal assumes 5 City employees per week would use multi-trip (1-day) passes.

Participants would receive a monthly transit benefit equal to their actual bus fare commuting cost, maximum \$25 per week.

**Calculations:**

eCO<sub>2</sub> reduction: 1 gallon per person, per day, gasoline usage for travel only to/from place of work = 1300 gallons of gasoline x 19.4 lbs eCO<sub>2</sub>/gal = 25,220 lbs.

Total Implementation Cost: \$6500/yr (5 City employees per day, per 52 weeks = 1300 all day bus passes at \$5 per pass)

**Co-Benefits**

- Greater utilization of existing mass transit programs
- Improved air quality
- Potential tax benefit for City and Borough
- Reduced traffic congestion at peak periods

**Success Stories**

The Regional Transportation District in partnership with GO Boulder offers a bus pass program especially for neighborhoods called the **Neighborhood Eco (NECO) Pass**. As of November 2009, 45 neighborhoods in Boulder and one in Lafayette offer the NECO Pass to more than 7,100 eligible households and 11,000 residents.

**Go Green** is a project developed in British Columbia, Canada to provide alternatives to single-occupancy vehicle transportation and to help create a cleaner environment. This program was the first of its type to be started in Canada.

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**Idle-free Vermont. Internet reference: <http://www.idlefreevt.org/>.**

**Taylor, G.W.R. 2003.** Review of the Incidence, Energy Use and Costs of Passenger Vehicle Idling. Final Report, Prepared for: Office of Energy Efficiency. Natural Resources Canada. 40 p.

### **3.6 Other Initiatives: Purchasing and Waste Reduction**

Purchasing and waste go hand-in-hand, since almost everything that is tossed as garbage was at one time acquired through deliberate purchase. While it is not always practical to reduce the quantity of purchased goods, selecting recyclable, durable, or re-usable products will lead to less landfilling and less methane and carbon dioxide emissions. In this way, thoughtful procurement guidelines lead to greenhouse gas reductions.

Waste reduction strategies primarily seek to prevent or reduce the release of methane at landfills and other facilities by diverting recyclable and compostable material from the waste stream. As a greenhouse gas, methane is more than 20 times more powerful than carbon dioxide. (It is also the primary ingredient in natural gas, and if it is burned, it is far less harmful than other fossil fuels, such as coal.) In some cities, methane capture at landfill sites serves not only to reduce greenhouse gas pollution, it also provides a relatively efficient fuel source.

In Sitka the waste sector is reported as producing negative emissions. In Sitka's Greenhouse Gas Emissions Inventory our waste production was assigned a negative value (of -2,423 tons per year of eCO<sub>2</sub>). It is surprising that an island community that ships its garbage hundreds of miles via barge and truck can have negative carbon output. This is explained by the fact that all of Sitka's waste (other than sewage sludge from the waste water treatment plant) is shipped to the Roosevelt Regional Landfill in Washington, a facility that has a methane recovery rate of approximately 95%. This means that the vast majority of the methane produced by Sitka's decomposing waste is captured and burned to produce electricity, the final result being that more carbon equivalent is buried and trapped in the landfill than is added to the atmosphere. The balance remains negative even when emissions produced from shipping the waste from Sitka to Roosevelt are taken into account. However, if it was possible to quantify the emissions produced in the entire life cycle of our community's waste, specifically from upstream energy use, this component of the inventory would be significantly larger. Consider the following example of upstream energy use: To produce high-grade office paper, a paper manufacturer uses gasoline powered machinery to cut down trees (which store carbon), diesel trucks to carry the lumber to the paper mill, fossil fuels or wood products to power the mill, and more diesel trucks to distribute the product to customers.

The same avoided emissions from methane burning can be obtained by reducing, recycling, and reusing our municipal solid waste on our island. We need not ship our waste to Washington to reduce our carbon dioxide output. By reducing the amount of waste we ship out, and by storing carbon in the form of compost, we realize even greater savings than shipping our waste to the highly efficient Washington landfill. This can be achieved by using the compost material generated by organic waste diversion for use in producing agricultural products and replacing imported synthetic fertilizers.

Recycling leads to CO<sub>2</sub> reductions at the material extraction and manufacturing levels, as well as methane reductions at the landfill. Similarly, composting leads to methane reductions and produces a product that can be used in place of manufactured chemical fertilizers. An emphasis on waste reduction also helps promote a culture of conservation and sustainability with broad environmental and economic benefits.

**RECOMMENDATION: Curbside Recycling**

**Municipal Waste**

**Measure Status:** Proposed

**Responsible Department:** Public Works

**eCO<sub>2</sub> Savings:** 3.12 tons per year

Institute curbside recycling. Each dwelling and business will be provided with a blue receptacle for paper, cardboard, plastic, aluminum, and tin cans, which will be picked up every other week using existing trucks and staff. Garbage will be picked up every other week. This will increase the amount of material recycled by a minimum of 15%, from the current 5.5% of the waste stream to 7.7%.

Item	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Payback Period	Annual Savings	eCO <sub>2</sub> Reduction (Tons per year)
<b>Curbside Recycling</b>	\$20,000 initial investment + \$10,000/yr	N/A	N/A	19 mos	\$18,700 gross \$8,700 net	3.1

**Method:** Contract with Rabanco and subcontractor Stragier Sanitation.

**Cost:** \$30,000: \$10,000 for recycling containers, \$10,000 for additional labor, and \$10,000 for implementation costs (new container shipping, storage, and distribution).

**Annual Cost Savings:** \$18,700 per year: \$16,500 in avoided waste shipping costs and an increase of \$2,200 in recycling income, based on 2009 prices.

**Feasibility:** Existing equipment and a slightly increased workforce are capable of adapting to this plan. It is anticipated that there will be some initial resistance from the public that can be overcome through education and successful implementation of the plan. Residents will learn how to reduce waste, or if not, opt for additional waste service. A new contract will need to be negotiated with Rabanco and Stragier Sanitation.

**Calculations for initiatives in the waste and purchasing recommendations are based on the following figures:**

- \$91,073 average monthly barge cost (2009)= \$1,092,876 (\$1.2 million in 2009)
- 567 tons average monthly waste (2009) = 6,804/yr /\$1.2 m = \$176/ton
- 6,804 tons/year x 1.65% = ~94 tons/year reduction in waste
- \$63,000 low winter invoice; \$116,000 high summer invoice
- 15% increase in recycling, from 5.5% of the MSW to 7.65%, a net increase of 1.65%
- 1.65% decrease in waste barged out
- 2009 recycling report from Stragier x 12/2010 recycling prices = ~\$40,000 income/credit
- eCO<sub>2</sub> reduction: 3.1 tons per year eCO<sub>2</sub> will be reduced. (Assume .033 tons of eCO<sub>2</sub> released per ton of trash)
- 94 tons per year x .033 = 3.1 tons per year eCO<sub>2</sub> reduction

**RECOMMENDATION: Materials Reuse Center****Municipal Waste**

**Measure Status:** Proposed

**Responsible Department:** Public Works

**eCO<sub>2</sub> Savings:** .5 tons per year

Approximately 1.5% of the municipal solid waste (MSW) stream can be diverted via a Materials Reuse Center. This measure will consist of a three-sided metal shed (20' x 20' on with a concrete footing and a gravel floor) installed adjacent to the transfer station that will serve as a "Materials Reuse Center". Items that are of obvious value will be removed from the waste stream and placed in the facility for sale to the general public. Typical materials include lumber, furniture, fixtures, and household goods. These items will be sold on site for modest prices, typically 25% of new prices. All income will be paid to the City.

Item	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Payback Period	Annual Savings	eCO <sub>2</sub> Reduction (Tons per year)
<b>Materials Reuse Center</b>	\$32,000 (\$12,000 initial investment + \$20,000/yr)	N/A	N/A	19 months	\$25,000 gross \$5,000 net	0.5

It is estimated that an additional 0.5 Full Time Equivalent position will be required to oversee the flow of materials into and out of the Materials Reuse Center. It should be noted that this practice currently takes place on an informal basis, but the majority of reusable materials go south. The increased cost of the contracted service, currently provided by Stragier, will be exceeded by avoided costs (shipping materials to landfilling in Washington) and by sales of materials.

**Calculations:**

- \$20 per sq. ft. for the metal building + \$10 sq. ft. for the concrete footing = \$30 per sq. ft. = \$12,000
- \$15,000 annual waste shipping savings + \$10,000 annual sales of materials = \$25,000 income/savings
- \$20,000 cost of a .5 FTE materials handler

**Measure Status:** Proposed**Responsible Department:** Public Works**eCO<sub>2</sub> Savings:** 22.5 tons per year

For every 1% of waste not shipped to Washington, the city saves approximately \$10,000 and 2.25 tons per year of carbon dioxide emissions. Approximately 20% of the municipal solid waste (MSW) stream can be composted using simple technologies. This proposed measure assumes a 10% diversion of organic material from the solid waste stream. This includes food wastes from the grocery stores, schools, hospitals, senior centers, and the commercial kitchens associated with these facilities. Two more important components are waste fish carcasses from sport fishing and chipped wood waste from local tree services. This measure only addresses the waste collected by the city’s enterprise program, and accordingly does not address the millions of pounds of fish waste that are presently pumped out, or hauled out, to sea by local fish processors. Additional compostable materials include wooden pallets, sheetrock and some construction waste. The City currently pays about \$.06 a pound to ship waste south, or about \$1,250,000 a year. This measure assumes that the city pay a private contractor \$.06 a pound to divert organic waste into a composting facility, which will also benefit horticultural efforts in Sitka by greatly increasing the amount of affordable soil amendments available. It is assumed that the private contractor will bear the implementation and operating costs.

Item	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Annual Savings	eCO <sub>2</sub> Reduction (Tons per year)
<b>Municipal Composting</b>	\$125,000/yr	N/A	N/A	\$125,000 gross \$0 net	22.5

**RECOMMENDATION: Ban Yard Waste from Garbage Pick Up****Municipal Waste****Measure Status:** Proposed**Responsible Department:** Public Works**eCO<sub>2</sub> Savings:** 11.2 tons per year

Yard waste typically makes up 10 – 15% of the solid waste stream. Currently residents dispose of yard wastes through natural decomposition, burning, and depositing materials in Sitka facilities such as the independently operated Overburden site. To discourage burning/encourage yard waste composting, a container could be made available for this purpose at the recycling center and outreach/education efforts should be made to educate the public about this preferred waste method. The yard waste container can be dumped at facilities such as Overburden and/or be chipped and composted. Both of these alternatives would pay local contractors about \$.05 a pound for handling the material, representing a savings of \$.01 a pound from not shipping the materials to Washington State. Assuming that banning the disposal of yard waste in weekly pickups was able to divert 5% (385 tons per year) of the solid waste stream from being shipped to Washington at ~\$.01 a pound savings, the city would reduce shipping costs by \$7,700/year but with similar costs incurred for implementation and monitoring.

Item	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Annual Savings	eCO <sub>2</sub> Reduction (Tons per year)
Yard Waste Ban	\$7,700	N/A	N/A	\$0 net	11.2

**RECOMMENDATION: Maintain Parks with Non-Chemical Inputs****Procurement****Measure Status:** Proposed**Responsible Department:** Parks and Recreation**eCO<sub>2</sub> Savings:** Unknown

Chemical fertilizers, pesticides, and herbicides all have high carbon footprints and their transportation to Sitka incurs additional carbon and financial costs. Formal adoption of non-chemical and locally procured inputs (i.e. compost for fertilizer and vinegar from local stores for use as an herbicide) will reduce our carbon footprint, improve the health of our citizens, build soil quality, reduce pollution and keep the over \$10,000 spent annually on synthetic inputs in our community. The substitution of a compost-based fertilizer, especially on the larger areas (ball parks), would enhance the health of the soil and those using these recreation areas. An initial investment in a compost spreader (\$10,000 including shipping) will be necessary for application to the large acreage of turf maintained by Parks and Recreation. While locally purchased soil amendments will likely be less expensive than synthetics, the increased labor for application will keep the annual costs at about \$10,000. This pays Sitkans for labor instead of importing products from the lower 48.

Item	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Annual Savings	eCO <sub>2</sub> Reduction (Tons per year)
Park Maintenance	\$10,000	N/A	N/A	\$0 net	Unknown

### 3.7.1 School Purchasing and Waste Policies

5 tons/yr eCO<sub>2</sub>

**RECOMMENDATION: Compost School Food Waste**

**Municipal Waste**

**Measure Status:** Proposed

**Responsible Department:** Sitka School District

**eCO<sub>2</sub> Savings:** 5.0 tons per year

The Sitka School District spends almost \$50,000 annually for waste disposal, of which approximately 30% by weight is food waste. A modest lunchroom-based separation program would save the school system over \$10,000 a year in waste collection fees and reduces the city’s waste disposal costs. A portion of these savings can be used to cover the additional labor needed to oversee the collection of waste in the lunch rooms. An outside contractor would be required to operate a commercial composting system and pick up the waste on a daily basis. While the daily pickup will only be between 200 and 500 lbs, the annual total will be over 151 tons per year. Additional benefits include educational opportunities for students and production of valuable compost for the Parks and Recreation Department as well as for local food production.

Item	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Payback Period	Annual Savings	eCO <sub>2</sub> Reduction (Tons per year)
Recycle School Food Waste	\$5,000/yr	N/A	N/A	6 months	\$10,000/yr (\$5,000/yr net)	5.0



**Measure Status:** Proposed**Responsible Department:** Sitka School District**eCO<sub>2</sub> Savings:** Unknown

The Sitka School District contracts for food services via a contract from Nana Management Services. Virtually none of the food served is produced in Sitka. The environmental and health costs of food transported hundreds or thousands of miles have been well documented. At present, Sitka has no agricultural producers capable of supplying the school system’s needs. Plans for commercial greenhouses may remedy this situation. Sitka, however, has a thriving fishing fleet that typically sells fresh caught salmon for \$2.50/lb to the processing plants. Additionally, the longline fleet delivers sufficient bycatch whitefish to provide local fish once a week to all the schools, which is sometimes ground into gurry and dumped at sea due to a lack of procurement procedures. Working with the local food service contractor and processors, fresh and frozen locally harvested fish can replace “fish sticks” at competitive prices, with significant nutritional and local economic benefits.

Item	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Life Cycle Savings	eCO <sub>2</sub> Reduction (Tons per year)
<b>Locally Caught Fish</b>	Unknown	N/A	N/A	\$0	Unknown

**Success Stories**

The Healthy Tomorrows Kodiak group is implementing a program to use locally caught seafood in the school lunch program. The program, named Fish to School, will start at the high school. Sitka could use their project as a learning tool for implementation of a similar project.

### **3.7 Other Initiatives: All Employees**

One recommendation/request heard from several City staff members was to provide education to employees about energy conservation and sustainable business practices. While not all employees make decisions about what vehicle to purchase or how much insulation to put in a building, all employees do have the ability and initiative to make choices that reduce energy consumption. Education and incentives support employees making good choices and can lead to energy conservation at home as well as at work. These actions will not yield high levels of emission reductions, but they support the overall effort. The Task Force believes that these recommendations are especially important because of the need to offset the increased load on the electrical system in order to minimize the use of diesel for electricity generation.

#### ***Other Initiatives: Estimating Benefits***

In the CAP sections above, the Task Force estimated actual costs (in dollars) or energy reductions (in terms of gallons of fuel or electricity/kilowatt hours) and reported those numbers. In other cases, particularly related to code changes, zoning changes, training, etc., the Task Force recognized that estimating specific values would be impossible. Instead, the Task Force used a 1 through 5 rating system; 1 being equal to the least benefit/most difficult/most costly/etc.; 5 being equal to the highest benefit/easiest/least expensive. The Task Force provided the initiatives and their ratings to City Staff for review and revision.

In general, the Task Force expected most education efforts and changes in zoning/code would be relatively inexpensive to the City (Implementation cost) because changing the code or zoning is mostly a paper exercise by the City staff. The Feasibility rating recognizes difficulty or ease of getting some of these initiatives through the process (for example, due to environmental reasons, permits, permissions, or passage through the Assembly). Energy reduction (in kWh or gallons) is self-explanatory, but hard to estimate since many code changes will reduce the community's energy use, but not necessarily the City government's use; this rating is reported in terms of "how much will we reduce energy use overall (City AND community)?" CO<sub>2</sub> reduction provides an equivalent that was used to compare reduced electricity vs. reduced fuel; it is based on energy reduction. Annual cost savings was looked at in terms of cost savings overall (not just the City's savings).

**RECOMMENDATION: Energy/Fuel Conservation Training**

**All Departments**

**Measure Status:** Proposed

**Responsible Department:** Recycling

**Overall score:** 22

Develop and provide comprehensive energy/fuel saving training (to promote "easy" energy conservation). Local, small-scale employee training, reminders, and a small brochure, emails or other formats (to include some "myth busting") on various energy-saving methods and techniques such as turning off lights and computers, keeping doors closed, recycling, low-fuel-usage driving tips.

**eCO<sub>2</sub> Savings:** 3 – Most savings would be in electricity.

**Cost:** 5 – Training could be done quickly, in-house, possibly with volunteers, and use behavior audits described above. Training could be done in small doses via current communication methods-email, pay stubs, current meetings, word-of mouth. Training would lead to future behavior modification.

**Annual Cost Savings:** 5 – Training would lead to behavior changes that save energy/money

**Payback Period:** 5 – Behavior modifications of energy-wasting practices would lead to fast payback.

**Feasibility:** 4 – Energy-saving methods and techniques list would be developed, disseminate using currently used methods. Added training (on simple items) should likely occur. This initiative requires buy-in and interest of employees. Need to make sure that employees know that training is meant to educate and benefit them, not punish them.

**Co-benefits:** Training/brochure could be shared with other businesses in Sitka or shared with other small communities. US Forest Service may be developing training items that could be shared.

**RECOMMENDATION: Energy and Fuel Saving Behavior Audits****All Departments****Measure Status:** Proposed**Responsible Department:** All; oversight by Electric Dept**Overall score:** 22

Conduct internal, informal audits of employee behaviors that save or waste energy as a learning/improvement opportunity. Observe and log employee behaviors for using energy in each building and office in Sitka. Have individuals use a check list to observe items like lights left on in unused rooms, computers left on and unused, doors left open to outside air, recycling behavior, 1-sided copying, etc. Best method would be to ask 1 or 2 individuals from each staff to visit a different staff's office to observe (be sure that these are unannounced visits); this would give the opportunity for staff to connect between departments while also giving observers a chance to learn better (or worse) energy conservation habits. Results would help to determine what employee training, reminders, and small brochure or other information would be beneficial.

**eCO<sub>2</sub> Savings:** 3 – Most savings would be in electricity**Cost:** 5 – Audits could be done quickly, in-house, possibly with volunteers, and used to determine employee concerns and needs, energy-saving training needs and future behavior modification.**Annual Cost Savings:** 5 – Audit would quickly show where behavior changes could save energy/money.**Payback Period:** 5 – Behavior modifications of energy-wasting practices would lead to fast payback.**Feasibility:** 4 – Once a list of items to look at is developed, checking buildings and behaviors should be relatively simple and fast. Audits may be needed during different seasons since habits change with temperature, light, etc. This initiative requires buy-in and interest of employees. Need to make sure that employees know that audits are meant to benefit them, not punish them.**Co-benefits:** Audit procedure could be shared with other businesses in Sitka or shared with other small communities.

**RECOMMENDATION: Employee Incentive Program for Saving Energy/Fuel All Departments**

**Measure Status:** Proposed

**Responsible Department:** Finance

**Overall score:** 18

Develop an employee incentive program for implementing fuel and energy savings. This program would provide small but tangible incentives either for individuals, groups, buildings, or departments to reduce their energy and/or fuel use. Incentives might involve competitive efforts (and small prizes) between buildings to reduce electricity use per capita or between departments in reduction of fuel consumption in vehicles. Incentives for employee carpooling, improved recycling, etc. can improve educational efforts and morale while reducing energy costs for the City.

**eCO<sub>2</sub> Savings:** 3 – Most savings would be in electricity.

**Cost:** 4 – Appropriate, inexpensive incentives would need to be discussed and determined.

**Annual Cost Savings:** 4 – If employees like the program, energy-saving behavior will be reinforced through this appreciation effort.

**Payback Period:** 5 – Behavior modifications of energy-wasting practices would lead to fast payback.

**Feasibility:** 2 – It may be difficult to determine what provides motivation and would take some organization to plan a “contest”. This initiative requires buy-in and interest of employees.

**Co-benefits:** Program idea could be shared with other businesses in Sitka or shared with other small communities.

### **3.8 Community Wide Measures: Planning, Zoning, Public Outreach, and Policy**

This section on community wide measures recommends adjustments to planning and zoning and seeks to utilize public opportunities, funding, and education in order to increase community-wide reductions in greenhouse gas emissions. These reductions are outside of municipal reductions, but are under the management of the City and seek to reduce emissions mainly through small changes in current policy.

This section also recommends policy changes at state and federal levels to spur action at the highest levels of government as part of a global response to mitigate climate change.

In this section, the Task Force used a 1 through 5 rating system to determine costs and benefits of proposals - 1 being equal to the least benefit/most difficult/most costly/etc.; 5 being equal to the highest benefit/easiest/least expensive as described in section 3.7 above under Other Initiatives: Estimating Benefits. One important additional assumption - when the Task Force talks about zoning and development - they are talking about new developments.

#### **Policy Recommendations:**

With the mayor's signature on the U.S. Mayors Climate Protection Agreement in December of 2007, the City and Borough of Sitka agreed to:

...urge the federal government and state governments to enact policies and programs to meet or beat the target of reducing global warming pollution levels to 7% below 1990 levels by 2012, including efforts to: reduce the United States' dependence on fossil fuels and accelerate the development of clean, economical energy resources and fuel-efficient technologies such as conservation, methane recovery for energy generation, waste to energy, wind and solar energy, fuel cells, efficient motor vehicles, and biofuels;

and

...urge the U.S. Congress to pass bipartisan greenhouse gas reduction legislation that 1) includes clear timetables and emissions limits and 2) a flexible, market-based system of tradable allowances among emitting industries...

The Task Force recommends that:

- the City of Sitka enact and explicitly recognize that this plan serves as the rationale for investing in renewable energy development, energy efficiency, and energy use reductions projects that demonstrate how local actions can work towards reducing our community overall carbon footprint; and
- the City of Sitka use their investments and projects to articulate to state and federal decision makers how local governments, businesses, and citizens are taking action to reduce carbon emissions and act on global climate change challenges; and
- the City of Sitka urge state and federal decision makers to enact legislation that sets goals for action on carbon emission reduction, energy efficiency, and action on climate change, especially in ways that result in funding and financing opportunities for municipal governments, local businesses, and local homeowners to make investments towards the climate change goals; for example:

salmon-friendly hydroelectric or tidal power. And that the City recognizes and articulates the need to develop and help finances these renewable energy sources for long-term social, economic, and environmental sustainability for Sitka and other Alaskan communities;

the City of Sitka integrate carbon emission reduction/action on climate change into its long-term community energy plan;

the City of Sitka articulate to state and federal decision makers the need to invest oil and gas tax revenues into energy efficiency and renewable energy investment; and

the City of Sitka continue to seek local opportunities to take action on climate change and reduce carbon emissions while using our local community's efforts to draw attention to climate change threats, opportunities for municipalities to take action, and the need for state and federal legislation and funding streams to assist municipal government's actions and initiatives.

**RECOMMENDATION: Energy Efficient Affordable Housing**

**Building Dept.**

**Measure Status:** Proposed

**Responsible Department:** Building Department

**Overall score:** 20

Ensure that 100% of City or Agency funded affordable housing projects incorporate energy efficiency/green building techniques. Proposals, contracts, and grants would be written to ensure that all new affordable housing projects will include high standards for energy efficiency, particularly as related to items such as insulation, windows, heating systems, and other efficiency items.

**eCO<sub>2</sub> Savings:** 4 – Savings would be in heating fuel and electricity.

**Cost:** 5 – City/agency is providing funds for these projects that will be paid back.

**Annual Cost Savings:** 4 – Energy savings accrue right away and every year thereafter.

**Payback Period:** 5 – Energy savings occur immediately.

**Feasibility:** 3 – It may be difficult to initially fund these programs since the cost of green building/high energy efficiency is currently higher than typical construction.

**Co-benefits:** Proposal benefits and reduces community eCO<sub>2</sub> production. Short-term costs are higher, long-term costs are substantially lower through reduced energy costs.

**RECOMMENDATION: Green Building Education**

**Building Dept.**

**Measure Status:** Proposed

**Responsible Department:** Building Department

**Overall score:** 16

Research and make available green building education materials. Make information available to builders and home owners. This program would provide green building and energy efficiency education and outreach efforts to builders and citizens, and involve the creation of informational material and workshops that outline available resources, contacts and strategies for energy efficiency.

**eCO<sub>2</sub> Savings:** 3 – Savings would be in heating fuel and electricity.

Proposal benefits and reduces community eCO<sub>2</sub> production. Short-term costs are higher, long-term costs are substantially lower through reduced energy costs.



**RECOMMENDATION: Home Rehabilitation Loan Program Adjustment** **Building Dept.**

**Measure Status:** Proposed

**Responsible Department:** Building Department

**Overall score:** 20

Incorporate energy-savings retrofits in at least 75% of all Home Rehabilitation Loan Program projects. 75% of contracts for home rehabilitation loans would be written to ensure that retrofits will include high standards for energy efficiency, particularly as related to items such as insulation, windows, heating systems, and other energy efficiency items.

**eCO<sub>2</sub> Savings:** 4 – Savings would be in heating fuel and electricity.

**Cost:** 5 – City/agency is providing funds for these projects that will be paid back.

**Annual Cost Savings:** 4 – Energy savings accrue right away and every year thereafter.

**Payback Period:** 5 – Energy savings occur immediately.

**Feasibility:** 3 – It may be difficult to initially fund these programs since the cost of green building/high energy efficiency is currently higher than typical construction.

**Co-benefits:** Proposal benefits and reduces community eCO<sub>2</sub> production. Short-term costs are higher, long-term costs are substantially lower through reduced energy costs.

**RECOMMENDATION: Adjust Contract Bidding** **Public Works**

**Measure Status:** Proposed

**Responsible Department:** Public Works Project Manager

**Overall score:** 20

Integrate energy efficiency into city contracts and consider modifying lowest cost bidding process to incorporate life cycle costs and energy efficiency to promote sustainability. All new proposals, contracts, and bidding process documents would be written to ensure that all projects will include high standards for energy efficiency. Lowest cost bidding would be modified to require all contracts and bidding to incorporate life cycle costs and energy efficiency.

**eCO<sub>2</sub> Savings:** 4 – Savings would be in heating fuel and electricity.

**Cost:** 5 – Initial cost is higher, but long-term costs are substantially reduced when improved energy efficiency is realized.

**Annual Cost Savings:** 4 – Energy savings accrue initially and every year thereafter.

**Payback Period:** 3 – Energy savings occur over time; often there is a premium paid for efficiency making the item initially more expensive. Long-term costs are reduced.

**Feasibility:** 3 – It may be difficult to convince departments to adjust their contracting.

**Measure Status:** Ongoing

**Responsible Department:** Public Works, Building Inspector

**Overall score:** 16

Enforce and strengthen the secondary heat requirement to improve community's adaptability to electricity shortfalls. Consider adding fines or other wording to strengthen the enforceability of the code. Require strong enforcement of this code. Remind residents that this requirement provides flexibility for the City and the residents during electricity shortfalls.

The following excerpt from The Sitka General Code is provided (Chapter 19.01- BUILDING CODE)

***19.01.030 International Residential Code Section R303.8—Required heating—  
Amended.***

International Residential Code Section R303.8, Required heating, is amended to include the following paragraph:

*“If a dwelling should be designed to use electricity as the primary energy source to provide heat to habitable spaces, a permanently installed code-compliant secondary heat source must be provided. The secondary heat source must be either a solid fuel-burning appliance, an oil-burning appliance, a compressed gas-burning appliance, or approved alternate heat source. The secondary heat source must be listed, be designed for general heating, and be capable of providing a heat output of no less than twenty thousand BTU/hr at design output.”*

**eCO<sub>2</sub> Savings:** 4 – Savings would be in fuel used to run City's generators.

**Cost:** 3 – Cost to adjust code wording is minimal to the City; cost for enforcement is moderate.

**Annual Cost Savings:** 3 – Savings are generally limited to the community, not the City. However, for individuals who may be forced to heat with electricity under dramatically higher costs, savings accrue initially and every year thereafter.

**Payback Period:** 2 – During the short-term electricity shortfall, payback would occur immediately. Long-term costs are reduced for residents.

**Feasibility:** 4 – Proposal would have to pass through the assembly. Change in code would be limited.

**Overview:**

**Energy Savings**

- Depends on rate of adoption of alternate heating sources (i.e. wood energy) for secondary heat
- Depends on availability of hydroelectric power for new homes wishing to use electricity as primary energy source

**Benefits**

- Potentially increased availability of hydroelectric power for home heating
- Reduced greenhouse gas emissions if alternative heating sources (i.e. wood energy) replace fossil fuel systems
- Potentially greater awareness of alternative heating systems and options available for Sitka

**Measure Status:** Proposed

**Responsible Department:** Planning

**Overall score:** 20

Adjust new development zoning ordinances to allow for: compact development; increased zoning for smaller homes that are closer together; and increased mixed-use zoning and allow for development of small stores, etc. close to housing in new developments. This proposal is designed to help communities reduce their carbon footprint by reducing the amount of driving required.

**eCO<sub>2</sub> Savings:** 4 – Savings would be in fuel for transportation.

**Cost:** 5 – Cost to adjust code wording is minimal to the City.

**Annual Cost Savings:** 3 – Fuel savings is generally limited to the community, not the City. However, for individuals living in these zones, savings accrue initially and every year thereafter.

**Payback Period:** 4 – Due to the low cost of adjusting zone wording, payback would occur immediately. Long-term costs are reduced for residents.

**Feasibility:** 2 – Proposal would have to pass through the assembly. It may be difficult to convince individuals to allow for adjust the zones. However, since development and purchase of lots is just beginning in the benchlands, now is a good opportunity to institute smart-development concepts.

**Co-benefits:** Proposal benefits and reduces community eCO<sub>2</sub> production. Smart development that puts parks, small stores, day care, and other developments near existing housing reduces the need for driving and increases walking/biking. This can lead to healthier individuals, less cars and congestion, and shift in future housing demand to smaller homes and lots, townhouses, and condominiums in neighborhoods where jobs and activities are close at hand.

**Success Stories:** In September 2007, the Urban Land Institute and the National Center for Smart Growth Research and Education at the University of Maryland published *Growing Cooler: The Evidence on Urban Development and Climate Change*. After reviewing dozens of empirical studies, the authors predict that if sprawling development continues to fuel growth in driving, the increase in total miles driven will overwhelm expected gains from vehicle efficiency and low-carbon fuels. Lead author Reid Ewing stated, “The research shows that one of the best ways to reduce vehicle travel is to build places where people can accomplish more with less driving.”

**Measure Status:** Proposed

**Responsible Department:** Zoning

**Overall score:** 18

Adjust code to allow for solar panels higher or closer to edge of lot than current code. This proposal would allow for small adjustments to the code to allow solar panels to be slightly higher than current code allows or closer to current setbacks. While use of solar panels in Sitka is currently limited mainly to islands, it is a reasonable technology for use in Sitka. Allowing panels to be slightly higher or closer to setbacks than is currently allowed may make their use more feasible for some homeowners and businesses as they try to take full advantage of sun.

**eCO<sub>2</sub> Savings:** 2 – Savings would be in electricity; limited current interest in solar.

**Cost:** 5 – Cost to adjust code wording is minimal to the City.

**Annual Cost Savings:** 3 – Electricity savings is generally limited to the community, not the City. However, for individuals living in these zones, savings accrue initially and every year thereafter.

**Payback Period:** 4 – Due to the low cost of adjusting zone wording, payback would occur immediately. Long-term costs are reduced for residents.

**Feasibility:** 4 – Proposal would have to pass through the Assembly. Change in code would be limited. Since many solar panels are “roof” mounted (often on a small, raised bed), a small change in the code could benefit many people who may be interested).

**Co-benefits:** Increased use of solar power by individuals would reduce the electric load on the City, reducing the need for burning diesel. Proposal benefits and reduces community eCO<sub>2</sub> production.

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## APPENDICES

### 5.0 Appendix A. Energy Audit Initiatives

The following energy audit initiatives are those that are summarized in section 3.2 of this Plan. These items would all need to be implemented to meet the goal set by the Assembly.

- Table A-1 are planned activities arranged by the Fiscal Year or time frame planned for the item.
- Table A-2 is remaining medium and high priority audit items arranged with the highest eCO<sub>2</sub> saving initiatives at the top.
- Table A-3 is Blatchley Middle School initiatives arranged with a combination of the most cost-effective and highest eCO<sub>2</sub> saving initiatives at the top.

#### City Buildings

**Table A - 1: City Building Energy Audit Initiatives-Planned**

Item	Building	Status	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Life Cycle Savings	eCO <sub>2</sub> Reduction (Tons/yr)
Set Computers to sleep mode	8 City Bldgs	Ongoing	\$1,900.00	22130	0	\$33,200.00	1.54
Turn off inactive computers	8 City Bldgs	Ongoing	\$2,000.00	35600	0	\$19,600	2.49
Install water conserving aerators	7 City Bldgs	Ongoing	\$1,200	4,310	270	\$33,300	3.30
Retrocommission (mostly HVAC) - includes controls and switches	Airport	FY 10	\$25,000	4200	1200	\$72,500	12.29
Retrocommission	Fire Hall	FY 10	\$24,200	1900	600	\$24,700	6.13
Retrocommission	Centennial Building	FY 10	\$31,700	1600	630	\$18,600	6.41
Retrocommission	Kettleson Library	FY 10	\$19,600	550	310	\$5,000	3.1385
Retrocommission	Wwtp	FY 10	\$25,600	460	420	\$7,300	4.2322
Retrocommission	Public Services	FY 10	\$37,465	540	480	\$12,100	4.84
Install Unit Heater Automatic Valves	Airport	FY '11	\$1,200	0	100	\$6,800	1
Install Unit Heater Automatic Valves	Fire Hall	FY '11	\$800	0	60	\$3,500	0.6
Boiler Flue Damper	Library	FY '11	\$2,000	80	0	\$3,400	0.01
Install Refrigeration Heat Recovery	Senior Center	FY '11	\$9,500	15000	0	\$11,400	1.05
Install Boiler Flue Damper	Airport	FY '12	\$3,000	0	130	\$5,900	1.3
<b>TOTAL THIS SECTION</b>			<b>\$185,165.00</b>	<b>86,370</b>	<b>4200</b>	<b>\$257,300.00</b>	<b>48.3307</b>

**Table A – 2: City Building Energy Audit Initiatives-Unbudgeted**

Item	Building	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Life Cycle Savings	eCO2 Reduction (Tons/yr)
Boiler Room Heat Recovery	Fire Hall	\$15,500	8000	560	\$14,800	6.16
Install Boiler Room Heat Recovery	Centennial	\$15,500	0	600	\$17,900	6
Install TSA Natural Cooling System	Airport	\$9,500	2900	540	0	5.603
Install Boiler Room Heat Recovery	Psc Office/Shop	\$16,500	0	500	\$13,100	5
Replace Entrance Window and Door Glazing	Airport	\$15,900	0	420	\$16,200	4.2
Install Refrigeration Waste Heat Recovery	Airport	\$7,500	0	410	\$20,500	4.1
Boiler Room Heat Recovery	Wwtp	\$13,000	0	410	\$8,600	4.1
Boiler Room Heat Recovery	Library	\$11,000	0	290	\$3,600	2.9
Install Unit Heater Automatic Valves	Psc Office/Shop	\$6,000	0	280	\$15,300	2.8
Increase Roof Insulation	Fire Hall	\$14,900	0	270	\$6,000	2.7
Install Unit Heater Automatic Valves	Wwtp	\$4,000	0	190	\$10,200	1.9
Boiler Flue Damper	Wwtp	\$6,000	0	160	\$5,100	1.6
Replace Transformer	Wwtp	\$19,200	21700	0	\$16,600	1.519
Install Boiler Flue Damper	Psc Office/Shop	\$6,000	0	150	\$4,200	1.5
Install Boiler Flue Damper	Centennial	0	0	150	\$4,000	1.5
Boiler Flue Damper	Fire Hall	\$4,000	0	140	\$5,300	1.4
Install VFD on AHU-1	City Hall	\$7,300	15000	0	\$11,800	1.05
Replace Entrance Glazing	Library	\$4,900	0	75	\$900	0.75
Variable Hold Room Air Flow	Airport	\$11,800	9800	0	\$800	0.686

Reduce Exterior Lighting	Centennial	\$200	9700	0	\$18,600	0.679
Install CUH Automatic Valves	Centennial	\$800	0	60	\$3,500	0.6
Replace Transformer	Airport	\$7,500	7100	0	\$4,200	0.497
Replace Entrance Doors	City Hall	\$10,000	6700	0	\$400	0.469
Replace Jetway Windows	Airport	\$1,700	0	35	\$1,000	0.35
Install Water-Conserving Shower Heads	Fire Hall	\$200	0	30	\$2,000	0.3
Replace HW Recirculating Pump	Wwtp	\$600	3200	0	\$4,700	0.224
Replace HVAC Motors	Centennial	\$2,500	3200	0	\$3,100	0.224
Install Computer Room Natural Cooling System	City Hall	\$7,500	3200	0	0	0.224
Replace Entrance Doors	Senior Center	\$3,000	2200	0	\$500	0.154
Install Domestic HW Heater Demand Controls	Senior Center	\$1,500	45	0	\$1,700	0.00315
Install HW Heater Demand Controls	City Hall	\$1,500	32	0	\$800	0.00224
Perform Meeting Room HVAC Optimization Analysis	Centennial	0	0	0	0	0
Total this section		\$225,500.00	92777	5270	\$215,400.00	59.19439



**Table A-3: Blatchley Middle School Energy Audit Initiatives – ALL items**

Item	Implementation Cost	Energy Reduction (kWh/Yr)	Energy Reduction (Gal/Yr)	Life Cycle Savings	eCO2 Reduction (Tons/yr)
Optimize Pool HVAC (AHU-7)	\$26,992	174800	5203	\$622,066	64.266
Install Water Conservation Shower Heads	\$2,000	12400	985	\$78,324	10.72
Reduce Pool Temp	\$200	22985	985	\$108,810	11.46
Optimize Gym HVAC (AHU-1)	\$19,592	31100	1260	\$117,515	14.78
Pool Locker Heat Recovery	\$89,465	36700	2340	\$146,684	25.97
Install Swimming Pool Cover	\$95,185	59100	3430	\$249,522	38.437
Install Water Conserving Aerators	\$2,000	8040	470	\$43,542	5.2628
Inactive Computers	\$1,800	8500	0	\$9,855	0.595
Optimize MPR (VU-2)	\$17,592	15600	490	\$41,246	5.992
Optimize Commons HVAC (AHU-4)	\$16,652	11500	390	\$27,694	4.705
Install Heat Recovery Library Area (VU-1)	\$20,300	7740	510	\$29,800	5.6418
Install UH Auto Valve	\$1,800	770	45	\$2,750	0.5039
Increase Heat Pipe Insulation	\$5,750	2392	106	\$5,594	1.22744
Install Gym Heat Recovery (AHU 2, 3)	\$56,894	22623	969	\$50,400	11.2736
Convert to Variable Speed Hydraulic Pump (CP-1, 2, 9, DHW)	\$74,592	117782	0	\$48,856	8.24474
Install Basement Interior Heat Recovery (VU-12)	\$16,093	9482	406	\$12,675	4.72374
Exterior Lighting Replacement	\$13,539	8558	0	\$5,286	0.59906
Upgrade HVAC Motors (AHU-1,2,3,6)	\$5,080	3311	0	\$1,701	0.23177
Optimize Music Room HVAC	\$16,792	5814	160	\$4,128	2.00698
Install Boiler Room Heat Recover	\$35,592	4144	671	\$10,108	7.00008
Replace Wood Shop Overhead Door	\$6,000	1668	71	\$1,911	0.82676
Install Home Ec heat recovery	\$19,000	2329	100	\$9,946	1.16303
Install Classroom Lighting Occupancy Sensors	\$650	234	0	\$329	0.01638
Replace Control System	\$870,000	146190	6303	\$47,337	73.2633
Unit Ventilation Demand Control Ventilation	0	10442	607	0	6.80094
Install Science Area Heat Recovery (AHU-6)	\$44,798	15803	677	\$3,149	7.87621
<b>TOTAL THIS SECTION</b>	<b>\$1,458,358.00</b>	<b>740007</b>	<b>26178</b>	<b>\$1,679,228.00</b>	<b>313.58753</b>

## 6.0 Appendix B - CAP Initiative Funding

### 6.1 Overview: Funding Options for Municipal eCO<sub>2</sub> Reducing Initiatives

#### Grant Funding:

- Grant funding from state and federal programs and private foundations (the recent EECBG grant is one example, another possibility is 2010 proposed State grants for “Performance Contracting”)...see 6.1.2 below.

#### City-funded

- Most of the projects already implemented have been paid for by the City; this will likely be the major source of funding in the future (it makes sense – the money spent on energy conservation, saves money on energy – these items slowly pay for themselves).

#### New Funding Options (City-funded)

- Start a revolving energy/eCO<sub>2</sub> savings fund...see 6.1.2 below
- Use electricity rate adjustment to pay for community and municipal energy conservation projects - Adjust household electricity rates to slightly reduce electricity cost for lowest users, maintain rates for moderate users, increase rates for high users, increase rates more for highest users (another option - a Climate Action Plan tax modeled after Boulder, Colorado’s innovative program. The CAP tax in Boulder, approved by voters, involves an agreement with the local investor-owned electric utility to assess a tax for residential, commercial, and industrial customers based on electricity usage. The tax is collected as part of the utility’s normal billing process.)
- Start a local “carbon offset” fund – this fund would be a voluntary “energy savings account” that could be used to offset various eCO<sub>2</sub> increases by the City (for example, funds could be contributed by the City of Sitka to offset employee travel - calculated as, for example \$1 per 100 miles of travel) or contributions could come from individuals and businesses who wish to reduce their carbon footprint by supporting projects aimed at reducing greenhouse gas emissions at the Municipal level or in the community at large (through education efforts or other future City collaborations). Offset funds would be used by the City to directly fund greenhouse gas emission-reducing initiatives. See: [http://www.sfenvironment.org/our\\_programs/topics.html?ssi=6&ti=85](http://www.sfenvironment.org/our_programs/topics.html?ssi=6&ti=85) for an example.
- Create a per-gallon tax on all road-based fuel transferred within the City of Sitka

#### 6.1.1. Grant Opportunities

<http://www.swamc.org/html/about-swamc/vista-programs-raquo/energy-program/opportunities-resources.php>

<http://www.icleiusa.org/news-events/action-center/financing-staffing/funding-grant-opportunities/federal-and-national-funding>

Check the websites above for updated compilations of financial and technical resources for consumers, businesses, local, tribal, and regional governments, and non-profit organizations seeking funding to reduce their energy costs through renewable or alternative energy projects and improved efficiency. While these are certainly not complete lists, they provide a comprehensive overviews of agencies and organizations offering funding, as well as technical, environmental, and economic resources. Check back at the website above early and often as applying for financing, especially through federal grants, can be a time-intensive project.

## 6.1.2 Revolving Fund

### More information on a working revolving fund:

[http://www.c40cities.org/bestpractices/energy/annarbor\\_fund.jsp](http://www.c40cities.org/bestpractices/energy/annarbor_fund.jsp)

Ann Arbor, United States of America

An energy efficiency fund costing \$500,000 over five years that is reducing eCO<sub>2</sub> emissions by 980+ tons annually

### Summary

Ann Arbor's Energy Fund demonstrates that energy efficiency can pay for itself in the long term. Through an initial allocation of \$500,000 over five years, and by capturing 80% of the resulting savings, the city has implemented energy efficiency projects in its buildings and throughout the city that pay back their investments in 3-5 years, eliminating the need for additional annual appropriations.

### What is it?

Established in 1998, the Municipal Energy Fund is a self-sustaining source of funds, investing in energy-efficient Municipal projects – such as LED traffic and street lighting while also funding pilot projects like solar energy and electric vehicles - projects that are able to continually reduce operating costs and global warming emissions.

### How was it set up?

- In 1981 the City of Ann Arbor's Energy Plan called for energy conservation to be promoted in City buildings.
- By 1988 the municipal bonding authority provided a \$1.4 million energy bond to implement efficiency measures at 30 City facilities. The payments for this ten-year bond have been generated through energy cost savings.
- In July 1996, the City became a partner in the EPA's Green Lights program, committing it an efficiency survey all 100 buildings and facilities, and an upgrade 90% of the lighting that was identified as inefficient.
- State and public utility programs were used to perform many of the audits at little or no cost to the City, but it had difficulty finding funding to implement the recommended upgrades.
- In 1998, the final payment on the Energy Bond was made. Energy Bond payments of over \$200,000/year had been included in the annual City budget for each of the last ten years.
- Instead of discontinuing the budget item, it was reduced by 50% to \$100,000 for the next five years and used to establish a Municipal Energy Fund.

The City of Ann Arbor has just over 60 facilities, which pay about \$4.5 million/year in energy costs. The \$100,000/year initial funding has proven to be adequate, both for the energy saving opportunities available and for the fund management.

### How does it work?

The Energy Fund finances itself by re-investing funds saved through energy efficiency measures into new energy saving projects.

The Fund is administered by the City's Energy Office under the supervision of a three-person board who approve funding, implement the projects, and often serve as project manager. The Office provides the board with information from energy audits along with applications from facility managers for projects requesting energy funds. The board reviews all applications and makes final decisions on what projects to fund each year. Decisions are based on:

- energy saving potential
- improvement of the facility environment
- educational or demonstrational value of the project

Over the nine-year period, it has invested in:

- LED traffic and pedestrian signals
- street light improvements
- parking garage lighting
- a boiler
- two electric vehicles
- solar energy demonstration projects

The City adopted the rule that any facility that utilizes the fund for energy improvements will pay back 80% of the projected energy savings for five years starting the first year after the energy saving measures were installed.

Establishing a five-year payment plan allows projects that have a shorter payback (three years or less) to help support projects that have a longer payback (over five years). At first glance this does not seem fair to the facilities that install three-year payback measures, since they will have paid back their loan after three years. However, the logic used is that they will continue to have the same level of energy savings in the fourth and fifth year, so their operating costs will be lower still. We feel this type of sharing is important to the overall accountability of the organization.

### **Financing**

The City operates 60 facilities and spends \$4.5 million per year on energy (out of an annual budget of \$288 million in 2005). Most of the measures financed by the fund have payback periods of three to six years.

- In the fiscal year 1998-99, City Council approved the first \$100,000 to be available, of which \$87,000 was spent in the first year to update energy audits for 21 facilities and to implement lighting improvements at 14 of the facilities.
- During fiscal year 1999-00 these improvements generated \$19,850 in energy savings of which \$15,880 was re-invested in the Municipal Energy Fund. The money was transferred from the budgets of the facilities that received the energy improvements into the Energy Fund at the end of fiscal year 1999-00 and then available to finance further energy improvements in fiscal year 2000-01.
- The payments from these first year projects continued into the Energy Fund for 5 years, contributing \$15,880/year or a total of \$79,400 back to the fund.
- A second \$100,000 was approved for fiscal year 1999-00 and was used to implement additional energy saving projects at City facilities generating another \$15,000 in annual reimbursements.
- The energy savings from this second year of improvements were available to finance further energy saving projects in fiscal year 2001-02.
- For fiscal year 2001-02, \$30,000 was available from reimbursements from the first two years of the program.
- The \$100,000 budgeted annual contribution to the Fund was discontinued after the fiscal year 2003-04.
- From that point forward, the Fund has relied on payment of past projects to finance new projects.

Facility budgets are not impacted by the up-front costs of the energy improvements, which are covered by the Energy Fund. The annual payments are made from a portion (80%) of the resultant energy savings, allowing facility budgets to be reduced or to apply the remaining savings (20%) to further improve the facility or services.

### **Application**

- The two critical components required to make an Energy Fund work are:  
An initial funding source (available for 3-5 years):

The level of the initial funding will depend on funds available and the number and condition of municipal facilities. The City of Ann Arbor has just over 60 facilities, which pay about \$4.5 million/year in energy costs. The \$100,000/year initial funding has proven to be adequate, both for the energy saving opportunities available and for the fund management.

A manager assigned to support and coordinate the fund and its projects.

- Ann Arbor was fortunate to have an opportunity to establish the Municipal Energy Fund when a ten-year bond had been paid off.
- Other cities may choose to provide funds for an Energy Fund simply because it is a good investment or can look for opportunities similar to Ann Arbor's to avoid significant budget increases.
- One opportunity may be connected to the deregulation of energy utilities in the United States. A portion of the money saved through the purchase of natural gas or electricity from alternate suppliers could be used to establish an Energy Fund.
- Ann Arbor has maintained an active Energy Office for over ten years, with an ongoing mission to improve energy efficiency at City facilities. This means that many of the best energy saving opportunities were already implemented before the creation of the Municipal Energy Fund.
- Most of the measures that have been financed by the Ann Arbor Municipal Energy Fund have payback periods of three to six years. For cities that have not been actively installing energy saving measures, there will be many opportunities available with payback periods of less than three years. This will contribute to a much quicker regeneration of an energy fund.
- The Energy Fund is used strictly for municipal programs aimed at improving energy efficiency at municipal facilities. However, the Energy Plan calls for the City to lead by example, and this type of fund should be feasible for many local businesses that own and operate a large number of facilities.

## 7.0 Appendix C - CAP Implementation

### 7.1 Implementation Options for Municipal eCO<sub>2</sub> Reducing Initiatives

Table C-1 displays all of the CAP initiatives from Chapter 3. This table is sorted by responsible department, then by recommended priority within each department. This table also displays the cost and annual savings expected based on implementation of all included initiatives. These annual savings could be used to fund a City “Energy Manager” (see description of duties below).

#### Recommendations for Implementation by the City Assembly

- Keep CAP implementation on the Assembly’s agenda (monthly or quarterly) until an implementation plan is developed and begun.
- Support current staff in implementing CAP initiatives by supporting and funding initiatives included in the CAP.
- Appoint a CAP implementation team or individual to an existing or new City Board or Commission.
- Expand current internship program to include an annual position of CAP “Energy Manager”
- Fund a grant writer to acquire grant funding for a City “Energy Manager”.
- Hire a grant-funded part-time or full-time staff person to be the City’s “Energy Manager.” Their job would be to:
  - 1) Look for, prepare, and submit energy conservation/energy development/etc. grant applications for funding to implement CAP measures, and provide oversight of grant-funded projects.
  - 2) track projects and accomplishments,
  - 3) track data on energy use, associated costs, and eCO<sub>2</sub> emissions in all City buildings, facilities, and vehicles and utilize software tools to track changes,
  - 4) Prepare requests-for-proposals for energy audits of City buildings, supervise the work, and implement the changes necessary to improve energy efficiency.
  - 5) Assist in investigating possible sources of renewable energy to be developed by the City of Sitka; e.g., hydroelectric generation, solar/wind power, biofuels, and tidal power.
  - 6) Implement and adjust proposals for upgrading the City vehicle fleet, instituting other changes in fleet operations to reduce the use of fossil fuels, and cooperate and assist with the public transportation system.
  - 7) Develop creative incentive or challenge programs aimed at encouraging employees to reduce their greenhouse gas emissions (energy/fuel use) on the job and in commuting to and from work.
  - 8) Work with Planning Department staff to address issues related to land use and transportation planning as they relate to climate change.
  - 9) Produce an Employee Sustainability Education Handbook and quick fact sheets with policy measures to reduce energy/fuel use in day-to-day work operations.
  - 10) Act as a liaison between the City Manager’s office, other City departments, City advisory bodies, community and statewide organizations, and national/international organizations in efforts to address global climate change and sustainability.
  - 11) Assist in the sponsorship of community events and campaigns that address global warming, renewable energy, “green business practices/awards,” etc.
  - 12) Draft correspondence, reports, news releases, brochures, fact sheets, opinion pieces, advertising, etc. to aid in the implementation of CAP measures, particularly those related to outreach and advocacy.
  - 13) Maintain up-to-date information on climate change issues on the City of Sitka website.

**Table C-1: All Initiatives – Implementation Priorities by Department**

Initiative	CAP Page	Responsible Party	Priority	Cost	Annual Savings	Date Implemented
Energy Efficient Affordable Housing Funding	49	Building Dept.	1	Low	Mod. High	
Home Rehabilitation Loan Program Adjustment	50	Building Dept.	2	Low	Mod. High	
Green Building Education	49	Building Dept.	3	Mod. Low	Mod. High	
Right Size City Vehicle Fleet	31	City Administrator	1	\$0	\$14,284	
Commuter Transit Reimbursement Program	35	City Administrator	2	\$6,500/yr	N/A	
Conversion to Energy Efficient Streetlights (150 MI bulbs)	27	Electric Dept.	1	\$58,200	\$6,423	
Diesel Generator Replacement	26	Electric Dept.	2	\$5,000,000	Savings vary	
Energy and Fuel Saving Behavior Audits	45	Electric Dept.	3	Low	High	
City Bldg.- Add Electric Heat	23	Electric Dept./Public Works	1	\$1,233,000	Dependent on fuel cost	
Employee Incentive Program for Saving Energy and Fuel	46	Finance	1	Mod. Low	Mod. High	
Increase Fuel Efficiency	33	Fleet Manager	1	No additional cost	\$3,144	
Reduce Vehicle Idling	34	Fleet Manager	2	No additional cost	\$7,860	
Hybrid & Electric Vehicle Replacement	32	Fleet Manager	3	No additional cost	\$10,800	
Maintain Parks with non-chemical Inputs	40	Parks and Recreation	1	\$10,000 start- up plus \$10,000/yr	\$0*	
Adjust New Development Zoning	52	Planning	1	Low	Moderate	
Adjust Code for Solar Panels	53	Planning	2	Low	Moderate	
City Bldg. Energy Audit Initiatives	20, App. A	Public Works	1	\$410,665	\$18,908**	
Materials Reuse Center	38	Public Works	2	\$12,000 start-up plus \$20,000/yr	\$5,000	
Curbside Recycling	37	Public Works	3	\$20,000 start- up plus \$10,000/yr	\$8, 700	
Ban Yard Waste from Garbage	40	Public Works	4	\$7,700/yr	\$0*	
Municipal Composting	39	Public Works	5	\$125,000/yr	\$0*	
Enforce/Strengthen Secondary Heat Source Requirement	51	Public Works Building Inspector	1	Moderate	Moderate	
Adjust Contract Bidding	50	Public Works	1	Low	Mod. High	

Initiative	CAP Page	Responsible Party	Priority	Cost	Annual Savings	Date Implemented
		Project Manager				
Energy/Fuel Conservation Training	44	Recycling	1	Low	High	
Energy Efficient Remodel of Pacific High School	28	School District	1	Moderate	Moderate	
Serve Locally Caught Fish in Schools	42	School District	2	Unknown	Unknown	
Compost School Food Waste	41	School District	3	\$5,000/yr	\$5,000	
Schools – Add Electric Heat	24	School District & Electric Dept.	1	\$900,000	Dependent on fuel cost	
Blatchley M.S. Energy Audit Initiatives	21, App. A	School District & Public Works	1	\$1,458,358	\$0*	
<b>TOTAL</b>					\$80,119	

\* These projects pay for themselves, but do not make a profit (their annual savings pay for their costs)

\*\*Calculations are based on Life Cycle Savings divided by 25 years in the life cycle; this estimate is an approximation that includes cost, maintenance, energy savings, and an approximate 5% interest rate on savings



## 8.0 Appendix D - CAP Monitoring

Step 5 of the ICLEI milestones for setting and meeting climate mitigation goals is monitor and verify results. ICLEI states that “Monitoring and verifying progress on the implementation of measures to reduce or avoid greenhouse gas emissions is an ongoing process. Monitoring begins once measures are implemented and continues for the life of the measures, providing important feedback that can be used to improve the measures over time. ICLEI's software provides a uniform methodology for cities to report on measures.”

Climate Action Plan monitoring is used to verify progress, and to provide feedback on measures implemented. Monitoring of municipal greenhouse gas emissions and reductions for Sitka Municipal activities is relatively simple since it is based on total City fuel and electricity usage (items that are already important to and tracked by the City). Determining actual eCO<sub>2</sub> reductions by project is more complicated since multiple activities (with multiple benefits) may be occurring in the same building at the same time. Additionally, variables like weather conditions and amount of snow and snow removal, or amount of heat needed to keep a building warm, may increase or decrease eCO<sub>2</sub> emissions based on yearly fluctuations.

We recommend four tracking tasks on a yearly basis:

- 1) Track oil/diesel usage by building
- 2) Track electricity usage by building
  - Building Maintenance Superintendent (Chris Wilbur) would be responsible for this tracking for City buildings
  - Director of Maintenance for Sitka Schools (Mark Bautista) would be responsible for this tracking for School buildings
- 3) Track gas/diesel usage by vehicle size class
  - The Public Works Operations Manager/Fleet Manager would be responsible for this tracking for City vehicles
- 4) Update the table of climate actions with completion date and cost as projects are completed
  - All three individuals listed above would be responsible for reporting project completion; Chris Wilbur would compile responses in the CAP table.

The energy usage in 1), 2), and 3) above would be converted to eCO<sub>2</sub> (by doing calculations shown in Section 2.3). If only an overall check of moving towards emission goals was desired, eCO<sub>2</sub> totals from all City buildings, School buildings, and vehicles could be converted and added together. If data was converted by building and vehicle type, and then graphed as eCO<sub>2</sub> emissions by building/or vehicle type by year, the Staff and Assembly could better visualize the impact of individual projects (and better discover if unanticipated results are occurring). The eCO<sub>2</sub> results in combination with the projects completed that year (and the year before, since results might be more clear the following year) would be reported annually to the Assembly.

## 9.0 Appendix E - Past City Energy Efficiency Actions

The following actions were taken by the City and Borough of Sitka and the Sitka School District to save energy during or prior to the 2006 emissions inventory. These actions are included in the 2003 and/or 2006 greenhouse gas emissions inventory.

**Table E-1: Energy Efficiency Actions Completed in or before 2006**

Action	Building	Year completed
Replacing Roofs and Increase Insulation	Centennial Building	1994
Replacing Roofs and Increase Insulation	City Hall	Oct-06
Replacing Roofs and Increase Insulation	City State	Feb-02
Replace Roofs	Fire Hall	2003
Replacing Roofs and Increase Insulation	Marine Services	Jul-04
Replacing Roofs and Increase Insulation	Public Services	Jun-05
Replacing Roofs and Increase Insulation	SMC	Sep-03
Window and door seals	Airport	Mar-03
Window Replacement	Senior Center	Aug-04
Replace Control System	City State	2005
Replace Control System	Kattleson Library	Jun-05
Upgrade Control System	Public Services	Sep-01
Replace Control System	Centennial Building	Nov-99
Electric Boiler Installation	City State	Jun-05
New Roof/Increase Insulation	BES	2006
New Roof/Increase Insulation	BMS	2006
New Roof/Increase Insulation	SHS	2006
Electric Boiler Installation	BMS	2006

## 10.0 Appendix F - Initiatives Not Included in the CAP

The following initiatives were brought forward by the CAPTF, City Staff, or other individuals for potential inclusion in the Plan. These items were not included as recommendations in the plan due to low relative scores in the CAPTF's rating system, low prioritization by City staff, or the CAPTF's lack of resources to do adequate research to warrant inclusion in the Plan.

Many of these "not included" initiatives came out of other city's Climate Action Plans, and thus, are occurring in and benefiting other U.S. cities. These initiatives could be implemented if desired. Further research into these and other potential initiatives could be accomplished by a part or full time staff person dedicated to implementing the Plan.

- LEED Certification - provide to staff identified as needing this training for on-the-job use
- Require new buildings and retrofits conform to LEED standards
- Purchase idling monitors and use to educate/further implement reduced vehicle idling
- Renewable energy demo/pilot projects
- Electronic filing system
- Reduce/limit travel to essential travel – provide and use options for teleconference, video conference, online courses, webinars, call-in, carpool, etc.
- Paperless pay statements- Implement an electronic timesheet system for employees to track work time saving paper generation every 2 weeks and delivery.
- Educate public at all opportunities
- Find and designate City-owned land areas that could be used for planting and harvesting fruits, vegetables, and trees on a temporary or permanent basis
- Increase sidewalks/trails/bikeways
- GIS Mapping - map the Sitka shoreline at today's sea level and what would our shoreline look like at sea level increases of up to 6 ft in 1 ft increments
- Methane recovery system at WWTP
- Heat recovery system at MSC
- C&D Procedures and Certification training
- Street tree planting
- Open burn ban/incentive program for composting - Enforce and limit open burn permits to those where carbon footprint is calculated to be lower. Prohibit the burning of trash, recyclables and overburden.
- Police units on bicycles
- Construction and demolition recycling
- Local energy efficiency incentive program
- Institute similar electronic bid document system as the Southeast Conference does.
- Include public transportation system in annual City budget - support lowered/eliminated public transportation fares
- Electronic and consolidated billing notices - Consolidate utility, harbor and other city bills into one and make it paperless.
- Implement a green purchasing policy to promote the use of products made of recycled, reused, or compostable and toxic-free materials, use less packaging, and focus equipment/vehicle purchases on waste prevention.
- Expand recycling program to include all City facilities (for mixed paper, cardboard, and most plastics)
- Complete energy audits and energy upgrades on remaining City and School District Buildings.



## Legislation Details

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File #: 13-197      Version: 1      Name:  
Type: Item      Status: AGENDA READY  
File created: 10/2/2013      In control: City and Borough Assembly  
On agenda: 10/7/2013      Final action:  
Title: Approve the Municipal Clerk's Certification of Election  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Certificate of Election 2013](#)

Date	Ver.	Action By	Action	Result
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# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

## CERTIFICATE OF ELECTION

**THIS IS TO CERTIFY THAT** the results of the Regular Election held on October 1, 2013, has been certified by the Municipal Clerk and accepted by the Assembly on October 7, 2013 at a regular meeting.

The total number of ballots issued was 1337 and the number of ballots counted was 1308. 1232 ballots were cast and counted Election Day. An additional 76 question, absentee and special needs ballots were counted on October 3, 2013. A total of 24 ballots were spoiled, ineligible or not returned, broken down as follows: 20 spoiled, 4 ineligible and zero not returned. The results are tabulated below:

# ISSUED	BALLOT TYPE/DISPOSITION	COUNTED/CAST	REMARKS
1251	REGULAR	1232	Of regular ballots issued <19 were spoiled on election day
81	QUESTION, ABSENTEE AND SPECIAL NEEDS	76	Of the Q, A, & SN ballots issued: < 4 eligible < 1 spoiled
1332	←ISSUED		< 24 total ballots not counted for the reason(s) indicated above.
		<b>COUNTED→</b>	
		<b>1308</b>	

The following are the final results:

For Assembly two to be elected: 2- three-year terms:

**Aaron Swanson                      714    ELECTED**

**Benjamin J. Miyasato            676    ELECTED**

Assembly candidates Continued:

**Steven Eisenbeisz (write-in)    622**

Note: A number of write-in ballots for Eisenbeisz did not have the oval marked alongside his name. Both our local laws and state statutes require the oval be marked in some fashion along with the candidate's last name. Additionally, some ballots only listed his first name and were not counted. The above tabulation includes only properly marked ballots.

For School Board – one to be elected - three year term:

**Lon D. Garrison    877    ELECTED**

Other school board candidates:

Stephen Courtright    337

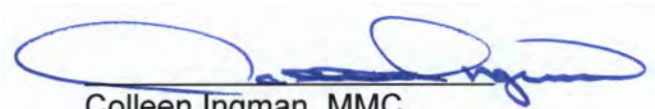
Proposition No. 1 – Shall the City and Borough of Sitka pay its remaining General Obligation Bonds authorized by the voters in 1996 for Baranof Elementary and Sitka High School improvements through the 1% additional seasonal sales tax collected from April 1 to September 30 instead of from the General Fund, estimated to be approximately \$380,000/year?

**YES                    918                    PASSED**

NO                    367

Dated this 4<sup>th</sup> day of October, 2013

ATTEST



Colleen Ingman, MMC  
Municipal Clerk

Attachments

## MUNICIPAL REGULAR ELECTION - OFFICIAL RESULTS OCTOBER 1, 2013

CANDIDATES	PRECINCT	PRECINCT	ABSENTEE//	TOTALS	PERCENTAGES
	NO. 1	NO. 2	COUNT 10/3		%
<b>PROPOSITION NO. 1</b>					
Pay School Bonds through 1% additional seasonal Sales Tax for additional two years					
Yes	396	463	59	918	71.4%
No	180	170	17	367	28.6%
<b>ASSEMBLY (2 - THREE YEAR TERMS)</b>					
AARON SWANSON	333	335	46	714	34.8%
BENJAMIN J. MIYASATO	292	347	37	676	32.9%
STEVEN EISENBEISZ <small>WRITE IN</small>	283	300	39	622	30.3%
Write-ins	16	24	1	41	2.0%
<b>SCHOOL BOARD (1 - THREE YEAR TERM)</b>					
LON D. GARRISON	396	428	53	877	71.3%
STEPHEN COURTRIGHT	141	177	19	337	27.4%
Write-ins	2	13	1	16	1.3%

## Sitka General Code

### 2.40.390 Counting ballots.

\*\*\*

G. Write-in votes are not invalidated by writing in the name of a candidate whose name is printed on the ballot unless the printed name is for the same office and has also been marked or unless the election board determines on the basis of other evidence, that the ballot was so marked as to be for the purpose of identifying the ballot.

H. In order to vote for a write-in candidate, the voter must write in the candidate's name in the space provided, and in addition, mark the oval to the right of the written-in name.

\*\*\*

## State Statutes

### Sec. 15.15.360. Rules for counting ballots.

\*\*\*

#### **(d) Write-in votes shall be counted according to the following rules:**

(1) writing in the name of a candidate whose name is printed on the ballot does not invalidate a write-in vote unless the director determines, on the basis of other evidence, that the ballot was so marked for the purpose of identifying the ballot;

(2) in order to vote for a write-in candidate, the voter must write in the candidate's name in the space provided and fill in the oval opposite the candidate's name in accordance with (a)(1) of this section; *Rules for counting ballots. (a) The election board shall count ballots according to the following rules: (1) A voter may mark a ballot only by filling in, making "X" marks, diagonal, horizontal, or vertical marks, solid marks, stars, circles, asterisks, checks, or plus signs that are clearly spaced in the oval opposite the name of the candidate, proposition, or question that the voter desires to designate.*

(3) a vote for a write-in candidate, other than a write-in vote for governor and lieutenant governor, shall be counted if the oval is filled in for that candidate and if the name of the candidate, as it appears on the write-in declaration of candidacy, or the last name of the candidate is written in the space provided;

(4) if the write-in vote is for governor and lieutenant governor, the vote shall be counted if the oval is filled in and the names of the candidates for governor and lieutenant governor, as they appear on the write-in declaration of candidacy, or the last names of the candidates for governor and lieutenant governor, or the name of the candidate for governor, as it appears on the write-in declaration of candidacy, or the last name of the candidate for governor is written in the space provided;

(5) in counting votes for a write-in candidate, the director shall disregard any abbreviation, misspelling, or other minor variation in the form of the name of a candidate if the intention of the voter can be ascertained.

\*\*\*

(b) The rules set out in this section are mandatory and there are no exceptions to them. A ballot may not be counted unless marked in compliance with these rules.





## Legislation Details

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File #: 13-194      Version: 1      Name:  
Type: Ceremonial      Status: AGENDA READY  
File created: 10/2/2013      In control: City and Borough Assembly  
On agenda: 10/7/2013      Final action:  
Title: Recognizing outgoing Assembly members - followed by a short recess  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Recognize Outgoing](#)

Date	Ver.	Action By	Action	Result
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**RECOGNIZE OUTGOING ASSEMBLY  
MEMBERS THOR CHRISTIANSON  
AND MICHELLE PUTZ**



**This recognition will be followed by a short recess  
to personally thank them for their service and  
celebrate with cake.**



## Legislation Details

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File #: 13-193      Version: 1      Name:  
Type: Item      Status: AGENDA READY  
File created: 10/2/2013      In control: City and Borough Assembly  
On agenda: 10/7/2013      Final action:  
Title: Swearing in of Newly Elected Officials  
Sponsors:  
Indexes:  
Code sections:  
Attachments: [Oath Example](#)

Date	Ver.	Action By	Action	Result
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# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

## OATH OF OFFICE ASSEMBLY

I DO SOLEMNLY SWEAR (OR AFFIRM) THAT I WILL SUPPORT AND DEFEND THE CONSTITUTION OF THE UNITED STATES, THE CONSTITUTION OF THE STATE OF ALASKA, AND THE CHARTER AND ORDINANCES OF THE CITY AND BOROUGH OF SITKA, AND THAT I WILL FAITHFULLY DISCHARGE MY DUTIES AS AN ASSEMBLY MEMBER OF THE CITY AND BOROUGH OF SITKA TO THE BEST OF MY ABILITY.

---

Aaron Swanson  
Term expiring October, 2016

ATTEST:

---

Colleen Ingman, MMC  
Municipal Clerk

SAMPLE



## Legislation Details

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File #: ORD 13-40    Version: 1    Name:

Type: Ordinance    Status: AGENDA READY

File created: 9/17/2013    In control: City and Borough Assembly

On agenda: 10/22/2013    Final action:

Title: Amending SGC Title 11 entitled "Vehicles and Traffic" to repeal SGC 11.12.080 entitled "Fine Schedule and Required Appearances," repeal Chapter 11.13 entitled "Alaska Administrative Code Adopted" Chapter 11.28 entitled "Alaska Statutes Adopted," and Chapter 11.48 entitled "Miscellaneous Offenses," and re-enact SGC Chapter 11.28 to be entitled "State Traffic Laws Adopted," to make CBS traffic ordinances consistent with state traffic statutes and regulations and their penalties

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 2013-40](#)

Date	Ver.	Action By	Action	Result
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CITY AND BOROUGH OF SITKA

ORDINANCE 2013-40

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA TO MODIFY SITKA GENERAL CODE TITLE 11 ENTITLED “VEHICLES AND TRAFFIC” TO REPEAL SGC 11.12.080 ENTITLED “FINE SCHEDULE AND REQUIRED APPEARANCES,” REPEAL CHAPTER 11.13 ENTITLED “ALASKA ADMINISTRATIVE CODE ADOPTED,” CHAPTER 11.28 ENTITLED “ALASKA STATUTES ADOPTED,” AND CHAPTER 11.48 ENTITLED “MISCELLANOUS OFFENSES” AND RE-ENACT SGC CHAPTER 11.28 TO BE ENTITLED “STATE TRAFFIC LAWS ADOPTED” TO MAKE CITY AND BOROUGH OF SITKA TRAFFIC ORDINANCES CONSISTENT WITH STATE TRAFFIC STATUTES AND REGULATIONS AND THEIR PENALTIES**

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code (“SGC”).

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. **PURPOSE.** On March 27, 1984, City and Borough of Sitka (“CBS”) Assembly passed, approved and adopted by reference certain traffic offenses and penalties as provided in the Alaska Statutes and Alaska Administrative Code. Many of the ordinances still exist as originally written in SGC and have not been modified to be consistent with state traffic laws that have been revised, repealed or adopted by Alaska state legislation.

In addition, the Alaska Court System’s computerized case management system (CourtView) and the new citation forms required by the court system’s new Minor Offense Rules allow municipalities to receive fines paid when individuals are charged state offenses as long as the state offenses have been adopted by reference. Through this ordinance, CBS will be adopting state offenses in the SGC.

The purpose of this ordinance is to make SGC consistent with state traffic laws by removing SGC 11.12.080 and Chapters 11.13, 11.28 and 11.48 and re-enacting Chapter 11.28 to be entitled “State Traffic Laws Adopted.” A further purpose is to make it possible for CBS to receive fines paid when Sitka Police Department (“SPD”) officers charge state traffic offenses. This amendment would remove the individual traffic offenses as originally copied from the state laws and ensure that SGC will remain current with all traffic laws, violations and infractions that have been modified, added and repealed by Alaska State legislation. SGC would have all motor vehicle and traffic offenses located in one chapter (SGC 11.28) instead of the three chapters (SGC 11.13; 11.28 and 11.48) now existing in SGC. The amendment will also keep Sitka’s traffic offense fine schedule consistent with the Alaska Supreme Court’s bail forfeiture schedules for traffic offenses.

48 SPD issues citations for both CBS and the State. The new citation forms required by court  
49 rules allow police officers to indicate on the citation that state statutes and regulations have been  
50 “adopted by reference” by a local government. Once SGC 11.28 has been re-enacted to conform to  
51 Alaska Statutes and Alaska Administrative Code, Sitka officers can indicate on the citation form that  
52 CBS has adopted state traffic law by reference. Sitka will then receive any fines defendants pay the  
53 court.

54  
55 For traffic offenses other than violations and infractions, the State of Alaska and CBS have a  
56 longstanding agreement in which CBS enforces and prosecutes first-time misdemeanor offenses for  
57 Driving While Under the Influence, Reckless Driving and Driving While License  
58 Suspended/Revoked/Cancelled/In Limitation. This ordinance will not change current CBS  
59 prosecution of misdemeanor cases.

60  
61 This ordinance has been reviewed by the Police and Fire Commission on September 18, 2013  
62 and will become effective the date after passage.

63  
64 4. **ENACTMENT. NOW, THEREFORE, BE IT ENACTED** by the Assembly of the City  
65 and Borough of Sitka that SGC 11.12.080 entitled “Fine Schedule and Required Appearances” is  
66 repealed. In addition, SGC Chapters 11.13, 11.28 and 11.48 are repealed and SGC 11.28 is re-  
67 enacted with the new title “State Traffic Laws Adopted.” For less confusing presentation of this  
68 ordinance, all new language for SGC 11.28 will follow directly under “Title 11 Vehicles and Traffic”  
69 index and all removed language from SGC 11.13, original language in 11.28 and 11.48 will follow  
70 after the proposed new language as follows (new language underlined; deleted language stricken):

71  
72 **Title 11**  
73 **VEHICLES AND TRAFFIC**

- 74 **Chapters:**
- 75 **11.04 Definitions**
  - 76 **11.08 Enforcement**
  - 77 **11.12 Administration**
  - 78 ~~**11.13 Alaska Administrative Code Adopted**~~
  - 79 **11.16 Obedience to Regulations**
  - 80 **11.17 Vehicle Weight and Load Limitations**
  - 81 **11.24 Traffic-Control Devices**
  - 82 **11.28 State Traffic Laws Adopted ~~Alaska Statutes Adopted~~**
  - 83 **11.32 Turning Movements**
  - 84 **11.36 One-Way Streets and Alleys**
  - 85 **11.40 Stopping, Standing and Parking**
  - 86 **11.44 Miscellaneous Driving Rules**
  - 87 ~~**11.48 Miscellaneous Offenses**~~
  - 88 **11.52 Vehicle Safety and Accessory Equipment**
  - 89 **11.54 Truck Routes**
  - 90 **11.56 Taxicabs**
  - 91 **11.60 Impounding Vehicles**
  - 92 **11.64 Pedestrians**

93 **11.68 Bicycles**  
94 **11.70 Helmet Requirements for Young Persons Riding Certain Vehicles**

95 \* \* \*  
96

97 ~~11.12.080 Fines schedule and required appearances.~~

98 The following fine schedule and appearance requirements are set for the municipality's motor  
99 vehicle and traffic offenses:

100 A. The municipal fines schedule shall be the scheduled amount of bail adopted by the Alaska  
101 Supreme Court for state motor vehicle and traffic offenses.

102 B. All municipal motor vehicle and traffic offenses may be disposed without court appearance,  
103 except violations of:

- 104 1. Section ~~11.13.02.140~~;
- 105 2. Chapter ~~11.20~~;
- 106 3. Sections ~~11.28.15.281~~ through ~~11.28.35.180~~;
- 107 4. Chapter ~~11.48~~.

108 C. All vehicle and traffic offenses not covered by the state bail schedule or within the charging  
109 section, the standard fine shall be fifty dollars, except correctable violations for which the bail  
110 amount shall be twenty dollars.

111 D. Whenever a person fails to appear at a scheduled court hearing ten dollars shall be added to  
112 the bail amount/fine for the offense.

113 \* \* \*  
114

115 **Chapter 11.13**  
116 **ALASKA ADMINISTRATIVE CODE ADOPTED**  
117 **(Repealed in its entirety)**

118 \* \* \*  
119

120 **Chapter 11.28**  
121 **STATE TRAFFIC LAWS ALASKA STATUTES ADOPTED<sup>1</sup>**

122 Sections:

- 123 11.28.010 Adoption of state traffic laws. Basic speed.
- 124 11.28.020 Traffic fine schedule – adoption of state bail forfeiture schedules by reference.  
125 Definition of prima facie speed limits.
- 126 11.28.030 Violation – Infraction. Maximum speed limits.
- 127 ~~11.28.040 Authority to increase, decrease speed limits.~~
- 128 ~~11.28.05.091 Seizure of unsafe or defectively equipped vehicle.~~
- 129 ~~11.28.05.095 Use of seat belts and child safety devices required.~~
- 130 ~~11.28.05.096 Exemptions and alternate safety devices.~~
- 131 ~~11.28.05.097 Child safety device loan program.~~
- 132 ~~11.28.05.098 Sale of child safety devices.~~
- 133 ~~11.28.05.099 Penalty.~~
- 134 ~~11.28.10.011 Vehicles subject to registration.~~
- 135 ~~11.28.10.081 Issuance of certificate of registration; certificate to be signed, carried and~~  
136 ~~displayed.~~



- 137 11.28.10.121 — Vehicles of nonresidents.
- 138 11.28.10.171 — Display of registration plates.
- 139 11.28.10.261 — Evidence.
- 140 11.28.10.321 — New owner to secure transfer of registration and new title.
- 141 11.28.10.451 — Unlawful to violate provisions requiring registration and title.
- 142 11.28.10.461 — Driving vehicle without evidence of registration.
- 143 11.28.10.471 — Driving vehicle when registration suspended or revoked or permit expired.
- 144 11.28.11.010 — Abandonment unlawful.
- 145 11.28.15.011 — Licenses.
- 146 11.28.15.131 — License to be carried and exhibited on demand.
- 147 11.28.15.281 — Unlawful use of license — Permitting unauthorized person to drive.
- 148 11.28.15.291 — Driving while license suspended, revoked or in violation of a limitation.
- 149 11.28.22.019 — Proof of insurance to be carried and exhibited on demand.
- 150 11.28.35.015 — Tampering with or damaging a vehicle.
- 151 11.28.35.040 — Reckless driving.
- 152 11.28.35.045 — Negligent driving.
- 153 11.28.35.050 — Action of operator immediately after accident.
- 154 11.28.35.060 — Duty of operator to give information and render assistance.
- 155 11.28.35.080 — Immediate notice of accident.
- 156 11.28.35.110 — Penalty for giving false information in report or failing to report.
- 157 11.28.35.130 — False report or destruction of evidence.
- 158 11.28.35.140 — Unlawful obstruction or blocking of traffic.
- 159 11.28.35.155 — Operation of vehicle with certain tires prohibited.
- 160 11.28.35.180 — Disobedience to signals of officer regulating traffic unlawful.
- 161 11.28.35.230 — Penalty for violations of law, regulations, and municipal ordinances.
- 162 11.28.35.240 — Fines for offenses committed within highway work zones doubled.

163  
164 **11.28.010 Traffic Code - adoption of state traffic laws. Basic speed.**

165 City and borough of Sitka adopts all statutes and regulations of the state of Alaska, as they  
166 presently exist and as they may be revised in the future as the traffic code for the city and borough  
167 of Sitka.

168 A. Except as otherwise provided by state law, or municipal ordinance, no person shall drive a  
169 vehicle upon a street or highway at a speed greater than twenty five miles per hour and fifteen  
170 miles per hour at nonposted intersections.

171 B. The driver of a vehicle shall at all times drive the same so as to be able to control it, and with  
172 due regard for traffic, pedestrians, road surface, weather conditions, street or highway width. In  
173 no event shall a vehicle be driven at a speed which endangers, or is likely to endanger the safety  
174 of the driver, the vehicle, or other persons or property.

175  
176 **11.28.020 Adoption of state penalties. Definition of prima facie speed limits.**

177 City and borough of Sitka adopts as its traffic fine schedule the “Traffic Bail Forfeiture Schedule”  
178 and the “Oversize Vehicle Bail Forfeiture Schedule” in Administrative Rules 43.1 and 43.6 of the  
179 Alaska Rules of Court and any other bail forfeiture schedules relating to vehicles adopted by the  
180 Alaska Supreme Court. In addition, city and borough adopts all amendments of those schedules  
181 that become effective after the effective date of this ordinance. Citations for offenses listed on

182 these schedules may be disposed of as provided in AS 12.25.195 – 230, without a court  
 183 appearance, upon payment of the amounts listed plus the state surcharge required by AS  
 184 12.55.039 and AS 29.25.074. If a person charged with one of these offenses appears in court and  
 185 is found guilty, the penalty imposed for the offense may not exceed the amount listed for that  
 186 offense on the schedule. Citations charging these offenses must meet the requirements of Minor  
 187 Offense Rule 3 of the Alaska Rules of Court. If an offense is not listed on the fine schedule, the  
 188 defendant must appear in court to answer to the charges.

189 ~~The speed of any vehicle not in excess of the limit specified in this, or established as authorized in~~  
 190 ~~this title, is lawful unless proved to be in violation of the basic rule declared in Section 11.28.010~~  
 191 ~~hereof.~~

192  
 193 **11.28.030 Violation – Infraction. Maximum speed limits.**

194 A violation of the traffic code of the city and borough of Sitka is an infraction within the terms of  
 195 AS 28.90.010 and is punishable by a fine not to exceed three hundred dollars (\$300.00).

196  
 197 ~~Speed limits are as follows and the same shall be applicable unless changed as authorized in this~~  
 198 ~~title and, if so changed, then only when signs have been erected giving notice thereof, in which~~  
 199 ~~event the speed designated on the signs shall be the speed limit:~~

200 ~~A. Ten Miles Per Hour.~~

201 ~~1. In any alley,~~

202 ~~2. When crossing any marked school crossing during school hours, or while within any marked~~  
 203 ~~school zone, such zone to extend one hundred fifty feet in either direction from any marked~~  
 204 ~~school crossing;~~

205 ~~B. Fifteen miles per hour when properly signed as required by this title, in curves, corners, or at~~  
 206 ~~intersections where traffic and engineering studies indicate such limit is advisable;~~

207 ~~C. Twenty Miles Per Hour.~~

208 ~~1. Through any business district or residential district except on arterial streets and except as~~  
 209 ~~otherwise provided herein,~~

210  
 211 *(SGC 11.28.040 through SGC 11.28.35.240 is repealed in its entirety)*

212 \* \* \*

213  
 214 **Chapter 11.48**

215 **MISCELLANEOUS OFFENSES**

216 *(SGC 11.48 is repealed in its entirety)*

217 \* \* \*

218  
 219  
 220 **5. EFFECTIVE DATE.** This ordinance shall become effective on the day after  
 221 the date of its passage.

222  
 223  
 224 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of  
 225 Sitka, Alaska this 22nd day of October, 2013.

227  
228  
229  
230  
231  
232  
233

**ATTEST:**

---

Colleen Ingman, MMC  
Municipal Clerk

---

Mim McConnell, Mayor



## Legislation Details

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File #: 13-186      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 10/2/2013      In control: City and Borough Assembly

On agenda: 10/7/2013      Final action:

Title: Discussion/Direction concerning a potential Memorandum of Agreement with the Alaska Energy Authority - Wind Program for installation of a tower to provide assessments and potential for future utility-grade wind turbine installations.

Sponsors:

Indexes:

Code sections:

Attachments: [MOA\\_AEA\\_Met Tower](#)

Date	Ver.	Action By	Action	Result
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# Memorandum

October 1, 2013

To: Jay Sweeney, Interim Municipal Administrator  
From: Christopher Brewton, Utility Director  
Subject: **Memorandum of Agreement – Alaska Energy Authority – Wind Energy Resource Assessment Program**

## **Request**

This is to request Assembly approval to authorize the Utility Director to negotiate and enter into a Memorandum of Agreement (MOA) with the Alaska Energy Authority (AEA) - Wind Program, for the installation of meteorological tower(s) to provide site specific assessments of the potential for future utility-grade wind turbine installations.

## **Analysis:**

To quote the description of the program; “The AEA Anemometer Loan Program is aimed at communities with the potential for utility grade wind energy projects. This program supplies meteorological (met) towers, data logging equipment, and technical support to utilities interested in wind power production. Wind resource potential is quantified by collecting wind speed and direction data, as well as temperature for air density calculations. Such onsite met data allows for more precise modeling and feasibility studies. Funding for this program is from the Denali Commission and U.S. Department of Energy.”

Although the general analysis completed to date for the Sitka area indicates wind potential as fair to poor<sup>1</sup>, this is an opportunity to evaluate specific sites that may yield favorable results. In particular, evaluation of sites near our existing electric transmission facilities would be of great benefit. This basic information is necessary to determine if future incremental utility-grade wind generation is a viable supplement to our hydroelectric resources.

Should the Assembly approve this request, we would begin the project by hosting a public meeting to solicit input on the project and the potential impacts. Although these towers are relatively small, there will be aesthetic impacts, and more importantly the possibility for future utility-grade wind turbines to be located at these sites. Many factors enter into the decision to install wind turbines including; aesthetics, raptor impacts, noise, land use & rights of way, location of transmission lines, cost, system integration, constructability, access, and many other issues. Public input into the process will be important.

Once installed, the met towers are usually in place for 12-18 months to ensure adequate data collection in year round conditions. Once sufficient data is collected, the met towers will be decommissioned and returned to AEA. Should a site yield promising initial data we would follow up with a funding request to AEA or other source for a full scale wind assessment and feasibility study.

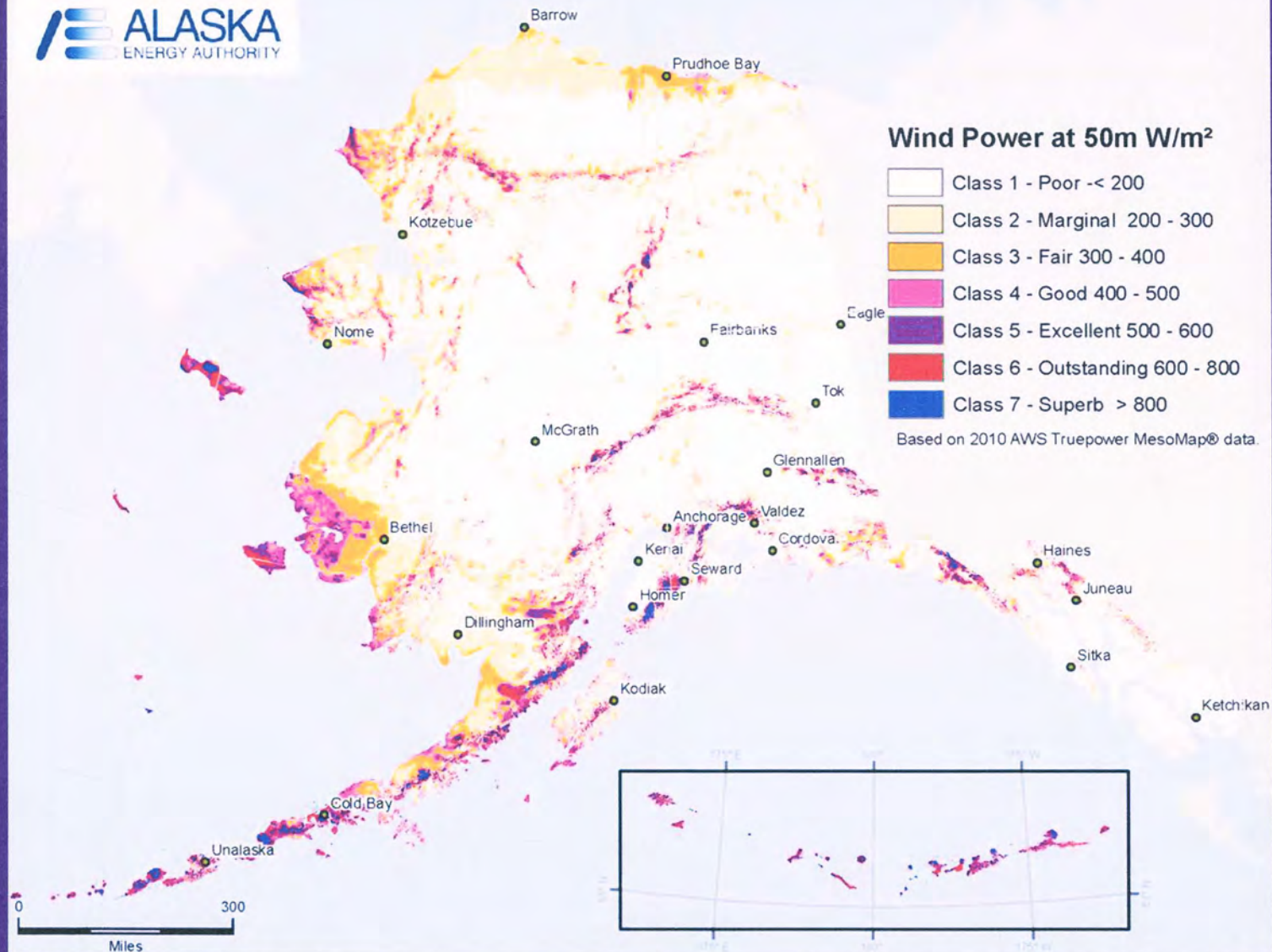
## **Fiscal Note:**

The AEA will provide the equipment and technical expertise to install the met tower(s). The Department would be responsible for providing initial labor to help install the 30-meter tower, and monthly download of data and transmittal of the data to AEA. These are very limited expenses and can be covered under our existing operations budget.

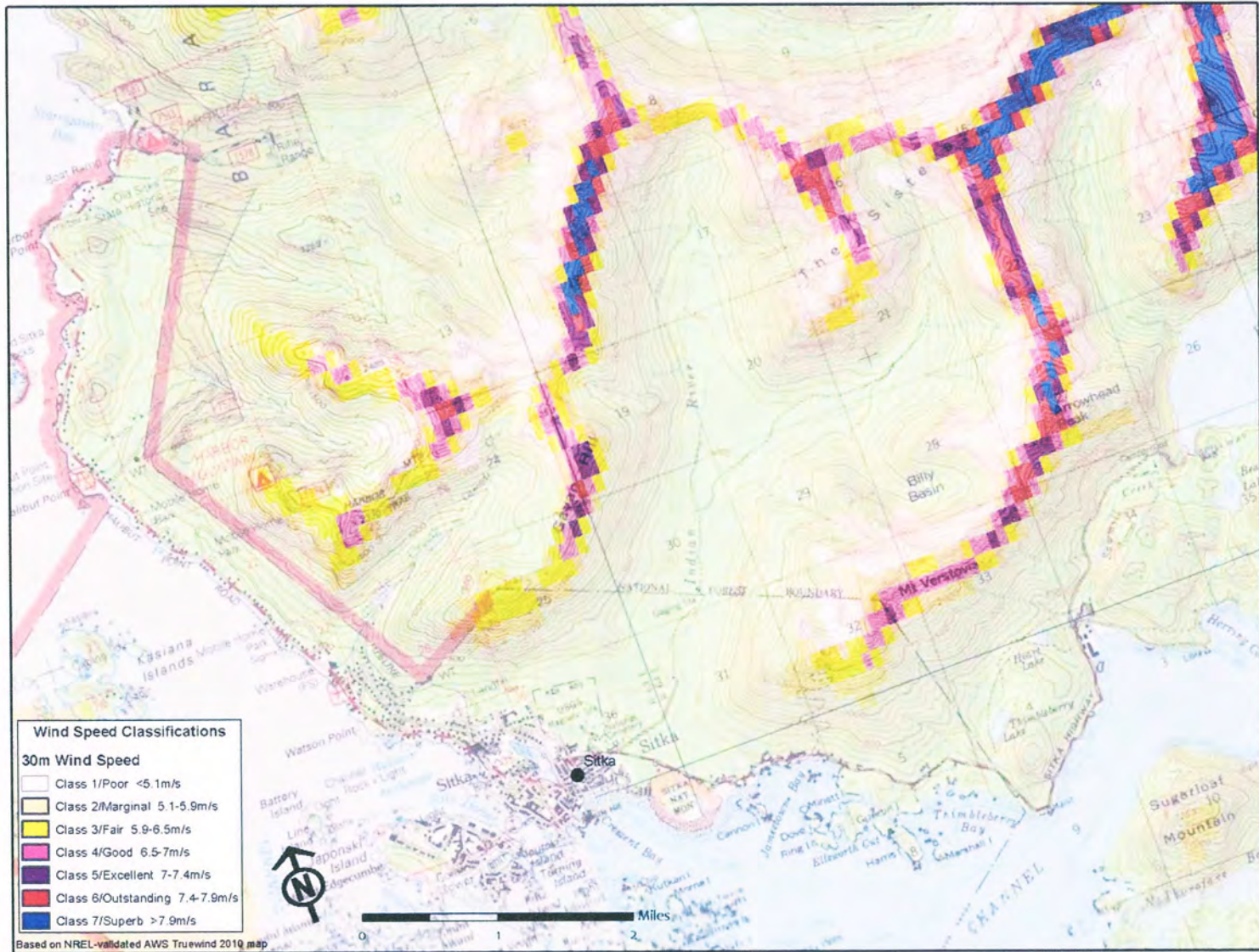
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<sup>1</sup> AEA – Alaska Wind Speed Map - Sitka

# Alaska Wind Map



**AEA - Alaska Wind Speed Map**  
**SITKA**



# Typical 30-meter MET Tower Installation

Anemometer measures wind speed at potential wind turbine hub height of 30-meters.



Extra anemometer serves as a back up and also ensures accurate readings from all wind directions.



Anemometer at 20-meter level allows us to calculate change in wind speed with height.



Temperature sensor is used to calculate air density.



Wind vane measures wind direction.



Bird diverters make the guy wires more visible to birds.



Data logger records measurements every 10 minutes.







## Legislation Details

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File #: 13-190      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 10/2/2013      In control: City and Borough Assembly

On agenda: 10/7/2013      Final action:

Title: Authorize the Interim Municipal Administrator to amend a Professional Services Agreement between Currents Consulting and the CBS for engineering services for the Takatz Lake Hydroelectric Feasibility project - \$50,000

Sponsors:

Indexes:

Code sections:

Attachments: [PSA Amendment Currents Consulting Oct13](#)

Date	Ver.	Action By	Action	Result
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# Memorandum

October 1, 2013

To: Jay Sweeney, Interim Municipal Administrator  
From: Christopher Brewton, Utility Director  
Subject: **Amendment of Professional Services Agreement – Currents Consulting – Takatz Lake**

## Request

This is to request Assembly approval to authorize the Interim Municipal Administrator to amend a Professional Services Agreement (PSA) between Currents Consulting (Engineer) and the City and Borough of Sitka (CBS) for engineering services for the Takatz Lake Hydroelectric Feasibility project. The amendment will fund a Takatz Lake final Appraisal Study which will produce in one singular document, a compilation of all studies and assessments of the project. This stand alone document is a requirement of our Alaska Energy Authority grant that will fully assess the feasibility of the Takatz Lake Project. This amendment will increase the approved budget from \$315,000 to \$365,000. The amended PSA is attached.

## Analysis:

In the course of routine correspondence with the Alaska Energy Authority (AEA), the AEA provided a substantive list of requirements for the final report they expect at the conclusion of the project. This amendment will allow our project team to complete necessary work and analysis to produce a final report acceptable to AEA.

As noted by AEA, the final feasibility study for this \$2M grant will be in the range of 100-150 pages plus large appendices. The document will analyze the prospects for the future project to produce power, while describing the engineering aspects of the selected scheme, economic feasibility, cost of power, environmental constraints, geotechnical, hydrologic, power output, power operations, construction costs, site access, estimated project development and operations & maintenance costs, transmission routing, collected data, with final conclusions and recommendations.

Note that the AEA grant is scheduled to expire in December 2013; however we have requested an extension of the grant through April 2015 which will coincide with the expiration of our 2<sup>nd</sup> FERC Preliminary Permit in January 2015.

## Fiscal Note:

Project funding consists of a \$2,000,000 AEA Renewable Energy grant; a \$770,000 designated legislative grant, and \$231,768 in department matching funds. Approximately \$633,000 in funds remains in the Takatz Lake Feasibility project budget. Estimated costs for this additional work are approximately \$50,000.

## Recommendation:

The expertise and professional knowledge offered by Mr. Carson and the project team will be invaluable to the successful evaluation of the Takatz Lake generation facilities and the rates are very cost effective. I highly recommend approval of the PSA Amendment with Currents Consulting.

CC: Robin Koutchak, Municipal Attorney  
Mike Middleton, Interim Finance Director  
Tori Fleming, Grants Accountant

Alaska Energy Authority  
Grant Agreement  
Amendment



Grant Agreement Number 2195418	CFDA# NA	Amount of Funds \$ 2,000,000
Project Code(s) 407049	PBO No./ Proposal No. PBO00376	Period of Performance: From: August 20, 2008 To: December 31, 2013
Project Title Takatz Lake Hydroelectric Feasibility		
<b>GRANTEE</b>		<b>GRANTOR</b>
Name City and Borough of Sitka		Alaska Energy Authority
Street/PO Box 105 Jarvis Street		Street/PO Box 813 W. Northern Lights Blvd.
City/State/Zip Sitka, Alaska 99835		City/State/Zip Anchorage, AK 99503
Contact Person Christopher Brewton, Utility Director		Contact Person Doug Ott, Project Manager
Phone 907-747-4000	Fax 907-747-3208	Email: chrisb@cityofsitka.com
Phone 907-771-3067	Fax 907-771-3044	Email: dott@aidea.org

**AMENDMENT 3**

**Extend Period of Performance to December 31, 2013**

**Appendix A #1, replace with following:**

**1. Definitions**

In this Grant Agreement, attachments and amendments:

- a) "Authority" means the Alaska Energy Authority, a public corporation of the State of Alaska.
- b) "Authority Project Manager" means the employee of the Authority responsible for assisting the Grantee with technical aspects of the Project and is one of the Grantor's contacts for the Grantee during all phases of the Project.
- c) "Authorized Representatives" means those individuals or entities authorized by an entity to act on its behalf, with delegated authority sufficient to accomplish the purposes for which action is needed.

Continued on next page

Grantee		Authority Project Manager		Executive Director or Designee	
Signature	Date	Signature	Date	Signature	Date
			1/23/12		1/23/12
Cheryl Westover, Mayor		Doug Ott, Project Manager		Sara Fisher-Goad AEA Executive Director	

GRANTEE COPY



DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

RECEIVED

JUL 20 2012 Designated Legislative Grant Program  
Grant Agreement

Grant Agreement Number 13-DC-420		Amount of State Funds \$770,000.00	
Encumbrance Number/AR/Lapse Date / 9239 / 06/30/2017		Project Title Takatz Lake Hydroelectric Project Planning and Analysis	
<b>Grantee</b>		<b>Department Contact Person</b>	
Name City and Borough of Sitka		Name Robin Park	
Street/PO Box 100 Lincoln Street		Title Grant Administrator II	
City/State/Zip Sitka, AK 99835		Street/PO Box P.O. Box 110809	
Contact Person John Sweeney, Finance Director		City/State/Zip Juneau, AK 99811	
Phone 907- 747-1808	Fax 907-747-7403	Phone 907-465-4731	Fax 907-465-5867

**AGREEMENT**

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and **City and Borough of Sitka** (hereinafter 'Grantee') agree as set forth herein.

**Section I.** The Department shall pay the Grantee for the performance of the project work under the terms outlined in this agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$770,000.00**.

**Section II.** The Grantee shall perform all of the work required by this Agreement.

**Section III.** The work to be performed under this agreement begins 7/1/2012 and shall be completed no later than 06/30/2017.

**Section IV.** The agreement consists of this page and the following:

ATTACHMENTS

- Attachment A: Scope of Work
1. Project Description
  2. Project Budget
  3. Project Narrative
  4. Project Management/Reporting
  5. Forms Packet
- Attachment B: Payment Method  
Attachment C: Standard Provisions

APPENDICES

- Appendix A: Audit Regulations  
Appendix B: Audit Compliance Supplement  
Appendix B2: Insurance  
Appendix C: State Laws and Regulations  
Appendix D: Special Requirements and Assurances for Federally Funded Projects (if applicable)  
Appendix E: Site Control  
Appendix F: State Fire Marshal Review

AMENDMENTS: Any fully executed amendments to this Agreement

Grantee	Department
Signature <i>James E. Dinley</i>	Signature <i>Jolene Julian</i>
Printed Name and Title James E. Dinley, City Administrator	Printed Name and Title Jolene Julian, Grants Administrator III
Date 7-18-12	Date July 20, 2012

Reviewed by: *JM*

## **Appendix (G) Takatz Lake Appraisal Study**

### **Scope of Work**

This study effort will define a recommended arrangement of Project Generating Facilities for the Takatz Lake Hydroelectric Project, FERC Project No. 13234-000. This study seeks to confirm the specific arrangement of the Project's power intake, tunnel-penstock, powerhouse, and support facilities in the powerhouse area. The study will confirm, to the extent possible, whether the project can be developed in a phased approach, using a lake tap of Takatz Lake for the power intake. The study will document past work on environmental, hydrology, power studies and the transmission system so that a single document will be in place to summarize the engineering studies in the 2009 to 2014 time frame.

A comparative cost evaluation will be performed, using cost records from three recent or on-going southeast Alaska project. These will include the Blue Lake, Ketchikan Lakes, and Allison Creek projects. From these recent project unit prices for the major cost elements of the work such as rock excavation, tunneling, concrete, generating equipment etc. will be developed. These unit prices will be applied to the recommended development plan for Takatz, in order to define a possible cost range for the Takatz Development.

The study work will also include development of draft FERC Exhibit A (Project Description) and Exhibit B (Project Operations) sections of a draft preliminary license application document (PAD). This work will not include Exhibit F or G drawings, but will provide pre-feasibility level drawings that could be used to develop the Exhibit F drawings.

Information for the Project transmission line to Sitka will be taken from selected transmission line feasibility studies as prepared by Commonwealth Associates, Inc.

Information for the environmental setting and constraints will be taken from the selected environmental resource studies completed in the 2010 to 2013 time frame. Narrative regarding how the Takatz Project might fit in with the SE Alaska Integrated Resource Plan and the possible Sitka to Kake transmission line, will be based on the SEIRP and recent study reports regarding the Sitka to Kake transmission line.

### **TASKS**

#### **1. Review of Existing Documents (MCM – Matt and Heidi)**

Review of the following existing (and forthcoming) documents:

- a. Alaska Power Administration. Plan of Development, Takatz Creek Project, Alaska. US Department of Interior, January 1968 62 pages

- b. Alaska Power Administration. Takatz Creek Project, Alaska, Appendix A – Water and Power, Appendix B – Designs and Estimates. US Department of Interior, September 1967. 80 and 82 pages.
- c. US Department of Interior. Geologic Reconnaissance of a Possible Powersite at Takatz Creek, Southeastern Alaska. Geological Survey Bulletin 1211-D. 22 pages. US Bureau of Reclamation.
- d. Commonwealth Associates, Inc. Takatz Overhead Transmission Line Alternative Feasibility Review Report Summary. February 2011, 49 pages.
- e. Currents Consulting. Project Capacity Analysis, March 2011, 87 pages.
- f. Preliminary topographic and bathymetric maps as prepared by TerraSond, 2012.
- g. Currents Consulting, Request for Proposal for Completion of Bathymetric Survey and Geophysical Survey, December 2012, 10 pages.
- h. Bathymetric Survey and Geophysical Survey Reports (David Evans and Associates, 2013).
- i. Kent Bovee, Final 2011 Wildlife Investigations Report July 2012. 66 pages.
- j. Corvus Designs, Inc., Takatz Lake Hydroelectric Project: Scenery Resources Report, August 2013, 65 pages.
- k. Karl Wolfe, Final Fisheries Investigations Report 2011, Takatz Lake Hydroelectric Project (FERC No. 13234), July 2012, 62 pages.
- l. HDR, Lazy Mountain, Botanical Resources Studies, Interim Report: 2011 Studies, February 2012, 45 pages.
- m. Anderson Land Planning, Agnew Beck, Final Recreational Resources Study Report, May 18, 2012, 94 pages (plus appendices 117 pages).
- n. Dr. George Karady and F. Mike Carson Sitka-Kake-Petersburg Intertie Study Update, February 2011, 53 pages
- o. Black & Veatch, HDR, Southeast Alaska Integrated Resource Plan, Volume 1 – Summary, July 2012, 74 pages.
- p. Black & Veatch, HDR, Southeast Alaska Integrated Resource Plan, Volume 2 – Technical Report, December 2011, 625 pages.
- q. Paleo Logics, Archaeological and Cultural Resources Report, May 2012, 32 Pages.

Deliverables:

- a. Annotated bibliography of reviewed documents. Annotation shall include a short discussion of the primary information taken from each reference.

**2. Team Meeting – Concept Review, Site Visit Planning (completed)**

Meeting preparation: Following review of existing data, prepare sketches and drawing markups (from prior studies) of proposed generating facilities locations and arrangements. Coordinate input from geotechnical and civil-structural staff to arrive at a tentative arrangement of facilities.

Team meeting: Meet in Seattle area to finalize sketches and drawing markups. Plan the summer 2013 site visit. Develop itinerary, site work tasks, and schedule of the 2013 site visit.

**3. Hydrology Development (Mike and Paul)**

Assemble and review recent USGS final and provisional flow data for USGS gage no. 15099900, Takatz C at Takatz Lake Outlet NR Baranof AK, and USGS gage no. 15100000, Takatz C NR Baranof AK. Gage no. 15099900 includes data from November 25, 2008, continuing to present, gage no. 15100000 includes data from September 26, 2010 to present. Combine this recent 4.8 years data with the hydrology developed in the Currents Consulting 2011 capacity analysis report. Comment on variations between the recent flow records and the prior hydrology data set. Assemble an overall 28 year hydrologic data set for Takatz Lake inflows, using the recent 4.8 years data and the 23 year record documented in the 2011 report.

**4. Review of Environmental Constraints (MCM – Heidi)**

Review and summarize the recent environmental studies completed by CBS under the recent FERC preliminary permits. Define the environmental constraints that may affect project development. Develop appendices that document the environmental study reports.

**5. Review of Historical Project Development Plans (MCM-Matt, Paul help)**

Review and summarize the historical project development plans. This will primarily include the alternatives studies completed by the USBR. Review past evaluations of alternative development plans described by the USBR. Comment on the USBR's ranking and selection of their preferred alternative. Provide recommendation for any revision of the preferred alternative based on present Sitka and SE Alaska power grid and markets. Review alternative development plans described in the 2011 Currents Consulting "Capacity Analysis Report". Compare the lake tap and phased development alternatives to the historical USBR development alternatives.

**6. Preliminary Facilities Layout – Phased Development (Matt and Paul-complete)**

Prepare revised sketches and preliminary drawings showing consultant's preliminary preferred arrangement of the power intake, tunnels, powerhouse and local support facilities. This layout shall be based on reviews of the information existing in early 2013 and the team's concept review meeting. These drawings and sketches may be used in the field for orientation, markup and review of the site layout, during the site visit.

Deliverables:

- a. Site plan drawings and graphics suitable for use in the field. Intent shall be to have drawings that can serve as a guide for the site inspection and which can be marked up during the site visit.
- b. List of physical locations that the study team wants to visit.
- c. Proposed schedule and itinerary for site work.

**7. Site Visit – visit complete, report pending.**

Travel to Sitka and the Project site in August or September 2013. Visit the site and observe conditions in the following areas: a) upper lake sediment delta; b) power intake area; c) dam site; d) tunnel alignment including valve chamber; e) lower tunnel alignment; f) powerhouse site including dock and support facilities area; g) transmission corridor – (overflight only to observe the transmission corridor).

Deliverables:

- a. Site visit – general report;
- b. Photographs and narrated video of site observation (on electronic media).

**8. Geotechnical Assessment – (Kim).**

Review and summarize the historical geotechnical investigations work completed in the 1960's. Describe the geologic setting of the project. Describe the geotechnical setting and conditions in the dam, tunnel, and powerhouse areas.

Evaluate the geotechnical feasibility of a lake tap development for the power conduit. Provide opinion on the risk of slumping or underwater landslides of the sediment delta. Evaluate the suitability of the dam site for a single dam constructed to el. 990. (i.e., no saddle dam). Evaluate the risk of landslides and avalanches in the powerhouse area and areas with exposed project facilities.

Summarize the existing geotechnical data and the information gained during the site visit. Provide a recommendation for the general scope of future geotechnical



site investigations that may be needed to prove the feasibility of the Phased development of the project.

Deliverables:

- a. Geotechnical report, draft and final versions. Include pertinent drawings and text from prior geotechnical reports such that this 2013 report can serve as a stand-alone document for CBS and general readers.
- b. Drawing showing geotechnical findings, based on surface observations.
- c. Recommended geotechnical field explorations and associated phasing required for the project development.
- d. Clear identification of geotechnical risks and measures required to mitigate these risks.

**9. Bathymetric and Sub-Bottom Geophysical Surveys (MCM, help from Kim)**

Review and summarize the bathymetric and sub-bottom geophysical work by DEA. Provide new area-capacity curve and tables, from el. 717 up to the USBR limit of el. 1040. Summarize the sub-bottom geophysical work. Include graphical maps of the lake and surrounding area.

**10. Power Operations Studies (Mike and Paul)**

Complete power operations studies for the USBR recommended plan, and the Phase 1, Phase 2, and full development options for the Project as described in the 2011 Capacity Analysis report. Power studies will document estimates of firm power, average power for all development options using the revised 28 year hydrologic record.

Provide narrative discussion of the benefits of increased project storage with the larger storage alternatives and discussion of how Sitka might best integrate the Takatz power into its grid. Also, describe how the value of greater storage in Takatz might vary with differing regional power grid configurations.

**11. Comparative Cost Analysis (MCM)**

Review and summarize construction costs for recent SE Alaska hydroelectric developments including Blue Lake Expansion, Allison Creek, Ketchikan Lakes and the Tyee-Swan Lake transmission line intertie. Break down the cost information available to estimate cost ranges for the major construction elements expected at Takatz.

For the Takatz development, develop unit price cost ranges for tunnels, shafts, surface rock excavation, mass concrete, structural concrete, generating equipment (\$/MW), transmission (\$/mile), general conditions costs, roads, (\$/mile), etc.

Develop estimated construction quantities for Takatz. Develop an estimated cost range for Takatz in 2014 dollars.

This section will include a “cost of power” discussion, that describes the cost of power for the Phase 1, Phase 2 and Full Development alternatives at Takatz.

#### **12. Recommended Development Plan (MCM with help from Paul)**

Evaluate up to three development alternatives, based on cost range and estimated energy output. Define the estimated range of energy costs. Describe the recommended development plan.

#### **13. Finalize Facilities Layout**

Prepare drawings similar to FERC Exhibit F drawings showing general arrangement plans, sections and elevations of the power generating facilities. Include the dock and powerhouse support facilities. AutoCAD format. Use topographic and bathymetric survey drawings as backgrounds for site plans and layouts. Include up to 3 drawing sheets showing the transmission corridor plan and typical structure drawings, as provided by Commonwealth Associates.

Deliverables:

- a. Draft drawings
- b. Final Drawings
- c. Electronic files in AutoCAD format

#### **14. Operations and Maintenance Plan and Costs (Paul)**

Describe a preliminary O&M staffing plan for the selected project alternative, with description of on-site equipment, facilities and staff. Estimate the annual O&M cost. Describe facilities and possible staffing for major maintenance events.

#### **15. Report**

Prepare draft report summarizing the study effort. Provide a clear description of the recommended project arrangement, with options considered, but discarded, etc. Provide clear statements regarding how the preferred arrangement was selected. Include a statistical summary of main project dimensions, capacities, etc. Meet with City and Borough staff to review draft report. Revise draft report and provide final report.

Report will include a narrative on the integration of the Takatz project with other regional resources and potential transmission line segments with SE Alaska. The

2012 SEIRP and 2011 Sitka – Kake transmission line feasibility study will be referenced in this narrative.

Deliverables:

- a. Draft report
- b. Meeting in Sitka with CBS staff to review draft report
- c. Final draft report.
- d. Final report
- e. Electronic copies of report, drawings, figures, photos, etc. in native format (MS Word, AutoCAD, jpg, etc).
- f. Electronic copies of report in .pdf format, with bookmarking.

#### **16. Draft FERC Exhibits A and B**

Prepare draft Exhibit A and B for the recommended Project arrangement in a format suitable for submission to the FERC as part of a Preliminary Application Document. This will not include drawings.

Deliverables:

- a. Preliminary draft Exhibits
- b. Final Draft Exhibits.
- c. Electronic copies of text, drawings, figures, photos, etc. in native format (MS Word, AutoCAD, jpg, etc).
- d. Electronic copies of draft Exhibits in .pdf format, with bookmarking.

#### **17. Support by Commonwealth Associates**

Commonwealth Associates will provide support for this study in the following areas:

- a. Provide draft report text for description of transmission facilities.
- b. Provide draft text for the FERC Exhibits A and B.
- c. Review final draft of overall report to ensure consistency of our report with past reports and studies provided by Commonwealth Associates.

#### **18. Study Costs**

See attached.

#### **SCHEDULE**

1. April 10, 2013 – submit price proposal for work
2. June 1, 2013 – Notice to Proceed, begin office studies
3. August, 2013 – Site visit
4. December, 2013 – Draft report

5. January, 2014 – Review meeting with City staff
6. February 28, 2014 – Submit final report.

#### PROJECT TEAM

Project Engineer – Paul Carson, Currents Consulting  
Lead Civil Engineer – Matt Moughamian, McMillen LLC  
Environmental Review – Heidi Wahto  
Hydrology and Power Operations – Mike Frantz  
Geotechnical Engineer – Kim de Rubertis  
Lead CADD technician - Robert Guerrero, McMillen LLC  
Transmission Line Support – Dean Scott, Commonwealth Associates



## Legislation Details

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File #: 13-188      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 10/2/2013      In control: City and Borough Assembly

On agenda: 10/7/2013      Final action:

Title: Authorize the Interim Administrator to approve a Professional Services Agreement between TS&H Automation and the CBS for technical services for Blue Lake Hydroelectric Expansion Project, Jarvis St. Diesel Capacity Increase Project and other Supervisory Control and Data Acquisition Support - not to exceed \$150,000

Sponsors:

Indexes:

Code sections:

Attachments: [TS&H Automation](#)

Date	Ver.	Action By	Action	Result
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# Memorandum

September 25, 2013

To: Jay Sweeney, Interim Municipal Administrator  
From: Christopher Brewton, Utility Director  
Subject: **Professional Services Agreement – TS&H Automation**

## **Request**

This is to request Assembly approval to authorize the Interim Municipal Administrator to approve a Professional Services Agreement (PSA) between TS&H Automation (Contractor) and the City and Borough of Sitka (CBS) for technical services for the Blue Lake Hydroelectric Expansion Project, Jarvis Street Diesel Capacity Increase Project, and other Supervisory Control and Data Acquisition (SCADA) support in an amount not to exceed \$150,000. The proposed PSA is attached.

## **Analysis:**

SCADA is the backbone system used to safely and reliably operate, on a real time basis, our electric generation, transmission, and distribution system. Functional control of our high voltage system ensures service reliability for our customers, protects the millions of dollars of system infrastructure and most importantly provides absolute control of system elements protecting our employees and the public.

A dependable SCADA system allows remote control of system switches, circuit breakers, reclosers, and generation resources to manage normal operations as well as emergencies and outages. Our electric system is monitored and controlled 24-7 by the operator on duty at the Blue Lake powerhouse.

TS&H Automation has provided support for our SCADA systems for many years and is completely versed in all aspects of the complex and dynamic skills required to ensure proper operation of the system. With the addition of the Blue Lake Expansion Project and the Jarvis Street Diesel Turbine Project, integrating these new assets into our SCADA system is of paramount importance.

## **Fiscal Note:**

Funding for this work will be from the Blue Lake Expansion Project, CIP No. 90594, and the Jarvis Street Diesel Capacity Increase Project, CIP No. 90646. Adequate funds are available in each account to fund this PSA. Estimated costs to complete the SCADA integration are approximately \$150,000, including contingency funds for additional work if required.

## **Recommendation:**

The expertise and professional knowledge offered by TS&H Automation will be invaluable to the successful commissioning and operation of the new Blue Lake and Jarvis Street generation projects. I recommend approval of the Professional Services Agreement with TS&H Automation.

CC: Robin Koutchak, Municipal Attorney  
Mike Middleton, Interim Finance Director  
Tori Fleming, Grants Accountant

**Industrial Automation Systems Development  
TS&H Automation  
Professional Services Agreement Appendix  
To be attached to CBS's standard agreement  
September 18, 2013**

**Appendix (A) Scope of Work**

The CBS intends to install, upgrade and maintain Electric Department SCADA systems. In that the Principal of TS&H Automation, is familiar with Sitka's automation systems, and has extensive demonstrated experience in the design and programming control systems, the CBS is contracting the services of TS&H Automation for automation engineering in the design, installation, and commissioning of systems to be utilized in the completion of the Blue Lake Expansion Project, Jarvis Diesel Expansion Project, as well a support of previously installed automation systems utilized by the CBS Electric Department.

**Appendix (AI) Blue Lake/Jarvis Expansion Projects - Scope of Work**

1. Task 1 (Systems Engineering and Network Design):
  - a) SCADA network expansion planning.
  - b) Operators interface planning and design.
  - c) Fiber Optic network expansion design.
  - d) Video Monitoring Systems.
  
2. Task 2 (Systems equipment specifications):
  - a. Operator Interface Hardware/Software.
  - b. Fiber Optic cabling systems and infrastructure.
  - c. Network Expansion infrastructure.
  - d. Control Room equipment specification.
  - e. Video Camera and management software.
  
3. Task 3 (Systems configuration and Software development):
  - a. Operator Interface Graphic and Database Development for switchyard controls and Blue Lake turbine generator controls.
  - b. Programing for switchyard controls and Blue Lake operation screen.
  - c. SEL interface Design.

- d. Gatehouse PLC programming.
- e. Plant Function PLC programming.
- f. Systems Server configuration.
- g. Video Systems setup.

4. Task 4 (Installation and Startup):

- a. Commissioning of Gatehouse PLC operation.
- b. Commissioning of Plant Function PLC operation.
- c. Checkout of Operator Interface operation and indications.
- d. Integration of existing Green Lake control into new systems.
- e. Commissioning of SEL data gathering and control.

5. Task 5 (Training and Support):

- a. Technical training of technicians on operator interface and plc programing.
- b. Hydro Operations support and training.
- c. Ongoing systems support of new and existing automation equipment.

The tasks are laid out as discreet events so that in the case that this contract is terminated by either party, the engineering may be continued by a third party using all the work completed at the time of termination.

## **Appendix B Compensation**

### Compensation

Compensation for TS&H Automation will be based on actual hours, expenses and the cost of third party services.

- 1) Hourly rates for TS&H Automation are \$125.00/hr for all services, which is expressed in US dollars. Rates will be adjusted to include an annual 5% increase effective each year, with the first increase occurring on January 1, 2014.
- 2) Overtime will be billed at straight time rate.
- 3) Internal expenses, such as IT (computer, standard software, etc.) are included in the hourly rate and will not be charged separately.
- 4) External expenses (Equipment, Travel, Lodging, etc.) billed at cost plus 5% mark-up.
- 5) Onsite meal per diem would be at current CBS rates of \$61 per day.
- 6) Insurancee required by CBS billed at cost plus 5%.
- 7) All compensation is for non-licensed professional services per Appendix (D).



## **Appendix C Communication**

### Communication Organization

Technical communications between the Contractor and the CBS shall include Andy Eggen for system SCADA work and Dean Orbison for work related to the Blue Lake expansion for the CBS and Tal Honadel (Principal) for the contractor.

All communications regarding scope, schedule or budget shall be directed to the Utility Director. All communications requesting agreement or confirmation of technical decisions or conclusions shall be directed to Andy Eggen or Dean Orbison, with copies to Utility Director.

Communications directly between the Contractor, construction contractors, CBS staff or the CBS's individual consultants may take place, provided that all such communications are appropriately copied to Andy Eggen, Dean Orbison and Utility Director.

### Direction of Work

Contractor's work shall be directed and requested by Andy Eggen for system SCADA work and Dean Orbison for work related to the Blue Lake expansion, or the Utility Director. Requests and direction will be submitted to the contractor in writing usually by e-mail. The contractor shall acknowledge each request and provide a short proposal to perform the work and timetable to complete it. Incremental POs will be issued by the CBS for the work performed.

### Reporting

Contractor shall provide a monthly report summarizing work performed during the month, and status of the work in progress. This report is to be submitted with all monthly invoices.

## **Appendix D Work Products**

### Work Products / Deliverables

Work performed under this contract need not be stamped by a professional engineer.

All deliverables must be submitted in the electronic format that it was generated (i.e. WORD, Excel, ACAD, Wonderware), so that it may be modified, a pdf format for publication, and paper copies when and as requested by the CBS.

Progress submittals shall also be submitted in Adobe Acrobat .pdf format. As needed, the underlying documents shall be edited as needed to provide easily readable .pdf format documents.

#### Use of Deliverables

The CBS retains the right to use all work products paid for by the CBS to continue the development and construction of the Electric Department Projects. The work products may be released to third parties to continue the work if necessary.

#### **Appendix E Schedule**

The Scope of Work for the Blue Lake Expansion will be performed as the Project progresses to completion. The Project is scheduled for completion and must be placed into full service no later than October 2014. Maintenance and upgrades to system SCADA will be performed as needed.

# **AGREEMENT TO PROVIDE PROFESSIONAL SERVICES TO THE CITY AND BOROUGH OF SITKA**

The **City and Borough of Sitka (“CBS”)** and **TS&H Automation (“Contractor”)** individually referred to as “Party” and collectively referred to as “Parties,” enter into this “Agreement to Provide Professional Services to the City and Borough of Sitka” The terms, conditions, and consideration regarding this Agreement are set out below.

This Agreement consists of:

- Professional Services Agreement
- Appendix (A): Scope of Work
- Appendix (C): Communication
- Appendix (D): Work Products
- Appendix (E): Schedule

## **SECTION 1. DEFINITIONS**

For the purpose of this Agreement, the terms used herein shall have the following meaning:

- A. The term “CBS” shall mean “City and Borough of Sitka”.
- B. The term “Contractor” shall mean “**TS&H Automation**”.
- C. “CBS” Authorized Representative shall be the person listed in Section 21(B)(2) of this Agreement.
- D. “Days” shall mean calendar days.

## **SECTION 2. AGREEMENT TIME PERIOD**

- A. This Agreement becomes effective when signed and dated by both Parties, and covers the time period when professional services are provided by Contractor.
- B. Contractor shall perform for and on behalf of CBS regarding the services set out in the Scope of Services (attached as Appendix A). Except as expressly allowed under this Agreement, CBS need not grant the Contractor any extension in the time provided to complete the work under this Agreement. If the Contractor progress falls behind the project schedule, the

Contractor shall commit additional resources to complete the work, or take such other additional steps as are reasonably necessary to assure the completion of the work at no additional cost to CBS.

- C. Contractor shall perform for and on behalf of CBS the scope of work in an expedient and reasonable manner.

### **SECTION 3. RESPONSIBILITY OF THE CONTRACTOR**

At all times during the Contractor's performance under this Agreement, the Contractor shall possess and exercise the level of competence, knowledge and skill presently maintained by other practicing members of the profession in good standing in the same or similar localities.

Contractor must certify that the firm is authorized to do business in Alaska and provide proof of insurance and licensing.

### **SECTION 4. SCOPE OF SERVICE**

The services to be performed by the Contractor shall include all services required to complete the scope of work set forth in Appendix A,C, & D and shall be in accordance with all applicable statutes, ordinances, rules and regulations.

### **SECTION 5. OWNERSHIP OF DOCUMENTS**

All plans, drawings, calculations, supporting data and specifications, originals and tracings,(Work Products) Appendix D shall become the property of CBS. Such documents shall be transmitted to CBS prior to the time of final payment for the work under this Agreement. The Contractor shall be entitled to retain and reference record copies and electronic files of all documents.

All designs, drawings, specifications, notes, artwork, computer programs, reports and other work developed with Energy Authority grant funds are public domain. In particular, the following language is in place: "Except as otherwise specifically agreed, and without limiting any Intellectual Property requirements of a federal funding agency, the Energy Authority shall have unlimited rights to use and to disseminate any data produced or delivered in the performance of the contract."

### **SECTION 6. TERMINATION**

This Agreement may be terminated:

- A. By mutual consent of the Parties;
- B. For the convenience of CBS and the Contractor, provided that either party provides written notification of its intent to terminate under this paragraph in writing at least 10 days prior to

the effective date of the termination; or

- C. For cause, by either Party where the other Party fails in any material way to perform its obligation under this Agreement; provided, however, that as a condition of the exercise of its right of termination under this subsection, the terminating Party shall notify the other Party of its intent to terminate this Agreement in writing, state with reasonable specificity the grounds, and allow the defaulting Party to cure the default within thirty (30) days of receiving the notice.
- D. Termination pursuant to this Section shall not affect the Parties continuing obligations under this Agreement.

#### **SECTION 7. DUTIES UPON TERMINATION**

- A. If CBS terminates this Agreement for convenience, CBS shall pay the Contractor the reasonable value of any services satisfactorily rendered prior to termination. Payment under this Section shall never exceed the total compensation possible under Section 9. CBS may terminate the work upon ten (10) days written notice to Contractor. Within ten (10) days after the Agreement terminates, Contractor shall deliver to CBS all finished and unfinished notes, reports, drawings and materials prepared by the Contractor which shall become the property of CBS.
- B. If this Agreement is terminated for cause, CBS shall pay the Contractor the reasonable value of the services satisfactorily rendered prior to termination less any damages suffered by CBS because of the Contractor's failure to perform satisfactorily. Any finished or unfinished documents or materials shall become the property of CBS at its option. Under no circumstances shall payment under this Section exceed the total compensation possible under Section 9.
- C. If the Contractor has received payments prior to termination in excess of the amount to which he is entitled under Subsection A or B of this Section, the excess amount shall be remitted to CBS within 30 days after receipt of CBS's notice to that effect.
- D. The Contractor shall not be entitled to compensation under this Section until the Contractor has delivered to CBS all documents, records, work products, materials and equipment owned by CBS, related to this Agreement and/or requested by CBS, as provided in Subsection A and B of this Section.
- E. CBS need not recognize any claim by the Contractor for reimbursable expenses or costs incurred after the time which the Contractor receives notice of termination under this Section.

## **SECTION 8. INDEMNIFICATION**

- A. The Contractor shall indemnify, defend, save, and hold CBS harmless from any claims, lawsuits or liability, including attorney's fees and costs, arising from any wrongful or negligent act, error or omission of the Contractor occurring during the course of or as a result of the Contractor's performance pursuant to this Agreement.
- B. The Contractor shall not indemnify, defend, save, and hold CBS harmless from any claims, lawsuits, liability, or attorney's fees and costs, arising from wrongful or negligent acts, errors or omissions solely by the City and Borough of Sitka occurring during the course of or as a result of the performance of this Agreement.
- C. Where claims, lawsuits, or liability, including attorney's fees and costs, arise from wrongful or negligent acts of both CBS and the Contractor, the Contractor shall indemnify, defend, save and hold CBS harmless from only that portion of claims, lawsuits or liability, including attorney's fees and costs, which result from the Contractor's wrongful or negligent acts occurring during the course of or as a result of the Contractor's performance pursuant to this Agreement.

## **SECTION 9. PAYMENT**

- A. For the Contractor's services, as described in Appendix (A), (C) & (D) of this Agreement, compensation will be paid on a time and expense basis, as defined in Appendix (B) unless otherwise mutually agreed upon by both Parties prior to commencing additional work.
- B. The Contractor shall present invoice(s) to the CBS's Authorized Representative at 100 Lincoln St. Sitka Alaska 99835. Such invoice(s) shall describe the work for which payment is sought and shall document expenses and fees to the satisfaction of the CBS's Authorized Representative. Invoices shall not be submitted more frequently than once every 30 days.
- C. CBS's Authorized Representative shall approve, or not approve, and make payment on invoices within 30 days of receipt of invoice. If invoice is not approved the CBS must notify the consultant and may withhold payment on the portion not approved, payment must be made on the approved portion.
- D. The Contractor shall be entitled to no compensation under this Agreement beyond the amount of the CBS's express obligation under Subsection A above.
- E. For the purposes of Section 9 the invoices shall be presented to the CBS designated contacts.

## **SECTION 10. AUDIT: ACCESS TO RECORDS**

- A. The Contractor shall maintain records of performances, communications, documents, correspondence and costs pertinent to this Agreement. CBS's Authorized Representatives shall have the right to examine such records and accounting procedures and practices.
- B. CBS's Authorized Representative shall have the right to examine all books, records, documents and other data of the Contractor related to the negotiation, pricing and performance Agreement, and any change or modification for the purpose of evaluating the accuracy, completeness and currency of the data submitted. The right of examination shall extend to all documents necessary to permit adequate evaluation of the data, computations and projections used.
- C. The materials described in this Section shall be made available at the business office of the Contractor at all reasonable times for inspection, audit or reproduction, for a minimum of three (3) years from the date of final payment under this Agreement and for such longer period, if any, as may be required by applicable statute or other provisions of this Agreement.
- D. If this Agreement is completely or partially terminated, records relating to the services terminated shall be made available to CBS by the Contractor for a minimum of three (3) years from the date of any resulting final settlement.
- E. Records which relate to claims or litigation or the settlement of claims arising out of the performance of this Agreement shall be made available to CBS by the Contractor until such claims or litigation have been concluded.

## **SECTION 11. RELATIONSHIP OF PARTIES**

The Contractor shall perform the obligations in this Agreement as an independent Contractor of CBS. CBS may administer the Agreement and monitor the Contractor's compliance with its obligations. CBS shall not supervise or direct the Contractor other than as provided in this Section.

## **SECTION 12. ASSIGNMENTS**

Unless otherwise allowed by this Agreement or in writing by CBS, any assignment by the Contractor of its interest in any part of this Agreement or any delegation of duties under this Agreement shall be void, and any attempt by the Contractor to assign any part of its interest or delegate duties under this Agreement shall give CBS the right immediately to terminate this Agreement without any liability for work performed.

CBS reserves the right to approve all sub-consultant agreements.

### **SECTION 13. NONDISCRIMINATION**

- A. The Contractor shall not discriminate against any employee or applicant for employment because of race, color religion, national origin, ancestry, age, sex or marital status or mental or physical handicap. The Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, sex, or marital status or mental or physical handicap. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor agrees to post, in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions for this nondiscrimination clause.
- B. The Contractor shall state in all solicitations or advertisements for employees to work on jobs relating to this Agreement, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, age, or marital status or mental or physical handicap.
- C. The Contractor shall include the provisions of Subsection A of this Section in every subcontract or purchase order under this Agreement, so as to be binding upon every such subcontractor or vendor of the Contractor under this Agreement.
- D. The Contractor shall comply with all applicable Federal, State and Municipal laws concerning the prohibition of discrimination.

### **SECTION 14. COPYRIGHTS AND RIGHTS IN DATA**

All documentation, including notes, drawings, reports and other technical information, hereinafter referred to as work products, produced under this Agreement, except items which have pre-existing copyrights, are the property of the CBS. Payments to the Contractor for services hereunder include full compensation for all work products produced by the Contractor and its subcontractor.

All such subject data furnished by the Contractor pursuant to this Agreement are instruments of the Contractor's services in respect to this particular project. It is understood that the Contractor does not represent such subject data to be suitable for reuse on any other project or for any other purpose. If the CBS reuses the subject data without the Contractor's specific written verification of adaption, such reuse will be at the risk of CBS, without liability to the Contractor. Any such verification of adaption requested in writing by CBS at CBS's sole option will entitle the Contractor to further compensation at rates agreed upon by CBS and Contractor.



## **SECTION 15. NOTICES**

Any notice required pertaining to this Agreement shall be in writing and either personally delivered or mailed by prepaid, first class, registered or certified mail, return receipt requested, to the following addresses:

**CITY AND BOROUGH OF SITKA:**

Attn: John P. Sweeney III  
City and Borough of Sitka  
100 Lincoln Street  
Sitka, Alaska 99835

**CONTRACTOR:**

Attn: Tal Honadel  
**TS&H Automation**  
2728 255<sup>th</sup> Ave  
Montrose, IA 52639

## **SECTION 16. CLAIMS AND DISPUTES**

If the Contractor becomes aware, or reasonably should have become aware, of any act or occurrence which may form the basis of a claim, the Contractor shall immediately notify in writing the CBS's Authorized Representative. If the matter cannot be resolved within seven (7) days, the Contractor shall, within the next fourteen (14) days, submit a written notice of the claim. The Contractor shall, in presenting the claim, include the facts and circumstances surrounding the claim, the specific relief requested including any additional compensation claimed and the basis upon which it was calculated, and the provisions of this Agreement under which the claim is made. This procedure covers all claims by the Contractor for additional compensation or any extension of the time for performance or any dispute regarding a question of fact or interpretation of this Agreement. The Contractor agrees that unless these written notices are provided, the Contractor shall have no entitlement to additional time nor compensation for such act, event or condition.

## **SECTION 17. SUCCESSORS AND ASSIGNS**

CBS and the Contractor each bind himself, his partners, successors, assigns and legal representatives to the other Party to this Agreement and to the partners, successors, assigns and legal representatives of such other Party with respect to all covenants of this Agreement.

## **SECTION 18. INSURANCE**

A. The Contractor shall at all times during the term of this Agreement, maintain in good standing the insurance described in Subsection B of this Section. Before rendering any services under this Agreement, the Contractor shall furnish the CBS with proof of insurance in accordance with Subsection B of this Section in a form acceptable to the CBS; such proof of insurance shall be incorporated as Appendix C of this Agreement.

B. Type of coverage:

1.	<u>General Liability</u>	\$1,000,000
2.	<u>Workman's Compensation</u>	Statutory
3.	<u>Comprehensive Automotive Liability</u>	\$500,000
4.	<u>Professional Errors and Omissions</u>	N/A

C. Insurance Notes

1. CBS shall be named as an additional named insured on the required general liability. CBS shall also be granted a full waiver of any rights of subrogation under all required policies including Workmen's Compensation policy. These requirements extend to all subcontractors.
2. All of the policies of insurance so required to be purchased and maintained (or the certificates or other evidence thereof shall contain a provision or endorsement that the coverage afforded will not be canceled, materially changed or renewal refused until at least thirty days prior written notice has been given to CBS by certified mail.

**SECTION 19. PERMITS, LAWS AND TAXES**

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

**SECTION 20. NON-WAIVER**

The failure of either Party at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Agreement or any part of the Agreement, or the right of such Party to enforce each and every provision of the Agreement.

**SECTION 21. AMENDMENT**

- A. This Agreement shall only be amended, modified or changed by a written amendment, executed by authorized representatives of the Parties, and such amendment shall be attached to this Agreement as an Appendix.

B. For the purposes of any amendment, modifications or change to the terms and conditions of this Agreement, the only authorized representatives of the Parties are:

1. For Contractor – Tal Honadel
2. For CBS – John P. Sweeney III, Interim Municipal Administrator

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

**SECTION 22. SEVERABILITY**

Any provision of this Agreement decreed invalid by a court of competent jurisdiction shall not invalidate the remaining provisions of the Agreement.

**SECTION 23. JURISDICTION - CHOICE OF LAW**

Any civil action rising from this Agreement shall be brought in the Alaska Superior Court First Judicial District at Sitka. The law of the State of Alaska shall govern the rights and obligations of the Parties under this Agreement.

**SECTION 24. INTEGRATION**

This Agreement and all appendices and amendments embody the entire agreement of the Parties. There are no promises, terms, conditions or obligations other than those contained in this Agreement.

This Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the Parties.

**IN WITNESS**, the Parties execute this Agreement in duplicate on the date shown below, and by their signatures, confirm they are authorized to sign this Agreement.

**CITY AND BOROUGH OF SITKA**

**CONTRACTOR**

\_\_\_\_\_  
John P. Sweeney III, Interim Administrator

\_\_\_\_\_  
Tal Honadel, Principal

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EIN NO. \_\_\_\_\_

**ATTEST:**

**CERTIFIED FUNDS AVAILABLE:**

\_\_\_\_\_  
Colleen Pellett, MMC  
Municipal Clerk

Date: \_\_\_\_\_

\_\_\_\_\_  
Fund Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Amount of Contract: **NTE \$150,000**  
**(renewable as required by the CBS)**

\_\_\_\_\_  
Mike Middleton, Finance Director

Date: \_\_\_\_\_

**APPROVAL OF CONTRACT FORM**

\_\_\_\_\_  
Robin Koutchak  
Municipal Attorney

Date: \_\_\_\_\_



## Legislation Details

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File #: 13-195      Version: 1      Name:

Type: Item      Status: AGENDA READY

File created: 10/2/2013      In control: City and Borough Assembly

On agenda: 10/7/2013      Final action:

Title: Board of Adjustment: Bulk Fuel Facility operated by Delta Western Inc - 5309 Halibut Point Road

Sponsors:

Indexes:

Code sections:

Attachments: [Delta Western Assembly Packet](#)

Date	Ver.	Action By	Action	Result
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## MEMORANDUM

**To:** Jay Sweeney, Interim Municipal Administrator  
Mayor McConnell and Members of the Assembly

**From:** Maegan Bosak, Planner I *MB*

**Subject:** Conditional Use Permit approval for a Bulk Fuel Facility

**Date:** October 1, 2013

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The Sitka Planning Commission is unanimously recommending approval, with conditions, of a conditional use permit for a bulk fuel facility at 5309 Halibut Point Road. The property is adjacent to the Sitka Ferry Terminal and is zoned Waterfront district. The property is owned by Samson Tug and Barge Inc. The bulk fuel facility will be operated by Delta Western Inc. The board's recommendation followed a public hearing on September 17, 2013.

This parcel is currently used as a shipping and storage yard. This use will remain on the northeast portion of the property. Structures will be removed to house the bulk fuel facility on the southwest portion of the property and a fence will separate the two. Delta Western Inc. will be leasing a portion of the parcel in which four tanks (each 30 feet diameter by 33 feet tall) containing unleaded motor and diesel fuel will be stored. A truck loading facility and shared office building will also be on this site. The site will be secured by gates at both entrances. The facility will be used to store and distribute gasoline, aviation fuels, diesel and heating oil to residential and commercial locations.

A conditional use permit was granted in May of 2011, but expired prior to activation. While the previous conditional use permit was strictly for a bulk fuel facility, the current proposal defines the range of retail fuel and fuel distribution operations.

In reviewing the request, the Planning Commission received comments from Senior Engineer Dan Tadic and the Sitka Ranger District. The Building Department also provided information to the applicant. Those comments contributed to the preparation of the conditions that were recommended by the Planning Commission.

The Planning Commission held two public hearings on the request. A third Planning Commission meeting was held to focus on proposed conditions and findings. While there were not any public comments on the proposal at the meetings, representatives from Samson Tug and Barge Inc., and Delta Western Inc. participated.

The Planning Commission's recommendation includes the conditions below and follow up findings. The conditions also require a follow up annual review by the Planning Commission.

**Conditions:**

1. The project be completed in conformance with the plans submitted in the conditional use application to the Planning Commission;
2. Prior to the activation of the conditional use permit, the operator of the facility shall certify to the Municipality, in writing, that all necessary permits have been received including but not limited to:
  - a. State of Alaska driveway permits for the configuration shown in the application;
  - b. All Alaska Department of Environmental Conservation permits;
  - c. State Fire Marshall approval;
  - d. City and Borough of Sitka Building permits;
  - e. Any other permits considered necessary by the Planning Department;
3. In addition, prior to the activation of the conditional use permit, the Planning Director shall indicate, in writing, that all permits have been received that the municipality considers necessary;
4. The applicant recognizes that other permits, not specifically mentioned by the municipality, may be required by state or federal agencies;
5. The applicant shall provide a narrative on the status of the operations nine months after the activation of the conditional use permit;
6. The Planning Commission has an annual review of the first nine to twelve months of operation of the facility within one year of the activation of the conditional use permit. The purpose of the annual review is to determine what, if any impacts of the operation need to be mitigated. The Planning Commission, by its own motion, may undertake a second annual review if the board considers it to be necessary;
7. The Assembly, at its discretion, may complete an annual review if any issues are not satisfactorily resolved at the Planning Commission level.
8. That the project will be completed in conformance to the plans submitted; and
9. That the project be operated in conformance with the narrative;
10. The applicant shall provide by September 27, 2013, a narrative that clarifies the request and includes; an updated timetable, list of the range of uses for the fuel facility, and amended to add that fuel distribution will be to a range of residential and commercial locations;
11. The municipality recognizes the offices for the facility will be shared with Samson Tug and Barge, Inc. in a facility that is not shown on the site plan.

**Recommended Action:** Approve the conditional use permit request with the conditions and findings recommended by the Planning Commission.

## Findings:

1. The Planning Commission finds that the site topography is suitable for the project as proposed and that the necessary slope and soil stability issues have or will be taken into account by the mandatory permitting;
  2. That the conditions are in place to ensure that adequate utilities for the proposed use will be in place;
  3. The lot characteristics including the size are suitable for the proposed conditional use permit;
  4. That the proposed operation of the facility will be sufficient to ensure that adjacent uses are adequately protected;
  5. Community appearance and screening is handled by the layout of the proposed use;
- 
1. That the proposed use will not be detrimental to public health or welfare;
    - a. That the proposed use will not adversely affect the established character of the surrounding vicinity;
    - b. That the proposed use will not be injurious to adjacent improvements;
    - c. That the granting of the proposed conditional use permit is consistent and compatible with the goals and policies of the Sitka 2007 comprehensive plan 2.1.1 *The City and Borough of Sitka will strive to contribute to a stable, long-term, local economic base* and 2.5.2 *That encourages commercial and industrial developments of a quality that does not adversely impact any adjacent recreational and residential areas and encourages sensitive master planning*;
  2. That all conditions necessary to lessen impacts of the conditional use are in the conditions and are monitored and forced specifically by permits by agencies that governs the use and the requirement for at least one annual review by the Planning Commission;
  3. That the proposed use will not adversely affect hazardous conditions that cannot be mitigated and that those proposed conditions will be monitored though the Department of Environmental Conservation and other building codes;
  4. That the conditional use will be supported by, and not adversely affect, adequate public facilities and services; specifically the presence of the proposed facility being adjacent to Halibut Point Road;
  5. That the Applicant has met the burden of proof;
- 
1. That the Planning Commission further finds that the following criteria have been considered in determining the impacts of the proposed bulk fuel facility on adjacent properties:
    - a. The Planning Commission has considered the amount of vehicular traffic to be generated and that amount of traffic was covered in the narrative;
    - b. The Planning Commission has considered the amount of noise to be generated and the impact of adjacent land uses and



- anticipates that amount of noise to be generated by the facility to be fairly moderate in to the adjacent waterfront uses;
- c. The Planning Commission recognizes that some odors may be generated by the facility but that those will be regulated by the Alaska Department of Conservation and the building code;
  - d. The Planning Commission has recognized that the facility will be operated during business hours;
  - e. The Planning Commission has considered the location of the facility along a major collector street and has specifically required in the condition the driveway DOT permit;
  - f. The potential use is not adjacent to a substandard street;
  - g. It is not anticipated to have effect on vehicular or pedestrian safety;
  - h. It is the finding of the Planning Commission that there is adequate ability of the police, fire, EMS personnel to respond to emergency calls on site since the property is located adjacent to the State highway;
  - i. The Planning Commission has reviewed the traffic layout and considers it to be adequate;
  - j. The Planning Commission recognizes that there the signs on the property with the sign ordinance section of the Sitka Zoning Code;
  - k. The Planning Commission recognizes that there are going to be buffers on site provided in the outline plan and described in the narrative;
  - l. The Planning Commission has previously addressed the relationship to the Comprehensive Plan in the conditional use permit and that there have not been any public comments that have surfaced.

**Sitka Tank Farm Conditional Use  
Review Narrative  
September 2013**

**Request for Approval**

We are requesting Conditional Use Plan Approval for the bulk fuel facility. A bulk fuel facility in a waterfront district requires a conditional use plan review per the Zoning Ordinance of the City and Borough of Sitka Alaska (Sitka Code) 22-24.010.

**Site and Project Description**

The proposed project is a new bulk fuel facility to be constructed and operated by Delta Western, Inc. The property is located north of Halibut Point Highway on Portion Lot 5, U.S.S. 3670 in the City and Borough of Sitka (Plat No. 84-7). The address point is listed at 5309 Halibut Point Highway (parcel J.D. number 26025000). The property is zoned as a Waterfront district and is owned by Samson Tug and Barge.

The facility will be used to store and distribute gasoline, aviation fuels, diesel, and heating oil to both residential and commercial locations. The distribution to these locations will be by truck delivery.

The proposed facility is located adjacent to the Ferry Terminal. The site is currently used as a shipping and storage yard for containers loaded onto and unloaded from barges docked at the adjacent terminal. The shipping operations will remain on the northeast portion of the site. The two uses will have separate entrances onto the property and will be separated by a fence. Both facilities operate during regular business hours.

The proposed fuel facility consists of tanks capable of containing unleaded motor and diesel fuels, Aviations gasoline, and Jet fuel, a truck loading facility, the required containment for both, and a small office building to house monitoring equipment and emergency wash facilities. There will be four tanks at full build-out. The first phase of construction is slated for October. The tanks have a 30-foot diameter and are 33 feet in height. The tanks must be separated from one another by a distance of 10 feet, from a building or public way by a distance of 25 feet, and 15 feet from a property line according to National Fire Protection Association (NFPA) 30 *Flammable and Combustible Liquids Code* and NFPA 30A *Code for Motor Fuel Dispensing Facilities and Repair Garages*. The truck loading facility must be separated from the tanks, building, public way, and property lines by a distance of 25 feet for Class I liquids (unleaded motor fuel) and 15 feet for Class II liquids (diesel fuel).

The exterior of the tanks will be painted dark forest green, to be less obtrusive to neighbor's views. Existing vegetation will be retained between the roadway and the containment walls to help buffer views as well.

The containment area floor will be a ballasted membrane liner. The containment area walls are concrete and six feet in height. Containment for the truck loading will be concrete and will have an overflow drain into the tank containment area.

Traffic to the bulk fuel facility will increase traffic demands on Halibut Point Highway by approximately four round-trips per day. Fuel trucks will be provided by Delta Western. No vehicles will be stored on-site. Once a month, the facility will receive fuel from a barge moored at the adjacent terminal. Fuel transfer to/from the barge to/from the tanks will require shut down of shipping yard.

The proposed facility will be secured by gates at both entrances. Pedestrian access will not be necessary as employees and users will arrive in vehicles. The facility is for truck loading so parking will be provided for employees only.

A lease agreement between Samson Tug and Barge and Delta Western, Inc. is completed. The property will not be re-platted as part of the project work.

See the site plan for more information.

### Schedule

A preliminary schedule is as follows:

Task Description	Start Date	Completion Date
Conditional Use Permitting	08/01/2013	10/7/2013
Survey and Geotechnical Investigation	Complete	
Design	Complete	
Earthwork and Paving	10/8/2013	12/30/2013
Tanks and Piping Work	11/1/2013	1/31/2014
Commissioning and Painting	Spring 2014	Spring 2014
System Operation	2/1/2014	2/7/2014

### Consistency with the Goals, Policies, and Land Use Designations of the Comprehensive Plan

The 2001 City and Borough of Sitka Comprehensive Plan does not specifically address development of the proposed site. The property is zoned waterfront. Waterfront district uses are intended, whenever possible, to be water-dependent or water-related with particular emphasis on commerce, tourism, commercial or industrial enterprises which derive major economic or social benefit from a waterfront location. The bulk fuel facility is a commercial/industrial enterprise and does require a waterfront location. However, all fuel for the facility will be received by barge and barges are moored at the adjacent dock. Fuel operations would not be possible without access to the dock and the barges.

The facility is consistent with the following goals and objectives:

- *Diversifies local job base.* Bulk fuel is currently provided and marketed solely by one supplier. A new bulk fuel facility introduces competition. It also utilizes other local services, such as trucking, which will all be provided by a local third-party.
- *Access to resources necessary for community growth and well-being.* Fuels are necessary to a community's growth, providing jobs and necessary goods.
- *Provides goods and services locally.* The bulk fuel facility will provide fuel solely for use by the local community.
- *Complements existing economic activities.* A new bulk fuel facility introduces competition in the bulk fuels market, and eliminates the risks of having a single supplier.

## **Conformance to Title 22 Land Use Requirements**

### **1. Lot Requirements**

The minimum lot requirements in a waterfront district are a width of 60 feet and an area of 6,000 square feet (SF) (22.20.030). Portion Lot 5 exceeds the 60-foot minimum width requirements and has an area of approximately 83,635 square feet. The lease area for the bulk fuel facility will be approximately 150 feet by 180 feet, and 27,000 SF. The minimum lot requirements are met.

### **2. Yard Setbacks**

The minimum yard requirements in a waterfront district are a front yard of twenty feet, a side yard of 10 feet, and a rear yard of 5 feet. Bulk fuel facility setback requirements exceed the minimum waterfront yard requirements. As such, the minimum yard requirements are met.

### **3. Lot Coverage**

The maximum lot coverage allowed in a waterfront district is unrestricted, except for setback areas (22.20.030). The existing facility exceeds the required setback areas so the maximum lot coverage requirement is met.

### **4. Maximum Height**

The maximum height allowed in a waterfront district for a principal structure is 40 feet and for an accessory structure is 16 feet (22.20.030). The tanks are 33 feet in height. The truck loading facility will have a canopy that is approximately 20 feet in height. The single-story office building will be less than 16 feet in height. As such, the maximum height requirements are met.

### **5. Parking**

Parking is to be provided per 22.20.100 requirements. For industrial uses, one space is required for each four hundred square feet of gross floor area or for every three employees, depending on the nature of the establishment and the necessity for loading or other facilities (22.20.1 OO.G.13).

Truck loading requires two employees. The total required parking is one space; two spaces are provided. As such, the parking and circulation requirements have been met for the site.

### **6. Loading**

A loading berth is not required based on the nature of the facility. Fuels are stored in above-ground tanks. Fuel will be transferred from a barge moored at the adjacent dock with barge provided hoses. No other materials are stored on or required for the facility.

### **7. Landscaping/Fences**

No landscaping is required. However, existing vegetation will be retained along Halibut Point Road to provide a buffer.

Fences in public, commercial, and industrial districts may be no greater than 20 feet in height (22.20.070). There is no height limitation listed for fences in a waterfront district. The fence around the bulk fuel facility will be 8-foot high chain link.

## 8. Paving and Drainage

The driveway connections to Halibut Point Highway will be paved. The rest of the drives will be gravel (D-1). Provisions shall be made to prevent contamination of the domestic water supply, adjacent lands, and nearby water bodies.

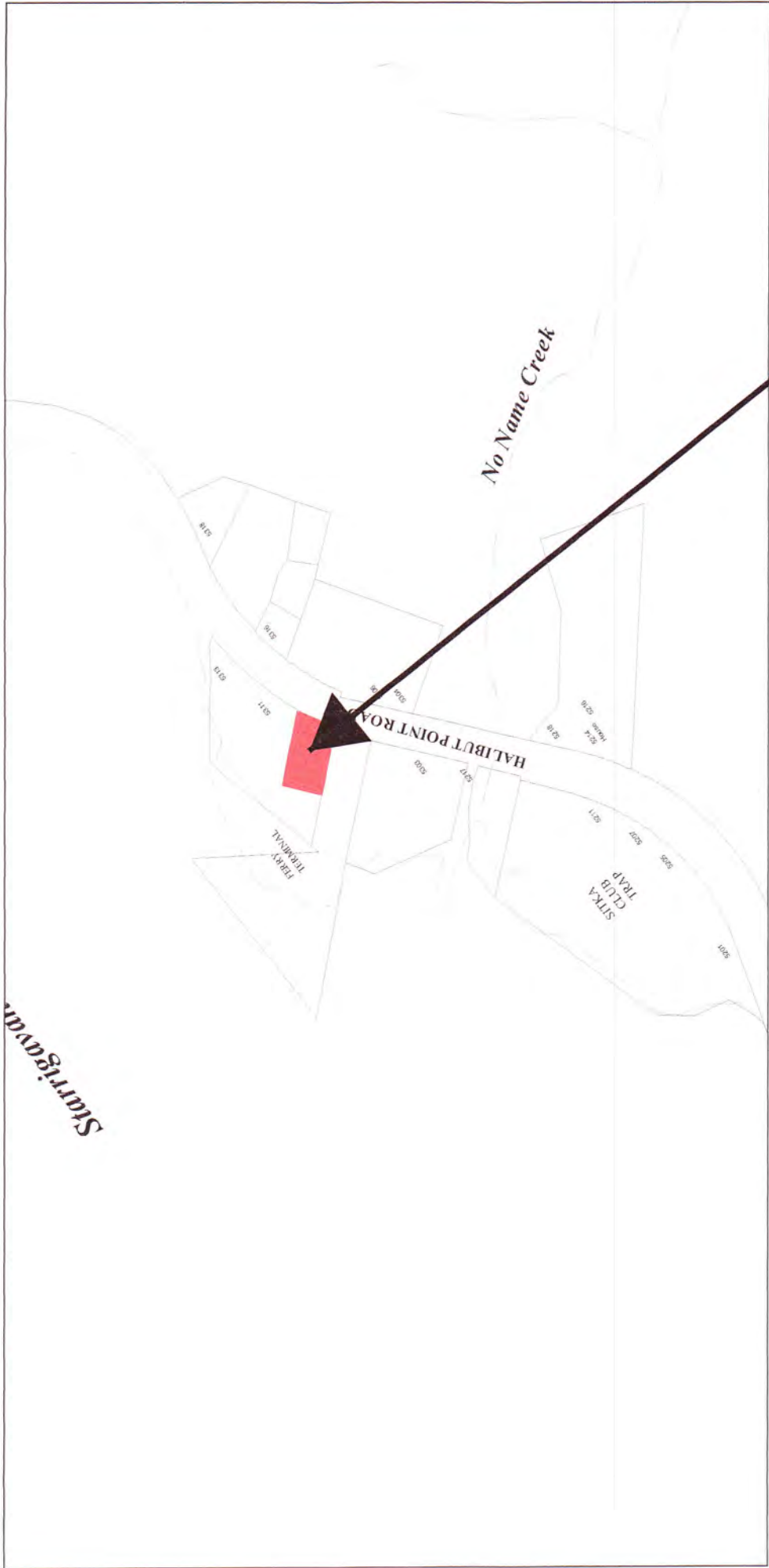
The truck loading area will be concrete. The rest of the site will be gravel. Containment areas are provided per NFPA 30 and 30A to protect against spills or leaks. Therefore, it is not anticipated that the project site would contaminate any domestic water supply, adjacent property, or nearby water body.

### Effects on the Area Surrounding the Site

The proposed bulk fuel storage facility is not anticipated to have any adverse effect on the area surrounding the site. The proposed land use and the facility design are compatible with the adjacent uses and land use plans for the area. The site is located within/around other industrial uses.

- **Pedestrian and vehicular traffic circulation and safety.** The proposed facility is not expected to generate high levels of traffic due to the relatively small staff and the nature of the facility. Access to the site will be off of Halibut Point Highway, the same as existing traffic patterns.
- **The demand for and availability of public services and facilities.** Public water and sewer are available adjacent to the site and will be extended to the small office building. The facility's demand for water and sewer are not expected to adversely impact municipal water supplies or sewer treatment capacity.
- **Noise, air, water, or other forms of environmental pollution.** The facility is not expected to generate noise emissions that would adversely affect surrounding land uses. There could be vapors released during barge lightering and truck loading operations. These vapors will be minimized by the pressure vacuum installed on the tanks. Site drainage is contained and infiltrated on site. Existing vegetation will be retained along Halibut Point Highway to provide a buffer. Access is from Halibut Point Highway only, as stated above. The site has been designed to be compatible with the surrounding development in the vicinity.
- **Maintenance of compatible and efficient development patterns and land use intensities.** A bulk fuel storage facility is compatible with the surrounding development because it is located near other industrial uses. The adjacent uses are not attracting pedestrian traffic, which is consistent with the use of the bulk fuel storage facility. There is a demand for the use.

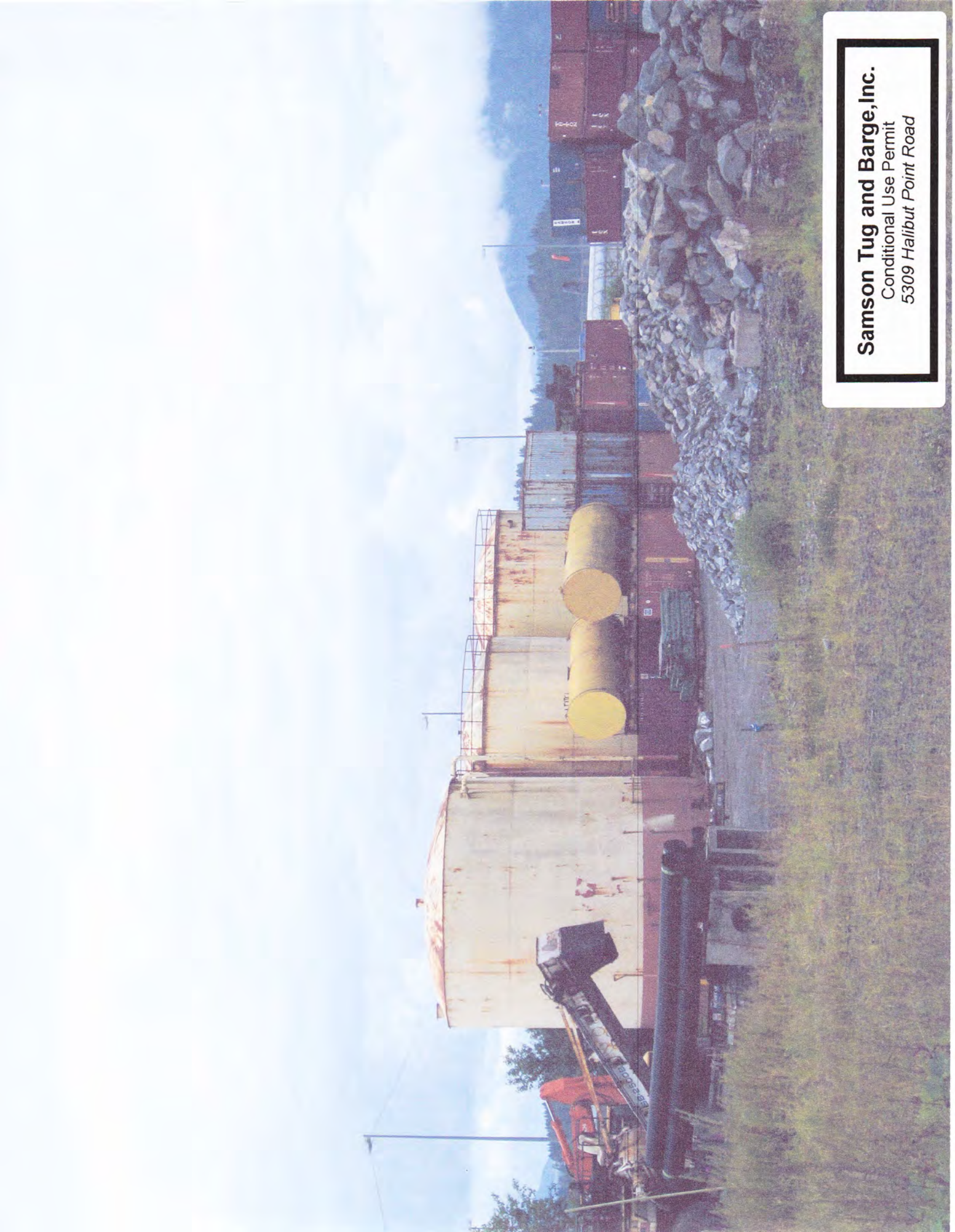
Overall, the proposed facility is compatible with the surrounding area and complies with the design guidelines developed for a bulk fuel storage facility.



**Samson Tug and Barge, Inc.**  
Conditional Use Permit  
5309 Halibut Point Road

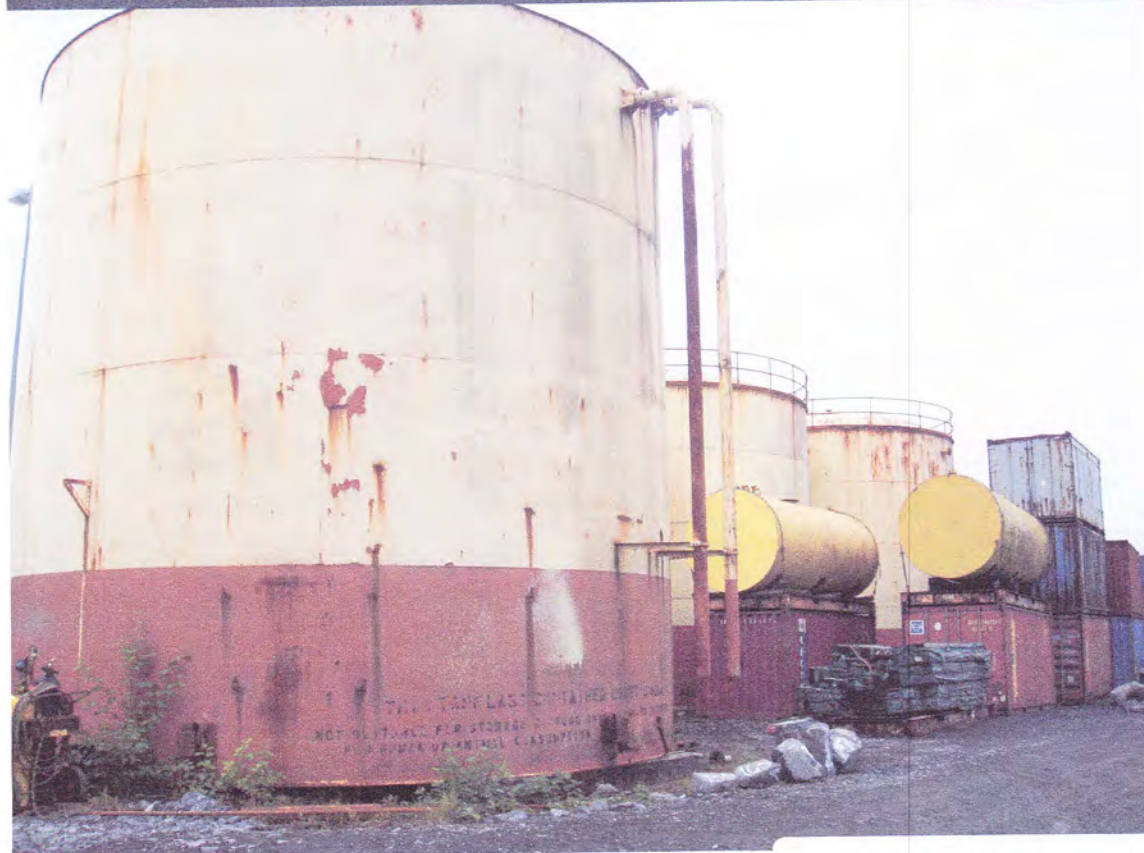
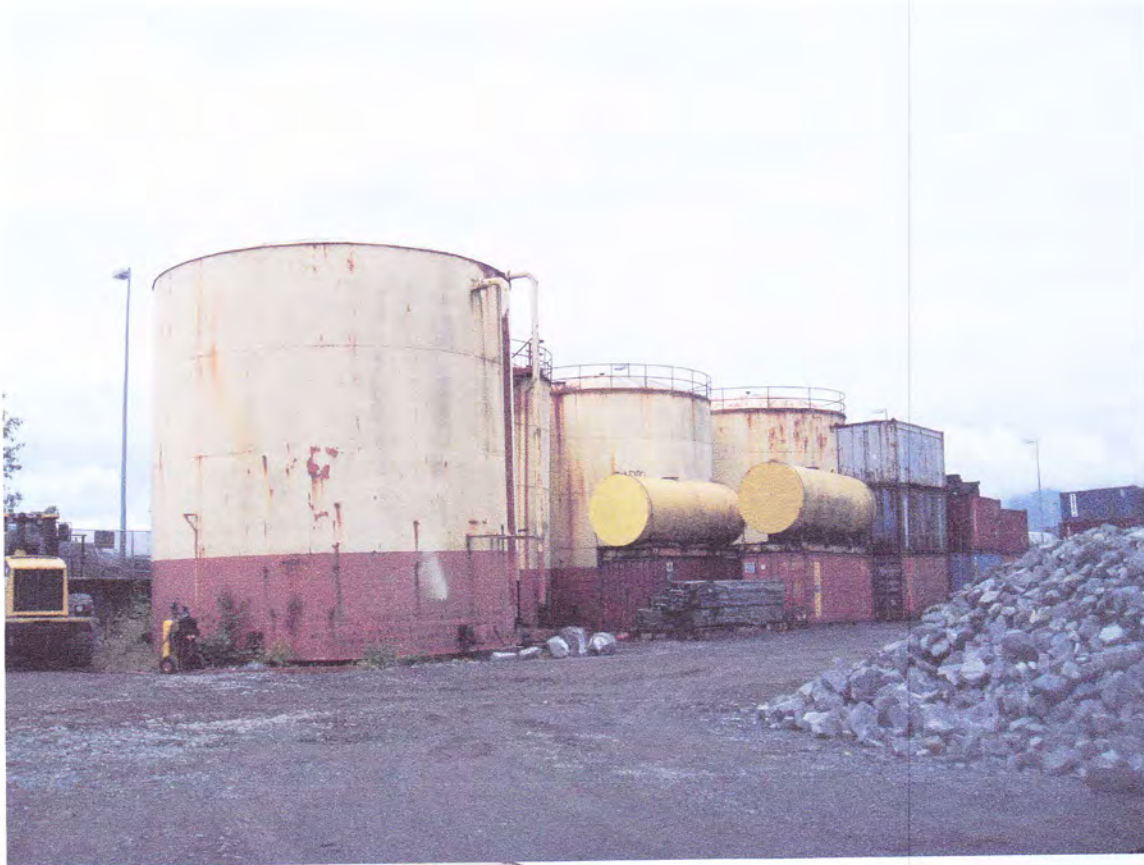


**Samson Tug and Barge, Inc.**  
Conditional Use Permit  
5309 Halibut Point Road



**Samson Tug and Barge, Inc.**  
Conditional Use Permit  
5309 Halibut Point Road





**Samson Tug and Barge, Inc.**  
Conditional Use Permit  
5309 Halibut Point Road

## Maegan Bosak

---

**From:** Davis, Clay R -FS [clayrdavis@fs.fed.us]  
**Sent:** Tuesday, August 27, 2013 4:30 PM  
**To:** maegan@cityofsitka.com  
**Subject:** Samson Tug and Barge, Inc. and Delta Western Inc.

Dear Maegan:

Thank you for including the Forest Service in the consultative process for the conditional use permit requested by Samson Tug and Barge, Inc. for a new bulk fuel facility to be constructed and operated by Delta Western, Inc. at 5309 Halibut Point Road.

We have reviewed the application and narrative sent to District Ranger Carol Goularte. The Tongass National Forest, Sitka Ranger District has no comments or concerns regarding this project.

Thanks, Clay

CLAY R. DAVIS  
Lands, Minerals, Special Uses  
Sitka Ranger District  
Office: (907) 747-4225  
Fax: (907) 747-4253  
[clayrdavis@fs.fed.us](mailto:clayrdavis@fs.fed.us)

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## Maegan Bosak

---

**From:** Dan Tadic [dantadic@cityofsitka.com]  
**Sent:** Monday, August 05, 2013 4:32 PM  
**To:** maegan@cityofsitka.com  
**Subject:** Delta Western Bulk Fuel

Hi Maegan,

I offer the following comments on the conditional use permit application submitted by Delta Western for a bulk fuel facility at 5309 HPR.

1. Narrative, Site and Project Description, 3rd Paragraph - Missing text. "The first phase of construction is slated for....."
2. Narrative, Schedule - This section references a geotechnical investigation has been completed. Can PW receive a copy of the associated report?
3. Narrative, Schedule - Earthwork is scheduled to begin Aug 1, however no grading permit has been applied for as of yet. A grading permit is required prior to any work onsite.
4. Narrative, Paving and Drainage - this section references the availability of water and sewer utilities in HPR and that services will be installed to service the office building. Utility connection permits must be obtained from Public Works prior to any associated utility work.

Thanks,

**Dan Tadic, P.E.**  
Senior Engineer  
City and Borough of Sitka  
Department of Public Works  
100 Lincoln Street  
Sitka, AK 99835  
P (907) 747-1807  
F (907) 747-3158

CITY AND BOROUGH OF SITKA  
PLANNING DEPARTMENT  
CONDITIONAL USE PERMIT APPLICATION

Conditional Use Permit FEE \$100.00  
\*plus current city sales tax\*

APPLICANT'S NAME: Samson Tug & Barge, Inc.  
PHONE NUMBER: 907-747-8559  
MAILING ADDRESS: 329 Harbor Drive, Sitka, AK 99835

OWNER'S NAME: Samson Tug & Barge  
*(If different from applicant)*  
PHONE NUMBER: \_\_\_\_\_  
MAILING ADDRESS: \_\_\_\_\_

PROJECT ADDRESS: 5309 Halibut Point Highway (Plat 84-7)  
LEGAL DESCRIPTION Lot: Portion Lot 5 Block: \_\_\_\_\_  
Subdivision: U.S.S. 3670  
U.S. Survey: \_\_\_\_\_ Zoning Classification: Waterfront

List specific request: See attached narrative

State all reasons for justifying request: See attached narrative

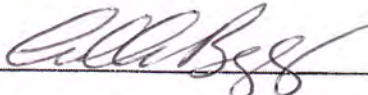
List all features and details of request: See attached narrative

State the schedule and timing of request: See attached narrative

Please attach drawings, maps, and additional narrative as appropriate.

The applicant must verify, to the satisfaction of the Public Works Department,  
that utility lines and services are not under proposed structures.

*In applying for and signing this application, the property owner hereby grants permission to Municipal staff to access the property before and after Planning Commission's review for the purposes of inspecting the proposed and/or approved structures.*

SIGNATURE OF APPLICANT:  Date: 7/23/13  
SIGNATURE OF OWNER: \_\_\_\_\_ Date: \_\_\_\_\_  
*(If different from the applicant)*

*Approval will be based on plans submitted  
or approved by the Planning Commission or Assembly.*

**Samson Tug and Barge, Inc.**  
Conditional Use Permit  
5309 Halibut Point Road

**Sitka Tank Farm Conditional Use  
Review Narrative  
July 2013**

**Request for Approval**

We are requesting Conditional Use Plan Approval for the bulk fuel facility. A bulk fuel facility in a waterfront district requires a conditional use plan review per the Zoning Ordinance of the City and Borough of Sitka Alaska (Sitka Code) 22-24.010.

**Site and Project Description**

The proposed project is a new bulk fuel facility to be constructed and operated by Delta Western, Inc. The property is located north of Halibut Point Highway on Portion Lot 5, U.S.S. 3670 in the City and Borough of Sitka (Plat No. 84-7). The address point is listed at 5309 Halibut Point Highway (parcel J.D. number 26025000). The property is zoned as a Waterfront district and is owned by Samson Tug and Barge.

The proposed facility is located adjacent to the Ferry Terminal. The site is currently used as a shipping and storage yard for containers loaded onto and unloaded from barges docked at the adjacent terminal. The shipping operations will remain on the northeast portion of the site. The two uses will have separate entrances onto the property and will be separated by a fence. Both facilities operate during regular business hours.

The proposed fuel facility consists of tanks capable of containing unleaded motor and diesel fuels, Aviations gasoline, and Jet fuel, a truck loading facility, the required containment for both, and a small office building to house monitoring equipment and emergency wash facilities. There will be four tanks at full build-out. The first phase of construction is slated for. The tanks have a 30-foot diameter and are 33 feet in height. The tanks must be separated from one another by a distance of 10 feet, from a building or public way by a distance of 25 feet, and 15 feet from a property line according to National Fire Protection Association (NFPA) 30 *Flammable and Combustible Liquids Code* and NFPA 30A *Code for Motor Fuel Dispensing Facilities and Repair Garages*. The truck loading facility must be separated from the tanks, building, public way, and property lines by a distance of 25 feet for Class I liquids (unleaded motor fuel) and 15 feet for Class II liquids (diesel fuel).

The exterior of the tanks will be painted dark forest green, to be less obtrusive to neighbor's views. Existing vegetation will be retained between the roadway and the containment walls to help buffer views as well.

The containment area floor will be a ballasted membrane liner. The containment area walls are concrete and six feet in height. Containment for the truck loading will be concrete and will have an overflow drain into the tank containment area.

Traffic to the bulk fuel facility will increase traffic demands on Halibut Point Highway by approximately four round-trips per day. Fuel trucks will be provided by Delta Western. No vehicles will be stored on-site. Once a month, the facility will receive fuel from a barge moored at the adjacent terminal. Fuel transfer to/from the barge to/from the tanks will require shut down of shipping yard.

The proposed facility will be secured by gates at both entrances. Pedestrian access will not be necessary as employees and users will arrive in vehicles. The facility is for truck loading so parking will be provided for employees only.

**Samson Tug and Barge, Inc.**  
Conditional Use Permit  
5309 Halibut Point Road

A lease agreement between Samson Tug and Barge and Delta Western, Inc. is completed. The property will not be re-platted as part of the project work.

See the site plan for more information.

### Schedule

A preliminary schedule is as follows:

Task Description	Start Date	Completion Date
Conditional Use Permitting	08/01/2013	10/12/2013
Survey and Geotechnical Investigation	Complete	
Design	Complete	
Earthwork and Paving	08/1/2013	09/30/2013
Tanks and Piping Work	10/1/2013	12/31/2013
Commissioning and Painting	Spring 2014	Spring 2014
System Operation	1/1/2014	1/7/2014

### Consistency with the Goals, Policies, and Land Use Designations of the Comprehensive Plan

The 2001 City and Borough of Sitka Comprehensive Plan does not specifically address development of the proposed site. The property is zoned waterfront. Waterfront district uses are intended, whenever possible, to be water-dependent or water-related with particular emphasis on commerce, tourism, commercial or industrial enterprises which derive major economic or social benefit from a waterfront location. The bulk fuel facility is a commercial/industrial enterprise and does require a waterfront location. However, all fuel for the facility will be received by barge and barges are moored at the adjacent dock. Fuel operations would not be possible without access to the dock and the barges.

The facility is consistent with the following goals and objectives:

- *Diversifies local job base.* Bulk fuel is currently provided and marketed solely by one supplier. A new bulk fuel facility introduces competition. It also utilizes other local services, such as trucking, which will all be provided by a local third-party.
- *Access to resources necessary for community growth and well-being.* Fuels are necessary to a community's growth, providing jobs and necessary goods.
- *Provides goods and services locally.* The bulk fuel facility will provide fuel solely for use by the local community.
- *Complements existing economic activities.* A new bulk fuel facility introduces competition in the bulk fuels market, and eliminates the risks of having a single supplier.

## **Conformance to Title 22 Land Use Requirements**

### **1. Lot Requirements**

The minimum lot requirements in a waterfront district are a width of 60 feet and an area of 6,000 square feet (SF) (22.20.030). Portion Lot 5 exceeds the 60-foot minimum width requirements and has an area of approximately 83,635 square feet. The lease area for the bulk fuel facility will be approximately 150 feet by 180 feet, and 27,000 SF. The minimum lot requirements are met.

### **2. Yard Setbacks**

The minimum yard requirements in a waterfront district are a front yard of twenty feet, a side yard of 10 feet, and a rear yard of 5 feet. Bulk fuel facility setback requirements exceed the minimum waterfront yard requirements. As such, the minimum yard requirements are met.

### **3. Lot Coverage**

The maximum lot coverage allowed in a waterfront district is unrestricted, except for setback areas (22.20.030). The existing facility exceeds the required setback areas so the maximum lot coverage requirement is met.

### **4. Maximum Height**

The maximum height allowed in a waterfront district for a principal structure is 40 feet and for an accessory structure is 16 feet (22.20.030). The tanks are 33 feet in height. The truck loading facility will have a canopy that is approximately 20 feet in height. The single-story office building will be less than 16 feet in height. As such, the maximum height requirements are met.

### **5. Parking**

Parking is to be provided per 22.20.100 requirements. For industrial uses, one space is required for each four hundred square feet of gross floor area or for every three employees, depending on the nature of the establishment and the necessity for loading or other facilities (22.20.100.G.13).

Truck loading requires two employees. The total required parking is one space; two spaces are provided. As such, the parking and circulation requirements have been met for the site.

### **6. Loading**

A loading berth is not required based on the nature of the facility. Fuels are stored in above-ground tanks. Fuel will be transferred from a barge moored at the adjacent dock with barge provided hoses. No other materials are stored on or required for the facility.

### **7. Landscaping/Fences**

No landscaping is required. However, existing vegetation will be retained along Halibut Point Road to provide a buffer.

Fences in public, commercial, and industrial districts may be no greater than 20 feet in height (22.20.070). There is no height limitation listed for fences in a waterfront district. The fence around the bulk fuel facility will be 8-foot high chain link.

## 8. Paving and Drainage

The driveway connections to Halibut Point Highway will be paved. The rest of the drives will be gravel (D-1). Provisions shall be made to prevent contamination of the domestic water supply, adjacent lands, and nearby water bodies.

The truck loading area will be concrete. The rest of the site will be gravel. Containment areas are provided per NFPA 30 and 30A to protect against spills or leaks. Therefore, it is not anticipated that the project site would contaminate any domestic water supply, adjacent property, or nearby water body.

### Effects on the Area Surrounding the Site

The proposed bulk fuel storage facility is not anticipated to have any adverse effect on the area surrounding the site. The proposed land use and the facility design are compatible with the adjacent uses and land use plans for the area. The site is located within/around other industrial uses.

- **Pedestrian and vehicular traffic circulation and safety.** The proposed facility is not expected to generate high levels of traffic due to the relatively small staff and the nature of the facility. Access to the site will be off of Halibut Point Highway, the same as existing traffic patterns.
- **The demand for and availability of public services and facilities.** Public water and sewer are available adjacent to the site and will be extended to the small office building. The facility's demand for water and sewer are not expected to adversely impact municipal water supplies or sewer treatment capacity.
- **Noise, air, water, or other forms of environmental pollution.** The facility is not expected to generate noise emissions that would adversely affect surrounding land uses. There could be vapors released during barge lightering and truck loading operations. These vapors will be minimized by the pressure vacuum installed on the tanks. Site drainage is contained and infiltrated on site. Existing vegetation will be retained along Halibut Point Highway to provide a buffer. Access is from Halibut Point Highway only, as stated above. The site has been designed to be compatible with the surrounding development in the vicinity.
- **Maintenance of compatible and efficient development patterns and land use intensities.** A bulk fuel storage facility is compatible with the surrounding development because it is located near other industrial uses. The adjacent uses are not attracting pedestrian traffic, which is consistent with the use of the bulk fuel storage facility. There is a demand for the use.

Overall, the proposed facility is compatible with the surrounding area and complies with the design guidelines developed for a bulk fuel storage facility.

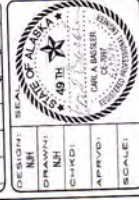




# DELTA WESTERN SITKA FUEL FACILITY

509 WEST 3rd Ave., Ste 101  
ANCHORAGE, AK 99501

REV	DATE	DESCRIPTION
1	11/2	MISCELLANEOUS/CONTROL REVISIONS
2	7/25	STORM DRAIN PIPE CLARIFICATION
3	02/9	MISCELLANEOUS REVISIONS



**ENTERPRISE ENGINEERING, INC.**  
 509 WEST 3RD STREET  
 ANCHORAGE, ALASKA 99501  
 PHONE: (907) 562-1000  
 FAX: (907) 562-1010

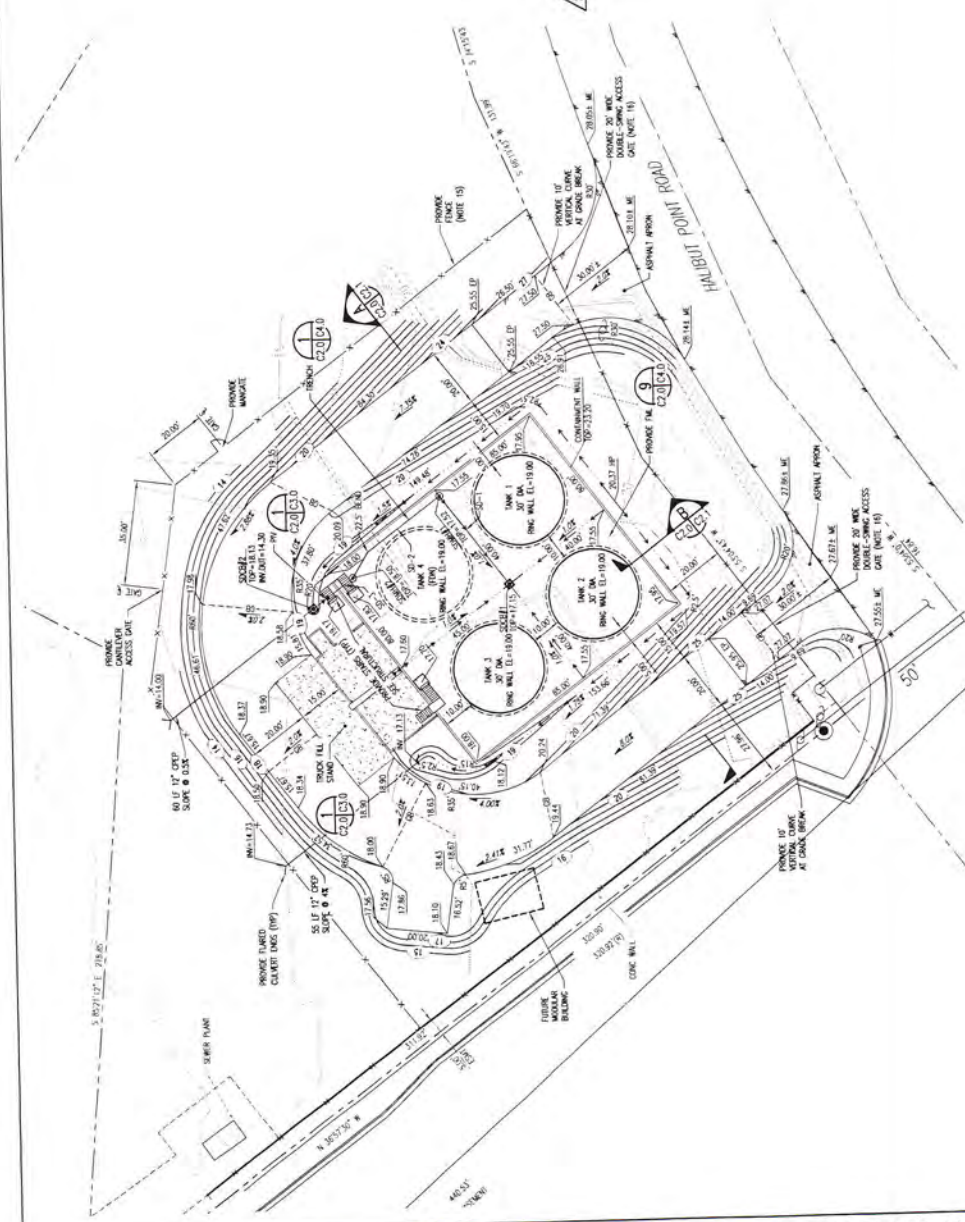
DRAWING TITLE  
**SITE AND GRADING PLAN**

DWG. NO.	C2.0	DATE	07/19
P.N.I. GRID	SHEET		
5686			

- GENERAL NOTES**
1. ALL CONSTRUCTION SHALL BE IN CONFORMANCE WITH THE CITY AND Borough OF SITKA, ALASKA STANDARD SPECIFICATIONS, 2002.
  2. LOCATIONS OF EXISTING UTILITIES ARE APPROXIMATE. ONLY CONTRACTOR SHALL VERIFY LOCATIONS BY OBTAINING UTILITY LOCATES PRIOR TO BEGINNING CONSTRUCTION.
  3. SOIL INFORMATION WAS DETERMINED FROM SOILS INVESTIGATION PERFORMED BY ENTERPRISE ENGINEERING, INC. AT THE PROJECT LOCATION.
  4. NEW ELEVATIONS ARE TO TOP OF CONCRETE, FINISH OR FURTHURWORK FINISH GRADE. EXISTING ELEVATIONS ARE TO TOP OF EXISTING GRADE UNLESS INDICATED OTHERWISE.
  5. ALL FILL MATERIALS SHALL BE COMPACTED TO THE PROPOSED FINISH GRADE. DETERMINE MAXIMUM DENSITY PER ASTM D1557.
  6. PROVIDE FINISH COMPACTOR TESTS FOR ALL FILL AND BASTAL PLACED AT A RATE OF ONE TEST PER 1000 SQ. FT. PER 100' HORIZONTAL DISTANCE.
  7. ALL OPEN EXCAVATIONS SHALL BE PROTECTED AND UNDERPINNING SHALL CONFORM TO OSHA REGULATIONS.
  8. PROVIDE A BRIM FROST TO ALL EXTERIOR CONCRETE SURFS.
  9. SET TIE-ROD SHALL CONFORM TO ASTM D-7116-05 AND BE ADEQUATE FOR EXPANSION JOINTS.
  10. COMPENSATE UNIT SHALL BE 4000 PSI OR APPROVED EQUIV. AND INSTALLED PER THE MANUFACTURER'S RECOMMENDATIONS UNLESS NOTED OTHERWISE.
  11. EXISTING UTILITIES SHALL BE MAINTAINED OR APPROVED EQUIV. 4" MIN. THICK NON-WOODEN PIPE SHALL BE MAINTAINED OR APPROVED EQUIV. 4" MIN. THICK NON-WOODEN PIPE.
  12. EXISTING UTILITIES SHALL BE MAINTAINED OR APPROVED EQUIV. 4" MIN. THICK NON-WOODEN PIPE.
  13. EXISTING UTILITIES SHALL BE MAINTAINED OR APPROVED EQUIV. 4" MIN. THICK NON-WOODEN PIPE.
  14. ALL DRAIN PIPE SHALL BE 42-50 DUCTILE IRON PIPE (DIP).
  15. PROVIDE NEW 4" HIGH CHAINING FENCE WITH 4" STAINLESS STEEL WIRE FENCE POSTS AND TOWERLINGS.
  16. CENTERLINE OF DOUBLE-SHINE LANE SHALL MATCH CENTERLINE OF ACCESS DRIVE.

**STORM DRAIN PIPE**

ID	DIA.	LENGTH	SLOPE	INLET STRUCTURE	INV. AT INLET	OUTLET STRUCTURE	INV. AT OUTLET
SD-1	6"	32.50'	1.5%	500#F1	13.55	500#F1	14.59
SD-2	6"	40.00'	1.5%	500#F1	14.53	500#F2	13.53
SD-3	6"	18.42'	1.5%	500#F2	13.87	500#F2	13.62



**SITE AND GRADING PLAN**  
 SCALE: 1" = 20'

GRAPHIC SCALES



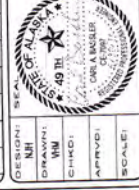
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 ON THIS PAPER

IF SHEET IS LESS THAN 11MM  
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 SCALE REDUCED ACCORDINGLY

# DELTA WESTERN SITKA FUEL FACILITY

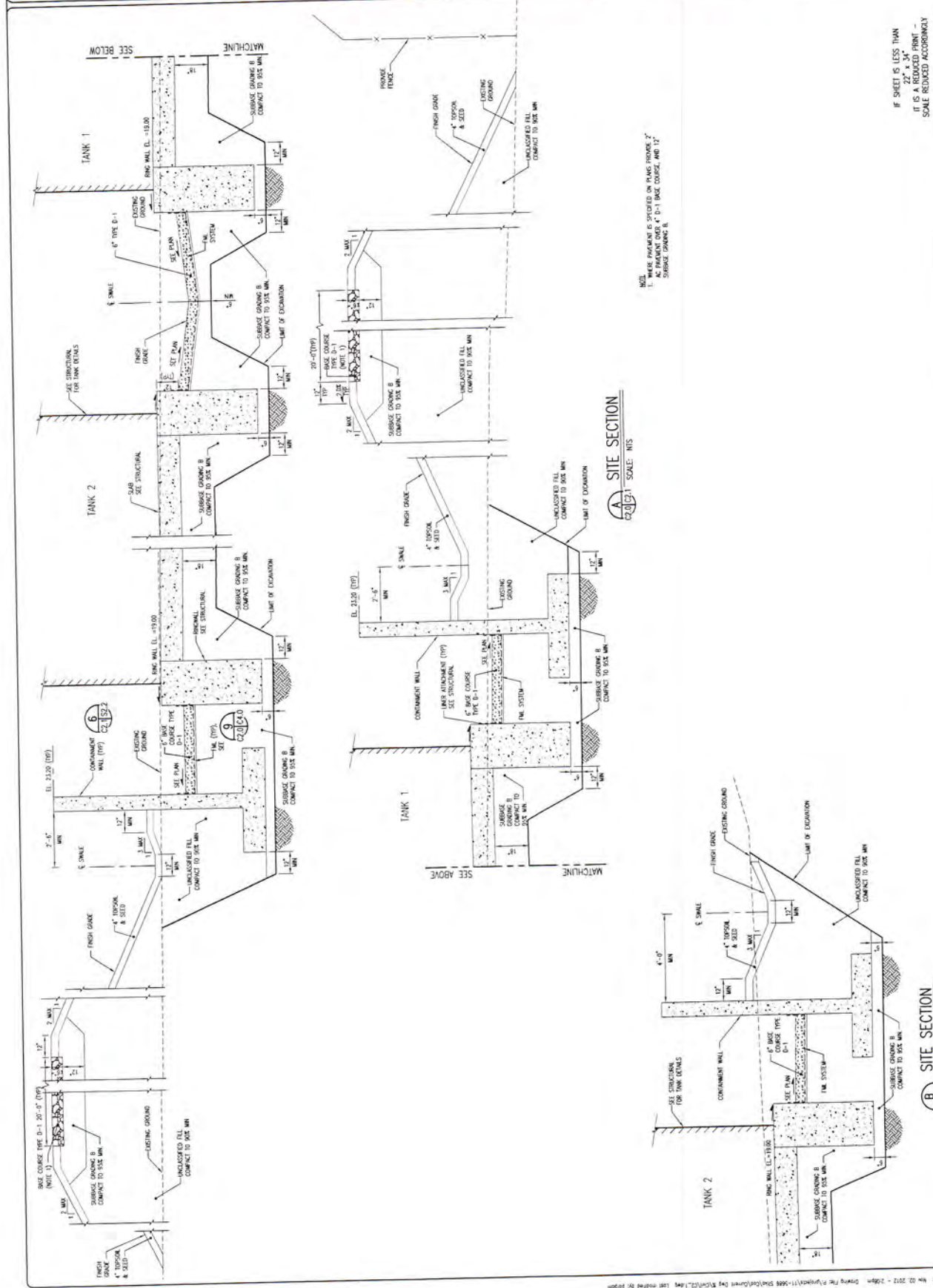
509 WEST 3rd Ave., Ste 101  
ANCHORAGE, AK 99501

REV	DATE	DESCRIPTION
1	11/2	MISCELLANEOUS/CONTROL REVISIONS
2	02/20	MISCELLANEOUS REVISIONS
3	06/29	
4	07/19	



**ENTERPRISE ENGINEERING, INC.**  
 5307 STREET  
 205 DANIEL STREET  
 FORTNA, AK 99503  
 (907) 471-1111  
 (907) 471-1112  
 (907) 471-1113

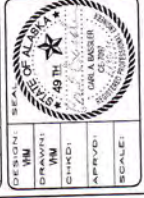
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DWG NO:	C2.1
GRID:	
SHEET:	
PIN:	5686
OF:	



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**DELTA WESTERN  
SITKA FUEL FACILITY**  
509 WEST 3rd Ave., Ste 101  
ANCHORAGE, AK 99501

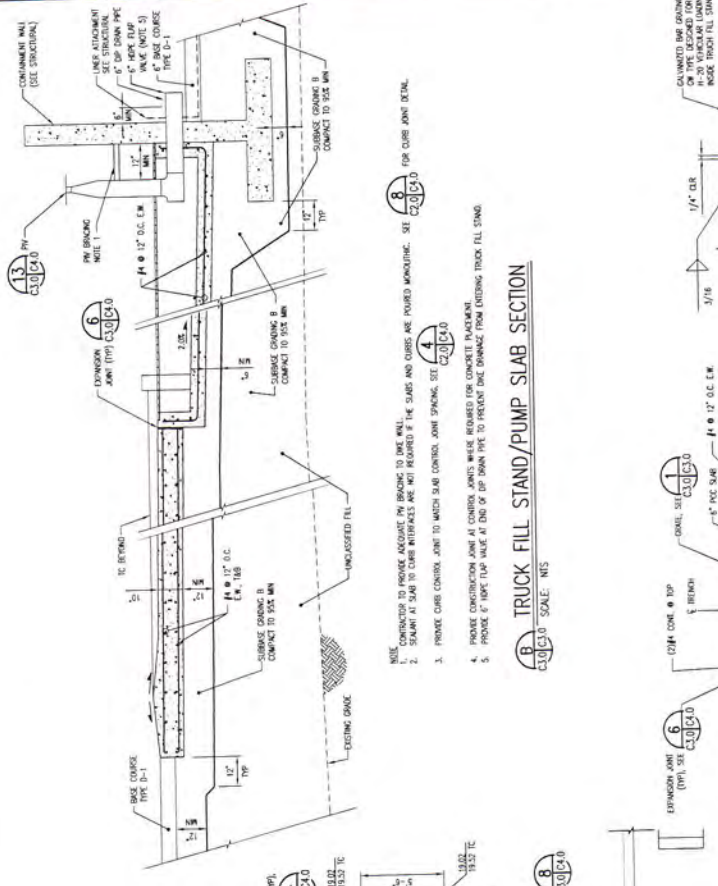
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2	02/2	NH	MISCELLANEOUS REVISIONS
3	02/2	NH	MISCELLANEOUS REVISIONS



**ENTERPRISE  
ENGINEERING, INC.**  
5000 STREET  
ANCHORAGE, AK 99503  
TEL: 283 3800 FAX: 283 3811

DRAWING TITLE  
**TRUCK FILL STAND  
PLAN AND SECTIONS**

DWG NO. C30  
P/N: C30  
SHEET 5586 OF -



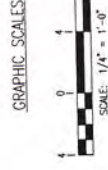
- NOTE:** CONSIDER TO PROVIDE ADEQUATE PW BRACING TO DIVE WALL.
- SEALANT AT SLAB TO CURB INTERFACES ARE NOT REQUIRED IF THE SLABS AND CURBS ARE POURED MONOLITHIC. SEE **8** FOR CURB JOINT DETAIL.
  - PROVIDE CURB CONTROL JOINT TO MATCH S&B CONTROL JOINT SPACING. SEE **4**.
  - PROVIDE CONNECTION JOINT AT CONTROL JOINTS. PROVIDE REINFORCES FOR CONCRETE PLACEMENT.
  - PROVIDE 8\"/>

**TRUCK FILL STAND/PUMP SLAB SECTION**  
SCALE: 1/4\"/>

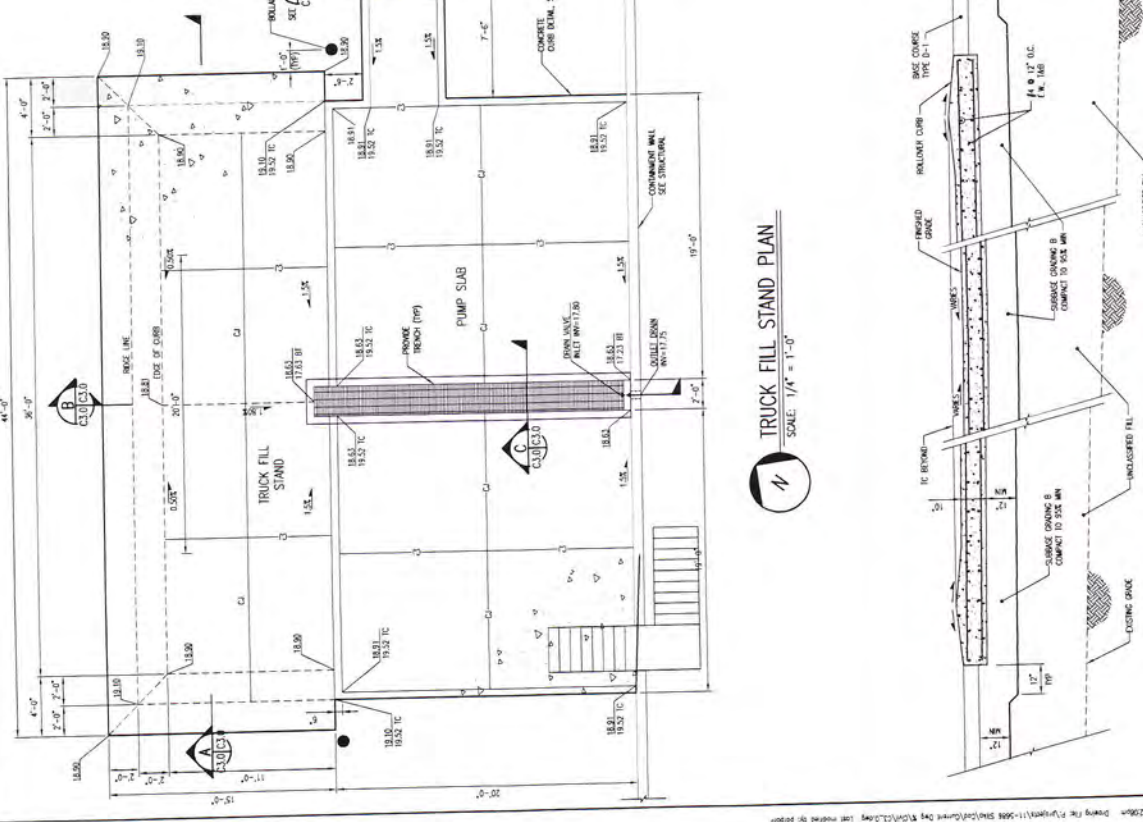


**GRATE DETAIL**  
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**TRENCH SECTION**  
SCALE: NTS



IF SHEET IS LESS THAN (22\"/>



**TRUCK FILL STAND PLAN**  
SCALE: 1/4\"/>

**TRUCK FILL STAND SECTION**  
SCALE: NTS

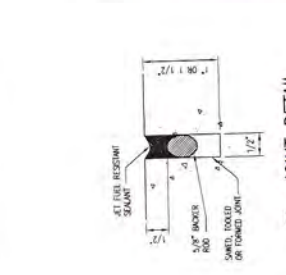
**DELTA WESTERN  
SITKA FUEL FACILITY**  
509 WEST 3rd Ave., Ste 101  
ANCHORAGE, AK 99501

REV	DATE	BY	DESCRIPTION
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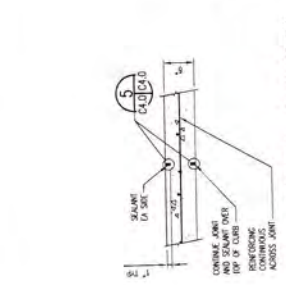


**ENTERPRISE ENGINEERING, INC.**  
5 WEST STREET  
SUITE 200  
ANCHORAGE, AK 99501  
TEL: (907) 561-8800 FAX: (907) 561-8811

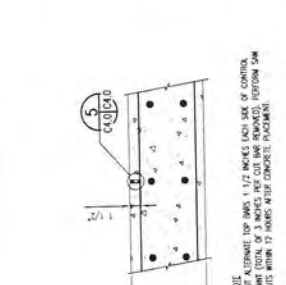
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DETAILS	
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DATE	04/27/12
P/N	0101
GRID	1
SHEET	5686
OF	1



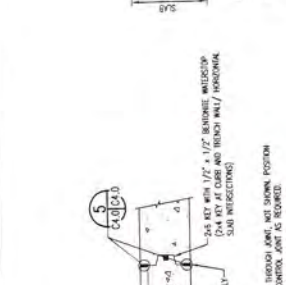
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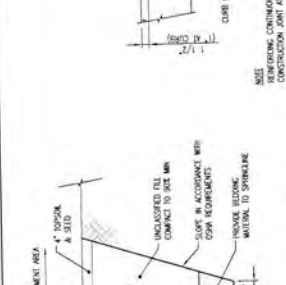
**2 CONSTRUCTION JOINT DETAIL**  
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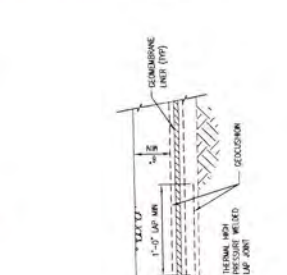
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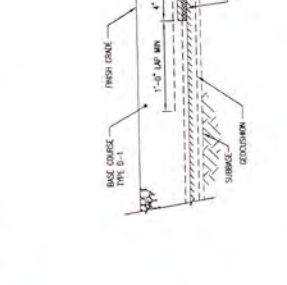
**4 CURB CONTROL JOINT DETAIL**  
SCALE: NTS



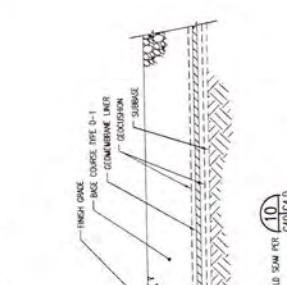
**5 JOINT DETAIL**  
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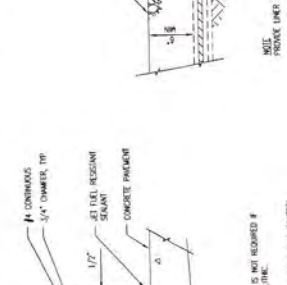
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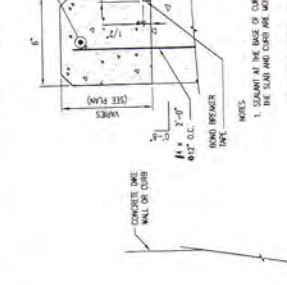
**7 CONCRETE CURB DETAIL**  
SCALE: NTS



**8 FLEXIBLE MEMBRANE LINER (FML) SECTION DETAIL (TYP)**  
SCALE: NTS



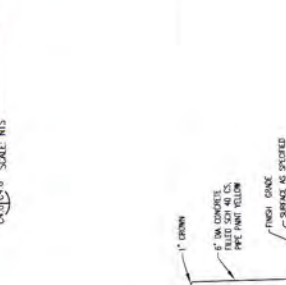
**9 GEOMEMBRANE & GEOCUSHION FIELD SEAM (TYP)**  
SCALE: NTS



**10 BOLLARD DETAIL**  
SCALE: NTS



**11 POST INDICATOR VALVE**  
SCALE: NTS



**12 CONTAINMENT SYSTEM CATCH BASIN/MANHOLE**  
SCALE: NTS

IF SHEET IS LESS THAN  
27" x 36"  
IT IS A REDUCED PRINT -  
SCALE REDUCED ACCORDINGLY



# DELTA WESTERN SITKA FUEL FACILITY

509 WEST 3rd Ave, Ste 101  
ANCHORAGE, AK 99501

REV	DATE	BY	DESCRIPTION
1	11/2	DAS	FOUNDATION REVISIONS

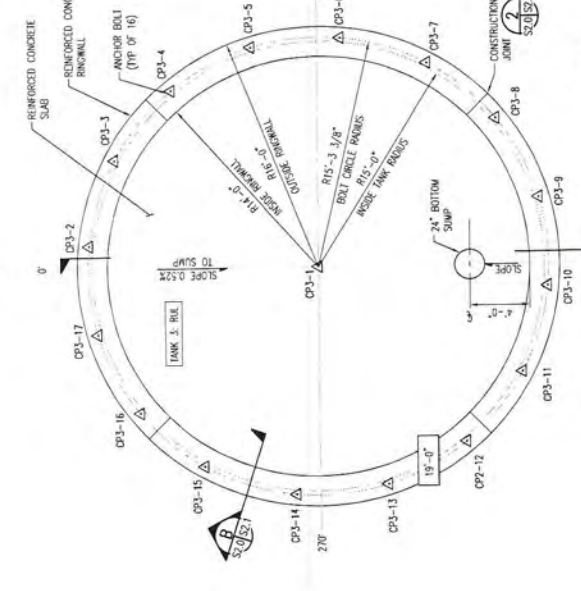
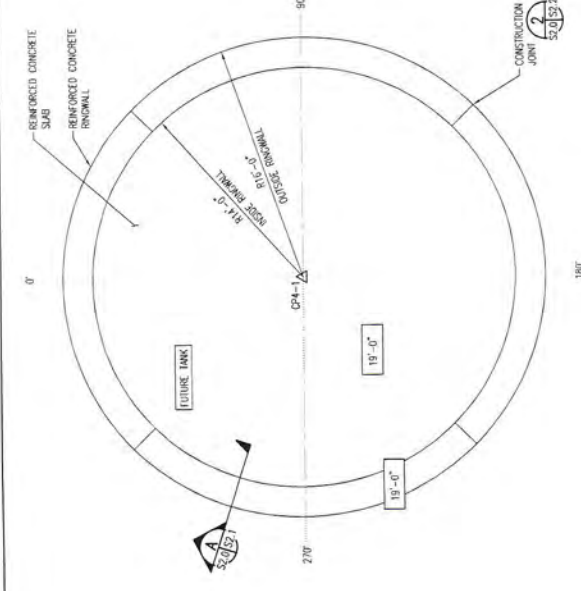
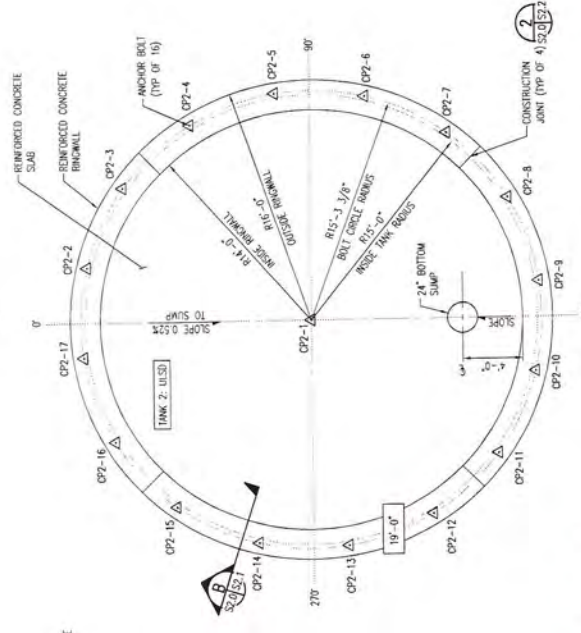
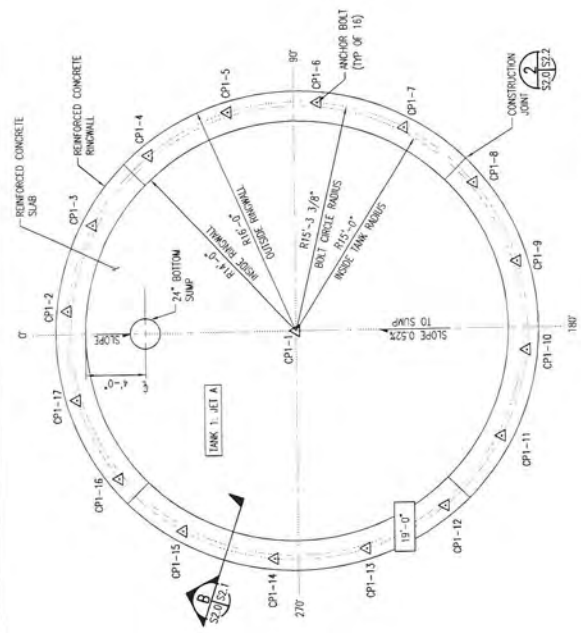
DESIGN: SEAL  
 BAS  
 DRAFTER: SPH  
 CHECKED:  
 APPROVED:  
 SCALE: AS NOTED

**ENTERPRISE**  
 ENGINEERING, INC.  
 5, 800' STREET  
 200 MARSH STREET  
 ANCHORAGE, AK 99501  
 (907) 561-1000  
 (907) 561-1001  
 (907) 561-1002

DRAWING TITLE  
**TANK FOUNDATION PLAN**

DWG NO: S2.0  
 DATE: 10/27/12  
 P/N: 11-5686  
 SHEET: X OF -

- NOTES**
- SEE CIVIL FOR CONTROL INFORMATION
  - FINISH SLAB ELEVATION = DATUM
  - TOP OF CONCRETE NOTED THIS [X-Y]
  - REINFORCE IN/LL SLAB W/2 LAYERS OF #4 BARS @ 10" O.C.E.W.
  - SEE [1] FOR VERTICAL ASJ ANCHORS
  - FOR TYPICAL SLAB JOINT DETAILS, SEE [2]



**FOUNDATION PLAN**  
 SCALE: 1/4" = 1'-0"

Plot Date: 10/23/2012 2:08pm Drawing: P:\projects\11-5686 SITKA FUEL CONSTRUCTION\12-04.dwg (not needed for report)

**DELTA WESTERN  
SITKA FUEL FACILITY**  
509 WEST 3rd Ave, Ste 101  
ANCHORAGE, AK 99501

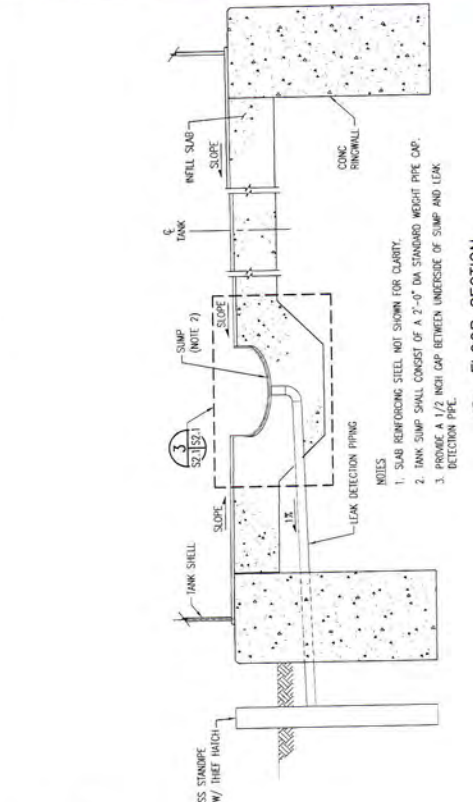
REV	DATE	BY	CHKD	APPVD	DESCRIPTION
1	11/2	DAS			FOUNDATION REVISIONS

DESIGN: SEAL
CHECKED: SPH
APPROVED: [Signature]
SCALE: AS NOTED

**ENTERPRISE  
ENGINEERING, INC.**  
5000 STEEL STREET  
ANCHORAGE, AK 99503  
TEL: (907) 562-1111 FAX: (907) 562-1817

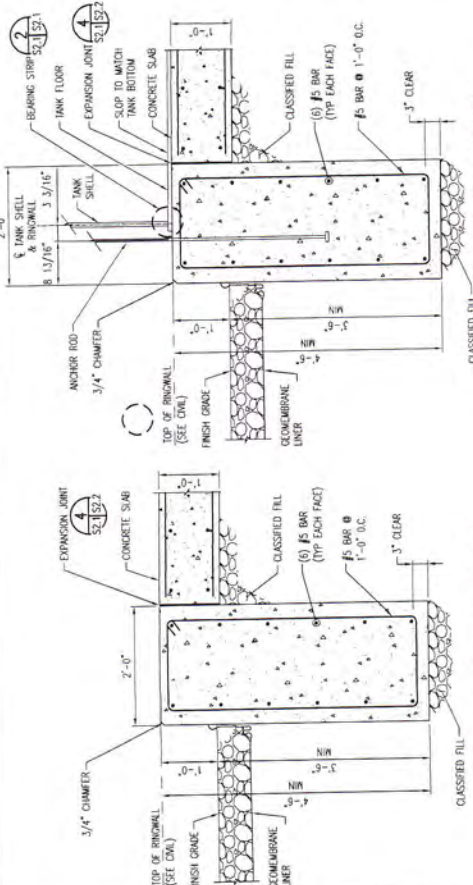
DRAWING TITLE  
**FOUNDATION DETAILS**

DWG NO:	S2.1
DATE:	10/27/12
P/N:	GRID
SHEET:	11-5686
X OF:	



**FLOOR SECTION**  
SCALE: 1" = 1'-0"

NOTES:  
1. SLAB REINFORCING STEEL NOT SHOWN FOR CLARITY.  
2. TANK SUMP SHALL CONSIST OF A 2'-0" DIA STANDARD WEDGE PIPE CAP.  
3. PROVIDE A 1/2" INCH GAP BETWEEN UNDERSIDE OF SUMP AND LEAK DETECTION PIPE.



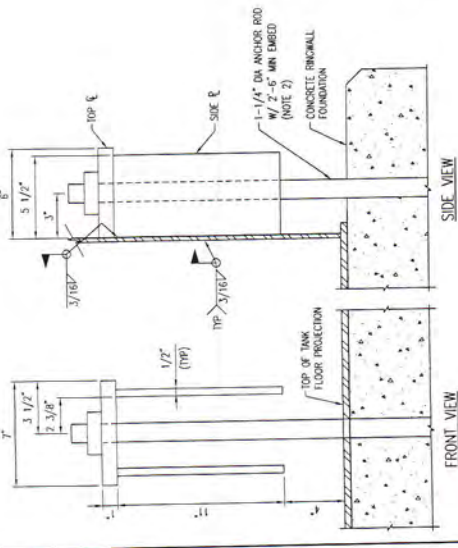
**A CONCRETE RINGWALL SECTION**  
SCALE: 1" = 1'-0"

**B CONCRETE RINGWALL SECTION**  
SCALE: 1" = 1'-0"

**C BEARING STRIP DETAIL**  
SCALE: 3" = 1'-0"

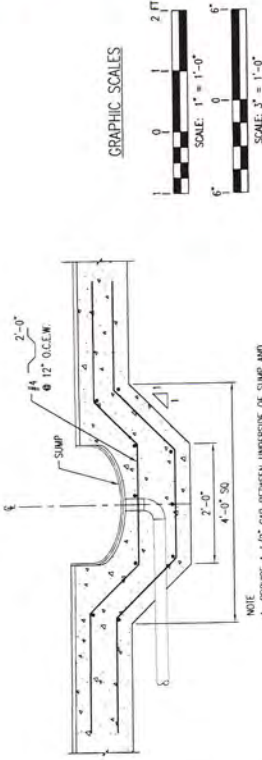


**BEARING STRIP DETAIL**  
SCALE: 3" = 1'-0"



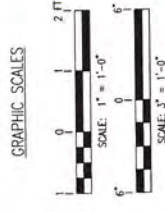
**ANCHOR CHAIR (TYP)**  
SCALE: 3" = 1'-0"

NOTES:  
1. NOTIFY ENGINEER IF TOP OR SIDE PLATES ARE WITHIN 6" OF A VERTICAL SHELL WELD.  
2. JACK WELD A NUT TO EMBEDDED END OF ROD.



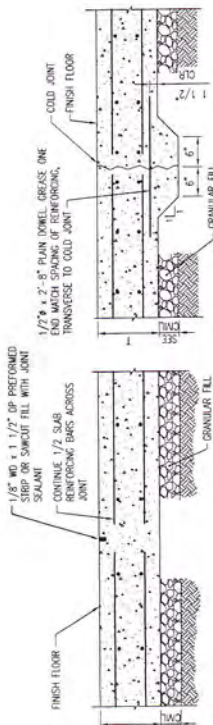
**SLAB AT SUMP**  
SCALE: 1" = 1'-0"

NOTE:  
1. PROVIDE A 1/2" GAP BETWEEN UNDERSIDE OF SUMP AND LEAK DETECTION PIPING.



GRAPHIC SCALES  
SCALE: 1" = 1'-0"  
SCALE: 3" = 1'-0"  
IF SHEET IS LESS THAN 22" X 36" PRINT - SCALE REDUCED ACCORDINGLY





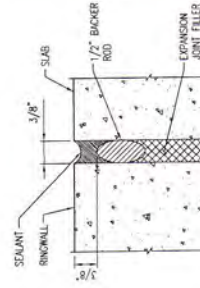
- NOTES
1. SEE PLAN FOR "T".
  2. CUT ALTERNATE REINFORCING BARS 1 1/2" EACH SIDE OF CONTROL JOINT.
  3. MAKE SAW CUTS WITHIN 12 HOURS AFTER CONCRETE PLACEMENT.

CONTROL JOINT

CONSTRUCTION JOINT

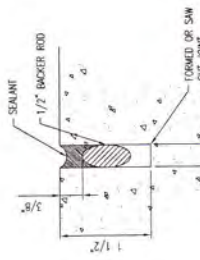
1 TYPICAL SLAB ON GRADE DETAILS

SCALE: NTS



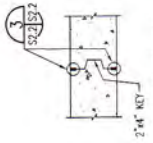
4 TYPICAL EXPANSION JOINT

SCALE: NTS



3 TYPICAL JOINT DETAIL

SCALE: NTS



2 RINGWALL JOINT DETAIL

SCALE: NTS

DELTA WESTERN  
SITKA FUEL FACILITY  
509 WEST 3rd Ave., Ste 101  
ANCHORAGE, AK 99501

REV	DATE	BY	DESCRIPTION
1	11/2	DAS	FOUNDATION REVISIONS

DESIGN: SEAL
DRAWN: [ ]
CHECK: [ ]
APPROV: [ ]
SCALE: AS NOTED

**ENTERPRISE**  
ENGINEERING, INC.  
5 BAYVIEW STREET  
SUITE 200  
ANCHORAGE, AK 99503  
(907) 561-2817

DRAWING TITLE  
**FOUNDATION DETAILS 2**

DWG NO:	S2.2	DATE:	10/22/12
P/N:	0101	SHEET:	1 OF 1
11-5656		X OF	

IF SHEET IS LESS THAN  
IT IS A REDUCED PRINT -  
SCALE REDUCED ACCORDINGLY

**CITY AND BOROUGH OF SITKA  
Planning Commission  
Minutes of Meeting  
September 17, 2013**

**Present:** Richard Parmelee (Chair), Darrell Windsor (Member), Chris Spivey (Member), Cheryl Westover (Member), Debra Pohlman (Member), Wells Williams (Planning Director) Maegan Bosak (Planner I)

**Members of the Public:** Shannon Haugland (Sitka Setinel), Cory Baggen, Kirk Payne

Chair Parmelee called the meeting to order at 7:00 p.m.

**Roll Call:**

**PRESENT:** 5 – Parmelee, Windsor, Spivey, Westover, Pohlman

**Consideration of the Minutes from the September 3, 2013 meeting:**

**MOTION: M/S SPIVEY/WINDSOR** moved to approve the meeting minutes for September 3, 2013

**ACTION:** Motion **PASSED unanimously 5-0** on a voice vote.

**The evening business:**

**VARIANCE REQUEST  
LOT 4, HOLT SUBDIVISION  
TOM CRANE FOR RONALD HANDERSON**

*Public hearing and consideration of a variance request filed by Tom Crane at 108 Oceanview Street. The request is for a reduction in the rear setback from 10 feet to 6 feet for a new construction deck. The property is also known as Lot 4, Holt Resubdivision. The owner of record is Ronald Handerson and Kari Lundgren.*

Planner I Bosak reviews the variance request. New deck will be 6 feet 10 in wide by 17 feet long. After a staff site visit, request seems straightforward. No concerns from staff. Williams describes different findings that apply as there is a lower threshold for small structures such as this deck.

**APPLICANT:** Tom Crane of Crane Construcion steps forward on behalf of the owner. Describes deck project and use for relaxation and bbq. Backyard is very long and narrow, a deck like this is the only option.

**COMMISSIONER DELIBERATION:** No Commissioner questions. No public comments received.

**MOTION: M/S SPIVEY/WINDSOR** moved to approve the variance request filed by Tom Crane at 108 Oceanview Street. The request is for a reduction in the rear setback from 10 feet to 6 feet for a new construction deck. The property is also known as Lot 4, Holt Resubdivision. The owner of record is Ronald Handerson and Kari Lundgren.

**ACTION:** Motion **PASSED unanimously 5-0** on a voice vote.

**MOTION: M/S WESTOVER/SPIVEY** moved to approve the following findings in support of the variance:

1. The Municipality finds that the necessary threshold for granting this variance should be lower than thresholds for variances involving major structures or major expansions.
2. The granting of the variance is not injurious to nearby properties or improvements.
3. The granting of the variance furthers an appropriate use of the property.

**ACTION:** Motion **PASSED unanimously 5-0** on a voice vote.

Williams reminds Crane that variance will take effect in 10 days.

**CONDITIONAL USE PERMIT  
A 1.92 ACRE PORTION OF LOT 5 U.S. SURVEY 3670  
SAMSON TUG AND BARGE, INC. WITH DELTA WESTERN, INC.**

*Public hearing and consideration of a conditional use permit request for a bulk fuel facility at 5309 Halibut Point Road. The request is filed by Samson Tug and Barge, Inc. with Delta Western, Inc. The property is also known as a 1.92 acre portion of Lot 5 U.S. Survey 3670.*

Williams reviews conditional use permit application and process thus far. This meeting is to review the plan with the applicant, hear of any changes and proceed with conditions, a motion and findings. There have been no additional comments.

**APPLICANT:** Cory Baggen, Samson Tug and Barge, and Kirk Payne, Delta Western, come forward to report no changes to the plan. Payne lets commissioners know that DEC permits are not issued until construction is completed. They will do a full inspection. The permit will be granted prior to use as a fuel facility.

**PUBLIC COMMENT:** No public comment.

**COMMISSIONER DELIBERATION:** No additional questions from Commissioners.

**MOTION: M/S SPIVEY/WINDSOR** moved to recommend approval of conditional use permit to Assembly for a bulk fuel facility at 5309 Halibut Point Road by Samson Tug and Barge Inc. and Delta Western, Inc. with the following conditions:

1. The project be completed in conformance with the plans submitted in the conditional use application to the Planning Commission;
2. Prior to the activation of the conditional use permit, the operator of the facility shall certify to the Municipality, in writing, that all necessary permits have been received including but not limited to:
  - a. State of Alaska driveway permits for the configuration shown in the application;
  - b. All Alaska Department of Environmental Conservation permits;
  - c. State Fire Marshall approval;
  - d. City and Borough of Sitka Building permits;
  - e. Any other permits considered necessary by the Planning Department;

3. In addition, prior to the activation of the conditional use permit, the Planning Director shall indicate, in writing, that all permits have been received that the municipality considers necessary;
4. The applicant recognizes that other permits, not specifically mentioned by the municipality, may be required by state or federal agencies;
5. The applicant shall provide a narrative on the status of the operations nine months after the activation of the conditional use permit;
6. The Planning Commission has an annual review of the first nine to twelve months of operation of the facility within one year of the activation of the conditional use permit. The purpose of the annual review is to determine what, if any impacts of the operation need to be mitigated. The Planning Commission, by its own motion, may undertake a second annual review if the board considers it to be necessary;
7. The Assembly, at its discretion, may complete an annual review if any issues are not satisfactorily resolved at the Planning Commission level.
8. That the project will be completed in conformance to the plans submitted; and
9. That the project be operated in conformance with the narrative;
10. The applicant shall provide by September 27, 2013, a narrative that clarifies the request and includes; an updated timetable, list of the range of uses for the fuel facility, and amended to add that fuel distribution will be to a range of residential and commercial locations;
11. The municipality recognizes the offices for the facility will be shared with Samson Tug and Barge, Inc. in a facility that is not shown on the site plan.

**ACTION:** Motion **PASSED unanimously 5-0** on a voice vote.

**MOTION: M/S SPIVEY/WINDSOR** moved to approve the following findings in support of the variance:

1. The Planning Commission finds that the site topography is suitable for the project as proposed and that the necessary slope and soil stability issues have or will be taken into account by the mandatory permitting;
  2. That the conditions are in place to ensure that adequate utilities for the proposed use will be in place;
  3. The lot characteristics including the size are suitable for the proposed conditional use permit;
  4. That the proposed operation of the facility will be sufficient to ensure that adjacent uses are adequately protected;
  5. Community appearance and screening is handled by the layout of the proposed use;
1. That the proposed use will not be detrimental to public health or welfare;
    - a. That the proposed use will not adversely affect the established character of the surrounding vicinity;
    - b. That the proposed use will not be injurious to adjacent improvements;
    - c. That the granting of the proposed conditional use permit is consistent and compatible with the goals and policies of the Sitka 2007 comprehensive plan 2.1.1 *The City and Borough of*

*Sitka sill strive to contribute to a stable, long-term, local economic base and 2.5.2 That encourages commercial and industrial developments of a quality that does not adversely impact any adjacent recreational and residential areas and encourages sensitive master planning;*

2. That all conditions necessary to lessen impacts of the conditional use are in the conditions and are monitored and forced specifically by permits by agencies that governs the use and the requirement for at least one annual review by the Planning Commission;
  3. That the proposed use will not adversely affect hazardous conditions that cannot be mitigated and that those proposed conditions will be monitored though the Department of Environmental Conservation and other building codes;
  4. That the conditional use will be supported by, and not adversely affect, adequate public facilities and services; specifically the presence of the proposed facility being adjacent to Halibut Point Road;
  5. That the Applicant has met the burden of proof;
1. That the Planning Commission further finds that the following criteria have been considered in determining the impacts of the proposed bulk fuel facility on adjacent properties:
    - a. The Planning Commission has considered the amount of vehicular traffic to be generated and that amount of traffic was covered in the narrative;
    - b. The Planning Commission has considered the amount of noise to be generated and the impact of adjacent land uses and anticipates that amount of noise to be generated by the facility to be fairly moderate in to the adjacent waterfront uses;
    - c. The Planning Commission recognizes that some odors may be generated by the facility but that those will be regulated by the Alaska Department of Conservation and the building code;
    - d. The Planning Commission has recognized that the facility will be operated during business hours;
    - e. The Planning Commission has considered the location of the facility along a major collector street and has specifically required in the condition the driveway DOT permit;
    - f. The potential use is not adjacent to a substandard street;
    - g. It is not anticipated to have effect on vehicular or pedestrian safety;
    - h. It is the finding of the Planning Commission that there is adequate ability of the police, fire, EMS personnel to respond to emergency calls on site since the property is located adjacent to the State highway;
    - i. The Planning Commission has reviewed the traffic layout and considers it to be adequate;
    - j. The Planning Commission recognizes that there the signs on the property with the sign ordinance section of the Sitka Zoning Code;
    - k. The Planning Commission recognizes that there are going to be buffers on site provided in the outline plan and described in the narrative;

- I. The Planning Commission has previously addressed the relationship to the Comprehensive Plan in the conditional use permit and that there have not been any public comments that have surfaced.

**ACTION:** Motion **PASSED unanimously 5-0** on a voice vote.

**PLANNING DIRECTOR'S REPORT:** Didrickson's variance will be back on agenda at the next meeting. Williams asks one member of commission to be present at Assembly meeting for BIHA map amendment and conditional use permit. Parmelee can be there. Westover suggests moving meeting time to 6 pm for the winter. Pohlman has conflicting schedule. Menendez day care annual review will be at next meeting.

**ADJOURNMENT:**

**MOTION: M/S WESTOVER/POHLMAN** moved to adjourn at 7:44 pm.

**ACTION:** Motion **PASSED** unanimously 5-0 on a voice vote.

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**Richard Parmelee, Chair**

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**Maegan Bosak, Secretary**

**CITY AND BOROUGH OF SITKA  
Planning Commission  
Minutes of Meeting  
September 3, 2013**

**Present:** Richard Parmelee (Chair), Darrell Windsor (Member), Chris Spivey (Member), Cheryl Westover (Member), Debra Pohlman (Member), Maegan Bosak (Planner I)

**Members of the Public:** Shannon Haugland (Sitka Setinel), Dave Longtin (CBS Senior Engineer), Mike Johnson

Chair Parmelee called the meeting to order at 7:01 p.m.

**Roll Call:**

**PRESENT:** 5 – Parmelee, Windsor, Spivey, Westover, Pohlman

**Consideration of the Minutes from the August 20, 2013 meeting:**

**MOTION: M/S SPIVEY/WESTOVER** moved to approve the meeting minutes for August 20, 2013

**ACTION:** Motion **PASSED unanimously 5-0** on a voice vote.

**The evening business:**

**CONDITIONAL USE PERMIT  
A 1.92 ACRE PORTION OF LOT 5 U.S. SURVEY 3670  
SAMSON TUG AND BARGE, INC. WITH DELTA WESTERN, INC.**

*Public hearing and consideration of a conditional use permit request for a bulk fuel facility at 5309 Halibut Point Road. The request is filed by Samson Tug and Barge, Inc. with Delta Western, Inc. The property is also known as a 1.92 acre portion of Lot 5 U.S. Survey 3670.*

Planner I Bosak reviews conditional use permit application and process thus far. This meeting is to review the plan with the applicant, hear of any changes and take public comment. Application will be on the agenda for the September 17<sup>th</sup> meeting for conditions, motion and findings. Bosak shares email from Sitka Ranger District stating they have no comments or concerns regarding this project.

**APPLICANT:** Mike Johnson, Delta Western representative, steps forward to state there are no changes to the plan. Commissioners ask him to describe residential services and any impacts on truck traffic of Halibut Point Road. Johnson believes that traffic will be accurate and describes how deliveries make many stops on one outing – doesn't come back to refuel between every delivery.

**COMMISSIONER DELIBERATION:** Commissioners discuss residential delivery. Spivey wants to make sure the application includes both commercial and residential delivery not just a fueling station. Commissioners believe it should be clarified. Questions as to if this will change the number of trucks on Halibut Point Road. Commissioners believe application should be amended

to say four or more round trips per day. Pohlman discusses permitting and making sure that applicant gains the necessary permits. Bosak explains that permitting is a condition for the approval of the conditional use.

**PUBLIC COMMENT:** No public comment.

Request will come back before the board on September 17<sup>th</sup>.

**PLANNING DIRECTOR'S REPORT:** BIHA Zoning map change will be on agenda for next Assembly meeting. Boyd Didrickson's variance request for 428 Kaagwaantaan will be heard at next P&Z Commission meeting as it was not activated and has to go through the process again.

**ADJOURNMENT:**

**MOTION: M/S WESTOVER/SPIVEY** moved to adjourn at 7:19 pm.

**ACTION:** Motion **PASSED** unanimously 5-0 on a voice vote.

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Richard Parmelee, Chair

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Maegan Bosak, Secretary



**CITY AND BOROUGH OF SITKA  
Planning Commission  
Minutes of Meeting  
August 20, 2013**

**Present:** Richard Parmelee (Chair), Darrell Windsor (Member), Chris Spivey (Member), Cheryl Westover (Member), Wells Williams (Planning Director), Maegan Bosak (Planner I)

**Members of the Public:** Shannon Haugland (Sitka Setinel), Michael Tisher, Cliff Richter, Adam Charlton, Cory Baggen, Kirk Payne, Stephen Weatherman (CBS Senior Engineer)

Chair Parmelee called the meeting to order at 7:01 p.m.

**Roll Call:**

**PRESENT:** 4 – Parmelee, Windsor, Spivey, Westover

**Consideration of the Minutes from the August 6, 2013 meeting:**

**MOTION: M/S SPIVEY/WINDSOR** moved to approve the meeting minutes for August 6, 2013

Westover adds one administrative change.

**ACTION:** Motion **PASSED unanimously 4-0** on a voice vote.

**The evening business:**

**CONDITIONAL USE PERMIT  
A PORTION OF LOT 5C, DEPARTMENT OF PUBLIC SAFETY SUBDIVISION U.S. SURVEY  
407, TRACT B  
BARANOF ISLAND HOUSING AUTHORITY**

*Public hearing and consideration of a conditional use permit request for natural resource extraction (rock quarry) & mining support facilities. The conditional use permit would allow for the expansion of the existing quarry at the end of Yaw Drive including use of a rock crusher during permitted hours. The location area is 36 acres of land also known as a portion of Lot 5C, Department of Public Safety Subdivision U.S. Survey 407, Tract B from R-2 MHP multifamily and mobile home district to I industrial district. This request is filed by Baranof Island Housing Authority.*

Planning Director Williams reviews process thus far. Job of the board tonight is to make a motion recommending approval with conditions and findings. The board has no additional questions and is prepared to review conditions.

**APPLICANT:** Cliff Richter, BIHA, comes forward. There are no changes to the plan and they are in agreement with the conditions.

Williams goes through findings. Westover asks if U.S. Corps of Engineers condition should state "if necessary"? Windsor asks about the appeal process. Williams explains that conditional use permit process is in regards to nearby property owners. People don't know what projects trucks are coming from. Parmelee and Spivey have concerns over the number of trucks using Yaw Drive especially in the morning with school kids.

**MOTION: M/S SPIVEY/WINDSOR** moved to recommend approval of the conditional use permit for natural resource extraction (rock quarry) & mining support facilities with the following conditions. The conditional use permit would allow for the expansion of the existing quarry at the end of Yaw Drive including use of a rock crusher during permitted hours. The location area is 36 acres of land also known as a portion of Lot 5C, Department of Public Safety Subdivision U.S. Survey 407, Tract B. The request is filed by Baranof Island Housing Authority.

1. The permit is contingent upon the passage of the rezoning ordinance involving 36 acres,
2. The quarry and rock crusher shall operate consistent with the plans and narrative submitted with the application or as modified by the following conditions.
3. The buffers shown on the development plan shall be maintained and vegetation shall remain in the buffers to the fullest extent possible. Any rock removal within the buffers shall be limited to the minimum amount necessary to insure the safety of the operations,
4. The permit is for 20 years with opportunities for one-year extensions,
5. The plan for the benches included in the submittal shall be followed,
6. Approval will be obtained by the U.S. Corps of Engineers of wetland issues,
7. The Municipality sign off on the drainage plan,
8. The Planning Office may allow for minor modifications of the site and operational plan. Land owners in the subdivisions along Yaw Drive and Indian River Road have appeal rights to the Planning Commission and the Assembly,
9. The rock crusher shall be located on the site in a manner that minimizes its ability to be heard in the Indian River Valley. The crusher shall be relocated, with that goal in mind as the quarry activity expands.
10. Quarrying activities, rock sorting, and vehicular movements in the quarry are limited to Monday through Saturday from 7:00 am to 7:00 pm. Loading and truck movements may occur on a limited basis on Sunday if necessary approved consistent with below.
11. The Planning Commission, following an advertised public hearing, may allow a short term expansion of quarry operations on Sunday between the hours of 10:00 am and 4:00 pm. That expansion of operations shall only be allowed for a 45 day period each year. Any expansion of the hours shall only be for a public project and shall only be made after a finding is made that nearby properties will not be adversely affected. Land owners in the subdivisions along Yaw Drive and Indian River Road may appeal any Planning Commission temporary extension to the Assembly within ten calendar days of the decision on the extension.
12. Truck traffic along Yaw Drive and Indian River Road is only allowed between the hours of 7:00 am and 6:00 pm Monday through Saturday.
13. The Planning Commission, following an advertised public hearing, may allow a short term expansion of truck traffic operations on Yaw Drive and Indian River Road on Sunday between the hours of 10:00 am and 4:00 pm. That expansion of operations shall only be allowed for a 45 day period each year. Any expansion of the hours shall only be for a public project and shall only be made after a finding is made that nearby properties

will not be adversely affected. Land owners in the subdivisions along Yaw Drive and Indian River Road may appeal any Planning Commission temporary extension to the Assembly within ten calendar days of the decision on the extension.

14. The rock crusher shall only operate in the quarry between the hours of 8:00 am and 5:00 pm Monday through Friday.

15. The Planning Commission, following an advertised public hearing, may allow a short term expansion of crusher operations on Yaw Drive and Indian River Road on Sunday between the hours of 10:00 am and 4:00 pm. That expansion of operations shall only be allowed for a 45 day period each year. Any expansion of the hours shall only be for a public project and shall only be made after a finding is made that nearby properties will not be adversely affected. Land owners in the subdivisions along Yaw Drive and Indian River Road may appeal any Planning Commission temporary extension to the Assembly within ten calendar days of the decision on the extension.

16. The Planning Commission shall hold an advertised public hearing within 13 months of the expansion of operations, outside of the original 18.8 acres quarry approved in the earlier conditional use permit. The owner shall notify the Planning Office, in writing, within one month of the expansion of quarry operations and shall file a written narrative, describing operations, within 11 months of the expansion of operations onto the additional area. The Planning Commission, at its discretion, may require as many additional annual reviews as it deems necessary. The purpose of the review is to develop strategies to minimize impacts on nearby properties.

17. In the event complaints arise about the operations of the quarry that cannot be resolved between Municipal staff and the owner, the Planning Commission is tasked with working to resolve the concerns with appeal opportunities by nearby property owners to the Assembly.

**ACTION:** Motion **PASSED unanimously 4-0** on a voice vote.

**MOTION: M/S SPIVEY/WESTOVER** moved to approve the following findings in support of the recommended conditional use permit:

#### **Required Findings for Conditional Use Permits**

1. The Planning Commission finds that the proposed conditional use permit will not:
  - a. Be detrimental to the public health, safety, and general welfare;
  - b. Adversely affect the established character of the surrounding vicinity; nor
  - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located;
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation. Specifically Sections 2.3.4, 2.3.6 and 2.5.2 of the comprehensive plan;
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced. Specifically the 17 conditions added to the conditional use permit;
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard;
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services. Specifically mitigate truck traffic on Yaw Drive;
6. Burden of Proof. The applicant has met the burden of proof;

The requests supported by general approval criteria as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted. There is adequate road presence;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures. Do not apply;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements. Specifically hours of operation limitations mitigate affects on adjacent properties;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts;

1. The following criteria in Determining Impacts of Conditional Uses have been considered:

- a. Amount of vehicular traffic to be generated and impacts of the traffic on nearby land uses. Specifically recommended truck traffic regulations to mitigate impacts;
- b. Amount of noise to be generated and its impacts on surrounding land uses. Specifically quarry noise minimized through limited hours of operation and placement of rock crusher;
- c. Odors to be generated by the use and their impacts;
- d. Hours of operation. Adequate to minimize impacts;
- e. Location along a major or collector street. Adequate but not major or collector street;
- f. Potential for users or clients to access the site through residential areas or substandard street creating a cut through traffic scenario;
- g. Effects on vehicular and pedestrian safety;
- h. Ability of the police, fire, and EMS personnel to respond to emergency calls on the site. Specifically through Yaw Drive;
- i. Logic of the internal traffic layout;
- j. Effects of signage on nearby uses. No signage proposed;
- k. Presence of existing or proposed buffers on the site or immediately adjacent the site. Buffers are sufficient and regulated;
- l. Relationship if the proposed conditional use is in a specific location to the goals, policies, and objectives of the comprehensive plan. Specifically 2.3.4, 2.3.6 and 2.5.2
- m. Other criteria that surface through public comments or planning commission assembly review. Specifically request has been through three public hearings.

**ACTION:** Motion PASSED unanimously 4-0 on a voice vote.

MINOR SUBDIVISION  
LOT 13, U.S. SURVEY 3695  
MICHAEL TISHER

*Public hearing and consideration of a final plat for a minor subdivision at 205 Price Street. The request is filed by Michael Tisher. The property is also known as Lot 13, U.S. Survey 3695.*

Planner Bosak reviewed the minor subdivision request and layout of the lots. Applicant addressed concerns regarding the property lines not matching the retaining walls. No public comment has been received.

APPLICANT: Applicant Michael "Mick" Tisher came forward to report no changes on the project.

COMMISSIONER DELIBERATION: No further questions.

PUBLIC COMMENT: No public comment.

MOTION: M/S SPIVEY/WESTOVER moved to approve the final plat for a minor subdivision at 205 Price Street. The request is filed by Michael Tisher. The property is also known at Lot 13, U.S. Survey 3695.

ACTION: Motion PASSED unanimously 4-0 on a voice vote.

#### CONDITIONAL USE PERMIT

A 1.92 ACRE PORTION OF LOT 5 U.S. SURVEY 3670  
SAMSON TUG AND BARGE, INC. WITH DELTA WESTERN, INC.

*Public hearing and consideration of a conditional use permit request for a bulk fuel facility at 5309 Halibut Point Road. The request is filed by Samson Tug and Barge, Inc. with Delta Western, Inc. The property is also known as a 1.92 acre portion of Lot 5 U.S. Survey 3670.*

Planning Director Williams reviews past conditional use request. The permit was never activated so process has to be gone through again. All contingency's of the facilities need to be talked through and vetted through public hearings. Williams suggests two public comment meetings and then a motion with conditions and findings. Williams reviews site plan.

APPLICANT: Applicant Corey Baggen, Samson Tug and Barge, and Kirk Payne, Delta Western, come forward to answer Commissioners questions. Payne informs the board that there are no changes from the past permit. Site plan is identical. Williams says that he thought the last permit was only for marine fuel but now they are also including fuel trucks. Payne says they plan to distribute jet fuel, diesel fuel and gas for the community. Williams states that Delta Western recently acquired McGraw fuel dock. Payne responds that they will continue marine fuel sales but eventually some tanks may be deactivated. Westover asks is jet fuel is new, Payne responds that they have had a contract with Alaska Airlines and it's the same as the old permit. Williams asks about location of an office. Baggen says Delta Western will share space in the future Samson Tug and Barge office facility on site.

COMMISSIONER DELIBERATION: Westover asks if there is enough room on site. Baggen talks about the time schedule. Time is of the essence as Samson will have major barges coming in weekly in October. Payne and Baggen ask about the delay of the process. Williams lets them know there has been no delay in the process. It has to go through public hearings. Westover adds that there is a new political body that will need to approve it and Spivey adds that he wants to make sure the process is correct. Commissioners ask Planner I to pull together information from last application. Conditional Use Permit will go to Assembly for the first meeting in October.

PUBLIC COMMENT: No public comment.

Request will come back before the board on September 3<sup>rd</sup>.

**PLANNING DIRECTOR'S REPORT:** Benchlands has taken a considerable amount of staff work but the land sale will be going to the Assembly for approval at the next meeting. The zoning text amendment for Barnaby Dow will also be going through the Assembly.

**PUBLIC COMMENT:** Adam Troutman, owner of 111 Lillian Drive, complains about Brian Bickar. Bickar has items on Troutman's property. Troutman would like to build a fence and needs more information. Williams invites Troutman to come by the Planning Office to discuss.

**ADJOURNMENT:**

**MOTION: M/S SPIVEY/WESTOVER** moved to adjourn at 7:47 pm.

**ACTION:** Motion **PASSED** unanimously 4-0 on a voice vote.

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Richard Parmelee, Chair

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Maegan Bosak, Secretary



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

## **Notice of Public Hearings**

The Assembly of the City and Borough of Sitka will hold a public hearing during a regular meeting scheduled Monday, October 7, 2013 on the following items:

- a) Public hearing and consideration of a conditional use permit request for a bulk fuel facility at 5309 Halibut Point Road. The request is filed by Samson Tug and Barge, Inc. with Delta Western Inc. The property is also known as a 1.92 acre portion of Lot 5 U.S. Survey 3670.

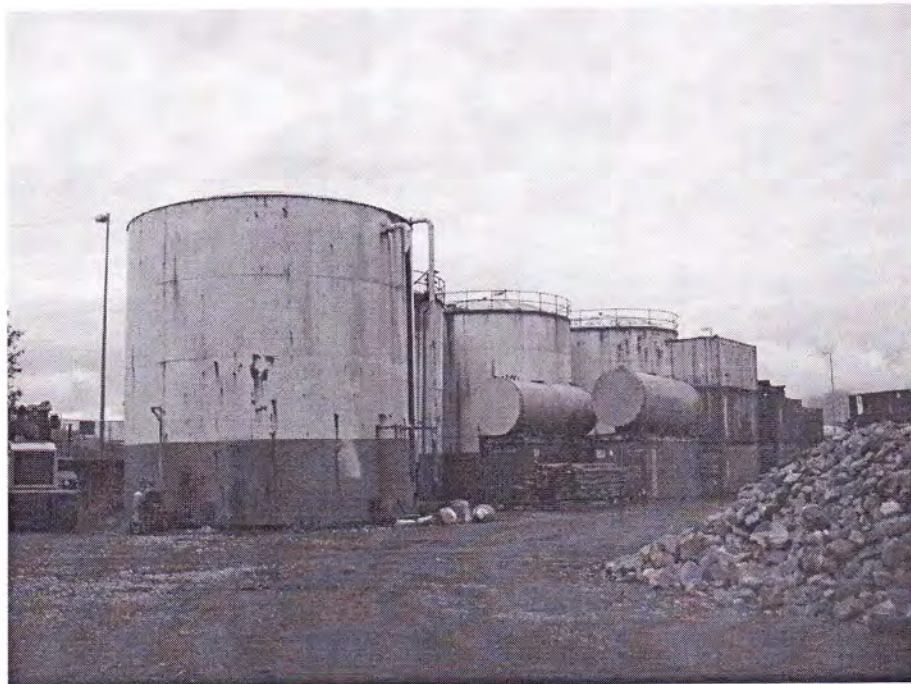
Please see the hearing description on back of page. The Assembly may take action on October 7, 2013.

The Assembly meeting will begin at 6:00 pm in Harrigan Centennial Hall at 330 Harbor Drive in Sitka.

Interested residents are encouraged to make comments during the meeting and written comments can be submitted to the Municipal Clerk at 100 Lincoln Street.

a. Proposed Conditional Use Permit for a Bulk Fuel Facility:

Applicant is applying for a conditional use permit to allow a bulk fuel facility at 5309 Halibut Point Road. Delta Western will be operating on the Samson Tug and Barge, Inc. property next to the ferry terminal. The facility will consist of four fuel tanks (30 ft diameter by 33 ft high), containment areas and small office shared with Samson Tug and Barge. The fuel facility will be used to store and distribute gasoline, aviation fuels, diesel, and heating oil. Delta Western will be delivering to both commercial and residential locations. Truck traffic on Halibut Point Road is expected to increase.





JACK/TRACY ALLEN  
ALLEN, JACK, S./TRACY, S.  
P.O. BOX 652  
HAINES AK 99827-0652

Delta Western, Inc.  
420 L Street, Ste. 101  
Anchorage, AK 99501

ALLEN PROPERTIES, LLC  
ALLEN PROPERTIES, LLC  
P.O. BOX 1049  
SITKA AK 99835

STATE OF ALASKA  
FERRY TERMINAL  
STATE OF ALASKA  
6860 GLACIER HWY  
JUNEAU AK 99801

SAMSON TUG & BARGE CO.,INC  
SAMSON TUG & BARGE CO.  
P.O. BOX 559  
SITKA AK 99835

ARYEH/KAY LEVENSON  
LEVENSON, ARYEH, L./KAY, L.  
3141 LEGACY DR.  
ANCHORAGE AK 99516

Assembly Notice  
Mailed 9/27/13

**Samson Tug and Barge, Inc.**  
Conditional Use Permit  
5309 Halibut Point Road



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

## Sitka Planning Commission Agenda - Revised

**Tuesday, September 17, 2013**

Held at **Sitka Fire Hall**

209 Lake Street, Sitka, Alaska

**7:00pm**

- I. CALL TO ORDER AND ROLL CALL
- II. CONSIDERATION OF THE MINUTES FROM September 3, 2013
- III. THE EVENING BUSINESS
  - A. Public hearing and consideration of a conditional use permit request for a bulk fuel facility at 5309 Halibut Point Road. The request is filed by Samson Tug and Barge, Inc. with Delta Western Inc. The property is also known as a 1.92 acre portion of Lot 5 U.S. Survey 3670.
  - B. Public hearing and consideration of a variance request filed by Boyd Didrickson at 428 Kaagwaantaan Street. The request is for a reduction in the front setback from 20 feet to 10 feet, reduction in side setbacks from 8 feet to 4 feet, **PULLED** increase in lot coverage to approximately 50% and reduction of the parking spaces from 2 spaces to 1 space. The property is also known as South portion of Lot 47 Block 2 of the Sitka Indian Village. This request is for the construction of a new two-story house.
  - C. Public hearing and consideration of a variance request filed by Tom Crane at 108 Oceanview Street. The request is for a reduction in the rear setback from 10 feet to 6 feet for a new construction deck. The property is also known as Lot 4, Holt Resubdivision. The owner of record is Ronald Handerson and Kari Lundgren.
- IV. PLANNING DIRECTOR'S REPORT
- V. PUBLIC BUSINESS FROM THE FLOOR
- VI. ADJOURNMENT

NOTE: Individuals having concerns or comments on any item are encouraged to provide written comments to the Planning Office or make comments at the Planning Commission meeting. Written comments may be dropped off at the Planning Office in City Hall, emailed to [maegan@cityofsitka.com](mailto:maegan@cityofsitka.com), or faxed to (907) 747-6138. Those with questions may call (907) 747-1814.

Publish: September 11, September 13

Providing for today ... preparing for tomorrow

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ALLEN PROPERTIES, LLC  
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Planning and Zoning - Third Mailing  
September 6, 2013

**Samson Tug and Barge, Inc.**  
Conditional Use Permit  
5309 Halibut Point Road



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

## **Sitka Planning Commission Agenda**

**Tuesday, September 3, 2013**

Held in Harrigan Centennial Hall

330 Harbor Drive, Sitka, Alaska

**7:00pm**

- I. CALL TO ORDER AND ROLL CALL
- II. CONSIDERATION OF THE MINUTES FROM August 20, 2013
- III. THE EVENING BUSINESS

- A. Public hearing and consideration of a conditional use permit request for a bulk fuel facility at 5309 Halibut Point Road. The request is filed by Samson Tug and Barge, Inc. with Delta Western Inc. The property is also known as a 1.92 acre portion of Lot 5 U.S. Survey 3670.

- IV. PLANNING DIRECTOR'S REPORT
- V. PUBLIC BUSINESS FROM THE FLOOR
- VI. ADJOURNMENT

NOTE: Individuals having concerns or comments on any item are encouraged to provide written comments to the Planning Office or make comments at the Planning Commission meeting. Written comments may be dropped off at the Planning Office in City Hall, emailed to [maegan@cityofsitka.com](mailto:maegan@cityofsitka.com), or faxed to (907) 747-6138. Those with questions may call (907) 747-1814.

Publish: August 26, August 28

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420 L. Street, Ste 101  
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STATE OF ALASKA  
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LEVENSON, ARYEH, L./KAY, L.  
3141 LEGACY DR.  
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Planning and Zoning - Second Mailing  
August 23, 2013

**Samson Tug and Barge, Inc.**  
Conditional Use Permit  
5309 Halibut Point Road



# City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

*Coast Guard City, USA*

## **Sitka Planning Commission Agenda**

**Tuesday, August 20, 2013**

Held in Harrigan Centennial Hall

330 Harbor Drive, Sitka, Alaska

**7:00pm**

- I. CALL TO ORDER AND ROLL CALL
- II. CONSIDERATION OF THE MINUTES FROM August 6, 2013
- III. THE EVENING BUSINESS
  - A. Planning Commission consideration of a conditional use permit request for natural resource extraction (rock quarry) & mining support facilities. The conditional use permit would allow for the expansion of the existing quarry at the end of Yaw Drive including use of a rock crusher during permitted hours. The location area is 36 acres of land also known as a portion of Lot 5C, Department of Public Safety Subdivision U.S. Survey 407, Tract B. The request is filed by Baranof Island Housing Authority.
  - B. Public hearing and consideration of a final plat for a minor subdivision at 205 Price Street. The request is filed by Michael Tisher. The property is also known as Lot 13, U.S. Survey 3695.
  - C. Public hearing and consideration of a conditional use permit request for a bulk fuel facility at 5309 Halibut Point Road. The request is filed by Samson Tug and Barge, Inc. with Delta Western Inc. The property is also known as a 1.92 acre portion of Lot 5 U.S. Survey 3670.
- IV. PLANNING DIRECTOR'S REPORT
- V. PUBLIC BUSINESS FROM THE FLOOR
- VI. ADJOURNMENT

NOTE: Individuals having concerns or comments on any item are encouraged to provide written comments to the Planning Office or make comments at the Planning Commission meeting. Written comments may be dropped off at the Planning Office in City Hall, emailed to [maegan@cityofsitka.com](mailto:maegan@cityofsitka.com), or faxed to (907) 747-6138. Those with questions may call (907) 747-1814.

Publish: August 12, August 14

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ALLEN MARINA, LLC  
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ALLEN PROPERTIES, LLC  
ALLEN PROPERTIES, LLC  
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FERRY TERMINAL  
STATE OF ALASKA  
6860 GLACIER HWY  
JUNEAU AK 99801

SAMSON TUG & BARGE CO., INC  
SAMSON TUG & BARGE CO.  
P.O. BOX 559  
SITKA AK 99835

Planning and Zoning - First Mailing  
August 9, 2013

**Samson Tug and Barge, Inc.**  
Conditional Use Permit  
5309 Halibut Point Road