



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Meeting Agenda

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson

Tuesday, September 27, 2016

6:00 PM

Assembly Chambers

WORKSESSION 5:00 PM

[16-168](#)

Worksession: Electric Department 10 Year Capital Plan and Overview of Ordinance 2016-38: Amending Sitka General Code Chapter 15.01 "Electric Utility Policies", at Section 15.01.020 "Electrical Rates", by increasing electrical rates, adding provisions to interruptible rates, and removing Section 15.01.015 "Construction Guidelines", Section 15.01.085 "Carrier Current" and Section 15.01.090 "Rebate Program for Electric Heat Pump Heating Systems" (no action will be taken during the worksession)

Attachments: [Memo Electric Department 10 Year Capital Plan.pdf](#)

[Electric Department -Rates and 10 year plan.pdf](#)

[Ord 2016-38.pdf](#)

[Finance Department Customer Service Procedures 9-9-2016.pdf](#)

[Electrical Dept Construction Guidelines.pdf](#)

REGULAR MEETING

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL
- IV. CORRESPONDENCE/AGENDA CHANGES

[16-173](#) Reminders, Calendars and General Correspondence

Attachments: [Reminders and Calendars.pdf](#)
[SCH SEARCH Letter September 2016.pdf](#)

V. CEREMONIAL MATTERS

None anticipated.

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

VII. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

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 [16-171](#) Approve the minutes of the September 13, 2016 Assembly meeting

Attachments: [Consent and Minutes.pdf](#)

B [RES 16-18](#) Supporting the application for a technical assistance workshop, free of charge, from Smart Growth America

Attachments: [Res 2016-18.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

C [16-172](#) Appoint: 1) Richard Parmelee to an unexpired term on the Planning Commission, 2) Woody Widmark to a three-year term on the Parks and Recreation Committee, 3) Lance Ewers to a term on the Local Emergency Planning Committee and 4) Craig Warren to a term on the Local Emergency Planning Committee

Attachments: [Motion Appointments.pdf](#)

[Parmelee.pdf](#)

[Widmark.pdf](#)

[Ewers and Warren.pdf](#)

XI. UNFINISHED BUSINESS:

- D** [ORD 16-32](#) Amending Sitka General Code Chapter 4.05 "Marine Passenger Fee Fund"
Attachments: [Motion Ord 2016-32.pdf](#)
 [Ord 2016-32.pdf](#)
- E** [ORD 16-34](#) Authorizing the transfer of the City and Borough of Sitka's "Boomer property", composed of 48 acres located within the West Chichagof-Yakobi Wilderness Area (Wilderness Area), and also known as "US Mineral Survey 1453 & 1587", to the US Forest Service for incorporation into the Wilderness Area
Attachments: [Motion Ord 2016-34.pdf](#)
 [Memo Ord 2016-34.pdf](#)
 [Ord 2016-34.pdf](#)
- F** [ORD 16-35](#) Authorizing the extension of the lease of the land at 323 Seward Street to November 1, 2046 to White Elephant Shop, Inc.
Attachments: [Motion Ord 2016-35.pdf](#)
 [White Elephant Renewal of Lease rotated.pdf](#)
 [Ord 2016-35.pdf](#)
- G** [ORD 16-36](#) Authorizing the lease of 7109 square feet of ATS 15 tidelands adjacent 1 Lincoln Street to Petro Marine Services
Attachments: [Ord 2016-36 rotated.pdf](#)
- XII. NEW BUSINESS:**
- H** [16-169](#) Approve Amendment No. 5 to the lease between the City and Borough of Sitka and Sitka Animal Hospital
Attachments: [Sitka Animal Hospital Lease Amendment.pdf](#)
- I** [ORD 16-40](#) Authorizing assignment of sublease of space by Ostrov Enterprises dba North Star Rent A Car to Alaska Rent A Car, Inc dba Avis Rent A Car at the Sitka Rocky Gutierrez Airport Terminal Building (first reading)
Attachments: [Motion Ord 2016-40.pdf](#)
 [Ord 2016-40.pdf](#)
- J** [ORD 16-39](#) Amending Sitka General Code Title 4 "Revenue and Finance" by adding a new Chapter 4.25 "Student Activities Dedicated Travel Fund" (first reading)
Attachments: [Motion Ord 2016-39.pdf](#)
 [Ord 2016-39.pdf](#)

- K** [ORD 16-38](#) Amending Sitka General Code Chapter 15.01 "Electric Utility Policies", at Section 15.01.020 "Electrical Rates", by increasing electrical rates, adding provisions to interruptible rates, and removing Section 15.01.015 "Construction Guidelines", Section 15.01.085 "Carrier Current" and Section 15.01.090 "Rebate Program for Electric Heat Pump Heating Systems" (first reading)
Attachments: [Motion Ord 2016-38.pdf](#)
[Ord 2016-38..pdf](#)
[Finance Department Customer Service Procedures 9-9-2016..pdf](#)
[Electrical Dept Construction Guidelines..pdf](#)
- L** [ORD 16-33](#) Adjusting the FY17 Budget (first reading)
Attachments: [Motion Ord 2016-33.pdf](#)
[Ord 2016-33.pdf](#)
- M** [16-170](#) Transfer \$440,862 from the FY16 General Fund balance to the Public Infrastructure Sinking Fund and place \$250,000 of the General Fund unreserved, undesignated fund balance to a committed fund balance for unbudgeted landslide legal, geotechnical and other related expenses
Attachments: [Public Infrastructure Sinking Fund.pdf](#)
- N** [ORD 16-37](#) Adjusting the FY17 Budget (Public Infrastructure Sinking Fund - first reading)
Attachments: [Motion Ord 2016-37.pdf](#)
[Ord 2016-37.pdf](#)

XIII. PERSONS TO BE HEARD:

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

XIV. EXECUTIVE SESSION

XV. ADJOURNMENT

*Sara Peterson, CMC
Municipal Clerk
Publish: September 23*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-168 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 9/21/2016 **In control:** City and Borough Assembly
On agenda: 9/27/2016 **Final action:**
Title: Worksession: Electric Department 10 Year Capital Plan and Overview of Ordinance 2016-38: Amending Sitka General Code Chapter 15.01 "Electric Utility Policies", at Section 15.01.020 "Electrical Rates", by increasing electrical rates, adding provisions to interruptible rates, and removing Section 15.01.015 "Construction Guidelines", Section 15.01.085 "Carrier Current" and Section 15.01.090 "Rebate Program for Electric Heat Pump Heating Systems" (no action will be taken during the worksession)

Sponsors:

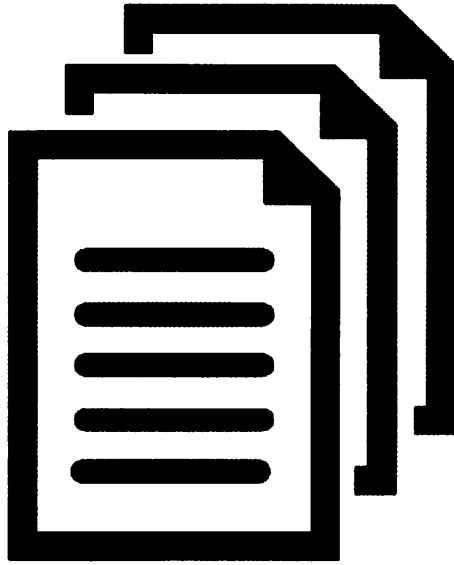
Indexes:

Code sections:

Attachments: [Memo Electric Department 10 Year Capital Plan.pdf](#)
[Electric Department -Rates and 10 year plan.pdf](#)
[Ord 2016-38.pdf](#)
[Finance Department Customer Service Procedures 9-9-2016.pdf](#)
[Electrical Dept Construction Guidelines.pdf](#)

Date	Ver.	Action By	Action	Result
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**Worksession: Electric Department 10 Year
Capital Plan and
an overview of Ordinance 2016-38**





September 1, 2016

To: Mark Gorman, Municipal Administrator
Via: Jay Sweeney, Chief Finance & Administrative Officer
From: Bryan Bertacchi, Electric Utility Director

Subject: Electric Department - 10 Year Capital Plan and Associated Funds Transfer

Executive Summary:

The Electric Department respectfully requests Assembly approval of a revised and consolidated ten year capital plan. This ten year plan includes expending a total of \$22M in capital over the ten year period while maintaining an emergency reserve of \$2.5M and a liquidity reserve of \$1.0M. These reserve requirements are based on industry best practice as recommended by the CBS Chief Finance and Administrative Officer. The currently available Electric Department total working capital of \$15,881,204 will be increased by a \$1.5M/year due to the bond covenants. This request includes a revision to all Electric Department existing capital projects (“re-appropriation”) as well as newly identified projects to provide a complete consolidation. This recommendation comes after an eight month long process within the Electric Department which included detailed reviews coupled with 3rd party engineering studies. These projects are lengthy and interrelated, thus approval of the complete revision is requested.

Background:

The electrical infrastructure of the Electric Department required a thorough review to ensure that efficient and reliable operation will be sustained at the lowest reasonable cost. After review, it was identified that the available working capital was not sufficient to support the total number of capital projects identified. However, after an intensive and long process, staff is able to recommend a series of projects which can be completed within the existing capital constraints and that have the highest probability of ensuring reliability at low cost to our citizens and customers.

Highlights:

1. N-1 Project (\$3.9M): This term is used in our industry to describe redundancy and emergency backup. As we have often described, 80% of our citizens and customers are served from the Marine Street Substation. A back-up for this substation is imperative and necessary as the existing equipment is now over 35 years old. A new substation north of town would be ideal (Kramer Ave area) however the cost was identified as being too high (>\$13M of the available capital would be consumed). Alternatively, we are proposing to install a 2nd bay at the existing Marine Street Substation at a cost of approximately \$3.9M. This second bay would still utilize a portion of the older equipment, but the overall cost is substantially lower. This modification would also increase the amount of power that can be delivered from the Jarvis Substation to Marine Street customers in the

event of an emergency. While not ideal, this provides the greatest increase in emergency backup at the lowest cost.

2. Green Lake Power Plant Overhaul (\$4.8M): The Green Lake Power Plant is a very valuable asset for the community and has not been overhauled since the early 1990's. A major pre-inspection is scheduled for 2018 which will help to further define and identify the costs of a major overhaul. Similar plants have had overhauls in the cost range of \$8M when a full rewind of the generators was required. We are currently recommending a reserve of 4.8M for this item. Numerous small inspections during the last twelve months have clearly demonstrated specific needs to return this overhaul to the list of required capital items.
3. Jarvis Fuel System Repairs/Storage (\$1.5M) & Thimbleberry Bypass (\$3.8M): These two items are directly related. In August 2015 the fuel release demonstrated a need for extensive repairs and redesign to the Jarvis Street fuel storage system. Presently, the system was designed for over seven days of fuel storage. This period was defined by the time needed to repair the worst case scenario on the electrical transmission line....the Thimbleberry portion of the transmission line. The existing Thimbleberry portion of our 69kv backbone transmission line is installed in difficult and dangerous terrain and is subject to outages from fallen trees and extensive degradation of transmission poles. Presently, a repair during winter months has demonstrated to be dangerous and time-consuming (on the order of seven days), thus setting the amount of fuel storage required. This plan, proposes to permit and install a bypass to the existing transmission line from the Whale park area to the Blue Lake Switchyard. This line would be planned on the inside of the roadway to minimize the impacts to the viewshed. This line will reduce the cost of annual diesel fuel burned, reduce the redesign costs of the Jarvis fuel system (\$2M saved), likely eliminate the need to replace the very old diesel generation units at the Jarvis facility (\$10M saved) , and eliminate the costly and dangerous maintenance required on the existing transmission line.
4. Feeder Improvements (\$1.6M): A host of miscellaneous feeder improvements are planned and required. Extensive aging and environment requires sufficient engineering, planning, inventory and lead time.
5. Blue Lake 3rd Turbine (\$2.48M): A significant host of items are needed to close out this project and are required for compliance with the FERC permit including but not limited to: the dam overlook project, the campground, safety ladders on the dam, rock removal, etc.
6. SCADA System (\$230,000): A significant amount of work has already been performed to remove the Electric Department control system from the interface with commercial carriers thus making the system significantly more secure. Additionally, the Green Lake power house and many of the system field breakers have only very limited control capability making outages more frequent and longer with extensive personnel overtime. These changes will improve safety and reliability and will bring old systems up to date significantly extending the life of the equipment (which lowers overall costs).
7. Capital for Fuel Conversions (\$1.2M): With the assistance of Siemens Engineering, a number of facilities have been identified for conversion to dual fuel (Electric Interruptible boilers). These projects have a three year return on the invested capital and will subsequently improve revenue for the department and reduce the need for rate increases to all citizens.
8. Harbor Meters (\$75,000): The revised electric rates will include an increase to the monthly rate for harbor meters which was reviewed and supported by the Harbor

Commission. This increase will generate annual revenue of approximately \$75,000 per year to support the needed replacement of failed harbor meters (currently approximately 75 meters out of service). These capital funds will be used to “kick start” this program to allow replacement of first 30 meters. Additional funding will be requested as the revenue is generated.

9. Jarvis Electric Storage and Shop Building (previously \$1.2M being reduced to \$85,000): Assembly members previously expressed concern at the older approved capital project (over \$1.2M) to add a new warehouse to the Jarvis Street Complex. The approval of this project was suspended by the Electric Department last year and has been revised to adding a number of new replacement cargo containers and an office trailer adjacent to the existing switchgear room.
10. Other Items on the list – Include existing approved capital projects which are being updated to reflect the balance needed for completion. Some additional new items are included for Safety, automatic start of back-up generators at Blue Lake/Green Lake, and a replacement roof for Green Lake.

Recommendation:

Approve the Electric Department 10 year Capital Plan.

ELECTRIC DEPARTMENT 10 YEAR CAPITAL PLAN

B. Bertacchi - 8/25/2016

Rev 2

	Required	Desired Status	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	TOTAL	
63010	Green Lake FERC Compliance: Inspect and Upgrades	141,291	OPEN	105,000	36,291							141,291	
90562	Green Lake Power Plant Improvements	334,697	OPEN	50,000	50,000	50,000	50,000	50,000	50,000	34,697		334,697	
90594	Blue Lake Third Turbine and Dam Upgrade	2,477,001	OPEN	500,000	560,000	340,000	760,000	250,000	67,001			2,477,001	
90610	Blue Lake FERC License Mitigation	423,734	OPEN	220,000	93,790	109,944						423,734	
90514	Takatz Lake Hydroelectric (open pending Grant Aug FY17)	(0)	OPEN									0	
90545	Jarvis Street Diesel Capacity Increase	(21,361)	CLOSE	(21,361)								(21,361)	
90717	Jarvis Street Improvements	27,781	OPEN	27,781								27,781	
90794	Jarvis Bulk Tank Improvements	0	OPEN									0	
90804	Blue Lake Powerhouse Conversion	150,000	OPEN								150,000	150,000	
- New -	Blue Lake Howell Bunger Valve	0	NEW									0	
- New -	Green Lake Power Plant 35yr Overhaul	4,900,000	NEW		0	4,900,000	0	0				4,900,000	
- New -	Green Lake Power Plant pre overhaul inspection	380,000	NEW		380,000							380,000	
- New -	Jarvis Fuel System Repairs and Storage Tanks	1,500,000	NEW		200,000	700,000	500,000	100,000				1,500,000	
- New -	Blue Lake Auto start Back-up Diesel	70,000	NEW		70,000							70,000	
- New -	Green Lake Auto start Back-up Diesel	20,000	NEW				20,000					20,000	
- New -	Green Lake Re-roof	225,000	NEW					225,000				225,000	
80003	Feeder Improvements	1,600,000	OPEN	200,000	200,000	200,000	200,000	200,000	200,000	200,000	100,000	100,000	1,600,000
90261	Island Improvements	225,000	OPEN	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	225,000
90512	SMC Road Upgrades Express Feeder	0	CLOSE									0	
90627	Marine Street Substation Voltage Regulator	0	CLOSE									0	
90645	HPR - Kramer - Cascade Creek Line Riser	0	CLOSE									0	
90648	Transmission & 1220 Upgrade	0	CLOSE									0	
90672	Medevejje Hatchery Transformer Replacement	45,000	OPEN	45,000								45,000	
90718	Marine Street Substation Replacements	160,000	OPEN	20,000	20,000	20,000	20,000	20,000	20,000	20,000	10,000	10,000	160,000
90765	Jarvis St. Control Building Roof Replacement	0	CLOSE									0	
- New -	Marine St N-1 Design to New HPR North Sub	3,900,000	NEW	1,400,000	1,500,000	0						2,900,000	
- New -	69 kV Thimbleberry Trans Line Bypass	3,800,000	NEW		20,000	20,000	60,000	300,000	1,000,000	1,400,000	1,000,000	3,800,000	
80040	Automated Meter Reading	32,085	OPEN	32,085								32,085	
90410	SCADA System Enhancements	230,000	OPEN	110,000	120,000							230,000	
90611	Microwave or Fiber Optic	0	CLOSE									0	
90628	Demand Side Load Management- (close 6/30/15)	14,437	OPEN	14,437								14,437	
90777	Meter Replacement Upgrading Meters	95,000	OPEN	45,000	50,000							95,000	
90791	Dual Fuel Interruptible Power	0	CLOSE									0	
90719	Jarvis Warehouse Paving	0	CLOSE									0	
90776	Jarvis Electric Storage & Shop Building	85,000	OPEN	85,000								85,000	
- New -*	Capital for Fuel Conversions (Interruptibles)	1,200,000	NEW	600,000	600,000							1,200,000	
- New -*	Asset Management	12,800	NEW	12,800								12,800	
- New -*	Safety - Arc Flash, Training, Equipment and implementation support	50,000	NEW	20,000	10,000	10,000	10,000					50,000	
- New -*	Harbor Meters	75,000	NEW	75,000								75,000	
	TOTAL	22,152,464		3,565,742	3,865,081	6,444,944	1,645,000	945,000	1,587,001	1,679,697	1,135,000	285,000	21,152,464

Existing Total Working Capital as of 8/2016	15,881,204											
Working Capital Growth per year	1,500,000			1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	
Liquidity to Maintain	(1,000,000)											
Emergency Reserve to Maintain	(2,500,000)											
Calculated Avail Cap per year	12,381,204			8,815,462	6,450,381	1,505,437	1,360,437	1,915,437	1,826,437	1,648,740	2,013,740	3,228,740

ELECTRIC DEPARTMENT 10 YEAR CAPITAL PLAN

B. Bertacchi - 8/25/2016

Rev 2

		Required	Desired Status	FY17	Current Balance	Funding needed for FY2017	Closed Projects Re-appropriate Funds	Reappropriate	Balance
63010	Green Lake FERC Compliance: Inspect and Upgrades	141,291	OPEN	105,000	\$ 137,993.58				
90562	Green Lake Power Plant Improvements	334,697	OPEN	50,000	\$ 197,319.89				
90594	Blue Lake Third Turbine and Dam Upgrade	2,477,001	OPEN	500,000	\$ 5,531,526.28			\$ 971,213.76	\$ 4,060,312.52
90610	Blue Lake FERC License Mitigation	423,734	OPEN	220,000	\$ 423,733.62				
90614	Takatz Lake Hydroelectric (open pending Grant Aug FY17)	(0)	OPEN		\$ 488,555.66				
90646	Jarvis Street Diesel Capacity Increase	(21,361)	CLOSE	(21,361)	\$ 244,393.41		\$ 244,393.41		
90717	Jarvis Street Improvements	27,781	OPEN	27,781	\$ 27,780.97				
90794	Jarvis Bulk Tank Improvements	0	OPEN		\$ 381.05				
90804	Blue Lake Powerhouse Conversion	150,000	OPEN		\$ 150,000.00				
- New -	Blue Lake Howell Bunker Valve	0	NEW						
- New -	Green Lake Power Plant 35yr Overhaul	4,900,000	NEW						
- New -	Green Lake Power Plant pre overhaul inspection	380,000	NEW						
- New -	Jarvis Fuel System Repairs and Storage Tanks	1,500,000	NEW						
- New -	Blue Lake Auto start Back-up Diesel	70,000	NEW						
- New -	Green Lake Auto start Back-up Diesel	20,000	NEW						
- New -	Green Lake Re-roof	225,000	NEW						
80003	Feeder Improvements	1,600,000	OPEN	200,000	\$ 118,328.00	\$ 81,672.00			
90261	Island Improvements	225,000	OPEN	25,000	\$ 65,087.91				
90512	SMC Road Upgrades Express Feeder	0	CLOSE		\$ 9,574.57		\$ 9,574.57		
90627	Marine Street Substation Voltage Regulator	0	CLOSE		\$ 9,150.00		\$ 9,150.00		
90645	HPR - Kramer - Cascade Creek Line Riser	0	CLOSE		\$ 21,985.05		\$ 21,985.05		
90648	Transmission & 1220 Upgrade	0	CLOSE		\$ 4,519.98		\$ 4,519.98		
90672	Medevejic Hatchery Transformer Replacement	45,000	OPEN	45,000	\$ 153,954.20				
90718	Marine Street Substation Replacements	160,000	OPEN	20,000	\$ 89,521.54				
90765	Jarvis St. Control Building Roof Replacement	0	CLOSE		\$ 12,223.05		\$ 12,223.05		
- New -	Marine St N-1 Design to New HPR North Sub	3,900,000	NEW	1,400,000		\$ 1,400,000.00			
- New -	69 kV Thimbleberry Trans Line Bypass	3,800,000	NEW						
80040	Automated Meter Reading	32,085	OPEN	32,085	\$ 55,215.94				
90410	SCADA System Enhancements	230,000	OPEN	110,000	\$ 44,298.77	\$ 65,701.23			
90611	Microwave or Fiber Optic	0	CLOSE		\$ 37,618.48		\$ 37,618.48		
90628	Demand Side Load Management- (close 6/30/15)	14,437	OPEN	14,437	\$ 24,437.93				
90777	Meter Replacement Upgrading Meters	95,000	OPEN	45,000	\$ 181,514.75				
90791	Dual Fuel Interruptible Power	0	CLOSE		\$ 78,979.09		\$ 78,979.09		
90719	Jarvis Warehouse Paving	0	CLOSE		\$ 30,899.79		\$ 30,899.79		
90776	Jarvis Electric Storage & Shop Building	85,000	OPEN	85,000	\$ 919,616.05			\$ 834,616.05	\$ -
- New -*	Capital for Fuel Conversions (Interruptibles)	1,200,000	NEW	600,000		\$ 600,000.00			
- New -*	Asset Management	12,800	NEW	12,800		\$ 12,800.00			
- New -*	Safety - Arc Flash, Training, Equipment and implementation support	50,000	NEW	20,000		\$ 20,000.00			
- New -*	Harbor Meters	75,000	NEW	75,000		\$ 75,000.00			
	TOTAL	22,152,464		3,565,742	\$ 1,372,580.80	\$ 2,255,173.23	\$ 449,343.42		

Closed Accts	\$ 449,343.42	
	\$ 1,805,829.81	
	\$ 834,616.05	Jarvis Electric Storage & Shop Building #90776
	\$ 971,213.76	Blue Lake Third Turbine and Dam Upgrade #90594
Balance	\$ -	



ELECTRIC DEPARTMENT – Ordinance

AMENDING SITKA GENERAL CODE CHAPTER 15.01 ELECTRIC UTILITY POLICIES

1. Electric Rate Changes

- SGC 15.01.020
- 5% Rate Increase Proposed
- Eliminate one Residential Tier
- Jump in Harbor Monthly Fee to pay for replacement Marine Grade Meters
- Meeting the Bond Covenants
 - ✓ Default not recommended
 - ✓ Specific provisions - forces 3rd party review of rates and compliance
 - ✓ A default impacts our credit rating
 - ✓ Compliance builds the Working Capital to fund the 10 year plan

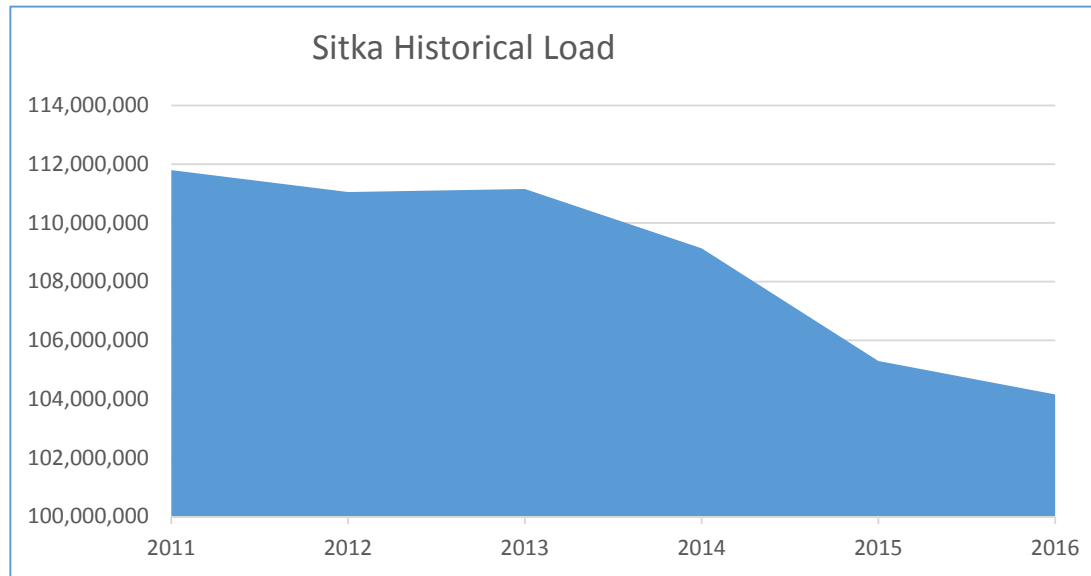
2. Other Key Changes to the CODE

- Defines the roles of Administrator, Electric Dir, Finance Dir
- Similar to the Purchasing Ordinance it removes procedural items
 - ✓ Removes sections 15.01.015, 15.01.085 and 15.01.090
 - ✓ Creates separate City Customer Service Procedures
 - ✓ Creates separate Electrical Department Construction Guidelines
- Eliminates the need to hang door hangers prior to disconnecting service.
- Raises other fees to bring them current to today's costs

3. 10 Year Plan Approval (Separate Approval but Integral with Rates)



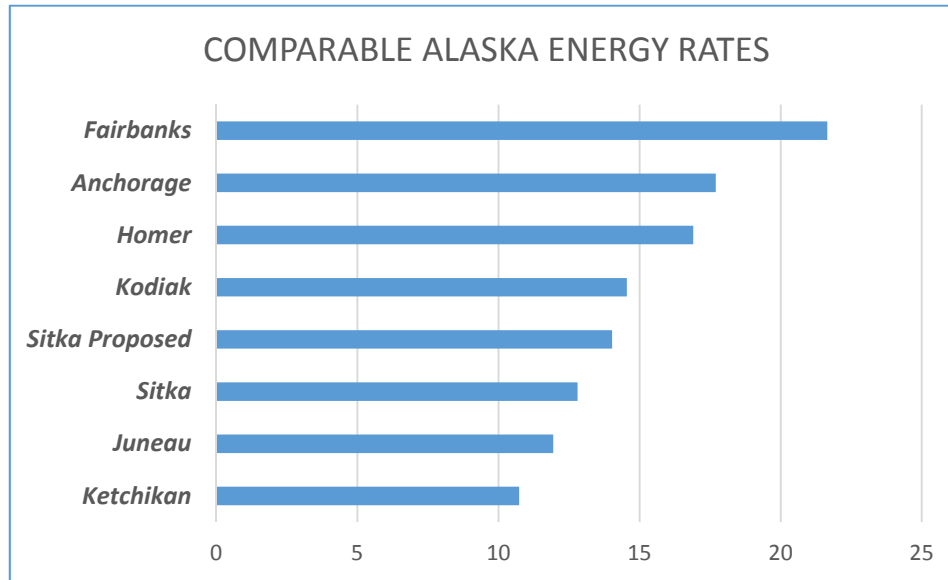
ELECTRIC DEPARTMENT – *HISTORICAL LOAD*



Historical Load	2011	2012	2013	2014	2015	2016
	111,795,344	111,048,623	111,155,330	109,133,500	105,293,250	104,156,400
note: From CAFR and Finance Dept						



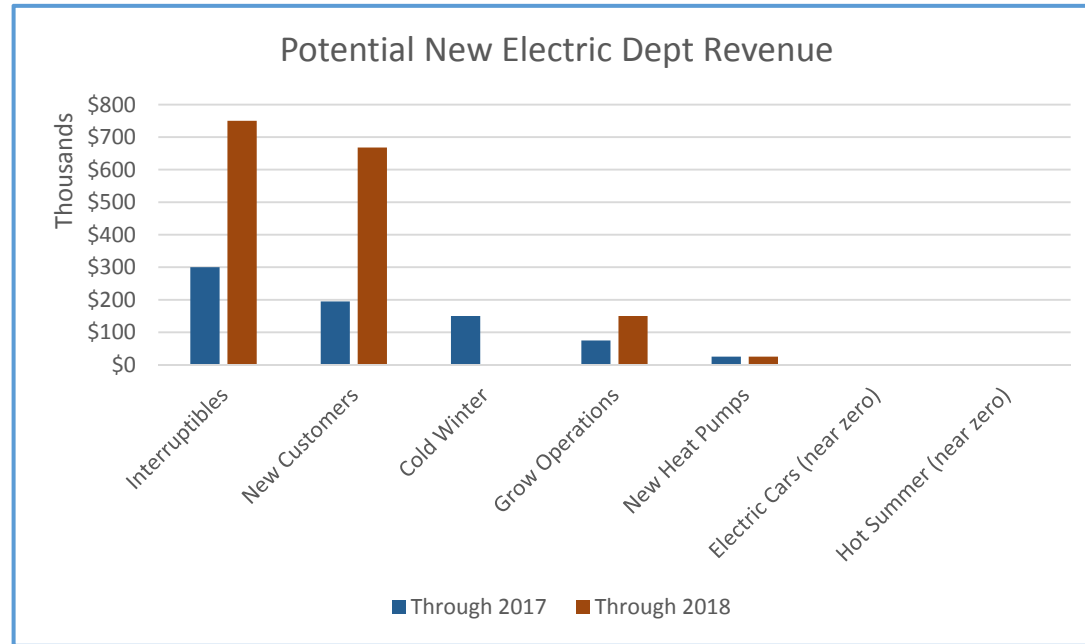
ELECTRIC DEPARTMENT – *RATE COMPARISON*



COMPARABLE ALASKA ELECTRIC RATES	
Ketchikan	10.73
Juneau	11.94
Sitka	12.8
Sitka Proposed (5%)	14.03
Kodiak	14.55
Homer	16.9
Anchorage	17.7
Fairbanks	21.65



ELECTRIC DEPARTMENT – New Revenue Opportunities



Potential New Revenue \$	Through 2017	Through 2018
Interruptibles	300,000	750,000
New Customers	195,000	668,000
Cold Winter	150,000	0
Grow Operations	75,000	150,000
New Heat Pumps	25,000	25,000
Electric Cars (near zero)	1,250	1,250
Hot Summer (near zero)	0	0
	748,267	1,596,268



ELECTRIC DEPARTMENT – **FY 17 RATES**

FY2017 Rate Increase - Executive Summary

- 5% Increase to all rates (Residential, Harbor, Commercial, Industrial)
- Eliminate Residential Tier from 0-200 kWhrs/mo (approx. 350 accts, 7\$/mo impact)
 - Was 0-200@8.58 cents, 200-800@11.45c, >1000@13.05c
 - Proposed 0-1000@12.03c, >1000@13.7c
- Increase monthly connection fees
 - 5% (Residential, Commercial, Industrial)
 - Harbors from \$8.75/mo to \$19.50/mo to pay for replacement of failed meters
- **Raises typical family bill from \$128/mo to \$140/mo.....\$144/yr (9%)**
- **Lowest users <200kwhrs/mo from \$37/mo to \$44.54/mo.....\$90/yr (20%)**
- **Lowest Users account for <0.2% of total revenue**

ELECTRIC ENTERPRISE FUND **FY17**

RATE CALCULATOR

INPUTS YOU CAN CHANGE

% Change in FY17 Load (-5% to 5%)	1%	%
% Change in FY17 Elect Rates	5.0%	0-20%
Months of Changed Rate in FY17	66%	
Funds from Mil Rate Tax or OTHER \$	500,000	\$
Funds from Rate Stabilization Acct	2,772,000	2,772,000
% Reduction in non-labor expense	2%	0-10%

CALCULATIONS and FIXED

Original Elect Rate \$/kwhr	0.1336	
Adjusted Elect Rate \$/kwhr	0.1403	see FY18
Original KWHrs Sold -	104,156,400	kwhrs
Adjusted KWHrs Sold -	105,197,964	kwhrs
Calculated Electric Revenue	14,518,245	\$
Other Revenue (fixed)	550,394	\$
Mill Rate Revenue	500,000	\$
Operations Costs Labor (fixed)	(4,200,000)	\$
Adjusted Operations Costs, Non Labor	(4,214,000)	\$
Interest and Principal on Debt (fixed)	(7,958,712)	\$

REQUIRED TARGET IS 125% **125%**
FOR BOND COVENANT AND CAPITAL PLAN





ELECTRIC DEPARTMENT – FY 17 RATES

5% Rate Increase in FY17

10 % Rate Increase in FY17

ELECTRIC ENTERPRISE FUND FY17

RATE CALCULATOR

INPUTS YOU CAN CHANGE

% Change in FY17 Load (-5% to 5%)	0%	%
% Change in FY17 Elect Rates	5.0%	0-20%
Months of Changed Rate in FY17	66%	
Funds from Mil Rate Tax or OTHER \$	700,000	\$
Funds from Rate Stabilization Acct	2,772,000	2,772,000
% Reduction in non-labor expense	2%	0-10%

CALCULATIONS and FIXED

Original Elect Rate \$/kwhr	0.1336	
Adjusted Elect Rate \$/kwhr	0.1403	see FY18
Original KWHrs Sold -	104,156,400	kwhrs
Adjusted KWHrs Sold -	104,156,400	kwhrs
Calculated Electric Revenue	14,374,500	\$
Other Revenue (fixed)	550,394	\$
Mill Rate Revenue	700,000	\$
Operations Costs Labor (fixed)	(4,200,000)	\$
Adjusted Operations Costs, Non Labor	(4,214,000)	\$
Interest and Principal on Debt (fixed)	(7,958,712)	\$

REQUIRED TARGET IS 125% **125%**
FOR BOND COVENENT AND CAPITAL PLAN



ELECTRIC ENTERPRISE FUND FY17

RATE CALCULATOR

INPUTS YOU CAN CHANGE

% Change in FY17 Load (-5% to 5%)	1%	%
% Change in FY17 Elect Rates	10.0%	0-20%
Months of Changed Rate in FY17	66%	
Funds from Mil Rate Tax or OTHER \$	50,000	\$
Funds from Rate Stabilization Acct	2,772,000	2,772,000
% Reduction in non-labor expense	2%	0-10%

CALCULATIONS and FIXED

Original Elect Rate \$/kwhr	0.1336	
Adjusted Elect Rate \$/kwhr	0.1470	see FY18
Original KWHrs Sold -	104,156,400	kwhrs
Adjusted KWHrs Sold -	105,197,964	kwhrs
Calculated Electric Revenue	14,982,042	\$
Other Revenue (fixed)	550,394	\$
Mill Rate Revenue	50,000	\$
Operations Costs Labor (fixed)	(4,200,000)	\$
Adjusted Operations Costs, Non Labor	(4,214,000)	\$
Interest and Principal on Debt (fixed)	(7,958,712)	\$

REQUIRED TARGET IS 125% **125%**
FOR BOND COVENENT AND CAPITAL PLAN





ELECTRIC DEPARTMENT – FY 18 RATES

With 5% Rate Increase in FY17

With 10% Rate Increase in FY17

ELECTRIC ENTERPRISE FUND FY18		
RATE CALCULATOR		
INPUTS YOU CAN CHANGE		
% Change in FY18 Load (-5% to 5%)	1%	%
% Change in FY18 Elect Rates	14.5%	0-20%
Funds from Mil Rate Tax or OTHER \$	1,000,000	\$
Funds from Rate Stabilization Acct	229,000	229,000
% Reduction in non-labor expense	0%	0-10%
CALCULATIONS and FIXED #		
Original Elect Rate \$/kwhr	0.1403	
Adjusted Elect Rate \$/kwhr	0.1606	
Original KWHrs Sold -	104,156,400	kwhrs
Adjusted KWHrs Sold -	105,197,964	kwhrs
Calculated Electric Revenue	16,896,960	\$
Other Revenue (fixed)	550,394	\$
Mill Rate Revenue	1,000,000	\$
Operations Costs Labor (fixed)	(4,200,000)	\$
Adjusted Operations Costs, Non Labor	(4,500,000)	\$
Interest and Principal on Debt (fixed)	(7,958,712)	\$
REQUIRED TARGET IS 125%		125% ←
FOR BOND COVENENT AND CAPITAL PLAN		

ELECTRIC ENTERPRISE FUND FY18		
RATE CALCULATOR		
INPUTS YOU CAN CHANGE		
% Change in FY18 Load (-5% to 5%)	1%	%
% Change in FY18 Elect Rates	9.0%	0-20%
Funds from Mil Rate Tax or OTHER \$	1,000,000	\$
Funds from Rate Stabilization Acct	229,000	229,000
% Reduction in non-labor expense	0%	0-10%
CALCULATIONS and FIXED #		
Original Elect Rate \$/kwhr	0.1470	
Adjusted Elect Rate \$/kwhr	0.1602	
Original KWHrs Sold -	104,156,400	kwhrs
Adjusted KWHrs Sold -	105,197,964	kwhrs
Calculated Electric Revenue	16,851,283	\$
Other Revenue (fixed)	550,394	\$
Mill Rate Revenue	1,000,000	\$
Operations Costs Labor (fixed)	(4,200,000)	\$
Adjusted Operations Costs, Non Labor	(4,500,000)	\$
Interest and Principal on Debt (fixed)	(7,958,712)	\$
REQUIRED TARGET IS 125%		125% ←
FOR BOND COVENENT AND CAPITAL PLAN		



ELECTRIC DEPARTMENT – **FY 18** RATES

With 5% Rate Increase in FY17 and NO Mil Rate Increase

ELECTRIC ENTERPRISE FUND FY18		
RATE CALCULATOR		
INPUTS YOU CAN CHANGE		
% Change in FY18 Load (-5% to 5%)	1%	%
% Change in FY18 Elect Rates	21.0%	0-20%
Funds from Mil Rate Tax or OTHER \$	0	\$
Funds from Rate Stabilization Acct	229,000	229,000
% Reduction in non-labor expense	0%	0-10%
CALCULATIONS and FIXED #		
Original Elect Rate \$/kwhr	0.1403	
Adjusted Elect Rate \$/kwhr	0.1697	
Original KWHrs Sold -	104,156,400	kwhrs
Adjusted KWHrs Sold -	105,197,964	kwhrs
Calculated Electric Revenue	17,856,176	\$
Other Revenue (fixed)	550,394	\$
Mill Rate Revenue	0	\$
Operations Costs Labor (fixed)	(4,200,000)	\$
Adjusted Operations Costs, Non Labor	(4,500,000)	\$
Interest and Principal on Debt (fixed)	(7,958,712)	\$
REQUIRED TARGET IS 125%	125%	
FOR BOND COVENANT AND CAPITAL PLAN		





ELECTRIC DEPARTMENT – *RATES*

Executive Summary of Rate Challenges

- **FY17 – Base Plan**
 - FY17 Rate @ 5%
 - 125% Bond Covenant Issues
 - Rate Stabilization Fund
 - Other Funding Required
 - Fund 10 Year Capital Plan
- **FY17 – Alternatives**
 - Tier 1, Tier 2, Tier 3
 - 10% Rate Increase versus 5%
 - Eliminate 10 Year Plan
- **FY18 – Base Plan**
 - 14.5% Rate Increase
 - \$1.0 M from Mil Rate Increase
 - \$229,000 from Rate Stabilization
- **FY18 – Alternatives**
 - No \$1.0M from Mil Rate means 21% Rate Increase
- **RISKS** – Total annual khwrs continues to trend down, not up
- **REVENUE OPPORTUNITIES ARE CRITICAL** - \$1.6M or 10% of Total Revenue



ELECTRIC DEPARTMENT – 10 Year Plan

Consolidated Ten Year Plan

- **Key Factors**

- \$22 M total over 10 years with reserves based on Industry Standards
- Initial total capital of \$15M
- Working capital increases by \$1.5M/yr by bond covenant
- Maintains \$2.5M Emergency Reserve
- Maintains \$1.0M Liquidity Reserve
- Based on an 8 month process with detailed engineering
- Includes termination of some projects and re-adjustment of existing projects
- \$1M Warehouse eliminated, Trailer and Cargo Vans substituted

- **Key Projects**

- N-1, \$3.9M (Redundancy for Marine Street and 80% of customers)
- Green Lake Power Plant Overhaul, \$4.8M (last overhaul early 90's)
- Jarvis Fuel System Repairs, \$1.5M
- Thimbleberry Bypass, \$3.8M
- Feeder Improvements, \$1.6M
- Blue Lake Completion, \$2.5M
- Capital for Fuel Conversions, \$1.2M
- Harbor Meters, \$75,000



ELECTRIC DEPARTMENT – 10 Year Plan

	Required	Status	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	TOTAL
63010 Green Lake FERC Compliance: Inspect and Upgrades	141,291	OPEN	105,000	36,291								141,291
90562 Green Lake Power Plant Improvements	334,697	OPEN	50,000	50,000	50,000	50,000	50,000	50,000	34,697			334,697
90534 Blue Lake Third Turbine and Dam Upgrade	2,477,001	OPEN	500,000	560,000	340,000	760,000	250,000	67,001				2,477,001
90610 Blue Lake FERC License Mitigation	423,734	OPEN	220,000	93,790	109,944							423,734
90614 Takatz Lake Hydroelectric (open pending Grant Aug FY17)	(0)	OPEN										0
90646 Jarvis Street Diesel Capacity Increase	(21,361)	CLOSE	(21,361)									(21,361)
90717 Jarvis Street Improvements	27,781	OPEN	27,781									27,781
90794 Jarvis Bulk Tank Improvements	0	OPEN										0
90804 Blue Lake Powerhouse Conversion	150,000	OPEN									150,000	150,000
- New - Blue Lake Howell Bunger Valve	0	NEW										0
- New - Green Lake Power Plant 35yr Overhaul	4,900,000	NEW		0	4,900,000	0	0					4,900,000
- New - Green Lake Power Plant pre overhaul inspection	380,000	NEW		380,000								380,000
- New - Jarvis Fuel System Repairs and Storage Tanks	1,500,000	NEW		200,000	700,000	500,000	100,000					1,500,000
- New - Blue Lake Auto start Back-up Diesel	70,000	NEW			70,000							70,000
- New - Green Lake Auto start Back-up Diesel	20,000	NEW				20,000						20,000
- New - Green Lake Re-roof	225,000	NEW						225,000				225,000
80003 Feeder Improvements	1,600,000	OPEN	200,000	200,000	200,000	200,000	200,000	200,000	200,000	100,000	100,000	1,600,000
90261 Island Improvements	225,000	OPEN	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	225,000
90512 SMC Road Upgrades Express Feeder	0	CLOSE										0
90627 Marine Street Substation Voltage Regulator	0	CLOSE										0
90645 HPR - Kramer - Cascade Creek Line Riser	0	CLOSE										0
90648 Transmission & 1220 Upgrade	0	CLOSE										0
90672 Medvevejie Hatchery Transformer Replacement	45,000	OPEN	45,000									45,000
90718 Marine Street Substation Replacements	160,000	OPEN	20,000	20,000	20,000	20,000	20,000	20,000	20,000	10,000	10,000	160,000
90765 Jarvis St. Control Building Roof Replacement	0	CLOSE										0
- New - Marine St N-1 Design to New HPR North Sub	3,900,000	NEW	1,400,000	1,500,000	0							2,900,000
- New - 69 kV Thimbleberry Trans Line Bypass	3,800,000	NEW		20,000	20,000	60,000	300,000	1,000,000	1,400,000	1,000,000		3,800,000
80040 Automated Meter Reading	32,085	OPEN	32,085									32,085
90410 SCADA System Enhancements	230,000	OPEN	110,000	120,000								230,000
90611 Microwave or Fiber Optic	0	CLOSE										0
90628 Demand Side Load Management- (close 6/30/15)	14,437	OPEN	14,437									14,437
90777 Meter Replacement Upgrading Meters	95,000	OPEN	45,000	50,000								95,000
90791 Dual Fuel Interruptible Power	0	CLOSE										0
90719 Jarvis Warehouse Paving	0	CLOSE										0
90776 Jarvis Electric Storage & Shop Building	85,000	OPEN	85,000									85,000
- New - Capital for Fuel Conversions (Interruptibles)	1,200,000	NEW	600,000	600,000								1,200,000
- New - Asset Management	12,800	NEW	12,800									12,800
- New - Safety - Arc Flash, Training, Equipment and implementation s	50,000	NEW	20,000	10,000	10,000	10,000						50,000
- New - Harbor Meters	75,000	NEW	75,000									75,000
TOTAL	22,152,464		3,565,742	3,865,081	6,444,944	1,645,000	945,000	1,587,001	1,679,697	1,135,000	285,000	21,152,464

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-38

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE CHAPTER 15.01 "ELECTRIC UTILITY POLICIES", AT SECTION 15.01.020 "ELECTRICAL RATES", BY INCREASING ELECTRICAL RATES, ADDING PROVISIONS TO INTERRUPTIBLE RATES, AND REMOVING SECTION 15.01.015 "CONSTRUCTION GUIDELINES", SECTION 15.01.085 "CARRIER CURRENT" AND SECTION 15.01.090 "REBATE PROGRAM FOR ELECTRIC HEAT PUMP HEATING SYSTEMS"

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. This ordinance will increase the electrical rates for certain consumer classes at SGC 15.01.020, provide revenues necessary toward meeting revenue bond covenants and build working capital for future electrical infrastructure repair and replacement. It also removes sections 15.01.015, 15.01.085 and 15.01.090 so they can be addressed by City policy. Further it eliminates the need to hang door hangers prior to disconnecting service.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Chapter 15.01 "Electric Utility Polices", is amended as follows (new language underlined; deleted language stricken):

* * *

Chapter 15.01
ELECTRIC UTILITY POLICIES

Sections:

- 15.01.005 Definitions.
15.01.010 Statement of purpose.
15.01.012 Level of authority and responsibilities.
15.01.015 Construction guidelines.
15.01.020 Electrical rates.
15.01.025 Customer and city rights and responsibilities.
15.01.030 Billing—Credit—Deposits—Fees.

- 47 15.01.035 General requirements.
- 48 15.01.040 Service connections.
- 49 15.01.045 Line extension.
- 50 15.01.050 Subdivisions.
- 51 15.01.055 Mobile home parks, RV parks, private marinas and boat docks.
- 52 15.01.060 Rental structures.
- 53 15.01.065 Motors and controllers.
- 54 15.01.070 Undesirable characteristics.
- 55 15.01.075 Special equipment.
- 56 15.01.080 Customer generation.
- 57 ~~15.01.085 Carrier current.~~
- 58 ~~15.01.090 Rebate program for electric heat pump heating systems.~~

59

60 **15.01.005 Definitions.**

61 “ANSI” means the American National Standards Institute.

62 “City” means the city and borough of Sitka.

63 “Employees” means the employees of the city and borough of Sitka charged with the
64 responsibility of delivering services to the citizens and customers while ensuring good business
65 practices, and considering the needs and wants of customers.

66 “IEEE” means the Institute of Electrical and Electronics Engineers.

67 “NEC” means the National Electrical Code.

68 “NESC” means the National Electrical Safety Code.

69 “OSHA” means the Occupational Safety and Health Act.

70 “Overhead point of delivery” means customers’ service entrance conductors at the weather
71 head.

72 “RUS” means the United States Department of Agriculture’s Rural Utilities Service.

73 “SDCG” means the Sitka design and construction guidelines.

74 “Underground point of delivery” means the supply terminals in a customer’s meter base,
75 current transformer enclosure or supply (line) side of a customer-owned disconnect(s) in a
76 privately owned system.

77 “Utility” means the city and borough of Sitka electric department. (Ord. 05-15 § 4(A) (part),
78 2005.)

79 15.01.010 Statement of purpose.

80 The city wants to treat its citizens in a fair and consistent manner, while recognizing the distinct
81 needs and requirements of each customer. To promote uniformity of service, the city has
82 adopted this customer service policy. This customer service policy provides guidelines for
83 electric service while meeting the requirements of good business practices.

84 The mission of the utility is to provide its customers with adequate and reliable electric utility
85 service at the lowest cost, consistent with industry standards and sound business principles. It
86 is the customer's responsibility to install their service conductors and equipment in accordance
87 with the customer service policy and the utility's Sitka design and construction guidelines
88 (SDCG). It is the customer's further responsibility to comply with all financial obligations set
89 forth in the customer service policy and related payment plans in order to ensure uninterrupted
90 access to electrical power. The long-term inability to pay electrical charges shall not be the
91 basis for supplying electricity without charge, or for reduced charges, to customers without
92 explicit action of the Assembly. ~~In addition, all subdivisions four lots or greater and line~~
93 ~~extensions greater than two thousand six hundred forty feet are required to be designed by an~~
94 ~~electrical engineer licensed in Alaska. Utility staff may be available to design or construct a~~
95 ~~customer's line extension or subdivision at actual costs; however, the customer may be~~
96 ~~required or prefer to seek an electrical engineer licensed in Alaska to design the facilities or a~~
97 ~~licensed electrical contractor to construct the facilities needed to serve them. All designs,~~
98 ~~equipment, materials and a detailed scope of work must be approved by the utility before~~
99 ~~construction commences and is subject to inspection by the utility during construction. All~~
100 ~~equipment and materials such as transformers, hardware, street lights, poles, cables and~~
101 ~~components, etc., must be new and in undamaged condition. The utility reserves the right to~~
102 ~~issue "cease and desist" orders for nonconformance of design, workmanship and materials~~
103 ~~involved with electrical system construction projects. Once the construction is accepted by the~~
104 ~~utility, the utility will own and be responsible for maintenance of the facilities to the point of~~
105 ~~delivery of power, unless otherwise stated in this customer service policy or by mutual~~
106 ~~agreement. "Point of delivery" will be defined as follows:~~

107 ~~"Overhead point of delivery" means customers' service entrance conductors at the weather~~
108 ~~head.~~

109 ~~"Underground point of delivery" means the supply terminals in a customer's meter base,~~
110 ~~current transformer enclosure or supply (line) side of a customer owned disconnect(s) in a~~
111 ~~privately owned system.~~

112 15.01.012 Level of Authority and Responsibilities.

113 The utility director is responsible for the planning, design, construction, operation and
114 maintenance of the electric utility system. In addition, the utility director is designated as the
115 grievance officer for customers. The utility director is authorized to hear concerns and
116 complaints, and settle disagreements. Only the utility director shall have the authority to direct
117 reconnections of electric service, which has been disconnected for non-payment or failure to
118 meet agreed-upon terms of customer repayment plans, after normal working hours.

119 The finance director is responsible for the billing and collection of all fees and charges for
120 electric service. The finance director shall have the responsibility to consider all complaints and
121 concerns regarding electrical billings and disconnections for failure to meet financial payment
122 obligations. The finance director shall have the authority and responsibility to direct the
123 disconnection of electrical service for customers for non-payment or failure to meet agreed-
124 upon terms of customer repayment plans. Other than stipulated by other sections of this
125 chapter, the finance director shall not have any specific responsibility to notify customers of
126 impending disconnection in advance; furthermore, a customer's failure to honor specific
127 commitments, either temporally or financially, shall result in immediate disconnection of
128 electrical service without advance notice. The finance director, at his or her discretion, may,
129 but is not required to, authorize the reconnection of any customer's electric service if the
130 finance director deems it to be in the best interest of the utility and the Municipality to do
131 so. The finance director also has the discretion to, but is not required to, waive fees associated
132 with a reconnection.

133
134 The discretionary authority of the finance director shall be limited in certain aspects, as
135 follows:

- 136 a. The finance director may extend the due date for any payment up to 14 days upon
137 completion of a signed agreement with a customer firmly committing to such a date;
138 b. The finance director may manage disconnections in such a way as to avoid otherwise
139 disconnections for unmet customer financial obligations of \$50 or less;
140 c. The finance director may, but shall not be required, to direct that electric service be
141 continued for customers with a serious medical condition for which electrically
142 operated medical machinery is required to operate on a 24-hour basis in order to
143 sustain the life of the customer.

144
145 The administrator will create, maintain and update a customer service procedure manual and
146 the Sitka design and construction guidelines (SDCG) procedures manual, both of which will be in
147 compliance with the Sitka General Code. These manuals may be updated by approval of the
148 administrator with assembly notification. These manuals and codes may be more restrictive
149 than the Sitka General Code where the municipal administrator deems necessary.

150
151 **15.01.015 Construction guidelines.**

152 ~~A.— Codes. All electric utility system installations must comply with the National Electrical Code~~
153 ~~(NEC) and the National Electrical Safety Code (NESC) where applicable. As a supplement to~~
154 ~~these codes, the Sitka design and construction guidelines (SDCG) and the design standards of~~
155 ~~the USDA Rural Utilities Service (RUS) are employed by the utility. Services and/or service~~
156 ~~entrances may be denied if these codes and specifications are not met.~~

157 ~~B.— Electrical Inspections. To protect the customer's interest as well as the utility's, the utility~~
158 ~~requires an inspection certificate (green tag) by the city's building inspector before energizing~~
159 ~~new facilities.~~

160 — Inspections shall confirm compliance with the latest state adopted version of the NEC and
 161 NESC, the latest version of the SDCG, any municipal codes, and any utility specifications that
 162 may exceed portions of the aforementioned codes. The utility reserves the right to challenge
 163 the construction when utility personnel observe deficiencies in the installation at any time.

164 C. ~~Utility Tools and Equipment.~~ All utility materials, tools and equipment are available for
 165 utility projects only. ~~Tools and equipment are not available for rent or loan at any time.~~

166 D. ~~Material Sales/Loans.~~ No materials shall be sold, traded or loaned except for electrical
 167 emergencies such as power outages. ~~The utility may agree to sell equipment for a specific utility~~
 168 ~~construction project, at rates established by the utility.~~

169 **Section**

170 **15.01.020 Electrical rates.**

171

172 A. All billings are subject to sales tax if applicable.

173

174 B. Residential Services.

175 1. Applicable to all residential customers for all uses in the home or residence, subject
 176 to the rules and regulations and customer services policies of the city and utility.

177

178 2. Energy Charges.

179

First 200 kWh's	\$0.0858
Next 800 <u>First 1000</u> kWh's	\$0.1145 <u>\$0.1203</u> per kWh
Over 1,000 kWh's	\$0.1305 <u>\$0.1370</u> per kWh
Customer charge is \$19.50 \$20.48 per month	

180

181

182 C. General Service – Small

183

184 1. Applicable to all nonresidential customers for all uses, including lighting, heating
 185 and power, when the electricity consumed in the preceding twelve months is less than
 186 one hundred thousand kWh and has a measured demand of less than fifty kW, subject
 187 to the rules, regulations and customer service policies of the utility and the city. Typical
 188 customers in this class could include: restaurants, retail vendors, churches, fueling
 189 stations, and service industries.

190

191 2. Energy Charges.

192

First 500 kWh	\$0.1771 <u>\$0.1860</u> per kWh
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501 kWh to 10,000 kWh	\$0.1246 <u>\$0.1308</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1218 <u>\$0.1279</u> per kWh
Over 100,001 kWh	\$0.1190 <u>\$0.1250</u> per kWh
Customer charge is \$39.00 \$40.95 per month	

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3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 <u>\$5.88</u> per kW

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D. General Service – Large

1. Applicable to all nonresidential customers for all uses, including lighting, heating and power, when the electricity consumed in the preceding twelve months is equal to or greater than one hundred thousand kWh or has a measured demand equal to or greater than fifty kW, subject to the rules, regulations and customer service policies of the utility and the city. Typical customers in this class could include: grocery stores, industrial users, and seafood processing facilities.

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2. Energy Charges.

First 500 kWh	\$0.1771 <u>\$0.1860</u> per kWh
501 kWh to 10,000 kWh	\$0.1241 <u>\$0.1303</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1213 <u>\$0.1274</u> per kWh
Over 100,001 kWh	\$0.1184 <u>\$0.1244</u> per kWh
Customer charge is \$60.00 \$63.00 per month	

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3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 <u>\$5.88</u> per kW

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E. General Service – Public Authority

1. Applicable to all noncommercial and nonresidential customers for all uses, including lighting, heating and power, subject to the rules, regulations and customer service policies of the utility and the city. Typical customers in this class could include: schools, tribal governments, and other public government buildings.

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2. Energy Charges.

First 500 kWh	\$0.1771 <u>\$0.1860</u> per kWh
501 kWh to 10,000 kWh	\$0.1246 <u>\$0.1309</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1218 <u>\$0.1279</u> per kWh
Over 100,001 kWh	\$0.1190 <u>\$0.1250</u> per kWh
Customer charge is	\$45.00 <u>\$47.25</u> per month

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225

3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 <u>\$5.88</u> per kW

226

F. Boat Service.

- 227
- 228 1. Applicable to separately metered boats, lights, heaters, pumps or other uses.
 - 229 2. Energy Charges.

First 150 kWh	\$0.1353 <u>\$0.1420</u> per kWh
All additional kWh	\$0.1353 <u>\$0.1420</u> per kWh
Customer charge is	\$8.75 <u>\$20.48</u> per month

230

G. Street and Security Light Service.

- 232
- 233 1. The utility will only install, at the expense of the customer, yard or security lights which can be attached to existing poles which are the property of the utility.
 - 234 2. Rate per Month. This fee is in addition to the actual installation charges required for installing the desired fixture.

235

236 Monthly unmetered street or security light energy rate is calculated as follows:

(0.482 kWh per lamp watt) times (the wattage of the lamp) = kWh per month.
Example: 0.482 kWh x 100 Watt lamp = 48 kWh per month.
Monthly energy rate is: kWh per month times \$0.1964 per kWh.

48 kWh per month x \$0.1964/kWh = \$9.43 per month energy rate.	
Typical lamp energy rates:	
70 Watt	\$6.62 per month
100 Watt	\$9.42 per month
150 Watt	\$14.12 per month
175 Watt	\$16.50 per month
250 Watt	\$23.56 per month
400 Watt	\$37.88 per month
1,000 Watt	\$94.63 per month

237 The above costs include the cost of maintenance of the unmetered street and security
238 lights.

239 3. Previously Installed Security Lights. Customers found to be benefitting from a
240 previously installed security light shall have the option of removal of the light at no
241 charge.

242 4. A street light may be installed and maintained by the city provided it is for the
243 purpose of public safety. If a light is requested by a customer, it is the responsibility of
244 the customer to show that concurrence is reached by all affected neighbors.

245 H. Controlled Service Interruptible Load Service—Large Consumer.

246 1. Applicable to interruptible loads greater than one hundred kilowatts. The customer
247 must have written approval from the City and Borough Electric Department for an
248 alternative system. Loads must be new, not conversions of existing loads. Associated
249 equipment this is also utilized by the alternative firm portion of the load, such as electric
250 fans and pumps used in the distribution of heat, shall be wired separately from the
251 controlled service so as not to be interrupted.

252 2. Character of Service. Interruptible without notice, and available only when there is a
253 surplus of hydroelectric energy—alternating current sixty cycles, single-phase or three-
254 phase. Characteristics depend upon available circuits.

255 3. Rate per Month. Basic customer charge for each month or portion of a month: two
256 hundred dollars.

257 Energy Charge. Conceptually, the energy charge for all kilowatt-hours shall be adjusted
258 monthly so as to be no more than 90% of the equivalent average price paid by the State
259 of Alaska or the City and Borough of Sitka, whichever is lower, for No. 2 Fuel Oil
260 delivered in Sitka~~0.0317 times the city and borough's price per gallon for number 2~~
261 ~~heating oil, assuming an overall oil heating system efficiency of seventy percent and the~~
262 ~~use of the price paid by the city and borough of Sitka for number 2 heating oil for all of~~
263 ~~the city and borough owned buildings. The rate will vary monthly with the price paid by~~
264 ~~the city and borough of Sitka for number 2 heating oil for all city owned buildings. The~~
265 ~~maximum energy charge for all kilowatt hours under this rate shall be eleven cents per~~
266 ~~kilowatt hour.~~

267 The energy charge calculation will be performed by multiplying 0.0317 times the
268 average price paid two calendar months prior by the State of Alaska or the City and
269 Borough of Sitka, whichever is lower, for No. 2 Fuel Oil delivered in Sitka. This factor
270 assumes an overall oil heating system efficiency of seventy percent and a heat
271 equivalent of fuel oil of 138,599 BTU per gallon. The maximum energy charge for all
272 kilowatt hours under this rate shall be eleven and fifty five one hundredths cents
273 (\$0.1155) per kilowatt hour.

274 Example 1: If the city and borough's price for No. 2 Fuel Oil ~~number 2 heating oil~~ is one
275 dollar and twenty cents per gallon, the rate would be 0.0317 times one dollar and
276 twenty cents equals \$0.0380 per kilowatt hour.

277 Example 2: If the city and borough's price for No. 2 Fuel Oil is four dollars and twenty
278 cents per gallon, the rate would be 0.0317 times four dollars and twenty cents equals
279 \$0.1331 per kilowatt hour. However, due to the maximum energy charge, the energy
280 charge in this case would be \$0.1155.

281 In the event that the customer must utilize interruptible energy when it is considered
282 not available, energy will be provided at a penalty rate.

283 4. Penalty Rate. The penalty rate will be equal to 1.5 times the firm rate. Penalty rates
284 will be in effect when the city and borough has acted to interrupt the customers
285 controlled service load but the customer chooses not to be interrupted. If the customer
286 chooses to not be interrupted, they will forfeit the ability to continue to participate in
287 the program, unless the City Administrator determines that a true emergency had
288 occurred.

289 5. Temporary Incentive Rate. When it is in the best interest of the city and borough of
290 Sitka, the City Administrator may negotiate a temporary incentive rate with individual
291 customers to encourage new capital investment which increases or adds new

292 interruptible customers. In no case will the temporary rate be applied to a customer for
293 more than ten years.

294 6. Control Criteria. Electrical loads are subject to interruption as deemed necessary by
295 the city and borough. Typical conditions could include peak loading, hydroelectric
296 generation shortages, maintenance or other emergencies. The city and borough will
297 provide customers with five days' notice for planned interruptions. For unplanned
298 interruptions, the city and borough will provide as much notice as practicable.

299 7. 4- Service Connection. Consumer is to install metering equipment separate from the
300 normal continuous service connection, which meter may be a submeter of the firm
301 service meter, and install an electrically operated switch or circuit breaker that can only
302 be operated by the utility. The specific metering and circuit switching equipment design
303 for interruptible service is subject to review and approval by the utility.

304 8. Special Provisions.

305 a. The City and borough of Sitka shall not be liable for loss or damage caused by
306 interruption of service. The city and borough of Sitka will not be responsible for start-up
307 or operations of the customer's alternative system.

308 I. Fuel Surcharge. A fuel surcharge shall be implemented to recover the utility's costs of
309 supplemental diesel generation in excess of budgeted funds for projected diesel operations.
310 The costs of supplemental diesel generation to be recovered include fuel oil, lubricating oil,
311 filters, labor, and other ancillary costs in excess of budgeted funds. The fuel surcharge will be
312 levied as a per kilowatt hour (kWh) rate and will be calculated as follows: the quarterly
313 projected cost of supplemental diesel operations which exceeds budgeted diesel operations
314 divided by quarterly projected kWh sales. kWh sales projections will be kWh sales for the same
315 period from the previous fiscal year times a load growth factor. The fuel surcharge will be
316 recovered over a twelve-month period. The utility will maintain a balancing account to match
317 revenues from the fuel surcharge with actual supplemental generation expenses, and will
318 adjust this account on a quarterly basis. Any surplus in the balancing account at the end of a
319 recovery period will be retained by the utility and will be utilized exclusively to reduce future
320 fuel surcharges. Any deficit in the balancing account at the end of a recovery period will be
321 added to the estimated costs to be recovered in the next recovery period. Fuel surcharges may
322 be recalculated and changed during any quarter upon approval of the municipal administrator
323 due to emergencies or other unforeseen circumstances.

324 Kilowatt hours sold on an interruptible service basis or for street lights are not subject to a fuel
325 surcharge.

326 J. Determination of Demand. The billing demand shall be the maximum average kilowatt load
327 used by the customer for any period of fifteen consecutive minutes during the billing period as
328 indicated by a demand meter.

329 K. Tax Provision. Any taxes levied are in addition to the electric rates and fees charged.

330 L. Resale of Energy. The utility will not allow the resale of energy or another person and/or
331 organization to connect to or share the customer's electric service.

332 Landlords may allow common tenants of the same physical structure to share electrical service
333 under one landlord account.

334 M. Power Factor. The customer agrees to maintain unity power factor as nearly as possible.
335 Unless specifically agreed to in writing, the utility shall not be obligated to deliver power to the
336 customer at any time at a monthly average power factor below ninety five hundredths (0.95)
337 ~~nine tenths~~ lagging. The customer will be given ample time to bring the power factor into
338 compliance which shall not exceed six months from the time of official notification by the utility
339 or make other arrangements with the utility. The utility may bill for all kVarh in excess of ninety
340 five hundredths (0.95) ~~nine tenths~~ average power factor for the billing period at the rate of
341 nine point four five (\$0.0945) ~~nine~~ cents per kVarh.

342 N. Energy Assistance Fund. An energy assistance fund is hereby established to provide an
343 opportunity for city and borough of Sitka electric customers to make a voluntary monthly
344 contribution to a fund that will provide limited financial assistance to customers. The intent of
345 the program is to help provide emergency financial assistance to customers to pay electric
346 utility bills. The program will be administered by the Salvation Army.

347 O. Plug-in Electric Vehicle (PEV) Incentive Credit. A one-hundred-twenty-dollar annual PEV
348 energy credit will be applied to all eligible residential class customers that register and operate
349 a plug-in electric vehicle within the CBS up to a maximum of two PEVs per household. A two-
350 hundred-dollar annual PEV energy credit will be applied to all eligible general service customers
351 that register and operate a plug-in electric vehicle within the CBS up to a maximum of five PEVs.

352 **15.01.025 Customer and city rights and responsibilities.**

353 A. Customer Responsibilities.

354 1. New customers establish credit in one of these ways:

355 a. Provide proof of twelve months of good payment history with another utility.

356 b. Provide acceptable surety bond or letter of credit (commercial account only).

357 c. Provide a cash deposit.

358 d. Be an existing city customer with a good payment history.

359 2. Allow utility personnel access to property to set up and maintain service.

360 3. ~~Pay bills by the due date shown~~ Customers must pay their bill by the due date
361 shown on each monthly bill or a finance charge will be applied. Payments received on
362 the due date must be made in person at the City customer service desk or by direct
363 phone contact with the City customer service representative. If a customer has agreed
364 to make an extra payment towards past due balances in conjunction with a payment
365 plan, such payments must also be made by the due date on each monthly bill.

366
367 It is the customer's responsibility to ensure that customer service personnel are notified
368 in advance of a customer's inability to fully pay all charges and fees by the date on
369 which they are due, as indicated on the utility bill. Utility customer service personnel
370 shall have no obligation to proactively inform customers of consequences of failure to
371 fully pay charges when due, or, of impending disconnections of electrical service unless
372 otherwise specifically stated elsewhere in this chapter.

373
374 It is the customer's responsibility to ensure that all individuals who have need to inquire
375 about, or manage the details of, a customer's account are added to that
376 account. Customer service personnel may not release account information to
377 individuals who are not authorized to obtain such information.

378 4. Notify customer service of another person or customer who should receive any
379 notice of service interruption for nonpayment of bills.

380 5. Notify customer service if there is someone in the household who is seriously ill,
381 handicapped or on a life support system.

382 6. Notify customer service of questions or complaints about service.

383 7. The Customer must be aware of city-owned property at the customer's home or
384 business and take all reasonable and proper precautions to prevent damage to it. In the
385 event that the city-owned property is damaged because of the customer's negligence,
386 the utility will charge the customer the actual costs of replacement or repair.

387 8. Install, maintain and repair wiring inside the customer's premises.

388 9. The customer must notify the city when electric use changes may make him/her
389 eligible for a rate change.

390 10. The customer must ensure that no damage occurs with the initiation, termination
391 or change of utility service requested past the point of city connection.

392 11. The customer will not permit any person, except as authorized by the utility, to
393 make any connections, repairs or changes to service drops, vaults, splice boxes,
394 equipment or any unmetered portion of the service serving the property which is owned
395 by the utility.

396 12. When a change of occupancy (tenant or owner) takes place on any premises being
397 serviced by the utility, notice of such change shall be given within ten days prior to such
398 change. The outgoing customer will be held responsible for any and all charges for
399 electrical services supplied, to include charges for disconnection and reconnection for
400 nonpayment until such notice has been received by the finance utility.

401 B. Customer Rights.

402 1. A customer has a right to request his/her deposit be refunded if he/she establishes
403 credit by other means, maintains an excellent credit rating for one year or discontinues
404 service from the city.

405 2. If the customer is notified of an impending disconnection for nonpayment, he/she
406 has a right to request installment payments designed to pay the account in full
407 according to an agreement at the discretion of the city's finance director.

408 3. The customer has a right to request a review by the city's finance director of any
409 complaint.

410 C. City Responsibility.

411 1. Refund the customer's deposit if conditions are met.

412 2. Give written notice fifteen working days before service is interrupted for failure to
413 pay (the customer's bill contains the fifteen-day notice). The notice will respect a
414 customer's right to privacy regarding publication of debt.

415 3. Avoid disconnection for nonpayment after four-thirty p.m. on a Friday, on a
416 weekend or on a holiday.

417 4. Avoid disconnection for nonpayment during freezing weather conditions (below
418 thirty-two degrees Fahrenheit).

419 5. Provide and explain rate schedules, how meters are read and other additional
420 reasonable information.

421 6. Respond to questions or complaints from customers. The city may not agree with
422 the complaint but pledges prompt, courteous and honest answers within one day of the
423 complaint.

424 7. Provide available historic billing and usage information for a customer's account
425 when requested by the customer.

426 D. City Rights.

- 427 1. To access the city's utility facilities on customer's premises.
- 428 2. To receive notice of changes in address, status of utility service or problems with
429 utility service.
- 430 3. To receive timely payment for services delivered to a home or business.
- 431 4. To take legal action regarding equipment tampering or financial delinquencies by
432 the customer.

433 **15.01.030 Billing—Credit—Deposits—Fees.**

434 A. Deposits are required as follows:

- 435 1. ~~Two~~One hundred fifty (\$250) dollars for residential.
- 436 2. ~~Three~~Two hundred fifty (\$350) dollars for commercial.
- 437 3. ~~Seventy five~~Fifty (\$75) dollars for harbor.

438 ~~Account deposits commensurate with an anticipated six week utility billing may be required.~~
439 ~~Deposits will be refunded after one year's satisfactory payment history or termination of~~
440 ~~service. Refund will be made by credit to customer's billing account. Interest shall accrue at an~~
441 ~~interest rate equivalent to the average rate of interest on one year treasury bills for the last day~~
442 ~~of the fiscal year and previous fiscal year. Interest will be determined at the end of the fiscal~~
443 ~~year and will be credited to the customer's utility billing as soon as possible thereafter. Driver's~~
444 ~~license or Social Security number will be requested for notation and for identification purposes.~~

445 ~~B.— Meter Reading. Meters shall be read monthly as nearly as possible on the same cycle date.~~
446 ~~Because of holidays, Saturdays, Sundays and the difference in the length of months, a three to~~
447 ~~five day variation may occur. If for any reason a reading cannot be obtained for any particular~~
448 ~~period, the billing may be based on an estimated energy use and demand.~~

449 ~~C.— Billing. Bills will be rendered monthly and are due and payable thirty days after date of~~
450 ~~billing. Failure to receive a bill will not release the customer from obligation of payment. The~~
451 ~~utility reserves the right to disconnect the meter for the final bill within a twenty four hour~~
452 ~~period from the time requested by the customer.~~

453 ~~D.— Credit Policy.~~

454 ~~1.— Any electrical charges become delinquent if not paid within thirty days of the billing~~
455 ~~date. If a customer's account becomes delinquent, the customer will be notified by mail~~
456 ~~no less than forty five days after the billing date of the delinquency and of the~~
457 ~~requirement to contact the credit manager to arrange for an approved payment plan. If~~
458 ~~a customer has not contacted the credit manager after being notified by mail of having a~~
459 ~~delinquent account, a notice will be physically posted at the customer's physical location~~

460 ~~notifying the customer that electrical power will be disconnected the next day without~~
461 ~~further notice unless an approved payment plan is accepted by the credit manager.~~

462 ~~2. The city finance director has the authority to establish a payment plan for~~
463 ~~customers with delinquent accounts. If a payment plan is established for a customer~~
464 ~~with a delinquent account, the customer will be required, without exception, to pay all~~
465 ~~current charges and to make additional regularly scheduled payments toward the~~
466 ~~delinquent balance as part of the plan. The amount and timing of additional regularly~~
467 ~~scheduled payments will be jointly determined by the credit manager and the customer;~~
468 ~~however, as a minimum, such payments must exceed monthly finance charges by at~~
469 ~~least ten dollars per month. All delinquent balances will be subject to a yearly finance~~
470 ~~charge of twelve percent.~~

471 ~~3. If a customer fails to make the specified additional regularly scheduled payments,~~
472 ~~or pay current charges, as required in the payment plan, that customer's account will be~~
473 ~~scheduled for disconnection. A notice will be physically posted at the customer~~
474 ~~account's physical location notifying the customer that electrical power will be~~
475 ~~disconnected the next day without further notice unless the credit manager is~~
476 ~~contacted. No additional notice will be sent by mail. The credit manager has the~~
477 ~~authority to amend a payment plan. If a payment plan has been amended and the~~
478 ~~customer again fails to make specific additional regularly scheduled payments, or pay~~
479 ~~current charges, as required by the payment plan, that customer's account will be~~
480 ~~scheduled for immediate disconnection. If a customer's account is disconnected for~~
481 ~~failure to make specified additional regularly scheduled payments, or pay current~~
482 ~~charges as required by the payment plan, all delinquent charges plus accrued interest~~
483 ~~must be paid in full before electrical service will be reconnected.~~

484 ~~4. Tampering with meters or diversion of electricity is not allowed. If a meter is~~
485 ~~tampered with or electricity has been diverted, the utility shall charge the account~~
486 ~~holder for the cost of repairs plus all known or estimated electricity consumed. Charges~~
487 ~~will be made retroactively without limitation for all known or estimated electricity~~
488 ~~consumed back to the date of the tampering or diversion.~~

489 ~~5. If a customer is found to have consumed electricity and the utility has not charged~~
490 ~~the customer for the electricity, and the reason for the supply of electricity without~~
491 ~~charge is found to be the fault of the utility and not the customer, the utility shall charge~~
492 ~~the customer for known or estimated electricity for a period not to exceed three years.~~
493 ~~Conversely, if a customer has been overcharged, the customer will be refunded the~~
494 ~~known or estimated overpayment for a period not to exceed three years.~~

495 ~~EB.~~ EB. Service Charges.

496 1. There will be a separate ten-dollar service charge for each of the following types of
497 electrical services:

- 498 a. Establishing a new customer service account.
- 499 b. Transferring an existing customer service account to a new location.
- 500 2. There shall be a separate fifty dollar charge for each of the following types of
501 electrical services:
- 502 ea. Connecting or disconnecting existing electrical service due to a customer
503 request during the hours of eight a.m. and four p.m., Monday through Friday.
- 504 db. Disconnecting or reconnecting electrical service disconnected due to
505 nonpayment during the hours of eight a.m. and four p.m., Monday through Friday.
- 506 ~~e. Posting a final disconnect notice due to nonpayment on the consumer's physical~~
507 ~~location if a final disconnect notice has been posted at that consumer's location~~
508 ~~within the preceding twelve months.~~
- 509 ~~23. There will be a separate twoone-hundred-dollar service charge for the following~~
510 ~~type of electrical service:~~
- 511 a. An electrical service trouble call during the hours of eight a.m. and four
512 p.m., Monday through Friday, if determined to be the responsibility or fault of the
513 customer.
- 514 ~~34. There will be a separate five ~~two~~ hundred ~~ten~~ dollar service charge for the~~
515 ~~following types of emergency electrical services:~~
- 516 a. ~~Reconnecting~~ Emergency reconnection of electrical service disconnected due to
517 nonpayment outside the hours of eight a.m. to four p.m., Monday through Friday
518 including holidays. Any emergency reconnection of electrical service due to
519 nonpayment shall be authorized in advance by the utility director and shall be
520 contingent upon the availability of service personnel to perform the reconnection
521 and finance personnel to receive and process the service charge.
- 522 b. An electrical service trouble call outside the hours of eight a.m. to four p.m.,
523 Monday through Friday, if determined to be the fault or the responsibility of the
524 customer. Payment must be received in advance before electrical service is
525 reconnected after normal working hours due to disconnection for non-payment or
526 problems which are the fault of the customer. Decisions to reconnect electrical
527 service before receiving payment shall be at the discretion of the utility director. The
528 utility director shall be under no obligation to direct the reconnection of electrical
529 service if finance personnel are unavailable to receive and process service charges.
- 530 45. Work Orders. Customer services are provided and tracked through a work order
531 number assigned to each job. Customers requesting services that require billing shall

532 obtain and sign a work order at the utility customer service desk. The work order
533 authorizes and initiates the project. Tracking of material, labor and equipment and
534 billing is done with the work order.

535 All service charges are subject to sales tax if applicable. All charges will be billed to the
536 customer, except for reconnection due to nonpayment. Service charges for
537 reconnection due to nonpayment must be paid in cash or other legal tender at the city
538 utility customer service desk, 100 Lincoln Street, before service will be reestablished.

539 FC. Fees. New services on existing distribution lines: before the utility will install a new service
540 on existing distribution lines, the customer shall pay all appropriate fees and sales tax. The
541 customer shall contact the electrical department for an estimate of the work. The electrical
542 department shall provide the customer a non-binding estimate of the work. The customer shall
543 then pay a deposit to the city and borough of Sitka for an amount equal to the estimate prior to
544 the work being performed. Subsequent to the work being completed the city and borough shall
545 invoice the customer for any additional charges not in the estimate or credit will be applied to
546 the customer account.

547 1. Clarification. For purposes of these policies, a residential structure is defined as “any
548 structure designed for human habitation in which at least fifty percent of the square
549 footage is normally used for human habitation.”

550 2. New Single Residential Service Fee.

551 a. Overhead Service. The customer shall be responsible for the actual cost of
552 installing the service.

553 b. Underground Service. The customer shall be responsible for the actual cost of
554 installing the service.

555 c. Installation Fees. The fees shall be charged at a rate equivalent to the actual
556 costs including material, labor, design and engineering, equipment, and overhead. A
557 written estimate detailing the estimated cost will be provided upon request.
558 Estimates made by the utility are not binding.

559 3. Remodeling Existing Residential Structure Fee. No fee will be charged, provided an
560 upgrade of the service entrance is not required.

561 4. Fees for Additions to Existing Residential Structures. The actual cost shall be charged
562 if the construction results in the relocation or replacement of the existing service
563 entrance.

564 5. Fees for Replacing Existing Residential Structures. Fees for replacing existing
565 residential structures due to fire, flood or other disaster which destroys the structure

566 shall be charged as follows: the actual cost shall be charged if the construction results in
567 the location or replacement of the existing service entrance.

568 6. Fee for Properties Being Served by an Electrical LID. Fees for properties being served
569 by an electrical LID shall be charged as provided for in Title 17 of the Municipal Code.

570 7. Residential Service Disconnect/Reconnect Fees for Electrical Service Repair. There
571 shall be a total two-hundred-dollar service fee charged for a customer-requested
572 disconnect and reconnect of any electrical service at the point of delivery for the
573 purpose of repairing or upgrading the existing service. This fee shall be collected at the
574 time of application for the disconnect.

575 If the service configuration is substantially modified, the customer shall be charged
576 actual cost in lieu of the two-hundred-dollar fee. Actual cost is to include all labor,
577 materials, equipment and overhead.

578 8. All Other Electrical Services. The fees for all other electrical services, including three-
579 phase transformers, submarine cable and services (islands), industrial, commercial, etc.,
580 shall be charged at a rate equivalent to the actual cost including material, labor, design
581 and engineering, equipment, and overhead. A written estimate detailing the estimated
582 cost will be provided upon request. Estimates made by the utility are not binding.

583 ~~G~~D. Meter Tests. Tests at the request of the customer will be made, and if the meter is found
584 to register within over two percent of the correct value, the customer shall pay a test fee of
585 thirty dollars. If the meter is found to exceed the two percent limit plus or minus, the bill for the
586 preceding twelve months may be adjusted accordingly, and no charge will be made for the
587 testing.

588 ~~H~~E. Credit Applications. Credit applications will be available and must be filled out before a
589 customer has electrical services rendered in their name. If it is found that the customer has
590 misinformed or misled the city with false information, the account can be closed without
591 notification until all matters are clarified and adhered to according to the policies of the city. All
592 information furnished on said credit application will be confidential and used only by the city or
593 its assigns.

594 ~~I~~F. Vacation Rates. None.

595 ~~J~~G. Fees and Charges. All fees, charges, "actual costs" and/or service charges are based on the
596 average labor, benefits and any administrative or other costs incurred by the city. These rates
597 are subject to annual review.

598 ~~K~~H. Actual Costs. Actual costs for vehicles and materials are billing rates plus shipping and
599 overhead per the following. The actual cost for labor is double the employee's wage per hour,
600 to account for the wages, benefits, employer taxes, and overhead. Subcontractor costs may
601 also be charged if a subcontractor is required. The minimum time charged for vehicle costs and

602 labor is one hour. A written estimate of actual costs is available upon request, in accordance
603 with subsection (F)(8) of this section.

604

Vehicle Costs	Billing Rate per Hour
Pickup/SUV/Van < 1 ton	\$13.20 <u>28.00</u>
Truck, flatbed, 1 ton	\$16.50 <u>34.00</u>
Chipper	\$360.00
Crane truck, 5 ton	\$39.60 <u>80.00</u>
Tractor with backhoe	\$4590.00
Service truck, 1-1/2 ton w/bucket	\$72.75 <u>146.00</u>
Bucket truck, 65 ft+ reach	\$89.10 <u>180.00</u>
Crane truck, 10 ton	\$89.10 <u>180.00</u>
Materials	
Cost plus 50% for shipping and warehousing	
Labor	
Double the employee's wage per hour	
Subcontractor	
Costs charged by subcontractor plus overhead	

605

606 **15.01.035 General requirements.**

607 A. Right of Access. The utility, through its authorized employees or agents, shall have access
608 to its meters and equipment at all reasonable times for the purpose of reading meters and
609 testing, examining, repairing, or replacing any equipment which is the property of the utility. If
610 such equipment is so located that locks must be operated to reach it, the utility shall be
611 supplied with keys to such locks. In cases where locking devices have been installed on
612 customers' disconnect devices, it is required that emergency municipal personnel, i.e., fire and
613 police, also be supplied keys to such locks.

614 B. Application for New Service. Each customer requesting service shall supply the utility with
615 the necessary information to provide the service. This information shall be supplied on an
616 application for service form, available at the utility or customer service desk located at 100
617 Lincoln Street, Sitka, Alaska. A work order will be opened to provide the service. Large industrial
618 or commercial services and service contracts shall contain such provisions and stipulations as

619 may be necessary or desirable to protect the interests of both the utility and the customer, as
620 determined by the utility director. In the absence of a signed agreement or application for
621 service form, the delivery of service by the utility and its acceptance by the customer shall be
622 deemed to constitute an agreement and acceptance of the policies.

623 C. Easements and Rights-of-Way. Where it is required to place equipment, vaults, splice
624 boxes, structures, or other materials owned by the utility associated with providing services,
625 the owner(s) involved with the project shall be required to grant an easement to the city and
626 borough of Sitka electric department. This easement shall include all areas as prescribed by the
627 utility. Utility personnel will forward a copy of the recorded easement to the owner(s). In cases
628 involving islands, tidelands, wetlands, etc., all Corps of Engineers permits and Department of
629 Natural Resources costs will be paid for by the customer. Rights-of-way are also required to be
630 conveyed to the city and borough of Sitka. The grant of utility easement must be complete,
631 signed by the property owner, copied to the city, and recorded by the State Recorder's Office.
632 The city will pay the recording fees.

633 D. Temporary Electrical Service. Temporary service is normally rendered for construction
634 purposes, but may also be rendered to traveling shows, public event displays, etc. Whenever
635 possible, it is recommended that temporary construction services be placed in the permanent
636 location. Where there are existing secondaries of sufficient capacity (also suitable phase and
637 voltage), service will be provided at applicable rates under these conditions:

638 1. Provision by the customer of a temporary electric service construction post or
639 construction pole within one hundred feet of existing facilities with suitable protective
640 devices and meter socket; and

641 2. Payment by the customer must be made in accordance with normal billing
642 procedures for the actual cost of installation and removal.

643 3. Temporary service must be initiated with a work order at the utility customer
644 service desk, 100 Lincoln Street, Sitka, Alaska.

645 E. Character of Service. The utility will designate the character of electric service. All service
646 shall be alternating current (AC), sixty hertz. Nominal secondary delivery voltages are one
647 hundred twenty volt, two hundred forty volt single-phase and two hundred forty volt three-
648 phase, for overhead service. Service may also be delivered at one hundred twenty/two hundred
649 eight or two hundred seventy-seven/four hundred eighty volts three-phase grounded wye, only
650 where such secondaries exist. When the size of the load justifies a separate transformer
651 installation, all costs associated with such transformer installation will be borne by the
652 customer. The delivery of one hundred twenty/two hundred eight volts shall be at the option of
653 the utility. In general, delivery voltages and phases will be those available at the point of
654 service. If different phases or voltages are necessary, the costs shall be computed in accordance
655 with the policies set forth herein. To determine the type of service to be supplied, the customer
656 shall consult the utility before proceeding with the installation of wiring or ordering of electrical

657 equipment. Padmount transformer for three-phase service can only be in voltages of one
658 hundred twenty/two hundred eight and two hundred seventy-seven/four hundred eighty volts.

659 F. Service Taps. All connections between utility wires and customer wires will be made and
660 removed exclusively by utility-authorized personnel. The utility reserves the right to make all
661 service connections. The connection of utility's electric service or any alternative thereof by
662 anyone except utility-authorized personnel is prohibited. Violators of this rule will be
663 prosecuted. The user of such a connection shall be presumed to have made or consented to the
664 unauthorized connection and will be responsible for any costs and/or power charges as well as
665 the party making the unlawful connection, unless proven to the contrary.

666 Any tap made ahead of any service equipment for fire pumps, exit lights, control power for the
667 circuit breaker, etc., shall be provided with proper disconnect equipment and over current
668 protection adequate for the service load. Such connections shall be made only where
669 specifically approved by the utility and must be metered, either by the existing or an additional
670 meter.

671 G. Pole Attachments. The utility forbids any attachments or work by others on its poles or
672 facilities without specific written authorization. Customers utilizing utility power poles by
673 permission will be required to enter into a joint pole use agreement with the city and borough,
674 and will be required to pay joint pole use fees.

675 H. Grounding. The grounding conductor and equipment of the service shall be effectively and
676 permanently grounded in accordance with the latest edition of the NEC or in accordance with
677 the requirements of applicable authorities. Grounding electrodes shall be copper, copper clad,
678 or galvanized steel. Under no circumstances shall a gas, water, or fuel oil piping system be used
679 as the grounding electrode. Metallic riser conduits on the outside of the building and water
680 piping within the building shall be independently grounded.

681 I. Objectionable Effects. The utility reserves the right to disconnect service where equipment
682 used by the customer results in objectionable effects upon or interferes with the operation of
683 facilities of the utility, its customers, or another public service company unless the customer
684 discontinues use of such equipment or installs corrective equipment to overcome the
685 objectionable effect or interference. The customer will be charged for the cost to disconnect
686 the service.

687 J. Load/Phase Balance. The customer shall balance three-phase loads so there is less than a
688 twenty percent imbalance.

689 K. Meter/Meter Seals. Meters shall be provided by the utility and all meter installations and
690 points of access to unmetered wiring on the customer's premises will be sealed by the utility.
691 All cabinets and equipment enclosures containing unmetered conductors shall be made
692 sealable before the service is energized. Metered and unmetered conductors shall not share
693 the same conduits as raceways.

694 **15.01.040 Service connections.**

695
696 The administrator shall establish written policies and procedures for customer service
697 connections and shall make this information available to the public.
698

699 ~~A.—General. This section applies to each new service installation and to existing installations~~
700 ~~when changes and/or rearrangements are made. Each case shall be referred to the utility~~
701 ~~before electrical work is begun.~~

702 ~~B.—Metering, Service Entrance(s), Disconnects. All service entrance(s), meters, and~~
703 ~~disconnecting device(s) shall be permanently installed externally, at an approved location.~~

704 ~~Main disconnect: this device shall be installed by the customer at a predetermined location~~
705 ~~designated by the utility for the purpose of protection, isolation, sectionalizing, maintenance,~~
706 ~~and testing between privately owned equipment and electric circuits and municipally owned~~
707 ~~equipment.~~

708 ~~This device shall be designed and rated in accordance with the NEC and to open and close all~~
709 ~~ungrounded conductors of the circuit simultaneously from their source of supply.~~

710 ~~Municipal maintenance and replacement responsibility terminates at the source side of the~~
711 ~~customer owned disconnects.~~

712 ~~It shall be the responsibility of the customer to maintain a clear space of at least thirty six~~
713 ~~inches in front and thirty six inches on either side of the meter. Exceptions to this that meet~~
714 ~~current revision of the NEC may be approved by the utility. Meters shall be installed at a height~~
715 ~~of five to six and one half feet above a finished grade, platform, deck, etc. The utility shall be~~
716 ~~consulted prior to installation. New service entrance and remodel locations are subject to~~
717 ~~approval by the utility. All single phase circuits up to six hundred volts and less than two~~
718 ~~hundred amperes or less shall be metered through self contained meters. Loads of more than~~
719 ~~two hundred amperes will be metered with instrument transformers. The contractor or owner~~
720 ~~will consult the utility for metering requirements prior to installation.~~

721 ~~C.—Instrument Transformer Metering. All instrument transformer enclosures, mountings and~~
722 ~~fittings, meter sockets and conduits or raceways for meter wiring will be furnished and installed~~
723 ~~by the customer and will be of a type approved by the utility. They shall be provided with a~~
724 ~~means for sealing. Instrument transformers will be furnished by the utility. All wiring from the~~
725 ~~instrument transformers to the meter base will be furnished and installed by the utility in~~
726 ~~conduits installed by the contractor or owner. The utility will install conduits at the customer's~~
727 ~~expense upon request. Provision for potential taps will be made in the instrument transformer~~
728 ~~enclosure by the owner or contractor. No potential taps will be made outside of a sealed~~
729 ~~enclosure. The meter socket must be UL approved, designed for outside use, and have a~~
730 ~~sealable test switch enclosure. The metering instrument transformers shall be installed in an~~
731 ~~approved, sealable enclosure that is located on the load side of the service main disconnect~~
732 ~~(cold sequence). Any exceptions must receive prior approval of the utility.~~

733 ~~D.— Point of Delivery. Service shall be supplied to the entire premises through a single delivery~~
734 ~~point and at an agreed upon voltage and phase rating. If a customer has more than one point of~~
735 ~~delivery, then each point of delivery shall be metered and billed separately. The point of~~
736 ~~delivery is that point on the customer's premises (or other agreed point) where the utility~~
737 ~~terminates its electrical conductors. Utility services shall not be run from building to building.~~
738 ~~When crossing property, service drop wires shall not be carried over/under buildings. All~~
739 ~~equipment on a load side shall belong to and be the responsibility of the consumer, except~~
740 ~~meters and metering equipment and other equipment provided by the utility. It shall be the~~
741 ~~responsibility of the customer to advise the utility of his service requirements in advance of~~
742 ~~installing the service entrance equipment and to ascertain that the location is acceptable to the~~
743 ~~utility. For mobile home parks and RV parks the point of delivery is the supply (line) side of the~~
744 ~~disconnect(s). For private marinas and boat docks the point of delivery is the supply (line) side~~
745 ~~of the disconnect on the upland facilities.~~

746 ~~E.— Customer Power Outage. If the customer's service fails, they shall endeavor to determine if~~
747 ~~they have blown fuses, tripped breakers, or their equipment is at fault before calling the utility.~~
748 ~~If a service person is sent out on such a request, and it is determined that the customer's~~
749 ~~equipment is at fault, the customer will be charged for the service call.~~

750 ~~F.— Interruption of Service. The utility will use reasonable diligence to provide an adequate and~~
751 ~~uninterrupted supply of electrical energy at normal voltage, but if the supply is interrupted~~
752 ~~without notice, for any cause, the utility shall not be liable for personal injuries, loss or damages~~
753 ~~resulting therefrom, nor will such failure constitute breach of agreement for service.~~

754 ~~The utility reserves the right to temporarily suspend services for the purpose of making~~
755 ~~emergency repairs or routine improvements to the system, but in such cases, whenever~~
756 ~~practicable, every effort will be made to contact affected customers beforehand and make such~~
757 ~~interruptions as short as possible. Emergency outages will occur without notification.~~

758 ~~G.— Curtailment. Should a serious power shortage develop, and should it become mandatory~~
759 ~~that the utility place into effect a curtailment program, the utility reserves the right to limit the~~
760 ~~use of electrical energy during such hours as may become necessary.~~

761 ~~H.— Discontinuance of Service by the Electric Utility. The utility may refuse to connect or may~~
762 ~~discontinue service for violation of payment contract provisions, for theft or illegal diversion of~~
763 ~~current, or for the noncompliance with current revision of the NEC or ordinances of the city and~~
764 ~~borough of Sitka. This discontinuance of service for any of these causes does not release the~~
765 ~~customer from their obligation to pay for services received or charges specified in any existing~~
766 ~~contract. The utility may also refuse to service loads of a character which are seriously~~
767 ~~detrimental to the service being rendered to other customers.~~

768 ~~I.— Additional Load. In the event the customer desires to change their load, he shall notify the~~
769 ~~utility sufficiently in advance so the utility may provide the facilities required. In the event that~~
770 ~~the customer fails to notify the utility, and as a result the utility equipment is damaged, the~~

771 ~~customer shall be liable for the cost of such damage. Other costs involved with repair service~~
772 ~~charges will also be applied.~~

773 ~~J.— Notice of Trouble. In the event that service is erratic or interrupted, it shall be the obligation~~
774 ~~of the customer to notify the utility.~~

775 ~~K.— System Disturbance. Electric service shall not be utilized in such a manner as to cause~~
776 ~~severe disturbances or voltage fluctuations to other customers. In the event that any customer~~
777 ~~uses equipment that is detrimental to the service of other customers, such as welders, pipe-~~
778 ~~thawing equipment, or large motor starting equipment, they shall be required to install at their~~
779 ~~own expense regulative equipment to control such fluctuations. Work required by the utility to~~
780 ~~remedy these situations will be paid for by the customer causing the disturbance.~~

781 ~~L.— Customer's Wiring and Equipment. It shall be the customer's responsibility to provide~~
782 ~~suitable protective equipment such as fuses, circuit breakers, and relays of sufficient size to~~
783 ~~protect their equipment. All newly constructed single, duplex and triplex dwellings shall be~~
784 ~~equipped with a meter box and disconnect rated not less than one hundred amps. Exceptions~~
785 ~~to this must be approved by the utility. New installations, rebuilds, upgrades, and remodeled~~
786 ~~premises, including residential, commercial, industrial and public, requiring that the external~~
787 ~~point of delivery or service entrance configuration be altered in any way shall be equipped with~~
788 ~~a means of externally metering and disconnecting each electric service. The utility must~~
789 ~~approve any external disconnecting device and its location prior to installation.~~

790 ~~In some cases, a shunt trip device may be required. If three-phase equipment is used, it shall be~~
791 ~~the customer's responsibility to protect it against phase reversal, loss of phase, under- and~~
792 ~~over-voltage. The utility will take all reasonable precautions to prevent phase failure or~~
793 ~~abnormal voltage variations, but cannot guarantee that such conditions may not occur, due to~~
794 ~~circumstances beyond its control. The customer's wiring shall be in accordance with current~~
795 ~~NEC standards. The utility will reserve the right to refuse or discontinue service to a customer~~
796 ~~when his equipment or wiring is in a hazardous condition, or not in conformity with the lawful~~
797 ~~codes and local regulations. The customer shall be solely responsible for the maintenance and~~
798 ~~safety of their wiring and equipment. The utility shall not be in any way liable for accidents or~~
799 ~~damages occurring to the customer or to third parties because of contact with or failure of any~~
800 ~~portion of the customer's installation. Should a service be disconnected it will be required to~~
801 ~~meet current codes and standards prior to re-energization.~~

802 ~~M.— Underground Locating Services. The utility provides location services, free of charge, for~~
803 ~~utility-owned facilities during normal working hours. A twenty-four-hour advance notice is~~
804 ~~required for this service to be scheduled. A customer, contractor, or operator who causes~~
805 ~~damage to utility property will be charged at a rate equivalent to the actual cost to supply~~
806 ~~material, labor, equipment, and overhead necessary to complete repairs and to restore services~~
807 ~~on any damaged property.~~

808 ~~N.— Marking. Multiple unit buildings, trailer courts, etc., must have the correct address for each~~
809 ~~unit permanently marked at the following locations:~~

- 810 ~~1. The meter socket;~~
811 ~~2. The main breaker;~~
812 ~~3. The subpanel in each unit;~~
813 ~~4. The door or doorway.~~

814 ~~If all markings are not present or of a permanent nature, the service shall be subject to being~~
815 ~~disconnected.~~

816 ~~Ø. Customer Services. Customer services that are installed under retaining walls or~~
817 ~~foundations shall be the customer's responsibility. The customer is responsible for the actual~~
818 ~~cost of replacing or repairing the conduit if damaged to a point that new service conductors~~
819 ~~cannot be installed.~~

820 **15.01.045 Line extension.**

821 A. Line extensions may be constructed by the utility or by a contractor. They will become the
822 property of the utility to own and maintain if constructed along a public road or serve more
823 than one customer. All construction must be in compliance with the NESC along with the SDCG.
824 Underground line extensions are prepared by the utility.

825 B. Overhead or underground line extensions to subdivisions shall be paid for by the
826 subdivision developer. In the case of multiple owners, agreement between all parties must be
827 documented in writing prior to commencement of work.

828 C. The cost of overhead or underground line extensions shall be the responsibility of the
829 customer. These extensions can be constructed by the utility or a contractor; however, they
830 shall become the property of the utility upon being energized and shall be constructed
831 according to these policies.

832 D. For underground service locations, the utility shall be consulted in every case before work
833 is started so that it may designate the facility from which the service will be taken, the location
834 of the conduit, and meter location. Precautions must be taken when trenching near other
835 underground facilities or poles to prevent undermining of the pole. The customer or contractor
836 performing the work will be held financially responsible for any damage to utility facilities.
837 Customer-installed conduits and trenches must be inspected and approved by the utility before
838 backfilling.

839 E. Utility Pole Replacements or Relocations. If the utility requires a pole to be relocated or
840 replaced, the riser will be reattached at the utility's expense.

841 F. Risers installed on utility-owned poles shall be galvanized rigid steel or utility-approved
842 plastic conduit and brought to a point not less than eight feet nor more than twelve feet above
843 ground line. Two four-inch risers or their space equivalent are the maximum permitted on one
844 pole.

845 G. On privately owned poles, the customer shall furnish and install the galvanized steel or
846 utility-approved plastic conduit and mounting straps up to the pole to a point twelve inches
847 below the utility's secondary conductors.

848 H. Relocation of Poles or Equipment. In the event any customer requests their delivery point
849 to be moved or desires a pole or other utility equipment moved, including yard lights, fixtures,
850 transformers and/or other facilities located thereon, for any reason, the utility will, if feasible
851 from an engineering point of view and provided the necessary right-of-way can be obtained, do
852 so and will require the customer to pay an amount sufficient to reimburse the utility for all
853 actual costs including materials, labor, equipment, and overhead. In the event that conditions
854 not defined occur, then the principles and policies as outlined herein and in the extension
855 policy shall be applied.

856 **15.01.050 Subdivisions.**

857 A. General. All electrical facilities in new subdivisions shall be installed underground per the
858 SDCG.

859 B. Services. Underground services will be the responsibility of each customer.

860 C. Single Developer. The developer of a subdivision of a parcel of land will be responsible for
861 providing and installing all underground electrical facilities. This includes primary, secondary,
862 transformers, termination cabinets, pull boxes, etc.

863 **15.01.055 Mobile home parks, RV parks, private marinas and boat docks.**

864 Mobile Home Parks, RV Parks, Private Marinas and Boat Docks. The utility will provide metering
865 for individual mobile homes, RV spaces and boat marinas under the current rate structure
866 providing the following conditions are met:

867 A. The system owners shall furnish and install a wiring system to connect to the utility
868 facilities via main disconnect(s). This device shall be installed by the customer at a
869 predetermined location set by the utility for the purpose of protection, isolation, sectionalizing,
870 maintenance and testing between privately owned equipment and electric circuits, and
871 municipally owned equipment and electric circuits.

872 This device shall be designed and rated to carry expected load and to open and close all
873 ungrounded conductors of the circuit simultaneously from their source of supply by
874 nonautomatic means and to open all ungrounded conductors of the circuit simultaneously from
875 their source of supply automatically on a predetermined load current or fault current in excess
876 of specified design.

877 Utility maintenance and replacement responsibility terminates at the supply (line) side of
878 the customer-owned disconnect(s).

879 B. The system owner shall furnish and install a wiring system connecting each service location
880 with a meter socket and protective device (breaker/disconnect). Such a wiring system and
881 protective device (breaker/disconnect) shall be of adequate capacity to maintain standard

882 current and voltage to each location. Systems are to be installed in accordance with all current
883 codes and requirements.

884 C. Whenever a service is disconnected, it shall be brought into compliance with current codes
885 and standards prior to being re-energized.

886 **15.01.060 Rental structures.**

887 A. Owner Policy. Special conditions may apply to electrical service provided to rental
888 structures. The owner or owner's representative of such structures may request that the
889 account for the rental structure be placed in "owner status" for the purposes of cleaning and
890 nonoccupancy only. Accounts in owner status are subject to the following conditions:

891 B. While in owner's status, an account will be charged for all electricity consumed, subject to
892 minimum consumption requirements.

893 C. The owner/landlord is not required to pay a residential deposit if in good credit standing
894 with the city. Residential deposits will be required, however, from all tenants when the
895 structure is rented.

896 D. The owner/landlord must notify the utility customer service desk immediately upon
897 occupancy of a rental unit. If the unit is occupied and the utility customer service desk has not
898 been notified of the occupancy, the owner/landlord is liable and responsible for all electricity
899 charges for the account until such notification is given and the account is switched to the
900 tenants.

901 E. Under no circumstances will the owner turn an electrical meter on or off. Meter connects
902 and disconnects will be performed by the utility.

903 F. When an owner account is transferred to a tenant, or transferred from a tenant back to an
904 owner, a service charge will be charged to the account.

905 G. If a renter is being disconnected for nonpayment of electrical charges, the municipality will
906 notify the owner, if said owner has provided contact information, that service to the rental
907 structure is being disconnected before the physical disconnection occurs.

908 H. Upon vacation of the rental structure by tenants the account will automatically be
909 transferred to the landlord/owner. The transfer will be subject to a service charge.

910 I. If owner/landlords turn off electric service, they will be liable for any costs that are incurred
911 by the tenants and/or the municipality.

912 J. If any owner is disconnected for nonpayment, the municipality will immediately remove the
913 owner status from all of the individual's owner accounts. Thereafter, each account must
914 individually meet the billing credit policy herein.

915 K. If an owner is disconnected for nonpayment and the municipality has not been notified that
916 a tenant has occupied the structure, the owner will be immediately charged for all appropriate
917 services while the structure was occupied, and the account will not be reconnected until all
918 charges are paid in full.

919 **15.01.065 Motors and controllers.**

920
921 The administrator shall establish written policies and procedures for customer motors and
922 controllers and shall make this information available to the public.

923
924
925 ~~A. Utility to Be Advised. The utility shall be advised before any single phase motor in excess of~~
926 ~~five horsepower or any three phase motor rated ten horsepower or larger is installed by a~~
927 ~~customer. The information given the utility shall include the nameplate data of the motor, the~~
928 ~~nature of the load and operating characteristics of the proposed installation, such as how~~
929 ~~frequently the motor will be started and if the load fluctuates rapidly, etc.~~

930 ~~B. Motor Starters. The utility may require customers to install reduced voltage starting~~
931 ~~equipment in cases where across the line starting would result in excessive voltage motor~~
932 ~~disturbances to the utility system.~~

933 ~~C. Single Phase Motors. Generally, motors larger than five horsepower should be three phase,~~
934 ~~but the utility may require the use of single phase motors or appropriate phase converters~~
935 ~~where three phase service is not readily available.~~

936 ~~D. Protection. All motors should be properly protected against overload, including overloads~~
937 ~~caused by low voltage conditions. It is the customer's responsibility to protect three phase~~
938 ~~motors against the possibility of single phase operation. Reverse phase relays, together with~~
939 ~~circuit breakers, or the equivalent devices, should be used on all three phase installations for~~
940 ~~elevators, cranes, and similar applications to protect the installation from phase reversal.~~

941 **15.01.070 Undesirable characteristics.**

942 The utility may refuse or discontinue service to customers who operate equipment which
943 causes detrimental voltage fluctuations (such as, but not limited to, hoists, welders, radio
944 transmitters, X-ray apparatus, elevator motors, compressors and furnaces). The customer must
945 reasonably limit such fluctuations upon request by the utility. Undesirable load characteristics
946 include, but are not limited to, twenty percent unbalanced load between phases, a power
947 factor below ninety percent, or cyclical demand fluctuations produced by the customer's
948 equipment. The utility may require, as a condition of service, that customers install, at their
949 expense, equipment that will eliminate the undesirable load characteristics.

950 **15.01.075 Special equipment.**

951
952 The administrator shall establish written policies and procedures for customer special
953 equipment connections and shall make this information available to the public.

954

955 ~~A. Customer Installed Capacitors. Customers installing capacitors to improve the power factor~~
956 ~~of their load must contact the utility for essential coordination details.~~

957 ~~B. Electric Fences. Electric fences must comply with the standard for electric fence controllers,~~
958 ~~ANSI/UL 69. A direct electric connection to a fence, or a connection through resistance,~~
959 ~~reactance, or lamp bulb, without an approved controller is not permitted.~~

960 ~~C. Swimming Pools and Hot Tubs. Circuits serving swimming pools, hot tubs, or associated~~
961 ~~areas shall be protected by ground fault interrupters per the NEC.~~

962 ~~D. Lightning Protection Systems. The utility recommends the use of secondary surge arresters~~
963 ~~for protection of customers' equipment, where such additional protection is desired. Arresters~~
964 ~~shall be connected on the load side of the main disconnect, not at the weather head.~~

965 ~~Lightning rod systems, if desired, should be installed per NFPA 78, "Lightning Protection Code."~~
966 ~~A bond between the lightning rod system down ground and the service neutral should not be~~
967 ~~installed. Spacing should be arranged so that the meter enclosure is not bonded to the lightning~~
968 ~~rod system down ground.~~

969 ~~E. Transient Surge Protectors. Transient surge protectors can be installed by the customers on~~
970 ~~their system to help protect sensitive equipment from low energy transient surges. It is~~
971 ~~recommended that the transient surge protector (suppressor) utilized has the UL 1449 rating~~
972 ~~and incorporate failure indicators.~~

973 **15.01.080 Customer generation.**

974 A. General. All installations of customers' generating equipment require adherence to
975 fundamental rules for safeguarding of all personnel and the utility's equipment. The utility must
976 be consulted before any generating equipment is connected to any circuit which is or can be
977 supplied from the distribution system. This is to assure against any unanticipated backfeed of
978 electricity into the utility's system.

979 B. Standby Generators. This type of generator is for emergency supply for lighting and other
980 load and is usually connected in case of loss of the normal supply. A double throw switch or
981 conductor shall be provided to positively disconnect from the normal supply and transfer all
982 ungrounded conductors of any emergency lighting or power load to the standby generator.
983 Automatic transfer systems must be approved by the utility.

984 C. Systems Operated in Parallel with the Utility's Supply. Customers considering the
985 installation of generating equipment to supply all or a portion of their electrical energy
986 requirements and who wish to arrange for, or continue to receive, service from the utility's
987 system for their remaining electrical energy requirements and/or for standby service must
988 consult the utility regarding the design, installation, and operation of such generating
989 equipment. This consultation should be done before the customer is committed to a specific
990 system design.

991 ~~**15.01.085 Carrier current.**~~

992 ~~If a customer used building wiring for a carrier current system for communication or signaling~~
993 ~~purposes, the customer shall install suitable filter equipment or make other provisions~~
994 ~~approved by the utility to keep the distribution facilities free from carrier currents produced by~~
995 ~~the customer's equipment.~~

996 ~~**15.01.090 Rebate program for electric heat pump heating systems.**~~

997 ~~A.—General Requirements. All residential customers are eligible to participate in the rebate~~
998 ~~program, subject to the rules and procedures developed by the electric department, and~~
999 ~~funding of the program.~~

1000 ~~B.—Eligible Equipment. Only the following products are eligible for the rebate program:~~

1001 ~~1.—Electric heat pump heating system that replaces an existing oil or electric resistance~~
1002 ~~heating system, such as electric baseboard heaters, electric plug-in heaters, and electric~~
1003 ~~boilers, if it is the primary heating source for the residence.~~

1004 ~~C.—Rebates. Residential customers requesting a rebate shall submit a signed rebate request~~
1005 ~~using electric department forms within sixty days of the purchase of the rebate-eligible product.~~
1006 ~~Rebates will be issued within sixty days of receipt of the form to any eligible customers that~~
1007 ~~meet the terms and conditions of the program.~~

1008 ~~D.—Funding. The rebate program will terminate when all project funds have been expended.~~

1009
1010 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date
1011 of its passage.

1012
1013 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
1014 Alaska this 11th day of October, 2016.

1015
1016
1017
1018

Mim McConnell, Mayor

1019 **ATTEST:**

1020
1021
1022

1023 Sara Peterson, CMC
1024 Municipal Clerk

1025
1026
1027
1028



CITY AND BOROUGH OF SITKA

APPROVED - ELECTRIC UTILITY CUSTOMER SERVICE PROCEDURES

Approved Version - Rev 0
Dated 9-2-2016

ELECTRIC UTILITY CUSTOMER SERVICE PROCEDURES

Sections:

[15.01.030](#) Billing—Credit—Deposits—Fees.

15.01.030 Billing—Credit—Deposits—Fees.

Account deposits commensurate with an anticipated six-week utility billing may be required. Deposits will be refunded after one year's satisfactory payment history or termination of service. Refund will be made by credit to customer's billing account. Interest shall accrue at an interest rate equivalent to the average rate of interest on one-year treasury bills for the last day of the fiscal year and previous fiscal year. Interest will be determined at the end of the fiscal year and will be credited to the customer's utility billing as soon as possible thereafter. Driver's license or Social Security number will be requested for notation and for identification purposes.

B. Meter Reading. Meters shall be read monthly as nearly as possible on the same cycle date. Because of holidays, Saturdays, Sundays and the difference in the length of months, a three-to-five-day variation may occur. If for any reason a reading cannot be obtained for any particular period, the billing may be based on an estimated energy use and demand.

C. Billing. Bills will be rendered monthly and are due and payable thirty days after date of billing. Failure to receive a bill will not release the customer from obligation of payment. The utility reserves the right to disconnect the meter for the final bill within a twenty-four-hour period from the time requested by the customer.

D. Credit Policy.

1. Any electrical charges become delinquent if not paid within thirty days of the billing date. If a customer's account becomes delinquent, the customer will be notified by mail no less than forty-five days after the billing date of the delinquency and of the requirement to contact the credit manager to arrange for an approved payment plan. If a customer has not contacted the credit manager within 5 working days from the postmark date after being notified by mail or by other method of having a delinquent account, ~~a notice will be physically posted at the customer's physical location notifying the customer that~~ electrical power will be disconnected ~~the next day~~ without further notice unless an approved payment plan is accepted by the credit manager.

2. The city finance director has the authority to establish a payment plan for customers with delinquent accounts. If a payment plan is established for a customer with a delinquent account, the customer will be required at the time of agreement to the plan and thereafter, without exception, to pay all current charges due on the date the plan is entered into, pay the finance charge on the delinquent charges currently due, ~~and~~ to make additional ~~regularly scheduled~~ monthly payments toward the delinquent balance due, and to agree to pay all future charges by the scheduled date they are due, ~~as part of the plan until the delinquent balance has been paid in full. The amount and timing of additional regularly scheduled payments will be jointly determined by the credit manager and the customer; however, as a minimum, such payments must exceed monthly finance charges by at least ten dollars per month. All payment plans will~~ require customers to make monthly payments in the same amount, and, the number of such payments will not exceed twelve. Additional agree-upon monthly payments toward the delinquent balance must be made by the monthly due date of all future charges; this will result in a period of less than thirty days before the first additional agreed-upon monthly payment is due. All delinquent balances will be subject to a yearly finance charge of twelve percent.

3. The Finance Director shall have the authority to use discretion in managing electricity disconnections if the amount necessary to avoid disconnection is \$50 or less, or, by granting no more than 4 extra working days for a customer to make the payment required to avoid disconnection. If the Finance Director grants additional time for a payment to be made, the customer must both firmly commit to a specific amount to be paid and a non-extendable deadline for that committed payment to be made. If a customer is granted additional time and fails to honor his/her commitment, electrical service will be disconnected without further notice. If a customer fails to make the specified additional regularly scheduled payments, or pay current charges, as required in the payment plan, that customer's account will be scheduled for disconnection. A notice will be physically posted at the customer account's physical location notifying the customer that electrical power will be disconnected the next day without further notice unless the credit manager is contacted. No additional notice will be sent by mail. The credit manager has the authority to amend a payment plan. If a payment plan has been amended and the customer again fails to make specific additional regularly scheduled payments, or pay current charges, as required by the payment plan, that customer's

~~account will be scheduled for immediate disconnection. If a customer's account is disconnected for failure to make specified additional regularly scheduled payments, or pay current charges as required by the payment plan, all delinquent charges plus accrued interest must be paid in full before electrical service will be reconnected.~~

4. If a customer has applied for utility assistance through some external organization or entity, the following rules regarding disconnection shall apply: (a) the customer's application must be verified; (b) the amount of the utility assistance payment to be received must be sufficient to either pay the entire past due balance of the customer's account, or, provide for the required payment amount necessary in conjunction with the customer entering into a payment plan, and (c) the assisting entity must commit to a date certain within 60 days that payment will be made. If the three requirements can't be all met, the customer's account will be disconnected.

5. Disconnection Policy. If a customer is notified by mail or other method that the customer's account is scheduled for disconnection, it shall be the responsibility of the customer to promptly contact the credit manager within 5 working days of the postmark date of disconnection letters. Failure to contact the Credit Manager prior to the date of disconnection, which shall not be less than 5 days from the postmark date, will be grounds for disconnection. Contact of the credit manager on the day of disconnection will be processed, if practicable, but will not guarantee disconnection. If a customer makes a partial payment towards its account which is in an amount less than the required amount to avoid disconnection, the account will still be scheduled for disconnection unless either an additional payment is made or more time is requested (subject to the Finance Director's limits of discretion).

6. Reconnect Policy. If an account is disconnected for failure to make specified additional regularly scheduled payments, or for failure to make payments as required by a payment plan, the customer must either pay all delinquent charges plus accrued interest, or, enter into a payment plan and make the payment required at the time of the agreement to the plan before electrical service will be reconnected. Once applicable payments have been made, reconnection of electrical service shall be made as soon as practicable. Electrical service will not be reconnected after 4:30 pm on weekdays, or, on weekend days or holidays, other than in the case of an emergency. The Electric Department Director, the Police Chief, or the Fire Chief shall be the officials designated to determine if an emergency situation exists warranting an emergency reconnection. Emergency reconnections shall be subject to an emergency reconnection fee which must be paid in full by the close of business on the first working day following the emergency; otherwise, service will be disconnected again without notice.

47. Tampering with meters or diversion of electricity is not allowed. If a meter is tampered with or electricity has been diverted, the utility shall charge the account holder for the cost of repairs plus all known or estimated electricity consumed. Charges

will be made retroactively without limitation for all known or estimated electricity consumed back to the date of the tampering or diversion.

58. If a customer is found to have consumed electricity and the utility has not charged the customer for the electricity, and the reason for the supply of electricity without charge is found to be the fault of the utility and not the customer, the utility shall charge the customer for known or estimated electricity for a period not to exceed three years. Conversely, if a customer has been overcharged, the customer will be refunded the known or estimated overpayment for a period not to exceed three years.



CITY AND BOROUGH OF SITKA

APPROVED - ELECTRIC UTILITY CONSTRUCTION GUIDELINES

Approved Version - Rev 0
Dated 9-2-2016

ELECTRIC UTILITY CONSTRUCTION GUIDELINES

Sections:

- [15.01.015](#) Construction guidelines.
- [15.01.040](#) Service connections.
- [15.01.065](#) Motors and controllers.
- [15.01.075](#) Special equipment.
- [15.01.085](#) Carrier current.

15.01.015 Construction guidelines.

A. Codes. All electric utility system installations must comply with the National Electrical Code (NEC) and the National Electrical Safety Code (NESC) where applicable. As a supplement to these codes, the Sitka design and construction guidelines (SDCG) and the design standards of the USDA Rural Utilities Service (RUS) are employed by the utility. Services and/or service entrances may be denied if these codes and specifications are not met.

B. Electrical Inspections. To protect the customer's interest as well as the utility's, the utility requires an inspection certificate (green tag) by the city's building inspector before energizing new facilities. In addition, for all three phase loads (of any amperage) or any single phase loads in excess of 800 amps, the customer shall submit to the city an updated customer one-line diagram, a connected load calculation, and power factor compliance calculation stamped by a licensed electrical engineer in the state of Alaska. These documents shall be submitted at least six months prior to energization and shall be submitted along with the requisite building permit application.

Inspections shall confirm compliance with the latest state-adopted version of the NEC and NESC, the latest version of the SDCG, any municipal codes, and any utility specifications that

may exceed portions of the aforementioned codes. The utility reserves the right to challenge the construction when utility personnel observe deficiencies in the installation at any time.

C. Utility Tools and Equipment. All utility materials, tools and equipment are available for utility projects only. Tools and equipment are not available for rent or loan at any time.

D. Material Sales/Loans. No materials shall be sold, traded or loaned except for electrical emergencies such as power outages. The utility may agree to sell equipment for a specific utility construction project, at rates established by the utility.

E. Subdivisions. In addition, all subdivisions two lots or greater and line extensions greater than two thousand six hundred forty feet are required to be designed by an electrical engineer licensed in Alaska. The customer is required to seek an electrical engineer licensed in Alaska to design the facilities or a licensed electrical contractor to construct the facilities needed to serve them. All designs, equipment, materials and a detailed scope of work must be approved by the utility before construction commences and is subject to inspection by the utility during construction. All equipment and materials such as transformers, hardware, street lights, poles, cables and components, etc., must be new and in undamaged condition. The utility reserves the right to issue "cease and desist" orders for nonconformance of design, workmanship and materials involved with electrical system construction projects. Once the construction is accepted by the utility, the utility will own and be responsible for maintenance of the facilities to the point of delivery of power, unless otherwise stated in this customer service policy or by mutual agreement.

15.01.040 Service connections.

A. General. This section applies to each new service installation and to existing installations when changes and/or rearrangements are made. Each case shall be referred to the utility before electrical work is begun.

B. Metering, Service Entrance(s), Disconnects. All service entrance(s), meters, and disconnecting device(s) shall be permanently installed externally, at an approved location.

Main disconnect: this device shall be installed by the customer at a predetermined location designated by the utility for the purpose of protection, isolation, sectionalizing, maintenance, and testing between privately owned equipment and electric circuits and municipally owned equipment.

This device shall be designed and rated in accordance with the NEC and to open and close all ungrounded conductors of the circuit simultaneously from their source of supply.

Municipal maintenance and replacement responsibility terminates at the source side of the customer-owned disconnects.

It shall be the responsibility of the customer to maintain a clear space of at least thirty-six inches in front and thirty-six inches on either side of the meter. Exceptions to this that meet current revision of the NEC may be approved by the utility. Meters shall be installed at a height of five to six and one-half feet above a finished grade, platform, deck, etc. The utility shall be consulted prior to installation. New service entrance and remodel locations are subject to approval by the utility. All single-phase circuits up to six hundred volts and less than two hundred amperes or less shall be metered through self-contained meters. Loads of more than two hundred amperes will be metered with instrument transformers. The contractor or owner will consult the utility for metering requirements prior to installation.

C. Instrument Transformer Metering. All instrument transformer enclosures, mountings and fittings, meter sockets and conduits or raceways for meter wiring will be furnished and installed by the customer and will be of a type approved by the utility. They shall be provided with a means for sealing. Instrument transformers will be furnished by the utility. All wiring from the instrument transformers to the meter base will be furnished and installed by the utility in conduits installed by the contractor or owner. The utility will install conduits at the customer's expense upon request. Provision for potential taps will be made in the instrument transformer enclosure by the owner or contractor. No potential taps will be made outside of a sealed enclosure. The meter socket must be UL approved, designed for outside use, and have a sealable test switch enclosure. The metering instrument transformers shall be installed in an approved, sealable enclosure that is located on the load side of the service main disconnect (cold sequence). Any exceptions must receive prior approval of the utility.

D. Point of Delivery. Service shall be supplied to the entire premises through a single delivery point and at an agreed-upon voltage and phase rating. If a customer has more than one point of delivery, then each point of delivery shall be metered and billed separately. The point of delivery is that point on the customer's premises (or other agreed point) where the utility terminates its electrical conductors. Utility services shall not be run from building to building. When crossing property, service drop wires shall not be carried over/under buildings. All equipment on a load side shall belong to and be the responsibility of the consumer, except meters and metering equipment and other equipment provided by the utility. It shall be the responsibility of the customer to advise the utility of his service requirements in advance of installing the service entrance equipment and to ascertain that the location is acceptable to the utility. For mobile home parks and RV parks the point of delivery is the supply (line) side of the disconnect(s). For private marinas and boat docks the point of delivery is the supply (line) side of the disconnect on the upland facilities.

E. Customer Power Outage. If the customer's service fails, they shall endeavor to determine if they have blown fuses, tripped breakers, or their equipment is at fault before calling the utility. If a service person is sent out on such a request, and it is determined that the customer's equipment is at fault, the customer will be charged for the service call.

F. Interruption of Service. The utility will use reasonable diligence to provide an adequate and uninterrupted supply of electrical energy at normal voltage, but if the supply is interrupted without notice, for any cause, the utility shall not be liable for personal injuries, loss or damages resulting therefrom, nor will such failure constitute breach of agreement for service.

The utility reserves the right to temporarily suspend services for the purpose of making emergency repairs or routine improvements to the system, but in such cases, whenever practicable, every effort will be made to contact affected customers beforehand and make such interruptions as short as possible. Emergency outages will occur without notification.

G. Curtailment. Should a serious power shortage develop, and should it become mandatory that the utility place into effect a curtailment program, the utility reserves the right to limit the use of electrical energy during such hours as may become necessary.

H. Discontinuance of Service by the Electric Utility. The utility may refuse to connect or may discontinue service for violation of payment contract provisions, for theft or illegal diversion of current, or for the noncompliance with current revision of the NEC or ordinances of the city and borough of Sitka. This discontinuance of service for any of these causes does not release the customer from their obligation to pay for services received or charges specified in any existing contract. The utility may also refuse to service loads of a character which are seriously detrimental to the service being rendered to other customers.

I. Additional Load. In the event the customer desires to change their load, he shall notify the utility sufficiently in advance so the utility may provide the facilities required. In the event that the customer fails to notify the utility, and as a result the utility equipment is damaged, the customer shall be liable for the cost of such damage. Other costs involved with repair service charges will also be applied.

J. Notice of Trouble. In the event that service is erratic or interrupted, it shall be the obligation of the customer to notify the utility.

K. System Disturbance. Electric service shall not be utilized in such a manner as to cause severe disturbances or voltage fluctuations to other customers. In the event that any customer uses equipment that is detrimental to the service of other customers, such as welders, pipe-thawing equipment, or large motor-starting equipment, they shall be required to install at their own expense regulative equipment to control such fluctuations. Work required by the utility to remedy these situations will be paid for by the customer causing the disturbance.

L. Customer's Wiring and Equipment. It shall be the customer's responsibility to provide suitable protective equipment such as fuses, circuit breakers, and relays of sufficient size to protect their equipment. All newly constructed single, duplex and triplex dwellings shall be equipped with a meter box and disconnect rated not less than one hundred amps. Exceptions to this must be approved by the utility. New installations, rebuilds, upgrades, and remodeled premises, including residential, commercial, industrial and public, requiring that the external point of delivery or service entrance configuration be altered in any way shall be equipped with a means of externally metering and disconnecting each electric service. The utility must approve any external disconnecting device and its location prior to installation.

In some cases, a shunt trip device may be required. If three-phase equipment is used, it shall be the customer's responsibility to protect it against phase reversal, loss of phase, under- and over-voltage. The utility will take all reasonable precautions to prevent phase failure or

abnormal voltage variations, but cannot guarantee that such conditions may not occur, due to circumstances beyond its control. The customer's wiring shall be in accordance with current NEC standards. The utility will reserve the right to refuse or discontinue service to a customer when his equipment or wiring is in a hazardous condition, or not in conformity with the lawful codes and local regulations. The customer shall be solely responsible for the maintenance and safety of their wiring and equipment. The utility shall not be in any way liable for accidents or damages occurring to the customer or to third parties because of contact with or failure of any portion of the customer's installation. Should a service be disconnected it will be required to meet current codes and standards prior to re-energization.

M. **Underground Locating Services.** The utility provides location services, free of charge, for utility-owned facilities during normal working hours. A twenty-four-hour advance notice is required for this service to be scheduled. A customer, contractor, or operator who causes damage to utility property will be charged at a rate equivalent to the actual cost to supply material, labor, equipment, and overhead necessary to complete repairs and to restore services on any damaged property.

N. **Marking.** Multiple unit buildings, trailer courts, etc., must have the correct address for each unit permanently marked at the following locations:

1. The meter socket;
2. The main breaker;
3. The subpanel in each unit;
4. The door or doorway.

If all markings are not present or of a permanent nature, the service shall be subject to being disconnected.

O. **Customer Services.** Customer services that are installed under retaining walls or foundations shall be the customer's responsibility. The customer is responsible for the actual cost of replacing or repairing the conduit if damaged to a point that new service conductors cannot be installed.

15.01.065 Motors and controllers.

A. **Utility to Be Advised.** The utility shall be advised before any single-phase motor in excess of five horsepower or any three-phase motor rated ten horsepower or larger is installed by a customer. The information given the utility shall include the nameplate data of the motor, the nature of the load and operating characteristics of the proposed installation, such as how frequently the motor will be started and if the load fluctuates rapidly, etc.

B. **Motor Starters.** The utility may require customers to install reduced-voltage starting equipment in cases where across-the-line starting would result in excessive voltage motor disturbances to the utility system.

C. Single-Phase Motors. Generally, motors larger than five horsepower should be three-phase, but the utility may require the use of single-phase motors or appropriate phase converters where three-phase service is not readily available.

D. Protection. All motors should be properly protected against overload, including overloads caused by low voltage conditions. It is the customer's responsibility to protect three-phase motors against the possibility of single-phase operation. Reverse phase relays, together with circuit breakers, or the equivalent devices, should be used on all three-phase installations for elevators, cranes, and similar applications to protect the installation from phase reversal.

15.01.075 Special equipment.

A. Customer-Installed Capacitors. Customers installing capacitors to improve the power factor of their load must contact the utility for essential coordination details.

B. Electric Fences. Electric fences must comply with the standard for electric fence controllers, ANSI/UL 69. A direct electric connection to a fence, or a connection through resistance, reactance, or lamp bulb, without an approved controller is not permitted.

C. Swimming Pools and Hot Tubs. Circuits serving swimming pools, hot tubs, or associated areas shall be protected by ground fault interrupters per the NEC.

D. Lightning Protection Systems. The utility recommends the use of secondary surge arresters for protection of customers' equipment, where such additional protection is desired. Arresters shall be connected on the load side of the main disconnect, not at the weather head.

Lightning rod systems, if desired, should be installed per NFPA 78, "Lightning Protection Code." A bond between the lightning rod system down ground and the service neutral should not be installed. Spacing should be arranged so that the meter enclosure is not bonded to the lightning rod system down ground.

E. Transient Surge Protectors. Transient surge protectors can be installed by the customers on their system to help protect sensitive equipment from low energy transient surges. It is recommended that the transient surge protector (suppressor) utilized has the UL 1449 rating and incorporate failure indicators.

15.01.085 Carrier current.

If a customer used building wiring for a carrier current system for communication or signaling purposes, the customer shall install suitable filter equipment or make other provisions approved by the utility to keep the distribution facilities free from carrier currents produced by the customer's equipment.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-173 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 9/23/2016 In control: City and Borough Assembly
On agenda: 9/27/2016 Final action:
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[SCH SEARCH Letter September 2016.pdf](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, September 27	Worksession <i>at UAS</i> <i>Electric Dept. 10-yr Capital plan/proposed</i> <i>Electric Ordinance</i>	5:00 PM
Tuesday, September 27	Regular Meeting <i>at UAS</i>	6:00 PM
Tuesday, October 11	Regular Meeting <i>at Harrigan Centennial Hall</i>	6:00 PM
Tuesday, October 25	Regular Meeting <i>at Harrigan Centennial Hall</i>	6:00 PM



Municipal Election Reminders

Monday, September 19	First day of advanced absentee voting
Tuesday, October 4	Municipal Election
Friday, October 7	Advanced/Absentee/Questioned Ballot Counting

Expiring Terms:

Assembly
Mayor Mim McConnell
Ben Miyasato
Aaron Swanson

School Board
Jennifer McNichol

Assembly Calendar

[2015](#)
 [Jan](#)
 [Feb](#)
 [Mar](#)
 [Apr](#)
 [May](#)
 [Jun](#)
 [Jul](#)
 [Aug](#)
 [Sep](#)
 [Oct](#)
 [Nov](#)
 [Dec](#)
 [2017](#)

September 2016

Sunday		Monday	Tuesday	Wednesday	Thursday		Friday	Saturday
28	Aug	29	30	31	1	Sep	2	3
Eisenbeisz		Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz 1:30pm - 3:30pm SEDA Board Meeting		Eisenbeisz	
4		5	6	7	8	9	10	
		LABOR DAY	5:00pm Special Meeting at Sealing Cove Business Center: Attorney Interview - Brian Hanson 7:00pm Planning	7:00pm Library Board	12:00pm LEPC			
11		12	13	14	15	16	17	
		Potrzuski	Potrzuski 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski 6:00pm Port & Harbors 6:00pm Historic Preservation	Potrzuski 12:00pm Parks & Rec		Potrzuski	Potrzuski
18		19	20	21	22	23	24	
Potrzuski	Potrzuski 6:00pm Special Meeting: Non-Profit Grant Awards (Location - to be determined)	Potrzuski 12:00pm Tree/Landscape 7:00pm Planning	Potrzuski McConnell 12:00pm Health Needs & Human Services Commission	Potrzuski McConnell 12:00pm Hospital Board Meeting	Potrzuski McConnell	Potrzuski	Potrzuski	
25		26	27	28	29	30	1	Oct
Potrzuski	Potrzuski McConnell	Potrzuski McConnell 5:00pm Worksession: Electric Rates 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski McConnell	Potrzuski McConnell	Potrzuski McConnell	Potrzuski McConnell	Potrzuski	

Assembly Calendar

[2015](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2017](#)

October 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
25 Sep	26	27	28	29	30	1 Oct
Potruski	Potruski McConnell	Potruski McConnell 5:00pm Worksession: Electric Rates 6:00pm <u>Regular Assembly Mtg</u>	Potruski McConnell	Potruski McConnell	Potruski McConnell	Potruski
2	3	4	5	6	7	8
Potruski	Potruski	Potruski MUNICIPAL ELECTION 7:00pm Planning	Potruski 7:00pm Library Board	Potruski Hunter 1:30pm - 3:30pm SEDA Board Meeting	Hunter	
9	10	11	12	13	14	15
		6:00pm <u>Regular Assembly Mtg</u>	12:00pm Health Needs & Human Services Commission 6:00pm Port & Harbors 6:00pm Historic Preservation	12:00pm LEPC 12:00pm <u>Parks & Rec</u>		
16	17	18	19	20	21	22
		ALASKA DAY 12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>	6:00pm Police and Fire Commission - Fire Hall			
23	24	25	26	27	28	29
		6:00pm <u>Regular Assembly Mtg</u>		6:00pm Hospital Board Meeting		
30	31	1 Nov	2	3	4	5



The Honorable Mayor Mim McConnell and Assembly Members
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

September XX, 2016

Dear Mayor McConnell and Assembly Members,

The Sitka Community Hospital (SCH) and SouthEast Alaska Regional Health Consortium (SEARHC) steering committee had its final meeting on August 25 with ECG Management Consultants (ECG) to review options for collaboration between SCH and SEARHC and identify the most promising strategy to secure and improve the quality of healthcare in Sitka. **We are writing to solicit your perspective regarding our findings, regarding recommendations to pursue integration of services.**

Key findings from ECG's internal and external assessment served as a foundation for the discussion:

- the impact of Medicare and Medicaid rate freezes, which when combined with Alaska's state budget crisis, could result in a decrease of up to 30 percent in Medicaid funding for SCH, increasing the need for City support while other demands on local funds are rising;
- steady increase in Sitka's senior population, which is creating higher demand for services while other age segments experience minimal growth;
- demand for more specialty providers; and
- excess capacity of costly inpatient space in Sitka.

ECG identified three options for collaboration between SCH and SEARHC: continuing the **status quo** of two separate organizations with minimal collaboration; collaborating through **selective and coordinated consolidation** of clinical and administrative services; and **comprehensive and integrated collaboration** with substantial consolidation and expansion of services.

In light of the information provided by ECG, it is clear that the **status quo** option of SCH and SEARHC continuing to compete for patients by offering duplicative clinical services represents a waste of resources in the short term, and a risk to Sitka's residents and health care workforce in the medium to long term. Pursuing business as usual will prevent both hospitals from investing in services and facilities that residents want and need. While each organization has overcome financial challenges in the past, financial pressures continue to present a real risk in the coming years.

Selective and coordinated collaboration would require a joint operating agreement (JOA) between SCH and SEARHC to consolidate clinical and administrative services, while combining efforts on high-priority expensive programs such as geriatric services and obstetrics. This option would require a shared workforce structure to consolidate providers into a single entity and recruit select specialty providers. Capital investments would be limited to the programs operated through the JOA and would require a framework to govern the SCH and SEARHC relationship. This option would expand certain specialty services, create some economic value and realize economies of scale in select services. SCH and SEARHC would continue to compete in other services and maintain duplicate clinical infrastructures outside the JOA. The time needed

structure to consolidate providers into a single entity and recruit select specialty providers. Capital investments would be limited to the programs operated through the JOA and would require a framework to govern the SCH and SEARHC relationship. This option would expand certain specialty services, create some economic value and realize economies of scale in select services. SCH and SEARHC would continue to compete in other services and maintain duplicate clinical infrastructures outside the JOA. The time needed to recruit specialty providers and increase volume would defer the realization of revenue for several years. We believe that this option would move in the direction of our vision for improved health care in Sitka, but would require investment in a complex strategy to develop, administer and monitor the JOA.

Based on the findings of our six-month process, it is clear that **comprehensive and integrated collaboration** has the potential to result in substantial expansion of services and financial stability for healthcare services in Sitka. Under this option, all clinical and support services would be consolidated into a healthcare delivery enterprise. Providers would be combined into a single entity and recruitment of additional specialists would be facilitated. Benefits would include optimization of reimbursements, better control of expenses, reduction of duplicative equipment and infrastructure, expansion of services, equipment and facilities, and reduced need for City support. To be successful, it may require compromises from both organizations, with each needing to agree on multiple facets of a combined organization including but not limited to employment practices, preserving the workforce, and providing culturally sensitive healthcare to all community members.

After reviewing the options, we believe that **comprehensive integration and integrated collaboration** offers the best long-term option to achieve our vision of a financially stable healthcare enterprise that will promote health and wellness for all residents of our community. While there are still many unanswered questions, and pursuing this option would require more research, trust building, and a longer timeline for implementation, we hope you will agree that the potential benefits are worth considering and you will support expanding the conversation.

As a next step, ECG will be presenting the committee's work to both the SCH and SEARHC boards and to the Assembly in public meetings. If you and our governing entities agree that our findings and recommendations merit serious consideration, we would move forward with a process to develop a framework for comprehensive integration. We look forward to discussing our recommendation with you in the near future.

Sincerely,



Rob Allen, CEO
Sitka Community Hospital



Charles Clement, President/CEO
SEARHC



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-171 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 9/21/2016 In control: City and Borough Assembly
On agenda: 9/27/2016 Final action:
Title: Approve the minutes of the September 13, 2016 Assembly meeting
Sponsors:
Indexes:
Code sections:
Attachments: [Consent and Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS A & B**

I wish to remove Item(s) _____

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the
September 13 Assembly meeting.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson

Tuesday, September 13, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Telephonic: 1 - Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor McConnell announced item I was pulled from the agenda.

16-165 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

None.

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

16-163 1) Sitka Community Playground Update - Bridget Hitchcock and 2) Overview of electricity consumption - Utility Director, Bryan Bertacchi

Bridget Hitchcock and Monique Anderson came forward representing the Sitka Community Playground group and gave an update on the playground. Hitchcock told of history including upgrades, vision, ADA safety standards, reminded the Assembly's approval last year for the Crescent Harbor Park location, grants, donations and fundraising efforts. Anderson told of the design. Eisenbeisz thanked the group for

their effort. Anderson clarified there would be two tennis courts and the basketball hoop.

Bryan Bertacchi, Utility Director, and Jay Sweeney, Chief Finance and Administrative Officer, informed the Assembly of Electric Department budget challenges and issues for FY2017 and FY2018. They reviewed infrastructure needs, the capital fund, risks, the decline of consumption, the 10-year capital plan, reserves, rate increases, revenue and growth.

VII. PERSONS TO BE HEARD

Michelle Putz informed the Assembly and community of a meeting to discuss a plastic bag fee or tax and reusable bags on September 22nd at 7:00 p.m., St. Peter's See House.

Lloyd Platson with Sitka Counseling and Prevention and the HOPE Collation gave an update on the grant for opioid and herion use in the community.

Jeff Budd told of a draft calendar of events for the Sesquicentennial celebration.

VIII. REPORTS

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

Mayor - Attended a Planning Commission meeting of the Comprehensive Plan and reported the next meeting would be October 5th. She stated Lieutenant Governor Byron Mallot would be in Washington, DC tomorrow and would invite Russian Ambassador Kislyak to the Alaska Day festivities in 2017.

Administrator - Met with Matt Borger, Legislative Assistant to Senator Murkowski, and told of the stagnant monatary situation from Washington, DC. The ribbon cutting for Harrigan Centennial Hall would take place on October 11th. He stated there was an assessing tool on the website for the proposed mill rate increase, of the newly formed internal rv trailer task force, the Mayor and he would attend Southeast Conference in Petersburg next week, that the Gary Paxton Industrial Park rock was half removed, and that he would be resigning in next 6 to 9 months as Administrator.

Attorney - None.

Liaisons - Eisenbeisz attended and reported on the Sitka Community Hospital Board meeting. Guevin attended the Planning Commission meeting focused on the Comprehensive Plan and told of uneven distribution of income. Hunter mentioned the Port and Harbors Commission meeting would be tomorrow night and encouraged other members to attend, as he could not. Miyasato attended the Library Commission meeting and told of user statistics.

Clerk - Acting Municipal Clerk, Melissa Henshaw, told of advance/absentee voting dates and polling locations.

IX. CONSENT AGENDA

A motion was made by Swanson that the Consent Agenda consisting of items A & B be APPROVED. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

- A 16-162 Approve the minutes of the August 20, 23, 24 and September 6 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

- B RES 16-16 Supporting Permanent Fund Dividend automatic voter registration - an act allowing qualified individuals to register to vote when applying for a Permanent Fund Dividend

This item was APPROVED ON THE CONSENT AGENDA.

- C RES 16-17 Supporting the Standing Rock Sioux Tribe and their opposition to the Dakota Access Pipeline

Eisenbeisz was not in support for lack of information. Guevin was in support and told of protecting water and fisheries. Miyasato was in support to opposing the pipeline through burial grounds and to protect water. Hunter was sympathetic for the Tribe and had concerns of supporting a national issue.

A motion was made by Miyasato that this Resolution be PASSED ON FIRST AND FINAL READING AS AMENDED. The motion passed by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Potrzuski

No: 1 - Eisenbeisz

A motion was made by Hunter that this Resolution be AMENDED at Lines 31 through 33 deleting "WHEREAS, the Dakota Access Pipeline violates Article 2 of the 1868 Fort Laramie Treaty that guarantees that the Standing Rock Sioux Tribe shall enjoy the 'undisturbed use and occupation' of their permanent homelands; and". The motion passed by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D 16-161 Appoint: 1) Melissa Viator to a three-year term on the Health Needs and Human Services Commission and 2) Joshua Thomas to a three-year term on the Library Commission

Miyasato thanked the applicants.

A motion was made by Miyasato that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

XI. UNFINISHED BUSINESS:

E ORD 16-27S Adjusting the FY17 Budget (Float Plane Dock Funding)

Eisenbeisz thought the float plane dock funding should come from the Harbor Enterprise Fund. Hunter supported the project and repairs to the dock. Gorman stated the dock was not anticipated. Potruzski thought it appropriate for the funding to come from the Economic Development Fund.

A motion was made by Hunter that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Miyasato, Guevin, and Potruzski

No: 2 - Swanson, and Eisenbeisz

F ORD 16-30 Amending Sitka General Code Chapter 4.09 "Sales Tax" Section 4.09.100 "Exemptions" by including an exemption for sales tax on groceries and amending Section 4.09.420 "Definitions" by adding a definition for groceries

Gorman introduced a spreadsheet of two FY2018 budget scenarios. Mayor told of options regarding this item, the following item and the ballot proposition. Eisenbeisz told of received comments from the public and was opposed to this ordinance. Potruzski thought that Utility Director Bryan Bertacchi's report came at a perfect time and told of the need of paying debt first. Hunter commented in opposition to this ordinance, of lost revenue from the State and budget cuts. Guevin spoke to the reliance of sales tax, sustainability and equability. Mayor spoke to the need of revenue. She thought that increasing the mill rate was the first step. Guevin stated to remove sales tax from groceries was a good first step and what the community needed. Eisenbeisz thought over the long-term this ordinance would not save money.

A motion was made by Miyasato that this Ordinance be APPROVED ON SECOND AND FINAL READING. The motion FAILED by the following vote.

Yes: 2 - McConnell, and Guevin

No: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Potruzski

G ORD 16-31 Amending Sitka General Code Chapter 4.12 "Property Tax" by adding a new Section 4.12.430 titled "Mill rate proceeds transfer to electric rate stabilization fund"

Potruzski was in support of this ordinance, thought that it was the best option for citizens long-term and it was important to support since it would pay debt. Eisenbeisz spoke of the burden of electrical debt. Gorman reminded the ordinances were recommendations from the Citizens' Taskforce, and encouraged the Assembly to remember that process when voting. Guevin was in support of this ordinance in order to give back to Sitkans and keep rates manageable. He reminded that this could be changed by a future Assembly. Potruzski thanked Gorman and the Citizens' Taskforce. Guevin told of the dedicated volunteer hours that had gone into this and of the unanimous vote for the mill increase from the Citizens' Taskforce.

A motion was made by Miyasato that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potruzski

XII. NEW BUSINESS:**New Business First Reading****H ORD 16-32** Amending Sitka General Code Chapter 4.05 "Marine Passenger Fee Fund" *(first reading)*

Gorman gave history, told of proposal of accessing funds, that this would streamline the process and the Assembly would award the proposals. Mayor spoke of history with regards to the process and was in support of the changes. Eisenbeisz questioned who would be recommending the projects. Gorman told of similarities of this process to the non-profit grant funding process. He offered proposals would come forward to the Assembly and the Assembly could determine to award or not award funding. Gorman told of an audit that stated there was a need for a methodology for the funding.

A motion was made by Hunter that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Potrzuski disconnect from the meeting at 8:01 p.m.

I ORD 16-33 Adjusting the FY17 Budget *(first reading)*

This item was PULLED from the agenda prior to the start of the meeting. No action was taken.

J ORD 16-34 Authorizing the transfer of the City and Borough of Sitka's "Boomer property", composed of 48 acres located within the West Chichagof-Yakobi Wilderness Area (Wilderness Area), and also known as "US Mineral Survey 1453 & 1587", to the US Forest Service for incorporation into the Wilderness Area

Hunter gave a summary of history and options for mitigation for the Blue Lake project for FERC funding and stated this was the most responsible and least expensive option.

A motion was made by Swanson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Potrzuski

K ORD 16-35 Authorizing the extension of the lease of the land at 323 Seward Street to November 1, 2046 to White Elephant Shop, Inc.

Karen Grussendorf, board of directors for the White Elephant Shop came forward and told of change in donation area and signs posted. Karen Boyer and Aleeta Bauder board of Brave Heart volunteers were in support.

Hunter was in support and felt that issues had been mitigated. Maegan Bosak, Planning and Community Development Director, clarified the clause if the lease was operated differently than what was stated in the lease agreement, that it would revert back to the City. Guevin commented on the handout of contributions of donations.

A motion was made by Swanson that this Ordinance be APPROVED on FIRST AND FINAL READING. The motion passed by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Potrzuski

L ORD 16-36 Authorizing the lease of 7109 square feet of ATS 15 tidelands adjacent 1 Lincoln Street to Petro Marine Services

Eisenbeisz stated this needed to go before the Port and Harbors Commission for their approval or denial. Guevin was in support. Eisenbeisz was in support, thanked Petro and told of the process. Hunter stated the lease addressed most of his concerns, the site would look better and would be safer than when it was originally built.

A motion was made by Miyasato that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Potrzuski

Kevin Knox, Chair of the Port and Harbors Commission, came forward stating he thought it would be valuable to go before the Port and Harbors Commission first. Jerry Jacobs, Petro Marine, told of the time sensitive deadline. Swanson was not in support to postpone as this item would come back to the Assembly at second reading. Hunter told of Port and Harbors Commission recess of summer months and there would be a second reading. Eisenbeisz had concerns with this process. Guevin was in support of the postponement as it supported the public process that was in place. Mayor was not in support of the postponement, and told if Port and Harbors Commission made changes, it could be addressed.

A motion was made by Eisenbeisz that this Ordinance be POSTPONED on FIRST READING. The motion FAILED by the following vote.

Yes: 3 - Miyasato, Eisenbeisz, and Guevin

No: 3 - McConnell, Hunter, and Swanson

Absent: 1 - Potrzuski

Additional New Business Items

M 16-160 Decision on whether to allow sales tax free day(s) following the Thanksgiving holiday and set date(s)

Eisenbeisz recused himself stating he would benefit from the sales of these tax free day(s). McConnell recused herself. Hunter spoke to the historic importance of this item from businesses.

A motion was made by Hunter to authorize Friday, November 25 and Saturday, November 26 as Sales Tax Free day(s) for 2016 noting the sales tax free day(s) will not be applicable to any sale of fuel, nor affect any sale which is part of a

continuing obligation of the buyer to pay the seller over time. The motion PASSED by the following vote.

Yes: 4 - Hunter, Swanson, Miyasato, and Guevin

Absent: 1 - Potrzuski

Recused: 2 - McConnell, and Eisenbeisz

N RES 16-15

Approving the City's participation in a proposed refinancing by the Alaska Municipal Bond Bank of its General Obligation Bonds, 2007 Series One, which provided funds to purchase the City's General Obligation Refunding Bond, 2007; authorizing the issuance to the Bond Bank of a refunding bond of the City if the Bond Bank successfully refinances its bonds; and authorizing the City's Chief Finance and Administrative Officer to enter into an agreement with the Bond Bank to accomplish the refunding

Hunter thanked Jay Sweeney, Chief Finance and Administrative Officer, for the memo and was glad the City would receive a better interest rate. Guevin echoed thank you to the Finance Department for finding the lower interest rate. Sweeney told of outstanding debt, current bonds and savings. He stated that by borrowing the additional amount of money, it meant a lower interest rate and told of the bond bank process.

A motion was made by Swanson that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Potrzuski

O 16-164

Approve the Employment Agreement between the City and Borough of Sitka and Municipal Attorney Brian Hanson

A motion was made by Hunter to APPROVE the Employment Agreement between the City and Borough of Sitka and Municipal Attorney Brian Hanson. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Potrzuski

XIII. PERSONS TO BE HEARD:

Retired educator, Karen Grussendorf, came forward and thanked young Sitka School District children whom stayed in Sitka and are serving the community.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:40 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Deputy Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 16-18 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 9/21/2016 In control: City and Borough Assembly

On agenda: 9/27/2016 Final action:

Title: Supporting the application for a technical assistance workshop, free of charge, from Smart Growth America

Sponsors:

Indexes:

Code sections:

Attachments: [Res 2016-18.pdf](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the consent agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Resolution 2016-18 on first and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor McConnell and City Assembly

From: Planning and Community Development Department *MB*

Subject: Application to Smart Growth America for Free-of-Charge Technical Assistance Workshop

Date: September 21, 2016

The Planning and Community Development Department is excited to apply for Smart Growth America's free technical assistance workshops and is seeking support from the Assembly. This potential opportunity would add additional knowledge, expertise, and assistance for what is already an anticipated follow-up step to the current Comprehensive Plan process.

Smart Growth America (SGA) is funded under a cooperative agreement with the U.S. Environmental Protection Agency. This agreement funds their technical assistance workshop program. SGA manages the application process and determines the winning communities. Under this program, SGA provides the workshops as described, free of charge, to the successful applicant communities. These workshops occur over a 2 day period. CBS must provide the venue in which to hold the workshop and public presentation, and also provide any refreshments or lunch as appropriate. There is no other cost to the community, except for staff time, which in this case is already allocated to address these very same topics within our current work. Further, no grant is awarded to the local community, so there is no grant administration necessary. Again, the workshop is free if Sitka is chosen as a recipient.

SGA offers the opportunity to apply for 9 different types of technical workshops. Based on benefits to being synergistic within the existing Comprehensive Plan process and implementation of those policies, goals, and action items, staff would like to seek technical assistance on a Sustainable Land Use Code Audit workshop to help identify barriers to and opportunities for promoting a vibrant, healthy, and sustainable community as well as best practices to execute the future Comprehensive Plan.

PCDD staff are also working to collect letters of support from community members and community groups to further support the application and demonstrate Sitka's commitment to creating a vibrant, healthy, economically resilient, and environmentally conscious community.

RECOMMENDED ACTION: Pass a motion granting approval of the resolution.



Smart Growth America

Making Neighborhoods Great Together

Tool: Sustainable Land Use Code Audit

Provider: Smart Growth America and Clarion Associates

Summary:

Audits of local land use codes are being undertaken by an increasing number of communities that recognize their zoning and subdivision regulations are an important key to long-term sustainable development patterns and practices and economic growth. These code audits examine 10-12 sustainability issues such as energy conservation, renewable energy, and community health that are chosen by the community and provide an assessment of barriers and regulatory gaps in the codes to attaining community sustainability goals in these areas and potential implementation strategies.

Areas of potential focus include:

The focus areas for the code audit are chosen by the community and can include topics such as:

- renewable energy
- energy conservation
- climate change
- recycling
- community health
- water conservation
- housing diversity
- urban agriculture
- green infrastructure and water quality
- outdoor lighting
- natural resource protection

The presentations and discussions will also cover costs and benefits of sustainable code provisions and implementation strategies.

How it works:

- One-day session with community leaders and staff begins with an overview (typically 1 hour) that answers the question: What is a sustainable development code and why undertake a sustainable code diagnosis?
- Short presentations on the economic and other benefits of sustainable code provisions; specific sustainability topics such as renewable energy and water conservation, addressing barriers, incentives, and regulatory gaps.
- Examples of best practices from around the nation
- Hands-on working session with local officials to conduct an initial sustainable code assessment

Outcomes:

- Hands-on initial assessment of local zoning and subdivision ordinances
- Understanding of code issues inhibiting sustainable development patterns and growth.
- Know-how to conduct a detailed code assessment
- Tips and advice on implementation



Assistance provided with grant support from US EPA's Office of Sustainable Communities under their Building Blocks for Sustainable Communities Program.



Tool: Implementing Smart Growth 101

Provider: Smart Growth America

Summary:

Smart growth strategies help towns and cities across the country grow stronger economically by using land strategically, making the most of existing resources and using public funds to catalyze private development. Yet many communities face barriers or are uncertain how to implement smart growth. As a national leader in the field, Smart Growth America has accumulated extensive experience working with communities to realize the benefits of smart growth. The Implementing Smart Growth 101 workshop draws on this expertise to provide actionable steps that the community can use to overcome the barriers to smart growth and build stronger economies now and for generations to come.

Description:

The Implementing Smart Growth 101 workshop provides best practices to local leaders in urban, suburban and rural communities working to create housing and transportation choices near jobs, shops and schools. Our technical assistance will provide the resources to refine and implement local priorities with smart growth strategies that make sense for your community. The one-day workshop will help the community become familiar with the ten principles of smart growth:

- Mixed land uses
- Take advantage of compact building design
- Create a range of housing opportunities and choices
- Create walkable neighborhoods
- Foster distinctive, attractive communities with a strong sense of place
- Preserve open space, farmland, natural beauty, and critical environmental areas
- Strengthen and direct development towards existing communities
- Provide a variety of transportation choices
- Make development decisions predictable, fair and cost effective
- Encourage community and stakeholder collaboration in development decisions

Local leaders and the technical assistance team then work on how to apply these principles in a way that makes sense for the community through a hands-on session.

Topics to be explored include:

- How to set smart growth goals
- How to develop an action plan for implementation using a foundational community planning document such as the transportation capital budget, comprehensive plan or zoning code
- A shift in funding allocations and economic development plans
- Crafting new policy
- Amending core planning documents



CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-18

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA
SUPPORTING THE APPLICATION FOR A TECHNICAL ASSISTANCE WORKSHOP,
FREE OF CHARGE, FROM SMART GROWTH AMERICA

WHEREAS, the City and Borough of Sitka advocates for vibrant, healthy, economically resilient, and environmentally sustainable communities for all community members; and

WHEREAS, the attached summaries of the standardized technical assistance tools for a Sustainable Land Use Code Audit and the Implementation of Smart Growth 101 could help provide leaders, planners, and the community with additional knowledge and tools to advance smart growth policies and strategies; and

WHEREAS, the City and Borough of Sitka seeks to learn ways how it can create policy and code that supports the ten principles of smart growth and promotes a vibrant and healthy community for all Sitkans.

NOW BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, supports the application for a technical assistance workshop provided by Smart Growth America.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 27th day of September, 2016.

Matthew Hunter, Deputy Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-172 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/21/2016 In control: City and Borough Assembly

On agenda: 9/27/2016 Final action:

Title: Appoint: 1) Richard Parmelee to an unexpired term on the Planning Commission, 2) Woody Widmark to a three-year term on the Parks and Recreation Committee, 3) Lance Ewers to a term on the Local Emergency Planning Committee and 4) Craig Warren to a term on the Local Emergency Planning Committee

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Appointments.pdf](#)
[Parmelee.pdf](#)
[Widmark.pdf](#)
[Ewers and Warren.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO appoint 1) Richard Parmelee to an unexpired term on the Planning Commission, 2) Woody Widmark to a three-year term on the Parks and Recreation Committee, and 3) Lance Ewers and Craig Warren to terms on the Local Emergency Planning Committee under category 2 (law enforcement, civil defense, fire fighting, first aid, local envt/hospital, transportation personnel).



**Application for Appointment to Boards, Committees, and Commissions
City and Borough of Sitka**

Board/Commission/Committee: Planning & Zoning
Name: RICHARD PARMELEE Daytime Phone: 738-0606
Address: 405 Hemlock Evening Phone: 747-3461
Email Address: rj.parmelee@gmail.com Fax Number: —
Length of Residence in Sitka: 26 years Registered to vote in Sitka? Yes No
Employer: Greening out / self
Organizations you belong to or participate in:
church - Deacon - Young life.

Explain your main reason for applying:

It's time to be of further service to our community & the Planning Commission is a good fit for me.

What background, experience or credentials will you bring to the board, commission, or committee membership?

8 years on Planning Commission in Past

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 9/9/16. Signature: Richard Parmelee

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org



PLANNING COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
CHRIS SPIVEY PO Box 312	747-6636 w 738-2524 c spi3050@yahoo.com	12/11/12 1/28/14	2/8/14 1/28/17	CHAIR
DARRELL WINDSOR PO Box 1973	738-4046 c dwindsor@gci.net	6/28/11 6/24/14	6/28/14 6/24/17	VICE CHAIR
<i>NAME (MISSING)</i>	<i>CONTACT</i>	<i>STARTS</i>	<i>EXPIRES</i>	
DEBRA POHLMAN 209 Moller Avenue	747-1722 w dpohlman@sitkahospital.org	6/25/13 6/14/16	6/25/16 6/14/19	
RANDY HUGHEY 220 Lakeview Drive	738-2999 c randywhughey@gmail.com	2/24/15 10/13/15	10/23/15 10/13/18	
Michael Scarcelli Senior Planner	747-1815 michael.scarcelli@cityofsitka.org			Staff Liaison
Maegan Bosak Planning and Community Development Director	747-1824 maegan.bosak@cityofsitka.org			
Samantha Pierson Planner I	747-1814 samantha.pierson@cityofsitka.org			Secretary

5 members from public, 3-year terms
 Established by Ordinance 74-118/SGC2.18 & Charter Article VIII
 Must be registered to vote
 First and Third Tuesdays 7:00 p.m. – Sealing Cove Business Center

**CONFLICT OF INTEREST FORMS
 OATHS OF OFFICE**

Revised: August 22, 2016



Application for Appointment to Boards, Committees, and Commissions City and Borough of Sitka

Board/Commission/Committee: PARKS and Recreation

Name: WOODY WIDMARK Daytime Phone: 752-0152

Address: 444 Kathleen St. SITKA Evening Phone: 752-0152

Email Address: woody.widmark@gmail.com Fax Number: _____

Length of Residence in Sitka: 63 Registered to vote in Sitka? Yes No

Employer: Retired - Community School (SSD)

Organizations you belong to or participate in:

Sitka Tribe of Alaska
Sitka Little League - Coach/Umpire High School official
Soccer/Umpire

Explain your main reason for applying:

I was approached to submit my name,

What background, experience or credentials will you bring to the board, commission, or committee membership?

25 YEARS working as the sports coordinator (SSD), volunteer in youth sports/recreation

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 09/16/2016 Signature: Woody Widmark

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

Return to:
Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org



PARKS AND RECREATION COMMITTEE

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
JEFF MOSSIGE 525 Monastery St., Apt #2	970-708-3931 mossigej@gmail.com	7/30/10 1/11/11 1/28/14	1/22/11 1/11/14 1/28/17	CHAIR
CLARA WHITEHEAD 2111 Sawmill Creek Road	966-5575 w 360-265-3533 c clara.a.whitehead@uscg.mil	10/7/13	10/7/16	VICE-CHAIR
CHRIS WHITEHEAD 2111 Sawmill Creek Road	747-7395 w 360-797-3152 c chris.whitehead@sitkatriben-sn.gov	10/7/13	10/7/16	
LORRAINE LIL 105 Austin Street	747-3309 738-1350 c committeework@outlook.com	03/22/16	03/22/19	
BARBARA MORSE PO Box 2972	752-0240 c morseb9@hotmail.com	03/22/16	03/22/19	
ALLISON MASSEY 1510 B Davidoff Street	907-887-4555 asajm46@gmail.com	04/26/16	04/26/19	
NON-VOTING				
Wanda Bush Assistant Contract Coordinator/Office Manager City and Borough of Sitka	747-1806 wanda.bush@cityofsitka.org			Secretary
David Elkowitz Sitka National Historical Park 106 Metlakatla Street	747-0111 w 747-5938-fax david_elkowitz@nps.gov			Ex Officio
Lynne Brandon Sitka Trail Works 801 HPR	747-7244 w 747-7315 fax trail@gci.net			Ex Officio
Benjamin Miyasato 405 B DeGroff Street	752-0163 c assemblymiyasato@cityofsitka.org			Assembly Liaison

7 members from public - 3 year terms
 Established by Ordinance 75-199 (2.56 SGC)
 Second Thursday, Noon – Harrigan Centennial Hall, 330 Harbor Drive

Revised: September 14, 2016

State of Alaska
LOCAL EMERGENCY PLANNING COMMITTEE
INDIVIDUAL APPLICATION FORM FOR MEMBERSHIP ON LEPC

LEPC name: Sitka Local Emergency Planning Committee

Applicant name: LANCE EWERS

Mailing address: 304 LAKE ST.

Residence address: 310 MILLS ST.

Day phone: 907-315-4999 Home Phone (optional): 907-315-4999

Where employed: CITY OF SITKA P.D. Job title: LIEUTENANT

LEPC category/seat that applicant seeks: LAW ENFORCEMENT

Categories: 1) Elected local officials, 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Env't/Hospital, and Transportation Personnel, 3) Media/Broadcast, 4) Community Groups, 5) Owners/Operators of Facilities, 6) Members of the Public, 7) LEPC Information Coordinator/SERC liaison

New applicant Renewal Regular member Alternate member

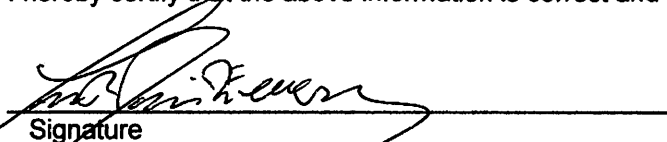
Qualifications for this category: POWICE OFFICER FOR 12 YEARS

Organizations in which applicant participates (that are pertinent to the application): _____

Please provide enough information to demonstrate an applicant's eligibility or suitability for a particular seat on the LEPC. For the Public At Large position, please state whether an applicant qualifies for any other category on the LEPC.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? ____ Yes ____ No

I hereby certify that the above information is correct and that I have not misrepresented myself.


Signature

9/8/16
Date

→ To be considered, your application must be complete AND be accompanied by either a letter of interest or resume. Return to:

Melissa Henshaw, Deputy Clerk
100 Lincoln Street
Fax: 907-747-7403
Email: melissa.henshaw@cityofsitka.org

State of Alaska
LOCAL EMERGENCY PLANNING COMMITTEE
INDIVIDUAL APPLICATION FORM FOR MEMBERSHIP ON LEPC

LEPC name: Sitka Local Emergency Planning Committee

Applicant name: CRAIG WARREN

Mailing address: 209 LAKE ST SITKA, AK 99835

Residence address: 301 PARK ST SITKA, AK 99835

Day phone: 907-738-2660 Home Phone (optional): _____

Where employed: SITKA FIRE DEPT Job title: SENIOR ENGINEER

LEPC category/seat that applicant seeks: ② CIVIL DEFENSE, FIREFIGHTING

Categories: 1) Elected local officials, 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Envt/Hospital, and Transportation Personnel, 3) Media/Broadcast, 4) Community Groups, 5) Owners/Operators of Facilities, 6) Members of the Public, 7) LEPC Information Coordinator/SERC liaison

New applicant Renewal _____ Regular member _____ Alternate member _____

Qualifications for this category: PREVIOUS EXPERIENCE AS LEPC

COORDINATOR FROM 8/96 TO 11/99. 25 YEARS IN

FIRE + EMS WITH THE SITKA FIRE DEPT. HAZMAT

TECHNICIAN FOR 20 YEARS.

Organizations in which applicant participates (that are pertinent to the application): CURRENTLY

EMPLOYED BY SITKA FIRE DEPARTMENT AS A

SENIOR ENGINEER.

Please provide enough information to demonstrate an applicant's eligibility or suitability for a particular seat on the LEPC. For the Public At Large position, please state whether an applicant qualifies for any other category on the LEPC.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? ___ Yes No

I hereby certify that the above information is correct and that I have not misrepresented myself.

Craig M. Warren
Signature

9-8-16
Date

→ To be considered, your application must be complete AND be accompanied by either a letter of interest or resume. Return to:

Melissa Henshaw, Deputy Clerk
100 Lincoln Street
Fax: 907-747-7403
Email: melissa.henshaw@cityofsitka.org



LOCAL EMERGENCY PLANNING COMMITTEE

NAME	CONTACT NUMBERS		TERM STARTS	EXPIRES	CATEGORY
DAVE MILLER, CHAIR	747-1860	dave.miller@cityofsitka.org	Permanent	Fire Chief*	2
KEN FATE 115 Somer Dr.	747-5877 w 747-7410 h	ken@kcaw.org	2/13/07 2/9/10 2/12/13 2/23/16	2/13/10 2/9/13 2/12/16 2/23/19	3
DONNA CALLISTINI 106 Naomi Kanosh Lane	747-7107 w 747-5494	donna.callistini@yahoo.com	10/26/10 11/12/13	10/26/13 11/12/16	3
ANNABEL LUND PO Box 1616	623-0996 h	alund1123@yahoo.com	4/13/10 4/23/13 4/12/16	4/13/13 4/23/16 4/12/19	4
CAROL BERGE 315 Wachusetts Street	747-3636 w 738-3433	clundy@scpsak.org	8/14/12 8/11/15	8/14/15 8/11/18	4
TRISH WHITE 117 Granite Creek Road	747-8006X202 w; 747-5976 h	trish@whitesalaska.com	3/10/09 3/13/12 3/24/15	3/10/12 3/15/15 3/24/18	5
CHARLES HOWLETT 209 Moller Ave.	747-0303 w 738-4440 c	bmet@sitkahospital.org	3/9/10 6/11/13 6/28/16	3/9/13 6/11/16 6/28/19	5
MARY ANN HALL 2037 Halibut Point Road	747-7265	ob1jry@gmail.com	8/23/11 8/12/14	8/23/14 8/12/17	6
SCOTT WAGNER 304 Nicole Dr.	747-3791 h 738-2729 c	scott_wagner@nsraa.org	11/12/13	11/12/16	5
GAYLE HAMMONS 210 Kruzof Street	738-3028 c	kghammons@gmail.com	7/28/15	7/28/18	3
JEFF ANKERFELT	747-3245	jeffa@sitkapd.com	Permanent	Acting Police Chief*	2
VACANT	747-3233		Permanent	LEPC Coordinator*	7
Mim McConnell	747-2860 h 738-2888 c	assemblymcconnell@cityofsitka.org	Non-Voting	Assembly Liaison	1
Gail Johansen Peterson 3511 Halibut Point Road	747-7646	scribeinkservices@gmail.com		Secretary	

*The police and fire chiefs and the LEPC Coordinator are permanent appointments; whoever is serving in that capacity will be appointed to the commission.

Minimum of seven members, 3-year terms; Established by Resolution 89-406; Amended by Resolution 89-441; Further amended by Resolution 99-727

Meeting: Second Thursday, noon – Fire Hall

Categories as follows: 1) Elected local officials 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Environmental/Hospital, and Transportation Personnel

3) Media/ Broadcast 4) Community Groups 5) Owners/Operators of Facilities 6) Members of the Public 7) LEPC Information Coordinator/ SERC liaison

Quorum Requirement: At least one member from four different categories must be present.

Revised: September 9, 2016



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-32 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 9/6/2016 In control: City and Borough Assembly
On agenda: 9/27/2016 Final action:
Title: Amending Sitka General Code Chapter 4.05 "Marine Passenger Fee Fund"
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2016-32.pdf](#)
[Ord 2016-32.pdf](#)

Date	Ver.	Action By	Action	Result
9/13/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-32 on second and final reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2016-32

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING
SITKA GENERAL CODE CHAPTER 4.05 "MARINE PASSENGER FEE FUND"

- 1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
- 2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
- 3. **PURPOSE.** The purpose of this ordinance is to clarify and streamline the process by which the Marine Passenger Fee Fund is administered.
- 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Chapter 4.05 "Marine Passenger Fee Fund" is amended as follows (new language underlined; deleted language stricken):

Chapter 4.05
Marine Passenger Fee Fund

* * *

4.05.020 Use of proceeds.

The proceeds of the marine passenger fund shall be appropriated to address the impacts caused by the marine passenger ship industry ~~including in full compliance with all state and federal regulations governing the use of these funds.~~ CPET funds may be used for but are not limited to:

A. ~~Design, construction, operation, or maintenance of capital improvements to relieve impacts of marine passenger ships and marine passengers; For the design, construction, operation and maintenance of municipally-owned port and harbor facilities engaged in interstate and foreign commerce and interstate marine passenger transportation;~~

B. ~~Operating funds for personnel, training, commodities, rentals, services and equipment for services provided, made available to, or required as a result of marine passenger ships and marine passengers; For the design, construction, operation and maintenance of municipally-owned facilities with the exclusive purpose of enhancing the safety and efficiency of interstate and foreign commerce and interstate marine passenger transportation;~~

43 ~~C. Projects and programs that promote safety, environmental improvements, or~~
44 ~~enforcement of laws caused or required by marine passenger ships and marine~~
45 ~~passengers; To pay for personnel, supply, equipment, and rental costs which enhance~~
46 ~~the safety and efficiency of interstate and foreign commerce and interstate marine~~
47 ~~passenger transportation if such costs are directly and exclusively related to the safety~~
48 ~~and efficiency of interstate and foreign commerce and interstate marine passenger~~
49 ~~transportation, or, if such costs can be determined by an auditable allocation method~~
50 ~~which calculates the percentage of total costs which are attributable to interstate and~~
51 ~~foreign commerce and interstate marine passenger transportation;~~

52
53 ~~D. Acquisition of land required to execute the activities listed in this section; For the~~
54 ~~municipal portion of the costs of the design and construction of facilities funded through~~
55 ~~a matching grant from State of Alaska Commercial Passenger Excise Tax proceeds and~~
56 ~~with the approval of the State of Alaska.~~

57 ~~E. Beautification and enhancement of the facilities listed in this section;~~

58 ~~F. Surveys, analyses, polls, plans, monitoring, and similar efforts to measure, describe~~
59 ~~or predict, or manage the impacts of marine passenger ships and marine passengers,~~
60 ~~for items listed in this section.~~

61 **4.05.030 Procedures.**

62 ~~A. Annual Formation of the Marine Passenger Fee Fund Committee (MPFFC).~~
63 ~~Annually, no later than May 15th when projects and funding exist, the members of the~~
64 ~~MPFFC shall be reestablished to participate in the review and solicitation of projects for~~
65 ~~the marine passenger fee fund implementation plan. The MPFFC shall be made up of~~
66 ~~members representing the cruise line industry, Sitka Tribe of Alaska, Sitka convention~~
67 ~~and visitors bureau, tourism commission, port and harbors commission, historic~~
68 ~~preservation commission, and city and borough staff directly involved with capital~~
69 ~~projects and funding, including the administrator, finance director, and public works~~
70 ~~director. The administrator will notify the Assembly on an annual or as needed basis~~
71 ~~when there is a sufficient balance in the Marine Passenger Fee Fund for a solicitation of~~
72 ~~project proposals. Upon approval of the Assembly, the Administrator will initiate a call~~
73 ~~for proposals consistent with the use of CPET funds per section 4.05.020. The~~
74 ~~Assembly will review and select proposals for funding.~~

75 ~~B. Preparation of Marine Passenger Fee Fund Implementation Plan (MPFFIP). When~~
76 ~~projects and funding exist, the administrator shall annually prepare a draft MPFFIP~~
77 ~~identifying current active and planned projects for the next fiscal year, and submit it to~~
78 ~~the assembly for approval no later than the last assembly meeting in June. When~~
79 ~~undedicated funding is available for new projects, and then no later than July 15th, the~~
80 ~~administrator shall solicit new requests for marine passenger fee fund projects. The~~
81 ~~solicitation, including the current assembly-approved plan and a submission form for~~

82 ~~new projects, will be available on the municipal website and in the municipal clerk's~~
83 ~~office. Annually, a PSA announcing this posting will be published in the newspaper of~~
84 ~~general circulation and sent to the local media no later than July 15th. The public~~
85 ~~solicitation period will close annually on August 15th.~~

86 ~~C.— Annually, no later than September 15th, or when projects and funding exist, the~~
87 ~~current assembly-approved plan and the submitted project request forms shall be~~
88 ~~forwarded to the MPFFC to be reviewed. The MPFFC will review the project request~~
89 ~~forms and, no later than October 15th, submit a recommendation to the administrator~~
90 ~~regarding the merits of all requested projects and any recommended revisions to the~~
91 ~~current plan.~~

92 ~~D.— The administrator will prepare recommendations regarding proposed projects.~~
93 ~~Annually, no later than November 1st, or only when project and funding exist, the~~
94 ~~administrator's final recommendations will be posted on the municipal website and a~~
95 ~~PSA announcing this posting shall be published in a newspaper of general circulation~~
96 ~~and sent to the local media. The administrator shall forward all submittals, comments,~~
97 ~~and documents received timely related to the solicitation, including review comments by~~
98 ~~the MPFFC and the administrator's final recommendations, to the assembly. The~~
99 ~~assembly shall vote on the recommendations during its first regularly scheduled~~
100 ~~meeting in November.~~

101 ~~EB.~~ Project funds shall be transferred or expended from the marine passenger fee
102 fund only to the extent approved by the assembly.

103 * * *

104
105 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of
106 its passage.

107
108
109 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
110 Alaska this 27th day of September, 2016.

111
112
113
114 _____
Matthew Hunter, Deputy Mayor

115 ATTEST:

116
117
118 _____
119 Sara Peterson, CMC
120 Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-34 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 9/6/2016 In control: City and Borough Assembly

On agenda: 9/27/2016 Final action:

Title: Authorizing the transfer of the City and Borough of Sitka's "Boomer property", composed of 48 acres located within the West Chichagof-Yakobi Wilderness Area (Wilderness Area), and also known as "US Mineral Survey 1453 & 1587", to the US Forest Service for incorporation into the Wilderness Area

Sponsors:

Indexes:

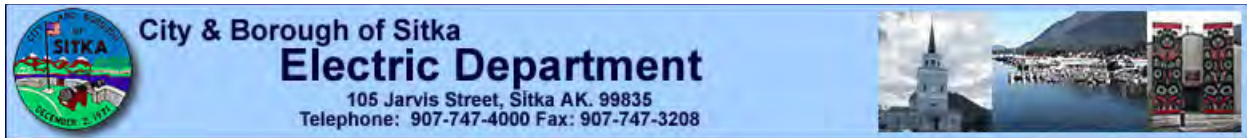
Code sections:

Attachments: [Motion Ord 2016-34.pdf](#)
[Memo Ord 2016-34.pdf](#)
[Ord 2016-34.pdf](#)

Date	Ver.	Action By	Action	Result
9/13/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-34 on second and final reading.



Memorandum

September 2, 2016

To: Mark Gorman, Municipal Administrator
From: Bryan Bertacchi, Utility Director
Subject: **Transfer of CBS Boomer Property to USDA Forest Service (FS) for incorporation into the West Chichagof-Yakobi Wilderness Area in order to fulfill mitigation requirements for unavoidable impacts of the Blue Lake Project Expansion**

Executive Summary:

On May 24th, 2011 the Assembly authorized the Utility Director to negotiate mitigation measures that were required as part of the FERC License under the Blue Lake Expansion Project. This authorization included the potential transfer of municipal lands. Subsequent to this approval, the Final Mitigation Plan for Blue Lake Project Expansion filed with FERC on October 11, 2012 included the donation of the CBS Boomer Property (U.S. Mineral Survey 1453& 1587). Thus, the donation of this CBS Boomer property became a requirement under the Blue Lake Expansion Permit. The attached Ordinance will authorize the transfer of this Property and complete the CBS obligation under this FERC license requirement as well as the Conditions of the Department of Army Permit.

A failure to complete this action, would likely result in a costly re-opening of the FERC permit and alternative mitigation measures would need to be approved by the parties.

Background:

Completion of Blue Lake Project Expansion resulted in unavoidable impacts to lands within the Project Area including inundation of 362 acres of National Forest Lands and loss of 0.055 acres of waters of the United States. Pursuant to the project license amendment that approved Blue Lake Project Expansion, CBS was required to negotiate measures to mitigate unavoidable impacts from Project construction with the FS and stakeholders.

In 2010 and 2011 preliminary mitigation meetings were held with the FS and other project stakeholders including the Sitka Tribe of Alaska, Sitka Conservation Society, the Army Corps of Engineers, the Alaska Department of Fish and Game, US Fish and Wildlife Service, National Marine Fisheries Service, and the Alaska Department of Natural Resources. During preliminary mitigation meetings the transfer of CBS Boomer Property to the Forest Service for incorporation into the West Chichagof-Yakobi Wilderness area was identified as a preferred alternative.

On May 24, 2011 the Assembly authorized the Utility Director to negotiate mitigation measures for the Blue Lake Project based on Assembly direction, including the potential transfer of municipal lands. A Final Mitigation Plan was filed by CBS with the Federal Energy Regulatory Commission (FERC) on October 11, 2012 and approved on October 17, 2013. In the Final Mitigation Plan the CBS agreed in principle to donate the Boomer Property, plus certain actions related to improving the area. These actions included:

- 1) *Remove any hazardous material concerns identified during the Phase 1 conducted by the FS.*
No hazardous material concerns were identified.

- 2) *Cleanup the equipment and buildings left at the exploration site and restore the land to a condition suitable for regrowth of native vegetation.* The FS completed the lengthy process of getting approval for temporary access to the Property across a Wilderness Area for the purpose of cleanup and restoration. The Assembly authorized a contract with Troy's excavation to complete cleanup and restoration of the Property. Sitka Conservation Society provided volunteers to complete the handwork under the direction of the FS. The work was completed in 2015.
- 3) *Quantitatively inventory the properties for wetlands and conduct wetland delineation of the Property.*
Completed in November 2014.

Additionally, the Property was appraised in 2011 and then assessed in 2016 to verify that the value of Property is less than \$500,000. In both cases, the value of the Property was well below the \$500,000 threshold.

The improvements outlined in the Final Mitigation Plan have been completed. Staff now requests Assembly authorization to transfer the Boomer Property to the FS in order to meet the conditions of the Blue Lake FERC license as well as the conditions of the Department of the Army Permit.

Community Impacts:

Transfer of the Boomer property is a reasonable and cost effective measure to compensate for the impacts resulting from Blue Lake Expansion. The 48 acre Boomer property is surrounded by Congressionally designated Wilderness and the 362 acres of inundated land adjacent to Blue Lake is within an Inventoried Roadless Area; therefore the land management is similar. Hydroelectric Project license mitigation plans are often lengthy and litigious. The Sitka mitigation negotiations and implementation have been an exceptional example of licensee, agency and stakeholder cooperation. Assembly authorization of this transfer will be a large step to completing CBS mitigation obligations.

Attachments:

- A. Memos presented to the Assembly related to Boomer from¹:
 - March 31, 2015
 - October 22, 2014
 - June 21, 2011
 - May 20, 2011
- B. Boomer Survey
- C. Final Mitigation Plan, Blue Lake Expansion Project (excerpt, 3 pages)
- D. FERC Order dated October 17, 2013
- E. Department of the Army Permit POA-2012-0441

Cc:

Jay Sweeney, Chief Finance and Administrative Officer
Brian Hanson, Interim Municipal Attorney
Maegan Bosak, Planning and Community Development Director

¹ Please note that packets from these meetings were not included in their entirety for brevity as documentation related to Boomer is extensive, however supporting documents from each meeting are available online.

Attachment A



Memorandum

May 20, 2011

To: Jim Dinley, Municipal Administrator
From: Christopher Brewton, Utility Director, Electric Department *CB*
Subject: **Blue Lake License Amendment – Protection, Mitigation & Enhancement (PM&E) Terms and Conditions**

Request:

This is to request Assembly approval to authorize the transfer of City & Borough of Sitka property in the negotiations of Blue Lake License Amendment PM&E terms and conditions between CBS and Federal/State Resource agencies for the Blue Lake Hydroelectric Expansion Project.

Background:

On November 23, 2010, the CBS filed the Final Application for License Amendment and Draft Environmental Assessment (EA) to the Federal Energy Regulatory Commission (FERC) for the Project. FERC requested additional information which was filed with FERC on March 10 and April 6, 2011, which specifically required PM&E measures to be developed in consultation with federal and state resource agencies. (Attachment A) FERC subsequently accepted the license application and provided formal notice on April 8, 2011 soliciting comments, motions to intervene, protests, recommendations, terms and conditions, and fishway prescriptions. (Attachment B) With this formal notification, interested parties had 60 days (June 7, 2011) to file comments.

PM&E meetings were held with stakeholders on June 2, 2010, November 5, 2010, and May 19, 2011. (Attachment C) The June and November meetings were conducted to fully explain the Project details and solicit comments from stakeholders relative to potential PM&E measures that may be required. Subsequent to these meetings draft PM&E measures were submitted by USFS, Sitka Conservation Society (SCS) and Sitka Tribe of Alaska (STA). (Attachment D)

The May 19, 2011 meeting began the process of negotiating mitigation conditions for the Blue Lake Project Expansion. This is the final phase of receiving authorization from FERC to begin construction; it's a requirement under federal law that we do this.

Purpose:

Our negotiations with the USFS are particularly critical because terms and conditions from that agency are mandatory, that is, FERC must issue them as non-negotiable conditions to the amended FERC license. Therefore, we'd like to negotiate a favorable mitigation package before the terms and conditions become final. The terms and conditions the USFS submits by June 7, 2011 will be final conditions.

During preliminary negotiations with the USFS, we have reviewed their proposals and found one, a land transfer involving the CBS owned Chichagof property, which appears to be favorable to both the City and USFS. The action would involve the City transferring approximately 48 acres of land on Chichagof Island currently owned by the City to compensate for impacts related

Transmittal Memorandum
Blue Lake PM&E
May 20, 2011

to inundation of 362 acres of land around Blue Lake after the dam is raised. Because the land on Chichagof Island is in a designated Wilderness Area, and the inundated area is an Inventoried Roadless Area, and is required for the Blue Lake Expansion Project, this action appears to be a reasonable concession.

To go forward with negotiations, we're asking the Assembly to consider approval of this land transfer. We believe that approval of this transfer would promote favorable progress on other mitigation measures still under discussion.

Recommended Motion:

I MOVE to authorize the Municipal Administrator to execute a land transfer of City owned property as part of PM&E measures for the Blue Lake Hydroelectric Expansion Project.

Cc: Jay Sweeney, Interim Finance Director
Theresa Hillhouse, Municipal Attorney
Wells Williams, Planning Director
Marlene Campbell, Gov. Relations Director

This item was pulled from the agenda prior to the meeting.

- I [ORD 11-20](#) Adopting Budgets for the Fiscal Year July 1, 2011 through June 30, 2012.

Christianson stated the budget process this year was strained. Hackett encouraged a worksession format versus special meetings in the future.

Acting Finance Director Jay Sweeney urged the Assembly to consider multiple year budgeting.

Hackett would like to see a permanent sinking fund for infrastructure maintenance. Sweeney indicated earnings of the working capital could be used or leave the existing working capital as is, and increase revenues; either way the earnings would fund maintenance.

A motion was made by McConnell that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

Additional New Business Items

- J [11-110](#) Authorize the Police Department to apply for a COPS grant.

Chief Schmitt explained these grants had recently been reconfigured. Administrator Dinley mentioned typically the Police Department has a police officer vacancy, and predicts they will have a funded vacancy to cover the fourth year requirement of the Cop Grant when the time comes.

A motion was made by Christianson that this Grant be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

- K [11-113](#) Negotiate a land transfer and/or municipal projects as part of the PM&E measures for the Blue Lake Hydroelectric Project.

Utility Director, Chris Brewton, advised no fisheries impacts are foreseen; however there would be impacts relative to loss of land, recreation, and wetlands etc. The strategy would be to focus on environmental protection. The most important requirement would be to protect the drinking water.

Brewton reviewed some of the projects on the table. The existing FERC license has 12 mandatory conditions. Other than that, the City would need to decide what is a fair trade.

A discussion ensued regarding the possible trade of city owned acreage on Chichagof. Municipal Attorney, Theresa Hillhouse, pointed out that the city can only transfer property by ordinance. Government Relations Coordinator, Marlene Campbell, recalled the Chichagof property has a significant amount of gold and silver deposits. It is an area of great mining potential. On the other hand, it is surrounded by National Wilderness, which would severely constrain mining operations.

Christianson mentioned if the "deal is not sweet enough" he doubts there would be four votes. Crews didn't agree with tying all these projects to it. He would like to walk away from the entire deal and not be supportive of any of them. Both Christianson



Memorandum

June 21, 2011

To: Jim Dinley, Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Blue Lake License Amendment – Protection, Mitigation & Enhancement (PM&E) Terms and Conditions – Status Update**

Please included the following package in the reports section of the scheduled June 28, 2011 regular Assembly Meeting. I will be in attendance to answer questions.

In response to the April 8, 2011 Federal Energy Regulatory Commission (FERC) Notice of Application and Solicitation of Comments, the U.S. Forest Service (USFS) has filed final terms, conditions, and summary of management direction pursuant to Section 4(e) of the Federal Power Act. These terms and conditions are included as Attachment 1 and Attachment 2.

Attachment 1 is considered “boilerplate” conditions typically seen for all hydroelectric projects on USFS lands. Attachment 2 is potential project-specific mitigation measures under consideration for the inundation of an additional 362 acres of the Blue Lake watershed.

Because of requirements relative to the sale and/or disposal of City-owned property that is being considered for mitigation purposes, a contract has been awarded for a property appraisal of the West Chichagof-Yakobi Wilderness property. As noted in Sitka General Code 18.12.010, property valued greater than \$500,000 must be approved by ordinance ratified by a majority of the qualified voters.

Cc: Jay Sweeney, Interim Finance Director
Theresa Hillhouse, Municipal Attorney
Wells Williams, Planning Director
Marlene Campbell, Gov. Relations Director

extended a thank you to Public Works Director, Michael Harmon, and City staff for their involvement in installing the score board at Moller Field.

Sitka Sound Science Center Director, Lisa Busch, provided an update on activities at the Center.

VII. REPORTS

11-133

Blue Lake License Amendment - Protection, Mitigation & Enhancement Terms & Conditions

Utility Director, Chris Brewton, spoke to the Blue Lake License Amendment, specifically the protection, mitigation and enhancement terms and conditions. Brewton noted access would be limited to Blue Lake Road during construction.

VIII. CONSENT AGENDA

A 11-126

Approve the minutes of the June 14, 2011 Assembly meeting.

This item was APPROVED ON THE CONSENT AGENDA.

B 11-127

Appointments: 1) Reappoint Jane E. Eidler - Library Board, 2) Myron Fribush, MD - Local Emergency Planning Commission, 3) Thomas R. Brown - Sitka Community Hospital Board, 4) Senator Bert Stedman, Investment Committee, and appoint 5) Ann Wilkinson to a term on the Sitka Community Hospital Board, and 6) Darrell Windsor to a term on the Planning Commission.

This item was APPROVED ON THE CONSENT AGENDA.

C ORD 11-30

Adjusting the FY 2011 Budget for changes identified during the Third Quarter FY 2011 Formal Budget Execution Review.

This item was APPROVED ON THE CONSENT AGENDA.

D 11-131

Authorize the Administrator to execute a Material Sale Agreement with Southeast Earthmovers from July 13, 2011 to August 1, 2016 with a royalty rate of \$1.55 per cubic yard in place.

This item was APPROVED ON THE CONSENT AGENDA.

E 11-125

Awards Takatz Lake: A) Area 1 Botanical Resource Studies to HDR Alaska, Inc.- not to exceed \$85,000; and B) Area 2 Botanical Resource Studies to Bethel Environmental Solutions LLC - not to exceed \$75,000.

This item was APPROVED ON THE CONSENT AGENDA.

F 11-129

Approve proceeding with the purchase of a new fire truck previously approved in the FY 2012 Budget - July 1, 2012.

This item was APPROVED ON THE CONSENT AGENDA.

G 11-132

Approve award of the Professional Services Contract for Pacific High School Remodel to McCool Carlson and Green on a Time and Expense basis, total contract not to exceed \$220,215.00 - This expenditure was approved by Sitka voters at the October 5, 2010 election, using proceeds from seasonal sales tax revenue to fund Pacific High School Major Maintenance.



Memorandum

October 22, 2014

To: Mark Gorman, Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Blue Lake License Amendment – Protection, Mitigation & Enhancement (PM&E) Terms and Conditions – Status Update**

Please include this memorandum in the reports section of the scheduled October 28, 2014 regular Assembly Meeting in regards to mitigation measures for the Blue Lake Expansion Project.

Pursuant to Section 4(e) of the Federal Power Act, the U.S. Forest Service (USFS) filed final terms and conditions relative to the PM&E measures required for the inundation of an additional 362 acres of the Blue Lake watershed. The Assembly was provided information on these proposed measures at the May 24, 2011 and June 28, 2011 meetings.

In summary, the proposed mitigation measures and current status include:

- Funding for Redoubt Lake Fertilization in the amount of \$10,000/year for 10 years
 - Collection Agreement with USFS signed on February 28, 2013 & expires December 31, 2022 – will be funded from Electric Department annual Operations Budget
- Funding in the amount of \$10,000/year for a Campground Host at the USFS Campground on the Blue Lake Road
 - Will be included in final PM&E document at conclusion of Blue Lake Construction – will be funded from Electric Department annual Operations Budget
- Establishment of a \$50,000 Mitigation Escrow Fund for post construction impacts that may arise
 - Budget item is included in the Blue Lake construction budget under License Amendment – monitoring will continue for 3-years after the lake reaches full pool
- Donation of two City-owned parcels within the West Chichagof-Yakobi Wilderness to the USFS
 - Initial property appraisal completed on September 30, 2011 to determine if value of property exceeds \$500,000 which would trigger a public vote for transfer – assessed value was well below this threshold
 - Wetlands Delineation field work was completed September 2014 – draft report due October 2014 with final report by end of year – this is a potentially positive outcome for the City as these wetlands may count towards the City's Wetlands Mitigation Bank

Transmittal Memorandum
Blue Lake PM&E
October 22, 2014

- Contractor visited site on September 26, 2014 to evaluate site for removing existing solid waste prior to lands transfer – City must develop a plan for removal and submit to USFS for approval – material will be moved across small section of Wilderness Area and authorization must be obtained prior to removal – draft plan will be submitted November/December 2014 & with USFS approval, materials will be removed Spring 2015

I would like to express my appreciation to the USFS Staff who have worked very closely with the City to develop mitigation measures that are reasonable, thoughtful, and will provide positive benefits to the environment and our community. In many cases, decisions on mitigation are expensive, protracted, and litigious. I have complete confidence the mutual respect and collaboration to complete these measures will continue to fruition.

Cc: Jay Sweeney, Chief Finance & Administrative Officer
Robin Koutchak, Municipal Attorney
Wells Williams, Planning Director
Marlene Campbell, Gov. Relations Director



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 Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Steven Eisenbeisz,
Benjamin Miyasato, Aaron Swanson, and Tristan J. Guevin*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, October 28, 2014

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[14-214](#) Reminders and Correspondence

Attachments: [Reminders and Calendars](#)

[Blue Lake License Amendment](#)

[NWPPA Communications Award](#)

[Solar Turbines](#)

[SE Transportation Plan Comment](#)

V. CEREMONIAL MATTERS

[14-207](#) Certificate for Wells Williams

Attachments: [Ceremonial Williams](#)

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



Memorandum

March 31, 2015

To: Mark Gorman, Municipal Administrator
From: Christopher Brewton, Utility Director
Subject: **Award of Contract – Boomer¹ Property Solid Waste Disposal**

Request:

I request Assembly approval authorizing the Municipal Administrator to issue Troy's Excavation a Purchase Order in the amount of \$72,100 for completion of the Boomer Property Solid Waste Disposal. I further request a contingency of \$7,500 for disposal costs of the scrap materials. Total cost, including contingency, is \$77,600.00.

Background:

As noted in the Assembly meeting of May 24, 2011, the Assembly authorized the potential transfer of CBS owned property as part of the Prevention, Mitigation, and Enhancement (PM&E) measures for the Blue Lake Hydroelectric Expansion Project (Project). PM&E measures are required as the Project inundated an additional 362 acres of National Forest System (NFS) land.

Analysis:

During negotiations with the Forest Service and stakeholders, the transfer of CBS owned property in the West Chichagof area (Boomer) was identified as a preferred alternative. This is a reasonable and cost effective proposal to compensate for impacts related to Blue Lake inundation. The Boomer property is surrounded by Congressionally designated Wilderness and the inundated land at Blue Lake is within an Inventoried Roadless Area; therefore the land management is similar.

However, prior to any consideration of a property transfer the land in question must meet certain environmental conditions including the assessment and remediation of any potential environmental hazards. The Forest Service completed a Phase I Environmental Site Assessment dated September 21, 2012, with the following conclusions:

1. No recognized environmental conditions were identified in connection with the property.
2. Prior to property transfer, the solid waste on site must be removed.

The purpose of this contract is to remove the solid waste identified in the environmental assessment. Attachment (A) provides photographs of the materials in question; Attachment (B) identifies the scope of work required.

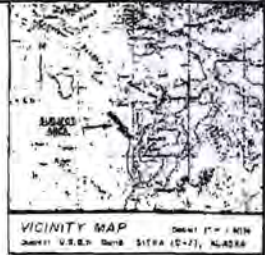
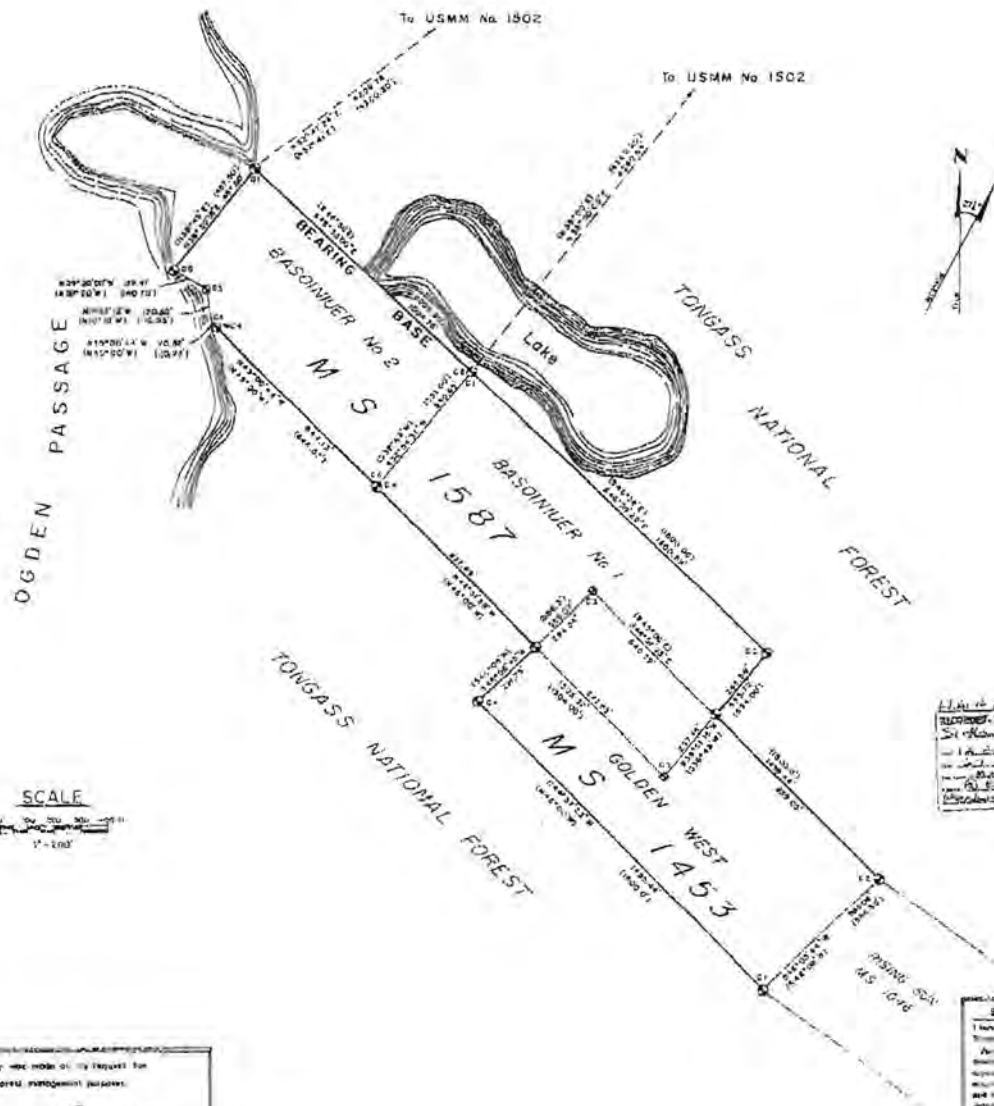
Fiscal Note:

Sufficient funds are available in the Blue Lake Hydroelectric Expansion Project, CIP No. 90594 to complete this work.

¹ U.S. Mineral Survey 1453 & 1587

- B** [15-043](#) Reappoint Hans von Rekowski to a term on the Parks and Recreation Committee.
- Miyasato thanked Hans von Rekowski for his many years of service on the Committee.
- A motion was made by Miyasato to APPROVE this appointment. The motion PASSED by the following vote.**
- C** [15-044](#) Approve liquor license renewal for Van Winkle and Sons
- This item was APPROVED on the Consent Agenda.**
- D** [15-041](#) Approve reappropriating all unspent harbor bond proceeds to the Sitka Transient Float Project - \$197,662.64 + accrued interest
- Putz applauded staff for their work on the ANB Harbor project.
- Eisenbeisz reminded the Assembly of the options associated with this request and encouraged the Assembly to explore other options.
- Jay Sweeney, Chief Finance and Administrative Officer, stated there was the possibility of bonding in the future for Crescent Harbor. Sweeney said the money in question could be used for debt service, however, the amount of money available to put toward municipal contributions down the road would require more of the fund balance to be spent.
- A motion was made by Putz that this item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 5 - Hunter, Swanson, Miyasato, Guevin, and Putz
- No:** 1 - Eisenbeisz
- Absent:** 1 - McConnell
- E** [15-039](#) Award issuing Troy's Excavation a contract/purchase order, plus contingency for Boomer Property Solid Waste Disposal - \$77,600.00
- Mitch McGraw stated his displeasure at the steps involved in awarding the contract.
- Deputy Mayor Hunter asked Municipal Administrator Gorman to provide clarification of the process for sole source procurement. Chris Brewton, Utility Director, came forward to provide further explanation of the process, the USFS permitting process, and timeline to date.
- Municipal Attorney, Robin Koutchak, offered that one of the reasons for the interagency exception exists because the process was often arduous when governmental agencies were dealing with one another.
- Eisenbeisz asked Hal Spackman of the Sitka Historical Society if the Society would be interested in artifacts to which Spackman replied yes.
- A motion was made by Putz that this item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 5 - Hunter, Miyasato, Eisenbeisz, Guevin, and Putz

Attachment B



SURVEY METHOD & HISTORY

The original survey of Basonnier Survey No. 1 is a public survey of 1507 and 1453 and was conducted in August, 1912, respectively by the U. S. Department of the Interior, Public Survey Office.

This survey of MS 1587 and MS 1453 was conducted in June and July of 1987. The survey was performed using a total station and a laser level. The survey was conducted in accordance with the provisions of the Alaska Statutes, AS 38.05.010, which require that all surveys be conducted in accordance with the provisions of the Alaska Statutes, AS 38.05.010, which require that all surveys be conducted in accordance with the provisions of the Alaska Statutes, AS 38.05.010.

SURVEY LOCATION: MS 1507 and MS 1453 are located in Section 28 of T.15S. R.27E. S.14W.

OWNERS: MS 1587 - City of Sitka
MS 1453 - City of Sitka

LEGEND

- ⊙ Forest Service Monument (Set)
 - ⊙ Original Monuments (Found, not replaced)
 - USFS Boundary Line (Clearcut, Disposal, Grazing, & Forest with USFS Priority Boundary Sign)
 - Property Line
 - Tie Line
- W33°19'00"E (100.00') Measured Bearing & Distance
N83°28'30"E (100.32') Measured Bearing & Distance



Handwritten notes in a box:
1. All points to be set
2. All points to be set
3. All points to be set
4. All points to be set
5. All points to be set



This survey was made on my request for National Forest management purposes.
10/10/87 *Bob Robert*
Date Forest Supervisor

SURVEYOR'S CERTIFICATE
I hereby certify that I am a registered Surveyor, licensed in the State of Alaska, and that on April 10th, 1987, I surveyed the above described land and that the same is a true and correct representation of the land surveyed and that I am a duly licensed Surveyor and that I am duly licensed in the State of Alaska.
Walter A. Johnson

SHEET 1 OF 2

BOUNDARY LINE RETRACEMENT
MS 1587 & MS 1453
For: SITKA FOREST SERVICE
SITKA, ALASKA
MURPH ENGINEERING
Box 625
Petersburg, Alaska 99833
DATE: NOV 1987
SCALE: 1" = 100'
DRAWN BY: L.W.
CHECKED BY: M.P.
DATE: 11-1-87

Attachment C

lose habitat in others, and would have a similar amount in the remainder, resulting in no net change among all areas) or by the reduced rate of reservoir fluctuation relative to the existing condition. Therefore, no avoidance, mitigation or compensation is proposed for fish.

2.2.2 Resources with Impacts Addressed by Avoidance Measures

Wildlife. One of the Project's significant impacts would be increased access to Blue Lake if increased boat access from raised water level were not restricted. To avoid this occurrence, the City plans to restrict access to blue lake, particularly for the purpose of launching a boat. This restriction would be achieved by emplacement of a gate, near the current parking lot, past which no vehicles may pass. No specific mitigation measures are proposed at this time because the City believes that the access restriction will avoid wildlife impacts

Water Quality. Similar to increased access-related impacts to wildlife, it is expected that water quality might be affected by facilitating easier boat launching and consequent recreation usership. Restrictions in the City's Watershed Control Plan prohibit increased usership, beyond current levels, on Blue Lake because the lake is the City's drinking water supply. Therefore, without access restrictions, lake use could increase violating Control Plan conditions and possibly impacting drinking water quality.

As with the plan for wildlife resources, the City believes that restricting access, using the gate, will sufficiently impede access to avoid water quality impacts.

2.2.3 Resources with Impacts Addressed by Mitigation

Inundation of 362 acres of National Forest System land around the Blue Lake Creek valley and other areas of the lakeshore.

Description of Impacts

The most significant unavoidable impact would be permanent loss of the timber, recreation, subsistence, wildlife habitat, and botanical resources around the lake due to raised water levels. All of these land areas are currently within the National Forest System and are under ownership of and management by USFS. (Certain potentially-affected botanical resources, specifically meadow and mudflat vegetative types, are the subject of FERC Article 406).

Also included in discussions of the 362 acre inundation were wetlands which would be inundated. A quantitative functional analysis of impacts to wetlands and Waters of the U.S. was performed in consultation with the US Army Corps of Engineers and other Stakeholders.

Also included in discussions of the 362 acre inundation are the loss of 15.2 acres of wetlands, and 32.7 acres of stream channels (approximately 20,129 linear feet). A

quantitative functional analysis of impacts to wetlands and Waters of the U.S. was performed by DOWL HKM dated November 2011. The Corps provided an approved jurisdictional determination of the inundation area on July 5, 2012.

City-Proposed Mitigation

The City proposes to donate 48 acres of land on Chichagof Island as mitigation for the inundated area. The lands in question, in three parcels known as “Basoiniuer No. 1, Basoiniuer No. 2, and Golden West” on City planning documents, are currently municipal owned lands within the West Chichagof-Yakobi Wilderness Area managed by the USFS Sitka Ranger District. These lands are depicted in Plat 87-32BS, Boundary Line Retracement of MS 1587 and MS 1453 recorded at the Sitka Recording District on December 21, 1987 and will be referred to as the “Boomer lands” in this document. The property will be incorporated in the Wilderness area within 5 years of the time of donation.

Mining claims for these properties were staked; MS 1453 (Golden West) was patented as Patent 941732 in 1924 and patent 1087814 was issued to Joseph T. Baur and John Soini in 1936 at which time the property was located in the Sitka mining district. Sitka records indicate that the properties were on the delinquent tax roll and foreclosure list for the tax year 1968. In 1971, as Statutory Warranty Deed was issued to the Borough by the Superior Court of the State of Alaska.

In 1984, the City and Borough of Sitka leased the property to Boomer Exploration Inc. Boomer Inc. prospected the property but filed no mineral report. The Boomer prospecting camp was abandoned and the City removed potential hazardous material from the site in the late 1990s. The deteriorated camp and prospecting equipment remain to this day.

The non-Wilderness designation of the Boomer property is not consistent with that in the surrounding West Chichagof-Yacobi Wilderness area. It has been suggested by the USFS that the most appropriate use of the property would be to include it in the Wilderness area after certain rehabilitation measures have been performed.

The City has in principle agreed to this donation, plus certain actions related to improving the area. The actions currently under discussion are:

- 1) Donate in fee all ownership rights to the Boomer lands by Warranty Deed to the United States of America and its assigns. The acquiring agency of the United States is the Forest Service, United States Department of Agriculture.

Forest Service acceptance of the donation will require review of the title to make sure it meets Department of Justice Title Standards for federal land acquisition. If it does not meet this standard the City agrees to work to remove title conditions and exceptions that are unacceptable to the Forest Service.

The Forest Service agrees to inspect the property and complete an Environmental Site Assessment as described in the American Standards for Testing and Materials (ASTM) E-1527-05, Standard Practice for Environmental Site Assessments: Phase I Environmental

Site Assessments; and United States Department of Agriculture (USDA) / United States Department of the Interior (DOI) Pre-Acquisition Environmental Assessment Guidance for Federal Land Transactions. The City should make every effort to participate in the inspection. Should hazardous material concerns be identified in the Phase 1 report they would need to be addressed to the satisfaction of the Forest Service before a donation could be accepted.

2) Clean up the equipment and buildings left at the exploration site and restore the land to a condition suitable for regrowth by native vegetation. The equipment and buildings are located at the very east end of the property documented by photos. The cleanup will require access to the exploration site via an existing road crossing USFS property.

The Forest Service agrees to evaluate in accordance with the Alaska National Interests Land Conservation Act (ANILCA) of 1980 the suitability of the Secretary granting temporary access across Wilderness and the conditions necessary to insure that access is accomplished in a manner that is not inconsistent with the purposes for which the public lands are reserved and which insures that no permanent harm will result to the resources of the area.

3) Quantitatively Inventory the properties for wetlands and conduct wetlands delineation for wetlands on the Boomer property. This delineation will serve as quantitative inventory of wetlands and waters of the United States to be used as total mitigation for impacts on Waters of the United States and wetlands relative to the Blue Lake Project Expansion. The Blue Lake wetlands delineation and functional analysis, including both field and office work has been completed.

The City further proposes to mitigate the loss of Waters of the United States located in the inundation area at Blue Lake with the donation of Waters of the United States located on the Boomer property as outlined in the Clean Water Act Section 404 permit application filed with the U.S. Army Corps of Engineers on July 23, 2012.

Recreation and Aesthetics, Wildlife Habitat and Botanical Resources.

Description of Impacts

Recreation. Restriction to reservoir access for the purposes of meeting the City's Watershed Control Plan (discussed under wildlife and water quality sections, above) would reduce recreation access for certain recreation elements resulting in no impact relative to access. However, recreational use of the reservoir has decreased in recent years (based on ADF&G harvest records) and ADF&G closed goat hunting in the Blue Lake drainage in 2011 due to over-harvest of females.

Surveys conducted by Sitka Conservation Society indicate there is significant recreation in the Blue Lake watershed, particularly in the Blue Lake Creek valley. Fishing in Blue Lake Creek, a high quality sport fishery which will be almost entirely eliminated by the dam raise. This impact is difficult to quantify, but, whatever the use level, it is recognized as significant based the qualities of the fishery and its surrounding environs.

Attachment D

145 FERC ¶ 62,043
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

City and Borough of Sitka, Alaska

Project No. 2230-053
and -054

ORDER MODIFYING AND APPROVING MITIGATION AND MONITORING PLAN
PURSUANT TO ARTICLES 405 AND 406

(Issued October 17, 2013)

1. On October 11, 2012, the City and Borough of Sitka (City), Alaska, licensee for the Blue Lake Hydroelectric Project (FERC No. 2230) filed the project mitigation and monitoring plan pursuant to Articles 405, 406 and U. S. Forest Service (USFS) 4(e) condition 19 of the project license.¹ The Blue Lake Hydroelectric Project is located on Sawmill Creek in the Borough of Sitka, Alaska. The project occupies federal lands managed by the USFS within the Tongass National Forest.

LICENSE REQUIREMENTS

2. Article 405 requires, in part, the licensee to file the project mitigation and monitoring plan per USFS 4(e) condition 19, for Commission approval, within ninety days of the date of issuance of the license amendment.² USFS 4(e) condition 19 requires the plan shall include detailed descriptions of the mitigation and monitoring measures, implementation schedules (including public notification strategy), and detailed steps for planning, design, and construction, etc. of the approved measures. The plan shall also provide a mechanism for the licensee to meet periodically with the USFS to review and modify the implementation schedule of the measures. The licensee is required to prepare the project mitigation and monitoring plan in consultation with the USFS and interested stakeholders.

¹ See Order Amending License and Revising Annual Charges, issued May 30, 2012 (139 FERC ¶ 62,165).

² On August 30, 2012 the City and Borough of Sitka, Alaska, filed a request for extension of time and proposed filing mitigation plans by September 30, 2012 and monitoring plans by October 30, 2012. Both the mitigation and monitoring plans were filed on October 12, 2012.

3. As a component of USFS 4(e) condition 19, Article 406 requires the licensee to develop a grassland mitigation measure to compensate for reductions in grasslands caused by the project. As part of the measure the licensee is required to develop a monitoring plan to measure natural generation of wetlands around the new high water elevation and develop mitigation measures to ensure wetland functions are restored and the effects on wetlands are minimized.

LICENSEE'S PROPOSED PLANS

The licensee combined the requirements of articles 405 and 406. Both articles are components of USFS 4(e) condition 19, project mitigation and monitoring plan. In consultation with the USFS, the City has separated the mitigation plan from the monitoring plans.

Mitigation Plan

4. The City's mitigation plan addresses resource-specific impacts based on the analysis in the environmental assessment (EA).³ The mitigation plan divides project resources into three categories: (1) resources with no impacts; (2) impacts to resources to be addressed through avoidance measures; and (3) unavoidable impacts to resources for which mitigation is proposed.

5. The avoidance measure proposed are gates to restrict increased access to the reservoir by recreationists using motorized boats. The reservoir is the municipal water supply for the City and maintaining water quality is of primary importance. Unavoidable impacts include the permanent loss of timber, recreation, subsistence, wildlife habitat, aesthetics, and botanical resources around Blue Lake due to the raised water levels and inundation of 362 acres, including the loss of 15.2 acres of wetlands and 32.7 acres of stream channels.

6. In consultation with stakeholders, the City proposes the following mitigation measures: (1) donate 48 acres of land on Chichagof Island to be incorporated into the West Chichagof-Yakobi Wilderness Area; (2) a quantitative inventory of wetlands and conduct wetlands delineations on the donated land, which will serve as total mitigation for impacts on waters of the United States and wetlands relative to the Blue Lake

³ On January 12, 2012, Commission staff issued a draft environmental assessment in response to the City's proposal to raise the dam, expand the reservoir, and modify other project features. The final environmental assessment was issued concurrent to the Order Amending License and Modifying Annual Charges, issued May 30, 2012 (139 FERC ¶ 62,165).

expansion;⁴ (3) fund a campground host at the Sawmill Creek campground at \$10,000 per year for the term of the license, payable to the USFS, as well as absorbing the cost of electrical service to the campground host site and service to the vault toilets; and (4) directly fund the Redoubt Lake fertilization project in the amount of \$10,000 per year for ten years or as long as the fertilization project is continued.

7. Additionally, the City will establish a mitigation escrow fund in the amount of \$50,000 to be used in addressing unforeseen impacts to any resource arising during or after construction. The City will use part of the fund to mitigate for reservoir access impacts on recreation as suggested by the USFS as a comment on the reservoir access plan.⁵

Monitoring Plans

8. The City subdivided the monitoring plan into the following parts: (a) final grassland mitigation and monitoring plan; (b) revised final cultural resources protection and monitoring plan; (c) final fisheries monitoring plan; and (d) final wildlife monitoring plan.

9. The City's grassland mitigation and monitoring plan proposes to provide pre-construction and post-construction monitoring of grasslands and post-construction monitoring of existing and future wetlands above the 425-foot contour elevation mean sea level (msl). Post monitoring, the City will compare actual grassland areas in both the pre- and post-expansion growth zones. If grasslands have not been fully replaced, mitigation of grasslands losses will be addressed through agency consultation. Additionally, if wetland functions have been damaged in the lands adjacent to the full reservoir, the City will restore or mitigate for those losses by utilizing the mitigation escrow fund.

10. The revised final cultural resources protection and monitoring plan indicates: (1) the licensee shall not initiate any work other than that specifically authorized in the project license before consulting with the USFS, the Alaska State Historic Preservation

⁴ A quantitative functional analysis of impacts to wetlands and waters of the United States was performed by DOWL HKM, dated November 2011. The U. S. Army Corps of Engineers (Corps) provided an approved jurisdictional determination of the inundation area on July 5, 2012. The City outlined the wetland mitigation proposal in the Clean Water Act Section 404 permit application filed with the Corps on July 23, 2012.

⁵ The reservoir access plan is a requirement of article 415 of the project license and was filed by the City on August 2, 2012.

Officer (SHPO), and the Tribes consulted during the licensing process; (2) conducting a cultural resources survey of these areas; and (3) filing a USFS approved Cultural Resources Management Plan (CRMP) to avoid or mitigate impacts to any archeological, cultural, or historic sites encountered during the project implementation or cultural resource survey. Prior to the onset of construction, the CRMP will be developed in consultation with the USFS and submitted to the Sitka Tribe of Alaska (Tribe) and SHPO for concurrence. The licensee will file the CRMP for Commission approval. Additionally, the licensee, in cooperation with the USFS, will develop a memorandum of understanding (MOU) in consultation with the SHPO and Tribe to mitigate any adverse effects. The MOU will be based on the CRMP. Signatories to the MOU will be the USFS, the City, Tribe, and SHPO.

11. The City's fisheries monitoring plan will fund and conduct a series of studies beginning prior to construction and continuing for three years after reservoir filling, covering a period approximately beginning in 2013 and ending in 2018. The plan provides a method to detect water quality changes resulting from construction; assess predictions of Blue Lake inflow tributary access and habitat availability; and measure predicted water temperature regime in lower Sawmill Creek, as well as effects on pink salmon spawning and emergence timing. Any necessary mitigation measures indicated by the analysis will be determined in cooperation with the appropriate resource agencies and funds would be available from the mitigation escrow fund for unforeseen impacts.

12. The final wildlife monitoring plan provides the City will conduct a series of wildlife monitoring studies beginning prior to construction and continuing for three years after reservoir filling, covering a period beginning in 2012 and ending in 2018. The monitoring studies are divided in to four parts: (1) pre-construction monitoring focusing on establishing baseline surveys and updating wildlife temporal and spatial use of the project area; (2) monitoring during construction focusing on assessing effects on wildlife from activities in construction areas; (3) monitoring during filling of the reservoir focusing on wildlife responses to raising the water levels; and (4) long-term operation monitoring using standard field methods, as well as analysis of data from prior study periods to assess the impact of the project on wildlife. Any necessary mitigation measures indicated by the analysis will be determined in cooperation with the appropriate resource agencies.

13. For both the wildlife and fisheries monitoring plans, the City will prepare an annual report of all wildlife monitoring study results for the previous calendar year and distribute the report to appropriate resource stakeholders prior to March 1. The City will meet with appropriate resource stakeholders once per year thirty to forty-five days after issuance of the annual monitoring report to discuss, evaluate, and if necessary, redirect the monitoring program. The report will contain copies of all field notes. Following the annual meeting, the City will prepare a draft monitoring study plan documenting the time period, study areas, and study methods for the upcoming calendar year and will distribute

the draft plan for stakeholder review. Stakeholder comments will be incorporated with the objective of addressing all reviewer concerns without dispute.

CONSULTATION

14. The City met with stakeholders (Sitka Conservation Society, Tribe, and USFS) on July 20, 2012, to discuss mitigation measures. Agreement was reached at this meeting regarding the mitigation measures described in the final mitigation plan. The USFS provided written comments on August 1, 2012, and the Corps provided written comments on August 16, 2012. The comments consisted of minor editorial changes and requests to provide additional language. The City incorporated all language and comments into the final mitigation plan without dispute.

15. The City provided the USFS with a draft copy of the grassland mitigation and monitoring plan on August 14, 2012. The USFS provided written comments on August 31, 2012. The USFS suggested consultation with the Corps regarding forested wetlands and additional language regarding the natural generation of wetlands around the new high water mark. The City indicated that the Corps had reviewed the wetland delineation and issued a jurisdictional determination and further consultation was not required. The City incorporated the additional language requested by the USFS into the final grassland mitigation and monitoring plan.

16. A draft copy of the cultural resources protection and monitoring plan was distributed on May 11, 2011 to the USFS, Tribe, and SHPO. Comments were received via email from the Tribe on June 1, 2011. In addition to editorial comments and request for clarification of acronyms, the Tribe suggested developing a MOU prior to construction and that Tribe be a signatory to the MOU. The City revised language in the final plan to incorporate Tribe's comments. The City will develop a MOU based on the CRMP in cooperation with the USFS and in consultation with the SHPO and Tribe to mitigate any adverse effects. After the plan was distributed as final, the SHPO provided written comments on December 15, 2011, regarding certain findings and statements included in the final plan. On February 7, 2012, the City prepared a detailed response to the SHPO's comments. On April 6, 2012, the SHPO responded by letter indicating their concerns had been addressed.

17. A draft copy of the fisheries monitoring plan was distributed to ADFG, USFS, FWS, and the National Marine Fisheries Service in July 2011 and requested comments. No comments were received. A final version of the plan was distributed in October 2011. After a July 20, 2012 meeting with stakeholders, the licensee distributed the fisheries monitoring plan as an attachment to the revised draft mitigation plan on July 25, 2012. Comments were received from the USFS on August 2, 2012 regarding consultation with other agencies which was addressed by the City.

18. A draft copy of the wildlife monitoring plan was distributed in July 2011 requesting comment. No comments were received. However, upon review of the draft wildlife study plan for the City's Takatz Lake Hydroelectric Project (FERC No. 13234) the ADFG requested brown bears be tagged to address cumulative effects on Takatz and Blue Lakes. The City agreed to assist the ADFG by agreeing to tag two bears and provide tracking assistance. A final version of the plan was sent to stakeholders in September 2011 and no comments were received.

DISCUSSION

19. The final mitigation plan meets the needs of stakeholders and the resource agencies and fulfills the requirements of USFS 4(e) condition 19 and Article 405. However, if extensive mitigation is required, the \$50,000 allocated for the mitigation escrow fund may or may not meet the need to implement remedial measures. The need for mitigation identified by the monitoring plans should not be limited to or designed to meet the funds available in the City's mitigation escrow fund. The City would be required to fund the full cost of any mitigation needed to meet the requirements of each monitoring plan.⁶

20. The final grassland mitigation and monitoring plan generally fulfills the requirements of Article 406 and USFS 4(e) condition 19. The City proposes to monitor both grassland regeneration and existing and future wetlands above the full pool reservoir (425-contour msl) for three years following attainment of full pool. To keep the Commission apprised, the City should file a report with the Commission describing the results of the monitoring program for both grasslands and wetland functions, including a detailed description of any required mitigation measures and a schedule for their implementation. Documentation of consultation with the USFS should be provided with the report.

21. The revised cultural resources protection and monitoring plan generally fulfills the requirements of Article 405 and USFS 4(e) condition 19. Prior to the onset of construction, the City includes a provision to file a copy of a USFS approved CRMP for

⁶ The Commission has consistently held that a spending cap is inconsistent with its responsibility to ensure that mitigation measures are carried out and to ensure that the public interest requirements of the FPA are met throughout the life of the license. See Thunder Bay Power Co., 88 FERC ¶ 61,078 (1999). See also Central Vermont Public Service Corp., 113 FERC ¶ 61,167 (2005); Power Authority of the State of New York, 105 FERC ¶ 61,102 (2003); Southern California Edison Co., 77 FERC ¶ 61,313 (1996); PG&E, 107 FERC ¶ 61,232 (2004), order on reconsideration, 108 FERC ¶ 61,266 (2004); Wisconsin Electric Power Co., 94 FERC ¶ 61,180 (2001); PG&E, 97 FERC ¶ 61,031 (2001); and Virginia Electric Power Co., 110 FERC ¶ 61,241 (2005).

Commission approval. However, since the SHPO determined during relicensing that the project would have no effect on cultural resources listed or eligible for the National Register and Article 403 of the license⁷ requires the City to consult with the Commission, SHPO, and the Tribe, and file a site-specific plan if archaeological or historic sites are discovered during the license term, Commission approval is not required. To keep the Commission apprised of how the City intends to manage the future discovery of cultural resources, the City should file copies of both the USFS approved CRMP and the MOU signed by the USFS, the SHPO, and the Tribe.

22. The final fisheries and wildlife monitoring plans propose a combination of pre-construction monitoring to either establish baseline information or augment existing information; monitoring during construction; monitoring during the filling of the reservoir; and monitoring for long-term effect. The plans provide for annual reporting of monitoring results for the previous year and a proposed monitoring plan for the current year, with an opportunity for agency review and comment and will continue for three years following the reservoir attaining full pool elevation (425-contour msl). The City indicates that all comments and suggestions from the agencies will be incorporated without objection. Additionally, the City is proposing an annual meeting with resource agencies to facilitate the review and consultation process. To keep the Commission informed, the City should file copies of the annual monitoring reports, including a detailed description of any required mitigation measures and a schedule for their implementation. Documentation of consultation with the USFS and other resource agencies should be provided with the report.

23. The final mitigation plan, final grassland mitigation and monitoring plan, revised cultural resource protection and monitoring plan, final wildlife monitoring plan, and final fisheries monitoring plan with the proposed modifications meet the requirements of Article 405, Article 406, and USFS 4(e) condition 19 and should be approved.

The Director orders:

(A) The City and Borough of Sitka, Alaska's final mitigation plan, final grassland mitigation and monitoring plan, revised cultural resource protection and monitoring plan, final wildlife monitoring plan, and final fisheries monitoring plan with the proposed modifications filed October 11, 2012, pursuant to Article 405, Article 406, and U. S. Forest Service 4(e) condition 19 of the Blue Lake Project license as modified by ordering paragraph (B) through (E), is approved.

(B) By January 31, following the third year after the reservoir has achieved full pool elevation, the licensee should file a report with the Commission describing the

⁷ See Order Issuing New License, issued July 10, 2007 (120 FERC ¶ 62,024).

results of the monitoring program for both grasslands and wetland functions, including a detailed description of any required mitigation measures and a schedule for their implementation. The licensee shall prepare the report after consultation with the U.S. Forest Service. The licensee's report shall include documentation of consultation, including copies of comments and recommendations, and specific descriptions of how the agency's comments were accommodated in the report. If the licensee does not adopt a recommendation made by the agency, the filing shall include the licensee's reasons, based on site specific conditions. The licensee shall allow a minimum of 30 days for agency to review and provide comments on the report.

(C) Sixty days prior to the onset of construction, the licensee shall file a copy of the U.S. Forest Service approved cultural resources management plan and a copy of the memorandum of understanding signed by the licensee, the U.S. Forest Service, the Sitka Tribe of Alaska, and the Alaska State Historic Preservation Officer.

(D) By May 1st of each year, the licensee should file copies of the annual fisheries and wildlife monitoring reports. The reports shall include a summary of the previous year's monitoring results; items discussed during the annual meeting with the resource agencies; a description of any modifications to the monitoring program for the coming year; a description of any required mitigation measures; and a schedule for their implementation. The report shall include documentation of consultation with the U.S. Forest Service and the Alaska Department of Fish and Game, the Alaska Department of Environmental Conservation, and the U. S. Fish and Wildlife Service, including copies of comments and recommendations, and specific descriptions of how the agencies' comments were accommodated in the report. If the licensee does not adopt a recommendation made by the agencies, the filing shall include the licensee's reasons, based on site specific conditions. The licensee shall allow a minimum of 30 days for agency to review and provide comments on the report. The licensee shall continue to file reports until and including the third year after the reservoir achieves full pool elevation.

(E) This order constitutes final agency action. Any party may file a request for rehearing of this order within 30 days from the date of its issuance, as provided in section 313(a) of the FPA, 16 U.S.C. § 8251 (2012), and the Commission's regulations at 18 C.F.R. § 385.713 (2013). The filing of a request for rehearing does not operate as a stay of the effective date of this order, or of any other date specified in this order. The licensee's failure to file a request for rehearing shall constitute acceptance of this order.

Robert J. Fletcher
Chief, Land Resources Branch
Division of Hydropower
Administration and Compliance

Document Content(s)

p-2230-053.DOC.....1-9

Attachment E

DEPARTMENT OF THE ARMY PERMIT

Permittee: City and Borough of Sitka – Point of Contact: Dean Orbison

Permit No.: POA-2012-0441

Issuing Office: U.S. Army Engineer District, Alaska

NOTE: The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate district or division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official of that office acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below.

Project Description: Upgrade the existing Blue Lake Hydropower facility to meet electrical needs of the community of Sitka, Alaska.

The following work below the Ordinary High Water Mark (OHWM) of Sawmill Creek and Blue Lake is authorized:

- 1) Discharge 8,000 cubic yards of concrete at the OHWM of the existing Blue Lake dam structure. The overall increase in dam area will be approximately 83' high x 256' wide x 8' thick.
- 2) Discharge 1,165 cubic yards of rock fill material below the OHWM of Sawmill Creek to create a scour wall and plunge pool area resulting in the loss of 0.005 acres of waters of the U.S.
- 3) Discharge 2,400 cubic yards of rock fill material below the OHWM of Sawmill Creek to permanently fill the existing tailrace (40' x 60') resulting in the loss of 0.05 acres of waters of the U.S.

All work will be performed in accordance with the enclosed plan (sheets 1-8), dated July 25, 2012.

Project Location:

The project site is located within Section 35, T. 55 S., R. 64 E., Copper River Meridian; USGS Quad Map Sitka A-4; Latitude 57.06232° N., Longitude 135.20033° W.; at the terminus of Forest Road 7577 in Sitka, Alaska.

Permit Conditions:

General Conditions:

1. The time limit for completing the work authorized ends on **October 31, 2017**. If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.
2. You must maintain the activity authorized by this permit in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.

3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the Federal and State coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.
4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.
5. A conditioned water quality certification has been issued for your project. You must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached.
6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

Special Conditions:

1) As compensatory mitigation for unavoidable impacts to waters of the U.S., the permittee shall preserve 3.04 acres of wetlands. The 3.04 acres of wetlands shall be located in the 48 acre tract adjacent to the West Chichagof–Yakobi Wilderness Area and further described in the Federal Energy Regulatory Commission (FERC) License Article 405, Final Mitigation and Monitoring Plan dated September 2012. The wetland shall be conveyed to the U.S. Forest Service, Tongass National Forest.

The permittee shall provide a delineation of the 3.04 acres within the tract within one-year of the date of this permit. Additionally, the permittee shall also provide documentation of the land conveyance described in the FERC License Article 405, Final Mitigation and Monitoring Plan once completed at the following address:

U.S. Army Corps of Engineers
Sitka Field Office
P.O. Box 16
Sitka, Alaska 99835

- 2) The applicant shall not discharge fill material into flowing water. The project feature or equipment causing water to flow through the work area shall be shut down during times of discharge.
- 3) No fill or construction materials shall be stockpiled on adjacent wetlands outside the project boundary.

Any condition incorporated by reference into this permit by General Condition 5, remains a condition of this permit unless expressly modified or deleted, in writing, by the District Engineer or his authorized representative.

Further Information:

1. Congressional Authorities: You have been authorized to undertake the activity described above pursuant to:

- Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).
- Section 404 of the Clean Water Act (33 U.S.C. 1344).
- Section 103 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1413).

2. Limits of this authorization.

a. This permit does not obviate the need to obtain other Federal, State, or local authorization required by law.

b. This permit does not grant any property rights or exclusive privileges.

c. This permit does not authorize any injury to the property or rights of others.

d. This permit does not authorize interference with any existing or proposed Federal project.

3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:

a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.

b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.

c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.

d. Design or construction deficiencies associated with the permitted work.

e. Damage claims associated with any future modification, suspension, or revocation of this permit.

4. Reliance on Applicant's Data: The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.

5. Reevaluation of Permit Decision. This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:

a. You fail to comply with the terms and conditions of this permit.

b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (See 4 above).

c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7 or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measures ordered by this office, and if you fail to comply with such directive, this office may in certain situations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

6. Extensions. General Condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give favorable consideration to a request for an extension of this time limit.

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

Don Oh GENERATION ENGINEER 11/1/12
(PERMITTEE) AND TITLE (DATE)

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

Linda Speerstra 11/2/12
FOR (DISTRICT COMMANDER) (DATE)
Colonel Christopher D. Lestochi
Linda Speerstra, Project Manager
South Branch, Regulatory Division

When the structures or work authorized by this permit are still in existence at the time the property is transferred the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions have the transferee sign and date below.

(TRANSFEREE) (DATE)

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-34

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING THE TRANSFER OF THE CITY AND BOROUGH OF SITKA'S "BOOMER PROPERTY", COMPOSED OF 48 ACRES LOCATED WITHIN THE WEST CHICHAGOF-YAKOBI WILDERNESS AREA (WILDERNESS AREA), AND ALSO KNOWN AS "US MINERAL SURVEY 1453 & 1587", TO THE US FOREST SERVICE FOR INCORPORATION INTO THE WILDERNESS AREA

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to become a part of the Sitka General Code.

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 circumstances shall not be affected.

3. **PURPOSE.** Completion of the Blue Lake Project Expansion (Project) resulted in unavoidable impacts to lands within the Project Area, including inundation of 362 acres of National Forest Lands and loss of 0.055 acres of waters of the United States. Pursuant to the project license amendment that approved the Project, the City and Borough of Sitka was required to negotiate measures to mitigate unavoidable impacts from the Project's construction with the US Forest Service and stakeholders. On May 24, 2011, the Assembly authorized the Utility Director to negotiate mitigation measures for the Project based on Assembly direction, including the potential transfer of municipal lands. A Final Mitigation Plan was filed by the City and Borough of Sitka with the Federal Energy Regulatory Commission (FERC) on October 11, 2012, and approved on October 17, 2013. The Final Mitigation Plan included the donation of the Boomer Property, plus certain actions related to improving the area.

This ordinance authorizes the land transfer and ensures that the City and Borough of Sitka meets the conditions of the Blue Lake FERC License No 2230, as well as the conditions of the Department of the Army Permit Number POA-2012-0441.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that:

- A. The donation of the Boomer Property from the City and Borough of Sitka to the United States of America is hereby authorized.
- B. The Boomer Property shall be incorporated into the Wilderness Area within 5 years of the time of donation.
- C. If the title does not meet Department of Justice Title Standards for federal land acquisition, the City and Borough of Sitka will work to remove title conditions and exceptions that are unacceptable to the United States of America, acting by and through the Forest Service.
- D. Upon the acceptance of the donation, the Municipal Administrator is authorized to execute documents necessary to convey the Boomer Property to the United States of America, acting by and through the Forest Service.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its

55 passage.

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57 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
58 Alaska this 27th day of September, 2016.

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Matthew Hunter, Deputy Mayor

63 **ATTEST:**

64

65 _____
Sara Peterson, CMC

66 Municipal Clerk

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CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-35 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 9/6/2016 In control: City and Borough Assembly
On agenda: 9/27/2016 Final action:
Title: Authorizing the extension of the lease of the land at 323 Seward Street to November 1, 2046 to White Elephant Shop, Inc.

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-35.pdf](#)
[White Elephant Renewal of Lease rotated.pdf](#)
[Ord 2016-35.pdf](#)

Date	Ver.	Action By	Action	Result
9/13/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-35 on second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mark Gorman, Municipal Administrator
Mayor McConnell and Members of the Assembly

From: Maegan Bosak, Planning and Community Development Director MB
Samantha Pierson, Planner I

Subject: Renewal of Lease of 323 Seward Street to White Elephant

Date: August 22, 2016

White Elephant has requested to renew the lease of land at 323 Seward Street from the City and Borough of Sitka. The Planning Department is processing this request in accordance with existing procedures. Following SGC, an ordinance is required to authorize the lease.

The land at 323 Seward Street has been leased to charitable organizations since 1966. These leases have been in 10-year increments. The White Elephant is requesting a 30-year lease renewal to allow for major investment and repairs to the building.

Representatives of the White Elephant requested a lease renewal in 2014. Neighbors raised concerns with White Elephant donors and patrons blocking the access easement that serves their homes. The Assembly did not renew the lease at the time, and requested that easement concerns be resolved before the renewal returned to the Assembly.

Planning staff worked with the White Elephant and adjacent neighbors to address problems and possible solutions. The White Elephant has since placed signage and newspaper ads to notify donors to drop off donations on the side of the building that is not adjacent to the easement. A staff visit concluded that appropriate changes have been made. No neighbors voiced concern at the August 16, 2016 Planning Commission meeting, and the Commission voted 4-0 to recommend that easement concerns had been resolved.

The land request is 10,559 square feet located at 323 Seward Street. The White Elephant owns the building that sits on the land. The applicant has requested a 30 year lease with two 5-year renewal periods.

The City Assessor, Wendy Lawrence, determined a fee simple assessed value of \$127,100.00. Previous leases have been for \$1 per year, and the applicants request that this continues to be the lease rate.

RECOMMENDED ACTION: Pass a motion granting approval of the lease of land at 323 Seward Street to White Elephant.



LEASE AGREEMENT

BETWEEN

**THE
CITY AND BOROUGH OF SITKA**

AND

SITKA WHITE ELEPHANT SHOP INC.

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Exhibits

 Exhibit A – Description of the area leased

**LEASE AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA
AND SITKA WHITE ELEPHANT SHOP, INC.**

PREAMBLE

City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 ("CBS") and Sitka White Elephant Shop, Inc., an Alaskan nonprofit corporation, whose mailing address is PO Box 6571, Sitka, Alaska 99835 ("Tenant"), enter into this Lease Agreement Between City And Borough Of Sitka And Sitka White Elephant Shop, Inc. ("Lease"). This Lease consists of the Special Provisions, General Provisions, and the following attached Exhibit:

Exhibit A – Description of the area leased

SPECIAL PROVISIONS

ARTICLE I: LEASE, TERM OF LEASE, AND TERMINATION OF LEASE

Section 1.1 Conveyance of Estate in Lease.

CBS, for and in consideration of the Rents received and of the covenants and agreements made by Tenant, does lease to Tenant, and Tenant leases from CBS, the "Subject Property" as shown on Exhibit A. Exhibit A shows an approximately 10,559 square foot parcel located at 323 Seward Street in Sitka, Alaska for purposes of operating a thrift store.

Section 1.2 Lease Term.

The Lease term is for thirty (30) years and commences on November 1, 2016, and ends on November 1, 2046, unless sooner terminated or extended as provided in this Lease. The Lease term may be extended based on the Option to Renew in Section 1.3.

Section 1.3 Option to Renew.

Provided there does not then exist a continuing material default by Tenant under this Lease at the time of exercise of this right or at commencement of any extended term, Tenant shall have the right to exercise the option for two successive terms of five (5) years upon the same terms and conditions as this Lease (except Section 1.2), with the Lease payments during the extension terms as described in Article II. This option is effective only if (a) Tenant makes a written request to exercise such an option not more than one year or less than six months from the end of the immediately preceding term; (b) Tenant is in compliance with all applicable laws; and (c) Tenant is not in default under this Lease. The option to renew must be approved by simple motion of CBS Assembly.

Section 1.4 Disposition of Improvements and Tenant's Personal Property Following Term of Lease.

With the exception of such improvements described in the next sentence, Tenant shall remove from the Subject Property any personal property or improvements constructed, installed, or

deposited on the Subject Property at the termination of this Lease or any extension unless Tenant makes a separate written agreement with CBS to do otherwise. Subject to the provisions of the next sentence, Tenant shall leave behind at no cost to CBS improvements including: bollards, ladders, drains and drain lines; toilets; bathroom sinks; building systems and their components such as plumbing, piping, and fixtures; building structural components; non-structural improvements such as walls and ceilings; devices not used for processing or manufacturing such as but not limited to electrical service entrance equipment, electrical distribution panels, electrical cables, feeders, branch circuit wiring, and appurtenances such as light fixtures, switches, and other devices; portable fire extinguishers, smoke detectors, and fire and life safety equipment attached or fastened in ways integral to the building in which Subject Property is located. Any improvements or personal property not removed after thirty (30) days have passed after termination of this Lease shall be deemed abandoned, and at CBS's option, shall become the property of CBS. Tenant shall repay to CBS any costs of removing such improvements or personal property from the Subject Property if CBS does not exercise such option. Subject to CBS's obligations under Subsection 3.1 below, Tenant agrees to leave Subject Property in a neat, clean, and weather-tight condition at the end of the term of the Lease.

Section 1.5 Covenants to Perform.

This Lease is made upon the above and the following terms and conditions, each of which the Party bound by such covenants and conditions agrees to perform, irrespective of whether the particular provision is in the form of a covenant, an agreement, a condition, a direction, or otherwise, and each Party agrees to provide the other Party with documents or further assurances as may be required to carry out the expressed intentions.

ARTICLE II RENT

Section 2.1 Calculation & Method of Payment of Rent During the Initial Five-Year Term of the Lease.

The first year of the Lease begins on the commencement date of this Lease set out in Article I. Each successive year of the Lease begins on the corresponding anniversary commencement date of the Lease. Notwithstanding any other provision of this Lease, on the term start date set out in Article I, Tenant shall pay Rent each year in advance on the term start date at a rate of \$1.00/year.

Section 2.2 Cost of Living Adjustment to Lease Rate Upon Exercise of Lease Renewal.

If the option to renew is exercised and approved by CBS Assembly, the Lease rate as set in Section 2.1 will be adjusted annually based on the percentage difference between the "All Items" figure for Anchorage, Alaska in the "Consumer Price Index for All Urban Consumers," beginning with the edition published the soonest after January 1. The adjustment shall occur annually on April 1, and shall apply to all subsequent month's sublease payments. The adjustment shall be determined by dividing the most recent CPI by the preceding year CPI and multiplying the result times the monthly sublease payment and add the result to current sublease payments. Tenant is required to make such adjustments on its own each year.

Section 2.3 Calculation and Method of Payment of Rent During Successive Optional Five-Year Renewal of the Lease.

If Tenant decides to exercise the option to renew a successive five-year term under Section 1.2, Tenant must notify CBS of this intent no less than six (6) months before the end of the current term of the Lease. CBS may commission a professional market appraisal of the lease property in its "as is" condition. The appraisal will not take into consideration improvements made to the property by Tenant but may take into consideration improvements made by CBS. Subject to the provision of the next sentence, the rental rate for each month of the successive five-year term shall be less than or equal to one-twelfth of ten percent (10%) of the appraised value as determined by the appraisal described in this section. Notwithstanding any other provision of this Lease, the Lease rate for Tenant during each successive 5-year term shall not increase by more than ten percent (10%) per year over what the lease rate was during the thirty-year lease, if the appraisal described in this section shows that the lease rate for the successive 5-year term should increase over the lease rate for the thirty-year lease. Precise lease rate for renewal periods to be determined by CBS Assembly at the time of renewal.

Section 2.4 Property Tax Responsibility.

Beginning with the term of this Lease and each calendar year after, Tenant will be responsible to pay CBS property taxes for its possessory interest in the building, land, and equipment to the extent taxable as determined by the Municipal Assessor.

ARTICLE III: RESTRICTIONS UPON USE OF SUBJECT PROPERTY

Section 3.1 Tenant's Obligations as to Construction, Maintenance, Repair and Safety

(a) Except as otherwise provided in this Lease, Tenant acknowledges the leasehold is in an "as is" condition. At the sole cost and expense of Tenant and in compliance with all legal requirements, Tenant may purchase, construct, develop, repair, transfer to the Lease property, and/or maintain any improvements, personal property, fixtures, and other items on the interior Subject Property in a first-class manner using materials of good quality.

CBS shall maintain the subject property and any CBS provided equipment. CBS reserves the right to expand or modify the Subject Property. In that event, CBS and Tenant will work together to complete such expansion or modification in a manner that minimizes disruption to Tenant's use of the Subject Property. Some anticipated disruptions could be interruption in utilities (i.e. power, water), and operational disturbances from noise, dust and other construction activities.

(b) Tenant acknowledges that CBS has made no representation or warranty with respect to Tenant's ability to obtain any permit, license, or approval.

(c) Tenant shall also use the Subject Property and any improvements placed on the Subject Property only for lawful uses and as specified in the Lease for an espresso stand.

(d) Tenant shall confine their equipment, storage and operation to the leasehold area.

(e) Tenant shall not permit the accumulation of waste or refuse matter on the Subject Property, and Tenant shall not obstruct or permit the obstruction of the streets, sidewalks, access ways, or alleys adjoining the Subject Property, except as may be permitted by CBS or other municipal authorities having jurisdiction. Tenant shall do all things necessary during the term of this Lease Agreement to remove any dangerous condition from time to time existing on the Subject Property as the result of the use by Tenant.

(f) Tenant may erect outdoor signage at its expense with the permission of CBS Building Official and the Public Works Director. The style, size and physical placement location of the sign will be approved on a case-by-case basis.

Section 3.2 CBS's Approval of Certain Alterations or Improvements.

Tenant shall not make or permit to be made any alteration of, addition to, or change in, structures and improvements, nor demolish all or any part of the structures or improvements without the prior written consent of CBS, which consent shall not be unreasonably withheld. The phrase "structures and improvements" in the previous sentence includes water and wastewater systems and electrical systems. In requesting consent, Tenant shall comply with all applicable laws and ordinances, and shall submit to the Public Works Director of CBS or his or her written designee detailed plans and specifications of proposed work, an explanation of the needs and reasons for the work, and a plan of full payment of the costs of the work. CBS shall notify Tenant of its approval or objections no later than 30 days after receiving the information described in the previous sentence. In approving or objecting, CBS shall be acting in its proprietary function and not its regulatory function, any such approval in this proprietary function does not relieve Tenant of any obligation to obey the law. Nothing in this Section shall be interpreted to prevent Tenant from removing at the termination of this Lease any improvements or personal property as described in Section 1.4.

Section 3.3 Rights of Access to Property

(a) CBS reserves for itself and any public utility company the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of opening, inspecting, repairing, replacing, reconstructing, maintaining, or servicing the public utilities, if any, located on the Subject Property, as well as for the purposes of constructing or installing new public utilities. CBS also reserves for itself and the Alaska Department of Environmental Conservation the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of regulation and enforcement of this Lease. CBS also reserves for itself the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of (1) inspection of all work being performed in connection with the construction of improvements; (2) showing Subject Property for exhibiting Subject Property in connection with renting or leasing Subject Property in a matter that will not unreasonably interfere with Tenant's business; and (3) placing "For Sale" or "For Rent" signs on Subject Property. Tenant shall not charge for any of the access allowed in the situations described in this subsection.

(b) Tenant shall not construct any permanent improvements over or within the boundary lines of any easement for public utilities without receiving the written prior consent of CBS and any applicable utility company.

(c) Tenant acknowledges that the Subject Property is or shall be subject to agreements for ingress and egress, utilities, parking, and maintenance. Tenant agrees that it shall comply with the terms of such cooperative agreements, in accordance with the terms of such agreements, those portions of such maintenance expenses that are attributable to the Subject Property, as more fully set forth therein.

Section 3.4 Additional Conditions of Subleasing.

Tenant recognizes and shall cause all beneficiaries of Tenant and all permitted successors in interest in or to any part of the Subject Property to recognize that:

(a) Tenant will cooperate with CBS equipment and building maintenance contractor and will notify CBS of any maintenance deficiencies or of any equipment failures that require maintenance or repair. Tenant will be provided a 24 hour telephone number to notify CBS of any event that requires immediate response by CBS.

(b) Lease payments will be made in yearly installments in advance in cash or by check, bank draft or money order made available to the City and Borough of Sitka. Installments to be delivered or mailed to 100 Lincoln Street, Sitka, Alaska 99835, by or on the first day of each calendar year.

(c) Lease payments shall become delinquent if not paid within ten (10) days after the due date. Delinquent payments are subject to a late charge of \$25 and interest accrued from the due date at 12% annum.

(d) The charges and fees paid by Tenant to CBS must be separated according to the CBS accounting standards.

(e) CBS will only invoice if Lease payments are delinquent. CBS will only invoice if failure to make Lease payment within 30 days of due date. CBS at its option can terminate the Lease for Tenant's failure to make payment, and in accordance with this Lease.

(f) Tenant covenants and agrees that as it relates to use of the Subject Property, it will not, on the grounds of race, color or national origin, discriminate or permit discrimination against any person or group of person in any manner prohibited by Federal, State or local laws or regulations promulgated under such laws, and Tenant further grants CBS the right to take such action to enforce such covenant as it deems necessary or as it is directed pursuant to any Federal, State or local laws or regulations.

(g) CBS may, upon at least 10 days prior written notice to Tenant, temporarily suspend the supply of water, wastewater service, the supply of electric power, the use of pipelines, or the use of the Improvements in order to perform routine maintenance and, in all events, subject to unavoidable delays. Such interruptions shall be of as short duration as necessary to perform such maintenance, and CBS shall not be responsible for any such costs or expenses as a result of suspending such utilities.

(h) Tenant shall timely pay the CBS Fire Marshal or Building Inspector fees and other building permit fees, and shall also timely file and pay all applicable property taxes and assessments, including sales taxes. These include any Local Improvement District costs that may be assessed.

(i) Tenant shall be responsible for taking any measures that Tenant deems necessary to provide security for their property. CBS is not responsible for theft or vandalism.

(j) CBS sales tax applies to Lease payments. Sales tax rates, limits, exemptions, and exclusions are subject to change by the CBS Assembly.

(k) Tenant shall timely pay all other CBS billings (i.e., electricity, business taxes, etc.).

(l) Failure of Tenant to file and pay such CBS taxes, and pay utilities, assessment payments, etc. may subject this Lease to be terminated.

(m) _____ shall individually and severally be liable under this Lease to comply with all of its provisions.

Section 3.5 Control of Rodents and Other Creatures on Subject Property.

Tenant shall take reasonable affirmative measures to ensure that its operations do not attract to Subject Property any of the following creatures: rodents, vermin, insects, eagles, crows, ravens, seagulls, mink, otters, or bears.

ARTICLE IV UTILITY SERVICES & RATES

Section 4.1 Provision of Utility Services.

Tenant will pay for utilities, if available.

Section 4.2 Rates for Utility Services Provided by CBS.

Utility rates charged by CBS for utility services shall be those set forth in CBS and Borough of Sitka's Customer Service Policy and/or Sitka General Code. Tenant acknowledges the requirements of Section 9.4 as to utility lines. The Assembly of CBS and Borough may change utility rates from time to time by amending the Customer Service Policies and/or Sitka General Code.

Section 4.3 Tenant to Pay for Utility Services.

Tenant will pay, or cause to be paid, all proper charges for any of the following, if available: electricity and solid waste; sewer and water; and for all other public or private utility services, which shall be used by or supplied to the Subject Property at any time during the term of this Lease. In the event that any charge, cost, or expense for any of the above-mentioned utility services or for any of the other above-mentioned services shall not be paid when due and payable, CBS shall have the right, but shall not be obligated, to pay it, with the understanding that amounts paid by CBS shall constitute additional rent due and payable under this Lease, and shall be repaid to CBS by Tenant immediately on rendition of a bill by CBS. Interest at the highest rate allowable by law shall be added as a charge for unpaid utility bills paid by CBS on behalf of Tenant. CBS

reserves the right to suspend utility services if Tenant does not pay for utility services. Failure to timely pay utility services may also result in CBS terminating this Lease.

Section 4.4 CBS Not Liable for Failure of Utilities or Building.

Except to the extent that any such failure, injury, or other casualty is due to CBS's negligence or breach of any obligation under this Lease, CBS shall not be liable for any failure of building roof, water supply, sewer, or electric current, or for any injury or damages to person or property caused by or resulting from any natural disaster, natural condition, gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain, or snows which may leak or flow from the street, sewer, or from any part of the building or the Subject Property, or leakage of gasoline or gas from pipes, appliances, sewer, or plumbing works or from any other place. CBS shall not be held responsible or liable for any claim or action due to or arising from any suspension of operation, breakage, unavoidable accident or injury of any kind occurring to, or caused by the sewer mains by an act of God, beyond CBS's control, or caused by the elements, strikes, riots, or a terrorist or terrorists.

Section 4.5. Requirement Regarding Potable Water Services.

All potable water services will be metered and protected by approved backflow prevention in accordance with Customer Service Policies and/or Sitka General Code.

ARTICLE V LIABILITY

Section 5.1 Limits on CBS Liability Limitation.

Tenant agrees to indemnify, defend, and save harmless CBS against and from any and all claims by or on behalf of any person, firm, or corporation arising, other than due to acts or omissions of CBS, from the conduct or management of or from any work or thing whatsoever done in or about the Subject Property and structures and improvements, including liability arising from products produced on the property. Tenant also agrees to indemnify, defend, and save CBS harmless against and from any and all claims and damages arising, other than due to acts or omissions of CBS, during the term of this Lease from: (a) any condition of the Subject Property or improvements placed on it; (b) any breach or default on the part of Tenant regarding any act or duty to be performed by Tenant pursuant to the terms of this Lease; and (c) any act or negligence of Tenant or any of its agents, contractors, servants, employees or licensees. Tenant agrees to indemnify, defend, and save harmless CBS from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of CBS, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements of indemnity are in addition to and not by way of limitation of any other covenants in this Lease to indemnify or compensate CBS. The agreements of indemnity by Tenant do not apply to any claims of damage arising out of the failure of CBS to perform acts or render services in its municipal capacity.

Section 5.2 Limits on Tenant Liability.

Except to the extent of liabilities arising from Tenant's acts or omissions, including Tenant's failure to comply with the Prospective Purchaser Agreement and the Management Agreement (both of which are attached to this Lease), CBS indemnifies, defends, and holds Tenant harmless for

liabilities to the extent that they were incurred by reason of conditions existing on the site as of the date of execution of this Lease or by reasons of CBS's acts or omissions. CBS also agrees to indemnify, defend, and save Tenant harmless against and from any and all claims and damages arising, other than due to acts or omissions of Tenant, during the term of this Lease from (a) any condition of the Subject Property or improvements placed on it; (b) any breach or default on the part of CBS regarding any act or duty to be performed by CBS pursuant to the terms of the Lease; and (c) any act or negligence of CBS or any of its agents, contractors, servants, employees, or licensees. CBS agrees to indemnify, defend, and save harmless Tenant from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Tenant, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements are in addition to and not by way of limitation of any other covenants in this Lease to indemnify or compensate Tenant.

Section 5.3 Reimbursement of Costs of Obtaining Possession.

Each Party agrees to pay and to indemnify the other Party prevailing in any dispute under this Lease against, all costs and charges, including but not limited to, full reasonable counsel and legal fees lawfully and reasonably incurred in enforcing any provision of this Lease including obtaining possession of the Subject Property and establishing CBS's title free and clear of this Lease upon expiration or earlier termination of this Lease.

GENERAL PROVISIONS

ARTICLE VI DEFINITIONS

Section 6.1 Defined Terms.

For the purposes of this Lease, the following words shall have the meanings attributed to them in this Section:

- (a) "Event of Default" means the occurrence of any action specified in Section 14.1.
- (b) "Imposition" means all of the taxes, assessments, fees, utility rates or charges, levies and other governmental charges, levied or assessed against the Subject Property; any part of the Subject Property, or any right or interest or any rent, taxes and income received, including sales taxes on rent.
- (c) "Improvements" or "improvements" means all buildings, structures and improvements of any nature now or in the future located upon the Subject Property, as well as all apparatus and equipment necessary for the complete and comfortable use, occupancy, enjoyment and operation of the Subject Property, including fittings, appliances, machinery, garage equipment, heating equipment, lighting equipment, cooling equipment, air conditioning and ventilating equipment, wiring, controls, communications equipment, plumbing, switchboards, antennae, floor coverings, refrigerating equipment, hot water heating and all other appliances and equipment; excepting only in each case articles of personal property appurtenances and fixtures (including trade fixtures)

owned by Tenant, sublessees, or others, which can be removed without defacing or materially injuring the improvements remaining on the Subject Property, with the portion of the Subject Property from which such items are removed being returned to a condition at least as good as that existing on the date of this Lease.

(d) "Personal Property" means tangible personal property owned or leased and used by Tenant or any sublessee of Tenant, in connection with and located upon the Subject Property.

(e) "Premises" means the "Subject Property."

(f) "Rent" means the lease rate, which is the amount Tenant periodically owes and is obligated to pay CBS as lease payments under this Lease for the use of the Subject Property.

(g) "Subject Property" is the area leased as shown on Exhibit A.

(h) "Sublessee" means any subtenant, concessionaire, licensee, or occupant of space in or on the Subject Property holding by or through Tenant; the term "sublease" shall mean any lease, license, concession or other agreement for the use and occupancy of any part of the Subject Property made by any Person holding by or through Tenant, which has been approved by CBS Assembly.

(i) "Term" means the period of time Tenant rents or leases the Subject Property from CBS.

ARTICLE VII INSURANCE

Section 7.1 Insurance

Tenant shall have and maintain property damage and comprehensive general liability insurance in the amount of five hundred thousand dollars (\$500,000), including leasehold improvements. CBS shall be named as an additional insured. Additionally, Tenant shall have the statutory amount of any Worker's Compensation.

Section 7.2 Notification of Claim, Loss, or Adjustment

Tenant shall advise CBS of any claim, loss, adjustment, or negotiations and settlements involving any loss on the Subject Property under all policies of the character described in section 7.1.

Section 7.3 Waiver of Subrogation

The Party insured (or so required) releases the other Party from any liability the other Party may have on account of loss, cost, damage or expense to the extent of any amount recoverable by reason of insurance and waives any right of subrogation which might otherwise exist in or accrue to any person on account of the following circumstances: (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the Parties to this Lease, or anyone claiming under it in connection with the Subject Property or improvements; and (ii) the Party is then covered in whole or in part by insurance with respect to loss, cost, damage or expense or is required under this Lease to be insured. The release of liability and waiver of the right of subrogation shall not be operative in any case where the effect is to invalidate the insurance coverage or increase its cost. In the case of increased cost, the other Party shall have the right,

within thirty (30) days following written notice, to pay the increased cost keeping the release and waiver in full force and effect.

ARTICLE VIII RESTRICTIONS REGARDING ASSIGNMENT, LEASES, AND TRANSFERS OF SUBJECT PROPERTY

Section 8.1 Tenant Without Power to Assign, Lease, or Encumber Subject Property.

Tenant has no power without CBS Assembly approval under this Lease to assign the Lease. Tenant has no power under this Lease to transfer the Subject Property. Tenant has no power to encumber Subject Property or pledge its interest in Subject Property as collateral for a loan or mortgage, or allow any liens to be filed against the Subject Property. Any such actions under this section may cause termination of the Lease.

Section 8.2 Limitations on Leases.

Tenant shall not sublease the Subject Property or any portion of it without the prior written approval of CBS Assembly. All subleases entered into demising all or any part of the Improvements or the Subject Property shall be expressly subject and subordinate to this Lease. CBS's consent to a sublease of the Subject Property shall not release Tenant from its obligations under the Lease. CBS's consent to a sublease shall not be deemed to give any consent to any subsequent subletting.

ARTICLE IX USE AND PROTECTION OF THE SUBJECT PROPERTY

Section 9.1 Property As Is - Repairs.

Tenant acknowledges that it has examined the Subject Property and the present improvements including any public improvements presently located there, and knows the condition of them, and accepts them in their present condition without any representations or warranties of any kind or nature whatsoever by CBS as to their condition or as to the use or occupancy which may be made of them. Tenant assumes the sole responsibility for the condition of the improvements located on the Subject Property. The foregoing shall not be deemed to relieve CBS of its general municipal obligations, or of its obligations under Section 3.1 above or under Subsection 9.1(c) below.

Section 9.2 Compliance with Laws.

Tenant shall throughout any term of this Lease, at Tenant's sole expense, promptly comply with all the laws and ordinances and the orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards, and officers and all other legal requirements that may be applicable to the Subject Property and its use. Nothing in the foregoing sentence shall be deemed to relieve CBS of its general obligations to CBS and Borough of Sitka in its municipal capacity.

Section 9.3 Notification of City and Borough of Sitka's Public Works Director of Discovery of Contamination.

Tenant shall promptly notify the Public Works Director of CBS within 24 hours if any contaminated soils or other contaminated materials that require special handling are encountered during construction or other activities.

Section 9.4 Use of Utility Lines.

Tenant shall connect or otherwise discharge to such utility lines as approved by the Director of Public Works and/or Electric Department, and shall obtain any permits and comply with any conditions specified by the Director of Public Works and/or Electric Department for such connections.

Section 9.5 Permits and Approvals for Activities.

Tenant shall be responsible for obtaining all necessary permits and approvals including food processing for its activities unless otherwise specifically allowed by CBS. Not less than ten (10) days in advance of applying for permits to any public entity other than CBS, Tenant shall provide copies of all permit applications and associated plans and specifications to CBS Director of Public Works to facilitate review by departments of CBS. CBS is not obligated to comment on the permit applications and plans, and the result of any review by CBS does not affect Tenant's obligation to comply with any applicable laws.

ARTICLE X CBS'S RIGHT TO PERFORM TENANT'S COVENANTS; REIMBURSEMENT OF CBS FOR AMOUNTS SO EXPENDED

Section 10.1 Performance of Tenant's Covenants To Pay Money.

Tenant covenants that if it shall at any time default resulting as condition of the Lease or shall fail to timely make any other payment (other than Rent), and the failure shall continue for ten (10) days after written notice to Tenant, then CBS may, but shall not be obligated so to do, and without further notice to or demand upon Tenant and without releasing Tenant from any obligations of Tenant under this Lease, make any other payment in a manner and extent that CBS may deem desirable.

Section 10.2 CBS's Right To Cure Tenant's Default.

If there is a default involving the failure of Tenant to keep the Subject Property in good condition and repair in accordance with the provisions of this Lease, to make any necessary renewals or replacements or to remove any dangerous condition in accordance with the requirements of this Lease or to take any other action required by the terms of this Lease, then CBS shall have the right, but shall not be required, to make good any default of Tenant. CBS shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of or to Tenant by reason of bringing materials, supplies and equipment into or through the building during the course of the work required to be done to make good such default. The obligations of Tenant under this Lease shall remain unaffected by such work, provided that CBS uses reasonable care under the circumstances prevailing to avoid unnecessary inconvenience, annoyance, disturbance, loss of business, or other damage to Tenant.

Section 10.3 Reimbursement of CBS and Tenant.

All sums advanced by CBS pursuant to this Article and all necessary and incidental costs, expenses and attorney's fees in connection with the performance of any acts, together with interest at the highest rate of interest allowed by law from the date of the making of advancements, shall be promptly payable to CBS by Tenant in the respective amounts so advanced. This reimbursement shall be made on demand, or at the option of CBS, may be added to any Rent then due or becoming

due under this Lease. Tenant covenants to pay the sum or sums with interest. CBS shall have, in addition to any other right or remedies, the same rights and remedies in the event of the nonpayment by Tenant as in the case of default by Tenant in the payment of any installment of Rent.

Conversely, Tenant shall be entitled to receive from CBS prompt payment or reimbursement on any sums due and owing from CBS to Tenant, together with interest at the highest rate allowed by law. However, nothing contained in this Lease shall entitle Tenant to withhold any Rent due to CBS or to offset or credit any sums against rent, except with respect to unpaid Rent due from CBS to Tenant under any sublease of Subject Property.

ARTICLE XI DAMAGE OR DESTRUCTION

Section 11.1 Repair and Replacement of Structures and Improvements Following Damage.

(a) If the Premises shall be destroyed or so injured by any cause as to be unfit, in whole or in part, for occupancy and such destruction or injury could reasonably be repaired within ninety (90) days from the date of such damage or destruction, then Tenant shall not be entitled to surrender possession of the Premises, nor shall Tenant's liability to pay Rent under this Lease cease, without the mutual consent of the Parties. In case of any such destruction or injury, CBS shall repair with all reasonable speed and shall complete such repairs within ninety (90) days from the date of such damage or destruction. If during such period Tenant shall be unable to use all or any portion of the Premises, a proportionate allowance shall be made to Tenant from the Fixed Rent corresponding to the time during which and to the portion of the Premises of which Tenant shall be so deprived of the use.

(b) If such destruction or injury cannot reasonably be repaired within ninety (90) days from the date of such damage or destruction, CBS shall notify Tenant within fifteen (15) days after the determination that restoration cannot be made in ninety (90) days. If CBS elects not to repair or rebuild, this Lease shall be terminated. If CBS elects to repair or rebuild, CBS shall specify the time within which such repairs or reconstruction will be complete, and Tenant shall have the option, to be exercised within thirty (30) days after the receipt of such notice, to elect either to terminate this Lease and further liability, or to extend the Term of this Lease by a period of time equivalent to the time from the happening of such destruction or injury until the Premises are restored to their former condition. In the event Tenant elects to extend the Term of this Lease, CBS shall restore the Premises to their former condition within the time specified in the notice, and Tenant shall not be liable to pay Rent for the period from the time of such destruction or injury until the Premises are so restored to its former condition.

(c) In addition to all rights to cancel or terminate this Lease set forth in Subsections 11.1(a) and 11.1(b), if the Subject Property is destroyed or damaged during the last two (2) years of the renewal Term of this Lease or any extension or renewal to the extent of fifty per cent (50%) or more of the value of the Subject Property, then CBS shall have the right to cancel and terminate this Lease as of the date of such damage or destruction by giving Tenant notice within ninety (90) days after the date of such damage or destruction.

ARTICLE XII MECHANIC'S LIENS

Section 12.1 Discharge of Mechanics' Liens.

Tenant shall neither suffer nor permit any mechanics' liens to be filed against the title to the Subject Property, nor against Tenant's interest in the Subject Property, nor against the improvements by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant or anyone having a right to possession of the Subject Property or Improvements as a result of an agreement with or the assent of Tenant. If any mechanics' lien shall be filed against the Subject Property, including the Improvements, Tenant shall cause it to be discharged of record within 30 days after the date that Tenant has knowledge of its filing. Failure to comply may subject the Lease to be terminated.

ARTICLE XIII LIEN FOR RENT AND OTHER CHARGES

Section 13.1 Lien for Rent.

The whole amount of the Rent and each and every installment, and the amount of all taxes, assessments, utility payments, insurance premiums and other charges, fees and impositions paid by CBS under the provisions of this Lease, and all costs, attorney's fees and other expenses which may be incurred by CBS in enforcing the provisions of this Lease or on account of any delinquency of Tenant in carrying out any of the provisions of this Lease, shall be and they are declared to constitute a valid and prior lien against property of Tenant, except the Subject Property, and may be enforced by law and equitable remedies, including the appointment of a receiver.

ARTICLE XIV DEFAULT PROVISIONS

Section 14.1 Events of Default.

Each of the following events is defined as an "Event of Default":

(a) Failure of Tenant to pay any Installment of Rent, or any other payments or deposits of money, or furnish receipts for deposits as required, when due and the continuance of the failure for a period of ten (10) days after notice in writing from CBS to Tenant.

(b) Failure of Tenant to perform any of the other covenants, conditions and agreements under this Lease, including filing tax forms and/or payment of taxes, fees, utilities, and the continuance of failure for a period of thirty (30) days after CBS's notice in writing. The notice shall specify the respects in which CBS contends that Tenant has failed to perform any of the covenants, conditions and agreements. With respect to any default which cannot be cured within thirty (30) days, Tenant, or any person holding by, through or under Tenant, in good faith, promptly after receipt of written notice, shall have commenced and shall continue diligently and reasonably to prosecute all action necessary to cure the default within an additional 60 days.

(c) The filing of an application by Tenant (the term, for this purpose, to include any approved transferee other than a sublessee of Tenant's interest in this Lease): (i) for a consent to the appointment of a receiver, trustee or liquidator of itself or all its assets; (ii) of a voluntary petition

in bankruptcy or the filing of a pleading in any court of record admitting in writing of its inability to pay its debts as they come due; (iii) of a general assignment for the benefit of creditors; or (iv) of an answer admitting the material allegations of, or its consenting to, or defaulting in answering, a petition filed against it in any bankruptcy proceeding.

(d) The entry of an order, judgment or decree by any court of competent jurisdiction, adjudicating Tenant a bankrupt, or appointing a receiver, trustee or liquidator of it or of its assets, and this order, judgment or decree continuing unstayed and in effect for any period of 60 consecutive days, or if this Lease is taken under a writ of execution.

Section 14.2 Assumption or Assignment of Lease to Bankruptcy Trustee.

In the event that this Lease is assumed by or assigned to a trustee pursuant to the provisions of the Bankruptcy Reform Act of 1978 (referred to as "Bankruptcy Code") (11 U.S.C. § 101 et seq.), and the trustee shall cure any default under this Lease and shall provide adequate assurances of future performance of this Lease as are required by the Bankruptcy Code (including but not limited to, the requirement of Code § 365(b)(1)) (referred to as "Adequate Assurances"), and if the trustee does not cure such defaults and provide such adequate assurances under the Bankruptcy Code within the applicable time periods provided by the Bankruptcy Code, then this Lease shall be deemed rejected automatically and CBS shall have the right immediately to possession of the Subject Property immediately and shall be entitled to all remedies provided by the Bankruptcy Code for damages for breach or termination of this Lease.

Section 14.3 Remedies in Event of Default.

CBS may treat any one or more of the Events of Default as a breach of this Lease. At its option, by serving written notice on Tenant and each Secured Party and Leasehold Mortgagee of whom CBS has notice (such notice not to be effective unless served on each such person) of the Event of Default, CBS shall have, in addition to other remedies provided by law, one or more of the following remedies:

(a) CBS may terminate this Lease. In such an event, CBS may repossess the entire Subject Property and Improvements, and be entitled also to recover as damages a sum of money equal to the value as of the date of termination of this Lease, of the Rent due from Tenant for the balance of the stated term of this Lease, and any other sum of money and damages due under the terms of this Lease to CBS. Any personal property not removed after such termination shall be addressed as provided for in Section 1.3 above.

(b) CBS may terminate Tenant's right of possession and may repossess the entire Subject Property and Improvements by forcible entry and detainer suit or otherwise, without demand or notice of any kind to Tenant (except as above expressly provided for) and without terminating this Lease. In such event, CBS may, but shall be under no obligation to do so, relet all or any part of the Subject Property for rent and upon terms as shall be satisfactory in the judgment reasonably exercised by CBS (including the right to relet the Subject Property for a term greater or lesser than that remaining under the stated term of this Lease). For the purpose of reletting, CBS may make any repairs, changes, alterations or additions in or to the Subject Property and Improvements that may be reasonably necessary or convenient in CBS's judgment reasonably exercised. If CBS shall be unable, after a reasonable effort to do so, to relet the Subject Property, or if the Subject Property

and building are relet and a sufficient sum shall not be realized from reletting after paying all of the costs and expenses of repairs, change, alterations and additions and the expense of reletting and the collection of the Rent accruing from it, to satisfy the Rent above provided to be paid, then Tenant shall pay to CBS as damages a sum equal to the amount of the Rent reserved in this Lease for the period or periods as and when payable pursuant to this Lease. If the Subject Property or any part of it has been relet, Tenant shall satisfy and pay any deficiency upon demand from time to time. Tenant acknowledges that CBS may file suit to recover any sums falling due under the terms of this section from time to time, and that any suit or recovery of any portion due Tenant shall be no defense to any subsequent action brought for any amount not reduced to judgment in favor of CBS. Any personal property not removed after such termination shall be addressed as provided for in Section 1.3 above.

(c) In the event of any breach or threatened breach by Tenant of any of the terms, covenants, agreements, provisions or conditions in this Lease, CBS shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as through reentry, summary proceedings, and other remedies not specifically provided for in this Lease.

(d) Upon the termination of this Lease, or upon the termination of Tenant's right of possession, whether by lapse of time or at the option of CBS, Tenant will at once surrender possession of the Subject Property and dispose of personal property and Improvements as described in Section 1.3. If possession is not immediately surrendered, CBS may reenter the Subject Property and Improvements and repossess itself of it as of its former estate and remove all persons and their personal property, using force as may be necessary, without being deemed guilty of any manner of trespass or forcible entry or detainer. CBS may at its option seek expedited consideration to obtain possession if CBS determines that the Lease has terminated as described in the first sentence of this paragraph, and Tenant agrees not to oppose such expedited consideration.

(e) In the event that Tenant shall fail to make any payment required to be made provided for in this Lease or defaults in the performance of any other covenant or agreement which Tenant is required to perform under this Lease during the period when work provided for in this Lease shall be in process or shall be required by the terms of this Lease to commence, CBS may treat the default as a breach of this Lease and, in addition to the rights and remedies provided in this Article, but subject to the requirements of service of notice pursuant to this Lease, CBS shall have the right to carry out or complete the work on behalf of Tenant without terminating this Lease.

Section 14.4 Waivers and Surrenders To Be In Writing.

No covenant or condition of this Lease shall be deemed to have been waived by CBS unless the waiver be in writing, signed by CBS, or CBS's agent duly authorized in writing and shall apply only with respect to the particular act or matter to which the consent is given. It shall not relieve Tenant from the obligation, wherever required under this Lease, to obtain the consent of CBS to any other act or matter.

ARTICLE XV CBS'S TITLE AND LIEN

Section 15.1 CBS's Title and Lien Paramount.

CBS will hold title to the Subject Property.

Section 15.2 Tenant Not To Encumber CBS's Interest.

Tenant shall have no right or power to and shall not in any way encumber the title of CBS regarding the Subject Property. The fee-simple estate of CBS in the Subject Property shall not be in any way subject to any claim by way of lien or otherwise, whether claimed by operation of law or by virtue of any express or implied lease or contract or other instrument made by Tenant. Tenant's interest in the Improvements shall in all respects be subject to the paramount rights of CBS in the Subject Property.

ARTICLE XVI REMEDIES CUMULATIVE

Section 16.1 Remedies Cumulative.

No remedy conferred upon or reserved to CBS shall be considered exclusive of any other remedy, but shall be cumulative and shall be in addition to every other remedy given under this Lease or existing at law or in equity or by statute. Every power and remedy given by this Lease to CBS may be exercised from time to time and as often as occasion may arise or as may be deemed expedient by CBS. No delay or omission of CBS to exercise any right or power arising from any default shall impair any right or power, nor shall it be construed to be a waiver of any default or any acquiescence in it.

Section 16.2 Waiver of Remedies Not To Be Inferred.

No waiver of any breach of any of the covenants or conditions of this Lease shall be construed to be a waiver of any other breach or to be a waiver of, acquiescence in, or consent to any further or succeeding breach of it or similar covenant or condition.

Section 16.3 Right to Terminate Not Waived.

Neither the rights given to receive, sue for or distrain from any rent, moneys or other payments, or to enforce any of the terms of this Lease, or to prevent the breach or nonobservance of it, nor the exercise of any right or of any other right or remedy shall in any way impair or toll the right or power of CBS to declare ended the term granted and to terminate this Lease because of any event of default.

ARTICLE XVII SURRENDER AND HOLDING OVER

Section 17.1 Surrender at End of Term.

On the last day of the last Lease Year of the original term, or on the earlier termination of the term, Tenant shall peaceably and quietly leave, surrender and deliver the entire Subject Property to CBS, subject to the provisions of Section 1.3, in good repair, order, and condition, reasonable use, wear and tear excepted, free and clear of any and all mortgages, liens, encumbrances, and claims. At the time of the surrender, Tenant shall also surrender any and all security deposits and rent advances of Sublessees to the extent of any amounts owing from Tenant to CBS. If the Subject Property is not so surrendered, Tenant shall repay CBS for all expenses which CBS shall incur by reason of it, and in addition, Tenant shall indemnify, defend and hold harmless CBS from and

against all claims made by any succeeding Tenant against CBS, founded upon delay occasioned by the failure of Tenant to surrender the Subject Property.

Section 17.2 Rights Upon Holding Over.

At the termination of this Lease, by lapse of time or otherwise, Tenant shall yield up immediately possession of the Subject Property to CBS and failing to do so agrees at the option of CBS, to pay to CBS for the whole time such possession is withheld, a sum per day equal to one hundred and seventy-five percent (175%) times 1/30th of the aggregate of the Rent paid or payable to CBS during the last month of the term of the Lease. The provisions of this Article shall not be held to be a waiver by CBS of any right or reentry as set forth in this Lease, nor shall the receipt of a sum, or any other act in apparent affirmance of the tenancy, operate as a waiver of the right to terminate this Lease and the Term granted for the period still unexpired for any breach of Tenant under this Lease.

ARTICLE XVIII MODIFICATION

Section 18.1 Modification.

None of the covenants, terms or conditions of this Lease to be kept and performed by either party to this Lease shall in any manner be waived, modified, changed or abandoned except by a written instrument duly signed, acknowledged, and delivered by both CBS and Tenant.

ARTICLE XIX INVALIDITY OF PARTICULAR PROVISIONS

Section 19.1 Invalidity of Provisions.

If any provision of this Lease or the application of it to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstance other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XX APPLICABLE LAW AND VENUE

Section 20.1 Applicable Law.

This Lease shall be construed and enforced in accordance with the laws of the State of Alaska. The forum and venue for any action seeking to interpret, construe, or enforce this Lease shall be only in the Superior Court for the State of Alaska at Sitka, Alaska.

ARTICLE XXI NOTICES

Section 21.1 Manner of Mailing Notices.

In every case where under any of the provisions of this Lease or otherwise it shall or may become necessary or desirable to make or give any declaration or notice of any kind to CBS or Tenant, it shall be sufficient if a copy of any declaration or notice is sent by United States mail, postage

prepaid, return receipt requested, addressed: If to CBS at: Municipal Administrator, City and Borough of Sitka, of 100 Lincoln Street, Sitka, Alaska 99835, with a copy to: Municipal Clerk at address listed above; and if to Tenant, at: the address set out in the Preamble. Each party from time to time may change its address for purposes of receiving declarations or notices by giving notice of the changed address, to become effective seven days following the giving of notice.

Section 21.2 Notice to Leasehold Mortgagee and Secured Parties.

CBS shall provide each Leasehold Mortgagee and Secured Party, who has so requested, copies of all notices from CBS to Tenant relating to existing or potential default under, or other noncompliance with the terms of this Lease. All notices, demands or requests which may be required to be given by CBS or Tenant to any Leasehold Mortgagee and Secured Parties shall be sent in writing, by United States registered or certified mail or express mail, postage prepaid, addressed to the Leasehold Mortgagee at a place as the Leasehold Mortgagee may from time to time designate in a written notice to CBS and Tenant.

Section 21.3 Sufficiency of Service.

Service of any demand or notice as in this Article provided shall be sufficient for all purposes.

Section 21.4 When Notice Deemed Given or Received.

Whenever a notice is required by this Lease to be given by any Party to the other Party or by any Party to a Leasehold Mortgagee, the notice shall be considered as having been given when a registered or certified notice is placed in the United States Post Office mail as provided by this Article. It shall be deemed received on the third business day thereafter. For all purposes under this Lease of starting any time period after notice, the time period shall be conclusively deemed to have commenced three business days after the giving of notice, whether or not it is provided that a time period commences after notice is given or after notice is received.

ARTICLE XXII MISCELLANEOUS PROVISIONS

Section 22.1 Captions.

The captions of this Lease and the index preceding it are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

Section 22.2 Conditions and Covenants.

All the provisions of this Lease shall be deemed and construed to be "conditions" as well as "covenants," as though the words specifically expressing or importing covenants and conditions were used in each separate provision.

Section 22.3 Entire Agreement.

This Lease contains the entire agreement between the Parties and shall not be modified in any manner except by an instrument in writing executed by the Parties or their respective successors or assigns in interest.

Section 22.4 Time of Essence as to Covenants of Lease.

Time is of the essence as to the covenants in this Lease.

ARTICLE XXIII COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH THE SUBJECT PROPERTY

Section 23. Covenants to Run with the Subject Property.

All covenants, agreements, conditions and undertakings in this Lease shall extend and inure to the benefit of and be binding upon the successors and assigns of each of the parties, the same as if they were in every case named and expressed, and they shall be construed as covenants running with the Subject Property. Wherever in this Lease reference is made to any of the parties, it shall be held to include and apply to, wherever applicable, also the officers, directors, successors and assigns of each party, the same as if in each and every case so expressed.

ARTICLE XXIV ADDITIONAL GENERAL PROVISIONS

Section 24.1 Absence of Personal Liability.

No member, official, or employee of CBS shall be personally liable to Tenant, its successors and assigns, or anyone claiming by, through or under Tenant or any successor in interest to the Subject Property, in the event of any default or breach by CBS or for any amount which may become due to Tenant, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease. No member, official, or employee of Tenant shall be personally liable to CBS, its successors and assigns, or anyone claiming by, through, or under CBS or any successor in interest to the Subject Property, in the event of any default or breach by Tenant or for any amount which become due to CBS, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease.

Section 24.2 Lease Only Effective As Against CBS Upon Assembly Approval.

This Lease is effective as against CBS only upon the approval of such Lease by the Assembly of CBS.

Section 24.3 Binding Effects and Attorneys Fees.

This Lease shall be binding up and inure to the benefit of the respective successors and assigns of the Parties hereto. In the event of litigation over this Lease, the Parties agree that the prevailing party shall receive full reasonable attorney’s fees.

Section 24.4 Duplicate Originals.

This Lease may be executed in any number of copies, each of which shall constitute an original of this Lease. The warranties, representations, agreements and undertakings shall not be deemed to have been made for the benefit of any person or entity, other than the Parties.

Section 24.5 Declaration of Termination.

With respect to CBS's rights to obtain possession of the Subject Property or to revest title in itself with respect to the leasehold estate of Tenant in the Subject Property, CBS shall have the right to

institute such actions or proceedings as it may deem desirable to effectuate its rights including, without limitation, the right to execute and record or file with the Recorder of Sitka Recording District, a written declaration of the termination of all rights and title of Tenant in the Subject Property, and the reversioning of any title in CBS as specifically provided in this Lease.

Section 24.6 Authority.

CBS and Tenant represent to each other that each has, and has exercised, the required power and authority and has complied with all applicable legal requirements necessary to adopt, execute and deliver this Lease and perform its obligations. Both parties also represent that this Lease has been duly executed and delivered by each and constitutes a valid and binding obligation of each enforceable in accordance with its terms, conditions, and provisions.

**SITKA WHITE ELEPHANT SHOP,
INC.**

Janette Nelson, Registered Agent

STATE OF ALASKA)
) **ss:**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2016, personally appeared before me JANETTE NELSON, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who by signing this agreement, swears or affirms that she is the Registered Agent for Sitka White Elephant Shop, Inc., and individually and as registered agent, is authorized to sign this document on and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

CITY AND BOROUGH OF SITKA

Mark Gorman, Municipal Administrator

STATE OF ALASKA)
) **ss.**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2016, before me, a Notary Public in and for the State of Alaska, personally appeared MARK GORMAN, who is the Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, that he has been authorized by to execute the foregoing document, and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/10/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Venneberg Insurance Inc. 225 Harbor Drive Sitka, AK 99835	CONTACT NAME: Sarah Newhouse PHONE (A/C, No, Ext): (907) 747-8625 FAX (A/C, No): (907) 747-5065 E-MAIL ADDRESS: sarahn@venneberginsurance.com
	INSURER(S) AFFORDING COVERAGE INSURER A: Liberty Mutual Insurance Co.
INSURED Sitka White Elephant Shop, Inc. P.O. Box 6571 Sitka, AK 99835	NAIC #
	INSURER B :
	INSURER C :
	INSURER D :
	INSURER E :

COVERAGES **CERTIFICATE NUMBER:** WC 2016 **REVISION NUMBER:**

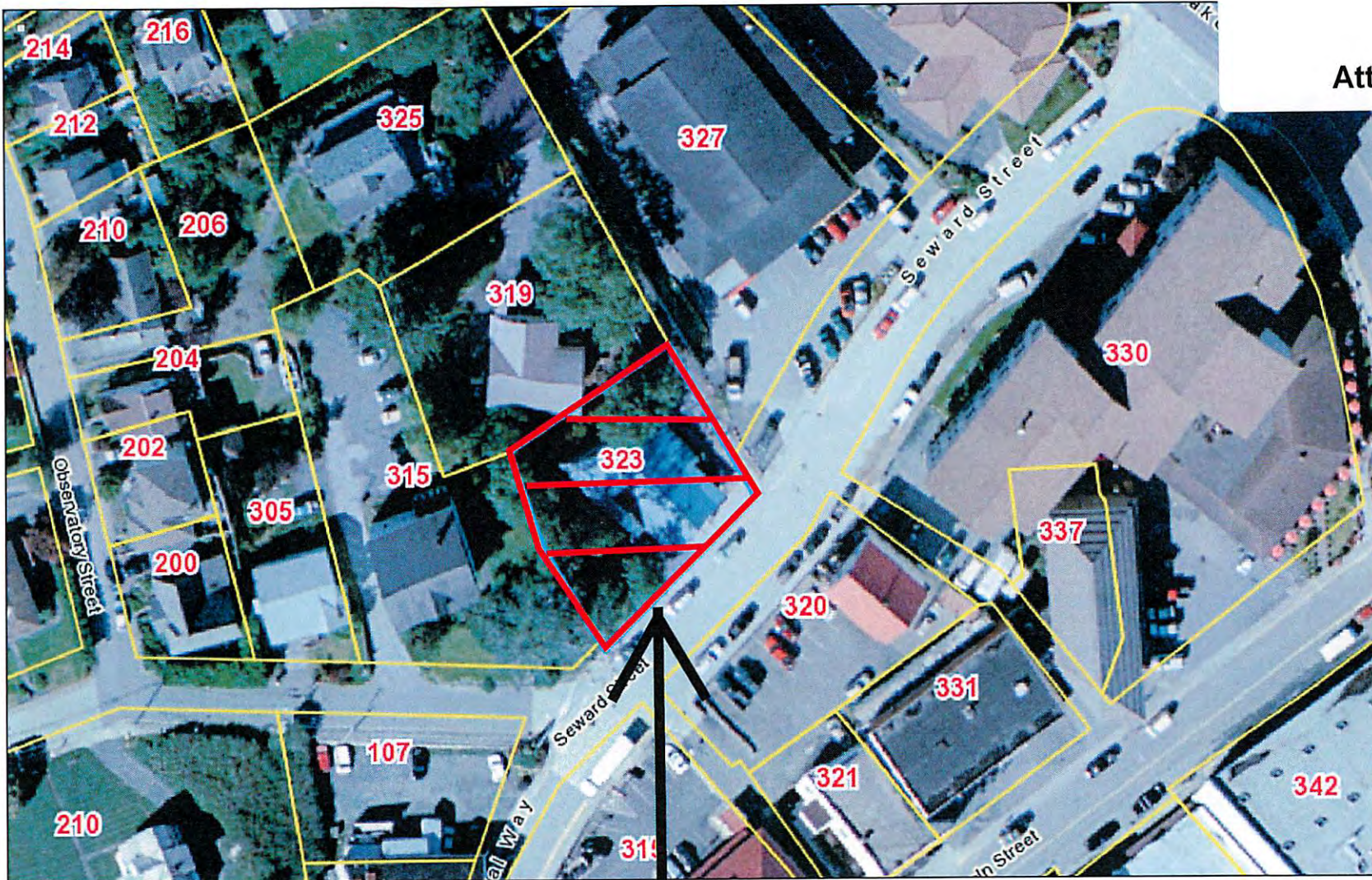
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTIONS					EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> Y N/A	WC5-39S-347579-016	7/5/2016	7/5/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Evidencing Workers Compensation coverage in place.

CERTIFICATE HOLDER (907) 747-7403 samantha.pierson@cityofsit City & Borough of Sitka 100 Lincoln Street Sitka, AK 99835	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Michael Venneberg/SJN
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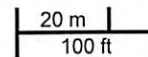
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City & Borough of Sitka, Alaska

Selected Parcel: 323 SEWARD ID: 10834001

Printed on 7/26/2016 from <http://www.mainstreetmaps3.com/ak/sitka/internal.asp>



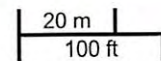
This map is for informational purposes only. It is not for appraisal of, description of, or conveyance of land. The City & Borough of Sitka, Alaska and MainStreetGIS, LLC assume no legal responsibility for the information contained herein.



City & Borough of Sitka, Alaska

Selected Parcel: 323 SEWARD ID: 10834001

Printed on 7/26/2016 from <http://www.mainstreetmaps3.com/ak/sitka/internal.asp>

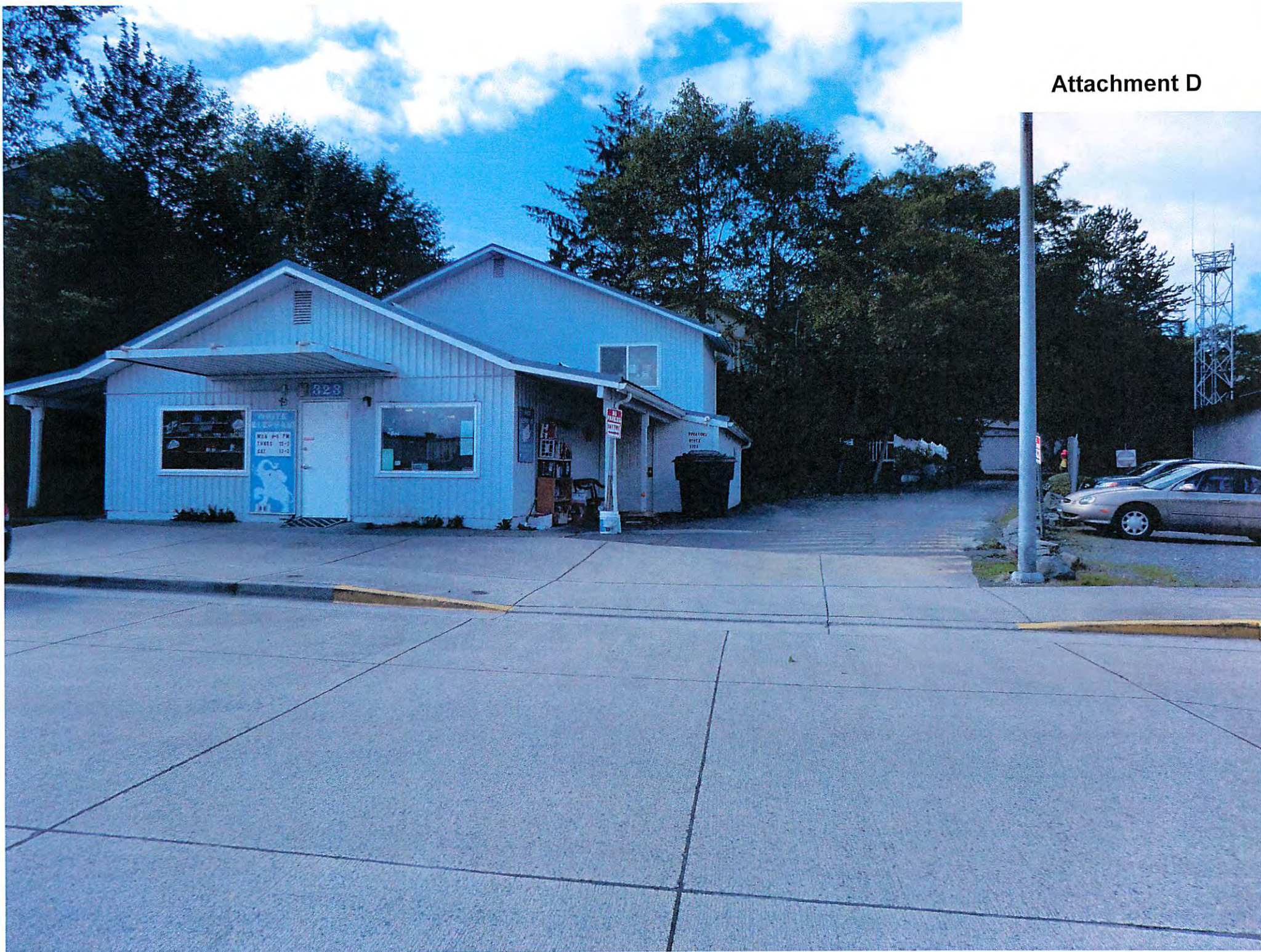


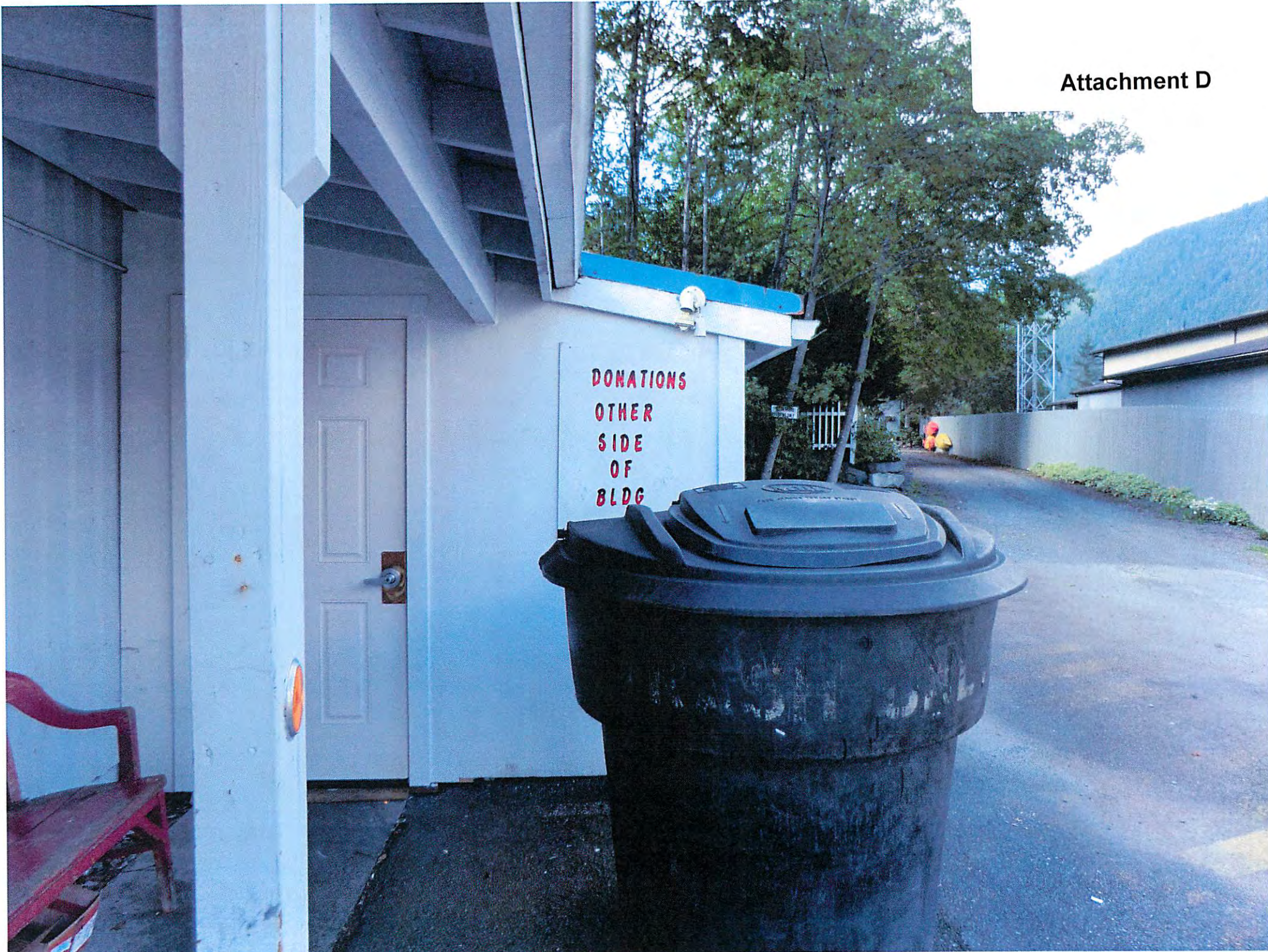
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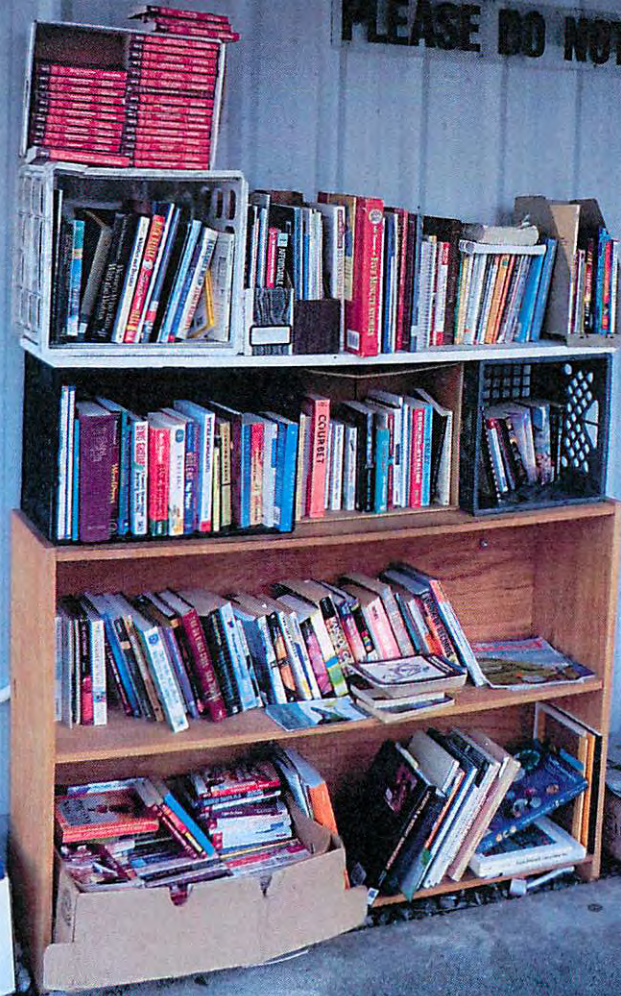
Attachment D





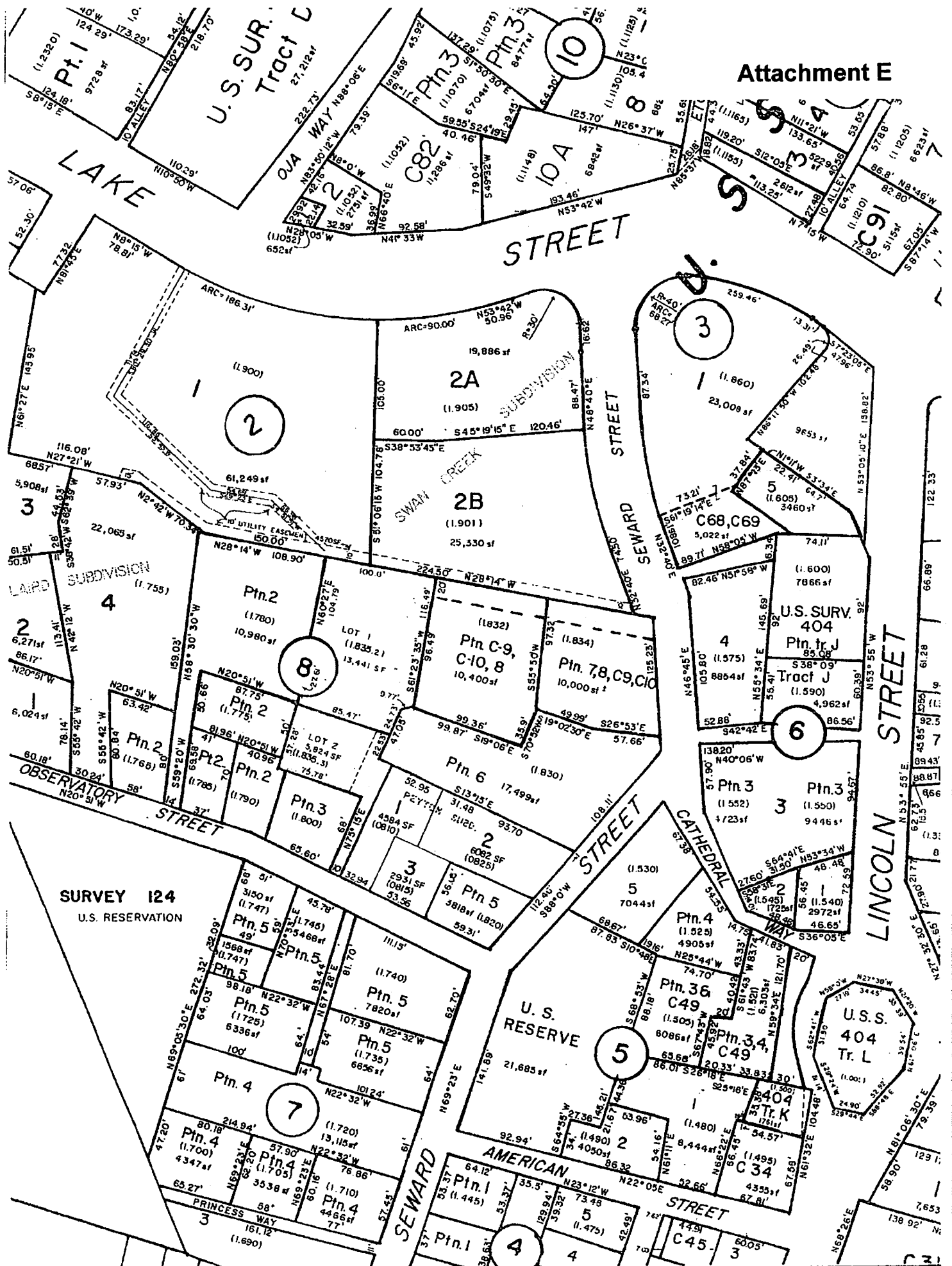


PLEASE DO NOT BLOCK DRIVEWAY





Attachment E



Hughey/Parker Song moved to APPROVE a modified variance request for 216 Lakeview Drive. The variance is for the reduction in the northwesterly side setback from 5 feet to 3 feet for the replacement of a carport with a garage. The property is also known as Lot 51 Lakeview Heights Subdivision. The request is filed by Ida Eliason. The owner of record is Ida Eliason.

Motion PASSED 3-0.

- G** Public hearing and consideration of a minor subdivision and easement change request for 204 Jeff Davis Street, in the R-2 zone. The property is also known as Lot 17 Sheldon Jackson Campus Subdivision. The request is filed by Randy Hitchcock. The owner of record is Randy Hitchcock.

Item was PULLED from the agenda.

- H** Public hearing and consideration of a minor subdivision request filed for tidelands adjacent to 1 Lincoln Street, as required for the tideland lease process. The property is also known as a portion of ATS 15, and is in the Waterfront District. The request is filed by Petro Marine Services. The owner of record is the City and Borough of Sitka.

Bosak explained the request. The applicant seeks to lease tidelands on which to build a replacement fuel dock. Staff recommend approval of the final plat. Spivey asked why this would be a 50 year lease. Bosak stated that the Attorney's office determined that 50 was the right length to support investment in new infrastructure.

Jerry Jacobs represented Petro Marine, and stated that he had nothing additional to add.

No public comment.

Spivey stated that it is straight-forward.

Pohlman/Parker Song moved to adopt and APPROVE the findings as discussed in the staff report.

- 1) That the proposed minor subdivision complies with the Comprehensive Plan and Sitka General Code by delineating an area for a prospective tideland lease; and
- 2) That the subdivision would not be injurious to public health, safety, and welfare.

Motion PASSED 4-0.

Pohlman/Parker Song moved to APPROVE the final plat of the minor subdivision for tidelands adjacent to 1 Lincoln Street. The property is also known a portion of ATS 15. The request is filed by Petro Marine Services. The owner of record is the City and Borough of Sitka.

Motion PASSED 4-0.

- I** Public hearing and discussion of easement concerns and a lease renewal at 323 Seward Street filed by the White Elephant Shop. The renewal would be for 30 years. The property is also known as all of lot 7 and a

fractional part of lots 8, C-9, and C-10 of Block 8, U.S. Survey 1474 Tract A. The owner of record is the City and Borough of Sitka.

Pierson explained the history of the lease and easement concerns. Staff believes that White Elephant has adequately addressed easement issues.

Karen Grussendorf represented the board of White Elephant Shop, and stated that the board believes that they have done their job in remedying the easement concerns.

No public comment.

Spivey stated that he believes the White Elephant Shop has done their due diligence.

Parker Song/Pohlman moved to RECOMMEND that the access easement concerns at 323 Seward Street have been adequately addressed.

Motion PASSED 4-0.

J

Public hearing and consideration of a zoning map amendment filed by Lynne Brandon for 663-800 Alice Loop. The properties are also known as Lots 1-5 of Alice and Charcoal Island and Alice Island Planned Unit Development Phase 1, and Lots 1-16 of Ethel Staton Subdivision.

Scarcelli passed out a zoning map of 663-800 Alice Loop, and shared photos of homes, plats, Sealing Cove Business Center, and the general neighborhood. The proposal is to rezone 663-800 Alice Loop from Waterfront District to R-1 Residential. Alice and Charcoal Island has residential and commercial development. Surrounding land uses are vacant, residential, public facilities, municipal harbor, and commercial. A variety of commercial and public facility uses are in the area, including AT&T, Trani boat business in development, heated storage bays, Department of Transportation, municipal water treatment, and Sealing Cove Business Center. Waterfront District allows various uses that generate impacts to a higher and greater degree than residential districts, and residential owners in the Waterfront District must be aware of those potential uses. Property owners should have become aware of the Waterfront zoning when they purchased their properties. A group of property owners in the residential community support the proposed zoning map amendment, while Shee Atika opposes the proposal. The application had standing and was ripe. Residential property owners purchased their homes with strict covenants in place, which favors residential zoning. Adjacent commercial development could negatively impact residential property values. Scarcelli referred to the Griswold case. The rezoning would be inconsistent with the comprehensive plan because it would reduce the amount of available Waterfront zoned land, which is already limited. Only approximately 53 acres of Waterfront District land exists in Sitka. This proposed rezoning would remove approximately 9 acres or 18% of all Waterfront District land, or 90% of all vacant and developable Waterfront District land. Rezoning this parcel would set a precedent that all Waterfront land could be open to rezoning. The proposed rezoning would benefit private property owners but not the community at large. The Griswold case concluded that 7.22 acres does not constitute spot zoning, but this request is to rezone 8.97 acres. An argument in favor of the zoning amendment is that the covenants support the zoning amendment due to the potential impacts to property values. An argument against the zoning



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: August 5, 2016

From: Samantha Pierson, Planner I

To: Planning Commission

Re: LM 16-05 White Elephant – Discussion of Easement Issues Prior to Lease Renewal

GENERAL INFORMATION

Applicant: White Elephant

Property Owner: City and Borough of Sitka

Property Address: 323 Seward Street

Legal Description: Lot 7, Portion of Lots 8, C-9, C-10
of Block 2, US Survey 1474 Tract A

Parcel ID Number: 1-0834-000

Size of Existing Lot: 10,559 square feet

Zoning: R-2 Residential

Existing Land Use: Commercial

Utilities: City Utilities

Access: Seward Street

Surrounding Land Use: Commercial, Residential

MEETING FLOW

- Report from Staff
- Applicant comes forward
- Applicant identifies him/herself – provides comments
- Commissioners ask applicant questions
- Staff asks applicant any questions
- Floor opened up for Public Comment
- Applicant has opportunity to clarify or provide additional information
- Comment period closed - brought back to the board
- Findings
- Motion of recommendation

ATTACHMENTS

Attachment A: Vicinity Map
Attachment B: Aerial Vicinity Map
Attachment C: Zoning Map
Attachment D: Parcel Pictures
Attachment E: Subdivision Plat
Attachment F: Application
Attachment G: Historical Documents
Attachment H: Mailing List

PROJECT DESCRIPTION

White Elephant Shop is requesting a 30 year renewal of their lease of land at 323 Seward Street. The lease will include two additional 5 year renewal periods at the discretion of the Assembly. Since 1966, the land has been leased in ten-year increments, first by the Alaska Crippled Children's Association, then by White Elephant. The city owns the land, while White Elephant owns the building. Planning Commission consideration of this lease renewal is primarily to address historical issues with the access easement.

BACKGROUND

The lease renewal was considered by the Assembly in September 2015. Neighbors raised concerns for blockage of the access easement, and the Assembly asked that the issues be resolved before returning to the Assembly for approval. Upon recommendation that the easement concerns have been mitigated, the lease will be forwarded to the Assembly for approval by ordinance. At today's hearing, Planning Department staff is recommending an opportunity for public hearing to resolve any issues regarding to the access easement, not to approve the lease.

ANALYSIS

Project / Site: The lot is 323 Seward Street. It is 10,559 square feet, and the lot is occupied by a building that is owned by the lessee. It is surrounded bounded to the north and west by residences, to the east by a commercial plaza, and to the south by Seward Street. Commercial buildings are across Seward Street from this property. The easterly portion of the property includes a 20 foot access easement to provide access to 319 and 325 Seward Street.

Easement Concerns: In 2015, neighbors raised concerns that the donation drop-off area on the east side of the property was blocking their ability to use the access easement to reach their homes.

Actions Taken By White Elephant: In response to concerns, the White Elephant Shop placed signage to direct donors to place donations on the west side of the building, away from the easement. The shop also placed notices in the Sitka Sentinel to make donors aware of the change. During staff's site visit,

signage was present and the easement was not blocked. The owners of 325 Seward Street and the agent for the owner of 319 Seward Street submitted signed statements that they are satisfied with the state of the easement.

RECOMMENDATION

It is recommended that the Planning Commission adopt the Planner I's analysis and move to recommend that the access easement concerns at 323 Seward Street have been adequately addressed.

Recommended Motions:

- 1) I move to recommend that the access easement concerns at 323 Seward Street have been adequately addressed.

Memorandum

To: Maegan Bosak, Planning and Community Development Director

From: Wendy Lawrence, Assessing Director *Wendy Lawrence*

Re: Sitka White Elephant Inc. Lease Renewal

Date: August 12, 2016

The city owned land currently leased to Sitka White Elephant Inc, has been inspected per your request for their 2016 lease renewal application. The city-owned site is located at 223 Seward Street, and consists of downtown level land with sidewalks, paved street access with curb & gutter, and full city utilities. The site is zoned R2. The building is owned by Sitka White Elephant and not considered for this valuation.

Based upon the most recent market data for this area, I have estimated the fee simple 2017 assessed value to be \$127,100. The lease annual rent shall be determined by this value & according to the lease parameters set out in SGC Title 18, with the Assembly's approval.

Please feel free to contact me if you need additional information or have questions regarding this valuation.

Please also forward the finalized lease documents once they have been recorded in order that we may complete our files.

10834000 FEE VALUE

Model:	2017	0.1900	-	10,000	Y = C * X^(P)	996.28	-0.512	S	-
						C	P	Min Value	
Valuation Date	August 12, 2016								
White Elephant - Land Lease Renewal 2016									
Parcel Number	1-0834-000				0%	Trend Factor			
Zoning	P								
P	-0.5120	-0.5120	-0.5120						
X^P	0.0100	0.0210	0.0000						
PSF VALUE	\$9.94	\$2.98	\$1.49						
C	996.28	142.26	0.00						
Y = C * X ^(P)	Upland/Filled	Unfilled	Submerged						
	100%	30%	15%						

EASEMENT SQ FT		1,900			
PARCEL SQ FT	8,100	1,900	-		
BASE LAND VALUE	\$80,486	\$663.85	0.00	\$	86,150
View Adjustment (Std,Partial,Super \$5-\$30k)	0.00	0.00	0.00	\$	-
Site Improvements (Clearing,Paving,Drive \$5-\$15k)	0.00	0.00	0.00	\$	-
Superior (Waterfront)	0.00	0.00	0.00	\$	-
Neighborhood Adjustment	0.25	0.25	0.25	\$	21,538
Inferior Adjustment (Shape)	0.225	0.23	0.23	\$	19,384
Overall Factor	1.48	1.48	1.48	\$	127,072

	\$118,700	\$8,400	\$0	\$	127,100
	\$0	\$0	\$0		

ADJUSTED LAND VALUE ROUNDED \$ 127,100 2017 Land Value

PER SQUARE FOOT ADJUSTED \$14.65 \$4.42 \$0.00

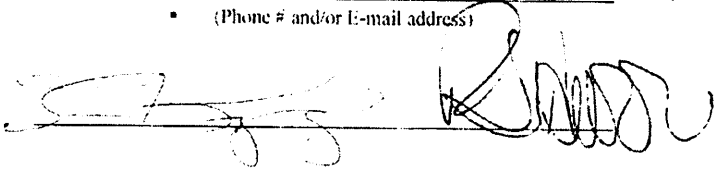
Historical Assessment Notes Found in File:

Base Assessment		\$	-
Size Adjustment			
Excess Adjustment		\$	-

Attachment G

To the members of the City Assembly and Sitka Planning Commission:

I RS Harris & Laura Kinspiger the undersigned neighbor do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

- Printed Name Robert Scott Harris & Laura Kinspiger
- Address 325 Seward St
- Contact information LAURA@HARRISAIR.COM 907-752-0959
SCOTT@HARRISAIR.COM 907-752-0220
(Phone # and/or E-mail address)
- Signature 
- Date 6-17-16

Comments:


The Sitka White Elephant Shop has made significant changes to their operation with regard to the access easement to our property. The changes have greatly improved access to our property. We sincerely appreciate their willingness to take positive action to resolve that issue.

We do not object to the renewal of the City's lease to the Sitka White Elephant Shop. However, we would like to state that the renewal lease include language ensuring the access easement remains open and that the underlying lease is now transferrable.

Attachment G

To the members of the City Assembly and Sitka Planning Commission:

I Kenneth R. Meyers the undersigned neighbor do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

- Printed Name Kent Meyers
- Address 317 Seward St
- Contact information Cbuck@Yahoo.com
• (Phone # and/or E-mail address)
- Signature  *
- Date 6-20-2016

Comments:

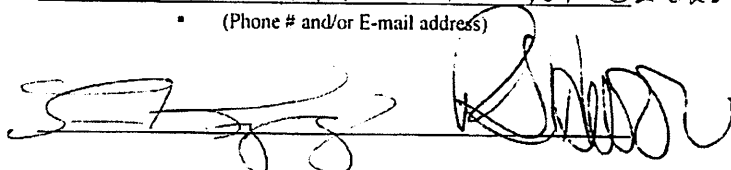
* Kent Meyers is buying the house @ 317 Seward St. From Dorothy Brallore. Kent is travelling until late June + has given me, Scott Harris permission to submit this on his behalf. He does not oppose a renewed long term lease between CBS + THE White E.



Attachment G

To the members of the City Assembly and Sitka Planning Commission:

I RS Harris & Laura Kinsperger the undersigned neighbor do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

- Printed Name Robert Scott Harris & Laura Kinsperger
- Address 325 Seward St.
- Contact information LAURA@HARRISHAIR.COM 907-752-0959
SCOTT@HARRISHAIR.COM 907-752-0220
• (Phone # and/or E-mail address)
- Signature 
- Date 6.17.16

Comments:

The Sitka White Elephant Shop has made significant changes to their operation with regard to the access easement to our property. The changes have greatly improved access to our property. We sincerely appreciate their willingness to take positive action to resolve that issue.

We do not object to the renewal of the City's lease to the Sitka White Elephant Shop. However, we would like to ask that the renewed lease include language ensuring the access easement remains open and that the underlying lease is non-transferable.

Attachment G

To the members of the City Assembly and Sitka Planning Commission:

I Kenneth R. Meyers the undersigned neighbor do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

- Printed Name Kenneth Meyers
- Address 317 Seward St
- Contact information Catback@yahoo.com
• (Phone # and/or E-mail address)
- Signature [Handwritten Signature] *
- Date 6-20-2016

Comments:

* Kenneth Meyers is buying the house @ 317 Seward St. From Dorothy Brealoke. Ken is traveling until late June + has given me, Scott Harris permission to submit this on his behalf. He does not oppose a renewed long term lease between CBS & THE White E.

RS Harris

Attachment G

To the members of the Sitka Planning Commission and the Assembly:

I/we the undersigned neighbor/business do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

Name of neighbor/business (please print)

Highliner Coffee Co. Melissa Braschiat owner

Address of neighbor/business

Seward Sq. Mall

Signature of neighbor/business owner or lease holder

M. Melissa Braschiat - Braschiat

Contact information (optional) phone # or email address

907-738-3056

Comments

Attachment G

To the members of the Sitka Planning Commission and the Assembly:

I/we the undersigned neighbor/business do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

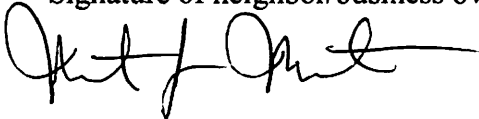
Name of neighbor/business (please print)

SEWARD SQUARE - MARTY MARTIN MANAGER

Address of neighbor/business

327 SEWARD ST

Signature of neighbor/business owner or lease holder



Contact information (optional) phone # or email address

907-747-8546

Comments

Attachment G

To the members of the Sitka Planning Commission and the Assembly:

I/we the undersigned neighbor/business do not object to the renewing of the City's lease to the Sitka White Elephant Shop.

Name of neighbor/business (please print)

Baranof Realty

Address of neighbor/business

315 Seward St.

Signature of neighbor/business owner or lease holder

[Signature] for *Cathy Shaffer*

Contact information (optional) phone # or email address

747-5636

Comments

*We have had no issues with the White E
and support their mission.*

the use of the property "not consistent with the zoned area in ways that are detrimental to the health, safety and welfare of the neighborhood." Please immediately correct all violations to avoid additional fines," Scarpa said in the letter to Burkhart. The planning office first took up the matter following complaints from neighbors of the property, which is zoned commercial.

1966 Sitka Fire Commemoration Event Jan. 22

The Sitka History Museum will present a program commemorating the 1966 fire that swept through Sitka's business district, and the community efforts that demonstrated Sitkans' resilience and perseverance in the face of adversity, 6:30-8 p.m. Jan. 22 at the Meet'ka Kwaan Naa Kahidi. The program will feature a panel discussion and a showing of 8mm film, photographs, and artifacts from the fire.

SCT to Hold Auditions for 'Spelling Bee'

Sitka Community Theater will hold auditions for the spring musical, "The 5th Annual Putnam County Spelling Bee," 4:30 p.m. Sunday, Jan. 31, and 7 p.m. Monday, Feb. 1, in Room 108 of the Rasmuson Student Center, on the J Campus.

The show will be directed by Sotera...

The Fairbanks Daily News-Miner reports police recovered \$3,500 worth of tools stolen from the laundry in the trunk of Barria's car.

Barria was not immediately arrested.

Quilters Gather

Ocean Wave Quilt Guild will meet 7 p.m. Tuesday, Feb. 2, at Grace Harbor Church across from Sea Mart. Call Megan Pasternak at 747-5943 with questions.

White E Changes Donation Drop-Off

The White Elephant Shop's donation drop-off area will be at the opposite side of the building by the children's store entrance beginning Saturday, Jan. 30.

A parking space is available for those dropping off. A banner and signs will designate the location.

The White E asks that patrons not park at the current donation area as it is closed to allow neighbors to access their property.

Fish and Game Panel to Meet

The Sitka Fish and Game Advisory Committee will meet 6 p.m. on Jan. 28 at the Sitka Sound Science Center, 834 Lincoln Street. It is open to the public.

Six seats are up for election - Hand Troll, Subsistence, Alternate, Hunting, Seine and At-Large.

The meeting will discuss statewide...

Pai

The 2...
ents mee...
Jan. 26, i...
library.

Attachment G

Tsunami, BMS Wrestling Friday

Sitka Tsunami Wrestling Club and Blatchley Middle School wrestling team will hold matches 5-6:30 p.m. Friday at Blatchley Middle School. The public is invited.

PROTECT YOUR PROPERTY

We can provide daily checks on your home or boat when you're away, so give us a call before you travel.

Sitka Home and Boat Watch
(907) 747-0559 or
(907) 738-1934

Alkaline Water • Healthy Water

Attracting Wellness
with

KANGEN WATER

Did you know...

White E Changes Donation Drop-Off

The White Elephant Shop's donation drop-off area will be at the opposite side of the building by the children's store entrance beginning Saturday, Jan. 30. A parking space is available for those dropping off. A banner and signs will designate the location.

The White E asks that patrons not park at the current donation area as it is closed to allow neighbors to access their property.

Letters to the Editor

School Project

Dear Editor: I am a student at Cascade Christian Schools, and I am writing a report on the state of Alaska. We are responsible for gathering as much information as we can about our state. If any of your readers would like to help me by sending any pictures, postcards, used license plates, facts, products, etc., from your state, it would be greatly appreciated! Thank you very much.

**Courtney, fifth-grader,
Cascade Christian School
601 9th Ave. S.E.
Puyallup, WA 98372**

White E Drop-Off

Dear Editor: In October I wrote the following:

"The Sitka White Elephant Board appreciates the cooperation of the many folks who observe the stop/go sign and only leave donations when the store is open. Unfortunately while dropping off donations many people still park in the yellow no-parking areas, thus blocking the easement and our neighbors' access

to or from their homes. This has been a continual problem for the folks living behind the White E Shop. In order to help alleviate this problem we will be moving our donations area in the near future.

"Please watch for further notices giving the date and details of this important change. In the meantime we request that you respect the neighbors' right to access their property and not block the easement."

The time has finally arrived and our new area for dropping off donations is about ready. As of Saturday, Jan. 30, all donations are to be left on the opposite side of the building near the entrance to the Children's Store. There is space there to drive in while unloading. It is not intended to be a permanent parking spot. As before we request that donations only be dropped off when the store is open and the green "go" sign is visible.

Thank you, Sitka, for your continued support and cooperation,

**Susan Brown, President,
White Elephant Board**



795 W

WHITE-1 OP ID: STKA

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/15/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Stedman Insurance Agency, Inc. 118 American St Sitka, AK 99835 Karl E. Stedman	CONTACT NAME: Karl E. Stedman PHONE (A/C, No, Ext): 907-747-8618 E-MAIL ADDRESS:	FAX (A/C, No): 907-747-8620
	INSURER(S) AFFORDING COVERAGE	
INSURED Sitka White Elephant, Inc. P.O. Box 6571 Sitka, AK 99835	INSURER A: Allstate Insurance Company NAIC # 19232	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		648111423	12/08/2015	12/08/2016	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Included \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTIONS \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of insurance

CERTIFICATE HOLDER City & Borough of Sitka 100 Lincoln Street Sitka, AK 99835	CITY&-1	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Karl E Stedman</i>
---	--------------------	---

To the Planning Commission and the Assembly of the City and Borough of Sitka:

The Sitka White Elephant shop has been operating out of the current Seward Street location since 1966. The property, zoned R2, is owned by the City and leased to the White Elephant.

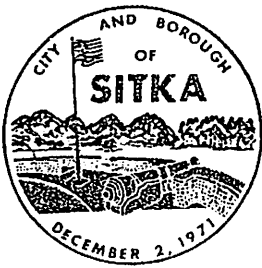
The properties behind the shop are also zoned R2. The residents of those properties access their homes via an easement across the City/White Elephant property. Unfortunately, sometimes our donors blocked the easement while dropping off items, making it difficult for those residents to get on or off their properties. In order to alleviate this problem, the White Elephant agreed to move the donation area to the other side of the building. The move was completed as of January 30, 2016.

Enclosed please find photos and drawings showing the new donation area, the signage to direct donors away from the easement, and the remodeling necessary to accommodate the move and to ensure the safety of our customers and volunteers.

The White Elephant and Volunteers sincerely hope that the progress to date will satisfy your concerns and will allow you to grant the extension of the lease for a period of 30 years.

Respectfully,

The White Elephant Board of
Directors



City and Borough of

100 Lincoln Street Sitka, Alaska

Coast Guard City, USA

Attachment G

Sitka White Elephant Shop, Inc.
323 Seward Street
PO Box 6571
Sitka, AK 99835
Attn: Anita Bergey, President

COPY

October 20, 2014

RE: The Sitka White Elephant Shop, Inc. Lease Renewal

Dear Ms. Bergey,

Thank you for taking the time to discuss the Sitka White Elephant Shop (White E) lease renewal with me over the phone last week.

As the meeting between the White E and the City and Borough of Sitka (CBS) staff will occur after my departure, it may be useful to summarize our conversation.


On October 2nd, CBS staff met with the White E's neighboring property owners, Scott Harris and Dorothy Breedlove, to discuss possible solutions to their property access issues. The neighbors were amenable to the White E lease renewal if the donation drop-off area were to be moved to the west side of the building.

As a next step, CBS staff would like to meet with representatives of the White E to discuss lease renewal and the possibility of moving the donation drop-off area to the west side of the building. As we discussed, you can schedule this meeting through the Clerk's office at 747-1808.

The Assembly did not renew the White E lease at the September 23rd Assembly meeting due to the neighbors' concerns about access to their property being blocked. The Assembly has suggested to CBS staff that they would like to see these issues resolved prior to scheduling the White E lease renewal on a future Assembly agenda.

If you should have any questions, please feel free to contact me through October 31st or the Interim Planning Director, Scott Brylinsky, thereafter at 747-1824.

Thank you,


Wells Williams, Planning Director
City and Borough of Sitka

CC: Mark Gorman, Scott Harris, Dorothy Breedlove

Providing for today ... preparing for tomorrow

Sitka White Elephant Shop, Inc.
323 Seward St. P.O. Box 6571
Sitka, Alaska 99835
907 747 3430

City/Borough of Sitka
100 Lincoln St
Sitka, AK 99835
ATTN: Mark Gorman, City Administrator

July 15, 2014

RE: The Sitka White Elephant Shop, Inc. Lease Renewal

Dear Mr. Gorman:

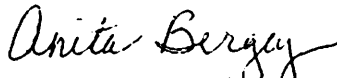
The Sitka White Elephant Shop (WES) lease is due to expire November 2016. Per our lease, the Board of Directors submit this letter as a formal request for a lease renewal at this time. We are happy to have shared a (nearly) 50 year partnership with the City of Sitka, and look forward to many more years, working to serve Sitkans in need. Each lease in the past (since 1966), has been for a ten year period and *" At the option of the lessee, given in writing not less than 90 days prior to the expiration of this lease shall be extended for another ten years"* (per the original lease agreement). We would request a minimum of ten years but would prefer a 20-30 year lease, as it becomes more necessary to invest in infrastructure. In order for the Board of Directors to plan more effectively for the future we request a renewal at this time.

As you know, Sitka is one of the few first class cities to lack a department of health and social services. As it happened, groups such as the Sitka WES have stepped in to provide that support that would otherwise fall on the City and the community. Please see our attached list of the charities we have contributed to over the years. As you know, we serve an essential part of serving those in need such as emergencies from house or boat fires, and affordable clothes and household goods for Sitka's families.

The WES will continue to develop a sustainable plan that serves Sitkans and maintains the value of volunteerism and donations for charity. The WES is clearly a central institution to Sitkans, and we are aware that the community relies on continued services through our agency.

We look forward to working with you in the same historic tradition of a strong partnership and good faith in all of our past exchanges. Thank you so much for your timely response. Please feel free to contact us for a meeting or additional information.

Respectfully,


Anita Bergey, President

Sitka White Elephant Shop Inc.

The following are the dollar amounts given to organizations. Some are over a period of several years and some just one year. This from 1992 through 2014, for 23 years.

	Years	
Art Change, Inc		500.00
Babies & Books	12	7,950.00
Baranof Elementary-1 st grade books	17	30,830.00
Baranof & Keet Gooshi Heen-Breakfast	10	14,500.00
Betty Eliason Child Care Center	14	31,500.00
Brave Heart	14	81,400.00
Coast Guard Spouses Assoc.		265.00
Kattleson Library	19	34,700.00
Mt Edgecumbe Preschool	21	46,430.00
Operation Starfish		500.00
Sheldon Jackson Child Care Center	7	20,300.00
Sitka Community School-SCORE & School	20	92,200.00
Sitka Counseling & Prevention Services	17	55,300.00
Sitka Fine Arts Camp	17	40,750.00
Sitka Head Start		4,285.00
Sitka Sound Science Center		2,200.00
Sitka Youth Court		200.00
Sitkans Against Family Violence	22	42,280.00
SAIL	8	14,400.00
Swan Lake Senior Center	23	126,888.00
Three to Five Preschool	14	56,300.00
Ventures	11	28,200.00
Youth Advocates		25,448.00
Sitka Holiday Dinners		3,200.00
Easter Group		3,500.00
Young Life		10,300.00
Big Brother/Big Sister	8	20,350.00
Hames Center		3,000.00
Keet Art& Intn'l Fair		2,250.00
A M S E A		8,000.00
Chess Club		1,000.00

Attachment G

Y A B A H		3,000.00
Pacific High School		11,620.00
Raven Radio		750.00
Salvation Army		1,050.00
S T A		2,050.00
Alice Machesney Bike Rack		100.00
Sitka Bicycle		1,900.00
Girl Scouts		1,745.00
Tlingit & Haida Parents		500.00
Sitka Skippers		1,550.00
Sitka High Art Class		100.00
Sitka High School Student Council		500.00
SE Enrichment Resource		2,000.00
SE AK Indian Cultural Center		1,000.00
Center for Community	14	56,200.00
Mt Edgecumbe FTA	12	16,700.00
N A T I V E	10	15,500.00
Pioneer Home		2,519.99
Sitka Cancer Survivors		2,800.00
Sitka Community Hospital Foundation		6,100.00
SE AK Women in Fisheries		4,500.00
SE Enrichment Center		4,000.00
Super Saturdays		18,150.00
A N B		2,000.00
Kimsham Ball fields		5,000.00
Friends of Sitka Health Center		5,803.00
N A C O P		5,000.00
SEARHC Daycare		500.00
Sitka Historical Society		1,000.00
Sitka Volunteer Fire Dept		12,500.00
Performing Art Center		500.00
Sitka Community Hospital Auxiliary		2,050.00
AK Marine Safety		525.00
Pregnancy Aid		2,550.00
Sitka Community Hospital		4,200.00
Sitka Home School		200.00
SEREMS		4,000.00
Marine Mural Project		300.00
Baranof Playground		10,000.00

Attachment G

AK Net/Domestic Violence	500.00
Civil Air Patrol	2,000.00
Chamber of commerce	2,000.00
Sitka Adult Education UAS	400.00
UAS Adult Education	4,310.00
Baby Quilt Project	1,000.00
SEARHC Patient Activities	250.00
Sitka Parent Network	700.00
Sitka Safe Start Initiative	1,569.00
Community Involved Policing Unit	500.00
Stratton Library	3,004.00
Sitka Teen Center	14,745.00
SE AK Native Women	200.00
SHS Girls Fast Pitch Softball	500.00
Community Band	500.00
PARENTS	3,600.00
Pioneer Home Auxiliary	1,000.00
AK Raptor Center	750.00
Sitka Friends of Dance	500.00
SART	1,500.00
NAEYC	500.00
Santa's Helpers	200.00
Sitka Safety Net	1,550.00
AK Center Adaptive Technology	2,000.00
Easter Seal Society	1,000.00
Special Ed Sitka Schools	1,800.00
Baranof Barracudas	300.00
Sitka Explorers 4H club	500.00
Alaska Health Fair	200.00
SEARHC CDU	169.99
JV Softball	500.00
Sitka Little League	3,000.00
Sitka Physically Challenged	500.00
Blatchley Discovery Week	2,000.00
Greater Sitka Arts Council	600.00
Sitka Conservation Society	3,150.00
Sitka School Elementary Counseling	2,800.00

Total

1,079,686.98

Individual Assist 121,510.19
 1,281,197.17

LEASE EXTENSION AND RENEWAL

This lease extension is between the City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 hereinafter LESSOR and Sitka White Elephant Shop Incorporated, P.O. Box ⁶⁵⁷¹~~553~~, Sitka, Alaska 99835, a non-profit corporation, successor to Sitka-Mt. Edgecumbe Chapter Inc. Of Alaska Crippled Children=s Assn., hereinafter LESSEE.

WHEREAS, on October 19, 1966, Lessor and Lessee entered into a "Lease" for the property commonly known as 323 Seward Street, more specifically described in the Lease and its extensions; and

WHEREAS, the Lease was extended on April 24, 1969, October 24, 1976 and April 23, 1996; and

WHEREAS, the Lease term, as extended, presently runs until November 1, 2006, and Lessor and Lessee wish to again extend the term.

NOW THEREFORE in consideration of the above premises and in consideration of the mutual promises contained below and in the Lease and its previous extensions, the parties agree as follows:

1. TERM: The term of the Lease is extended until November 1, 2016.
2. PREMISES: The property covered by the Lease is 323 Seward Street, as more specifically described in the original lease and its extensions.
3. CONDITIONS: All other conditions and terms of the Lease and its extensions shall remain in full force and effect, subject to the following amendments:
 - a. The yearly rental shall be \$1.00. Subject to adjustment as previously

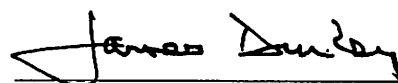
provided in the Lease.

b. Paragraph 5 is amended to increase the minimum amount of general liability to \$500,000 and to require that Lessor be included as a named insured.

c. Notice shall be given to the addresses noted above.

4. DEFAULT: Failure by Lessee to comply any term or condition of the Lease or its extension shall be cause for termination if such failure continues after thirty days written notice by Lessor.

CITY AND BOROUGH OF SITKA




James Dinley, Municipal Administrator

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

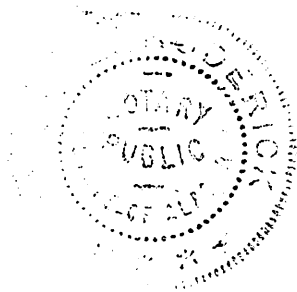
MUNICIPAL ACKNOWLEDGMENT

THIS CERTIFIES that on the 16th day of October, 2009, before me, a Notary Public in and for the State of Alaska, personally appeared JAMES DINLEY, known to me to be the Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, that he has been authorized to execute the foregoing Lease amendment on its behalf and he signs freely and voluntarily.

WITNESS my hand and official seal the day and year in this certificate.



Notary Public for Alaska
My Commission expires: 7/1/11



795 W

LEASE EXTENSION AND RENEWAL

This lease extension is between the City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 hereinafter LESSOR and Sitka White Elephant Shop Incorporated, P.O. Box ^{b57/}~~553~~, Sitka, Alaska 99835, a non-profit corporation, successor to Sitka-Mt. Edgecumbe Chapter Inc. Of Alaska Crippled Children=s Assn., hereinafter LESSEE.

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WHEREAS, the Lease was extended on April 24, 1969, October 24, 1976 and April 23, 1996; and

WHEREAS, the Lease term, as extended, presently runs until November 1, 2006, and Lessor and Lessee wish to again extend the term.

NOW THEREFORE in consideration of the above premises and in consideration of the mutual promises contained below and in the Lease and its previous extensions, the parties agree as follows:

1. TERM: The term of the Lease is extended until November 1, 2016.
2. PREMISES: The property covered by the Lease is 323 Seward Street, as more specifically described in the original lease and its extensions.
3. CONDITIONS: All other conditions and terms of the Lease and its extensions shall remain in full force and effect, subject to the following amendments:
 - a. The yearly rental shall be \$1.00. Subject to adjustment as previously

WHITE ELEPHANT SHOP
INCORPORATED

Janette Nelson
Title: President Board of Directors

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 15 day of October, 2009, before me the undersigned, a Notary Public in and for the State of Alaska duly commissioned and sworn, personally appeared Janette Nelson, known to be the person who executed the above and foregoing instrument, and acknowledged to me that he/she is authorized to sign this document, and does so freely and voluntarily.

WITNESS my hand and official seal the day and year in this certificate.

Sara L Peterson
Notary Public for Alaska
My Commission expires: 4-15-2011

COMMERCIAL GENERAL LIABILITY COVERAGE FORM DECLARATIONS
OCCURRENCE FORM

- Insurance is provided subject to the limits of insurance and the deductibles inserted below. Where there is no limit or deductible amount shown, there is no coverage or deductible applicable. Refer to Section III, Limits of Insurance, and the applicable deductible endorsement form attached to this Coverage Form for the application of these limits and deductibles.
- Limits of Insurance

Limit	Amount	
GENERAL AGGREGATE LIMIT (Other than Products -- Completed Operations)	\$ 2,000,000	
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$ 2,000,000	
PERSONAL and ADVERTISING INJURY LIMIT	\$ 1,000,000	
EACH OCCURRENCE LIMIT	\$ 1,000,000	
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$ 100,000	ANY ONE PREMISES
MEDICAL EXPENSE LIMIT	\$ 5,000	ANY ONE PERSON

- Deductibles

Coverage A LIABILITY	Amount and Basis of Deductible	
	PER CLAIM	PER OCCURRENCE
BODILY INJURY LIABILITY	\$	\$
PROPERTY DAMAGE LIABILITY	\$	\$
BODILY INJURY LIABILITY AND PROPERTY DAMAGE LIABILITY COMBINED	\$	\$
Enter below any limitations on the application of this deductible. If no limitation is entered, the deductible applies to damages for all bodily injury and property damage, however caused:		

BU9602B
 (Ed. 3-99)


LEASE EXTENSION AND RENEWAL

This lease extension is between the City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 hereinafter LESSOR and Sitka White Elephant Shop Incorporated, P.O. Box 553, Sitka, Alaska 99835, a non-profit corporation, successor to Sitka-Mt. Edgecumbe Chapter Inc. Of Alaska Crippled Children's Assn., hereinafter LESSEE.

WHEREAS, on October 19, 1966, Lessor and Lessee entered into a lease for the property commonly known as 323 Seward Street, more specifically described in the lease and its extensions; and

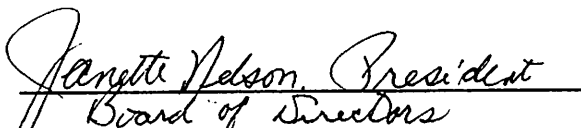
WHEREAS, the lease was extended on April 24, 1969 and October 24, 1976; and

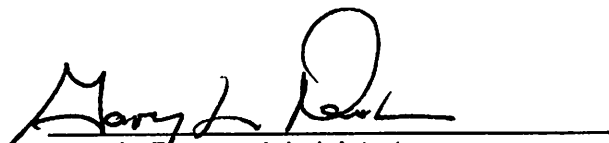
WHEREAS, the lease term, as extended, presently runs until November 1, 1996, and Lessor and Lessee wish to again extend the term.

NOW THEREFORE in consideration of the above premises and in consideration of the mutual promises contained below and in the lease and its previous extensions, the parties agree as follows:

1. TERM: The term of the lease is extended until November 1, 2006.
2. PREMISES: The property covered by the lease is 323 Seward Street, as more specifically described in the original lease and its extensions.
3. CONDITIONS: All other conditions and terms of the lease and its extensions shall remain in full force and effect, subject to the following amendments:
 - a. The yearly rental shall be \$1.00. Subject to adjustment as previously provided.
 - b. Paragraph 5 is amended to increase the minimum amount of general liability to \$500,000 and to require that Lessor be included as a named insured.
 - c. Notice shall be given to the addresses noted above.
4. DEFAULT: Failure by Lessee to comply any term or condition of the lease or its extension shall be cause for termination if such failure continues after thirty days written notice by Lessor.

DATED this 23 day of April, 1996.

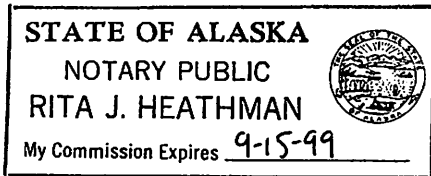

Jennette Nelson, President
Board of Directors
White Elephant Shop Incorporated
P.O. Box 553
Sitka, Alaska 99835


Gary L. Faxton, Administrator
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

STATE OF ALASKA)
)ss. MUNICIPAL ACKNOWLEDGMENT
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on the 23rd day of April, 1996, before me, a Notary Public in and for the State of Alaska, personally appeared GARY L. PAXTON, to me know and known to me to be the person whose name is subscribed to the foregoing lease and after being first duly sworn according to law, he stated to me under oath that he is the Administrator of the City and Borough of Sitka, Alaska, a corporation organized under the laws of the State of Alaska, that he has been authorized by said corporation to execute the foregoing lease on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

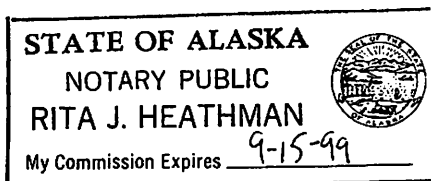
WITNESS my hand and official seal the day and year in this certificate first above written.



Rita J. Heathman
Notary Public for Alaska
My Commission expires: 9-15-99

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 23rd day of April, 1996, before me the undersigned, a Notary Public in and for the State of Alaska duly commissioned and sworn, personally appeared Janette Nelson, to me known to be the person who executed the above and foregoing instrument, and acknowledged to me that he/she signed and sealed the same freely and voluntarily.

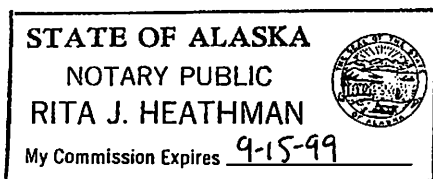


Rita J. Heathman
Notary Public for Alaska
My Commission expires: 9-15-99

STATE OF ALASKA)
)ss. MUNICIPAL ACKNOWLEDGMENT
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on the 23rd day of April, 1996, before me, a Notary Public in and for the State of Alaska, personally appeared GARY L. PAXTON, to me know and known to me to be the person whose name is subscribed to the foregoing lease and after being first duly sworn according to law, he stated to me under oath that he is the Administrator of the City and Borough of Sitka, Alaska, a corporation organized under the laws of the State of Alaska, that he has been authorized by said corporation to execute the foregoing lease on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

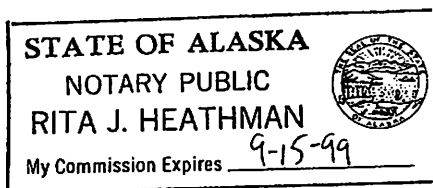
WITNESS my hand and official seal the day and year in this certificate first above written.



Rita J. Heathman
Notary Public for Alaska
My Commission expires: 9-15-99

STATE OF ALASKA)
)ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 23rd day of April, 1996, before me the undersigned, a Notary Public in and for the State of Alaska duly commissioned and sworn, personally appeared Janette Nelson, to me known to be the person who executed the above and foregoing instrument, and acknowledged to me that he/she signed and sealed the same freely and voluntarily.



Rita J. Heathman
Notary Public for Alaska
My Commission expires: 9-15-99

LEASE EXTENSION AND RENEWAL

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This lease extension, made this 25th day of October 1976
between the

CITY AND BOROUGH OF SITKA

successor to the City of Sitka, Box 79, Sitka, Alaska, hereinafter called
the Lessor, and

SITKA - MT. EDGE CUMBE CHAPTER, INC.

of

ALASKA CRIPPLED CHILDREN'S ASSN.,

a non-profit corporation with a mailing address of Box 377, Sitka, Alaska,
hereinafter called the Lessee,

WITNESSETH:

It is mutually agreed between the parties that the lease made on the
19th day of October, 1966, as extended by the lease extension of April 24,
1969, by and between the parties hereto concerning the premises described
herein, is confirmed in every respect, except that this renewal is to
terminate November 1, 1996.

The monthly rental for this renewal period shall be \$300.00 per annum.
All other conditions and terms of the original 1966 lease shall remain in
effect with the exception that any further extension or renewal shall be at
the sole option of lessor.

The property leased is described as follows:

All of Lot 7 and that fractional part of Lots 8, C-9 and C-10
of Block 8, U. S. Survey 1474, Tract A, Townsite of Sitka,
Alaska, more fully described as:

Beginning at the most southerly corner of Lot 7, Block 8,
as Corner No. 1 of this description; thence N 46° 45' E
along the northerly line of Seward Street, 106.62 feet to
Corner No. 2; thence N 28° 14' W, 94.54 feet to Corner
No. 3; said corner being identical with Corner No. 4 of
deed description in Book 18, Page 161, Record of Deeds,
recorded in the office of the Magistrate, Ex-Officio
Recorder, Sitka, Alaska; thence S 55° 50' W, 97.32 feet
to Corner No. 4; thence S 19° 02' 30" E, 49.99 feet to
Corner No. 5; thence S 29° 53' E, 62.80 feet to Corner
No. 1, the true point of beginning, containing 10,559
square feet of area.

The above-described parcel is subject to a 20-foot easement for access purposes lying parallel with the easterly boundary of the above-described tract.

IN TESTIMONY WHEREOF, the said parties have set their hands and seals on the day and year first above written in this instrument.

CITY AND BOROUGH OF SITKA, ALASKA

By: *Fermin Gutierrez*
Fermin Gutierrez,
Administrator

ATTEST:

Myrtle V. Flynn
Myrtle V. Flynn, Municipal Clerk.

CORPORATE ACKNOWLEDGEMENT

UNITED STATES OF AMERICA }
STATE OF ALASKA } ss.

THIS IS TO CERTIFY that on this 25 day of OCTOBER 1976, before me the undersigned Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared FERMIN GUTIERREZ, Administrator, and MYRTLE V. FLYNN, Municipal Clerk, to me known to be the persons described in and who executed the above and foregoing instrument, and acknowledged to me that they signed and sealed the same freely and voluntarily for the uses and purposes therein mentioned and that they are familiar with the Seal of the City and Borough of Sitka, Alaska, and their authority to execute the above instrument is recorded in the Minutes of the Assembly meeting of the City and Borough of Sitka, Alaska, Book 4, Page 14, and that the seal affixed thereto is the seal of the City and Borough of Sitka, Alaska.

WITNESS MY HAND AND OFFICIAL SEAL on the day and year in this certificate first above written.

Rene S. Hallgren
Notary Public for Alaska.
My Commission Expires: 10/11/79

LEASE EXTENSION

THIS LEASE EXTENSION, made this th *April* ~~24~~ day of ~~March~~, 1969, between the City of Sitka, Alaska, a municipal corporation, with a mailing address of P. O. Box 950, Sitka, Alaska, hereinafter called the Lessor and Sitka-Mt. Edgecumbe Chapter, Inc. of Alaska Crippled Children's Assn., Inc., a non-profit corporation with a mailing address of P. O. Box 578, Mt. Edgecumbe, Alaska, hereinafter called the Lessee.

It is mutually agreed between the parties that the Lease made on the 19th day of October, 1966, by and between the parties hereto, concerning the premises described herein, is hereby confirmed in every respect, except that said Lease is to terminate on November 1, 1986, instead of November 1, 1976, as provided in the original Lease. All other conditions and terms of said Lease shall remain in full force and effect.

The property leased is as follows:

All of lot 7 and that fractional part of lots 8, C-9 and C-10 of Block 8, U.S. Survey 1474, Tract A, Townsite of Sitka, Alaska, more fully described as: Beginning at the most Southerly corner of lot 7, Block 8 as Corner No. 1 of this description; thence N 46°45' E along the northerly line of Seward St. 106.62 feet to Corner No. 2; thence N 28°14' W, 94.54 feet to Corner No. 3; said corner being identical with Corner No. 4 of deed description in Book 18, page 161, Record of Deeds, recorded in the Office of the Magistrate, Ex-officio recorder, Sitka, Alaska; thence S 55°50' W, 97.32 feet to Corner No. 4; thence S 19°02'30" E, 49.99 feet to Corner No. 5; thence S 29°53' E, 62.80 feet to Corner No. 1, the true point of beginning, containing 10,559 square feet or area.

The above described parcel is subject to a 20 foot easement for access purposes lying parallel with the Easterly boundary of the above described tract.

SITKA-MT. EDGE CUMBE CHAPTER,
INC. of ALASKA CRIPPLED
CHILDREN'S ASSN., INC.

BY: Esther Middleton
President

ATTEST:

Anna Louise Pellett
Secretary

CORPORATE ACKNOWLEDGMENT

UNITED STATES OF AMERICA)) ss.
STATE OF ALASKA)

THIS IS TO CERTIFY that on the 24th day of March, 1969, before me the undersigned, a Notary Public, duly commissioned and sworn as such, personally appeared Esther Middleton and Anna Louise Pellett of SITKA-MT. EDGE CUMBE CHAPTER, INC. of ALASKA CRIPPLED CHILDREN'S ASSN., INC. a corporation organized under the laws of the State of Alaska, to me known to be the agents of said corporation, and acknowledged that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and the said Esther Middleton and Anna Louise Pellett, acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 24 day of March, 1969.

gms

[Signature]
Notary Public for Alaska
My commission expires: 5/27/78

LEASE

Attachment G

THIS INDENTURE made this 19 day of July, 1966, between the CITY OF SITKA, ALASKA, a municipal corporation with the mailing address of Box 950, Sitka, Alaska, hereinafter called lessor and SITKA-MT. EDGE CUMBE CHAPTER, INC. OF ALASKA CRIPPLED CHILDREN'S ASSN., INC. a non-profit corporation with the mailing address of Box 578, ³⁷⁷ Sitka, ~~MT. Edgcumbe~~, Alaska, hereinafter called lessee.

PROPERTY LEASED

The lessor hereby demises and leases unto the lessee the following described tract of ground:

All of lot 7 and that fractional part of lots 8, C-9 and C-10 of Block 8, U.S. Survey 1474, Tract A, Townsite of Sitka, Alaska, more fully described as: Beginning at the most Southerly corner of lot 7, Block 8 as Corner No. 1 of this description; thence N 46°45' E along the northerly line of Seward St. 106.62 feet to Corner No. 2; thence N 28°14' W, 94.54 feet to Corner No. 3; said Corner No. 3 being identical with Corner No. 4 of deed description in Book 18, page 161, Record of Deeds, recorded in the Office of the Magistrate, Ex-officio recorder, Sitka, Alaska; thence S 55°50' W, 97.32 feet to Corner No. 4; thence S 19°02'30" E, 49.99 feet to Corner No. 5; thence S 29°53' E, 62.80 feet to Corner No. 1, the true point of beginning, containing 10,559 square feet or area.

The above described parcel is subject to a 20 foot easement for access purposes lying parallel with the Easterly boundary of the above described tract.

TERMS

To hold the premises hereby demised unto lessee, from the date of November 1, 1966, for a term of ten (10) years, the lessee pays therefor, THREE HUNDRED DOLLARS (\$300.00) annyally, payable in advance. Receipt of the first year's rental is acknowledged by the execution of this lease.

At the option of the lessee, given in writing not less than 90 days prior to the expiration of this lease shall be extended for another 10 years.

The annual rental is subject to adjustment at the time of such extension provided the appraised value of the adjoining property and property immediately across the street from the adjoining property (if any) has changed more than 25% during the previous 10 year period... Should said annual rental be subject to adjustment it shall be proportional to the average of the

appraised value of said adjoining property and that across the street from it at the time of the lease execution as compared with the said value at the time of modification. Request for lease modification may come from either party hereto.

CONDITIONS AND COVENANTS

The following conditions and covenants are mutually agreed to between the parties:

1. Lessee has no authority to incur liens or order materials on lessor's account and this provision shall be deemed a notice to third parties of non-responsibility on the part of the City for any such liens.

2. Any improvements to the premises made by lessee may be removed prior to or at the termination of lease, or within 90 days thereafter. If not removed, lessor shall have the option of keeping the improvements as its own or removing same from the premises, charging the costs thereof against the lessee.

3. The lessee may not assign this lease or underlet the said premises without written consent of lessor. Lessee may sublet small portions of improved space without obtaining further consent.

4. The lessor or his agents may at reasonable times, enter upon said premises to examine the condition of same.

5. Lessee agrees to save the lessor harmless (1) from any liability by reason of personal injury to any person or persons on or about the said premises; (2) from any liability of any sort caused by the lessee's occupancy. Lessee shall furnish lessor evidence of public liability insurance to the effect in the minimum amount of \$ 50,000.00.

6. Any notices to either party shall be mailed to the address of the party in the first paragraph herein unless written change of address is made by the party changing its address to the other party.

IN TESTIMONY WHEREOF the said parties have set their hands and seals on the day and year first above written in this instrument.

*bejsja 28
to
habiv
and seal
2/15/22 6:08*

Attachment G

CITY OF SITKA, ALASKA

by: *John W. Bonnell*
Mayor

ATTEST:

Margaret B. Edrington
City Clerk

SITKA - MT. EDGE CUMBE CHAPTER, INC.
of ALASKA CRIPPLED CHILDREN'S ASSN. INC.

by: *Jim M. Pennington*
President

ATTEST:

Anna Louise Pellett
Secretary

CORPORATE ACKNOWLEDGEMENT

STATE OF ALASKA)
) ss.
CITY OF SITKA)

THIS CERTIFIES that on this 12th day of October,
1966, before me, a Notary Public in and for the State of Alaska,
personally appeared JOHN W. O'CONNELL and MARGARET B. FEDOROFF, to me
known and known to me to be the persons whose names are subscribed to the
foregoing deed, and after being first duly sworn according to law they
stated to me under oath that they are the Mayor and City Clerk respectively
of the City of Sitka, Alaska, a corporation organized under the laws of
Alaska, that they have been authorized by said corporation to execute the
foregoing deed on its behalf and they executed the same freely and volun-
tarily as the free act and deed of said corporation.

WITNESS my hand and official seal the day and year in this
certificate first above written.

Melosh C. Bikeland
Notary Public for Alaska
My commission expires Oct 12, 1969

Attachment G

UNITED STATES OF AMERICA)
) ss. CORPORATE ACKNOWLEDGEMENT
STATE OF ALASKA)

On this 20th day of Oct., 1966, before me, a

Notary Public for the State of Alaska, personally appeared Doris M. Longenebaugh and Auna Louise Pellett to me known, who, being by me duly sworn, each for himself and not one

for the other, did depose and say that he resides at Sitka, Alaska, and

that Doris M. Longenebaugh is the president of Sitka-Wilderness

Chapter, Inc. of AAC Alaska, Inc. and that Auna Louise Pellett is the secretary of The same

Corporation, of Sitka, Alaska

in the foregoing indenture named, and the seal thereto affixed is the seal of the Corporation, and was so affixed by the authority of said Board, and that by like authority they signed the same as president and secretary; and they acknowledged the execution of said instrument to be the free and voluntary act and deed of said Corporation by them, as president and secretary, aforesaid, voluntarily done and executed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Signature]
Notary Public for Alaska
My commission expires 3-21-68

Warren C. Christianson
Attorney at Law
Box 4
Sitka, Alaska

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Recordir
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Attachment G



Access Easement
Dorothy L Breedlove as grantor
to grantee Dorothy L Breedlove

Access Easement of Lot 1 plat 86-2
Dorothy Subdivision, Sitka
Recording district, First
Judicial district for grantor/
grantee to access the property
for drive way purposes.
Reference to Exhibit A
Dorothy L Breedlove
Return to Dorothy L Breedlove
319 Seward St
Sitka, Alaska
99835

Acknowledged before me
October 27, 2008

Lillian J. Owens

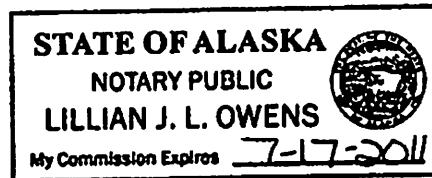


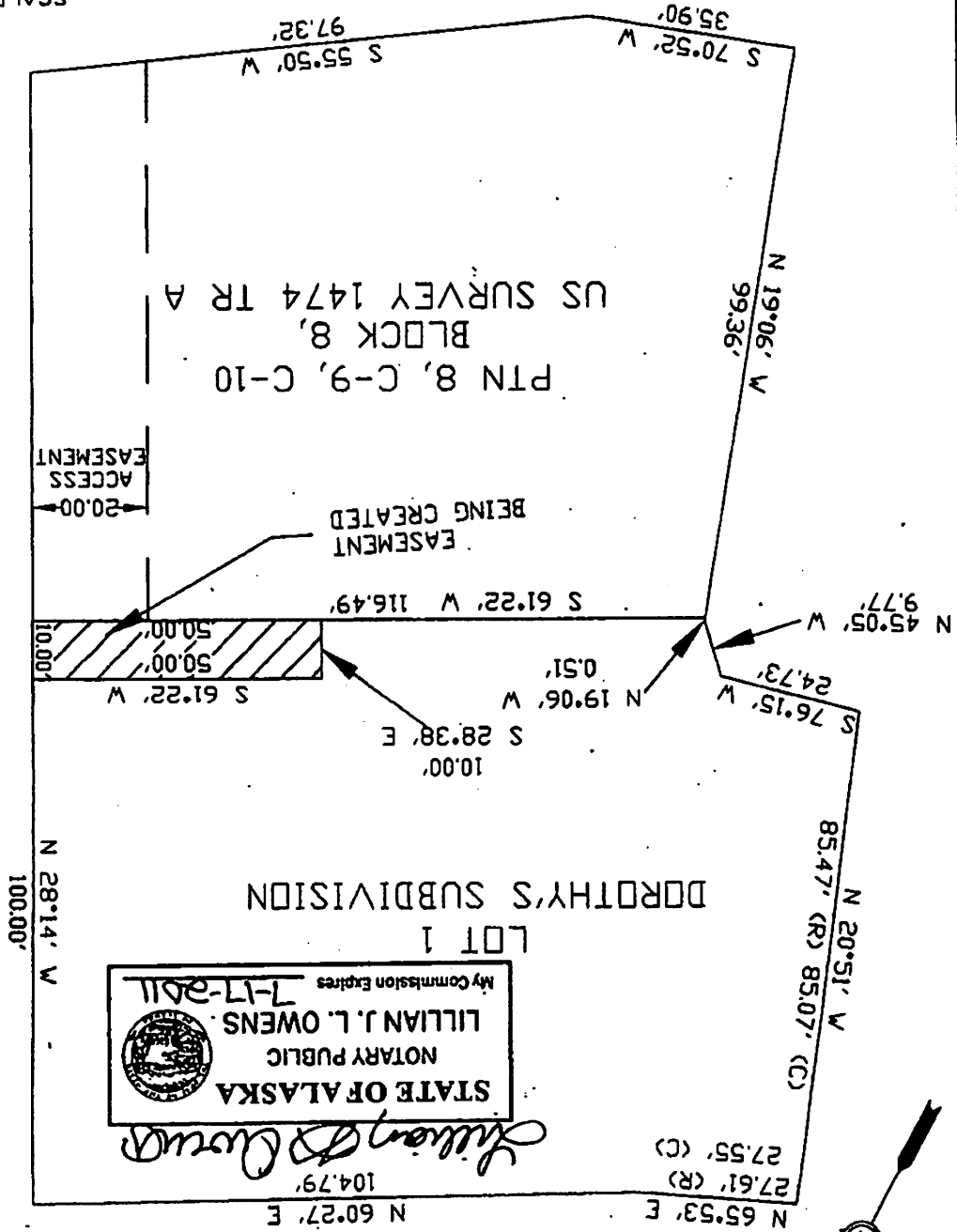


EXHIBIT "A"

DOROTHY'S SUBDIVISION
LOT 1

SUBJECT: ACCESS EASEMENT

SCALE
1" = 30'



WARRANTY DEED

BOOK 18
SITKA, ALASKA

Attachment G

THIS INDENTURE, Made this 7th day of AUGUST, 1943
between THE SALVATION ARMY, a California Corporation

of San Francisco, California, part of the first part, hereinafter called Grantor...
and DR. ROBERT F. BRADIE and HANCOCK BRADIE, husband and wife
as tenants by the entirety

of Sitka, Alaska part of the second part, hereinafter called Grantee &

WITNESSETH: That said Grantor... for and in consideration of the sum of TEN & No/100 Dollars,
lawful money of the United States of America, and other valuable consideration, to them in hand
paid by said Grantee & the receipt whereof is hereby acknowledged, do give by these presents grant,
bargain, sell, convey and confirm unto the said Grantee, and to their heirs and assigns, the
following described real property situated in Sitka Recording District, Sitka

Alaska, to-wit: That fractional west of lots 8 and 9-10 of Block 8 of
U. S. Survey 1474 Tract A, Townsite of Sitka, Alaska, more
fully described as:

Beginning at a point 9.77 feet south 45°05' east of the most
westerly corner of Lot 3 of said Block 8, thence south 19°06'
east a distance of 0.51 feet to Corner No. 1 of this description
and the true point of beginning;
thence south 19°06' east a distance of 29.36 feet to Corner No. 2;
thence north 70°50' east a distance of 35.90 feet to Corner No. 3;
thence north 55°50' east a distance of 57.32 feet to Corner No. 4;
thence north 38°14' west a distance of 94.55 feet to Corner No. 5;
thence south 61°22' west a distance of 114.49 feet to Corner No. 1,
the true point of beginning containing 11,336.7 square feet.

This conveyance is subject to an easement for City sewer, water
and any other underground utility lines desired by said City,
all located or to be located in a 15 ft. strip along the north-
westerly boundary of the above tract.

Further, the grantor hereby grants a non-exclusive 20 ft.
easement for access along the northerly boundary of
that portion of said Lot 8 between the above described tract
and Seward Street. Should other access become available,
this easement is automatically rescinded.

TO HAVE AND TO HOLD the same, with the appurtenances thereunto belonging, or in anywise
appertaining, unto them the said Grantee, and to their heirs and assigns forever,
successors,

AND the said Grantor... its heirs, executors and administrators, do give, by these presents,
covenant, grant and agree to and with said Grantee & their heirs and assigns, that if
said Grantor... its heirs, executors and administrators, all and singular, the premises here-
inabove conveyed or mentioned, with the appurtenances, unto the said Grantee & their heirs
and assigns, and against each and every person or persons whatsoever lawfully claiming or to claim
the same, or any part thereof, shall and will WARRANT and FOREVER DEFEND.

IN WITNESS WHEREOF, The said Grantor... has hereunto sub... signed and
seal... the day and year in this instrument first above written.

Signed: Sentice and Delisour (In the Presence of)

THE SALVATION ARMY, A CALIFORNIA CORPORATION
By: [Signature] (SEAL)
Vice-President (SEAL)
By: [Signature] (SEAL)
Title: [Signature]

(Corporate Seal)

SITKA 63-838
Serial No. 11774

UNITED STATES OF AMERICA
TERRITORY OF ALASKA

Individual Ack

THIS IS TO CERTIFY that on this _____ day of _____, 19____,
before me the undersigned, a Notary Public in and for the Territory of Alaska, duly commissioned
and sworn, personally appeared _____

to me known to be the person _____ described in and who executed the above and foregoing instru-
ment, and acknowledged to me that _____ be _____ signed and sealed the same freely and volun-
tarily for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day and year in this certificate first above written.

Notary Public for Alaska. My commission expires _____

STATE OF CALIFORNIA

ss.

CORPORATE ACKNOWLEDGMENT

COUNTY OF SAN FRANCISCO

On this 7th day of August, 1963, before me, a Notary
Public for the State of California, County of: San Francisco,

personally appeared W. J. Parkins and Donald V. Barry
to me known, who, being by me duly sworn, each for himself and not
one for the other, did depose and say that they reside at 59 Holimo Dr. San Francisco, and 31 S. Hill Blvd. San Francisco,
respectively, and that W. J. Parkins is the

Vice President of THE SALVATION ARMY and that Donald V. Barry

is the Secretary of THE SALVATION ARMY of California
in the foregoing indenture named, and the seal thereto affixed is the
seal of the Corporation, and was so affixed by the authority of said
Board, and that by like authority they signed the same as Vice President
and Secretary; and they acknowledge the
execution of said instrument to be the free and voluntary act and deed
of said corporation by them, as Vice President and Secretary
aforesaid, voluntarily done and executed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate first above



RECORDED - FILED
 SITKA REC. DIST.
 DATE 9-19 1963
 TIME 3:00 PM
 Registered by [Signature]
 Address SITKA

Alda C. Collins (Alda C. Collins)
Notary Public for California
County of San Francisco
My commission expires _____

No. _____
WARRANTY DEED
(ALASKA)

FROM	TO

Filed _____ 19____
 FILED FOR RECORD AT REQUEST OF _____
 on the _____ day of _____, 19____,
 at _____ minutes past _____ M.
 and recorded in volume _____
 of _____ Page _____
 Records of U. S. Commissioner _____
 By _____ President _____
 Deputy _____

QUITCLAIM DEED

WHEREAS, the United States acting by and through the Administrator of the Federal Works Agency filed its Declaration of Taking in condemnation proceedings in the United States District Court for the District of Alaska on August 6, 1942, and deposited the sum of \$1.00 into the registry of the court on that day; and

WHEREAS, the court entered its judgment on the Declaration of Taking on August 6, 1942, vested in the United States of America a fee simple title to the land; and

WHEREAS, the said land was acquired by the United States under the provisions of Section 202 of Title II of the Act of October 14, 1940, as amended, as a site for hospital facilities; and

WHEREAS, since the said land was acquired as aforesaid, the project has been rescinded and the Town of Sitka has requested the United States of America to convey the said property back to it; and

WHEREAS, the Administrator of the Federal Works Agency deems that the said property should be conveyed back to the Town of Sitka, Alaska, and that this conveyance is made in the public interest.

FOR, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That the United States of America in the consideration of the foregoing premises and the sum of \$1.00, the receipt of which is hereby acknowledged, does hereby grant, remise, release and forever quitclaim unto the Town of Sitka and its assigns forever all that tract or parcel of land situated in the Townsite of Sitka, Territory of Alaska, and more particularly described as follows:

All of Lot 7 in Block 8 and part of Tracts C-9, C-10 and Lot 8 in Block 8 of the Townsite of Sitka, Alaska, as shown on U. S. Survey No. 1474, Tract "A", described as follows: Beginning at the point in the northerly side of Seward Street at the southeasterly corner of Lot 8, aforesaid; running thence North 23 degrees 14 minutes West 190.0 feet to a point; thence South 60 degrees 27 minutes West 116.7 feet to a point; thence South 19 degrees 02

minutes East approximately 98.94 feet to a point; thence North 70 degrees 25 minutes East 35.9 feet to a point; thence South 19 degrees 05 minutes East 50.0 feet to a point; thence South 29 degrees 53 minutes East 62.80 feet to a point in the northerly side of Seward Street; thence along the northerly side of Seward Street North 46 degrees 45 minutes East 106.62 feet to the point or place of beginning.

IN WITNESS WHEREOF, the United States of America has caused these presents to be executed in its name by the Administrator of the Federal Works Agency and the seal of the Federal Works Agency to be hereunto affixed this 13th day of January, 1944.

Signed, sealed and delivered in the presence of:

UNITED STATES OF AMERICA

Leon R. Kempainen
Dorothy L. Cupp

Philip B. [Signature]
Administrator
Federal Works Agency

UNITED STATES OF AMERICA }
DISTRICT OF COLUMBIA } SS

I, a Notary Public in and for the District of Columbia, and as such officer authorized to take acknowledgments of deeds, do hereby certify that Major General Philip B. Fleming, Administrator, Federal Works Agency, personally known to me to be the person and officer whose name is subscribed to the foregoing instrument, appeared before me and acknowledged the said instrument, to be his free act and deed in his said capacity and the free act and deed of the said United States of America for the purposes therein expressed, and the seal thereto affixed is the seal of the Federal Works Agency.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in Washington, D. C. this 13th day of January, 1944.

Ellen Virginia Wash
Notary Public, District of Columbia

By commission expires Feb 25 1947 UNITED STATES, DISTRICT OF ALASKA } SS:
Division No. 1 Sitka Precinct No. 4.

William V. Knight Commissioner and Ex-Officio Recorder for the District of Alaska, do hereby certify that the within and foregoing instrument of Philip B. Fleming recorded in my office on the 15th day of February, 1944, at 25 minutes past 10 o'clock A. M. and duly recorded in the DEED Record Book No. 8 on page 731-58 the records of the Recording District of Sitka, No. 4 Division No. 1 Territory of Alaska.

Attest: William V. Knight
Commissioner and Ex-Officio Recorder

FILED FOR RECORD
15th DAY OF JAN 1944
AT 10:25

Parcel ID: 10005000
ORTHODOX CHURCH IN AMERICA
RUSSIAN GREEK MISSION
ORTHODOX CHURCH IN AMERICA
P.O. BOX 697
SITKA AK 99835-0697

Parcel ID: 10325000
LORETTA NESS
NESS, LORETTA, J.
102 WINCHESTER WAY
SITKA AK 99835

Parcel ID: 10339000
LUENOR RENTALS, LLC
LUENOR RENTALS, LLC
111 SAND DOLLAR DR
SITKA AK 99835

Parcel ID: 10482000
U.S. RESERVE
U.S. RESERVE
210 SEWARD ST
SITKA AK 99835

Parcel ID: 10525000
TELEPHONE UTILITIES OF
NORTHLAND
ATTN: TAX DEPT.
TELEPHONE UTILITIES OF
NORTHLAND
600 TELEPHONE AVE, MS#8

Parcel ID: 10545000
CANDI BARGER
BARGER, CANDI, C.
P.O. BOX 365
SITKA AK 99835-0365

Parcel ID: 10590000
~~SNOWDEN GROUP, LLC~~
~~SNOWDEN GROUP, LLC~~
P.O. BOX 178
SITKA AK 99835-0178

Parcel ID: 10740000
CRAIG/BRENDA SHOEMAKER
SHOEMAKER, CRAIG, A./BRENDA, S.
P.O. BOX 2174
SITKA AK 99835-2174

Parcel ID: 10748001
WILLIAM/LIBBY STORTZ
STORTZ, WILLIAM, A./LIBBY
215 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10785000
OBSERVATORY, LLC
OBSERVATORY, LLC
P.O. BOX 1785
SITKA AK 99835-1785

Parcel ID: 10260000
WELLS FARGO BANK
% THOMSON PROP TAX SERV
WELLS FARGO
P.O. BOX 2609
CARLSBAD CA 92018-2609

Parcel ID: 10335000
THE TROUTTE FAMILY TRUST
TROUTTE CENTER
TROUTTE, RICHARD/SANDRA
329 HARBOR DR.
SITKA AK 99835

Parcel ID: 10370000
~~CLIFF/SHIRLEY ROBARDS~~
~~ROBARDS, CLIFFORD, G./SHIRLEY~~
P.O. BOX 235
SITKA AK 99835-0235

Parcel ID: 10505000
SITKA HERITAGE PROPERTIES, LLC
APARTMENT, THE
SITKA HERITAGE PROPERTIES, LLC
1 MAKSOUTOFF ST
SITKA AK 99835

Parcel ID: 10530000
TELEPHONE UTILITIES OF
NORTHLAND
ATTN: TAX DEPT.
TELEPHONE UTILITIES OF
NORTHLAND
600 TELEPHONE AVE, MS#8

Parcel ID: 10550000
SHEE ATIKA HOLDINGS LINCOLN ST,
LLC
SHEE ATIKA HOLDINGS LINC. ST, LLC
315 LINCOLN ST, #300
SITKA AK 99835

Parcel ID: 10600000
CHRISTOPHER BOWEN
BOWEN, CHRISTOPHER, S.
310 MARINE ST
SITKA AK 99835

Parcel ID: 10745000
WILLIAM/IRENE FERGUSON
FERGUSON, WILLIAM, G./IRENE, G.
207 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10775000
KAREN LUCAS
LUCAS, KAREN, J.
218 OBSERVATORY ST.
SITKA AK 99835

Parcel ID: 10790000
RACHEL MYRON
MYRON, RACHEL, E.
P.O. BOX 53
TENAKEE SPRINGS AK 99841-0053

Parcel ID: 10320000
CLIFFORD/SHIRLEY ROBARDS
ROBARDS, CLIFFORD, G./SHIRLEY, E.
P.O. BOX 235
SITKA AK 99835-0235

Parcel ID: 10337000
FIRST NATIONAL BANK OF
ANCHORAGE
ATTN: ACCOUNTING SECTION
FIRST NATIONAL BANK ALASKA
P.O. BOX 10-0720
ANCHORAGE AK 99510

Parcel ID: 10480000
LINDA/NANCY TRIERSCHIELD
TRUST/MCGRAW
TRIERSCHIELD BUILDING
TRIERSCHIELD, L./MC GRAW, NANCY
P.O. BOX 718
SITKA AK 99835-0718

Parcel ID: 10521000
KCCR PROPERTIES, LLC
KCCR PROPERTIES, LLC
P.O. BOX 614
SITKA AK 99835-0614

Parcel ID: 10540000
MICHAEL FINN
FINN, MICHAEL, K.
116 KNOTSON DR
SITKA AK 99835

Parcel ID: 10575000
SNOWDEN GROUP, LLC
SNOWDEN GROUP, LLC
P.O. BOX 178
SITKA AK 99835-0178

Parcel ID: 10605000
LOYAL ORDER OF MOOSE, INC.
LOYAL ORDER OF MOOSE
337 LINCOLN ST.
SITKA AK 99835

Parcel ID: 10747000
DORIK/CAROLYN MECHAU/SERVID
MECHAU, DORIK/SERVID, CAROLYN
209 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10780000
~~KAREN LUCAS~~
~~LUCAS, KAREN~~
~~218 OBSERVATORY ST~~
SITKA AK 99835

Parcel ID: 10800000
DARRYL/BERNADET
REHKOPF/RASMUSSEN
REHKOPF, DARRYL/RASMUSSEN,
BERNADETTE
210 OBSERVATORY ST
SITKA AK 99835

Assembly Mailing

September 2, 2016

Parcel ID: 10905000
DOCK STREET BLDG. CORP.
DOCK STREET BLDG. CORP.
P.O. BOX 7920
KETCHIKAN AK 99901-7920

Parcel ID: 10860000
SCJOJ, LLC
WESTMARK SITKA
SCJOJ, LLC
330 SEWARD ST.
SITKA AK 99835

Parcel ID: 10834001
WHITE ELEPHANT SHOP, INC.
WHITE ELEPHANT(BLDG ONLY)
WHITE ELEPHANT SHOP, INC.
323 SEWARD ST.
SITKA AK 99835

Parcel ID: 10825000
ELIZABETH/GEORG
KILKEARY/HARDISON, III
KILKEARY, ELIZABETH & HARDISON,
GEORGE
305 SEWARD STREET
SITKA AK 99835

Parcel ID: 10810000
BARABY DOW
DOW, BARABY, B.
11733 12TH AVE NE
SEATTLE WA 98125-5007

Parcel ID: 10900000
CITY & BOROUGH OF SITKA
FIREHALL
C/O OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10835002
R. SCOTT/LAURA
HARRIS/KRONSPERGER
HARRIS, R. SCOTT/KRONSPERGER,
LAURA, L.
325 SEWARD ST
SITKA AK 99835

Parcel ID: 10830000
S & C/M & G SHAFER TRIST/TSHER
SHAFER, ST/CA./TSHER, M/CL
315 SEWARD ST
SITKA AK 99835

Parcel ID: 10815000
BRYAN/DANA HOWEY/FORGENSEN-
HOWEY
HOWEY, BRYAN & FORGENSEN-
HOWEY, DANA
P.O. BOX 506
STREET 117 00002 0207

Parcel ID: 10901000
JAMES/JOYCE MARTIN
MARTIN, JAMES, E./JOYCE, M.
830 FRANKTON RD
HOOD RIVER OR 97031

Parcel ID: 10835003
DOROTHY/SHERRI BREEDLOVE
BREEDLOVE, DOROTHY, L./SHERRI, L.
319 SEWARD ST, #B
SITKA AK 99835

Parcel ID: 10832000
KENNETH MEYERS
KENNETH MEYERS
MEYERS, KENNETH
1982 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 10820000
STEVEN/KARI FISH/JOHNSON
FISH, STEVEN, T./JOHNSON, KARI, L.
P.O. BOX 6448
SITKA AK 99835-6448



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 Tuesday, September 13, 2016 on the following items:

- A. Public hearing and consideration of a tideland lease request filed by Petro Marine Services for 7109 square feet of tidelands adjacent to 1 Lincoln Street. The property is also known as a portion of ATS 15.
- B. **Public hearing and consideration of a land lease renewal request filed by White Elephant Shop for 323 Seward Street. The property is also known as all of lot 7 and a fractional part of lots 8, C-9, and C-10 of Block 8, US Survey 1474 Tract A.**

The Assembly may take action on September 13, 2016. The Assembly meeting will begin at 6:00 pm at University of Alaska Southeast, 1332 Seward Avenue, Room 229 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.

Attachment H

Parcel ID: 10001000
STATE OF ALASKA
PIONEER HOME
ALASKA, STATE OF
P.O. BOX 110208
JUNEAU AK 99811

Parcel ID: 10020000
CASTLE HILL, LLC
CASTLE HILL, LLC
117 GRANITE CREEK RD, STE 201
SITKA AK 99835

Parcel ID: 10260000
WELLS FARGO BANK
% THOMSON PROP TAX SERV
WELLS FARGO
P.O. BOX 2609
CARLSBAD CA 92018-2609

Parcel ID: 10335000
THE TROUTTE FAMILY TRUST
TROUTTE CENTER
TROUTTE, RICHARD/SANDRA
329 HARBOR DR.
SITKA AK 99835

Parcel ID: 10370000
CLIFF/SHIRLEY ROBARDS
ROBARDS, CLIFFORD, G./SHIRLEY
P.O. BOX 235
SITKA AK 99835-0235

Parcel ID: 10505000
SITKA HERITAGE PROPERTIES, LLC
APARTMENT, THE
SITKA HERITAGE PROPERTIES, LLC
I MAKSOUTOFF ST
SITKA AK 99835

Parcel ID: 10530000
~~TELEPHONE UTILITIES OF
NORTHLAND
ATTN: TAX DEPT.
TELEPHONE UTILITIES OF
NORTHLAND
600 TELEPHONE AVE, MS#8~~

Parcel ID: 10550000
SHEE ATIKA HOLDINGS LINCOLN ST,
LLC
SHEE ATIKA HOLDINGS LINC. ST, LLC
315 LINCOLN ST, #300
SITKA AK 99835

Parcel ID: 10600000
CHRISTOPHER BOWEN
BOWEN, CHRISTOPHER, S.
310 MARINE ST
SITKA AK 99835

Parcel ID: 10745000
WILLIAM/IRENE FERGUSON
FERGUSON, WILLIAM, G./IRENE, G.
207 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10005000
ORTHODOX CHURCH IN AMERICA
RUSSIAN GREEK MISSION
ORTHODOX CHURCH IN AMERICA
P.O. BOX 697
SITKA AK 99835-0697

Parcel ID: 10033000
BLANCA HERNANDEZ
HERNANDEZ, BLANCA
2435 MARIAN BAY CIRCLE
ANCHORAGE AK 99515

Parcel ID: 10320000
CLIFFORD/SHIRLEY ROBARDS
ROBARDS, CLIFFORD, G./SHIRLEY, E.
P.O. BOX 235
SITKA AK 99835-0235

Parcel ID: 10337000
FIRST NATIONAL BANK OF
ANCHORAGE
~~ATTN: ACCOUNTING SECTION
FIRST NATIONAL BANK ALASKA
P.O. BOX 10-0720
ANCHORAGE AK 99510~~

Parcel ID: 10480000
LINDA/NANCY TRIERSCHIED
TRUST/MCGRAW
TRIERSCHIED BUILDING
TRIERSCHIED, L./MCGRAW, NANCY
P.O. BOX 718
SITKA AK 99835-0718

Parcel ID: 10521000
KCCR PROPERTIES, LLC
KCCR PROPERTIES, LLC
P.O. BOX 614
SITKA AK 99835-0614

Parcel ID: 10540000
MICHAEL FINN
FINN, MICHAEL, K.
116 KNUTSON DR
SITKA AK 99835

Parcel ID: 10575000
SNOWDEN GROUP, LLC
SNOWDEN GROUP, LLC
P.O. BOX 178
SITKA AK 99835-0178

Parcel ID: 10605000
LOYAL ORDER OF MOOSE, INC.
LOYAL ORDER OF MOOSE
337 LINCOLN ST.
SITKA AK 99835

Parcel ID: 10747000
DORIK/CAROLYN MECHAU/SERVID
MECHAU, DORIK/SERVID, CAROLYN
209 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10016000
CITY & BOROUGH OF SITKA
CITY HALL
~~C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835~~

Parcel ID: 10258000
CITY & BOROUGH OF SITKA
CRESCENT HARBOR TIDELANDS
~~C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835~~

Parcel ID: 10325000
LORETTA NESS
NESS, LORETTA, J.
102 WINCHESTER WAY
SITKA AK 99835

Parcel ID: 10339000
LUENOR RENTALS, LLC
LUENOR RENTALS, LLC
111 SAND DOLLAR DR
SITKA AK 99835

Parcel ID: 10482000
U.S. RESERVE
U.S. RESERVE
210 SEWARD ST
SITKA AK 99835

Parcel ID: 10525000
TELEPHONE UTILITIES OF
NORTHLAND
~~ATTN: TAX DEPT.
TELEPHONE UTILITIES OF
NORTHLAND
600 TELEPHONE AVE, MS#8~~

Parcel ID: 10545000
CANDI BARGER
BARGER, CANDI, C.
P.O. BOX 365
SITKA AK 99835-0365

Parcel ID: 10590000
SNOWDEN GROUP, LLC
~~SNOWDEN GROUP, LLC
P.O. BOX 178
SITKA AK 99835-0178~~

Parcel ID: 10740000
CRAIG/BRENDA SHOEMAKER
SHOEMAKER, CRAIG, A./BRENDA, S.
P.O. BOX 2174
SITKA AK 99835-2174

Parcel ID: 10748001
WILLIAM/LIBBY STORTZ
STORTZ, WILLIAM, A./LIBBY
215 OBSERVATORY ST
SITKA AK 99835

White Elephant
Easement Review and Lease Renewal
323 Seward Street

Trierschild Trust
PO Box 718
Sitka, AK 99835

Telephone Utilities of Northland
600 Telephone Ave, MS #8
Anchorage, AK 99503

First National Bank of Anchorage
PO Box 10-0720
Anchorage, AK 99510

Parcel ID: 16675000
CITY & BOROUGH OF SITKA
(BAILEY'S MARINE
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16657000
U.S. FOREST SERVICE
FOREST SERVICE DOCK
U.S. FOREST SERVICE
204 SIGANAKA WAY
SITKA AK 99835

Parcel ID: 16655001
C/B OF SITKA
BETWEEN TOTEM SQUARE LANE
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16655000
SCOO, LLC
TOTEM SQUARE
SCOO, LLC
2819 DAWSON ST
ANCHORAGE AK 99503

Parcel ID: 16656000
ALASKA, STATE OF
TOTEM SQUARE LANE
ALASKA, STATE OF
TOTEM SQ LANE
SITKA AK 99835

Parcel ID: 15997000
SITKA TRIBE OF ALASKA
SHEETKA KWAN NAA KAHINI
SITKA TRIBE OF ALASKA
456 KATLIAN ST.
SITKA AK 99835

Parcel ID: 16000000
JAMES/MCCOWAN
MCCOWAN, JAMES, W.
202 KATLIAN, #A
SITKA AK 99835

Parcel ID: 10900000
CITY & BOROUGH OF SITKA
FIREHALL
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10901000
JAMES/JOYCE MARTIN
MARTIN, JAMES, E./JOYCE, M.
830 FRANKTON RD
HOOD RIVER OR 97031

Parcel ID: 16015000
ROBERT/KAREN PARKER
PARKER, ROBERT & KAREN
204 KATLIAN AVE
SITKA AK 99835

Parcel ID: 10835002
R. SCOTT/AURA
HARRIS/KRONSPERGER
HARRIS, R. SCOTT/KRONSPERGER,
LAURA, L.
325 SEWARD ST
SITKA AK 99835

Parcel ID: 10835003
DOROTHY/SHERIE BREEDLOVE
BREEDLOVE, DOROTHY, L./SHERIE, L.
319 SEWARD ST, #B
SITKA AK 99835

Parcel ID: 10905000
DOCK STREET BLDG. CORP.
DOCK STREET BLDG. CORP.
P.O. BOX 7920
KETCHIKAN AK 99901-7920

Parcel ID: 10830000
S & C/M & G SHAFER TRUST/SHIR
SHAFER, ST/CA/ TISHER, M/GL
315 SEWARD ST
SITKA AK 99835

Parcel ID: 10832000
DOROTHY/SHERIE BREEDLOVE
BREEDLOVE, DOROTHY, L./SHERIE,
L
319-B SEWARD ST.
SITKA AK 99835

Parcel ID: 10815000
BRYAN/DANA HOWEY/JORGENSEN-
HOWEY
HOWEY, BRYAN & JORGENSEN-
HOWEY, DANA
P.O. BOX 506
SITKA AK 99835-0506

Parcel ID: 10834001
WHITE ELEPHANT SHOP, INC.
WHITE ELEPHANT(BLDG ONLY)
WHITE ELEPHANT SHOP, INC.
323 SEWARD ST
SITKA AK 99835

Parcel ID: 10820000
STEVEN/KARI FISH/JOHNSON
FISH, STEVEN, T./JOHNSON, KARI, L.
P.O. BOX 6448
SITKA AK 99835-6448

Parcel ID: 10825000
ELIZABETH/GEORG
KILKEARY/HARDISON, III
GEORGE
305 SEWARD STREET
SITKA AK 99835

Parcel ID: 10790000
RACHEL/ MYRON
MYRON, RACHEL, E.
P.O. BOX 53
TENAKEE SPRINGS AK 99841-0053

Parcel ID: 10800000
DARRYL/BERNADET
REHKOPF/RASMUSSEN
REHKOPF, DARRYL/RASMUSSEN,
BERNADETTE
210 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10810000
BARNABY/C.A. DOW/MARIE
DOW, BARNABY & MARIE, CHRISTINE
A
6537 17TH AVE NE
SEATTLE WA 98115

Parcel ID: 10775000
KAREN LUCAS
LUCAS, KAREN, J.
218 OBSERVATORY ST.
SITKA AK 99835

Parcel ID: 10780000
KAREN LUCAS
LUCAS, KAREN,
218 OBSERVATORY ST
SITKA AK 99835

Parcel ID: 10785000
OBSERVATORY, LLC
OBSERVATORY, LLC
P.O. BOX 1785
SITKA AK 99835-1785

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-35

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING THE EXTENSION OF THE LEASE OF THE LAND AT 323 SEWARD STREET TO NOVEMBER 1, 2046 TO WHITE ELEPHANT SHOP, INC.

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to become a part of the Sitka General Code.

2. SEVERABILITY. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstances shall not be affected thereby.

3. PURPOSE. The purpose of this ordinance is to facilitate the continued lease of the land underneath the White Elephant thrift shop for an additional thirty years. The City and Borough Assembly recognizes the considerable contributions the organization makes to the community through the revenues from the thrift store. The extension of the lease would provide an additional degree of certainty, encourage building improvements on the site, and further assist the special community asset known as the White E.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka.

A. The leasing of the approximately 10,559 square foot parcel known as a Portion of Lots 7, 8, C9, and C10 of Block 8 of US Survey to White Elephant Shop Inc. is hereby authorized with the following terms:

- 1) The parcel is valued at \$127,100.
2) The annual lease payments shall be \$1.00 a year consistent with the current lease.
3) The lease shall expire on November 1, 2046 which represents a thirty year extension of the lease that would otherwise expire on November 1, 2016.
4) The lease may be extended after November 1, 2046 for two five year increments by simple motion of the City and Borough Assembly.

B. The Administrator is authorized to execute a lease document consistent with the terms of this ordinance, SGC Title 18 that governs municipal leases, and, existing municipal policies.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 27th day of September, 2016.

Matthew Hunter, Deputy Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-36 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 9/6/2016 In control: City and Borough Assembly

On agenda: 9/27/2016 Final action:

Title: Authorizing the lease of 7109 square feet of ATS 15 tidelands adjacent 1 Lincoln Street to Petro Marine Services

Sponsors:

Indexes:

Code sections:

Attachments: [Ord 2016-36 rotated.pdf](#)

Date	Ver.	Action By	Action	Result
9/13/2016	1	City and Borough Assembly		
9/13/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-36 on
second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mark Gorman, Municipal Administrator
Mayor McConnell and Members of the Assembly

From: Maegan Bosak, Planning and Community Development Director *MB*
Samantha Pierson, Planner I *SP*

Subject: Lease of Tidelands to Petro Marine Services

Date: September 21, 2016

Recently Petro Marine Services approached the Planning Department with a request to lease tidelands from the City and Borough of Sitka. The Planning Department is processing this request in accordance with existing procedures. Following SGC, an ordinance is required to authorize the Class III tideland lease. Petro Marine is requesting approval from the Assembly in order to proceed with the tideland lease.

The Planning Commission heard the request for preliminary approval at their May 17, 2016 meeting. The Commission voted 5-0 to recommend preliminary approval of the tideland lease. The Assembly heard the request for preliminary approval at their June 14, 2016 meeting and voted to recommend preliminary approval 6-0. The Historic Preservation Commission reviewed the lease and dock project on July 28, 2016, and recommended approval on a 4-0 vote. The Planning Commission approved a minor subdivision to create the lease parcel after two public hearings on July 19, 2016 and August 16, 2016. The plat will be recorded after the lease is finalized. Port and Harbors Commission moved to extend support for the lease on September 19, 2016 on a 4-0 vote.

The tidelands request is 7109 square feet, and is adjacent to property owned by Harbor Enterprises, Inc. at 1 Lincoln Street. The parcel is a portion of ATS 15. The tidelands are submerged. The applicant states the intent to build a new fuel dock on the tidelands in order to improve customer access to fuel services. In addition, the proposed dock is designed to better contain fuel spills than the existing dock. The applicant has requested a 50 year lease.

The City Assessor, Wendy Lawrence, determined a fee simple assessed value of \$102,300.00. Code assigns an annual lease rate of 4.5%, resulting in a minimum annual lease payment of \$4603.50. Petro Marine Services has an upland property owner preference right, and no other uplands owners have expressed interest in leasing the parcel.

RECOMMENDED ACTION: Pass a motion granting approval of the lease.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-36

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA
AUTHORIZING THE LEASE OF 7109 SQUARE FEET OF ATS 15 TIDELANDS
ADJACENT 1 LINCOLN STREET TO PETRO MARINE SERVICES

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to become a part of the Sitka General Code.

2. SEVERABILITY. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person or circumstances shall not be affected thereby.

3. PURPOSE. The purpose of this ordinance is to facilitate the lease of a 7109 square foot portion of tidelands adjacent to 1 Lincoln Street to Petro Marine Services for the construction of a new fuel dock.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka.

A. The leasing of a 7109 square foot parcel of ATS 15 adjacent 1 Lincoln Street is hereby authorized with the following terms:

- 1) The parcel is valued at \$102,300.00.
2) The annual lease payments shall be \$4603.50 a year.
3) The lease shall expire on October 1, 2066.

B. The Administrator is authorized to execute a lease document consistent with the terms of this ordinance, SGC Title 18 that governs municipal leases, and, existing municipal policies.

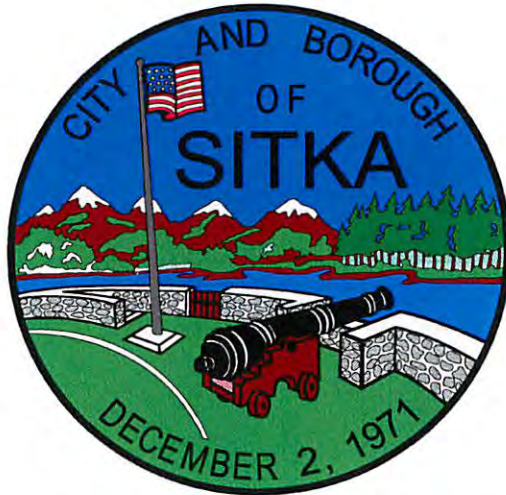
5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 27th day of September, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



LEASE AGREEMENT

BETWEEN

**THE
CITY AND BOROUGH OF SITKA**

AND

**PETRO MARINE SERVICES
7109 Square Feet of ATS 15**

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**LEASE AGREEMENT BETWEEN
CITY AND BOROUGH OF SITKA
AND PETRO MARINE SERVICES**

PREAMBLE

City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 ("CBS") and Petro 49, Inc., whose mailing address is PO Box 389, Seward, Alaska 99664 ("Tenant"), enter into this Lease Agreement Between City And Borough of Sitka and Petro 49, Inc. ("Lease"). This Lease consists of the Special Provisions, General Provisions, and the following attached Exhibit:

Exhibit A – Description of the area leased

SPECIAL PROVISIONS

ARTICLE I: LEASE, TERM OF LEASE, AND TERMINATION OF LEASE

Section 1.1 Conveyance of Estate in Lease.

CBS, for and in consideration of the Rents received and of the covenants and agreements made by Tenant, does lease to Tenant, and Tenant leases from CBS, the "Subject Property" as shown on Exhibit A. Exhibit A shows an approximately 7109 square foot parcel of ATS 15 tidelands adjacent 1 Lincoln Street in Sitka, Alaska for purposes of constructing a fuel dock.

Section 1.2 Lease Term.

The Lease term is for fifty (50) years and commences on October 1, 2016, and ends on October 1, 2066, unless sooner terminated or extended as provided in this Lease.

Section 1.3 Disposition of Improvements and Tenant's Personal Property Following Term of Lease.

With the exception of such improvements described in the next sentence, Tenant shall remove from the Subject Property any personal property or improvements constructed, installed, or deposited on the Subject Property at the termination of this Lease or any extension unless Tenant makes a separate written agreement with CBS to do otherwise. Subject to the provisions of the next sentence, Tenant shall leave behind at no cost to CBS improvements including: bollards, ladders, drains and drain lines; toilets; bathroom sinks; building systems and their components such as plumbing, piping, and fixtures; building structural components; non-structural improvements such as walls and ceilings; devices not used for processing or manufacturing such as but not limited to electrical service entrance equipment, electrical distribution panels, electrical cables, feeders, branch circuit wiring, and appurtenances such as light fixtures, switches, and other devices; portable fire extinguishers, smoke detectors, and fire and life safety equipment attached or fastened in ways integral to the building in which Subject Property is located. Any improvements or personal property not removed after thirty (30) days have passed after termination of this Lease shall be deemed abandoned, and at CBS's option, shall become the

property of CBS. Tenant shall repay to CBS any costs of removing such improvements or personal property from the Subject Property if CBS does not exercise such option. Subject to CBS's obligations under Subsection 3.1 below, Tenant agrees to leave Subject Property in a neat, clean, and weather-tight condition at the end of the term of the Lease.

Section 1.4 Covenants to Perform.

This Lease is made upon the above and the following terms and conditions, each of which the Party bound by such covenants and conditions agrees to perform, irrespective of whether the particular provision is in the form of a covenant, an agreement, a condition, a direction, or otherwise, and each Party agrees to provide the other Party with documents or further assurances as may be required to carry out the expressed intentions.

ARTICLE II RENT

Section 2.1 Calculation & Method of Payment of Rent During the Fifty-Year Term of the Lease.

The first year of the Lease begins on the commencement date of this Lease set out in Article I. Each successive year of the Lease begins on the corresponding anniversary commencement date of the Lease. Notwithstanding any other provision of this Lease, on the term start date set out in Article I, Tenant shall pay Rent each year in advance on the term start date at a rate of \$4603.50/year.

Section 2.2 Cost of Living Adjustment to Lease Rate.

Rent as set in Section 2.1 will be adjusted annually based on the percentage difference between the "All Items" figure for Anchorage, Alaska in the "Consumer Price Index for All Urban Consumers," beginning with the edition published the soonest after January 1. The adjustment shall occur annually on April 1, and shall apply to all subsequent month's sublease payments. The adjustment shall be determined by dividing the most recent CPI by the preceding year CPI and multiplying the result times the monthly sublease payment and add the result to current sublease payments. Tenant is required to make such adjustments on its own each year.

Section 2.3 Property Tax Responsibility.

Beginning with the term of this Lease and each calendar year after, Tenant will be responsible to pay CBS property taxes for its possessory interest in the building, land, and equipment to the extent taxable as determined by the Municipal Assessor.

ARTICLE III: RESTRICTIONS UPON USE OF SUBJECT PROPERTY

Section 3.1 Tenant's Obligations as to Construction, Maintenance, Repair and Safety

(a) Except as otherwise provided in this Lease, Tenant acknowledges the leasehold is in an "as is" condition. At the sole cost and expense of Tenant and in compliance with all legal requirements, Tenant may purchase, construct, develop, repair, transfer to the Lease property, and/or maintain

any improvements, personal property, fixtures, and other items on the interior Subject Property in a first-class manner using materials of good quality.

(b) Tenant acknowledges that CBS has made no representation or warranty with respect to Tenant's ability to obtain any permit, license, or approval.

(c) Tenant shall also use the Subject Property and any improvements placed on the Subject Property only for lawful uses and as specified in the Lease.

(d) Tenant shall confine their equipment, storage and operation to the leasehold area.

(e) Tenant shall not permit the accumulation of waste or refuse matter on the Subject Property, and Tenant shall not obstruct or permit the obstruction of the streets, sidewalks, access ways, or alleys adjoining the Subject Property, except as may be permitted by CBS or other municipal authorities having jurisdiction. Tenant shall do all things necessary during the term of this Lease Agreement to remove any dangerous condition from time to time existing on the Subject Property as the result of the use by Tenant.

Section 3.2 CBS's Approval of Certain Alterations or Improvements.

Tenant shall not make or permit to be made any alteration of, addition to, or change in, structures and improvements, nor demolish all or any part of the structures or improvements without the prior written consent of CBS, which consent shall not be unreasonably withheld. The phrase "structures and improvements" in the previous sentence includes water and wastewater systems and electrical systems. In requesting consent, Tenant shall comply with all applicable laws and ordinances, and shall submit to the Public Works Director of CBS or his or her written designee detailed plans and specifications of proposed work, an explanation of the needs and reasons for the work, and a plan of full payment of the costs of the work. CBS shall notify Tenant of its approval or objections no later than 30 days after receiving the information described in the previous sentence. In approving or objecting, CBS shall be acting in its proprietary function and not its regulatory function, any such approval in this proprietary function does not relieve Tenant of any obligation to obey the law. Nothing in this Section shall be interpreted to prevent Tenant from removing at the termination of this Lease any improvements or personal property as described in Section 1.4.

Section 3.3 Rights of Access to Property

(a) CBS reserves for itself and any public utility company the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of opening, inspecting, repairing, replacing, reconstructing, maintaining, or servicing the public utilities, if any, located on the Subject Property, as well as for the purposes of constructing or installing new public utilities. CBS also reserves for itself and the Alaska Department of Environmental Conservation the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of regulation and enforcement of this Lease. CBS also reserves for itself the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of (1) inspection of all work being performed in connection with the construction of improvements; (2) showing Subject Property for exhibiting Subject Property in connection with renting or leasing Subject Property in a matter that will not unreasonably interfere with Tenant's business; and (3) placing

"For Sale" or "For Rent" signs on Subject Property. Tenant shall not charge for any of the access allowed in the situations described in this subsection.

(b) Tenant shall not construct any permanent improvements over or within the boundary lines of any easement for public utilities without receiving the written prior consent of CBS and any applicable utility company.

(c) Tenant acknowledges that the Subject Property is or shall be subject to agreements for ingress and egress, utilities, parking, and maintenance. Tenant agrees that it shall comply with the terms of such cooperative agreements, in accordance with the terms of such agreements, those portions of such maintenance expenses that are attributable to the Subject Property, as more fully set forth therein.

Section 3.4 Additional Conditions of Subleasing.

Tenant recognizes and shall cause all beneficiaries of Tenant and all permitted successors in interest in or to any part of the Subject Property to recognize that:

(a) Tenant will cooperate with CBS equipment and building maintenance contractor and will notify CBS of any maintenance deficiencies or of any equipment failures that require maintenance or repair. Tenant will be provided a 24 hour telephone number to notify CBS of any event that requires immediate response by CBS.

(b) Lease payments will be made in yearly installments in advance in cash or by check, bank draft or money order made available to the City and Borough of Sitka. Installments to be delivered or mailed to 100 Lincoln Street, Sitka, Alaska 99835, by or on the first day of each calendar year.

(c) Lease payments shall become delinquent if not paid within ten (10) days after the due date. Delinquent payments are subject to a late charge of \$25 and interest accrued from the due date at 12% annum.

(d) The charges and fees paid by Tenant to CBS must be separated according to the CBS accounting standards.

(e) CBS will only invoice if Lease payments are delinquent. CBS will only invoice if failure to make Lease payment within 30 days of due date. CBS at its option can terminate the Lease for Tenant's failure to make payment, and in accordance with this Lease.

(f) Tenant covenants and agrees that as it relates to use of the Subject Property, it will not, on the grounds of race, color or national origin, discriminate or permit discrimination against any person or group of person in any manner prohibited by Federal, State or local laws or regulations promulgated under such laws, and Tenant further grants CBS the right to take such action to enforce such covenant as it deems necessary or as it is directed pursuant to any Federal, State or local laws or regulations.

(g) CBS may, upon at least 10 days prior written notice to Tenant, temporarily suspend the supply of water, wastewater service, the supply of electric power, the use of pipelines, or the use of the Improvements in order to perform routine maintenance and, in all events, subject to unavoidable delays. Such interruptions shall be of as short duration as necessary to perform such maintenance, and CBS shall not be responsible for any such costs or expenses as a result of suspending such utilities.

(h) Tenant shall timely pay the CBS Fire Marshal or Building Inspector fees and other building permit fees, and shall also timely file and pay all applicable property taxes and assessments, including sales taxes. These include any Local Improvement District costs that may be assessed.

(i) Tenant shall be responsible for taking any measures that Tenant deems necessary to provide security for their property. CBS is not responsible for theft or vandalism.

(j) CBS sales tax applies to Lease payments. Sales tax rates, limits, exemptions, and exclusions are subject to change by the CBS Assembly.

(k) Tenant shall timely pay all other CBS billings (i.e., electricity, business taxes, etc.).

(l) Failure of Tenant to file and pay such CBS taxes, and pay utilities, assessment payments, etc. may subject this Lease to be terminated.

(m) Petro Marine Services shall individually and severally be liable under this Lease to comply with all of its provisions.

Section 3.5 Control of Rodents and Other Creatures on Subject Property.

Tenant shall take reasonable affirmative measures to ensure that its operations do not attract to Subject Property any of the following creatures: rodents, vermin, insects, eagles, crows, ravens, seagulls, mink, otters, or bears.

ARTICLE IV UTILITY SERVICES & RATES

Section 4.1 Provision of Utility Services.

Tenant will pay for utilities, if available.

Section 4.2 Rates for Utility Services Provided by CBS.

Utility rates charged by CBS for utility services shall be those set forth in CBS's Customer Service Policy and/or Sitka General Code. Tenant acknowledges the requirements of Section 9.4 as to utility lines. The Assembly of CBS may change utility rates from time to time by amending the Customer Service Policies and/or Sitka General Code.

Section 4.3 Tenant to Pay for Utility Services.

Tenant will pay, or cause to be paid, all proper charges for any of the following, if available: electricity and solid waste; sewer and water; and for all other public or private utility services,

which shall be used by or supplied to the Subject Property at any time during the term of this Lease. In the event that any charge, cost, or expense for any of the above-mentioned utility services or for any of the other above-mentioned services shall not be paid when due and payable, CBS shall have the right, but shall not be obligated, to pay it, with the understanding that amounts paid by CBS shall constitute additional rent due and payable under this Lease, and shall be repaid to CBS by Tenant immediately on rendition of a bill by CBS. Interest at the highest rate allowable by law shall be added as a charge for unpaid utility bills paid by CBS on behalf of Tenant. CBS reserves the right to suspend utility services if Tenant does not pay for utility services. Failure to timely pay utility services may also result in CBS terminating this Lease.

Section 4.4 CBS Not Liable for Failure of Utilities or Building.

Except to the extent that any such failure, injury, or other casualty is due to CBS's negligence or breach of any obligation under this Lease, CBS shall not be liable for any failure of building roof, water supply, sewer, or electric current, or for any injury or damages to person or property caused by or resulting from any natural disaster, natural condition, gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain, or snows which may leak or flow from the street, sewer, or from any part of the building or the Subject Property, or leakage of gasoline or gas from pipes, appliances, sewer, or plumbing works or from any other place. CBS shall not be held responsible or liable for any claim or action due to or arising from any suspension of operation, breakage, unavoidable accident or injury of any kind occurring to, or caused by the sewer mains by an act of God, beyond CBS's control, or caused by the elements, strikes, riots, or a terrorist or terrorists.

Section 4.5. Requirement Regarding Potable Water Services.

All potable water services will be metered and protected by approved backflow prevention in accordance with Customer Service Policies and/or Sitka General Code.

ARTICLE V LIABILITY

Section 5.1 Limits on CBS Liability Limitation.

Tenant agrees to indemnify, defend, and save harmless CBS against and from any and all claims by or on behalf of any person, firm, or corporation arising, other than due to acts or omissions of CBS, from the conduct or management of or from any work or thing whatsoever done in or about the Subject Property and structures and improvements, including liability arising from products produced on the property. Tenant also agrees to indemnify, defend, and save CBS harmless against and from any and all claims and damages arising, other than due to acts or omissions of CBS, during the term of this Lease from: (a) any condition of the Subject Property or improvements placed on it; (b) any breach or default on the part of Tenant regarding any act or duty to be performed by Tenant pursuant to the terms of this Lease; and (c) any act or negligence of Tenant or any of its agents, contractors, servants, employees or licensees. Tenant agrees to indemnify, defend, and save harmless CBS from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of CBS, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements are in addition to and not

by way of limitation of any other covenants in this Lease to indemnify or compensate CBS. The agreements by Tenant do not apply to any claims of damage arising out of the failure of CBS to perform acts or render services in its municipal capacity.

Section 5.2 Limits on Tenant Liability.

Except to the extent of liabilities arising from Tenant's acts or omissions, CBS indemnifies, defends, and holds Tenant harmless for liabilities to the extent that they were incurred by reason of conditions existing on the site as of the date of execution of this Lease or by reasons of CBS's acts or omissions. CBS also agrees to indemnify, defend, and save Tenant harmless against and from any and all claims and damages arising, other than due to acts or omissions of Tenant, during the term of this Lease from (a) any condition of the Subject Property or improvements placed on it by CBS; (b) any breach or default on the part of CBS regarding any act or duty to be performed by CBS pursuant to the terms of the Lease; and (c) any act or negligence of CBS or any of its agents, contractors, servants, employees, or licensees. CBS agrees to indemnify, defend, and save harmless Tenant from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Tenant, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements are in addition to and not by way of limitation of any other covenants in this Lease to indemnify or compensate Tenant.

Section 5.3 Reimbursement of Costs of Obtaining Possession.

Each Party agrees to pay and to indemnify the other Party prevailing in any dispute under this Lease against, all costs and charges, including but not limited to, full reasonable counsel and legal fees lawfully and reasonably incurred in enforcing any provision of this Lease including obtaining possession of the Subject Property and establishing CBS's title free and clear of this Lease upon expiration or earlier termination of this Lease.

GENERAL PROVISIONS

ARTICLE VI DEFINITIONS

Section 6.1 Defined Terms.

For the purposes of this Lease, the following words shall have the meanings attributed to them in this Section:

(a) "Event of Default" means the occurrence of any action specified in Section 14.1.

(b) "Imposition" means all of the taxes, assessments, fees, utility rates or charges, levies and other governmental charges, levied or assessed against the Subject Property; any part of the Subject Property, or any right or interest or any rent, taxes and income received, including sales taxes on rent.

(c) "Improvements" or "improvements" means all buildings, structures and improvements of any nature now or in the future located upon the Subject Property, as well as all apparatus and equipment necessary for the complete and comfortable use, occupancy, enjoyment and operation of the Subject Property, including fittings, appliances, machinery, garage equipment, heating equipment, lighting equipment, cooling equipment, air conditioning and ventilating equipment, wiring, controls, communications equipment, plumbing, switchboards, antennae, floor coverings, refrigerating equipment, hot water heating and all other appliances and equipment; excepting only in each case articles of personal property appurtenances and fixtures (including trade fixtures) owned by Tenant, sublessees, or others, which can be removed without defacing or materially injuring the improvements remaining on the Subject Property, with the portion of the Subject Property from which such items are removed being returned to a condition at least as good as that existing on the date of this Lease.

(d) "Personal Property" means tangible personal property owned or leased and used by Tenant or any sublessee of Tenant, in connection with and located upon the Subject Property.

(e) "Premises" means the "Subject Property."

(f) "Rent" means the lease rate, which is the amount Tenant periodically owes and is obligated to pay CBS as lease payments under this Lease for the use of the Subject Property.

(g) "Subject Property" is the area leased as shown on Exhibit A.

(h) "Sublessee" means any subtenant, concessionaire, licensee, or occupant of space in or on the Subject Property holding by or through Tenant; the term "sublease" shall mean any lease, license, concession or other agreement for the use and occupancy of any part of the Subject Property made by any Person holding by or through Tenant, which has been approved by CBS Assembly.

(i) "Term" means the period of time Tenant rents or leases the Subject Property from CBS.

ARTICLE VII INSURANCE

Section 7.1 Insurance

Tenant shall have and maintain property damage and comprehensive general liability insurance in the amount of five million dollars (\$5,000,000), including leasehold improvements. CBS shall be named as an additional insured. Additionally, Tenant shall have the statutory amount of any Worker's Compensation.

Section 7.2 Notification of Claim, Loss, or Adjustment

Tenant shall advise CBS of any claim, loss, adjustment, or negotiations and settlements involving any loss on the Subject Property under all policies of the character described in section 7.1.

Section 7.3 Waiver of Subrogation

The Party insured (or so required) releases the other Party from any liability the other Party may have on account of loss, cost, damage or expense to the extent of any amount recoverable by reason

of insurance and waives any right of subrogation which might otherwise exist in or accrue to any person on account of the following circumstances: (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the Parties to this Lease, or anyone claiming under it in connection with the Subject Property or improvements; and (ii) the Party is then covered in whole or in part by insurance with respect to loss, cost, damage or expense or is required under this Lease to be insured. The release of liability and waiver of the right of subrogation shall not be operative in any case where the effect is to invalidate the insurance coverage or increase its cost. In the case of increased cost, the other Party shall have the right, within thirty (30) days following written notice, to pay the increased cost keeping the release and waiver in full force and effect.

ARTICLE VIII RESTRICTIONS REGARDING ASSIGNMENT, LEASES, AND TRANSFERS OF SUBJECT PROPERTY

Section 8.1 Tenant Without Power to Assign, Lease, or Encumber Subject Property.

Tenant has no power without CBS Assembly approval under this Lease to assign the Lease. Tenant has no power under this Lease to transfer the Subject Property. Tenant has no power to encumber Subject Property or pledge its interest in Subject Property as collateral for a loan or mortgage, or allow any liens to be filed against the Subject Property. Any such actions under this section may cause termination of the Lease.

Section 8.2 Limitations on Leases.

Tenant shall not sublease the Subject Property or any portion of it without the prior written approval of CBS Assembly. All subleases entered into demising all or any part of the Improvements or the Subject Property shall be expressly subject and subordinate to this Lease. CBS's consent to a sublease of the Subject Property shall not release Tenant from its obligations under the Lease. CBS's consent to a sublease shall not be deemed to give any consent to any subsequent subletting.

ARTICLE IX USE AND PROTECTION OF THE SUBJECT PROPERTY

Section 9.1 Property As Is - Repairs.

Tenant acknowledges that it has examined the Subject Property and the present improvements including any public improvements presently located there, and knows the condition of them, and accepts them in their present condition without any representations or warranties of any kind or nature whatsoever by CBS as to their condition or as to the use or occupancy which may be made of them. Tenant assumes the sole responsibility for the condition of the improvements located on the Subject Property. The foregoing shall not be deemed to relieve CBS of its general municipal obligations, or of its obligations under Section 3.1 above or under Subsection 9.1(c) below.

Section 9.2 Compliance with Laws.

Tenant shall throughout any term of this Lease, at Tenant's sole expense, promptly comply with all the laws and ordinances and the orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards, and officers and all other legal requirements that may be applicable to the Subject Property and its use. Nothing in

the foregoing sentence shall be deemed to relieve CBS of its general obligations to CBS and Borough of Sitka in its municipal capacity.

Section 9.3 Notification of City and Borough of Sitka's Public Works Director of Discovery of Contamination.

Tenant shall promptly notify the Public Works Director of CBS within 24 hours if any contaminated soils or other contaminated materials that require special handling are encountered during construction or other activities.

Section 9.4 Use of Utility Lines.

Tenant shall connect or otherwise discharge to such utility lines as approved by the Director of Public Works and/or Electric Department, and shall obtain any permits and comply with any conditions specified by the Director of Public Works and/or Electric Department for such connections.

Section 9.5 Permits and Approvals for Activities.

Tenant shall be responsible for obtaining all necessary permits and approvals including food processing for its activities unless otherwise specifically allowed by CBS. Not less than ten (10) days in advance of applying for permits to any public entity other than CBS, Tenant shall provide copies of all permit applications and associated plans and specifications to CBS Director of Public Works to facilitate review by departments of CBS. CBS is not obligated to comment on the permit applications and plans, and the result of any review by CBS does not affect Tenant's obligation to comply with any applicable laws.

ARTICLE X CBS'S RIGHT TO PERFORM TENANT'S COVENANTS; REIMBURSEMENT OF CBS FOR AMOUNTS SO EXPENDED

Section 10.1 Performance of Tenant's Covenants To Pay Money.

Tenant covenants that if it shall at any time default resulting as condition of the Lease or shall fail to timely make any other payment (other than Rent), and the failure shall continue for ten (10) days after written notice to Tenant, then CBS may, but shall not be obligated so to do, and without further notice to or demand upon Tenant and without releasing Tenant from any obligations of Tenant under this Lease, make any other payment in a manner and extent that CBS may deem desirable.

Section 10.2 CBS's Right To Cure Tenant's Default.

If there is a default involving the failure of Tenant to keep the Subject Property in good condition and repair in accordance with the provisions of this Lease, to make any necessary renewals or replacements or to remove any dangerous condition in accordance with the requirements of this Lease or to take any other action required by the terms of this Lease, then CBS shall have the right, but shall not be required, to make good any default of Tenant. CBS shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of or to Tenant by reason of bringing materials, supplies and equipment into or through the building during the course of the work required to be done to make good such default. The obligations of Tenant under this Lease shall remain unaffected by such work, provided that CBS uses reasonable care under the

circumstances prevailing to avoid unnecessary inconvenience, annoyance, disturbance, loss of business, or other damage to Tenant.

Section 10.3 Reimbursement of CBS and Tenant.

All sums advanced by CBS pursuant to this Article and all necessary and incidental costs, expenses and attorney's fees in connection with the performance of any acts, together with interest at the highest rate of interest allowed by law from the date of the making of advancements, shall be promptly payable to CBS by Tenant in the respective amounts so advanced. This reimbursement shall be made on demand, or at the option of CBS, may be added to any Rent then due or becoming due under this Lease. Tenant covenants to pay the sum or sums with interest. CBS shall have, in addition to any other right or remedies, the same rights and remedies in the event of the nonpayment by Tenant as in the case of default by Tenant in the payment of any installment of Rent.

Conversely, Tenant shall be entitled to receive from CBS prompt payment or reimbursement on any sums due and owing from CBS to Tenant, together with interest at the highest rate allowed by law. However, nothing contained in this Lease shall entitle Tenant to withhold any Rent due to CBS or to offset or credit any sums against rent, except with respect to unpaid Rent due from CBS to Tenant under any sublease of Subject Property.

ARTICLE XI MECHANIC'S LIENS

Section 11.1 Discharge of Mechanics' Liens.

Tenant shall neither suffer nor permit any mechanics' liens to be filed against the title to the Subject Property, nor against Tenant's interest in the Subject Property, nor against the improvements by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant or anyone having a right to possession of the Subject Property or Improvements as a result of an agreement with or the assent of Tenant. If any mechanics' lien shall be filed against the Subject Property, including the Improvements, Tenant shall cause it to be discharged of record within 30 days after the date that Tenant has knowledge of its filing. Failure to comply may subject the Lease to be terminated.

ARTICLE XII LIEN FOR RENT AND OTHER CHARGES

Section 12.1 Lien for Rent.

The whole amount of the Rent and each and every installment, and the amount of all taxes, assessments, utility payments, insurance premiums and other charges, fees and impositions paid by CBS under the provisions of this Lease, and all costs, attorney's fees and other expenses which may be incurred by CBS in enforcing the provisions of this Lease or on account of any delinquency of Tenant in carrying out any of the provisions of this Lease, shall be and they are declared to constitute a valid and prior lien against property of Tenant, except the Subject Property, and may be enforced by law and equitable remedies, including the appointment of a receiver.

ARTICLE XIII DEFAULT PROVISIONS

Section 13.1 Events of Default.

Each of the following events is defined as an "Event of Default":

(a) Failure of Tenant to pay any Installment of Rent, or any other payments or deposits of money, or furnish receipts for deposits as required, when due and the continuance of the failure for a period of ten (10) days after notice in writing from CBS to Tenant.

(b) Failure of Tenant to perform any of the other covenants, conditions and agreements under this Lease, including filing tax forms and/or payment of taxes, fees, utilities, and the continuance of failure for a period of thirty (30) days after CBS's notice in writing. The notice shall specify the respects in which CBS contends that Tenant has failed to perform any of the covenants, conditions and agreements. With respect to any default which cannot be cured within thirty (30) days, Tenant, or any person holding by, through or under Tenant, in good faith, promptly after receipt of written notice, shall have commenced and shall continue diligently and reasonably to prosecute all action necessary to cure the default within an additional 60 days.

(c) The filing of an application by Tenant (the term, for this purpose, to include any approved transferee other than a sublessee of Tenant's interest in this Lease): (i) for a consent to the appointment of a receiver, trustee or liquidator of itself or all its assets; (ii) of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing of its inability to pay its debts as they come due; (iii) of a general assignment for the benefit of creditors; or (iv) of an answer admitting the material allegations of, or its consenting to, or defaulting in answering, a petition filed against it in any bankruptcy proceeding.

(d) The entry of an order, judgment or decree by any court of competent jurisdiction, adjudicating Tenant a bankrupt, or appointing a receiver, trustee or liquidator of it or of its assets, and this order, judgment or decree continuing unstayed and in effect for any period of 60 consecutive days, or if this Lease is taken under a writ of execution.

Section 13.2 Assumption or Assignment of Lease to Bankruptcy Trustee.

In the event that this Lease is assumed by or assigned to a trustee pursuant to the provisions of the Bankruptcy Reform Act of 1978 (referred to as "Bankruptcy Code") (11 U.S.C. § 101 et seq.), and the trustee shall cure any default under this Lease and shall provide adequate assurances of future performance of this Lease as are required by the Bankruptcy Code (including but not limited to, the requirement of Code § 365(b)(1)) (referred to as "Adequate Assurances"), and if the trustee does not cure such defaults and provide such adequate assurances under the Bankruptcy Code within the applicable time periods provided by the Bankruptcy Code, then this Lease shall be deemed rejected automatically and CBS shall have the right immediately to possession of the Subject Property immediately and shall be entitled to all remedies provided by the Bankruptcy Code for damages for breach or termination of this Lease.

Section 13.3 Remedies in Event of Default.

CBS may treat any one or more of the Events of Default as a breach of this Lease. At its option, by serving written notice on Tenant and each Secured Party and Leasehold Mortgagee of whom CBS has notice (such notice not to be effective unless served on each such person) of the Event of Default, CBS shall have, in addition to other remedies provided by law, one or more of the following remedies:

(a) CBS may terminate this Lease. In such an event, CBS may repossess the entire Subject Property and Improvements, and be entitled also to recover as damages a sum of money equal to the value as of the date of termination of this Lease, of the Rent due from Tenant for the balance of the stated term of this Lease, and any other sum of money and damages due under the terms of this Lease to CBS. Any personal property not removed after such termination shall be addressed as provided for in Section 1.3 above.

(b) CBS may terminate Tenant's right of possession and may repossess the entire Subject Property and Improvements by forcible entry and detainer suit or otherwise, without demand or notice of any kind to Tenant (except as above expressly provided for) and without terminating this Lease. In such event, CBS may, but shall be under no obligation to do so, relet all or any part of the Subject Property for rent and upon terms as shall be satisfactory in the judgment reasonably exercised by CBS (including the right to relet the Subject Property for a term greater or lesser than that remaining under the stated term of this Lease). For the purpose of reletting, CBS may make any repairs, changes, alterations or additions in or to the Subject Property and Improvements that may be reasonably necessary or convenient in CBS's judgment reasonably exercised. If CBS shall be unable, after a reasonable effort to do so, to relet the Subject Property, or if the Subject Property and building are relet and a sufficient sum shall not be realized from reletting after paying all of the costs and expenses of repairs, change, alterations and additions and the expense of reletting and the collection of the Rent accruing from it, to satisfy the Rent above provided to be paid, then Tenant shall pay to CBS as damages a sum equal to the amount of the Rent reserved in this Lease for the period or periods as and when payable pursuant to this Lease. If the Subject Property or any part of it has been relet, Tenant shall satisfy and pay any deficiency upon demand from time to time. Tenant acknowledges that CBS may file suit to recover any sums falling due under the terms of this section from time to time, and that any suit or recovery of any portion due Tenant shall be no defense to any subsequent action brought for any amount not reduced to judgment in favor of CBS. Any personal property not removed after such termination shall be addressed as provided for in Section 1.3 above.

(c) In the event of any breach or threatened breach by Tenant of any of the terms, covenants, agreements, provisions or conditions in this Lease, CBS shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as through reentry, summary proceedings, and other remedies not specifically provided for in this Lease.

(d) Upon the termination of this Lease, or upon the termination of Tenant's right of possession, whether by lapse of time or at the option of CBS, Tenant will at once surrender possession of the Subject Property and dispose of personal property and Improvements as described in Section 1.3. If possession is not immediately surrendered, CBS may reenter the Subject Property and

Improvements and repossess itself of it as of its former estate and remove all persons and their personal property, using force as may be necessary, without being deemed guilty of any manner of trespass or forcible entry or detainer. CBS may at its option seek expedited consideration to obtain possession if CBS determines that the Lease has terminated as described in the first sentence of this paragraph, and Tenant agrees not to oppose such expedited consideration.

(e) In the event that Tenant shall fail to make any payment required to be made provided for in this Lease or defaults in the performance of any other covenant or agreement which Tenant is required to perform under this Lease during the period when work provided for in this Lease shall be in process or shall be required by the terms of this Lease to commence, CBS may treat the default as a breach of this Lease and, in addition to the rights and remedies provided in this Article, but subject to the requirements of service of notice pursuant to this Lease, CBS shall have the right to carry out or complete the work on behalf of Tenant without terminating this Lease.

Section 13.4 Waivers and Surrenders To Be In Writing.

No covenant or condition of this Lease shall be deemed to have been waived by CBS unless the waiver be in writing, signed by CBS, or CBS's agent duly authorized in writing and shall apply only with respect to the particular act or matter to which the consent is given. It shall not relieve Tenant from the obligation, wherever required under this Lease, to obtain the consent of CBS to any other act or matter.

ARTICLE XIV CBS'S TITLE AND LIEN

Section 14.1 CBS's Title and Lien Paramount.

CBS will hold title to the Subject Property.

Section 14.2 Tenant Not To Encumber CBS's Interest.

Tenant shall have no right or power to and shall not in any way encumber the title of CBS regarding the Subject Property. The fee-simple estate of CBS in the Subject Property shall not be in any way subject to any claim by way of lien or otherwise, whether claimed by operation of law or by virtue of any express or implied lease or contract or other instrument made by Tenant. Tenant's interest in the Improvements shall in all respects be subject to the paramount rights of CBS in the Subject Property.

ARTICLE XV REMEDIES CUMULATIVE

Section 15.1 Remedies Cumulative.

No remedy conferred upon or reserved to CBS shall be considered exclusive of any other remedy, but shall be cumulative and shall be in addition to every other remedy given under this Lease or existing at law or in equity or by statute. Every power and remedy given by this Lease to CBS may be exercised from time to time and as often as occasion may arise or as may be deemed expedient by CBS. No delay or omission of CBS to exercise any right or power arising from any default shall impair any right or power, nor shall it be construed to be a waiver of any default or any acquiescence in it.

Section 15.2 Waiver of Remedies Not To Be Inferred.

No waiver of any breach of any of the covenants or conditions of this Lease shall be construed to be a waiver of any other breach or to be a waiver of, acquiescence in, or consent to any further or succeeding breach of it or similar covenant or condition.

Section 15.3 Right to Terminate Not Waived.

Neither the rights given to receive, sue for or distrain from any rent, moneys or other payments, or to enforce any of the terms of this Lease, or to prevent the breach or nonobservance of it, nor the exercise of any right or of any other right or remedy shall in any way impair or toll the right or power of CBS to declare ended the term granted and to terminate this Lease because of any event of default.

ARTICLE XVI SURRENDER AND HOLDING OVER

Section 16.1 Surrender at End of Term.

On the last day of the last Lease Year of the original term, or on the earlier termination of the term, Tenant shall peaceably and quietly leave, surrender and deliver the entire Subject Property to CBS, subject to the provisions of Section 1.3, in good repair, order, and condition, reasonable use, wear and tear excepted, free and clear of any and all mortgages, liens, encumbrances, and claims. At the time of the surrender, Tenant shall also surrender any and all security deposits and rent advances of Sublessees to the extent of any amounts owing from Tenant to CBS. If the Subject Property is not so surrendered, Tenant shall repay CBS for all expenses which CBS shall incur by reason of it, and in addition, Tenant shall indemnify, defend and hold harmless CBS from and against all claims made by any succeeding Tenant against CBS, founded upon delay occasioned by the failure of Tenant to surrender the Subject Property.

Section 16.2 Rights Upon Holding Over.

At the termination of this Lease, by lapse of time or otherwise, Tenant shall yield up immediately possession of the Subject Property to CBS and failing to do so agrees at the option of CBS, to pay to CBS for the whole time such possession is withheld, a sum per day equal to one hundred and seventy-five percent (175%) times $1/365^{\text{th}}$ of the aggregate of the Rent paid or payable to CBS during the last year of the term of the Lease. The provisions of this Article shall not be held to be a waiver by CBS of any right or reentry as set forth in this Lease, nor shall the receipt of a sum, or any other act in apparent affirmance of the tenancy, operate as a waiver of the right to terminate this Lease and the Term granted for the period still unexpired for any breach of Tenant under this Lease.

ARTICLE XVII MODIFICATION

Section 17.1 Modification.

None of the covenants, terms or conditions of this Lease to be kept and performed by either party to this Lease shall in any manner be waived, modified, changed or abandoned except by a written instrument duly signed, acknowledged, and delivered by both CBS and Tenant.

ARTICLE XIII INVALIDITY OF PARTICULAR PROVISIONS

Section 18.1 Invalidity of Provisions.

If any provision of this Lease or the application of it to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstance other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XIX APPLICABLE LAW AND VENUE

Section 19.1 Applicable Law.

This Lease shall be construed and enforced in accordance with the laws of the State of Alaska. The forum and venue for any action seeking to interpret, construe, or enforce this Lease shall be only in the Superior Court for the State of Alaska at Sitka, Alaska.

ARTICLE XX NOTICES

Section 20.1 Manner of Mailing Notices.

In every case where under any of the provisions of this Lease or otherwise it shall or may become necessary or desirable to make or give any declaration or notice of any kind to CBS or Tenant, it shall be sufficient if a copy of any declaration or notice is sent by United States mail, postage prepaid, return receipt requested, addressed: If to CBS at: Municipal Administrator, City and Borough of Sitka, of 100 Lincoln Street, Sitka, Alaska 99835, with a copy to: Municipal Clerk at address listed above; and if to Tenant, at: the address set out in the Preamble. Each party from time to time may change its address for purposes of receiving declarations or notices by giving notice of the changed address, to become effective seven days following the giving of notice.

Section 20.2 Notice to Leasehold Mortgagee and Secured Parties.

CBS shall provide each Leasehold Mortgagee and Secured Party, who has so requested, copies of all notices from CBS to Tenant relating to existing or potential default under, or other noncompliance with the terms of this Lease. All notices, demands or requests which may be required to be given by CBS or Tenant to any Leasehold Mortgagee and Secured Parties shall be sent in writing, by United States registered or certified mail or express mail, postage prepaid, addressed to the Leasehold Mortgagee at a place as the Leasehold Mortgagee may from time to time designate in a written notice to CBS and Tenant.

Section 20.3 Sufficiency of Service.

Service of any demand or notice as in this Article provided shall be sufficient for all purposes.

Section 20.4 When Notice Deemed Given or Received.

Whenever a notice is required by this Lease to be given by any Party to the other Party or by any Party to a Leasehold Mortgagee, the notice shall be considered as having been given when a registered or certified notice is placed in the United States Post Office mail as provided by this Article. It shall be deemed received on the third business day thereafter. For all purposes under this Lease of starting any time period after notice, the time period shall be conclusively deemed to have commenced three business days after the giving of notice, whether or not it is provided that a time period commences after notice is given or after notice is received.

ARTICLE XXI MISCELLANEOUS PROVISIONS

Section 21.1 Captions.

The captions of this Lease and the index preceding it are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease, nor in any way affect this Lease.

Section 21.2 Conditions and Covenants.

All the provisions of this Lease shall be deemed and construed to be "conditions" as well as "covenants," as though the words specifically expressing or importing covenants and conditions were used in each separate provision.

Section 21.3 Entire Agreement.

This Lease contains the entire agreement between the Parties and shall not be modified in any manner except by an instrument in writing executed by the Parties or their respective successors or assigns in interest.

Section 21.4 Time of Essence as to Covenants of Lease.

Time is of the essence as to the covenants in this Lease.

ARTICLE XXII COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH THE SUBJECT PROPERTY

Section 22.1 Covenants to Run with the Subject Property.

All covenants, agreements, conditions and undertakings in this Lease shall extend and inure to the benefit of and be binding upon the successors and assigns of each of the parties, the same as if they were in every case named and expressed, and they shall be construed as covenants running with the Subject Property. Wherever in this Lease reference is made to any of the parties, it shall be held to include and apply to, wherever applicable, also the officers, directors, successors and assigns of each party, the same as if in each and every case so expressed.

ARTICLE XXIII ADDITIONAL GENERAL PROVISIONS

Section 23.1 Absence of Personal Liability.

No member, official, or employee of CBS shall be personally liable to Tenant, its successors and assigns, or anyone claiming by, through or under Tenant or any successor in interest to the Subject Property, in the event of any default or breach by CBS or for any amount which may become due to Tenant, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease. No member, official, or employee of Tenant shall be personally liable to CBS, its successors and assigns, or anyone claiming by, through, or under CBS or any successor in interest to the Subject Property, in the event of any default or breach by Tenant or for any amount which become due to CBS, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease.

Section 23.2 Lease Only Effective As Against CBS Upon Assembly Approval.

This Lease is effective as against CBS only upon the approval of such Lease by the Assembly of CBS.

Section 23.3 Binding Effects and Attorneys Fees.

This Lease shall be binding up and inure to the benefit of the respective successors and assigns of the Parties hereto. In the event of litigation over this Lease, the Parties agree that the prevailing party shall receive full reasonable attorney's fees.

Section 23.4 Duplicate Originals.

This Lease may be executed in any number of copies, each of which shall constitute an original of this Lease. The warranties, representations, agreements and undertakings shall not be deemed to have been made for the benefit of any person or entity, other than the Parties.

Section 23.5 Declaration of Termination.

With respect to CBS's rights to obtain possession of the Subject Property or to revest title in itself with respect to the leasehold estate of Tenant in the Subject Property, CBS shall have the right to institute such actions or proceedings as it may deem desirable to effectuate its rights including, without limitation, the right to execute and record or file with the Recorder of Sitka Recording District, a written declaration of the termination of all rights and title of Tenant in the Subject Property, and the revesting of any title in CBS as specifically provided in this Lease.

Section 23.6 Authority.

CBS and Tenant represent to each other that each has, and has exercised, the required power and authority and has complied with all applicable legal requirements necessary to adopt, execute and deliver this Lease and perform its obligations. Both parties also represent that this Lease has been duly executed and delivered by each and constitutes a valid and binding obligation of each enforceable in accordance with its terms, conditions, and provisions.

Section 23.7 Recordation.

The parties agree that the Lease will not be recorded. At the request of either party, the parties shall execute a memorandum of the Lease for recording purposes in lieu of recording this Lease in such form as may be satisfactory to the parties or their respective attorneys. Each party shall bear their own related expenses, including attorney fees. Lessor shall pay for all recording fees.

Petro 49, Inc.

, Registered Agent

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2016, personally appeared before me _____, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who by signing this agreement, swears or affirms that she is the Registered Agent for Petro 49, Inc. and individually and as registered agent, is authorized to sign this document on and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

CITY AND BOROUGH OF SITKA

Mark Gorman, Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2016, before me, a Notary Public in and for the State of Alaska, personally appeared MARK GORMAN, who is the Municipal Administrator of the City and Borough of Sitka, Alaska, a municipal corporation organized under the laws of the State of Alaska, that he has been authorized by to execute the foregoing document, and does so freely and voluntarily.

Notary Public for Alaska
My Commission Expires: _____

Exhibit A

CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AND THAT WE HEREBY ACCEPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE _____ OWNER _____ (SIGNATURE) _____
 DATE _____ OWNER _____ (SIGNATURE) _____

NOTARY'S ACKNOWLEDGMENT

US OF AMERICA
 STATE OF ALASKA
 CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS _____ DAY OF _____, 20____, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED _____

TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND _____ ACKNOWLEDGED TO ME THAT _____ SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

MY COMMISSION EXPIRES _____

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, HEREBY CERTIFY THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY & BOROUGH OF SITKA, IN THE NAME OF _____

AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL; THAT CURRENT TAXES FOR THE YEAR 20____ WILL BE DUE ON OR BEFORE AUGUST 31, 20____, DATED THIS DAY OF _____

ASSESSOR, CITY AND BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. _____ DATED _____, 20____, AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE _____ CHAIRMAN, PLATTING BOARD _____

SECRETARY _____

NOTES

- The purpose of the plat is to subdivide a portion of ATS 15 totaling 7,109 square feet creating a new lot to be leased, adjacent to the deeded tidelands seaward of USS 1276.
- Access to the parcel is provided across the adjacent deeded tidelands parcel described in Book 115, pages 740 and 741, Sitka Recording District and across USS 1276 and Sitka Channel.

60 30 0 60 120 180

O'NEILL SCALE IN FEET

SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835
 PHONE: (907) 747-6700
 FAX: (907) 747-7590
 EMAIL: onelleng@aak.net

CERTIFICA

I HEREBY CERTIFY THAT I COMPLY WITH THE SUBD AS REQUIRED IN MIN AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

DATE _____ MAYOR _____

CITY AND BOROUGH CLERK _____

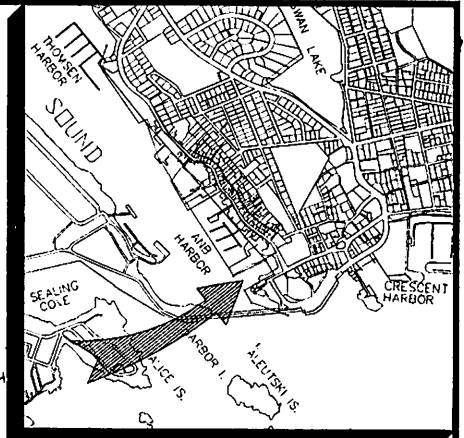
IVEMENT DISTRICT

D, AND FINANCE DIRECTOR ACCORDING TO THE RECORDS IN THE NAME OF _____

IN THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF _____
 CALL OWNERS OF RECORDS, AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.I.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS _____ DAY OF _____ 20____ AT SITKA, ALASKA.

FINANCE DIRECTOR
 CITY & BOROUGH OF SITKA



VICINITY MAP

SCALE 1"=1,000'

LEGEND

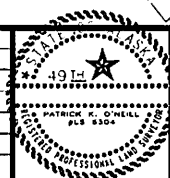
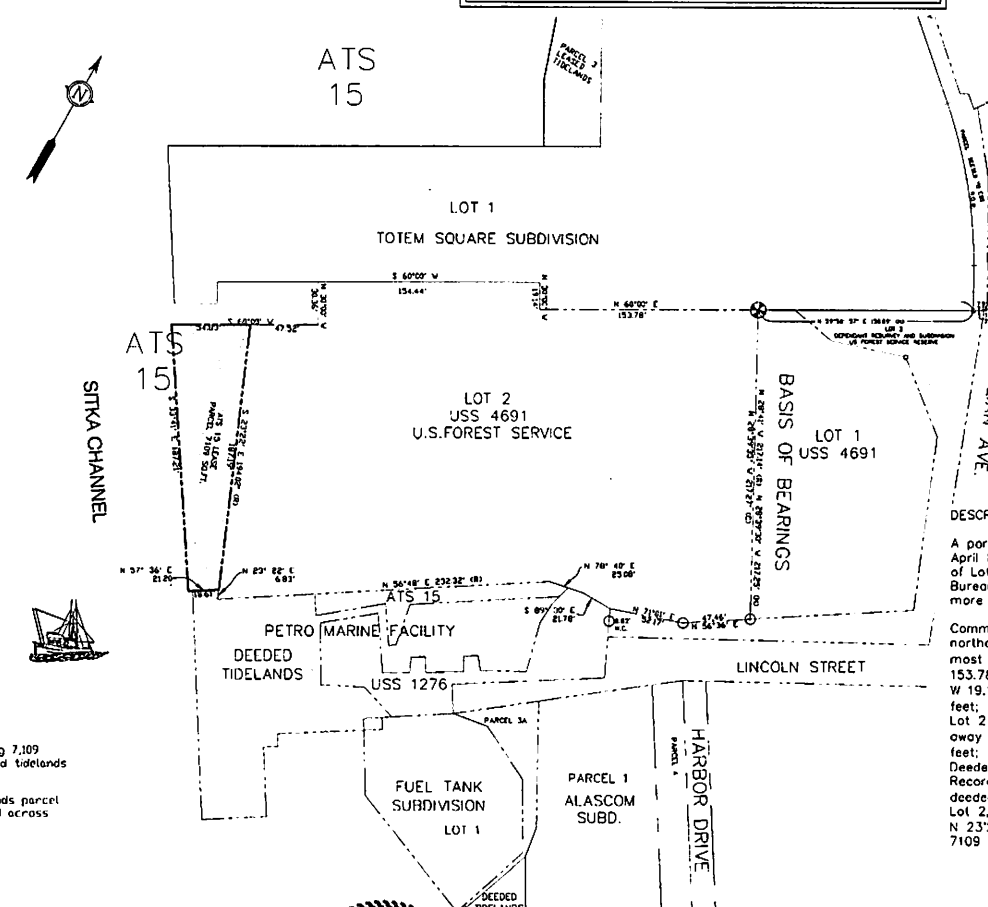
- PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
- ⊕ BLM/GLD PRIMARY BRASS CAP (RECOVERED)
- SECONDARY MONUMENT (SET)
- SECONDARY MONUMENT (RECOVERED)
- (R) RECORDED DATA
- (C) COMPUTED DATA
- (M) MEASURED DATA

DESCRIPTION OF TIDELANDS LEASE PARCEL:

A portion of Alaska Tidelands Survey No. 15, filed as Plot No. 28, April 8, 1963 in the Sitka Recording District, Alaska, lying seaward of Lot 2, U.S. Survey 4691, the plot of which was approved by the Bureau of Land Management in October, 1965, said parcel being more particularly described as follows:

Commencing at a primary survey monument marking the most northerly corner of Lot 2, U.S. Survey 4691, coincident with the most easterly corner of Lot 1, U.S. Survey 4691; thence S 60°00' W 153.78 feet along the northerly boundary of Lot 2; thence S 30°00' W 19.14 feet; thence S 60°00' W 154.44; thence S 30°00' E 30.36 feet; thence S 60°00' W 47.52 feet to the most westerly corner of Lot 2 and the true point of beginning of this description; thence away from Lot 2, S 60°00' W 54.83 feet; thence S 33°41' E 187.21 feet; thence N 57°36' E 2.59 feet to the most westerly corner of Deeded Tideland as described in Book 115, pages 740-742, Sitka Recording District; thence along the northerly boundary of the deeded tidelands N 57°36' E 18.61 feet to the westerly boundary of Lot 2, U.S. Survey 4691; thence along the westerly Lot 2 boundary N 23°22' W 187.19 feet to the true point of beginning, containing 7109 square feet, more or less.

SITKA RECORDING DISTRICT



DESIGNED: P. O'NEILL
 DRAWN: JCH/CAD
 CHECKED: PJO
 DATE OF PLAT: 6/27/2016 11:11 AM
 SCALE: 1" = 50'
 DRAWING NAME: 30269-05
 PROJECT NO: 30269-05

SURVEYOR'S CERTIFICATE
 I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR LICENSED IN THE STATE OF ALASKA AND THAT IN _____ A SURVEY OF THE HEREIN DESCRIBED LANDS HAS CONCLUDED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

DATE _____ PATRICK H. O'NEILL LS 6391

SITKA 3 TIDELAND SUBDIVISION
 SUBDIVISION OF ATS 15 FOR THE PURPOSE OF CREATING A LEASE PARCEL SEAWARD OF LOT 2, USS 4691 (U.S. FOREST SERVICE)

CLIENT: PETRO MARINE

BY	DATE	REV.	DESCRIPTION OF CHANGE

RECORD OF REVISIONS



City & Borough of Sitka, Alaska

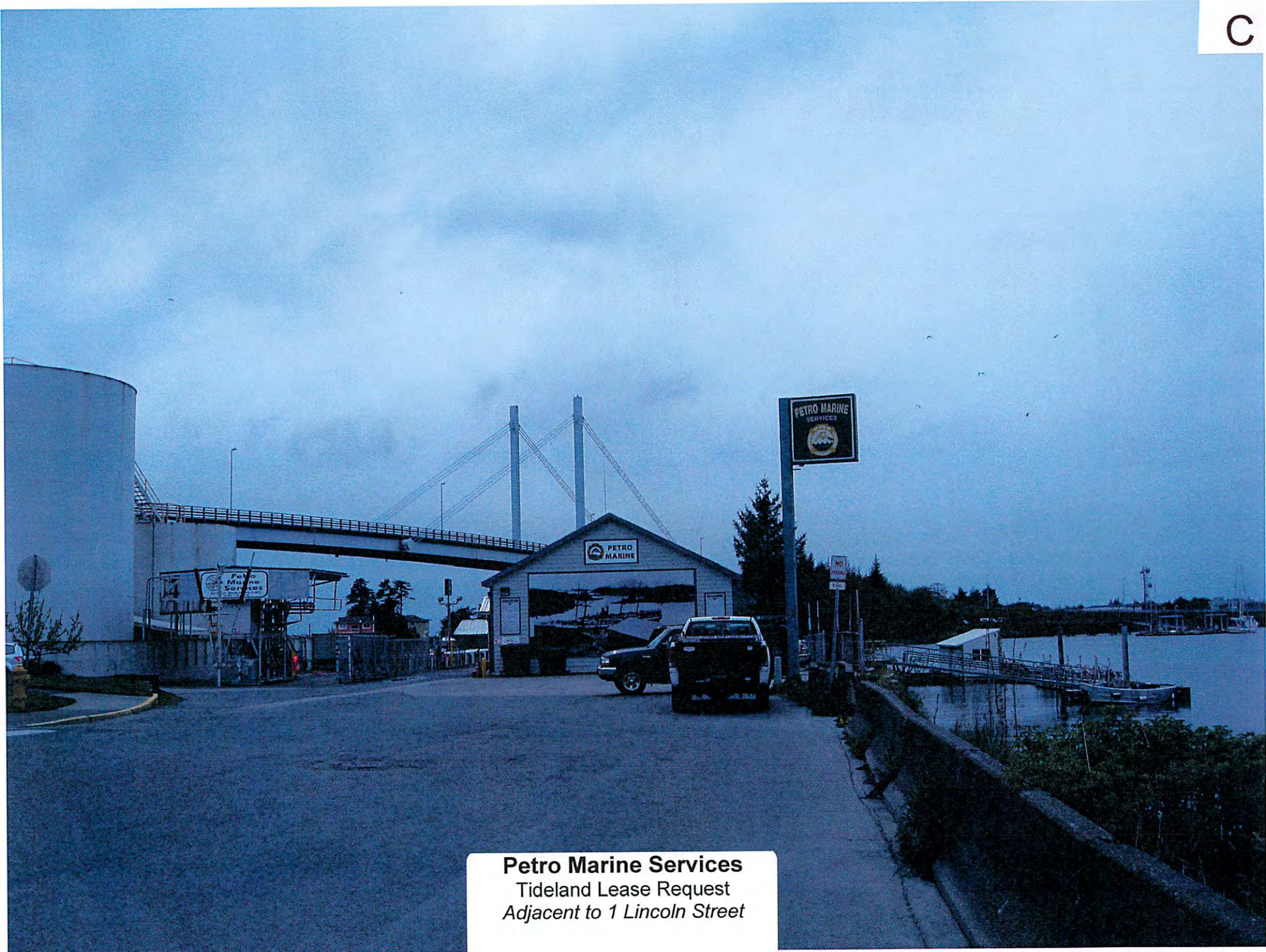
Selected Parcel: 1 LINCOLN ID: 10010000

Printed on 3/8/2016 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>



This map is for informational purposes only. It is not for appraisal of, description of, or any other legal responsibility for the information contained herein.

Petro Marine Services
 Tideland Lease Request
 Adjacent to 1 Lincoln Street



Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street

PETRO MARINE SITKA SOUTH PLANT

Petro Marine Services
Land Management - Tideland Purchase Request
1 Lincoln Street



TRANSPAC
MARINAS



PETRO MARINE SITKA SOUTH PLANT



Petro Marine Services
Land Management - Tideland Purchase Request
1 Lincoln Street



CERTIFICATE OF OWNERSHIP AND DEDICATION

WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AND THAT WE HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE _____ OWNER _____ (SIGNATURE)
 DATE _____ OWNER _____ (SIGNATURE)

NOTARY'S ACKNOWLEDGMENT

US OF AMERICA
 STATE OF ALASKA
 CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS _____ DAY OF _____ 20____ BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED _____

TO ME KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND _____ ACKNOWLEDGED TO ME THAT _____ SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

MY COMMISSION EXPIRES _____

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA

CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, HEREBY CERTIFY THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY & BOROUGH OF SITKA, IN THE NAME OF _____

AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL; THAT CURRENT TAXES FOR THE YEAR 20____ WILL BE DUE ON OR BEFORE AUGUST 31, 20____ DATED THIS DAY OF _____

ASSESSOR, CITY AND BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD

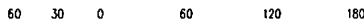
I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATTING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. _____ DATED _____ 20____ AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE _____ CHAIRMAN, PLATTING BOARD

SECRETARY _____

NOTES

- The purpose of the plat is to subdivide a portion of ATS 15 totaling 7,109 square feet creating a new lot to be leased, adjacent to the deeded tidelands seaward of USS 1276.
- Access to the parcel is provided across the adjacent deeded tidelands parcel described in Book 115, pages 740 and 741, Sitka Recording District and across USS 1276 and Sitka Channel.



O'NEILL SURVEYING AND ENGINEERING SCALE IN FEET

BOX 1849 SITKA, ALASKA 99835
 PHONE: (907) 747-6700
 FAX: (907) 747-7590
 EMAIL: oneillengr@aol.net

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AS RECORDED IN MINUTE BOOK _____ PAGE _____ DATED _____ 20____ AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE _____ MAYOR _____

CITY AND BOROUGH CLERK _____

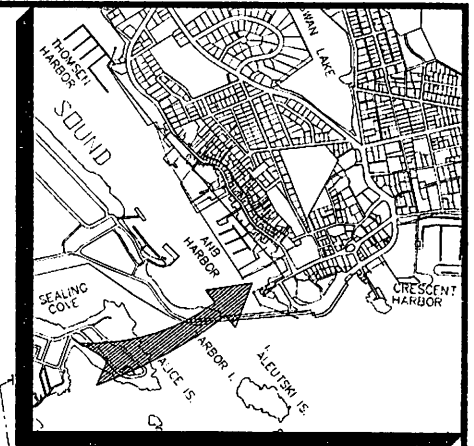
CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF _____

ALL OWNERS OF RECORDS, AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.I.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS _____ DAY OF _____ 20____ AT SITKA, ALASKA

FINANCE DIRECTOR
 CITY & BOROUGH OF SITKA



VICINITY MAP

SCALE 1"=1,000'

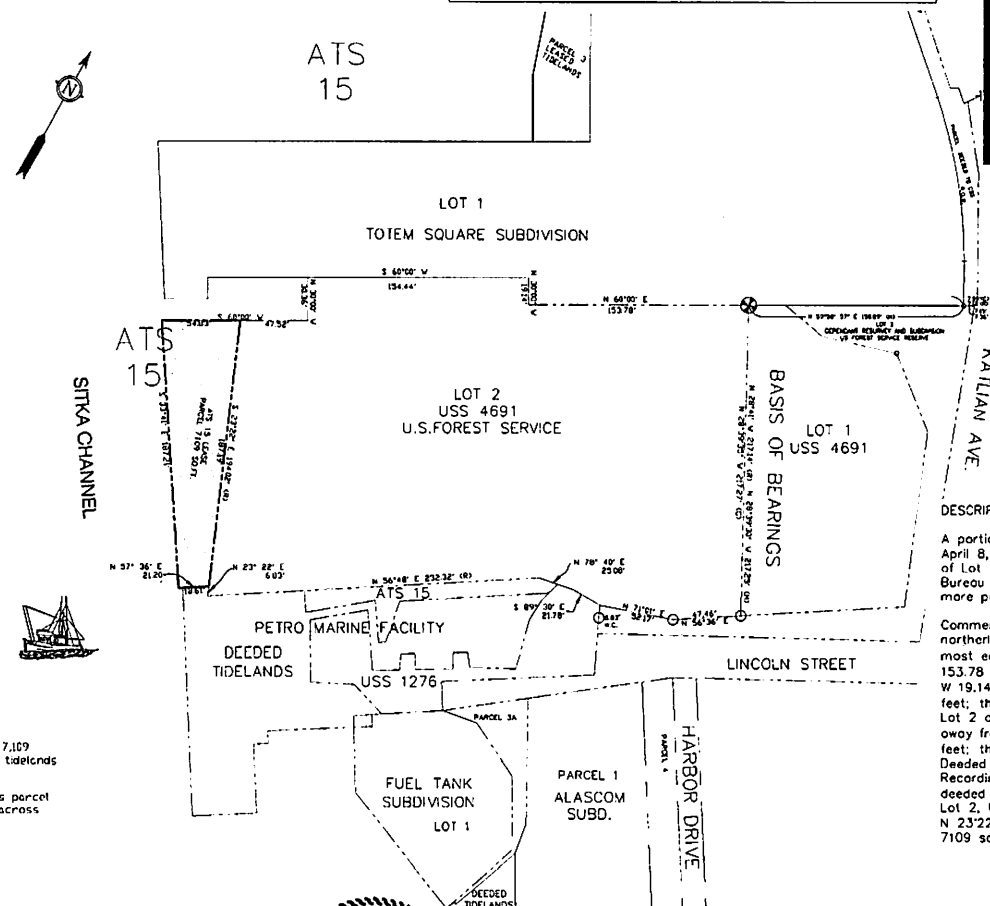
LEGEND

- ⊕ PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
- ⊕ BLM/GLD PRIMARY BRASS CAP (RECOVERED)
- SECONDARY MONUMENT (SET)
- SECONDARY MONUMENT (RECOVERED)
- (R) RECORDED DATA
- (C) COMPUTED DATA
- (M) MEASURED DATA

DESCRIPTION OF TIDELANDS LEASE PARCEL:

A portion of Alaska Tidelands Survey No. 15, filed as Plat No. 28, April 8, 1963 in the Sitka Recording District, Alaska, lying seaward of Lot 2, U.S. Survey 4691, the plot of which was approved by the Bureau of Land Management in October, 1965, said parcel being more particularly described as follows:

Commencing at a primary survey monument marking the most northerly corner of Lot 2, U.S. Survey 4691, coincident with the most easterly corner of Lot 1, U.S. Survey 4691; thence S 60°00' W 153.78 feet along the northerly boundary of Lot 2; thence N 30°00' W 19.14 feet; thence S 60°00' W 154.44; thence S 30°00' E 30.36 feet; thence S 60°00' W 47.52 feet to the most westerly corner of Lot 2 and the true point of beginning of this description; thence away from Lot 2, S 60°00' W 54.83 feet; thence S 33°41' E 187.21 feet; thence N 57°36' E 2.59 feet to the most westerly corner of Deeded Tideland as described in Book 115, pages 740-742, Sitka Recording District; thence along the northerly boundary of the deeded tidelands N 57°36' E 18.61 feet to the westerly boundary of Lot 2, U.S. Survey 4691; thence along the westerly Lot 2 boundary N 23°22' W 187.19 feet to the true point of beginning, containing 7109 square feet, more or less.



BY	DATE	REV.	DESCRIPTION OF CHANGE
RECORD OF REVISIONS			



DESIGNED BY: P. O'NEILL
 DRAWN BY: J. CAVAT
 CHECKED BY: []
 DATE OF PLAT: 02/22/2016 11:11 AM
 SCALE: 1" = 60'
 DRAWING NAME: 02269-05
 PROJECT NO.: 30269-05

SURVEYOR'S CERTIFICATE
 I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN _____ A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY CLOSE SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

DATE _____ PATRICK R. O'NEILL, LS 4914

SITKA 3 TIDELAND SUBDIVISION
 SUBDIVISION OF ATS 15 FOR THE PURPOSE OF CREATING A LEASE PARCEL SEAWARD OF LOT 2, USS 4691 (U.S. FOREST SERVICE)
 CLIENT: PETRO MARINE

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED AND ACTING FINANCE DIRECTOR FOR THE CITY AND BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY AND BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF:

City & Borough of Sitka, AK

AND, THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.I.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY AND BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS 23rd DAY OF July, 1998.

Paul G. Smith
FINANCE DIRECTOR, CITY AND BOROUGH OF SITKA.

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF SITKA PLATING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. P 98-14 DATED JUNE 1, 1998 AND THAT THE PLAT HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

7-16-98
DATE CHAIRMAN

ATTEST:
Edwina Barnett Simmons
SECRETARY
SEAL:

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY AND BOROUGH OF SITKA, AND THAT SAID PLAT HAS BEEN APPROVED BY THE ASSEMBLY AS RECORDED IN MINUTE BOOK NA, PAGE NA DATED NA AND THAT THE PLAT SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX OFFICIO RECORDER, SITKA, ALASKA.

7-16-98
DATE MAYOR

ATTEST:
Kelly Brown
CLERK



CERTIFICATE

STATE OF ALASKA }
1ST JUDICIAL DISTRICT } SS

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED AND ACTING ASSESSOR FOR THE CITY AND BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY AND BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS IN THE NAME OF:

City & Borough of Sitka, Alaska

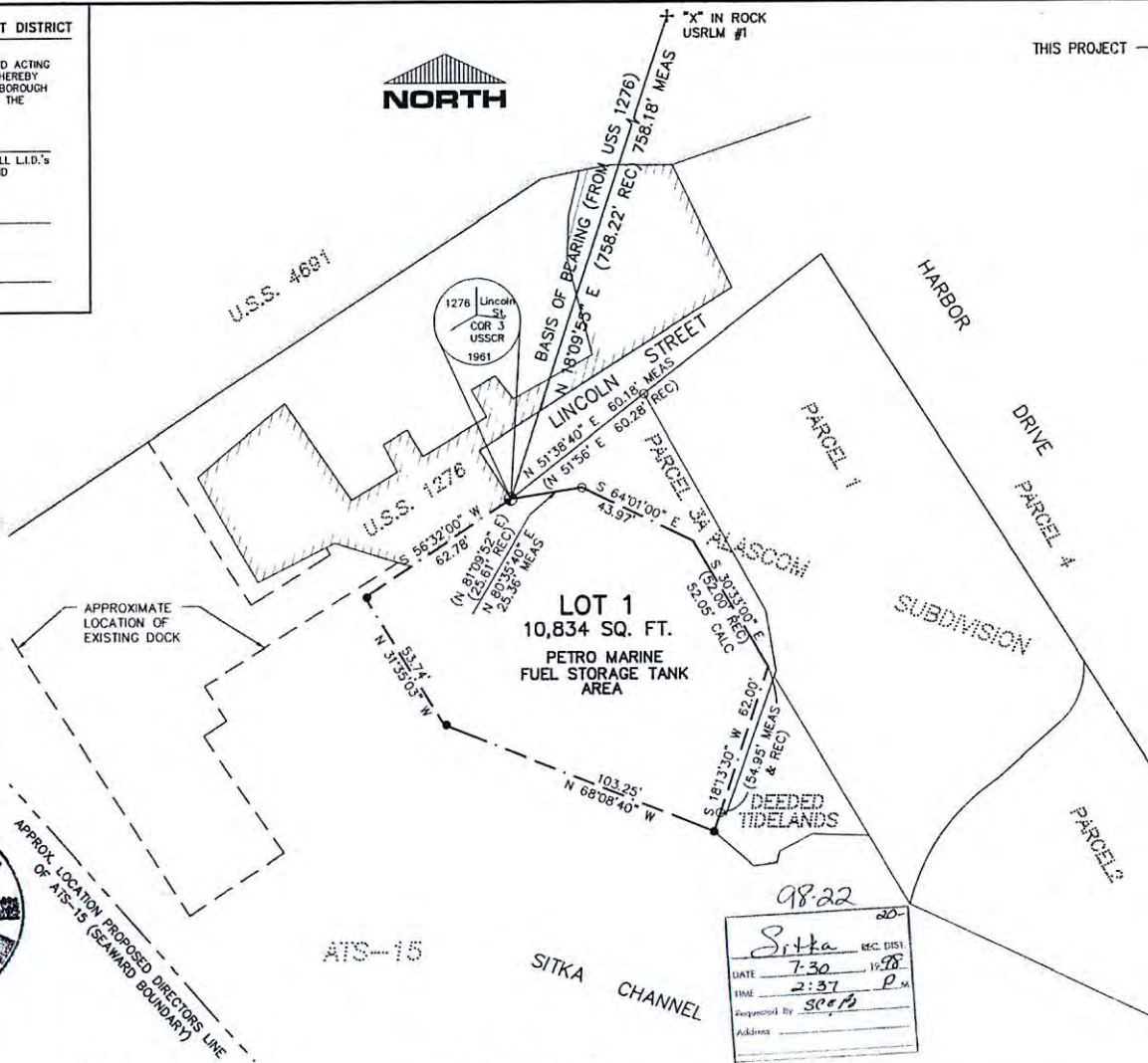
AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS IN FAVOR OF THE CITY AND BOROUGH ARE PAID IN FULL, THAT CURRENT TAXES FOR THE YEAR

1998 WILL BE DUE ON OR BEFORE August 31, 1998
DATED THIS 16th DAY OF July, 1998
AT SITKA, ALASKA.

Paul G. Smith
ASSESSOR, CITY AND BOROUGH OF SITKA.

PLAT NOTES

1. THE PURPOSE OF THIS PLAT IS TO SUBDIVIDE A PORTION OF ATS-15 INTO THE CONFIGURATION SHOWN HEREON.



STATE OF ALASKA
NOTARY PUBLIC
EDWINA BARNETT SIMMONS
My Commission Expires Nov. 18, 2001

CERTIFICATE OF OWNERSHIP AND DEDICATION

I HEREBY CERTIFY THAT I AM THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREON AND THAT I HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH MY FREE CONSENT AND DEDICATE ALL PUBLIC STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

7/28/98
DATE
Gary L. Faxon
OWNER City & Borough of Sitka
ADMINISTRATOR

THE NOTARY'S ACKNOWLEDGEMENT

STATE OF ALASKA }
FIRST JUDICIAL DISTRICT } SS
CITY AND BOROUGH OF SITKA }

THIS IS TO CERTIFY THAT ON THIS 28th DAY OF July 1998, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AS SHOWN, PERSONALLY APPEARED: City & Borough of Sitka ADMINISTRATOR GARY L. FAXON

TO ME KNOWN TO BE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND
HE ACKNOWLEDGED TO ME THAT
HE SIGNED THE NAME FREELY
AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

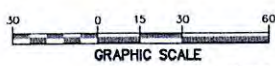
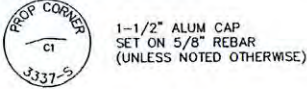
WITNESS MY HAND AND NOTARIAL SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.
Edwina Barnett Simmons
NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA.
MY COMMISSION EXPIRES Nov. 18, 2001

9822
Sitka REC. DIST.
DATE 7-30 1998
TIME 2:37 P.M.
Prepared By SEC/B
Address

LEGEND

- ⊙ FND BRASS CAP MONUMENT
- 1-1/2" ALUM CAP ON 5/8" REBAR SET IN CONCRETE THIS SURVEY
- CORNER MONUMENT FOUND THIS SURVEY

TYPICAL PROP CORNER



SURVEYOR'S CERTIFICATE
I HEREBY CERTIFY THAT I AM PROPERLY REGISTERED



PREPARED BY: **STRAGIER ENGINEERING SERVICES, INC.**

CIVIL & STRUCTURAL ENGINEERING
LAND, CADASTRAL & TOPOGRAPHIC SURVEYS
504 DeWitt St., Sitka, Alaska 99835
TEL: 907-747-5633 FAX: 907-747-4893
email: esec@tiolaska.net

FUEL TANK SUBDIVISION
A SUBDIVISION OF A PORTION OF ATS 15
ADJACENT TO ALASCOM SUBD & USS 1276

JOB NO:	3066	CHECKED BY:	BAE	DATE:	5/18/98
DRAWN BY:	DD	SCALE:	1"=30'		
PREPARED FOR:	PETRO MARINE #1 LINCOLN STREET SITKA, ALASKA 99835				

Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street

3066EN.DWG 41-50

CERTIFICATE OF OWNERSHIP AND DEDICATION
 WE HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AND THAT WE HEREBY ADAPT THIS PLAN OF SUBDIVISION WITH OUR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

DATE: 3-20-98
 OWNER: James W. McLean (SIGNATURE)
 NOTARY: Aron Nesheim (SIGNATURE)

NOTARY'S ACKNOWLEDGMENT
 US OF AMERICA
 STATE OF ALASKA
 CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS 20th DAY OF March, 1998, BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED JAMES W. McLEAN and ARON NESHEIM to me known to be the identical individual(s) mentioned and who executed the within plat and who acknowledged to me that they signed the same freely and voluntarily for the uses and purposes therein specified.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREIN WRITTEN.

NOTARY PUBLIC AND FOR THE STATE OF ALASKA
 MY COMMISSION EXPIRES 21st July 99

CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)
 I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AS JUDGES FOR THE CITY & BOROUGH OF SITKA, HEREBY CERTIFY THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY & BOROUGH OF SITKA, IN THE NAME OF Alascom, Inc. (DBA) TITL ALASKA AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL FOR THE YEAR 1998. WILL BE DUE ON OR BEFORE AUGUST 31, 1992, DATED THIS 22nd DAY OF April, 1998.

RECORDED CITY AND BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD
 I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLANNING BOARD, AND THAT SAID PLAN HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. 02A-58-98, DATED April 22, 1998, AND THAT THE PLAN SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT CLERK, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE: 4-22-98
 DISTRICT CLERK: John B. Semons

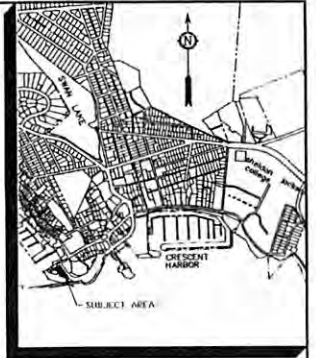
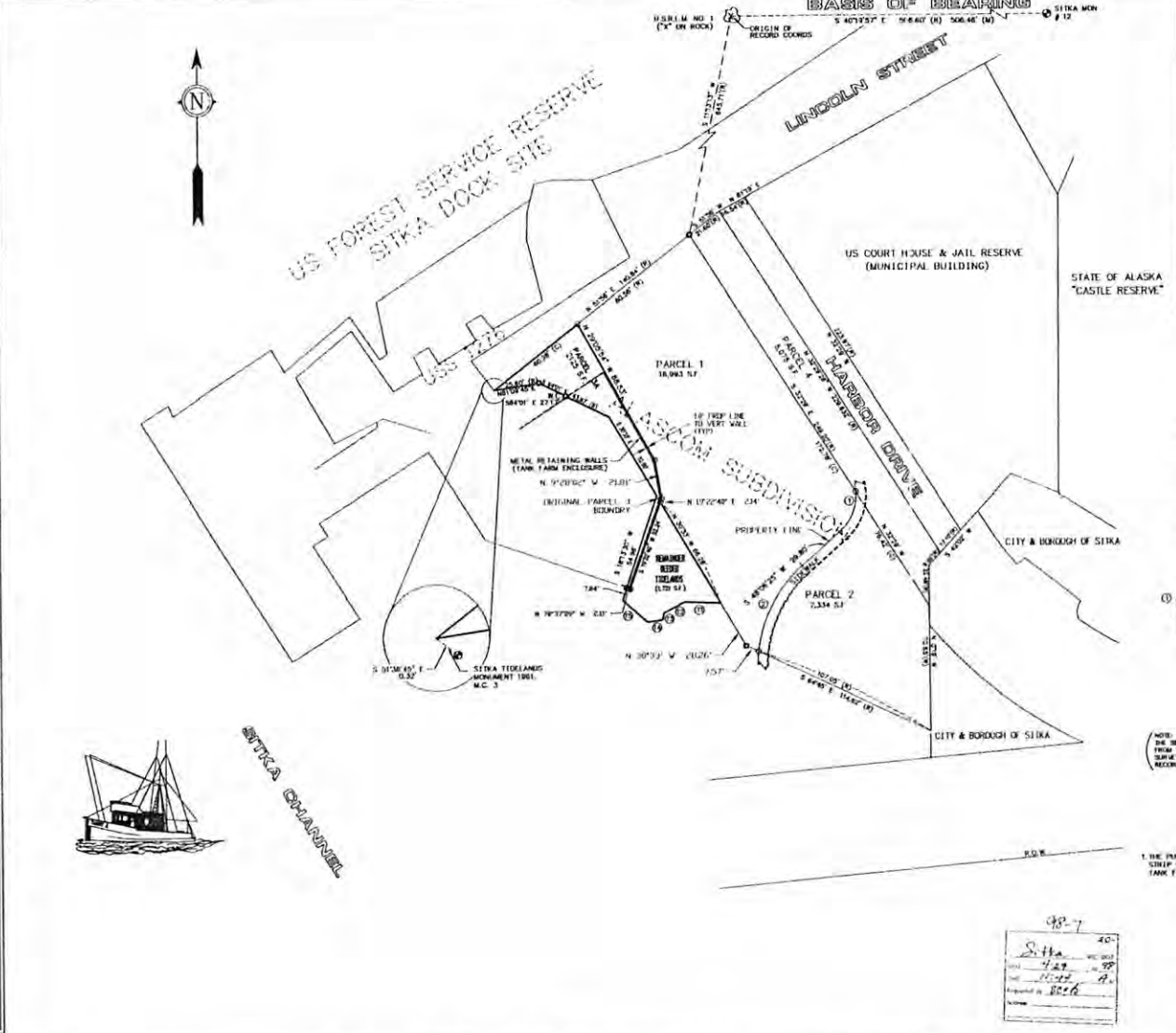
CERTIFICATE OF APPROVAL BY THE ASSEMBLY
 I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA AS RECORDED IN MINUTE BOOK 11A, PAGE 11A, DATED JULY 19, 1988, AND THAT THE PLAN SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT CLERK, EX-OFFICIO RECORDER, SITKA, ALASKA.

DATE: 4-22-98
 DISTRICT CLERK: John B. Semons

CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT
 I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AS FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF Alascom, Inc. (DBA) TITL ALASKA (ALL OWNERS OF RECORD) AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.L.D.'S ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS 21st DAY OF April 1998, AT SITKA, ALASKA.

FINANCE DIRECTOR: [Signature]



VICINITY MAP
 SCALE 1"=1,000'

LEGEND

- ⊕ BRASS CAP MONUMENT (RECOVERED)
- ⊙ ROCK TABLET (RECOVERED)
- SECONDARY MONUMENT (RECOVERED)
- SECONDARY MONUMENT (SET)
- (R) RECORDED DATA
- (C) COMPUTED DATA
- (M) MEASURED DATA

CURVE DATA

① A = 57°56'18" ② A = 41°45'12"
 R = 24.37' R = 75.24'
 L = 24.38' L = 54.83'
 CHD BRG = S 213°7'16" W CHD BRG = S 271°3'45" W

TIDELANDS STRIP DATA

11 W 87°46'58" W 20.114'
 12 S 82°22'00" W 13.40'
 13 S 12°24'42" W 4.007'
 14 S 82°21'28" W 8.852'
 15 N 48°37'22" W 18.54'

(NOTE: THE SEABOUND BOUNDARY OF DEEDED TIDELANDS WAS COMPUTER DISTORTED FROM THE PLAT OF ALASKA TIDELANDS SURVEY NO. 19 SITKA TIDELANDS SURVEY (SERIES OF 1981) REFERENCE DEED DESCRIPTION, EXHIBIT A, RECORDED 1/18/71 IN BOOK 38, PAGE 280, SITKA RECORDING DISTRICT.)



SITKA CHAMBER OF COMMERCE

PLAT NOTES:

1. THE PURPOSE OF THIS PLAT IS TO ENLARGE PARCEL 3 TO INCLUDE THE STRIP OF DEEDED TIDELANDS THAT ENCOMPASSES A PORTION OF THE TANK FARM AND TANK FARM RETAINING WALL.

SCALE IN FEET

O'NEILL
 LAND SURVEYING AND ENGINEERING

PO BOX 1849 SITKA, ALASKA 99835
 (907) 747-6700

BY	DATE	KEY	DESCRIPTION OF CHANGE

RECORD OF REVISIONS

DESIGNED: P. O'NEILL
DRAWN: REID/CAJ
CHECKED: [Signature]
DATE OF PLAT: INITIAL LEVEL: 12-28-92
SCALE: 1" = 30'

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN MARCH, 1998, A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

[Signature]
 11.15.83A

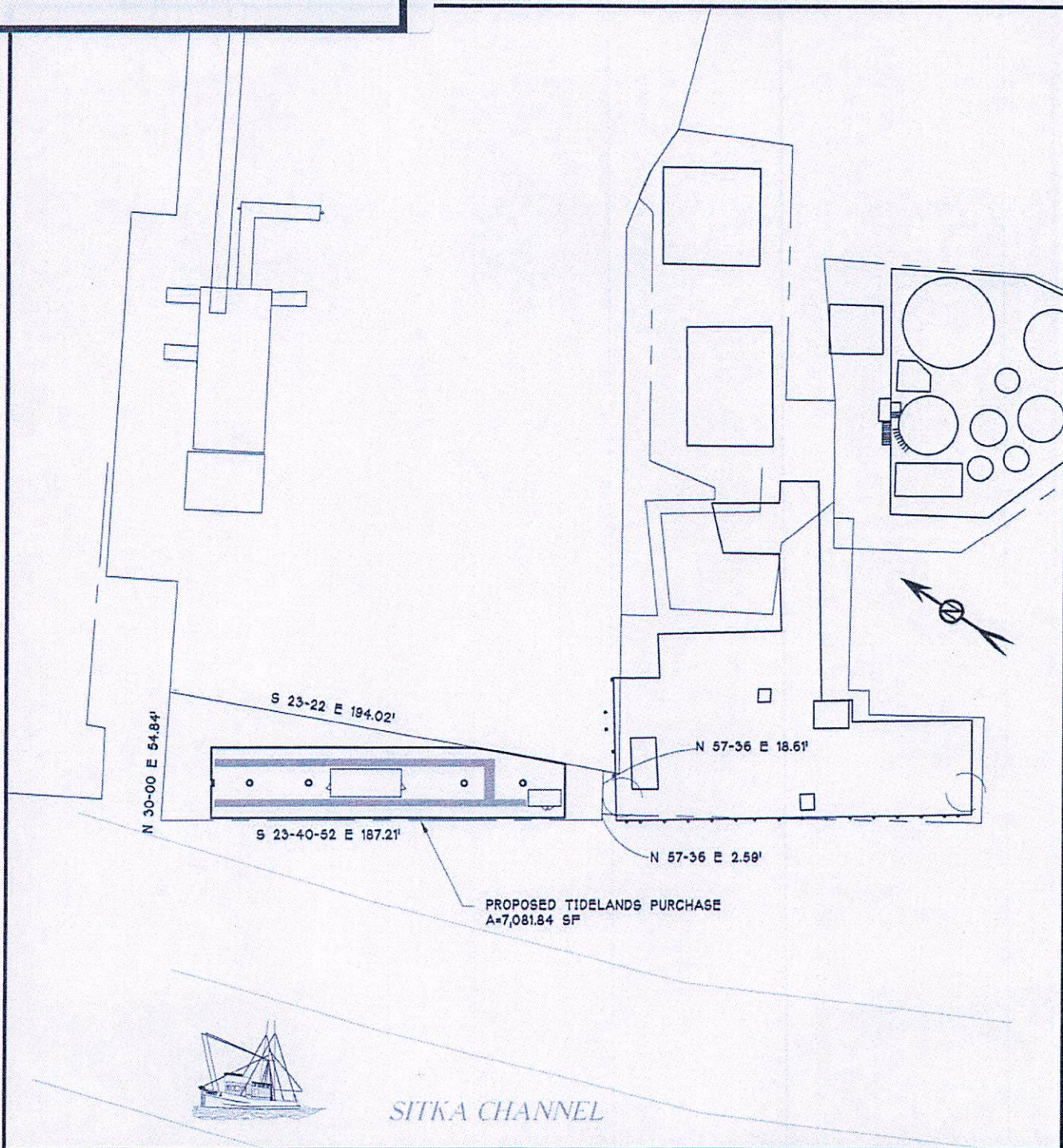
ALASCOM SUBDIVISION - LOT LINE ADJUSTMENT

BETWEEN DEEDED TIDELANDS SEAWARD OF PARCEL 1 ALASCOM SUBD. AND PARCEL 3 ALASCOM SUBDIVISION

CLIENT: A1&T CORPORATION, 210 EAST BLUFF ROAD, ANCHORAGE, ALASKA 99501

Petro Marine Services
 Tideland Lease Request
 Adjacent to 1 Lincoln Street

Petro Marine Services
 Land Management - Tideland Purchase Request
 1 Lincoln Street



PROPOSED TIDELANDS PURCHASE
 A=7,081.84 SF

SITKA CHANNEL

PURPOSE: REPLACE AGING MARINE FUELING FACILITY

PROPOSED TIDELANDS

PROPOSED: SITKA SOUTH FUEL FACILITY

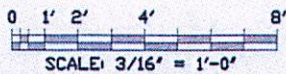
IN: SITKA CHANNEL

AT: SITKA, AK

APPLICATION BY: PETRO MARINE SERVICES

DATUM: 0.0'

HTL = 12.7'
 MHW = 9.1'
 MLLW = 0.0'



PETRO MARINE SERVICES
 JOB NO. 15_157_A

DATE: 25 FEB '16

SHEET: 1 OF 1

PETRO MARINE SITKA SOUTH PLANT



PROPOSED 30'x150'
FUEL FLOAT

SALES BUILDING
12'x30'

(EXISTING
FLOAT)

SPILL RESPONSE
BOOM SHED

GANGWAY
4'x60'



Petro Marine Services
Land Management - Tideland Purchase Request
1 Lincoln Street



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/7/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh & McLennan Agency, LLC 1031 West 4th Ave., Suite 400 Anchorage AK 99501	CONTACT NAME: Tonya Lamothe PHONE (A/C, No, Ext): (907) 276-5617 FAX (A/C, No): (907) 276-6292 E-MAIL ADDRESS: tonya.r.lamothe@marshmc.com													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A National Union Fire Ins. Co.PA</td> <td>19445</td> </tr> <tr> <td>INSURER B Axis Surplus Insurance Company</td> <td>26620</td> </tr> <tr> <td>INSURER C New Hampshire Insurance Co.</td> <td>23841</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A National Union Fire Ins. Co.PA	19445	INSURER B Axis Surplus Insurance Company	26620	INSURER C New Hampshire Insurance Co.	23841	INSURER D:		INSURER E:		INSURER F:
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COVERAGES CERTIFICATE NUMBER: 16-17 GAEW REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			GL5180119	3/1/2016	3/1/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 25,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> MCS90			CA2961550	3/1/2016	3/1/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB			BLU720468012016	3/1/2016	3/1/2017	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WC80756303	3/1/2016	3/1/2017	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Re: Tidelands Lease

Where required by written contract, Certificate Holder is an Additional Insured on the General Liability and Auto Liability policies, subject to the terms, conditions and limitations of said policies and the additional insured endorsement.

CERTIFICATE HOLDER

CANCELLATION

City and Borough of Sitka
 100 Lincoln Street
 Sitka, AK 99835

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Tonya Lamothe/KTHOMA

COMMENTS/REMARKS

This is evidence of insurance procured and developed under the Alaska Surplus Lines Law, AS 21.34. It is not covered by the Alaska Insurance Guaranty Association Act, AS 21.80. This insurance was placed by the following Surplus Lines Broker Worldwide Facilities, LLC License #9718 with respects to company "B" only.

Hughey/Parker Song moved to APPROVE a modified variance request for 216 Lakeview Drive. The variance is for the reduction in the northwesterly side setback from 5 feet to 3 feet for the replacement of a carport with a garage. The property is also known as Lot 51 Lakeview Heights Subdivision. The request is filed by Ida Eliason. The owner of record is Ida Eliason.

Motion PASSED 3-0.

- G** Public hearing and consideration of a minor subdivision and easement change request for 204 Jeff Davis Street, in the R-2 zone. The property is also known as Lot 17 Sheldon Jackson Campus Subdivision. The request is filed by Randy Hitchcock. The owner of record is Randy Hitchcock.

Item was PULLED from the agenda.

- H** Public hearing and consideration of a minor subdivision request filed for tidelands adjacent to 1 Lincoln Street, as required for the tideland lease process. The property is also known as a portion of ATS 15, and is in the Waterfront District. The request is filed by Petro Marine Services. The owner of record is the City and Borough of Sitka.

Bosak explained the request. The applicant seeks to lease tidelands on which to build a replacement fuel dock. Staff recommend approval of the final plat. Spivey asked why this would be a 50 year lease. Bosak stated that the Attorney's office determined that 50 was the right length to support investment in new infrastructure.

Jerry Jacobs represented Petro Marine, and stated that he had nothing additional to add.

No public comment.

Spivey stated that it is straight-forward.

Pohlman/Parker Song moved to adopt and APPROVE the findings as discussed in the staff report.

- 1) That the proposed minor subdivision complies with the Comprehensive Plan and Sitka General Code by delineating an area for a prospective tideland lease; and
- 2) That the subdivision would not be injurious to public health, safety, and welfare.

Motion PASSED 4-0.

Pohlman/Parker Song moved to APPROVE the final plat of the minor subdivision for tidelands adjacent to 1 Lincoln Street. The property is also known a portion of ATS 15. The request is filed by Petro Marine Services. The owner of record is the City and Borough of Sitka.

Motion PASSED 4-0.

- I** Public hearing and discussion of easement concerns and a lease renewal at 323 Seward Street filed by the White Elephant Shop. The renewal would be for 30 years. The property is also known as all of lot 7 and a



CITY AND BOROUGH OF SITKA

Minutes - Final

Planning Commission

Chris Spivey, Chair
Darrell Windsor, Vice Chair
Tamie (Harkins) Parker Song
Debra Pohlman
Randy Hughey

Tuesday, May 17, 2016

7:00 PM

Sealing Cove Business Center

I. CALL TO ORDER AND ROLL CALL

II. CONSIDERATION OF THE AGENDA

III. CONSIDERATION OF THE MINUTES

A Approval of the minutes from the May 3, 2016 meeting.

Pohlman/Windsor moved to APPROVE the May 3, 2016 minutes. Motion PASSED 5-0.

IV. REPORTS

B Planning Regulations and Procedures.

V. THE EVENING BUSINESS

C Annual review of a conditional use permit granted to Phyllis Hackett for an accessory dwelling unit at 707 Lake Street. The property is also known as Lot 21 Block 11, according to the amended plat of Sirstad Addition No. 2. The owner of record is Phyllis A. Hackett.

Pierson described the history of the conditional use permit. The Planning Commission originally denied the permit, but the Assembly approved the request. No comments have been received since the permit was approved.

Hughey/Parker Song moved to APPROVE the annual review. Motion PASSED 3-2. Spivey and Windsor voted against approval.

D Public hearing and consideration of a variance request filed by Jamie Steinson for 224 Marine Street, in the R-1 residential zone. The variance is for an increase in lot coverage to 40% for the construction of a patio. The property is also known as Lot 1 Golden Subdivision. The request is filed by Jamie Steinson. The owners of record are Gary and Phyllis Mulligan.

Neither the applicant nor the owners were present.

Windsor/Pohlman moved to **POSTPONE** until a representative can attend a meeting. **Motion PASSED 5-0.**

- E** Public hearing and consideration of a variance request filed by Peter Thielke for 722 Biorka Street, in the R-1 residential zone. The request is for the reduction of the easterly front setback from 20 feet to 6 feet, and the reduction of the southerly rear setback from 10 feet to 0 feet for the relocation of a shed. The property is also known as a fractional portion of Lot 13, Block 14, U.S. Survey 1474, Tract A, identified on the deed as Parcel 2. The application is filed by Peter Thielke. The owner of record is Peter L. Thielke.

POSTPONED by consent, as the applicant could not be reached by phone.

- F** Public hearing and consideration of a final plat for a major subdivision of ASLS 2015-06. The request is filed by Global Positioning Services, Inc. The owner of record is State of Alaska Department of Natural Resources Division of Mining, Land, and Water.

Scarcelli described the request for subdivision of state property. The lots will be primarily accessed via water, and will be intended for recreational use. Staff does not anticipate that roads will be developed in the near future. The applicant has agreed to include a plat note stating that the city is a party to all easements.

Stan Sears with Global Positioning Service represented the applicant. Access to some lots requires the use of easements. There are 4 or 5 coves for water access. Sears stated that the plat note making the city a party to all easements is acceptable to GPS.

Spivey stated that request is straight forward.

Parker Song/Pohlman moved to APPROVE the preliminary plat of a major subdivision for ASLS 15-06, and request that the final plat include a plat note that states that the municipality is a party to all easements. The request is filed by Global Positioning Services. The owner of record is Alaska Department of Natural Resources Division of Mining, Land, and Water. Motion PASSED 5-0.

- G** Public hearing and consideration of a tideland sale application filed by Forrest Dodson for tidelands adjacent to 263 Katlian Avenue.

Bosak explained the request. The applicant previously purchased the tidelands seaward of 263 Katlian, and now request to purchase tidelands adjacent to the house. Bosak stated the need to maintain public access to tidelands, and that tidelands may increase in value over time. Staff recommend denial of the sale, and recommend a Class I, month-to-month lease.

Forrest Dodson stated that he would prefer to purchase the property. Construction will cost \$10,000 more if he cannot acquire this parcel, and he would like to have more elbow room. Dodson stated that he believes there would be sufficient water access even if he was allowed to purchase the parcel. Hughey asked about current fill in the parcel. Dodson stated that the fill was temporary, and would have to be removed. Dodson stated that the parcel isn't being used. Hughey clarified that the previous proposal was to move the

house onto the seaward parcel with parking in front.

Margie Esquiro stated that Dodson's wife does a great job of restoring old properties.

Hughey stated that work on the house will happen regardless of the approval of this purchase, and stated that it would serve the public good to preserve access to the tidelands. Pohlman stated that the Land Use Plan meetings have raised concerns for lands on Katlian that were taken for the WWII effort. Bosak stated that the applicant can move forward to the Assembly even if the Planning Commission does deny the request. At Pohlman's request, Bosak explained the difference between the 3 tideland lease classifications.

Parker Song/Hughey moved to DENY the proposed land sale of 1,017 square feet of tidelands adjacent 263 Katlian Avenue and instead encourage the applicants to apply for a Class I tideland lease. Motion PASSED 4-1.

H Public hearing and consideration of a tideland lease request filed by Petro Marine Services for tidelands adjacent to 1 Lincoln Street.

Bosak explained the request for a 50-year Class 3 tideland lease. The request was originally a purchase request, but staff directed the applicant to pursue a lease. No public comment has been received. Staff recommend approval of the lease proposal.

Jerry Jacobs represented Petro Marine. Jacobs stated that Petro does not anticipate any change of hours. Windsor asked about access to the Forest Service dock. Jacobs stated that he believes the new dock will improve access. Hughey stated that it looks like a good idea. Bosak stated that staff anticipates that upland owners will respond to mailed notices if they anticipate problems. Jacobs stated the new dock will improve control of spills.

Hughey/Pohlman moved to RECOMMEND preliminary approval of the proposed tideland lease adjacent to 1 Lincoln Street filed by Petro Marine Services. Motion PASSED 5-0.

I Public hearing and consideration of a conditional use permit request filed by Kristy Crews and Levi Hunt for a short-term rental at 3001 Mikele Street, in the R-1 residential zone. The property is also known as Lot 7 West Subdivision. The request is filed by Kristy Crews and Levi Hunt. The owners of record are Kristy M. Crews and Levi G. Hunt.

Pierson described the request, and read a letter of support from Peter and Michelle Kennedy at 3002 Mikele.

Kristy Crews stated that they are new to home ownership, and would like to experiment with various lengths of rentals.

Windsor clarified that a short-term rental must be used within 12 months or it becomes void.

Pohlman/Windsor moved to APPROVE the required findings for conditional use permit.

Required Findings for Conditional Use Permits. The planning commission shall

not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of 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.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
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.
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are 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;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
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;
5. Community appearance such as landscaping, fencing and screening,

dependent upon the specific use and its visual impacts.

Motion PASSED 5-0.

Pohlman/Windsor moved to APPROVE the conditional use permit request for a short-term rental at 3001 Mikele Street, subject to conditions of approval. The property is also known as Lot 7 West Subdivision. The request is filed by Levi Hunt and Kristy Crews. The owners of record are Levi Hunt and Kristy Crews.

Conditions of Approval:

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.
5. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first nine months of operations for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with all applicable tax laws, including but not limited to remittance of all sales and bed tax, shall be grounds for revocation of the conditional use permit.
7. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.
8. The property owner shall register for a sales account prior to the Conditional Use Permit becoming valid.

Motion PASSED 5-0.

J

Public hearing and consideration of a conditional use permit request for marijuana retail at 1321 Sawmill Creek Road Suites O and P, in the C-2 commercial and mobile home zone. The property is also known as US Survey 2729. The request is filed by Mike Daly. The owner of record is Eagle Bay Inn LLC.

Scarcelli explained the request. Bays O and P will be reconfigured to house two facilities – one for retail and one for cultivation. Staff believes that parking is adequate. Staff recommends a condition of approval that the plaza's parking is striped to delineate 107 spaces. Scarcelli read a letter of concern submitted by Clyde Bright. Staff recommends approval. Windsor asked about electrical load. Scarcelli stated that the applicant has submitted the load calculation to staff.

Mike Daly stated that he is building airtight rooms and use filters to control odors. Daly stated that they will test for mold as they go. Daly stated that windows will be blacked out. Daly stated that eventually wants a smoke room for tourists. Spivey thanked Daly for thorough plans.

Joe D'Arienzo stated that this proposal will be a positive first step for the industry in town, and supports the application "whole heartedly."

Jennifer Davis urged caution. Children and families frequent the theater and Pizza Express.

Jay Stelzenmeller stated that he is encouraged by the thorough work of the applicant and staff.

Parker Song stated that the plans are thorough, and it seems like a good location. Spivey stated that kids do play in the neighborhood, and families do frequent the plaza. Spivey stated that the applicant's plans are sufficient to mitigate any concerns. Hughey stated that the applicant has set a high bar for future applicants. Hughey stated concern that the applicant will invest heavily, and the conditional use permit could theoretically be revoked in the future. Windsor stated that there aren't many areas for marijuana retail in town. Bosak stated that the reception room is a nice feature.

Windsor/Hughey moved to APPROVE the required findings.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of 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.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
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.
6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval

criteria are 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;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
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;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Specific Guidance from 22.24 on Findings for Marijuana Uses

Findings of Fact: Upon review and considerations of the required criteria, the Planning Commission shall determine whether the proposed use(s) at the proposed project location are found to not present a negative impact to the public's health, safety, and welfare.

1. If such a finding can be made, then the proposed use shall be approved with standard regulations, dimensions, and setbacks.
2. In the alternative, where the Planning Commission finds negative impacts are present, the Planning Commission shall only approve conditional use permits where the negative impacts can be adequately mitigated by conditions of approval that preserve the public's health, safety, and welfare. These conditions of approval shall be case by case specific and in addition to the standard regulations.
3. If negative impacts to the public's health, safety, and welfare cannot be mitigated through conditions of approval then the Planning Commission shall so find and deny the proposed conditional use permit.

Motion PASSED 5-0.

Windsor/Parker Song moved to APPROVE the conditional use permit request filed by Mike Daly and Northern Lights, LLC for marijuana retail at 1321 Sawmill Creek Road, Units O & P, in the C 2 General Commercial and mobile home zone subject to the attached 12 conditions of approval. The property is also known as U.S. Survey 2729. The owner of record is Eagle Bay Inn, LLC.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.

3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved conditional use permits shall comply with all Sitka General Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit
8. Applicant shall provide a Parking Plan that complies with Section 22.20.100 for all uses present and proposed at the current property including striped parking spaces where feasible (i.e. concrete or asphalt areas).
9. Odor Control shall include charcoal filters and other best means to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.
10. The proposed retail site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.
11. This permit only conditionally approved the use of retail; however, at the same time, all legally vested uses operating within Units O and P must comply with all pertinent state and local regulations, licenses, and permits to remain valid.
12. The Planning Commission may, at its discretion and upon receiving meritorious evidence of negative impacts to public health, safety, and welfare, schedule a review to address issues of concern and pursue mitigation through additional conditions if necessary.

Motion PASSED 5-0.

K

Public hearing and consideration of a conditional use permit request for marijuana cultivation at 1321 Sawmill Creek Road Suites O and P, in the C-2 general commercial and mobile home zone. The property is also known as US Survey 2729. The request is filed by Mike Daly. The owner of record is Eagle Bay Inn LLC.

Scarcelli described the request for a cultivation facility. The applicants submitted their entire AMCO application. One public comment was received, with concerns for odors. Staff believe that parking is sufficient, but the lot should be striped. There is no known sensitive use within the 500 foot buffer zone. Staff recommend approval.

Mike Daly stated that he had nothing additional to contribute. Windsor asked if Daly anticipated difficulty with striping the parking lot. Daly replied that the owner has given consent to striping.

Michelle Cleaver stated that the owner has stated that the entire lot will be

striped by the end of the month.

Parker Song/Pohlman moved to APPROVE the required findings.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of 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.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
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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.
6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are 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;
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5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Specific Guidance from 22.24 on Findings for Marijuana Uses

Findings of Fact: Upon review and considerations of the required criteria, the Planning Commission shall determine whether the proposed use(s) at the proposed project location are found to not present a negative impact to the public's health, safety, and welfare.

1. If such a finding can be made, then the proposed use shall be approved with standard regulations, dimensions, and setbacks.
2. In the alternative, where the Planning Commission finds negative impacts are present, the Planning Commission shall only approve conditional use permits where the negative impacts can be adequately mitigated by conditions of approval that preserve the public's health, safety, and welfare. These conditions of approval shall be case by case specific and in addition to the standard regulations.
3. If negative impacts to the public's health, safety, and welfare cannot be mitigated through conditions of approval then the Planning Commission shall so find and deny the proposed conditional use permit.

Motion PASSED 5-0.

Parker Song/Pohlman moved to APPROVE the request the conditional use permit request filed by Mike Daly and Northern Lights, LLC for marijuana cultivation at 1321 Sawmill Creek Road, Units O & P, in the C-2 General Commercial and mobile home zone subject to the attached 12 conditions of approval. The property is also known as U.S. Survey 2729. The owner of record is Eagle Bay Inn, LLC.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.
3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved conditional use permits shall comply with all Sitka General

Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit

8. Applicant shall provide a Parking Plan that complies with Section 22.20.100 for all uses present and proposed at the current property including striped parking spaces where feasible (i.e. concrete or asphalt areas).

9. Odor Control shall include charcoal filters and other best means to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.

10. The proposed cultivation site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.

11. This permit only conditionally approved the use of cultivation; however, at the same time, all legally vested uses operating within Units O and P must comply with all pertinent state and local regulations, licenses, and permits to remain valid.

12. The Planning Commission may, at its discretion and upon receiving meritorious evidence of negative impacts to public health, safety, and welfare, schedule a review to address issues of concern and pursue mitigation through additional conditions if necessary.

Motion PASSED 5-0.

L

Public hearing and consideration of a conditional use permit request for marijuana cultivation at 4614 Halibut Point Road, in the C-2 general commercial and mobile home zone. The property is also known as Lot 3 of Carlson Resubdivision. The request is filed by Green Leaf, Inc. The owners of record are Connor K. Nelson and Valerie L. Nelson.

Scarcelli explained the request for a cultivation facility. The applicant has worked with staff to mitigate staff concerns. Cultivation tends to have lower traffic than other manufacturing uses. Staff have received public comment about noise from the fans; however, the property is commercially zoned. The applicant has proposed extensive ventilation. Staff recommends approval.

Aaron Bean asked that the application be amended to list Green Leaf, Inc. as the applicant. Spivey asked if the applicant plans to do retail in the future. Bean stated that he hopes to eventually do retail on a different lot at the same site. Spivey thanked the applicant for the thorough application.

Hughey/Pohlman moved to APPROVE the required findings.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of 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.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
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.
6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are 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;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
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;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Specific Guidance from 22.24 on Findings for Marijuana Uses

Findings of Fact: Upon review and considerations of the required criteria, the Planning Commission shall determine whether the proposed use(s) at the proposed project location are found to not present a negative impact to the public's health, safety, and welfare.

1. If such a finding can be made, then the proposed use shall be approved with standard regulations, dimensions, and setbacks.

2. In the alternative, where the Planning Commission finds negative impacts are present, the Planning Commission shall only approve conditional use permits where the negative impacts can be adequately mitigated by conditions of approval that preserve the public's health, safety, and welfare. These conditions of approval shall be case by case specific and in addition to the standard regulations.

3. If negative impacts to the public's health, safety, and welfare cannot be mitigated through conditions of approval then the Planning Commission shall so find and deny the proposed conditional use permit.

Motion PASSED 5-0.

Hughey/Parker Song moved to APPROVE approve the conditional use permit request filed by Green Leaf, Inc. for marijuana cultivation at 4614 Halibut Point Road, in the C 2 General Commercial and Mobile Home zone, subject to conditions of approval. The property is also known as Lot 3 of Carlson Resubdivision. The owners of record are Connor K. Nelson and Valorie L. Nelson.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.
3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved Conditional use permits shall comply with all Sitka General Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit
8. Applicant shall provide a Parking Plan that complies with Section 22.20.100 for all uses present and proposed at the current property including striped parking spaces where practical.
9. Odor Control shall include charcoal filters and other best means to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.
10. The proposed cultivation site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.
11. The Planning Commission may, at its discretion and upon receiving

meritorious evidence of negative impacts to public health, safety, and welfare, schedule a review to address issues of concern and pursue mitigation through additional conditions if necessary.

Motion PASSED 5-0.

M

Public hearing and consideration of a conditional use permit request for marijuana retail at 205 Harbor Drive, in the central business district. The property is also known as Lot 1 Van Winkle Subdivision. The request is filed by Mary Magnuson. The owners of record are Frank and Mary Magnuson.

Scarcelli reviewed the request. The ultimate decision about possible buffer zone issues would be determined by the state AMCO office. Staff recommends that the commission postpone the request to a later meeting so more information can be provided. Windsor asked if a postponement would “foul up” the process for the applicant. Scarcelli stated that he understands that the state is postponing some of their previously advertised dates. Spivey asked if staff have reached out to request additional information, and Scarcelli stated that he and Pierson had both been in touch with the applicant, requested additional information, and the applicant indicated that she would provide more information. Pohlman stated concern for proximity to the Lutheran Church.

Mary Magnuson stated that operations will be according to state regulations. Magnuson stated that she has difficulty luring her potential tenant before a permit is granted. The property has been retail in the past, and will be some sort of retail in the future. Magnuson stated that she believes her application is adequate. The building is already sprinkled and fire alarmed, has “tremendous” ventilation, and will have approximately 16 security cameras. Magnuson stated that she does not see the need to delay the request. Windsor asked if the applicant had plans for a smoking room, and Magnuson said no.

Margie Esquiro stated concern for the proximity to sensitive uses, and the city can be more stringent than the state.

Joe D'Arienzo stated that this is one of the only available sites in the central business district due to sensitive uses.

Scarcelli read a letter from Susan Jensen, in opposition to the proposal.

Windsor asked what would happen if the conditional use permit was granted but the state license was denied. Scarcelli stated that until a state license is granted, the conditional use permit is not activated. Hughey asked what would be required for staff to view the application as complete. Scarcelli stated that the ordinance pulls state regulations into municipal requirements, so the city can enforce issues as they arise; therefore, the planning department would like to receive the same information that is submitted to the state, including security, diversion, floor plan, and overall detailed plans. Parker Song asked if another retail would be analyzed to this extent. Bosak stated that uses that are conditional are analyzed by the framework in code.

Pohlman stated that community concerns have been raised, so she would like to see the lessee and his/her plans in full detail. Spivey stated that a conditional use requires detailed plans.

Windsor/Hughey moved to **POSTPONE** the item to June 21 and request that the applicant provide more information. Motion **PASSED 5-0**.

N

Public hearing and consideration of a conditional use permit request for a marijuana retail facility at 1321 Sawmill Creek Road J, in the C-2 commercial and mobile home zone. The property is also known as US Survey 2729. The request is filed by Anna Michelle Cleaver. The owner of record is Eagle Bay Inn, LLC.

Scarcelli described the request for marijuana retail. The applicant has provided the AMCO application. Parking is sufficient, but parking space striping should be a condition of approval. No sensitive uses are known within the state buffer zone. Staff recommends approval. Spivey stated that he notarized the state application, but has no financial gain at stake.

Michelle Cleaver stated that the owner intends to stripe 120 parking spaces by the end of the month. Hughey clarified that Cleaver would sell locally cultivated marijuana, and she stated yes.

Jeremy Twaddle asked about how odor is determined. Bosak stated that odor would be addressed if complaints were raised.

Jennifer Davis stated that she lives nearby, and is concerned that children and families use the plaza.

Windsor asked about the time requirements for review by the board. Bosak stated that review could occur at any time when a meritorious complaint is received which indicates that the operation is not in compliance with the conditions of approval.

Parker Song/Pohlman moved to **APPROVE** the required findings.

Required Findings for Conditional Use Permits. The planning commission shall not recommend approval of a proposed development unless it first makes the following findings and conclusions:

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of 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.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
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.

6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

The city may approve, approve with conditions, modify, modify with conditions, or deny the conditional use permit. The city may reduce or modify bulk requirements, off-street parking requirements, and use design standards to lessen impacts, as a condition of the granting of the conditional use permit. In considering the granting of a conditional use, the assembly and planning commission shall satisfy themselves that the general criteria set forth for uses specified in this chapter will be met. The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly and planning commission may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest. The general approval criteria are 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;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
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;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Specific Guidance from 22.24 on Findings for Marijuana Uses

Findings of Fact: Upon review and considerations of the required criteria, the Planning Commission shall determine whether the proposed use(s) at the proposed project location are found to not present a negative impact to the public's health, safety, and welfare.

1. If such a finding can be made, then the proposed use shall be approved with standard regulations, dimensions, and setbacks.
2. In the alternative, where the Planning Commission finds negative impacts are present, the Planning Commission shall only approve conditional use permits where the negative impacts can be adequately mitigated by conditions of approval that preserve the public's health, safety, and welfare. These conditions of approval shall be case by case specific and in addition to the standard regulations.
3. If negative impacts to the public's health, safety, and welfare cannot be mitigated through conditions of approval then the Planning Commission shall so find and deny the proposed conditional use permit.

Motion PASSED 5-0.

Parker Song/Pohlman moved to APPROVE the conditional use permit request filed by Anna Michelle Cleaver for marijuana retail at 1321 Sawmill Creek Road, Unit J, in the C 2 General Commercial and mobile home zone subject to the attached 11 conditions of approval. The property is also known as U.S. Survey 2729. The owner of record is Eagle Bay, LLC.

Conditions of Approval:

1. Owners, operators, and staff of conditional uses shall comply with all state and municipal licensing regulations.
2. All licensed facilities shall comply with all life and safety regulations as promulgated by the municipal Building Official.
3. All licensed manufacturing and cultivation uses shall provide a fire safety plan, material handling plan, and comply with all fire safety regulations that satisfies the Fire Marshal or their designee and the Building Official.
4. All licensed facilities and/or uses shall provide screening from public view of any marijuana related commercial, retail, cultivation, or manufacturing use.
5. All licensed facilities and/or uses shall establish an active sales account and business registration with the Municipality and shall comply with all standard & required accounting practices.
6. It shall be a standard regulation that all conditional uses comply with all applicable state regulations and licensing laws or it shall be deemed to abandon and extinguish and associated municipal license or conditional use permit.
7. All approved conditional use permits shall comply with all Sitka General Code or shall be deemed to abandon and extinguish any associated municipal license or conditional use permit
8. Applicant shall provide a Parking Plan that complies with Section 22.20.100 for all uses present and proposed at the current property including striped parking spaces where feasible (i.e. concrete or asphalt areas).
9. Odor Control shall include reasonable best means (such as high quality Commercial HEPA filter) to limit and mitigate odor impacts to surrounding uses. Should a meritorious odor complaint be received, the Planning Commission may require additional odor control measures to mitigate any actual negative impacts.
10. The proposed retail site shall not be located within 500 feet of any school grounds, recreation or youth center, religious service building, or correctional facility that was legally established prior to approval of this conditional use permit as intended by licensing restriction and regulations of the state in 3 AAC Chapter 306.
11. The Planning Commission may, at its discretion and upon receiving meritorious evidence of negative impacts to public health, safety, and welfare, schedule a review to address issues of concern and pursue mitigation through additional conditions if necessary.

Motion PASSED 5-0.

VI. PLANNING DIRECTOR'S REPORT

Bosak reported on the Assembly Lands Work Session from the previous week. The June 7 meeting will focus on acquisition, retention, and disposal of municipal lands, and will be held at the Fire Hall. The July 5 meeting is

cancelled.

VII. PUBLIC BUSINESS FROM THE FLOOR

Mary Magnuson stated that she was told that she would not have to disclose the identity of her lessee. Scarcelli stated that the tenant isn't relevant, but the details are relevant.

VIII. ADJOURNMENT

Hughey/Windsor moved to ADJOURN at 9:44 PM. Motion PASSED 5-0.

ATTEST: _____
Samantha Pierson, Planner I



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

Date: May 6, 2016

From: Maegan Bosak, PCDD

To: Planning Commission

Re: Petro Marine Services Tideland Lease Request

GENERAL INFORMATION

Applicant: Petro Marine Services
P.O. Box 418
Sitka, AK 99835

Property Owner: City and Borough of Sitka

Property Address: Adjacent 1 Lincoln Street

Legal Description: 7082 sq ft submerged tidelands within
ATS 15

Parcel ID Number: New parcel to be created

Size of Existing Lot: 7,082 square feet

Zoning: WD Waterfront

Existing Land Use: Unoccupied submerged tidelands

Utilities: None

Access: By water or Lincoln Street

Surrounding Land Use: Commercial

MEETING FLOW

- Report from Staff
- Applicant comes forward
- Applicant identifies him/herself – provides comments
- Commissioners ask applicant questions
- Staff asks applicant any questions
- Floor opened up for Public Comment
- Applicant has opportunity to clarify or provide additional information
- Comment period closed - brought back to the board
- Findings
- Motion of recommendation

ATTACHMENTS

Attachment A: Vicinity Map
Attachment B: Aerial Vicinity Map
Attachment C: Parcel Pictures
Attachment D: Application
Attachment E: Site Plan
Attachment F: Subdivision Plat
Attachment G: Zoning Map
Attachment H: Mailing List
Attachment I: City Department Staff Comments

PROJECT DESCRIPTION

Petro Marine is requesting a long term tideland lease adjacent their deeded tidelands at 1 Lincoln Street. The request includes 7,082 square feet for the purpose of relocating the existing floating fuel dock to the area and replacing it with a 150' marine fueling dock.

The Assessor is working on establishing an assessment for the tidelands of which the lease would be charged a 4.5% annual fee, with an adjustment every 7 years, per SGC. The applicant has requested a 50 year lease period.

Following the Planning Commission meeting, the request will be presented to the Assembly for preliminary approval. From preliminary approval, a plat will be created and presented to the Commission again for subdivision approval. Port and Harbors and Historic Preservation will be consulted. A final lease ordinance will be authorized by the Assembly and then the parcel to be put out for competitive bid. This is a long and arduous process and one that Staff is hoping to streamline in the new land use plan.

BACKGROUND

In March, Petro Marine submitted a request to purchase additional tidelands adjacent their deeded tidelands at 1 Lincoln Street, for expansion of marine fueling services and dock realignment. The sales request was denied based on:

Possible limitations to use to upland property owners

Restriction of access to upland property owners

Comprehensive Plan Policy 2.4.12 *To maintain public access to the waterfront, where feasible, in all zones*

Municipally owned tidelands are limited and are not considered surplus to future community priorities.

The applicant was instead routed towards the lease process and resubmitted requesting a 50 year lease.

Only upland property owners have “preference rights” to tidelands, meaning that a sale or lease can be made without going to a public competitive bid process. For this small portion of property, the upland property owner is the Forest Service and CBS. The lease request requires a public competitive bid process.

Tidelands will continue to increase in value and be an asset to the citizens. Many feel the waterfront should be for public facilities and enjoyment, more of a benefit to the masses rather than an individual land owner. Tidelands are a very limited resource.

PCDD is in support of a Class III Tideland lease. This commercial designation lease requires a lengthy public notification period which allows concerns to be aired.

This option seems to be beneficial to all parties in that it allows the applicant the use of the property and allows CBS to retain the property should future needs arise.

ANALYSIS

Project / Site: The proposed tidelands are immediately adjacent 1 Lincoln Street. It is approximately 7,082 square feet of unoccupied submerged tidelands that are next to the current Petro Marine Fuel dock.

Amount of vehicular traffic to be generated and impacts of the traffic on nearby land uses: Same amount of vehicular traffic as currently observed. No increase in expected. Concerns stem from access and the restrictions that this new configuration could impose.

Amount of noise to be generated and its impacts on surrounding land use: Construction noise should be anticipated during install of the new dock facility. After that, Staff expects that noise would be similar to present use.

Odors to be generated by the use and their impacts: Odors from gas and boat exhaust should be anticipated.

Hours of operation: Unknown. Expect similar hours as present site.

Effects of vehicular and pedestrian safety: Public safety in general is a concern for any fuel facility. Commissioners should consider plans for spill response, boat congestion, dock falls and fire.

Ability of the police, fire and EMS personnel to respond to emergency calls on the site: Same as present.

Effects of signage on nearby uses: Limited change to signage.

Conformity with Comprehensive Plan: The Comprehensive Plan section 2.3.12 *To maintain public access to the waterfront, where feasible.*

RECOMMENDATION

It is recommended that the Planning Commission adopt the Director's analysis and move to recommend preliminary approval of the tideland lease adjacent 1 Lincoln Street.

If the Planning Commission approves the proposed tideland lease, the process would be this: The request would go to the Assembly for concept approval, followed by creation of a minor subdivision, through Ports and Harbors and Historic Preservation Commissions, public competitive bid and then back to the Assembly for a final land sale ordinance.

Recommended Motions:

- 1) I move to recommend preliminary approval of the proposed tideland lease adjacent to 1 Lincoln Street filed by Petro Marine Services.

Memorandum

TO: Maegan Bosak, Planning and Community Development Director

FROM: Wendy Lawrence, Assessing Director
Wendy Lawrence

SUBJECT: City and Borough of Sitka Tidelands Assessed Valuation for Proposed Lease – Approximately 7,082 sf of a Portion of ATS 15/ADL 1966 (which is adjacent to: PID: 1-0010-000 – #1 Lincoln)

DATE: May 12, 2016

The real property described above was inspected for the valuation of tideland parcel subject to a lease proposal of sloping tidelands adjacent to the Petro Marine fuel dock at #1 Lincoln Street.

The subject site consists of 7,082sf of sloping tidelands within ATS 15, located directly north and adjacent to Petro Marine's downtown facility. The depth of the water ranges from 15-35' more or less, is zoned waterfront, and is intended to be used as key waterfront access for this marine fueling facility. Use of this site would allow the applicant to reconfigure, expand and enhance the current fuel dock for greater efficiency and safety.

Tidelands within the City and Borough of Sitka are valued according to their classification: upland and filled tidelands are valued at the same rate as the regular land values for the area, with sloping and submerged tidelands valued at a percentage of the upland rate. This standard of valuation is used throughout Alaska, with price variances according to upland land values, zoning classifications, and adjustments for inferior or superior qualities in comparable sales. Acquisition of this site would enhance Petro Marine's waterfront access to this marine fueling business, and as such is valued at 45% of the upland land value for Petro Marine's #1 Lincoln overall facility.

Waterfront comparable sales prices per square foot range from \$26.05 to \$34.99 per upland square foot for this market area. The attached table shows the tideland comparable sales, with most weight being given to the subject's prior tideland purchase, at this same location, as Comparable #1 at a time-adjusted value of \$32.11/sf. Comparable #2 is similar in quality and location, and as such is weighted heavily as well at a time adjusted upland rate of \$34.99/sf. Comparable #3 is slightly inferior in location to the subject and brackets the subject at the low end of the range. All uses are commercial and all zoning classifications for the comparable sales are waterfront, similar to the subject property. Time adjustments were calculated at 2% per year prior to 2008, and 1% per year after.

Based upon the sales data available for this area, I have estimated the fee simple assessed value of \$102,300 for this proposed site. This figure was calculated by multiplying 45% of the upland square foot value of \$32.11 to the estimated square footage of 7,082 for these sloping tidelands, for a rounded fee simple value of \$102,300.

**Comparable Sales Table
Waterfront Tidelands Valuation**

2016							Up/Filled Rate		
Comp	PID	Location	Zoning	Sale Date	Sale Price	Size	Time-Adj \$/SF	Sale Price/SF	
1	1-0010-000	#1 Lincoln	W	11/20/98	\$45,800	2,125	\$ 32.11	\$23.16	
2	1-6655-000	201 Katlian	W	06/20/06	\$38,000	4,514	\$ 34.99	\$31.68	
3	1-6845-000	485 Katlian	W	01/26/16	\$20,800	5,327	\$ 26.05	\$26.05	

Range: \$26.05/sf to \$34.99/sf

Samantha Pierson

From: Stan Eliason
Sent: Wednesday, March 16, 2016 9:42 AM
To: Samantha Pierson
Subject: Re: Land Purchase Inquiries

Samantha, I don't foresee any use of these tidelands with my operations.

Stan

Sent from my iPhone us my new email address: stan.eliason@cityofsitka.org

On Mar 14, 2016, at 12:32 PM, Samantha Pierson <samantha.pierson@cityofsitka.org> wrote:

Dear Department Heads,

Two parties have expressed interest in acquiring parcels of city-owned property. One inquiry concerns a the sale of a portion of tidelands adjacent to 1 Lincoln Street. The applicants state that they wish to create a new fuel dock on the property.

The second inquiry concerns the sale of Mineral Survey 1587, near Herbert Graves Island. The applicant wishes to purchase the property for personal use as a subsistence camp.

Like most land sales, these proposals will also receive formal review by the Historic Preservation Commission and the Port and Harbors Commission.

Before proceeding with a process to possibly dispose of these properties, a necessary step is to determine if they are surplus to the city's needs.

Therefore, I ask department heads to advise the Planning Department as to whether these parcels are surplus to their department's needs. Additionally, even if it is surplus, please advise if you are aware of a reason why it might be in the city's best interest to retain these properties in the city lands inventory.

Please respond by Tuesday, March 22, or let me know if you need more time. If we receive no response from a department, the Planning Department will consider there to be no objection to disposing of the property.

Feel free to give me a call if you would like more information. Thank you.

Sam

Samantha Pierson
Planner I
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835
(907) 747-1814

Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street

Samantha Pierson

From: Dave Miller
Sent: Monday, March 14, 2016 2:29 PM
To: Samantha Pierson
Subject: RE: Land Purchase Inquiries

Fire Department has no problems with the sale
Dave Miller

From: Samantha Pierson
Sent: Monday, March 14, 2016 12:32 PM
To: cbs.depthheads.staff <cbs.depthheads.staff@cityofsitka.org>
Subject: Land Purchase Inquiries

Dear Department Heads,

Two parties have expressed interest in acquiring parcels of city-owned property. One inquiry concerns a the sale of a portion of tidelands adjacent to 1 Lincoln Street. The applicants state that they wish to create a new fuel dock on the property.

The second inquiry concerns the sale of Mineral Survey 1587, near Herbert Graves Island. The applicant wishes to purchase the property for personal use as a subsistence camp.

Like most land sales, these proposals will also receive formal review by the Historic Preservation Commission and the Port and Harbors Commission.

Before proceeding with a process to possibly dispose of these properties, a necessary step is to determine if they are surplus to the city's needs.

Therefore, I ask department heads to advise the Planning Department as to whether these parcels are surplus to their department's needs. Additionally, even if it is surplus, please advise if you are aware of a reason why it might be in the city's best interest to retain these properties in the city lands inventory.

Please respond by Tuesday, March 22, or let me know if you need more time. If we receive no response from a department, the Planning Department will consider there to be no objection to disposing of the property.

Feel free to give me a call if you would like more information. Thank you.

Sam

Samantha Pierson
Planner I
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835
(907) 747-1814

Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street

CITY AND BOROUGH OF SITKA
PLANNING DEPARTMENT
LAND SALES APPLICATION

RECEIVED MAR 03 2016 9:07 AM

Applicant

Applicant's Name: Petro Marine Services Phone: 747-3414

If application is a corporation, give name of agent: Jerry Jacobs

Mailing Address: Box 418, Sitka AK 99835

Requested Property SEE ATTACHED DRAWING

Legal Description: Lot _____ Block _____ U.S. Survey No. _____

Existing Subdivision _____

Street Address _____

Intended Use (circle): Residential Private Recreation Commercial Industrial

Reason for requesting sale: To relocate the existing floating fuel dock at #1 Lincoln St. to the area in question, and replace it with a structure designed to enhance public safety and environmental protection (see attached).


Area of land: 7082 sq. ft.

Current use and appearance: Unoccupied submerged tidelands adjacent to the Petro Marine fuel dock at #1 Lincoln St.

Historical Use: See attached comments.

Proposed construction or improvement: 150' marine fueling dock - see attached drawings

If the Assembly authorizes the sale to proceed, 1) an additional \$150 will be required to cover advertising costs, 2) a subdivision plat will be required, and 3) an appraisal will be required. The cost of the appraisal may be split between the municipality and the applicant.

Signature:  Date: 3/2/16

Petro Marine Services
Land Management - Tideland Purchase Request
1 Lincoln Street

Attachment to Land Sales Application

Petro Marine Services

Reason for requesting sale (continued)

Petro Marine is considering a reconfiguration of the marina for several reasons. These include:

Upgrade Aging Equipment. The existing marina has been in place since the mid 1980's. The proposed marina will be much like the one we built at our Katlian St. facility in 2012. That design incorporates improved control valves, among other features, that do not allow fuel to flow unless the valves are energized by an attendant.

Public Safety. The new configuration improves access to the USFS dock by reducing conflicts between boat traffic to our marina and the float plane the USFS brings in to their dock during the summer. Boat traffic to the proposed marina would be much farther from the USFS dock than it is at present, reducing the chance of a boat/plane collision.

The proposed design includes a covered ramp, reducing the possibility of slips, trips and falls due to the buildup of snow and ice. The design also contains permanently mounted safety ladders. Incidents at City harbors over the last few years have shown the value of this equipment. Due to its configuration and method of construction, installing ladders on the existing dock is not practical.

Enhanced Spill Response. The design of the marina provides immediate containment of any fuel spilled on the marina surface itself. In addition, the plan calls for staging spill containment boom in a shed on the marina. This boom can be easily deployed to contain spills to the water surrounding the marina itself and the adjacent piling dock. The pontoon design means that, in combination with deployed boom, the marina itself is part of a containment system that allows for rapid control of a fuel spill.

Enhanced Fire Suppression Capability. At the request of the Fire Chief, the water supply line to the north plant marina (constructed in 2012) is equipped with fittings for the connection of fire hoses. It was the Chief's opinion that this would significantly improve the Fire Departments ability to fight a fire there. This design could also be incorporated into the proposed marina.

Historical Use (continued)

The Lincoln St. fuel facility has been an important location for re-fueling both local and out of town vessels for well over 100 years. In the 30's, 40's and 50's, the tidelands in question were home to a piling dock owned by Standard Oil Company (picture attached). Since that time, most of the vessels that have come in to fuel up at either of the docks at the Lincoln St. facility have transited and/or moored in the area above these tidelands (pictures attached).



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 Tuesday, September 13, 2016 on the following items:

- A. **Public hearing and consideration of a tideland lease request filed by Petro Marine Services for 7109 square feet of tidelands adjacent to 1 Lincoln Street. The property is also known as a portion of ATS 15.**
- B. Public hearing and consideration of a land lease renewal request filed by White Elephant Shop for 323 Seward Street. The property is also known as all of lot 7 and a fractional part of lots 8, C-9, and C-10 of Block 8, US Survey 1474 Tract A.

The Assembly may take action on September 13, 2016. The Assembly meeting will begin at 6:00 pm at University of Alaska Southeast, 1332 Seward Avenue, Room 229 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.

Parcel ID: 10001000
STATE OF ALASKA
PIONEER HOME
ALASKA, STATE OF
P.O. BOX 110690
JUNEAU AK 99811

Parcel ID: 10010000
HARBOR ENTERPRISES, INC.
PETRO MARINE SERVICES
HARBOR ENTERPRISES, INC.
P.O. BOX 389
SEWARD AK 99664-0389

Parcel ID: 10015001
RAVEN RADIO FOUNDATION, INC.
RAVEN RADIO FOUNDATION, INC.
2B LINCOLN ST.
SITKA AK 99835

Parcel ID: 10015002
CITY & BOROUGH OF SITKA
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10015004
CITY & BOROUGH OF SITKA
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10016000
CITY & BOROUGH OF SITKA
CITY HALL
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10017000
STATE OF ALASKA
CASTLE HILL
STATE OF ALASKA
6860 GLACIER HWY
JUNEAU AK 99801

Parcel ID: 10017001
CITY & BOROUGH OF SITKA
CASTLE HILL (BELOW) HARB DR
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10020000
CASTLE HILL, LLC
CASTLE HILL, LLC
117 GRANITE CREEK RD, STE 201
SITKA AK 99835

Parcel ID: 10033000
BLANCA HERNANDEZ
HERNANDEZ, BLANCA
2435 MARIAN BAY CIRCLE
ANCHORAGE AK 99515

Parcel ID: 15997000
SITKA TRIBE OF ALASKA
SHEETKA KWAAN NAA KAHINI
SITKA TRIBE OF ALASKA
456 KATLIAN ST.
SITKA AK 99835

Parcel ID: 16000000
JAMES MCGOWAN
MCGOWAN, JAMES, W.
202 KATLIAN, #A
SITKA AK 99835

Parcel ID: 16015000
ROBERT/KAREN PARKER
PARKER, ROBERT & KAREN
204 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16655000
SCOJO, LLC
TOTEM SQUARE
SCOJO, LLC
2819 DAWSON ST
ANCHORAGE AK 99503

Parcel ID: 16655001
C/B OF SITKA
BETWEEN TOTEM SQ & KAT AVE
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16656000
ALASKA, STATE OF
TOTEM SQUARE LAWN
ALASKA, STATE OF
TOTEM SQ LAWN
SITKA AK 99835

Parcel ID: 16657000
U.S. FOREST SERVICE
FOREST SERVICE DOCK
U.S. FOREST SERVICE
204 SIGINAKA WAY
SITKA AK 99835

Parcel ID: 16675000
CITY & BOROUGH OF SITKA
(BAILEY'S MARINE)
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835



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 Tuesday, June 14, 2016 on the following item:

A. Public hearing and consideration of a tideland lease request filed by Petro Marine Services for tidelands adjacent to 1 Lincoln Street.

The Assembly may take action on June 14, 2016. The Assembly meeting will begin at 6:00 pm at University of Alaska Southeast, 1332 Seward Avenue, Room 229 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.

Parcel ID: 10001000
STATE OF ALASKA
PIONEER HOME
ALASKA, STATE OF
P.O. BOX 110208
JUNEAU AK 99811

Parcel ID: 10010000
HARBOR ENTERPRISES, INC.
PETRO MARINE SERVICES
HARBOR ENTERPRISES, INC.
P.O. BOX 389
SEWARD AK 99664-0389

Parcel ID: 10015001
RAVEN RADIO FOUNDATION, INC.
RAVEN RADIO FOUNDATION, INC.
2B LINCOLN ST.
SITKA AK 99835

Parcel ID: 10015002
CITY & BOROUGH OF SITKA
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10015004
CITY & BOROUGH OF SITKA
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10016000
CITY & BOROUGH OF SITKA
CITY HALL
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10017000
STATE OF ALASKA
CASTLE HILL
STATE OF ALASKA
6860 GLACIER HWY
JUNEAU AK 99801

Parcel ID: 10017001
CITY & BOROUGH OF SITKA
CASTLE HILL (BELOW HARB DR)
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 10020000
CASTLE HILL, LLC
CASTLE HILL, LLC
117 GRANITE CREEK RD, STE 201
SITKA AK 99835

Parcel ID: 10033000
BLANCA HERNANDEZ
HERNANDEZ, BLANCA
2435 MARIAN BAY CIRCLE
ANCHORAGE AK 99515

Parcel ID: 15997000
SITKA TRIBE OF ALASKA
SHEETKA KWAAN NAA KAHINI
SITKA TRIBE OF ALASKA
456 KATLIAN ST.
SITKA AK 99835

Parcel ID: 16000000
JAMES MCGOWAN
MCGOWAN, JAMES, W.
202 KATLIAN, #A
SITKA AK 99835

Parcel ID: 16015000
ROBERT/KAREN PARKER
PARKER, ROBERT & KAREN
204 KATLIAN AVE
SITKA AK 99835

Parcel ID: 16655000
SCOJO, LLC
TOTEM SQUARE
SCOJO, LLC
2819 DAWSON ST
ANCHORAGE AK 99503

Parcel ID: 16655001
C/B OF SITKA
BETWEEN TOTEM SQ & KAT AVE
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 16656000
ALASKA, STATE OF
TOTEM SQUARE LAWN
ALASKA, STATE OF
TOTEM SQ LAWN
SITKA AK 99835

Parcel ID: 16657000
U.S. FOREST SERVICE
FOREST SERVICE DOCK
U.S. FOREST SERVICE
204 SIGINAKA WAY
SITKA AK 99835

Parcel ID: 16675000
CITY & BOROUGH OF SITKA
(BAILEY'S MARINE)
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

State of Alaska
PO Box 110690
Juneau, AK 99811

Assembly Mailing
June 3, 2016

Parcel ID: 10010000
HARBOR ENTERPRISES, INC.
PETRO MARINE SERVICES
HARBOR ENTERPRISES, INC.
P.O. BOX 389
SEWARD AK 99664-0389

Parcel ID: 10015001
RAVEN RADIO FOUNDATION, INC.
RAVEN RADIO FOUNDATION, INC.
2B LINCOLN ST.
SITKA AK 99835

Parcel ID: 10015002
CITY & BOROUGH OF SITKA
C/B OF SITKA
~~100 LINCOLN ST
SITKA AK 99835~~

Parcel ID: 10015004
CITY & BOROUGH OF SITKA
C/B OF SITKA
~~100 LINCOLN ST
SITKA AK 99835~~

Parcel ID: 10016000
CITY & BOROUGH OF SITKA
CITY HALL
C/B OF SITKA
~~100 LINCOLN ST
SITKA AK 99835~~

Parcel ID: 10017000
STATE OF ALASKA
CASTLE HILL
STATE OF ALASKA
6860 GLACIER HWY
JUNEAU AK 99801

Parcel ID: 10017001
CITY & BOROUGH OF SITKA
CASTLE HILL (BELOW) HARB DR
C/B OF SITKA
~~100 LINCOLN ST
SITKA AK 99835~~

Parcel ID: 10020000
CASTLE HILL, LLC
CASTLE HILL, LLC
117 GRANITE CREEK RD, STE 201
SITKA AK 99835

Parcel ID: 16655000
SCOJO, LLC
TOTEM SQUARE
SCOJO, LLC
2819 DAWSON ST
ANCHORAGE AK 99503

Parcel ID: 16656000
ALASKA, STATE OF
TOTEM SQUARE LAWN
ALASKA, STATE OF
TOTEM SQ LAWN
SITKA AK 99835

Parcel ID: 16657000
U.S. FOREST SERVICE
FOREST SERVICE DOCK
U.S. FOREST SERVICE
204 SIGINAKA WAY
SITKA AK 99835

Petro Marine Services
Tideland Lease Request
Adjacent to 1 Lincoln Street

P&Z Mailing
May 6, 2016



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-169 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/21/2016 In control: City and Borough Assembly

On agenda: 9/27/2016 Final action:

Title: Approve Amendment No. 5 to the lease between the City and Borough of Sitka and Sitka Animal Hospital

Sponsors:

Indexes:

Code sections:

Attachments: [Sitka Animal Hospital Lease Amendment.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve amendment no. 5 to the lease between the City and Borough of Sitka and Sitka Animal Hospital and authorize the Municipal Administrator to execute the document.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor McConnell and Members of the Assembly

From: Mark Gorman, Municipal Administrator
Maegan Bosak, Planning and Community Development Director *MB*

Subject: Amendment to Sitka Animal Hospital Lease for a 5 year extension

Date: September 19, 2016

Recently Dr. David Hunt DVM approached the Municipality with a request to extend his Sitka Animal Hospital lease for an additional 5 year term at the Sitka Animal Shelter.

Amendment No. 5 proposes to extend the lease for an additional 5 year term beginning February 29, 2017 (when the current extension expires) through February 28, 2022. The rental rate proposed remains the same at \$800 per month, based on continuing to provide reception services for the Sitka Animal Shelter.

In August 1995, the Sitka Animal Shelter was built by a group of volunteers. A portion of the building was designed to accommodate a veterinary hospital for shelter animals. Animal Control Officer Ken Buxton is also stationed in this facility.

The lease between Dr. David Hunt DVM and the City and Borough of Sitka was signed January 8, 1996 at a monthly rate of \$780.00, based on \$1 per sq. ft. Attached to the lease is Exhibit A outlining building and area usable by Sitka Animal Hospital.

The following amendments to the original lease were approved by the Assembly:

Amendment 1 – February 28, 1997- expansion of leased premises with revised rental rate of \$896 per month

Amendment 2 – September 3, 2002- extension for a 6 year period at \$1400.00 per month

Amendment 3 – April 30, 2009- extension for a 3 year period at \$1200.00 per month

Amendment 4 – September 23, 2011- extension for a 5 year period with revised rental rate of \$800 based on providing reception services for the Sitka Animal Shelter.

The proposed Amendment 5 was approved by Municipal Attorney Brian Hanson and is included in the packet.

RECOMMENDED ACTION: Pass a motion granting approval of the lease amendment.

**AMENDMENT NO. 5 TO LEASE
BETWEEN CITY AND BOROUGH OF SITKA
AND SITKA ANIMAL HOSPITAL**

City and Borough of Sitka (“CBS” or “Lessor”), 100 Lincoln Street, Sitka, Alaska, 99835, and Dr. David Hunt, D.V.M., P.C., d/b/a Sitka Animal Hospital (“Leesee”), PO Box 1774, Sitka, Alaska 99835, agree to amend and modify the “Lease (Sitka Animal Hospital)” (“Lease”), dated January 8, 1996, including its amendments consisting of the first amendment by letter dated February 28, 1997, Sitka Animal Hospital Second Amendment to Lease (September 3, 2002), third amendment by CBS Assembly motion on August 12, 2003, Sitka Animal Hospital Third Amendment to Lease (April 30, 2009), and Amendment No. 4 to Lease (September 23, 2011), approved by the CBS Assembly motion on September 13, 2011. This Amendment No. 5 to Lease Agreement Between City and Borough of Sitka and Sitka Animal Hospital (“Amendment No. 5”) was approved by the CBS Assembly in accordance with the Lease at Section 24 by motion, adding a new Section 4.5 (new language underlined; deleted language stricken):

4.5 Extension of Term. The term of the Lease as provided for in Section 4, and based on prior amendments, is extended for five years, beginning February 29, 2017, until February 28, 2022. The rent during this extension period shall be \$800 per month. Sitka Animal Hospital shall continue providing reception services for the animal shelter.

All other sections of the Lease that are not modified by this Amendment No. 5 remain in full force and effect.

This Amendment No. 5 was approved by the City and Borough Assembly on September 27, 2016.

Amendment No. 5 becomes effective on February 29, 2017, which is when the current extension of the Lease expires, based on Sitka Animal Hospital Fourth Amendment to Lease.

CITY AND BOROUGH OF SITKA

By:

Its:

STATE OF ALASKA)

)ss. **MUNICIPAL ACKNOWLEDGEMENT**

FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on the ___ day of _____, 2016 before me, a Notary Public in and for the State of Alaska, personally appeared _____, Municipal Administrator of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of

Alaska, and by signing this document verifies that he is authorized to execute the document on its behalf, and he signs freely and voluntarily.

WITNESS my hand and official seal the date and year in this certification.

Notary Public for Alaska
My Commission expires:

SITKA ANMIAL HOSPITAL

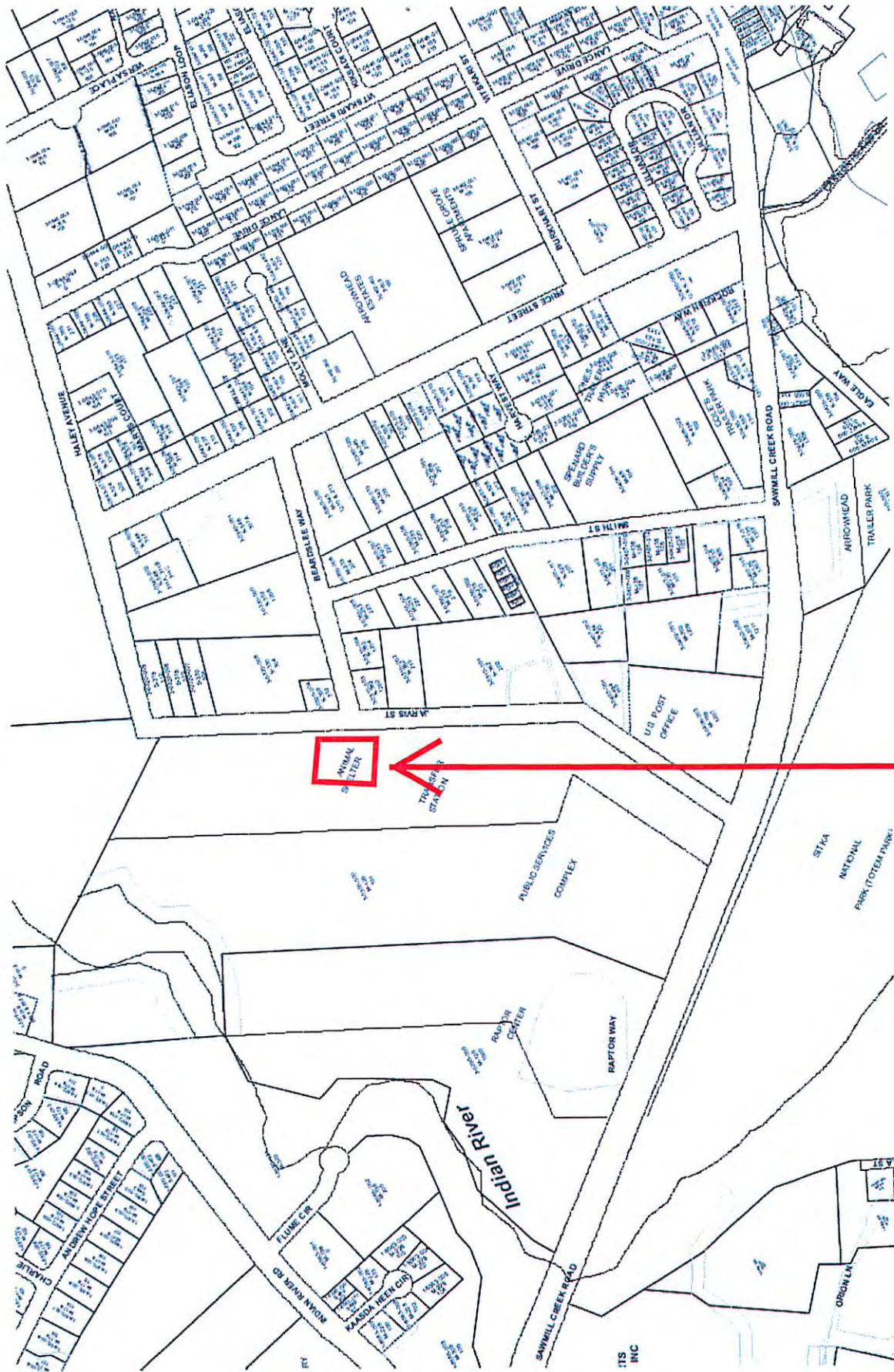
David J. Hunt, D.V.M., P.C., President

STATE OF ALASKA)
)ss. **ACKNOWLEDGEMENT**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this ____ day of _____, 2016 before me, a Notary Public in and for the State of Alaska, personally appeared David J. Hunt, D.V.M., P.C., President of Sitka Animal Hospital, and by signing this document verifies that he is authorized to execute the document on its behalf, and he signs freely and voluntarily.

WITNESS my hand and official seal the date and year in this certification.

Notary Public for Alaska
My Commission expires:



ANIMAL SHELTER



S. BRAY ST

J. RIVIS ST

PUBLIC SERVICES COMPLEX

Indian River

RAPTOR CENTER

SITKA NATIONAL PARK (TOTEM PARK)

ITS INC

ORION LN

SAWMILL CREEK ROAD

RAPTOR WAY

NIKAN NAKED RD

FLUME CIR

MASOIA (WREN CRY)

CHARLE
MURPHY (C/OE STREET)

TRAILER PARK

ARROWHEAD

SAWMILL CREEK ROAD

SMITH ST

W. WILSON

W. WILSON

W. WILSON

W. WILSON

W. WILSON

W. WILSON

W. WILSON

W. WILSON

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DEANED BIRDERS SUPPLY

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City & Borough of Sitka, Alaska

Selected Parcel: 101 JARVIS ID: 30300000

Printed on 9/16/2016 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>



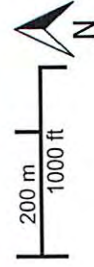
This map is for informational purposes only. It is not for appraisal of, description of, or conveyance of land. The City & Borough of Sitka, Alaska and MainStreetGIS, LLC assume no legal responsibility for the information contained herein.



City & Borough of Sitka, Alaska

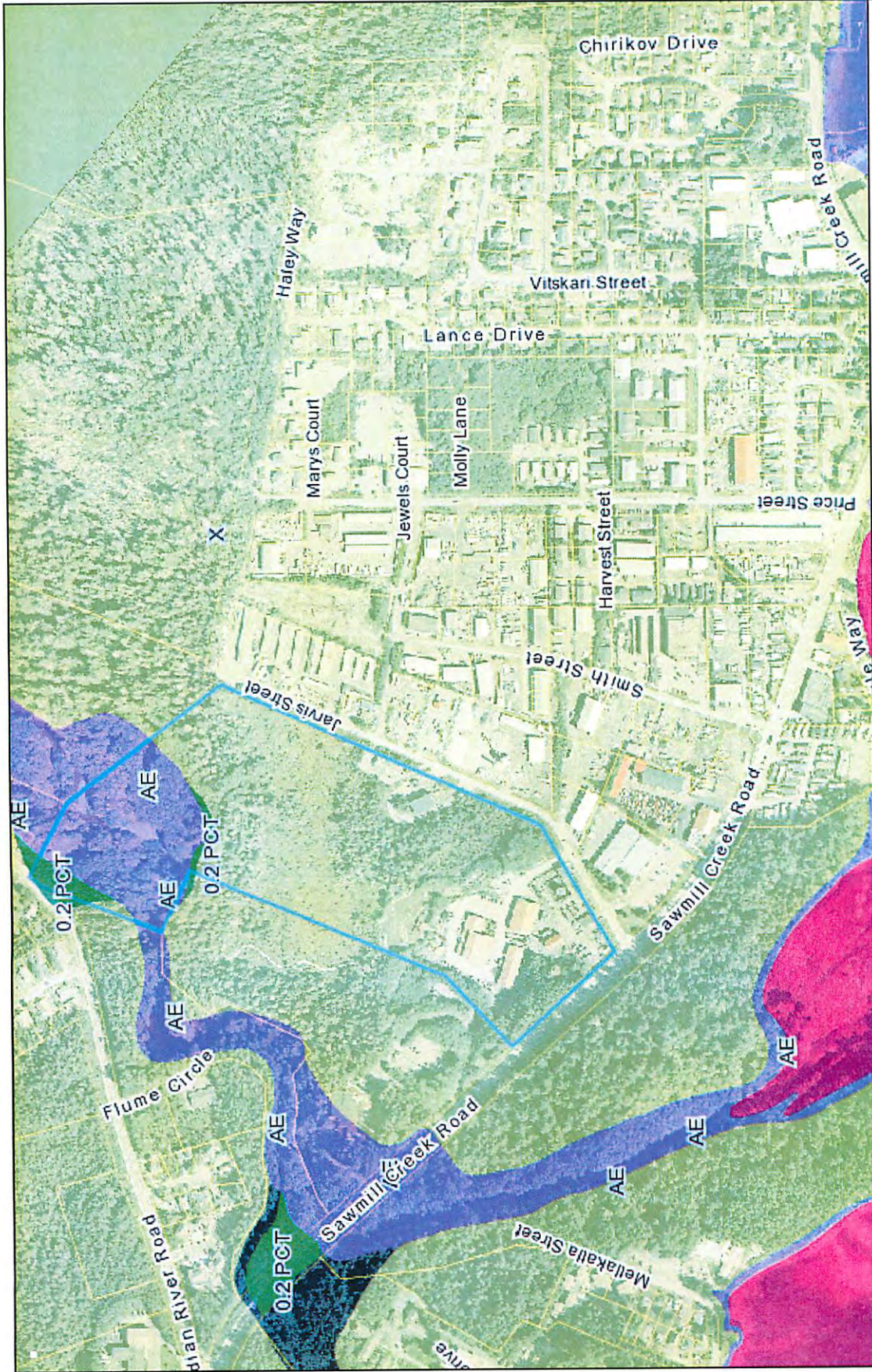
Selected Parcel: 101 JARVIS ID: 30300000

Printed on 9/16/2016 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>



MainStreetGIS, LLC
www.mainstreetgis.com

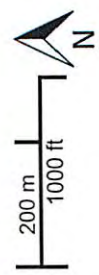
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City & Borough of Sitka, Alaska

Selected Parcel: 101 JARVIS ID: 30300000

Printed on 9/16/2016 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>



MainStreetGIS
MainStreetGIS, LLC
www.mainstreetgis.com

This map is for informational purposes only. It is not for appraisal of, or conveyance of land. The City & Borough of Sitka, Alaska and MainStreetGIS, LLC assume no legal responsibility for the information contained herein.

LEASE
[SITKA ANIMAL HOSPITAL]

THIS LEASE, dated June 8, 1996, is made and entered into by and between the CITY AND BOROUGH OF SITKA, ALASKA ("Landlord") and DR. DAVID J. HUNT d/b/a SITKA ANIMAL HOSPITAL ("Tenant"). Landlord and Tenant hereby agree as follows:

1. Property and Improvements. Landlord is the owner of certain realty (the "Property") situated at 209 Jarvis Street in Sitka, Alaska. There is currently situated on the Property a building (the "Building") intended for use as an animal shelter and related office space, together with an associated vehicular parking area (the "Parking Area") and other improvements necessary to enable the Building to be so used (the Building, Parking Area, and other improvements are hereinafter collectively referred to as the "Improvements").

2. Leased Premises. Landlord hereby leases to Tenant, and Tenant rents from Landlord, that part of the Building which is outlined or cross-hatched on the floor plan attached hereto as Exhibit A and incorporated herein by this reference (such part of said Building is hereinafter referred to as the "Premises"). During the term of this Lease, Tenant shall also have such nonexclusive easements with respect to the Building as may be reasonably necessary for access to the Premises. The area of the Premises as shown on Exhibit A is approximately 180 square feet.

3. Finishing of Premises. Prior to January 1, 1996, Landlord shall make all improvements, installations, and items of finish concerning the Premises (hereinafter referred to as the "Tenant Finish") required to enable use and occupancy of the Premises for an animal hospital and clinic, including all interior and entrance doors; carpeting and related pad; ceiling tile; all wall finishes; all window coverings; the fire protection system; all heating ductwork; all lighting fixtures; all electrical outlets and light switches; all telephone outlets; all molding and trim; and any and all equipment and items of finish necessarily related to any of the foregoing. In designing and installing the Tenant Finish, Landlord shall comply with the reasonable directions and requirements of Tenant. Landlord shall supply the Tenant Finish at its own expense.

4. Term. The term of this Lease shall commence on the date on which Tenant opens its business in the Premises to the public. Unless Landlord otherwise agrees, Tenant shall not so open and shall not move its furniture, equipment, or personnel into the Premises before the date specified in Section 3, by which Landlord is required to complete the Tenant Finish. The date on which Tenant opens its business to the public shall hereinafter be referred to as the "Commencement Date." When the Commencement Date can be fixed, the parties shall, upon the written request of either, enter into a writing which memorializes such Date. Notwithstanding the foregoing provisions, if the Commencement Date has not arrived prior to the expiration of 6 months after the date of this Lease, this Lease shall thereupon automatically cease to be of any force or effect. Unless such term is prematurely terminated pursuant to the provisions of this Lease, the term hereof shall consist of the seven (7) year period following the

Commencement Date plus, if the Commencement Date falls on other than the first day of a month, the balance of such partial calendar month.

5. Option to Shorten Term. Tenant shall be entitled, at its option, to have the term of this Lease expire as of any date in advance of the expiration of the term set forth in Section 4 of this Lease, provided Tenant provides written notice to Landlord at least one calendar month prior to such date.

6. Rent. During the entire term hereof Tenant shall pay to Landlord as monthly rent, the sum of \$ 780.⁰⁰ per month. Rent shall be paid in advance on the first day of each month throughout the term hereof (if the Commencement Date of the term is other than the first day of a month, Tenant shall pay to Landlord, on such Date, a pro rata share of the monthly rent, as rent for the fractional calendar month with which the term hereof begins). Each rental payment required to be paid under this Lease shall be delivered to Landlord at such place as Landlord may from time to time designate in writing.

7. Parking. During the term of this Lease Tenant shall have an easement to use, as parking for itself, its employees, visitors, and business invitees, the Parking Area described in Section 1 of this Lease. Tenant may use the Parking Area as is necessary for the operation of Tenant's business in the Premises. Landlord at its expense shall maintain the Parking Area in good condition and repair and shall remove snow therefrom as soon as reasonably possible after each snowfall. Landlord shall take such actions as are necessary to ensure that the easement granted Tenant under this Section 7 is not impaired or violated by other parties, including other lessees, occupants, or users of the Improvements.

8. Shared Rooms. Located in the Building and identified on Exhibit A are a waiting room, restroom, storage room, and laundry room. Such rooms are not part of the Premises, but during the term of this Lease: (a) Tenant shall have an easement to use, for itself, its employees, visitors, and business invitees the waiting room and restroom; (b) Tenant shall have an easement to use for itself and its employees the storage room and laundry room (including use of the washer and dryer contained therein). (The waiting room, restroom, storage room and laundry room identified in this Section 8 are hereinafter referred to collectively as the "Shared Rooms.") Landlord at its expense shall maintain the Shared Rooms and keep them in a safe, clean, attractive and working condition. Landlord at its expense shall provide the janitorial services reasonably needed to keep the Shared Rooms clean and free of refuse.

9. Use. Tenant shall use the Premises as a veterinary clinic/animal hospital and for purposes ordinarily incidental to such use. Tenant shall not commit any waste upon the Premises and shall not conduct or allow any business, activity, or thing on the Premises which is or becomes unlawful, prohibited, or a nuisance.

10. Services and Utilities. Landlord agrees to furnish, at its own expense, electricity and heat to the Premises sufficient for Tenant's comfortable use and occupancy of the Premises.

Landlord shall maintain and keep lighted the Parking Area, Shared Rooms, and all common stairs, hallways, entries, and other rooms in the Building.

11. Alterations. Subsequent to the initial finishing that occurs pursuant to Section 3 of this lease, Tenant at its expense and with no right of reimbursement from Landlord, may make changes, additions, and improvements to the Premises to better adapt the Premises to its use and occupancy; provided, however, that any such change, addition, or improvement shall be in conformity with all applicable laws and ordinances.

12. Destruction. Both Landlord and Tenant shall have the right to terminate this Lease in the event the Building is destroyed or damaged by fire, earthquake, or other casualty to such an extent that it is untenantable in whole or in part. Any such right of termination must be exercised through written notice given by Tenant to Landlord or Landlord to Tenant within 30 days following the date of destruction or damage.

13. Assignment and Subletting. Except as otherwise provided by the following provisions of this Section, Tenant shall not assign this Lease or any interest herein, or sublet the Premises or any part thereof, except upon the prior written consent of Landlord. Tenant shall not be required to obtain the prior written or any other consent of Landlord to assign this Lease to a corporation owned or controlled by Tenant. Assigning Tenant shall upon such assignment be relieved of all liability under this Lease, and all liability thereafter is on the assignee corporation.

14. Default by Tenant. Tenant shall not be in default under this Lease unless Tenant fails to perform an obligation required of it within 30 days after written notice by Landlord to Tenant specifying the respects in which Tenant has failed to perform such obligation; provided, however, that if the nature of Tenant's obligation is such that more than 30 days are reasonably required for performance or cure, then Tenant shall not be in default if Tenant commences performance within such 30-day period and thereafter diligently prosecutes the same to completion.

15. Remedies for Tenant's Default. In the event of any default or breach by Tenant, Landlord may pursue any remedy allowed by law.

16. Remedies for Landlord's Default. In the event of any default or breach by Landlord, Tenant may at any time, without waiving or limiting any other right or remedy available to it, terminate this Lease upon written notice to Landlord, or pay or perform the obligation as to which Landlord is in default (in which event Tenant's cost of so doing may be withheld and offset from rent), or initiate legal proceedings for recovery of Tenant's damages and costs, or pursue any combination of the foregoing remedies or remedy allowed by law.

17. Indemnification and Insurance

(a) Tenant releases Landlord from any liability for damage to property of, or personal injury to, Tenant's directors, officers, agents, employees, invitees, and guests arising out of, or in connection with, Tenant's use of the Premises, not including, however, liability resulting from the sole negligence or intentional acts or omissions of Landlord or its agents, employees, or contractors. Tenant shall indemnify, defend, and save harmless Landlord, its officers, employees and agents from any and all claims, suits, losses, damages, damages to property and injuries to persons, of whatever kind or nature arising from actions by Tenant in the conduct of its operations on the Premises or resulting from carelessness, negligence, or improper conduct of Tenant or any of its directors, officers, agents, employees, but not including any claims, suits, losses, damages, damages to property and injuries to persons, of whatever kind or nature, resulting from the negligent or intentional acts or omissions of Landlord or its agents, employees, or contractors.

(b) Tenant shall obtain and maintain continuously in effect at all times during the term hereof, at Tenant's sole expense, general liability insurance protecting against liability which may accrue by reason of Tenant's conduct incident to the use of the Premises, or resulting from any accidents occurring in or about the Parking Area, Shared Rooms, or other common areas available for use by Tenant. Such insurance shall provide liability limits of \$1,000,000 for personal injury, death, or property damage, combined single limit, Such insurance shall name Landlord as an additional insured thereunder. Such insurance shall require the insurance carrier to give Landlord at least thirty (30) days written notice prior to cancellation of the policy.

(c) No more than thirty (30) days after the signing of this Lease, Tenant shall deposit with the Landlord, a copy or copies of such insurance policy or policies, or a certificate of such insurance coverage as evidence that the coverage required herein has been obtained by the Tenant.

(d) Landlord agrees to notify Tenant in writing, as soon as practicable, of any claim, demand, or action rising out of an occurrence covered hereunder and to cooperate with Tenant in the investigation and defense thereof, unless Landlord believes its interests conflict with those of the Tenant.

18. Attorneys' Fees. If any action is brought because of any default under or to enforce or interpret any of the provisions of this Lease, the party prevailing in such action shall be entitled to recover from the other reasonable attorneys' fees (including those incurred in connection with any appeal), the amount of which shall be fixed by the court and made a part of any judgment rendered.

19. Notices. Any notice required or permitted hereunder to be given or transmitted between the parties shall be either personally delivered or mailed postage prepaid addressed, if to Landlord at 100 Lincoln Street, Sitka, Alaska 99835 (or at such other address for notice purposes as Landlord may hereafter designate in writing), and, if to Tenant, at P.O. Box 1774,

Sitka, Alaska 99835 (or at such other address for notice purposes as Tenant may hereafter designate in writing). Any notice which is mailed shall be effective upon delivery.

20. Rights Upon Termination. All alterations, additions and fixtures which are made or installed by Tenant in the Premises shall be considered and shall remain the personal property of Tenant and may be removed by Tenant upon termination of this Lease, provided such removal can be accomplished without damage to the Premises. In addition, all equipment and furnishings leased or purchased by Tenant for use in the Premises, including, but not limited to, X-ray machines, desks, tables, examining tables, shelving, chairs, and animal cages, shall be and remain Tenant's personal property and may be removed by Tenant upon termination of this Lease. Upon termination of this Lease, Tenant shall leave the Premises in good, tenantable condition.

21. Access to Premises. Tenant shall be entitled to have access to and to use the Premises and Shared Rooms 24 hours per day, 365 days per year.

22. Signs. Tenant at its own expense may install on the outside of the Building and/or Premises, or on any other portion of the Property upon which the parties mutually agree, signs or lettering which identifies the occupant of and/or business conducted in the Premises.

23. Waiver and Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies at law or in equity.

24. Prior Agreements, Lease Amendments, and Time Effective. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understandings pertaining to any of such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on either party until fully executed by both.

25. Miscellaneous. All Exhibits, addenda, riders, and provisions, if any, attached to this Lease are a part hereof. Any provision of this Lease which may prove to be invalid shall in no way affect or invalidate any other provision hereof, and such other provision shall be valid to the maximum extent permitted by law. The headings and titles of the various provisions of this Lease shall have no effect upon the construction or interpretation of any part hereof. As used in this Lease the singular shall include the plural, the plural shall include the singular, the whole shall include each part thereof, and any gender shall include both other genders. The covenants and conditions herein contained shall apply to and bind the heirs, personal representatives, successors, and assigns of the parties hereto. Time is of the essence of this Lease and of each and all of its provisions in which performance is a factor. This Lease shall be governed by the laws of the State of Alaska.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed on or as of the day and year first above written.

"Landlord":

THE CITY AND BOROUGH OF
SITKA, ALASKA

By: 

Title: City Administrator

"Tenant":

DR. DAVID J. HUNT,
d/b/a SITKA ANIMAL HOSPITAL

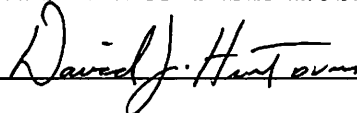


EXHIBIT A

to

Lease

Here attach a copy of the floor plan(s) of the Building that: (a) shows (with a bold line or by cross-hatching) the location and configuration of the Premises (keeping in mind that the Premises do not include the Shared Rooms); and (b) identify by name each of the Shared Rooms.

L

B

Laundry

05-1

TR 2

A

NO FINISHES REQUIRED
THIS AREA

07-1

1-09-1

Kitchen

Storage

108

108-1

Waiting Room

Entrance

03-1

03-2

03-10

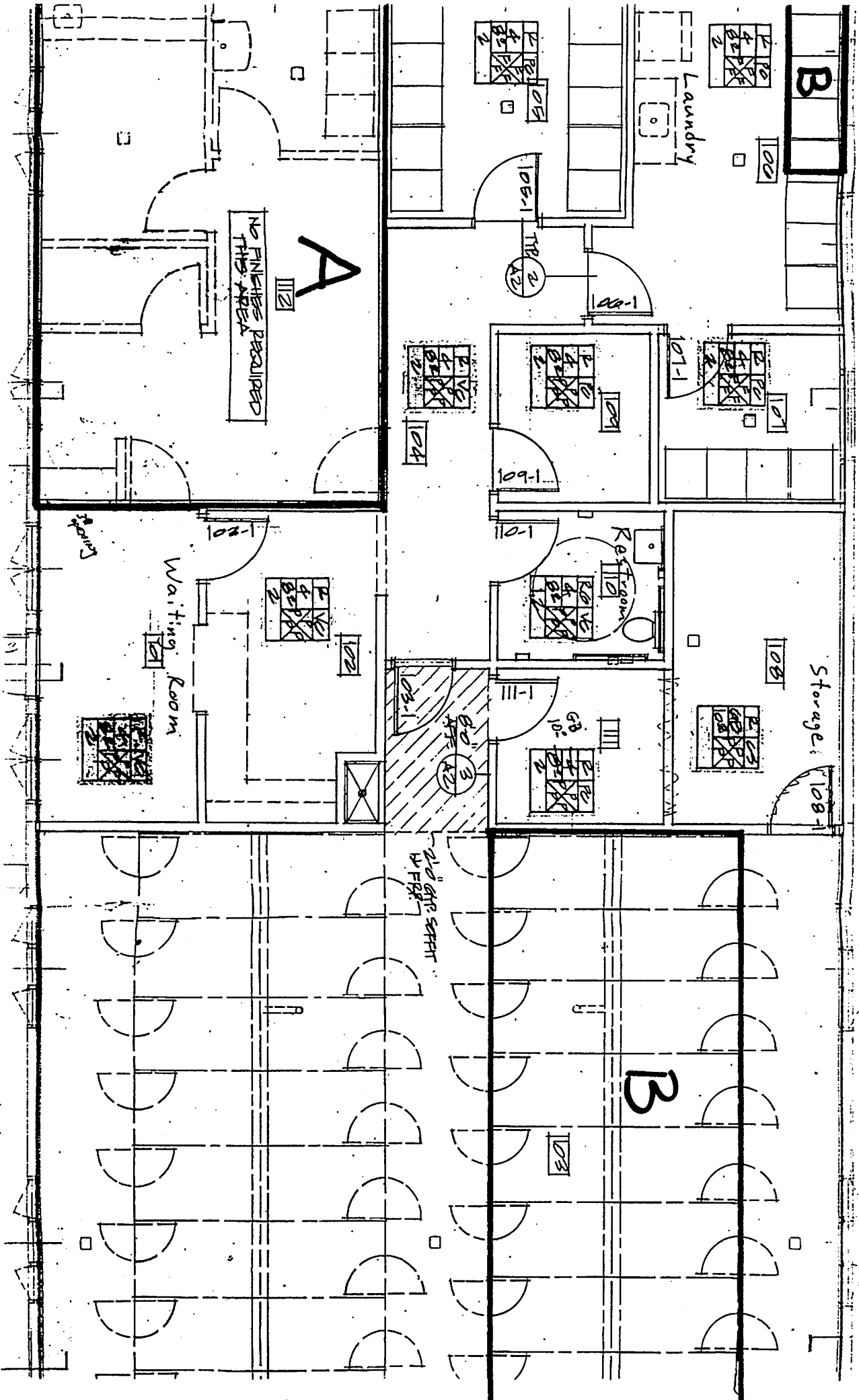
2'0" GRP SKIRT
w/ FRG

B

103

A: Veterinary Hospital

B: Boarding Facility



M/S Smith - Morrison: to adopt Ordinance 95-1338 on second and final reading.

Smith felt the Attorney needs to review the entire policy and make changes where appropriate from a manual standpoint, including page 23.

Assembly members concurred.

Motion CARRIED by a unanimous roll call vote.

Item D

Ordinance 95-1340

Ordinance 95-1340: REPEALING SUBSECTION 11.28.35.235 A. OF THE SITKA GENERAL CODE

Smith read the ordinance in full.

M/S Morrison - Perkins: to adopt Ordinance 95-1340 on second and final reading.

Motion CARRIED by a unanimous roll call vote.

Item E

Ordinance 95-1342:

Ordinance 95-1342: AUTHORIZING THE SALE OF LOT 1B OF UNITED STATES SURVEY 3670

Morrison read the ordinance in full.

M/S Smith - Perkins: to adopt Ordinance 95-1342 on second and final reading.

Per Stedman's request, Assessor Anderson explained the process he used to arrive at the minimum purchase price of \$149,200.

Questions and discussion followed.

Motion CARRIED by a 4 - 1 roll call vote with Smith abstaining due to professional services performed for the current lessee.

NEW BUSINESS:

Item F

Liquor License Transfer

Canoe Club/Pilot House

M/S Smith - Morrison: that the Canoe Club/Pilot House liquor license transfer application be forwarded to the ABC Board without objection provided the utility arrears are paid in full within one week.

Motion CARRIED by a unanimous roll call vote.

Item G

Animal Shelter

Veterinary Lease

Public Works Director Harmon updated the Assembly on the volunteer efforts on

final construction stages of the new animal shelter. Referring to his December 7, 1995 memo to the Administrator, he noted current efforts are being concentrated on the area designated for veterinary services and that Dr. David Hunt is interested in leasing 780 square feet for a veterinary clinic. The proposed minimum bid price is \$1.00 per square foot, a rate which the Assessor feels is a fair minimum bid price. Harmon asked the Assembly to set the lease price and approve the lease at this time.

Questions and discussion followed regarding the amount of lease space, common use areas, and maintenance costs.

Dr. Hunt told the Assembly he is anxious to move into the building and would be interested in leasing more space in the future.

M/S Smith - Morrison: to set the lease fee at \$1.00 per square foot.

Stedman felt the proposed lease amount was too low to cover projected operational costs.

Smith disagreed stating impound fees and future boarding fees also need to be considered.

Dr. Hunt stated he may be interested in operating a boarding kennel as part of the shelter facility.

Motion CARRIED by a 4 - 1 roll call vote with Stedman opposing.

M/S Smith - Morrison: to approve the lease between the City and Borough of Sitka and the Sitka Animal Hospital, Inc.

It was agreed to have staff look into providing more space to Dr. Hunt and, if feasible, bring a proposal back to the Assembly.

Motion CARRIED by a 4 - 1 roll call vote with Stedman opposing.

Item H
 Water Sales Review
of Global Contract

M/S Smith - Morrison: to approve a "conceptual agreement" as outlined in Larry Harmon's memorandum with Global Water Corporation for sales of raw water from Blue Lake for export.

Public Works Director Harmon reported on the major points of the agreement as outlined in his December 19, 1995 memo to the Administrator and where negotiations are at this time. He stated that staff is satisfied with the agreement with two exceptions; 1) the agreement is subject to finalizing the City's water appropriation with the State and 2) since exporting water has not had detailed public exposure, Global's six month engineering phase will require public presentations and Assembly approval. Harmon asked for direction from the Assembly noting that



City and Borough of Sitka

PUBLIC SERVICES

100 Lincoln Street • Sitka, Alaska 99835

Phone (907) 747-1804

Fax (907) 747-3158

February 28, 1997

David J. Hunt
Sitka Animal Hospital
PO Box 1774
Sitka, AK 99835

RE: SITKA ANIMAL SHELTER LEASE

Dear Dr. Hunt:

This letter is to modify our January 8, 1996 lease agreement for the Sitka Animal Shelter. Room 105 consisting of 116 square feet is added to the leased premises to expand the Veterinary Hospital. Attached is a revised exhibit A showing the revised premises.

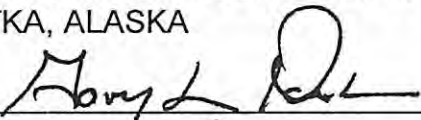
The revised monthly rental is \$896 per month. The effective date of the rental increase is March 1, 1997.

The commencement date referred to in Section 4 of the lease is February 15, 1996.

All other terms and conditions of the lease agreement are unchanged and apply to this modification. Agreement to this lease modification is indicated by each parties signature below.

"Landlord":

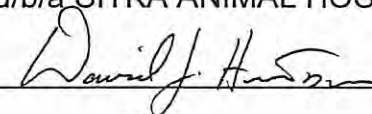
CITY AND BOROUGH OF SITKA
SITKA, ALASKA

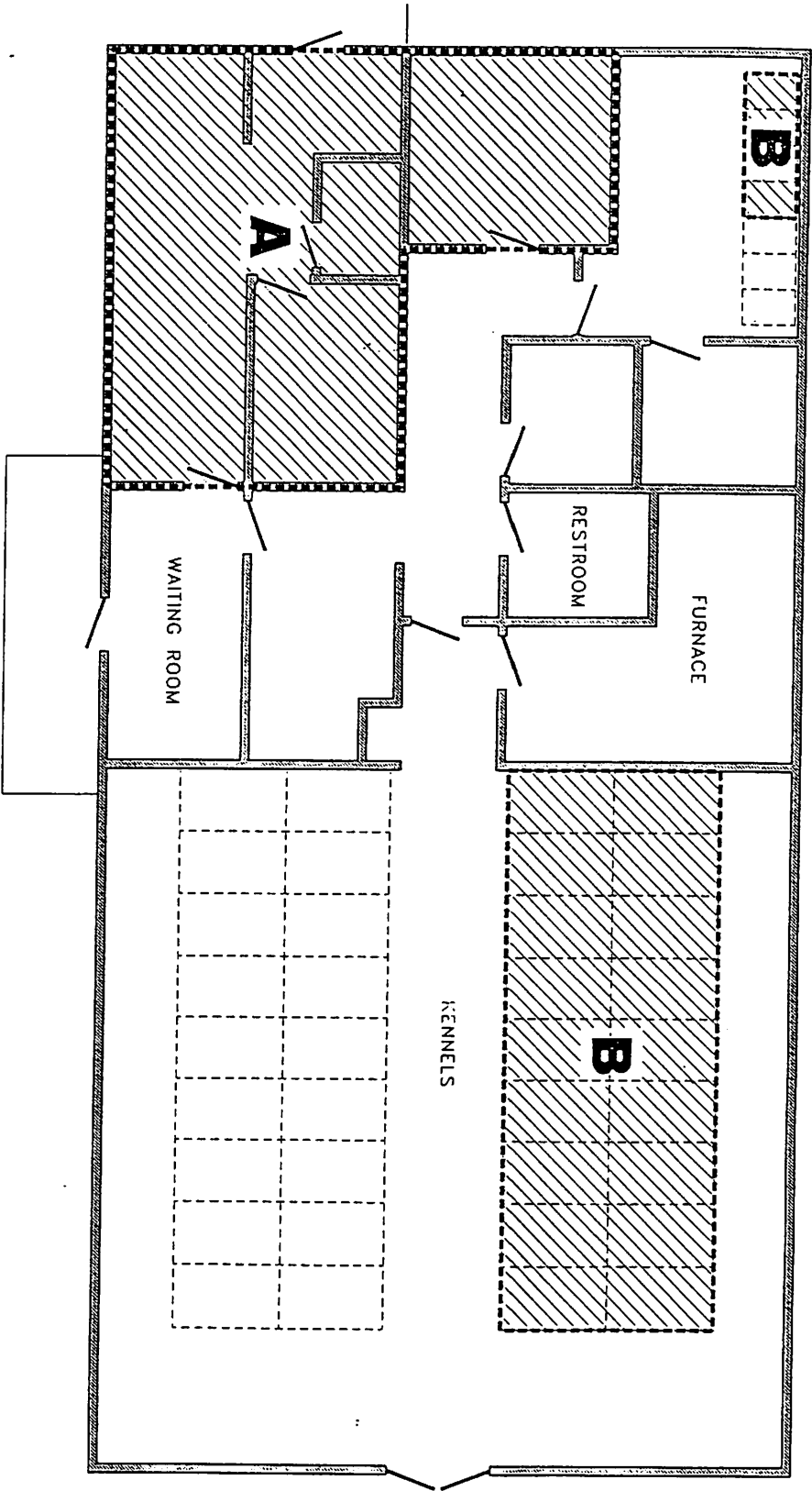
By: 

Title: City Administrator

"Tenant":

DR. DAVID J. HUNT, D.V.M., P.C.
d/b/a SITKA ANIMAL HOSPITAL





DRAWN:	PJW	SCALE:	1" = 10'
CHECKED:		DATE:	02/27/97
DRAWING NAME:	on/in/less		
SHEET NO.			



City and Borough of Sitka
 PUBLIC SERVICES
 100 LINCOLN STREET • SITKA, ALASKA 99835
 TEL (907) 747-1804 FAX (907) 747-3158

Animal Shelter Lease Areas
 A: Veterinary Hospital
 B: Boarding Facility

**SITKA ANIMAL HOSPITAL
SECOND AMENDMENT TO LEASE**

THIS INSTRUMENT (hereinafter referred to as the "Second Amendment"), dated the 3rd day of September 2002, is entered into by the **CITY AND BOROUGH OF SITKA, ALASKA** ("Landlord"), and DAVID J. HUNT, D.V.M., P.C., doing business as **SITKA ANIMAL HOSPITAL** ("Tenant"). The parties agree as follows:

1. **Identification of Lease.** Landlord is currently the landlord, and Tenant is currently the tenant, under a Lease, dated January 8, 1996, covering certain leased Premises in a Building located at 209 Jarvis Street in Sitka, Alaska, as such Lease was amended by a letter agreement between Landlord and Tenant dated February 28, 1997. That Lease, as it was amended by the referenced letter agreement, is referred to below as the "Lease."

2. **Context of Second Amendment.** The parties have agreed that the term of the Lease will be extended. This Second Amendment is being entered into for that and related purposes.

3. **Extension of Term.** The term of the Lease provided for in Section 4 thereof is hereby extended for a period of six (6) years from and after February 28, 2003 (the expiration date of the term previously in effect). Such additional period of six (6) years is hereinafter referred to as the "Extension Period." The term of the Lease, as extended for the Extension Period, shall expire on February 28, 2009.

4. **Rent During Extension Period.** The monthly rent payable under Section 6 (entitled "Rent") of the Lease during the first three (3) years of the Extension Period shall be \$1,400.00. The monthly rent payable during the fourth (4th), fifth (5th), and sixth (6th) years of the Extension Period shall be determined in accordance with the following provisions.

The monthly rent shall be adjusted as of the first day of the fourth (4th) year of the Extension Period and as of the same date during each following year. Each such adjustment shall be based upon and in direct proportion to any change in the "Consumer Price Index—U.S. City Average for All Items for All Urban Consumers (1982-84 = 100)" established by the United States Department of Labor, Bureau of Labor Statistics. The calculation of each such change in monthly rent shall be made by multiplying \$1,400.00 by a fraction whose denominator is such Index for the month of February, 2003, and whose numerator is such Index for the month of February immediately preceding the effective date of the adjustment in question. Following availability of such Index for the particular February involved, Landlord shall calculate and notify Tenant in writing of the amount of the monthly rent, as adjusted, payable during the one-year period in question. Pending receipt by Tenant of such calculation and notice from Landlord, Tenant shall continue to pay the same amount of rent per month as was payable during the immediately prior yearly period. Upon receipt of such calculation and notice, Tenant shall pay

the adjusted monthly rental amount plus or minus such additional amount as may be necessary to increase or decrease the rental payments already made during said one-year period to the adjusted rental amount, to the end that the change shall be effective retroactively from the beginning of the particular one-year period involved. Notwithstanding any of the foregoing provisions, the monthly rent payable under this Lease during the fourth (4th) year of the Extension Period shall not exceed 115% of the monthly rent payable during the first three (3) years, and the monthly rent that is payable during each of the fifth (5th) and sixth (6th) year shall not exceed 105% of the monthly rent that was payable during the immediately preceding yearly period.

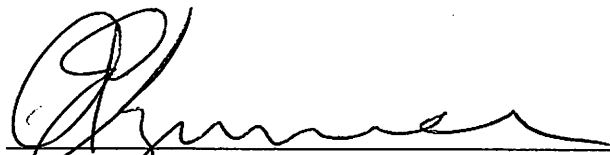
5. **Assignment.** Section 13 of the Lease is deleted and is replaced with language reading as follows:

13. **Assignment and Subletting.** Tenant shall not assign this Lease or sublet the Premises or any part thereof, except with the written consent of the Administrator of the City and Borough of Sitka, after such Administrator's consultation with the Chief of Police of the City and Borough of Sitka. Such consent shall not be unreasonably withheld. Upon occurrence of an assignment of this Lease to which such Administrator has consented, the assigning Tenant shall be relieved of all liability under this Lease that accrues after the date of the assignment.

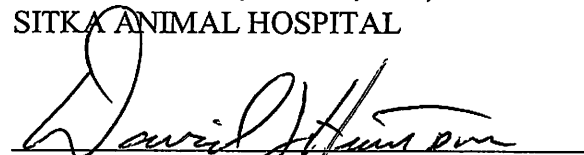
6. **Miscellaneous.** Any term used in this Second Amendment which is defined in the Lease shall have the same meaning herein, unless the context indicates that another meaning is intended. The Lease is intended to be and is supplemented and amended by the provisions of this Second Amendment, and hereafter the Lease and this Second Amendment shall be considered and construed together. All of the terms, provisions, conditions, and covenants of the Lease, as modified by this Second Amendment, shall be and remain in full force and effect and shall apply during the extension of the term provided for herein.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS Second Amendment to be executed on or as of the day and year first above written.

Landlord:
CITY AND BOROUGH OF SITKA, ALASKA

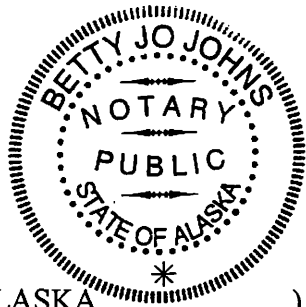

A.E. Zimmer, Administrator

Tenant:
DAVID J. HUNT, D.V.M., P.C., dba
SITKA ANIMAL HOSPITAL


David J. Hunt, President

STATE OF ALASKA)
)ss. **ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

ON THIS 3rd day of September, 2002, before me, a Notary Public for the State of Alaska, personally appeared **DAVID J. HUNT, D.V.M., P.C., dba SITKA ANIMAL HOSPITAL** to me known and who, being duly sworn by me, did depose and say that he resides at Sitka, Alaska, and that he is the **PRESIDENT** in the foregoing indenture named, and that he signed the same as **PRESIDENT** and he acknowledges the execution of said instrument to be the free and voluntary act and deed of said **SITKA ANIMAL HOSPITAL SECOND AMENDMENT TO LEASE** by him as **PRESIDENT** of **SITKA ANIMAL HOSPITAL**, voluntarily done and executed.

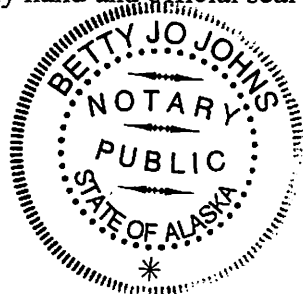


Betty Jo Johns
Notary Public for Alaska
My Commission Expires: November 1, 2004
Residing at Sitka, Alaska

STATE OF ALASKA)
)ss. **MUNICIPAL ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 3rd day of September, 2002 before me, a Notary Public in and for the State of Alaska, personally appeared **A. E. ZIMMER** to me known and known to me to be the person whose name is subscribed to the foregoing **SITKA ANIMAL HOSPITAL SECOND AMENDMENT TO LEASE**, and after being first duly sworn according to law, he stated to me under oath that he is the **ADMINISTRATOR** of the City and Borough of Sitka, Alaska, a corporation organized under the laws of the State of Alaska, that he has been authorized by said corporation to execute the foregoing **SITKA ANIMAL HOSPITAL SECOND AMENDMENT TO LEASE** on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

WITNESS my hand and official seal the day and year in this certificate first above written.



Betty Jo Johns
Notary Public for Alaska
My Commission Expires: November 1, 2004
Residing at Sitka, Alaska

SITKA ANIMAL HOSPITAL SECOND AMENDMENT TO LEASE

Motion PASSED by unanimous roll-call vote.

Item M
Japonski Boathouse
Res. 03-881

RESOLUTION 03-881: AUTHORIZING THE ADMINISTRATOR TO SUBMIT TO THE STATE OF ALASKA AN APPLICATION FOR A FEDERAL GRANT FOR THE JAPONSKI ISLAND BOATHOUSE PLAN

M/S to approve Resolution 03-881 on first and final reading.

Rebecca Poulson, president of the Sitka Maritime Heritage Society, spoke about funding and history of the project. This would be for design of the boathouse and interpretive center. The City's in-kind amount would be \$1,700 to administer the grant.

Dapcevich suggested we reduce the money to Sitka Historical Society by \$1,700, as this money should come from them.

Motion PASSED by unanimous roll-call vote.

M/ Dapcevich to reduce the funding to Sitka Historical Society by \$1,700.
Motion died for lack of a second.

Item N
Animal House Lease

M/S Bettis/ Bailey: to approve modifying the Animal Shelter Lease by reducing the monthly payment from \$1,400 to \$1,200, in recognition of the support Dr. Hunt's reception staff provides to the animal shelter and to allow Dr. Hunt to place a container outside the building for food storage in the area shown as "Area A" on the attached map at no additional cost.

McCrary and Hunt explained the rationale and logistics within the facility.

Motion PASSED by unanimous roll-call vote.

Item O
LID Waiver
Gavan - Van Meter

M/S Christianson/ Bailey: to approve waiving \$6,974, the amount that was assessed for electrical power in the LID, and to waive the total amount of the interest and penalties accrued in the LID assessment for Gavan Subdivision Lot 53 for Ginger Van Meter.

Mayor was concerned that this oversight continued for so long without being caught. Wolff said it will not happen in the future.

The original LID was \$36,000, but she protested paying it because she did not feel she was fairly assessed. Now that she is selling the property, she is interested in getting relief. If adjusted for not having underground utilities, it would be more like \$29,000.

Interest and penalties on \$27,000 is about \$15,750 less \$1,000 already paid, totaling about \$41,750 owed. Principle would be kept at \$27,000.

Friday, July 25, 2003

MEMORANDUM

To: Mayor and Assembly

From: Hugh Bevan, Administrator *HB*

Subject: Animal Shelter Lease
Sitka Animal Hospital

Dr. David Hunt DVM operates Sitka Animal Hospital. Dr. Hunt leases a portion of the animal shelter building for \$1,400 per month. His lease expires On Feb 28, 2009.

Dr. Hunt's business and the City's animal shelter are both cramped for space. The shelter is planning a minor expansion at the south end of the building to accommodate more kennels.

Dr. Hunt needs more room to store animal food. He leases part of the kennel area for his business needs and food storage is a problem. (Stored animal food precludes wash-down of kennel areas)

Dr. Hunt's reception staff regularly greets shelter customers, give out information and show people the animals that are up for adoption.

On July 14, 2003 we proposed a solution set for these problems. Dr. Hunt has agreed.

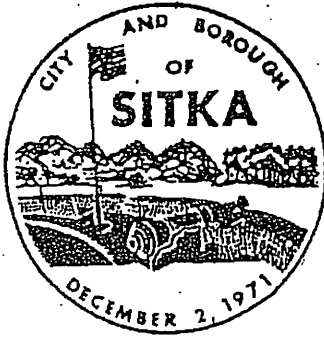
In summary:

- The City will reduce his lease payment from \$1,400 per month to \$1,200 in recognition of the support Dr. Hunt's reception staff provides to the animal shelter.
- The City will allow Dr. Hunt to place a container outside the building for animal food storage. This area shown as "Area A" on the attached map is provided a no cost to Dr. Hunt. We will extend the electrical system to the container to provide heat and power.

Recommendation

Modify the lease between the City of Sitka and Sitka Animal Hospital as described in this memorandum.

C: Sitka Police Dept



City and Borough of Sitka

100 LINCOLN STREET • SITKA, ALASKA 99835

Monday July 14, 2003

Dr. David Hunt
PO Box 1774
Sitka, Alaska 99835

RE: Sitka Animal Hospital and Shelter

Dear Dave:

I would like to suggest a few solutions to the issues at hand at the animal hospital.

1. The storage of animal food inventory in the kennel area is limiting our ability to keep the area clean. We request that you store the food inventory in an area other than around the kennels.

We offer you an area outside the building at no charge where you can place a container for animal food storage. Electric service for heat and lights can be extended from the building to the container. See "Area A" on the attached drawing.

If you agree to purchase and install the container, we will extend the electrical system to it.

2. The Police Department and the Animal Shelter volunteers are planning to expand the kennel area toward the transfer station. We invite you to participate in the planning process.

If we can incorporate a storage area in the kennel extension, we will give Sitka Animal Hospital full use of the Shared Storage Area at no additional cost to your lease. See "Area B" on the attached drawing.

3. It is my understanding that your reception staff assists the Police Department with the general public when they visit the animal shelter. This assistance consists of dispensing information and showing shelter inmates to persons who may be interested in adoption of a pet. Your services are a benefit to the operation of the animal shelter.

We offer a \$200 per month reduction in your lease amount in recognition of the receptionist services you are providing to us.

Please evaluation these suggestions. If they are acceptable to you, I will seek a lease modification from the Assembly.

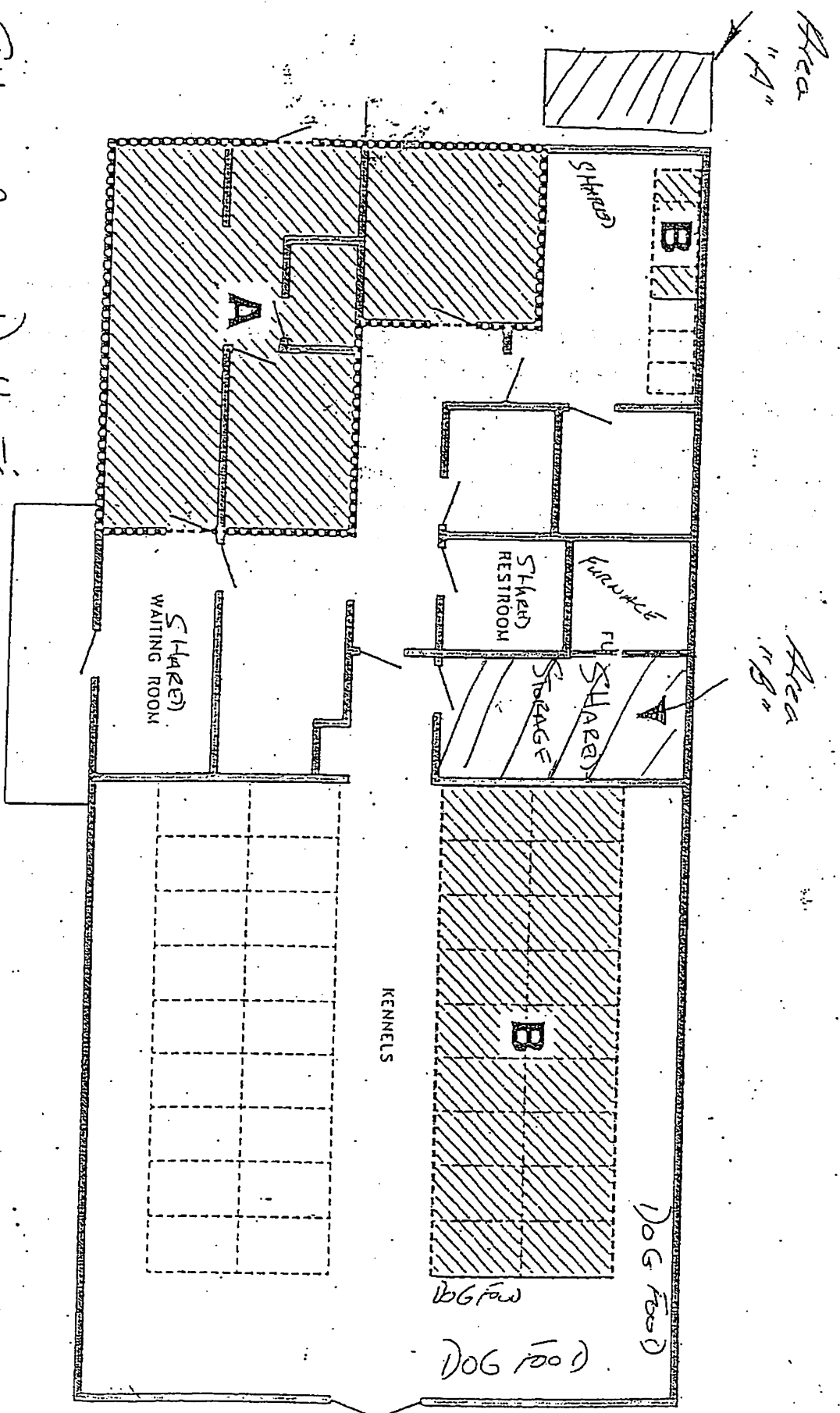
Sincerely,



Hugh R. Bevan
Administrator

C: SPD Chief Bob Gorder
SPW Facilities Manager Chris Wilbur

SHARED Areas - Dr. Hunt's



DRAWN BY:	PJW	SCALE:	1" = 10'
CHECKED BY:		DATE:	02/27/97
DRAWING NAME:	SITKA		
SHEET NO.:	7		



City and Borough of Sitka
 PUBLIC SERVICES
 100 LINGOLI STREET • SITKA, ALASKA 99835
 TEL (907) 747-1804 FAX (907) 747-3158

Animal Shelter
 Lease Areas
 A: Veterinary Hospital
 B: Boarding Facility

SITKA ANIMAL HOSPITAL
THIRD AMENDMENT TO LEASE

THIS INSTRUMENT (hereinafter referred to as the "Third Amendment"), dated the 30 day of April, 2009, is entered into by the CITY AND BOROUGH OF SITKA, ALASKA ("Landlord"), and DAVID J. HUNT, D.V.M., P.C., doing business as SITKA ANIMAL HOSPITAL ("Tenant"). The parties agree as follows:

1. **Identification of Lease.** Landlord is currently the landlord, and Tenant is currently the tenant, under a Lease, dated January 8, 1996, covering certain leased Premises in a Building located at 209 Jarvis Street in Sitka, Alaska, as such Lease was amended by a letter agreement between Landlord and Tenant dated February 28, 1997, by a Second Amendment to Lease dated September 3, 2002, and by a Resolution passed by the City Assembly on August 12, 2003. That Lease, as it has been so amended, is referred to below as the "Lease."

2. **Context of Third Amendment.** The parties have agreed that the term of the Lease will be further extended. This Third Amendment is being entered into for that and related purposes.

3. **Extension of Term.** The term of the Lease is hereby further extended for a period of three (3) years from and after February 28, 2009 (the expiration date of the term heretofore in effect). Such additional period of three (3) years is hereinafter referred to as the "Second Extension Period." The term of the Lease, as extended for the Second Extension Period, shall expire on February 28, 2012.

4. **Rent During Second Extension Period.** The monthly rent payable under the Lease during the Second Extension Period shall be \$1,200.00, i.e., the same monthly rent as has previously been payable under the Lease.

5. **Miscellaneous.** Any term used in this Third Amendment which is defined in the Lease shall have the same meaning herein, unless the context indicates that another meaning is intended. The Lease is intended to be and is supplemented and amended by the provisions of this Third Amendment, and hereafter the Lease and this Third Amendment shall be considered and construed together. All of the terms, provisions, conditions, and covenants of the Lease, as modified by this Third Amendment, shall be and remain in full force and effect and shall apply during the extension of the term provided for herein.

IN WITNESS WHEREOF, the parties have caused this Third Amendment to be executed on or as of the day and year first above written.

"Landlord":

CITY AND BOROUGH OF SITKA, ALASKA

By James E. Dunley
Name: JAMES E. DUNLEY
Title: City Administrator

"Tenant":

DAVID J. HUNT, D.V.M., P.C., dba SITKA ANIMAL HOSPITAL

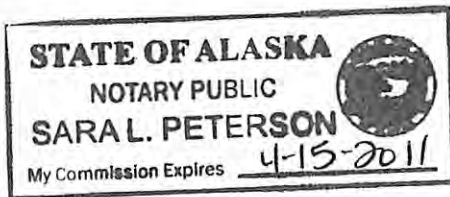
By David J. Hunt DVM
David J. Hunt, President

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

ACKNOWLEDGMENT

THIS CERTIFIES that on this 30 day of April, ~~2008~~²⁰⁰⁹, before me, a Notary Public in and for the State of Alaska, personally appeared DAVID J. HUNT, to me known and who, being duly sworn by me did depose and say that he resides at Sitka, Alaska, and that he is the PRESIDENT named in the foregoing SITKA ANIMAL HOSPITAL THIRD AMENDMENT TO LEASE, and that he signed the same as PRESIDENT and he acknowledged the execution of said instrument to be the free and voluntary act and deed of the corporation named DAVID J. HUNT, D.V.M., P.C, doing business as SITKA ANIMAL HOSPITAL, voluntarily done and executed.

WITNESS my hand and official seal the day and year in this certificate first above written.



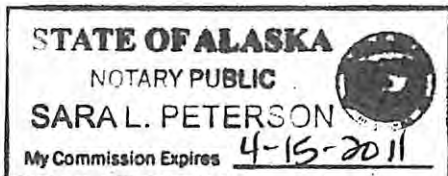
Sara L Peterson
Notary Public for Alaska
My Commission Expires: April 15, 2011
Residing at Sitka, Alaska

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

MUNICIPAL ACKNOWLEDGMENT

THIS CERTIFIES that on this 30 day of April, ~~2008~~²⁰⁰⁹ before me, a Notary Public in and for the State of Alaska, personally appeared James E. Dinkley, to me known and known to me to be the person whose name is subscribed to the foregoing SITKA ANIMAL HOSPITAL THIRD AMENDMENT TO LEASE, and after being first duly sworn according to law, he stated to me under oath that he is the ADMINISTRATOR of the CITY AND BOROUGH OF SITKA, ALASKA, a corporation organized under the laws of the State of Alaska, and he has been authorized by said corporation to execute the foregoing SITKA ANIMAL HOSPITAL THIRD AMENDMENT TO LEASE on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

WITNESS my hand and official seal the day and year in this certificate first above written.



Sara L Peterson
Notary Public for Alaska
My Commission Expires: April 15, 2011
Residing at Sitka, Alaska

**AMENDMENT NO. 4 TO LEASE
BETWEEN CITY AND BOROUGH OF SITKA
AND SITKA ANIMAL HOSPITAL**

City and Borough of Sitka ("CBS" or "Lessor"), 100 Lincoln Street, Sitka, Alaska 99835, and Dr. David J. Hunt, D.V.M., P.C., d/b/a Sitka Animal Hospital ("Lessee"), PO Box 1774, Sitka, Alaska 99835, agree to amend and modify the "Lease [Sitka Animal Hospital]" ("Lease"), dated January 8, 1996, including its amendments consisting of the first amendment by letter dated February 28, 1997), Sitka Animal Hospital Second Amendment To Lease (September 3, 2002), third amendment by CBS Assembly motion on August 12, 2003, and Sitka Animal Hospital Third Amendment To Lease (April 30, 2009). This Amendment No. 4 To Lease Agreement Between City And Borough Of Sitka And Sitka Animal Hospital ("Amendment No. 4") was approved by the CBS Assembly in accordance with the Lease at Section 24 by motion, adding a new Section 4.5 (new language underlined; deleted language stricken):

4.5. Extension of Term. The term of the Lease as provided for in Section 4, and based on prior amendments, is extended for five years, beginning February 29, 2012, until February 28, 2017. The rent during this extension period shall be \$800 per month. This reduction in the rent is based in part on Sitka Animal Hospital continued support in providing reception services for the animal shelter.

All other sections of the Lease that are not modified by this Amendment No. 4 remain in full force and effect.

This Amendment No. 4 was approved by the City and Borough Assembly on September 13, 2011.

Amendment No. 4 becomes effective on February 29, 2012, which is when the current extension of the Lease expires, based on Sitka Animal Hospital Third Amendment To Lease.

CITY AND BOROUGH OF SITKA

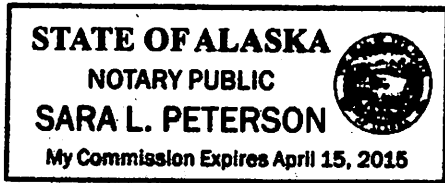
James Dinley
James Dinley, Administrator

STATE OF ALASKA)
FIRST JUDICIAL DISTRICT)

) ss. MUNICIPAL ACKNOWLEDGMENT

THIS CERTIFIES that on the 23 day of September, 2011, before me, a Notary Public in and for the State of Alaska, personally appeared JAMES DINLEY, Municipal Administrator of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, and by signing this document verifies that he is authorized to execute the document on its behalf, and he signs freely and voluntarily.

WITNESS my hand and official seal the day and year in this certificate.



Sara L Peterson
Notary Public for Alaska
My Commission expires: 4-15-2015

SITKA ANIMAL HOSPITAL

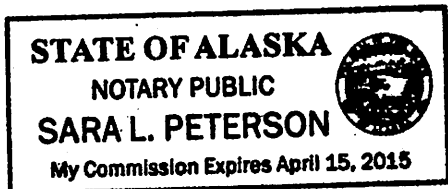
David J. Hunt
David J. Hunt D.V.M., P.C., President

STATE OF ALASKA)
FIRST JUDICIAL DISTRICT)

) ss. ACKNOWLEDGMENT

THIS IS TO CERTIFY that on this 22 day of September, 2011, before me, a Notary Public in and for the State of Alaska, personally appeared DAVID J. HUNT, D.V.M., P.C., President of Sitka Animal Hospital, and by signing this document verifies that he is authorized to execute the document on its behalf, and he signs freely and voluntarily.

WITNESS my hand and official seal the day and year in this certificate.



Sara L Peterson
Notary Public for Alaska
My Commission expires: 4-15-2015

6. The applicant shall provide a narrative on the status of the operations nine months after the activation of the conditional use permit;
7. 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 Commission considers it to be necessary;
8. The Assembly, at its discretion, may complete an annual review if any issues are not resolved at the Planning Commission level;
9. The structure be located at least 30 feet from any residential structure on Andrew Hope Street;
10. The hours of standard operations be between 6am and 10pm Monday through Saturday with limited hours of operations outside of this timeframe and limited hours of operations on Sundays. Exceptional workload hours may be extended with prior notice to the City;
11. Manufacturing and/or processing is prohibited within the structure;
12. The applicant maintain to the fullest extent possible a natural vegetative buffer adjacent Andrew Hope Street homes;
13. This conditional use permit is for the construction of one 5,000 square foot building as proposed.
14. Contingent and in accordance with the passage of Ordinance 2011-34, effective August 24.

The motion PASSED by the following vote.

Yes: 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

A motion was made by McConnell to adopt the identical findings approved by the Planning Commission at their July 19, 2011 meeting found on pages 3 and 4 of their official meeting minutes.

The motion PASSED by the following vote.

Yes: 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

A motion was made by McConnell to reconvene as the Assembly in regular session. The motion PASSED by an unanimous vote.

G 11-170

Authorize the preparation of a proposed Amendment #4 to Dr. Hunt's lease.

McConnell brought up that the \$800 is within the range given to the Administrator to negotiate. Hackett was in favor of doing some compensation for Dr. Hunt in exchange but to just flat out reduce the rent without any service in return is a difficult precedent to set. Blake asked Dr. Hunt to come up and explain if there were any services provided. Dr. Hunt advised that he would still do reception duties, but he will not be doing any spay or neutering. Crews supports the lease rate for the size and location. Esquiro believes it is reasonable. Hackett would like to see the reception duties referenced. Hillhouse said if approved tonight it will come back.

A motion was made by Christianson to authorize the preparation of Amendment 4 to the lease between the CBS and Dr. Hunt with a monthly rate of \$800, for a period of five years beginning in March of 2012 when the existing lease expires. The motion PASSED by the following vote.

Yes: 7 - Westover, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

H 11-171

Discussion/Direction/Decision regarding CBS paying 2010 property tax bills for

This item was APPROVED ON THE CONSENT AGENDA.

- C. 11-183 Appoint 1) Simon Greene to a term on the Tree and Landscape Committee, and 2) Appoint Mary Ann Jones to the Animal Hearing Board (alternate seat).
- A motion was made by Christianson that Greene's appointment be approved. The appointment PASSED by the following vote.**
- Yes:** 8 - Westover, Crews, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro
- Westover asked to be recused from the appointment of Jones because of her relationship with the candidate.*
- Due to Jones's employment with CBS, Hackett inquired as to whether city employees could fill municipal seats on boards, committees and commissions. Municipal Attorney Hillhouse responded that each situation is reviewed for any potential conflicts and in this case none exist.*
- A motion was made by McConnell that Jones's appointment be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - Crews, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro
- Recused:** 1 - Westover

IX. UNFINISHED BUSINESS:

- E 11-184 Approve Amendment No. 4 to the lease between the CBS and Sitka Animal Hospital.
- A motion was made by Christianson that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 8 - Westover, Crews, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro

X. NEW BUSINESS:

New Business First Reading

- F ORD 11-38 Consenting to the Tidelands Lease Assignment to Whitecap Properties LLC of Tideland Lease No. ADL 24391.
- Jim Shine, representing the property sellers, was available by phone. He noted the current intent was to keep the trailer park, however, noted passage of the ordinance would not preclude them from other uses.*
- A motion was made by McConnell that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.**
- Yes:** 8 - Westover, Crews, Crews, McConnell, Hackett, Blake, Christianson, and Esquiro
- G. RES 11-20 Approving and adopting the conclusions of the Airport Terminal Master Plan 2011 for Rocky Gutierrez Airport.
- Charles Bettisworth of Bettisworth North Architects and Planners gave an overview of*

Fourth Amendment to Sitka Animal Hospital Lease

History:

In August of 1995 the Sitka Animal Shelter was built by a group of volunteers that included myself, David Hunt, DVM. A 500 square foot area was set aside to accommodate a veterinary hospital for the shelter animals. I designed a floor plan and helped build a full service veterinary hospital in this space. A waiting room and kennel facility are shared space with the Sitka Animal Shelter. I signed a lease with the city on Jan 8, 1996 to operate a veterinary clinic in this 500 square foot space sharing the waiting room and kennel area with the shelter. I have practiced in this space for the past 15 years and have had 3 amendments to my original lease.

Current situation:

In May of 2010, the city of Sitka loaned Burgess Bauder and Victoria Vosburg \$127,000 (minus \$47,000 for sewer and water utilities, \$12,983 to upsize the sewer service,) for a total loan amount of \$67,017. This loan was given with 0 down, 5% fixed interest for a 30 year term. While building his veterinary clinic he also was charged \$1 per year for 5 years to build and practice in the city facility built by him. All of this is in exchange for Dr. Bauder to charge nominal fees for veterinary services at the property.

Dr. Vosburg is currently practicing in the facility full time and charging full fees. This violates the intent of the loan for the property in exchange for charging nominal fees for veterinary services.

I am on record at the May 2010 assembly meeting that if you loan Dr. Vosburg and Dr. Bauder the money for the property and nominal fees are not charged in the facility, I would be asking for a reduction in my lease. I feel the City of Sitka has given my competition an unfair financial advantage and has significantly favored one business over another.

Please consider the following points when passing the fourth amendment to the Sitka Animal Hospital lease:

In exchange for \$10 a year lease Sitka Animal Hospital would:

1. Provide reception duties for the animal shelter during business hours
2. Provide the following services at the following rates for animals housed at the animal shelter (current rates provided by Dr. Bauder):
 - Dog spay - \$45.00 per animal
 - Dog neuter - \$30.00 per animal
 - Dog vaccinations - \$15.00 per animal
 - Cat spay - \$35.00 per animal
 - Cat neuter - \$15.00 per animal
 - Cat vaccinations - \$15.00 per animal
3. Provide hospital staff and doctor's time to treat sick and injured animals that are housed in the animal shelter
4. Assist animal control with dangerous animals

The original purpose of the space in the animal shelter presently used by Sitka Animal Hospital is for a shelter veterinary hospital. Passing this amendment ensures a functional animal hospital will exist to help shelter animals get spayed and neutered and treated for the next 5 years and provide the City of Sitka with a choice in veterinary care.

Value of services offered by Sitka Animal Hospital with passage of the 4th amendment to my lease:

1. Reception for shelter 8am – 5pm Monday through Friday
 45 hours per week for a salaried employee.
 \$2,500 per month cost to employer.
 These reception duties allow more time for the animal control officer to patrol and enforce ordinances and helps animals get viewed and adopted quickly.

2. Costs – veterinary medicine
 All animals adopted out need vaccinations and some need to be spayed or neutered. The following are average costs at the 2 hospitals charging full fees vs. nominal fees:

	<u>Full Fees</u>	<u>Nominal Fees</u>	<u>Savings</u>
Spay, vaccine dog	370	60	310
Spay, vaccine cat	300	50	250
Exam w/vaccine cat	94	15	80
Exam w/vaccine dog	76	15	61

On average 4-7 dogs and 5 cats are adopted out each month. Currently the nominal services are provided by Dr. Bauder who is nearing retirement. He is working part time and is not always available as he is involved in other businesses. The animal control officer transports the animals for spays and neuters to Dr. Bauder's clinic. By having the surgeries done at the shelter, the animal control officer will have more time in the field to enforce ordinances and her other duties.

3. Provide staff and doctor time to treat sick and injured animals housed at the shelter. This service gives the shelter access to free and immediate veterinary service on an as-needed basis. This is an invaluable service that is difficult to put a value on in terms of overall animal health.

My veterinary practice employs 6 people and has served the community for the past 16 years. I hope by passing this amendment we can continue to provide the services currently offered and help the animals at the Sitka Animal Shelter with spay, neuter, vaccine and medical care.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-40 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 9/21/2016 In control: City and Borough Assembly

On agenda: 9/27/2016 Final action:

Title: Authorizing assignment of sublease of space by Ostrov Enterprises dba North Star Rent A Car to Alaska Rent A Car, Inc dba Avis Rent A Car at the Sitka Rocky Gutierrez Airport Terminal Building (first reading)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-40.pdf](#)
[Ord 2016-40.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-40 on
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-40

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AUTHORIZING ASSIGNMENT OF SUBLEASE OF SPACE BY OSTROV ENTERPRISES d/b/a NORTH STAR RENT A CAR TO ALASKA RENT A CAR, INC. d/b/a AVIS RENT A CAR AT THE SITKA ROCKY GUTIERREZ AIRPORT TERMINAL BUILDING

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not 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 circumstances shall not be affected.

3. PURPOSE. State of Alaska owns the Sitka Rocky Gutierrez Airport Terminal Building (“Terminal Building”) in Sitka, Alaska. City and Borough of Sitka (“CBS”) has a 30-year lease agreement with the State of Alaska, Lease No. ADA-50103, which began on July 1, 1994 and expires on June 30, 2024.

On March 1, 2011 CBS entered into a sublease with Ostrov Enterprises d/b/a North Star Rent A Car for space L-8 at 600 Airport Road, encompassing 243 square feet. This sublease term will expire on February 28, 2018.

Section 8.1 of this sublease states that the tenant has no power to assign the sublease except with the approval of the CBS Assembly and the Alaska Department of Transportation and Public Facilities.

Alaska Rent-A-Car d/b/a Avis Rent A Car and Ostrov Enterprises signed an asset purchase agreement effective September 2, 2016. Pursuant to that agreement, Alaska Rent-A-Car would like to assume the role of sublessee, in place of Ostrov Enterprises d/b/a North Star Rent A Car for the duration of the sublease by assignment. Ostrov Enterprises seeks approval of its assignment.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that:

A. The Assembly hereby approves the attached assignment; and

Assignment of Sublease Agreement for Airport Sublease

Ostrov Enterprises d/b/a North Star Rent A Car (“Assignor”), whose address is 600 C Airport Road, Sitka, Alaska 99835, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, wishes to assign to Alaska Rent-A-Car, Inc. d/b/a AVIS Alaska Inc. (“Assignee”), whose address is PO Box 190028, Anchorage Alaska 99519, and Assignee wishes to accept and assume from Assignor any and all right, title and interest in and to that certain Sublease Agreement between the City and Borough of Sitka and Assignor (“Sublease”) dated May 1, 2011, relating to the Subject Property, generally described as space L-8 at 600 Airport Road, Sitka, Alaska 99835 encompassing 243 square feet, and as more specifically defined by and shown on Exhibit A of the Sublease.

Assignor and Assignee understand that under Section 8.1 of the Sublease, Assignor has no power to assign the Sublease, except with approval of the City and Borough of Sitka Assembly (“CBS Assembly”) and the State of Alaska Department of Transportation & Public Facilities (“DOT&PF”). It is the intent of the parties that this assignment and assumption shall become binding upon approval by the CBS Assembly and DOT&PF, at which time Assignee shall assume complete responsibility for all of Assignor’s obligations under the Sublease, including environmental liability and responsibility.

ASSIGNOR:

Ostrov Enterprises d/b/a North Star Rent A Car
600 C Airport Rd.
Sitka, AK 99835

By: _____

Printed Name: _____

Its: _____

STATE OF WASHINGTON)
)
COUNTY OF)

ss.

THIS IS TO CERTIFY that on September ____, 2016, before me, the undersigned, a Notary Public in and for the State of Washington, or an agent duly authorized by law as such, personally appeared Randal Rodgers, known to me to be an officer of the above mentioned corporation and who acknowledged before me that he executed the foregoing instrument freely and voluntarily for and on behalf of the corporation, with full knowledge of its contents, and with full authorization by the corporation to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

Notary Public in and for the State of Washington
My Commission Expires: _____

ASSIGNEE:
Alaska Rent-A-Car d/b/a Avis Rent A Car
PO Box 190028
Anchorage, AK 99519

By: _____

Printed Name: _____

Its: _____

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT)

ss.

THIS IS TO CERTIFY that on September ____, 2016, before me, the undersigned, a Notary Public in and for the State of Alaska, or an agent duly authorized by law as such, personally appeared Mary E. Halcro, known to me to be President of the above mentioned corporation and who acknowledged before me that she executed the foregoing instrument freely and voluntarily for and on behalf of the corporation, with full knowledge of its contents, and with full authorization by the corporation to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

Notary Public in and for the State of Alaska
My Commission Expires: _____

The foregoing assignment was approved by the Assembly of the City and Borough of Sitka, Alaska, at its regular meeting held the 27th day of September, 2016.

Mark Gorman
Municipal Administrator

STATE OF ALASKA)

FIRST JUDICIAL DISTRICT)

ss.

THIS IS TO CERTIFY that on September ____, 2016, before me, the undersigned, a Notary Public in and for the State of Alaska, or an agent duly authorized by law as such, personally appeared Mark Gorman known to me to be the Municipal Administrator and who acknowledged before me that he executed the foregoing instrument freely and voluntarily for and on behalf of the City and Borough of Sitka, with full knowledge of its contents, and with full authorization by the City to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

Notary Public in and for the State of Alaska
My Commission Expires: _____



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-39 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 9/21/2016 In control: City and Borough Assembly

On agenda: 9/27/2016 Final action:

Title: Amending Sitka General Code Title 4 "Revenue and Finance" by adding a new Chapter 4.25 "Student Activities Dedicated Travel Fund" (first reading)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-39.pdf](#)
[Ord 2016-39.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-39 on
first reading.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2016-39

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE TITLE 4 "REVENUE AND FINANCE" BY ADDING A NEW CHAPTER 4.25 "STUDENT
ACTIVITIES DEDICATED TRAVEL FUND"

- 1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
- 2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
- 3. **PURPOSE.** The purpose of this ordinance is to establish a fund into which all proceeds received from the State of Alaska for Marijuana licensing fees will be deposited and earmarked for the sole purpose of assisting with the costs of student travel associated with school activities.
- 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 4 is amended by adding a new section 4.25 entitled, "Student Activities Dedicated Travel Fund" to read as follows (new language underlined; deleted language stricken):

**Title 4
Revenue and Finance**

- Chapters:
- 4.04 Budgetary Organization
 - 4.05 Marine Passenger Fee Fund
 - 4.06 Proceeds from Raw Water Sale Contracts Revised 12/15
 - 4.09 Sales Tax
 - 4.12 Property Tax
 - 4.17 Driver Facility Charge
 - 4.19 Sitka Permanent Fund
 - 4.20 Miscellaneous Fees
 - 4.24 Hotel, Motel and Bed and Breakfast Transient Room Tax
 - 4.25 Student Activities Dedicated Travel Fund
 - 4.26 Excise Tax on Cigarettes and Tobacco Products
 - 4.28 Investment Policy
 - 4.32 Debt Service Priority
 - 4.35 Delinquent Accounts
 - 4.40 Uncollectable Accounts and Bad Debt Write-Offs Amended Ord. 16-06S
 - 4.42 Small Business Guaranteed Loan Program
 - 4.44 Southeast Economic Development Fund
 - 4.44A Required Levels of Cash to Be Maintained in the General Fund
 - 4.45 Long-Term Infrastructure Sinking Fund for the Repair and Replacement of General Fund Municipal Buildings, Streets, Sidewalks, Parking Lots, and Parks

Chapter 4.25
STUDENT ACTIVITIES DEDICATED TRAVEL FUND

Sections:

4.25.010 Student Activities Dedicated Travel Fund

4.25.020 Revenue Source for the Student Activities Dedicated Travel Fund

4.25.010 Student Activities Dedicated Travel Fund.

A Student Activities Dedicated Travel Fund is hereby created. The Student Activities Dedicated Travel Fund shall be maintained separate and apart from all other funds and accounts of the City and Borough. The Student Activities Dedicated Travel Fund shall only be used to assist with the payment of expenses associated with travel that is part of a Sitka School District sponsored activity.

4.25.020 Revenue Source for the Student Activities Dedicated Travel Fund.

Notwithstanding any other provision of law, all proceeds received by the City and Borough of Sitka from the State of Alaska resulting from marijuana licensing fees shall be deposited in their entirety in the Student Activities Dedicated Travel Fund.

Proceeds will be appropriated during the annual budget process. The amount transferred is to be included in the calculation of the local support of education per AS 14.17.410.

* * *

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 11th day of October, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-38 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 9/21/2016 In control: City and Borough Assembly

On agenda: 9/27/2016 Final action:

Title: Amending Sitka General Code Chapter 15.01 "Electric Utility Policies", at Section 15.01.020 "Electrical Rates", by increasing electrical rates, adding provisions to interruptible rates, and removing Section 15.01.015 "Construction Guidelines", Section 15.01.085 "Carrier Current" and Section 15.01.090 "Rebate Program for Electric Heat Pump Heating Systems" (first reading)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2016-38.pdf](#)
[Ord 2016-38..pdf](#)
[Finance Department Customer Service Procedures 9-9-2016..pdf](#)
[Electrical Dept Construction Guidelines..pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-38 on
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-38

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE CHAPTER 15.01 "ELECTRIC UTILITY POLICIES", AT SECTION 15.01.020 "ELECTRICAL RATES", BY INCREASING ELECTRICAL RATES, ADDING PROVISIONS TO INTERRUPTIBLE RATES, AND REMOVING SECTION 15.01.015 "CONSTRUCTION GUIDELINES", SECTION 15.01.085 "CARRIER CURRENT" AND SECTION 15.01.090 "REBATE PROGRAM FOR ELECTRIC HEAT PUMP HEATING SYSTEMS"

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. This ordinance will increase the electrical rates for certain consumer classes at SGC 15.01.020, provide revenues necessary toward meeting revenue bond covenants and build working capital for future electrical infrastructure repair and replacement. It also removes sections 15.01.015, 15.01.085 and 15.01.090 so they can be addressed by City policy. Further it eliminates the need to hang door hangers prior to disconnecting service.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Chapter 15.01 "Electric Utility Polices", is amended as follows (new language underlined; deleted language stricken):

* * *

Chapter 15.01
ELECTRIC UTILITY POLICIES

Sections:

- 15.01.005 Definitions.
15.01.010 Statement of purpose.
15.01.012 Level of authority and responsibilities.
15.01.015 Construction guidelines.
15.01.020 Electrical rates.
15.01.025 Customer and city rights and responsibilities.
15.01.030 Billing—Credit—Deposits—Fees.

- 47 15.01.035 General requirements.
- 48 15.01.040 Service connections.
- 49 15.01.045 Line extension.
- 50 15.01.050 Subdivisions.
- 51 15.01.055 Mobile home parks, RV parks, private marinas and boat docks.
- 52 15.01.060 Rental structures.
- 53 15.01.065 Motors and controllers.
- 54 15.01.070 Undesirable characteristics.
- 55 15.01.075 Special equipment.
- 56 15.01.080 Customer generation.
- 57 ~~15.01.085 Carrier current.~~
- 58 ~~15.01.090 Rebate program for electric heat pump heating systems.~~

59

60 **15.01.005 Definitions.**

61 “ANSI” means the American National Standards Institute.

62 “City” means the city and borough of Sitka.

63 “Employees” means the employees of the city and borough of Sitka charged with the
64 responsibility of delivering services to the citizens and customers while ensuring good business
65 practices, and considering the needs and wants of customers.

66 “IEEE” means the Institute of Electrical and Electronics Engineers.

67 “NEC” means the National Electrical Code.

68 “NESC” means the National Electrical Safety Code.

69 “OSHA” means the Occupational Safety and Health Act.

70 “Overhead point of delivery” means customers’ service entrance conductors at the weather
71 head.

72 “RUS” means the United States Department of Agriculture’s Rural Utilities Service.

73 “SDCG” means the Sitka design and construction guidelines.

74 “Underground point of delivery” means the supply terminals in a customer’s meter base,
75 current transformer enclosure or supply (line) side of a customer-owned disconnect(s) in a
76 privately owned system.

77 “Utility” means the city and borough of Sitka electric department. (Ord. 05-15 § 4(A) (part),
78 2005.)

79 **15.01.010 Statement of purpose.**

80 The city wants to treat its citizens in a fair and consistent manner, while recognizing the distinct
81 needs and requirements of each customer. To promote uniformity of service, the city has
82 adopted this customer service policy. This customer service policy provides guidelines for
83 electric service while meeting the requirements of good business practices.

84 The mission of the utility is to provide its customers with adequate and reliable electric utility
85 service at the lowest cost, consistent with industry standards and sound business principles. It
86 is the customer's responsibility to install their service conductors and equipment in accordance
87 with the customer service policy and the utility's Sitka design and construction guidelines
88 (SDCG). It is the customer's further responsibility to comply with all financial obligations set
89 forth in the customer service policy and related payment plans in order to ensure uninterrupted
90 access to electrical power. The long-term inability to pay electrical charges shall not be the
91 basis for supplying electricity without charge, or for reduced charges, to customers without
92 explicit action of the Assembly. ~~In addition, all subdivisions four lots or greater and line~~
93 ~~extensions greater than two thousand six hundred forty feet are required to be designed by an~~
94 ~~electrical engineer licensed in Alaska. Utility staff may be available to design or construct a~~
95 ~~customer's line extension or subdivision at actual costs; however, the customer may be~~
96 ~~required or prefer to seek an electrical engineer licensed in Alaska to design the facilities or a~~
97 ~~licensed electrical contractor to construct the facilities needed to serve them. All designs,~~
98 ~~equipment, materials and a detailed scope of work must be approved by the utility before~~
99 ~~construction commences and is subject to inspection by the utility during construction. All~~
100 ~~equipment and materials such as transformers, hardware, street lights, poles, cables and~~
101 ~~components, etc., must be new and in undamaged condition. The utility reserves the right to~~
102 ~~issue "cease and desist" orders for nonconformance of design, workmanship and materials~~
103 ~~involved with electrical system construction projects. Once the construction is accepted by the~~
104 ~~utility, the utility will own and be responsible for maintenance of the facilities to the point of~~
105 ~~delivery of power, unless otherwise stated in this customer service policy or by mutual~~
106 ~~agreement. "Point of delivery" will be defined as follows:~~

107 ~~"Overhead point of delivery" means customers' service entrance conductors at the weather~~
108 ~~head.~~

109 ~~"Underground point of delivery" means the supply terminals in a customer's meter base,~~
110 ~~current transformer enclosure or supply (line) side of a customer owned disconnect(s) in a~~
111 ~~privately owned system.~~

112 **15.01.012 Level of Authority and Responsibilities.**

113 The utility director is responsible for the planning, design, construction, operation and
114 maintenance of the electric utility system. In addition, the utility director is designated as the
115 grievance officer for customers. The utility director is authorized to hear concerns and
116 complaints, and settle disagreements. Only the utility director shall have the authority to direct
117 reconnections of electric service, which has been disconnected for non-payment or failure to
118 meet agreed-upon terms of customer repayment plans, after normal working hours.

119 The finance director is responsible for the billing and collection of all fees and charges for
120 electric service. The finance director shall have the responsibility to consider all complaints and
121 concerns regarding electrical billings and disconnections for failure to meet financial payment
122 obligations. The finance director shall have the authority and responsibility to direct the
123 disconnection of electrical service for customers for non-payment or failure to meet agreed-
124 upon terms of customer repayment plans. Other than stipulated by other sections of this
125 chapter, the finance director shall not have any specific responsibility to notify customers of
126 impending disconnection in advance; furthermore, a customer's failure to honor specific
127 commitments, either temporally or financially, shall result in immediate disconnection of
128 electrical service without advance notice. The finance director, at his or her discretion, may,
129 but is not required to, authorize the reconnection of any customer's electric service if the
130 finance director deems it to be in the best interest of the utility and the Municipality to do
131 so. The finance director also has the discretion to, but is not required to, waive fees associated
132 with a reconnection.

133
134 The discretionary authority of the finance director shall be limited in certain aspects, as
135 follows:

- 136 a. The finance director may extend the due date for any payment up to 14 days upon
137 completion of a signed agreement with a customer firmly committing to such a date;
138 b. The finance director may manage disconnections in such a way as to avoid otherwise
139 disconnections for unmet customer financial obligations of \$50 or less;
140 c. The finance director may, but shall not be required, to direct that electric service be
141 continued for customers with a serious medical condition for which electrically
142 operated medical machinery is required to operate on a 24-hour basis in order to
143 sustain the life of the customer.

144
145 The administrator will create, maintain and update a customer service procedure manual and
146 the Sitka design and construction guidelines (SDCG) procedures manual, both of which will be in
147 compliance with the Sitka General Code. These manuals may be updated by approval of the
148 administrator with assembly notification. These manuals and codes may be more restrictive
149 than the Sitka General Code where the municipal administrator deems necessary.

150
151 **15.01.015 Construction guidelines.**

152 ~~A.— Codes. All electric utility system installations must comply with the National Electrical Code~~
153 ~~(NEC) and the National Electrical Safety Code (NESC) where applicable. As a supplement to~~
154 ~~these codes, the Sitka design and construction guidelines (SDCG) and the design standards of~~
155 ~~the USDA Rural Utilities Service (RUS) are employed by the utility. Services and/or service~~
156 ~~entrances may be denied if these codes and specifications are not met.~~

157 ~~B.— Electrical Inspections. To protect the customer's interest as well as the utility's, the utility~~
158 ~~requires an inspection certificate (green tag) by the city's building inspector before energizing~~
159 ~~new facilities.~~

160 — Inspections shall confirm compliance with the latest state-adopted version of the NEC and
 161 NESC, the latest version of the SDCG, any municipal codes, and any utility specifications that
 162 may exceed portions of the aforementioned codes. The utility reserves the right to challenge
 163 the construction when utility personnel observe deficiencies in the installation at any time.

164 C. ~~Utility Tools and Equipment.~~ All utility materials, tools and equipment are available for
 165 utility projects only. ~~Tools and equipment are not available for rent or loan at any time.~~

166 D. ~~Material Sales/Loans.~~ No materials shall be sold, traded or loaned except for electrical
 167 emergencies such as power outages. The utility may agree to sell equipment for a specific utility
 168 construction project, at rates established by the utility.

169 **Section**

170 **15.01.020 Electrical rates.**

- 171
- 172 A. All billings are subject to sales tax if applicable.
- 173
- 174 B. Residential Services.
- 175 1. Applicable to all residential customers for all uses in the home or residence, subject
- 176 to the rules and regulations and customer services policies of the city and utility.
- 177
- 178 2. Energy Charges.
- 179

First 200 kWh's	\$0.0858
Next 800 <u>First 1000</u> kWh's	\$0.1145 <u>\$0.1203</u> per kWh
Over 1,000 kWh's	\$0.1305 <u>\$0.1370</u> per kWh
Customer charge is \$19.50 \$20.48 per month	

- 180
- 181
- 182 C. General Service – Small
- 183
- 184 1. Applicable to all nonresidential customers for all uses, including lighting, heating
- 185 and power, when the electricity consumed in the preceding twelve months is less than
- 186 one hundred thousand kWh and has a measured demand of less than fifty kW, subject
- 187 to the rules, regulations and customer service policies of the utility and the city. Typical
- 188 customers in this class could include: restaurants, retail vendors, churches, fueling
- 189 stations, and service industries.

- 190
- 191 2. Energy Charges.
- 192

First 500 kWh	\$0.1771 <u>\$0.1860</u> per kWh
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501 kWh to 10,000 kWh	\$0.1246 <u>\$0.1308</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1218 <u>\$0.1279</u> per kWh
Over 100,001 kWh	\$0.1190 <u>\$0.1250</u> per kWh
Customer charge is \$39.00 \$40.95 per month	

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3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 <u>\$5.88</u> per kW

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D. General Service – Large

1. Applicable to all nonresidential customers for all uses, including lighting, heating and power, when the electricity consumed in the preceding twelve months is equal to or greater than one hundred thousand kWh or has a measured demand equal to or greater than fifty kW, subject to the rules, regulations and customer service policies of the utility and the city. Typical customers in this class could include: grocery stores, industrial users, and seafood processing facilities.

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2. Energy Charges.

First 500 kWh	\$0.1771 <u>\$0.1860</u> per kWh
501 kWh to 10,000 kWh	\$0.1241 <u>\$0.1303</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1213 <u>\$0.1274</u> per kWh
Over 100,001 kWh	\$0.1184 <u>\$0.1244</u> per kWh
Customer charge is \$60.00 \$63.00 per month	

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3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 <u>\$5.88</u> per kW

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E. General Service – Public Authority

1. Applicable to all noncommercial and nonresidential customers for all uses, including lighting, heating and power, subject to the rules, regulations and customer service policies of the utility and the city. Typical customers in this class could include: schools, tribal governments, and other public government buildings.

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2. Energy Charges.

First 500 kWh	\$0.1771 <u>\$0.1860</u> per kWh
501 kWh to 10,000 kWh	\$0.1246 <u>\$0.1309</u> per kWh
10,001 kWh to 100,000 kWh	\$0.1218 <u>\$0.1279</u> per kWh
Over 100,001 kWh	\$0.1190 <u>\$0.1250</u> per kWh
Customer charge is	\$45.00 <u>\$47.25</u> per month

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225

3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 <u>\$5.88</u> per kW

226

F. Boat Service.

- 227
- 228 1. Applicable to separately metered boats, lights, heaters, pumps or other uses.
 - 229 2. Energy Charges.

First 150 kWh	\$0.1353 <u>\$0.1420</u> per kWh
All additional kWh	\$0.1353 <u>\$0.1420</u> per kWh
Customer charge is	\$8.75 <u>\$20.48</u> per month

230

G. Street and Security Light Service.

- 232
- 233 1. The utility will only install, at the expense of the customer, yard or security lights which can be attached to existing poles which are the property of the utility.
 - 234 2. Rate per Month. This fee is in addition to the actual installation charges required for installing the desired fixture.

235

236 Monthly unmetered street or security light energy rate is calculated as follows:

(0.482 kWh per lamp watt) times (the wattage of the lamp) = kWh per month.
Example: 0.482 kWh x 100 Watt lamp = 48 kWh per month.
Monthly energy rate is: kWh per month times \$0.1964 per kWh.

48 kWh per month x \$0.1964/kWh = \$9.43 per month energy rate.	
Typical lamp energy rates:	
70 Watt	\$6.62 per month
100 Watt	\$9.42 per month
150 Watt	\$14.12 per month
175 Watt	\$16.50 per month
250 Watt	\$23.56 per month
400 Watt	\$37.88 per month
1,000 Watt	\$94.63 per month

237 The above costs include the cost of maintenance of the unmetered street and security
238 lights.

239 3. Previously Installed Security Lights. Customers found to be benefitting from a
240 previously installed security light shall have the option of removal of the light at no
241 charge.

242 4. A street light may be installed and maintained by the city provided it is for the
243 purpose of public safety. If a light is requested by a customer, it is the responsibility of
244 the customer to show that concurrence is reached by all affected neighbors.

245 H. Controlled Service Interruptible Load Service—Large Consumer.

246 1. Applicable to interruptible loads greater than one hundred kilowatts. The customer
247 must have written approval from the City and Borough Electric Department for an
248 alternative system. Loads must be new, not conversions of existing loads. Associated
249 equipment this is also utilized by the alternative firm portion of the load, such as electric
250 fans and pumps used in the distribution of heat, shall be wired separately from the
251 controlled service so as not to be interrupted.

252 2. Character of Service. Interruptible without notice, and available only when there is a
253 surplus of hydroelectric energy—alternating current sixty cycles, single-phase or three-
254 phase. Characteristics depend upon available circuits.

255 3. Rate per Month. Basic customer charge for each month or portion of a month: two
256 hundred dollars.

257 Energy Charge. Conceptually, the energy charge for all kilowatt-hours shall be adjusted
258 monthly so as to be no more than 90% of the equivalent average price paid by the State
259 of Alaska or the City and Borough of Sitka, whichever is lower, for No. 2 Fuel Oil
260 delivered in Sitka~~0.0317 times the city and borough's price per gallon for number 2~~
261 ~~heating oil, assuming an overall oil heating system efficiency of seventy percent and the~~
262 ~~use of the price paid by the city and borough of Sitka for number 2 heating oil for all of~~
263 ~~the city and borough owned buildings. The rate will vary monthly with the price paid by~~
264 ~~the city and borough of Sitka for number 2 heating oil for all city owned buildings. The~~
265 ~~maximum energy charge for all kilowatt hours under this rate shall be eleven cents per~~
266 ~~kilowatt hour.~~

267 The energy charge calculation will be performed by multiplying 0.0317 times the
268 average price paid two calendar months prior by the State of Alaska or the City and
269 Borough of Sitka, whichever is lower, for No. 2 Fuel Oil delivered in Sitka. This factor
270 assumes an overall oil heating system efficiency of seventy percent and a heat
271 equivalent of fuel oil of 138,599 BTU per gallon. The maximum energy charge for all
272 kilowatt hours under this rate shall be eleven and fifty five one hundredths cents
273 (\$0.1155) per kilowatt hour.

274 Example 1: If the city and borough's price for No. 2 Fuel Oil ~~number 2 heating oil~~ is one
275 dollar and twenty cents per gallon, the rate would be 0.0317 times one dollar and
276 twenty cents equals \$0.0380 per kilowatt hour.

277 Example 2: If the city and borough's price for No. 2 Fuel Oil is four dollars and twenty
278 cents per gallon, the rate would be 0.0317 times four dollars and twenty cents equals
279 \$0.1331 per kilowatt hour. However, due to the maximum energy charge, the energy
280 charge in this case would be \$0.1155.

281 In the event that the customer must utilize interruptible energy when it is considered
282 not available, energy will be provided at a penalty rate.

283 4. Penalty Rate. The penalty rate will be equal to 1.5 times the firm rate. Penalty rates
284 will be in effect when the city and borough has acted to interrupt the customers
285 controlled service load but the customer chooses not to be interrupted. If the customer
286 chooses to not be interrupted, they will forfeit the ability to continue to participate in
287 the program, unless the City Administrator determines that a true emergency had
288 occurred.

289 5. Temporary Incentive Rate. When it is in the best interest of the city and borough of
290 Sitka, the City Administrator may negotiate a temporary incentive rate with individual
291 customers to encourage new capital investment which increases or adds new

292 interruptible customers. In no case will the temporary rate be applied to a customer for
293 more than ten years.

294 6. Control Criteria. Electrical loads are subject to interruption as deemed necessary by
295 the city and borough. Typical conditions could include peak loading, hydroelectric
296 generation shortages, maintenance or other emergencies. The city and borough will
297 provide customers with five days' notice for planned interruptions. For unplanned
298 interruptions, the city and borough will provide as much notice as practicable.

299 7. 4- Service Connection. Consumer is to install metering equipment separate from the
300 normal continuous service connection, which meter may be a submeter of the firm
301 service meter, and install an electrically operated switch or circuit breaker that can only
302 be operated by the utility. The specific metering and circuit switching equipment design
303 for interruptible service is subject to review and approval by the utility.

304 8. Special Provisions.

305 a. The City and borough of Sitka shall not be liable for loss or damage caused by
306 interruption of service. The city and borough of Sitka will not be responsible for start-up
307 or operations of the customer's alternative system.

308 I. Fuel Surcharge. A fuel surcharge shall be implemented to recover the utility's costs of
309 supplemental diesel generation in excess of budgeted funds for projected diesel operations.
310 The costs of supplemental diesel generation to be recovered include fuel oil, lubricating oil,
311 filters, labor, and other ancillary costs in excess of budgeted funds. The fuel surcharge will be
312 levied as a per kilowatt hour (kWh) rate and will be calculated as follows: the quarterly
313 projected cost of supplemental diesel operations which exceeds budgeted diesel operations
314 divided by quarterly projected kWh sales. kWh sales projections will be kWh sales for the same
315 period from the previous fiscal year times a load growth factor. The fuel surcharge will be
316 recovered over a twelve-month period. The utility will maintain a balancing account to match
317 revenues from the fuel surcharge with actual supplemental generation expenses, and will
318 adjust this account on a quarterly basis. Any surplus in the balancing account at the end of a
319 recovery period will be retained by the utility and will be utilized exclusively to reduce future
320 fuel surcharges. Any deficit in the balancing account at the end of a recovery period will be
321 added to the estimated costs to be recovered in the next recovery period. Fuel surcharges may
322 be recalculated and changed during any quarter upon approval of the municipal administrator
323 due to emergencies or other unforeseen circumstances.

324 Kilowatt hours sold on an interruptible service basis or for street lights are not subject to a fuel
325 surcharge.

326 J. Determination of Demand. The billing demand shall be the maximum average kilowatt load
327 used by the customer for any period of fifteen consecutive minutes during the billing period as
328 indicated by a demand meter.

329 K. Tax Provision. Any taxes levied are in addition to the electric rates and fees charged.

330 L. Resale of Energy. The utility will not allow the resale of energy or another person and/or
331 organization to connect to or share the customer's electric service.

332 Landlords may allow common tenants of the same physical structure to share electrical service
333 under one landlord account.

334 M. Power Factor. The customer agrees to maintain unity power factor as nearly as possible.
335 Unless specifically agreed to in writing, the utility shall not be obligated to deliver power to the
336 customer at any time at a monthly average power factor below ninety five hundredths (0.95)
337 ~~nine tenths~~ lagging. The customer will be given ample time to bring the power factor into
338 compliance which shall not exceed six months from the time of official notification by the utility
339 or make other arrangements with the utility. The utility may bill for all kVarh in excess of ninety
340 five hundredths (0.95) ~~nine tenths~~ average power factor for the billing period at the rate of
341 nine point four five (\$0.0945) ~~nine~~ cents per kVarh.

342 N. Energy Assistance Fund. An energy assistance fund is hereby established to provide an
343 opportunity for city and borough of Sitka electric customers to make a voluntary monthly
344 contribution to a fund that will provide limited financial assistance to customers. The intent of
345 the program is to help provide emergency financial assistance to customers to pay electric
346 utility bills. The program will be administered by the Salvation Army.

347 O. Plug-in Electric Vehicle (PEV) Incentive Credit. A one-hundred-twenty-dollar annual PEV
348 energy credit will be applied to all eligible residential class customers that register and operate
349 a plug-in electric vehicle within the CBS up to a maximum of two PEVs per household. A two-
350 hundred-dollar annual PEV energy credit will be applied to all eligible general service customers
351 that register and operate a plug-in electric vehicle within the CBS up to a maximum of five PEVs.

352 **15.01.025 Customer and city rights and responsibilities.**

353 A. Customer Responsibilities.

354 1. New customers establish credit in one of these ways:

355 a. Provide proof of twelve months of good payment history with another utility.

356 b. Provide acceptable surety bond or letter of credit (commercial account only).

357 c. Provide a cash deposit.

358 d. Be an existing city customer with a good payment history.

359 2. Allow utility personnel access to property to set up and maintain service.

360 3. ~~Pay bills by the due date shown~~ Customers must pay their bill by the due date
361 shown on each monthly bill or a finance charge will be applied. Payments received on
362 the due date must be made in person at the City customer service desk or by direct
363 phone contact with the City customer service representative. If a customer has agreed
364 to make an extra payment towards past due balances in conjunction with a payment
365 plan, such payments must also be made by the due date on each monthly bill.

366
367 It is the customer's responsibility to ensure that customer service personnel are notified
368 in advance of a customer's inability to fully pay all charges and fees by the date on
369 which they are due, as indicated on the utility bill. Utility customer service personnel
370 shall have no obligation to proactively inform customers of consequences of failure to
371 fully pay charges when due, or, of impending disconnections of electrical service unless
372 otherwise specifically stated elsewhere in this chapter.

373
374 It is the customer's responsibility to ensure that all individuals who have need to inquire
375 about, or manage the details of, a customer's account are added to that
376 account. Customer service personnel may not release account information to
377 individuals who are not authorized to obtain such information.

378 4. Notify customer service of another person or customer who should receive any
379 notice of service interruption for nonpayment of bills.

380 5. Notify customer service if there is someone in the household who is seriously ill,
381 handicapped or on a life support system.

382 6. Notify customer service of questions or complaints about service.

383 7. The Customer must be aware of city-owned property at the customer's home or
384 business and take all reasonable and proper precautions to prevent damage to it. In the
385 event that the city-owned property is damaged because of the customer's negligence,
386 the utility will charge the customer the actual costs of replacement or repair.

387 8. Install, maintain and repair wiring inside the customer's premises.

388 9. The customer must notify the city when electric use changes may make him/her
389 eligible for a rate change.

390 10. The customer must ensure that no damage occurs with the initiation, termination
391 or change of utility service requested past the point of city connection.

392 11. The customer will not permit any person, except as authorized by the utility, to
393 make any connections, repairs or changes to service drops, vaults, splice boxes,
394 equipment or any unmetered portion of the service serving the property which is owned
395 by the utility.

396 12. When a change of occupancy (tenant or owner) takes place on any premises being
397 serviced by the utility, notice of such change shall be given within ten days prior to such
398 change. The outgoing customer will be held responsible for any and all charges for
399 electrical services supplied, to include charges for disconnection and reconnection for
400 nonpayment until such notice has been received by the finance utility.

401 B. Customer Rights.

402 1. A customer has a right to request his/her deposit be refunded if he/she establishes
403 credit by other means, maintains an excellent credit rating for one year or discontinues
404 service from the city.

405 2. If the customer is notified of an impending disconnection for nonpayment, he/she
406 has a right to request installment payments designed to pay the account in full
407 according to an agreement at the discretion of the city's finance director.

408 3. The customer has a right to request a review by the city's finance director of any
409 complaint.

410 C. City Responsibility.

411 1. Refund the customer's deposit if conditions are met.

412 2. Give written notice fifteen working days before service is interrupted for failure to
413 pay (the customer's bill contains the fifteen-day notice). The notice will respect a
414 customer's right to privacy regarding publication of debt.

415 3. Avoid disconnection for nonpayment after four-thirty p.m. on a Friday, on a
416 weekend or on a holiday.

417 4. Avoid disconnection for nonpayment during freezing weather conditions (below
418 thirty-two degrees Fahrenheit).

419 5. Provide and explain rate schedules, how meters are read and other additional
420 reasonable information.

421 6. Respond to questions or complaints from customers. The city may not agree with
422 the complaint but pledges prompt, courteous and honest answers within one day of the
423 complaint.

424 7. Provide available historic billing and usage information for a customer's account
425 when requested by the customer.

426 D. City Rights.

- 427 1. To access the city's utility facilities on customer's premises.
- 428 2. To receive notice of changes in address, status of utility service or problems with
429 utility service.
- 430 3. To receive timely payment for services delivered to a home or business.
- 431 4. To take legal action regarding equipment tampering or financial delinquencies by
432 the customer.

433 **15.01.030 Billing—Credit—Deposits—Fees.**

434 A. Deposits are required as follows:

- 435 1. ~~Two~~One hundred fifty (\$250) dollars for residential.
- 436 2. ~~Three~~Two hundred fifty (\$350) dollars for commercial.
- 437 3. ~~Seventy five~~Fifty (\$75) dollars for harbor.

438 ~~Account deposits commensurate with an anticipated six week utility billing may be required.~~
439 ~~Deposits will be refunded after one year's satisfactory payment history or termination of~~
440 ~~service. Refund will be made by credit to customer's billing account. Interest shall accrue at an~~
441 ~~interest rate equivalent to the average rate of interest on one year treasury bills for the last day~~
442 ~~of the fiscal year and previous fiscal year. Interest will be determined at the end of the fiscal~~
443 ~~year and will be credited to the customer's utility billing as soon as possible thereafter. Driver's~~
444 ~~license or Social Security number will be requested for notation and for identification purposes.~~

445 ~~B.— Meter Reading. Meters shall be read monthly as nearly as possible on the same cycle date.~~
446 ~~Because of holidays, Saturdays, Sundays and the difference in the length of months, a three to~~
447 ~~five day variation may occur. If for any reason a reading cannot be obtained for any particular~~
448 ~~period, the billing may be based on an estimated energy use and demand.~~

449 ~~C.— Billing. Bills will be rendered monthly and are due and payable thirty days after date of~~
450 ~~billing. Failure to receive a bill will not release the customer from obligation of payment. The~~
451 ~~utility reserves the right to disconnect the meter for the final bill within a twenty four hour~~
452 ~~period from the time requested by the customer.~~

453 ~~D.— Credit Policy.~~

454 ~~1.— Any electrical charges become delinquent if not paid within thirty days of the billing~~
455 ~~date. If a customer's account becomes delinquent, the customer will be notified by mail~~
456 ~~no less than forty five days after the billing date of the delinquency and of the~~
457 ~~requirement to contact the credit manager to arrange for an approved payment plan. If~~
458 ~~a customer has not contacted the credit manager after being notified by mail of having a~~
459 ~~delinquent account, a notice will be physically posted at the customer's physical location~~

460 ~~notifying the customer that electrical power will be disconnected the next day without~~
461 ~~further notice unless an approved payment plan is accepted by the credit manager.~~

462 ~~2.—The city finance director has the authority to establish a payment plan for~~
463 ~~customers with delinquent accounts. If a payment plan is established for a customer~~
464 ~~with a delinquent account, the customer will be required, without exception, to pay all~~
465 ~~current charges and to make additional regularly scheduled payments toward the~~
466 ~~delinquent balance as part of the plan. The amount and timing of additional regularly~~
467 ~~scheduled payments will be jointly determined by the credit manager and the customer;~~
468 ~~however, as a minimum, such payments must exceed monthly finance charges by at~~
469 ~~least ten dollars per month. All delinquent balances will be subject to a yearly finance~~
470 ~~charge of twelve percent.~~

471 ~~3.—If a customer fails to make the specified additional regularly scheduled payments,~~
472 ~~or pay current charges, as required in the payment plan, that customer's account will be~~
473 ~~scheduled for disconnection. A notice will be physically posted at the customer~~
474 ~~account's physical location notifying the customer that electrical power will be~~
475 ~~disconnected the next day without further notice unless the credit manager is~~
476 ~~contacted. No additional notice will be sent by mail. The credit manager has the~~
477 ~~authority to amend a payment plan. If a payment plan has been amended and the~~
478 ~~customer again fails to make specific additional regularly scheduled payments, or pay~~
479 ~~current charges, as required by the payment plan, that customer's account will be~~
480 ~~scheduled for immediate disconnection. If a customer's account is disconnected for~~
481 ~~failure to make specified additional regularly scheduled payments, or pay current~~
482 ~~charges as required by the payment plan, all delinquent charges plus accrued interest~~
483 ~~must be paid in full before electrical service will be reconnected.~~

484 ~~4.—Tampering with meters or diversion of electricity is not allowed. If a meter is~~
485 ~~tampered with or electricity has been diverted, the utility shall charge the account~~
486 ~~holder for the cost of repairs plus all known or estimated electricity consumed. Charges~~
487 ~~will be made retroactively without limitation for all known or estimated electricity~~
488 ~~consumed back to the date of the tampering or diversion.~~

489 ~~5.—If a customer is found to have consumed electricity and the utility has not charged~~
490 ~~the customer for the electricity, and the reason for the supply of electricity without~~
491 ~~charge is found to be the fault of the utility and not the customer, the utility shall charge~~
492 ~~the customer for known or estimated electricity for a period not to exceed three years.~~
493 ~~Conversely, if a customer has been overcharged, the customer will be refunded the~~
494 ~~known or estimated overpayment for a period not to exceed three years.~~

495 ~~EB.~~ Service Charges.

496 1. There will be a separate ten-dollar service charge for each of the following types of
497 electrical services:

- 498 a. Establishing a new customer service account.
- 499 b. Transferring an existing customer service account to a new location.
- 500 2. There shall be a separate fifty dollar charge for each of the following types of
501 electrical services:
- 502 ea. Connecting or disconnecting existing electrical service due to a customer
503 request during the hours of eight a.m. and four p.m., Monday through Friday.
- 504 db. Disconnecting or reconnecting electrical service disconnected due to
505 nonpayment during the hours of eight a.m. and four p.m., Monday through Friday.
- 506 ~~e. Posting a final disconnect notice due to nonpayment on the consumer's physical~~
507 ~~location if a final disconnect notice has been posted at that consumer's location~~
508 ~~within the preceding twelve months.~~
- 509 23. There will be a separate ~~two~~one-hundred-dollar service charge for the following
510 type of electrical service:
- 511 a. An electrical service trouble call during the hours of eight a.m. and four
512 p.m., Monday through Friday, if determined to be the responsibility or fault of the
513 customer.
- 514 34. There will be a separate ~~five two~~ hundred ~~ten~~ dollar service charge for the
515 following types of emergency electrical services:
- 516 a. ~~Reconnecting~~ Emergency reconnection of electrical service disconnected due to
517 nonpayment outside the hours of eight a.m. to four p.m., Monday through Friday
518 including holidays. Any emergency reconnection of electrical service due to
519 nonpayment shall be authorized in advance by the utility director and shall be
520 contingent upon the availability of service personnel to perform the reconnection
521 and finance personnel to receive and process the service charge.
- 522 b. An electrical service trouble call outside the hours of eight a.m. to four p.m.,
523 Monday through Friday, if determined to be the fault or the responsibility of the
524 customer. Payment must be received in advance before electrical service is
525 reconnected after normal working hours due to disconnection for non-payment or
526 problems which are the fault of the customer. Decisions to reconnect electrical
527 service before receiving payment shall be at the discretion of the utility director. The
528 utility director shall be under no obligation to direct the reconnection of electrical
529 service if finance personnel are unavailable to receive and process service charges.
- 530 45. Work Orders. Customer services are provided and tracked through a work order
531 number assigned to each job. Customers requesting services that require billing shall

532 obtain and sign a work order at the utility customer service desk. The work order
533 authorizes and initiates the project. Tracking of material, labor and equipment and
534 billing is done with the work order.

535 All service charges are subject to sales tax if applicable. All charges will be billed to the
536 customer, except for reconnection due to nonpayment. Service charges for
537 reconnection due to nonpayment must be paid in cash or other legal tender at the city
538 utility customer service desk, 100 Lincoln Street, before service will be reestablished.

539 FC. Fees. New services on existing distribution lines: before the utility will install a new service
540 on existing distribution lines, the customer shall pay all appropriate fees and sales tax. The
541 customer shall contact the electrical department for an estimate of the work. The electrical
542 department shall provide the customer a non-binding estimate of the work. The customer shall
543 then pay a deposit to the city and borough of Sitka for an amount equal to the estimate prior to
544 the work being performed. Subsequent to the work being completed the city and borough shall
545 invoice the customer for any additional charges not in the estimate or credit will be applied to
546 the customer account.

547 1. Clarification. For purposes of these policies, a residential structure is defined as “any
548 structure designed for human habitation in which at least fifty percent of the square
549 footage is normally used for human habitation.”

550 2. New Single Residential Service Fee.

551 a. Overhead Service. The customer shall be responsible for the actual cost of
552 installing the service.

553 b. Underground Service. The customer shall be responsible for the actual cost of
554 installing the service.

555 c. Installation Fees. The fees shall be charged at a rate equivalent to the actual
556 costs including material, labor, design and engineering, equipment, and overhead. A
557 written estimate detailing the estimated cost will be provided upon request.
558 Estimates made by the utility are not binding.

559 3. Remodeling Existing Residential Structure Fee. No fee will be charged, provided an
560 upgrade of the service entrance is not required.

561 4. Fees for Additions to Existing Residential Structures. The actual cost shall be charged
562 if the construction results in the relocation or replacement of the existing service
563 entrance.

564 5. Fees for Replacing Existing Residential Structures. Fees for replacing existing
565 residential structures due to fire, flood or other disaster which destroys the structure

566 shall be charged as follows: the actual cost shall be charged if the construction results in
567 the location or replacement of the existing service entrance.

568 6. Fee for Properties Being Served by an Electrical LID. Fees for properties being served
569 by an electrical LID shall be charged as provided for in Title 17 of the Municipal Code.

570 7. Residential Service Disconnect/Reconnect Fees for Electrical Service Repair. There
571 shall be a total two-hundred-dollar service fee charged for a customer-requested
572 disconnect and reconnect of any electrical service at the point of delivery for the
573 purpose of repairing or upgrading the existing service. This fee shall be collected at the
574 time of application for the disconnect.

575 If the service configuration is substantially modified, the customer shall be charged
576 actual cost in lieu of the two-hundred-dollar fee. Actual cost is to include all labor,
577 materials, equipment and overhead.

578 8. All Other Electrical Services. The fees for all other electrical services, including three-
579 phase transformers, submarine cable and services (islands), industrial, commercial, etc.,
580 shall be charged at a rate equivalent to the actual cost including material, labor, design
581 and engineering, equipment, and overhead. A written estimate detailing the estimated
582 cost will be provided upon request. Estimates made by the utility are not binding.

583 ~~G~~D. Meter Tests. Tests at the request of the customer will be made, and if the meter is found
584 to register within over two percent of the correct value, the customer shall pay a test fee of
585 thirty dollars. If the meter is found to exceed the two percent limit plus or minus, the bill for the
586 preceding twelve months may be adjusted accordingly, and no charge will be made for the
587 testing.

588 ~~H~~E. Credit Applications. Credit applications will be available and must be filled out before a
589 customer has electrical services rendered in their name. If it is found that the customer has
590 misinformed or misled the city with false information, the account can be closed without
591 notification until all matters are clarified and adhered to according to the policies of the city. All
592 information furnished on said credit application will be confidential and used only by the city or
593 its assigns.

594 ~~F~~E. Vacation Rates. None.

595 ~~J~~G. Fees and Charges. All fees, charges, "actual costs" and/or service charges are based on the
596 average labor, benefits and any administrative or other costs incurred by the city. These rates
597 are subject to annual review.

598 ~~K~~H. Actual Costs. Actual costs for vehicles and materials are billing rates plus shipping and
599 overhead per the following. The actual cost for labor is double the employee's wage per hour,
600 to account for the wages, benefits, employer taxes, and overhead. Subcontractor costs may
601 also be charged if a subcontractor is required. The minimum time charged for vehicle costs and

602 labor is one hour. A written estimate of actual costs is available upon request, in accordance
603 with subsection (F)(8) of this section.

604

Vehicle Costs	Billing Rate per Hour
Pickup/SUV/Van < 1 ton	\$13.20 <u>28.00</u>
Truck, flatbed, 1 ton	\$16.50 <u>34.00</u>
Chipper	\$360.00
Crane truck, 5 ton	\$39.60 <u>80.00</u>
Tractor with backhoe	\$4590.00
Service truck, 1-1/2 ton w/bucket	\$72.75 <u>146.00</u>
Bucket truck, 65 ft+ reach	\$89.10 <u>180.00</u>
Crane truck, 10 ton	\$89.10 <u>180.00</u>
Materials	
Cost plus 50% for shipping and warehousing	
Labor	
Double the employee's wage per hour	
Subcontractor	
Costs charged by subcontractor plus overhead	

605

606 **15.01.035 General requirements.**

607 A. Right of Access. The utility, through its authorized employees or agents, shall have access
608 to its meters and equipment at all reasonable times for the purpose of reading meters and
609 testing, examining, repairing, or replacing any equipment which is the property of the utility. If
610 such equipment is so located that locks must be operated to reach it, the utility shall be
611 supplied with keys to such locks. In cases where locking devices have been installed on
612 customers' disconnect devices, it is required that emergency municipal personnel, i.e., fire and
613 police, also be supplied keys to such locks.

614 B. Application for New Service. Each customer requesting service shall supply the utility with
615 the necessary information to provide the service. This information shall be supplied on an
616 application for service form, available at the utility or customer service desk located at 100
617 Lincoln Street, Sitka, Alaska. A work order will be opened to provide the service. Large industrial
618 or commercial services and service contracts shall contain such provisions and stipulations as

619 may be necessary or desirable to protect the interests of both the utility and the customer, as
620 determined by the utility director. In the absence of a signed agreement or application for
621 service form, the delivery of service by the utility and its acceptance by the customer shall be
622 deemed to constitute an agreement and acceptance of the policies.

623 C. Easements and Rights-of-Way. Where it is required to place equipment, vaults, splice
624 boxes, structures, or other materials owned by the utility associated with providing services,
625 the owner(s) involved with the project shall be required to grant an easement to the city and
626 borough of Sitka electric department. This easement shall include all areas as prescribed by the
627 utility. Utility personnel will forward a copy of the recorded easement to the owner(s). In cases
628 involving islands, tidelands, wetlands, etc., all Corps of Engineers permits and Department of
629 Natural Resources costs will be paid for by the customer. Rights-of-way are also required to be
630 conveyed to the city and borough of Sitka. The grant of utility easement must be complete,
631 signed by the property owner, copied to the city, and recorded by the State Recorder's Office.
632 The city will pay the recording fees.

633 D. Temporary Electrical Service. Temporary service is normally rendered for construction
634 purposes, but may also be rendered to traveling shows, public event displays, etc. Whenever
635 possible, it is recommended that temporary construction services be placed in the permanent
636 location. Where there are existing secondaries of sufficient capacity (also suitable phase and
637 voltage), service will be provided at applicable rates under these conditions:

638 1. Provision by the customer of a temporary electric service construction post or
639 construction pole within one hundred feet of existing facilities with suitable protective
640 devices and meter socket; and

641 2. Payment by the customer must be made in accordance with normal billing
642 procedures for the actual cost of installation and removal.

643 3. Temporary service must be initiated with a work order at the utility customer
644 service desk, 100 Lincoln Street, Sitka, Alaska.

645 E. Character of Service. The utility will designate the character of electric service. All service
646 shall be alternating current (AC), sixty hertz. Nominal secondary delivery voltages are one
647 hundred twenty volt, two hundred forty volt single-phase and two hundred forty volt three-
648 phase, for overhead service. Service may also be delivered at one hundred twenty/two hundred
649 eight or two hundred seventy-seven/four hundred eighty volts three-phase grounded wye, only
650 where such secondaries exist. When the size of the load justifies a separate transformer
651 installation, all costs associated with such transformer installation will be borne by the
652 customer. The delivery of one hundred twenty/two hundred eight volts shall be at the option of
653 the utility. In general, delivery voltages and phases will be those available at the point of
654 service. If different phases or voltages are necessary, the costs shall be computed in accordance
655 with the policies set forth herein. To determine the type of service to be supplied, the customer
656 shall consult the utility before proceeding with the installation of wiring or ordering of electrical

657 equipment. Padmount transformer for three-phase service can only be in voltages of one
658 hundred twenty/two hundred eight and two hundred seventy-seven/four hundred eighty volts.

659 F. Service Taps. All connections between utility wires and customer wires will be made and
660 removed exclusively by utility-authorized personnel. The utility reserves the right to make all
661 service connections. The connection of utility's electric service or any alternative thereof by
662 anyone except utility-authorized personnel is prohibited. Violators of this rule will be
663 prosecuted. The user of such a connection shall be presumed to have made or consented to the
664 unauthorized connection and will be responsible for any costs and/or power charges as well as
665 the party making the unlawful connection, unless proven to the contrary.

666 Any tap made ahead of any service equipment for fire pumps, exit lights, control power for the
667 circuit breaker, etc., shall be provided with proper disconnect equipment and over current
668 protection adequate for the service load. Such connections shall be made only where
669 specifically approved by the utility and must be metered, either by the existing or an additional
670 meter.

671 G. Pole Attachments. The utility forbids any attachments or work by others on its poles or
672 facilities without specific written authorization. Customers utilizing utility power poles by
673 permission will be required to enter into a joint pole use agreement with the city and borough,
674 and will be required to pay joint pole use fees.

675 H. Grounding. The grounding conductor and equipment of the service shall be effectively and
676 permanently grounded in accordance with the latest edition of the NEC or in accordance with
677 the requirements of applicable authorities. Grounding electrodes shall be copper, copper clad,
678 or galvanized steel. Under no circumstances shall a gas, water, or fuel oil piping system be used
679 as the grounding electrode. Metallic riser conduits on the outside of the building and water
680 piping within the building shall be independently grounded.

681 I. Objectionable Effects. The utility reserves the right to disconnect service where equipment
682 used by the customer results in objectionable effects upon or interferes with the operation of
683 facilities of the utility, its customers, or another public service company unless the customer
684 discontinues use of such equipment or installs corrective equipment to overcome the
685 objectionable effect or interference. The customer will be charged for the cost to disconnect
686 the service.

687 J. Load/Phase Balance. The customer shall balance three-phase loads so there is less than a
688 twenty percent imbalance.

689 K. Meter/Meter Seals. Meters shall be provided by the utility and all meter installations and
690 points of access to unmetered wiring on the customer's premises will be sealed by the utility.
691 All cabinets and equipment enclosures containing unmetered conductors shall be made
692 sealable before the service is energized. Metered and unmetered conductors shall not share
693 the same conduits as raceways.

694 **15.01.040 Service connections.**

695

696 The administrator shall establish written policies and procedures for customer service
697 connections and shall make this information available to the public.

698

699 ~~A.— General. This section applies to each new service installation and to existing installations~~
700 ~~when changes and/or rearrangements are made. Each case shall be referred to the utility~~
701 ~~before electrical work is begun.~~

702

703 ~~B.— Metering, Service Entrance(s), Disconnects. All service entrance(s), meters, and~~
~~disconnecting device(s) shall be permanently installed externally, at an approved location.~~

704

705 ~~Main disconnect: this device shall be installed by the customer at a predetermined location~~
706 ~~designated by the utility for the purpose of protection, isolation, sectionalizing, maintenance,~~
707 ~~and testing between privately owned equipment and electric circuits and municipally owned~~
~~equipment.~~

708

709 ~~This device shall be designed and rated in accordance with the NEC and to open and close all~~
~~ungrounded conductors of the circuit simultaneously from their source of supply.~~

710

711 ~~Municipal maintenance and replacement responsibility terminates at the source side of the~~
~~customer owned disconnects.~~

712

713 ~~It shall be the responsibility of the customer to maintain a clear space of at least thirty six~~
714 ~~inches in front and thirty six inches on either side of the meter. Exceptions to this that meet~~
715 ~~current revision of the NEC may be approved by the utility. Meters shall be installed at a height~~
716 ~~of five to six and one half feet above a finished grade, platform, deck, etc. The utility shall be~~
717 ~~consulted prior to installation. New service entrance and remodel locations are subject to~~
718 ~~approval by the utility. All single phase circuits up to six hundred volts and less than two~~
719 ~~hundred amperes or less shall be metered through self contained meters. Loads of more than~~
720 ~~two hundred amperes will be metered with instrument transformers. The contractor or owner~~
~~will consult the utility for metering requirements prior to installation.~~

721

722 ~~C.— Instrument Transformer Metering. All instrument transformer enclosures, mountings and~~
723 ~~fittings, meter sockets and conduits or raceways for meter wiring will be furnished and installed~~
724 ~~by the customer and will be of a type approved by the utility. They shall be provided with a~~
725 ~~means for sealing. Instrument transformers will be furnished by the utility. All wiring from the~~
726 ~~instrument transformers to the meter base will be furnished and installed by the utility in~~
727 ~~conduits installed by the contractor or owner. The utility will install conduits at the customer's~~
728 ~~expense upon request. Provision for potential taps will be made in the instrument transformer~~
729 ~~enclosure by the owner or contractor. No potential taps will be made outside of a sealed~~
730 ~~enclosure. The meter socket must be UL approved, designed for outside use, and have a~~
731 ~~sealable test switch enclosure. The metering instrument transformers shall be installed in an~~
732 ~~approved, sealable enclosure that is located on the load side of the service main disconnect~~
~~(cold sequence). Any exceptions must receive prior approval of the utility.~~

733 ~~D.— Point of Delivery. Service shall be supplied to the entire premises through a single delivery~~
734 ~~point and at an agreed upon voltage and phase rating. If a customer has more than one point of~~
735 ~~delivery, then each point of delivery shall be metered and billed separately. The point of~~
736 ~~delivery is that point on the customer's premises (or other agreed point) where the utility~~
737 ~~terminates its electrical conductors. Utility services shall not be run from building to building.~~
738 ~~When crossing property, service drop wires shall not be carried over/under buildings. All~~
739 ~~equipment on a load side shall belong to and be the responsibility of the consumer, except~~
740 ~~meters and metering equipment and other equipment provided by the utility. It shall be the~~
741 ~~responsibility of the customer to advise the utility of his service requirements in advance of~~
742 ~~installing the service entrance equipment and to ascertain that the location is acceptable to the~~
743 ~~utility. For mobile home parks and RV parks the point of delivery is the supply (line) side of the~~
744 ~~disconnect(s). For private marinas and boat docks the point of delivery is the supply (line) side~~
745 ~~of the disconnect on the upland facilities.~~

746 ~~E.— Customer Power Outage. If the customer's service fails, they shall endeavor to determine if~~
747 ~~they have blown fuses, tripped breakers, or their equipment is at fault before calling the utility.~~
748 ~~If a service person is sent out on such a request, and it is determined that the customer's~~
749 ~~equipment is at fault, the customer will be charged for the service call.~~

750 ~~F.— Interruption of Service. The utility will use reasonable diligence to provide an adequate and~~
751 ~~uninterrupted supply of electrical energy at normal voltage, but if the supply is interrupted~~
752 ~~without notice, for any cause, the utility shall not be liable for personal injuries, loss or damages~~
753 ~~resulting therefrom, nor will such failure constitute breach of agreement for service.~~

754 ~~The utility reserves the right to temporarily suspend services for the purpose of making~~
755 ~~emergency repairs or routine improvements to the system, but in such cases, whenever~~
756 ~~practicable, every effort will be made to contact affected customers beforehand and make such~~
757 ~~interruptions as short as possible. Emergency outages will occur without notification.~~

758 ~~G.— Curtailment. Should a serious power shortage develop, and should it become mandatory~~
759 ~~that the utility place into effect a curtailment program, the utility reserves the right to limit the~~
760 ~~use of electrical energy during such hours as may become necessary.~~

761 ~~H.— Discontinuance of Service by the Electric Utility. The utility may refuse to connect or may~~
762 ~~discontinue service for violation of payment contract provisions, for theft or illegal diversion of~~
763 ~~current, or for the noncompliance with current revision of the NEC or ordinances of the city and~~
764 ~~borough of Sitka. This discontinuance of service for any of these causes does not release the~~
765 ~~customer from their obligation to pay for services received or charges specified in any existing~~
766 ~~contract. The utility may also refuse to service loads of a character which are seriously~~
767 ~~detrimental to the service being rendered to other customers.~~

768 ~~I.— Additional Load. In the event the customer desires to change their load, he shall notify the~~
769 ~~utility sufficiently in advance so the utility may provide the facilities required. In the event that~~
770 ~~the customer fails to notify the utility, and as a result the utility equipment is damaged, the~~

771 ~~customer shall be liable for the cost of such damage. Other costs involved with repair service~~
772 ~~charges will also be applied.~~

773 ~~J.— Notice of Trouble. In the event that service is erratic or interrupted, it shall be the obligation~~
774 ~~of the customer to notify the utility.~~

775 ~~K.— System Disturbance. Electric service shall not be utilized in such a manner as to cause~~
776 ~~severe disturbances or voltage fluctuations to other customers. In the event that any customer~~
777 ~~uses equipment that is detrimental to the service of other customers, such as welders, pipe-~~
778 ~~thawing equipment, or large motor starting equipment, they shall be required to install at their~~
779 ~~own expense regulative equipment to control such fluctuations. Work required by the utility to~~
780 ~~remedy these situations will be paid for by the customer causing the disturbance.~~

781 ~~L.— Customer's Wiring and Equipment. It shall be the customer's responsibility to provide~~
782 ~~suitable protective equipment such as fuses, circuit breakers, and relays of sufficient size to~~
783 ~~protect their equipment. All newly constructed single, duplex and triplex dwellings shall be~~
784 ~~equipped with a meter box and disconnect rated not less than one hundred amps. Exceptions~~
785 ~~to this must be approved by the utility. New installations, rebuilds, upgrades, and remodeled~~
786 ~~premises, including residential, commercial, industrial and public, requiring that the external~~
787 ~~point of delivery or service entrance configuration be altered in any way shall be equipped with~~
788 ~~a means of externally metering and disconnecting each electric service. The utility must~~
789 ~~approve any external disconnecting device and its location prior to installation.~~

790 ~~In some cases, a shunt trip device may be required. If three phase equipment is used, it shall be~~
791 ~~the customer's responsibility to protect it against phase reversal, loss of phase, under and~~
792 ~~over voltage. The utility will take all reasonable precautions to prevent phase failure or~~
793 ~~abnormal voltage variations, but cannot guarantee that such conditions may not occur, due to~~
794 ~~circumstances beyond its control. The customer's wiring shall be in accordance with current~~
795 ~~NEC standards. The utility will reserve the right to refuse or discontinue service to a customer~~
796 ~~when his equipment or wiring is in a hazardous condition, or not in conformity with the lawful~~
797 ~~codes and local regulations. The customer shall be solely responsible for the maintenance and~~
798 ~~safety of their wiring and equipment. The utility shall not be in any way liable for accidents or~~
799 ~~damages occurring to the customer or to third parties because of contact with or failure of any~~
800 ~~portion of the customer's installation. Should a service be disconnected it will be required to~~
801 ~~meet current codes and standards prior to re-energization.~~

802 ~~M.— Underground Locating Services. The utility provides location services, free of charge, for~~
803 ~~utility owned facilities during normal working hours. A twenty four hour advance notice is~~
804 ~~required for this service to be scheduled. A customer, contractor, or operator who causes~~
805 ~~damage to utility property will be charged at a rate equivalent to the actual cost to supply~~
806 ~~material, labor, equipment, and overhead necessary to complete repairs and to restore services~~
807 ~~on any damaged property.~~

808 ~~N.— Marking. Multiple unit buildings, trailer courts, etc., must have the correct address for each~~
809 ~~unit permanently marked at the following locations:~~

- 810 ~~1. The meter socket;~~
811 ~~2. The main breaker;~~
812 ~~3. The subpanel in each unit;~~
813 ~~4. The door or doorway.~~

814 ~~If all markings are not present or of a permanent nature, the service shall be subject to being~~
815 ~~disconnected.~~

816 ~~Ø. Customer Services. Customer services that are installed under retaining walls or~~
817 ~~foundations shall be the customer's responsibility. The customer is responsible for the actual~~
818 ~~cost of replacing or repairing the conduit if damaged to a point that new service conductors~~
819 ~~cannot be installed.~~

820 **15.01.045 Line extension.**

821 A. Line extensions may be constructed by the utility or by a contractor. They will become the
822 property of the utility to own and maintain if constructed along a public road or serve more
823 than one customer. All construction must be in compliance with the NESC along with the SDCG.
824 Underground line extensions are prepared by the utility.

825 B. Overhead or underground line extensions to subdivisions shall be paid for by the
826 subdivision developer. In the case of multiple owners, agreement between all parties must be
827 documented in writing prior to commencement of work.

828 C. The cost of overhead or underground line extensions shall be the responsibility of the
829 customer. These extensions can be constructed by the utility or a contractor; however, they
830 shall become the property of the utility upon being energized and shall be constructed
831 according to these policies.

832 D. For underground service locations, the utility shall be consulted in every case before work
833 is started so that it may designate the facility from which the service will be taken, the location
834 of the conduit, and meter location. Precautions must be taken when trenching near other
835 underground facilities or poles to prevent undermining of the pole. The customer or contractor
836 performing the work will be held financially responsible for any damage to utility facilities.
837 Customer-installed conduits and trenches must be inspected and approved by the utility before
838 backfilling.

839 E. Utility Pole Replacements or Relocations. If the utility requires a pole to be relocated or
840 replaced, the riser will be reattached at the utility's expense.

841 F. Risers installed on utility-owned poles shall be galvanized rigid steel or utility-approved
842 plastic conduit and brought to a point not less than eight feet nor more than twelve feet above
843 ground line. Two four-inch risers or their space equivalent are the maximum permitted on one
844 pole.

845 G. On privately owned poles, the customer shall furnish and install the galvanized steel or
846 utility-approved plastic conduit and mounting straps up to the pole to a point twelve inches
847 below the utility's secondary conductors.

848 H. Relocation of Poles or Equipment. In the event any customer requests their delivery point
849 to be moved or desires a pole or other utility equipment moved, including yard lights, fixtures,
850 transformers and/or other facilities located thereon, for any reason, the utility will, if feasible
851 from an engineering point of view and provided the necessary right-of-way can be obtained, do
852 so and will require the customer to pay an amount sufficient to reimburse the utility for all
853 actual costs including materials, labor, equipment, and overhead. In the event that conditions
854 not defined occur, then the principles and policies as outlined herein and in the extension
855 policy shall be applied.

856 **15.01.050 Subdivisions.**

857 A. General. All electrical facilities in new subdivisions shall be installed underground per the
858 SDCG.

859 B. Services. Underground services will be the responsibility of each customer.

860 C. Single Developer. The developer of a subdivision of a parcel of land will be responsible for
861 providing and installing all underground electrical facilities. This includes primary, secondary,
862 transformers, termination cabinets, pull boxes, etc.

863 **15.01.055 Mobile home parks, RV parks, private marinas and boat docks.**

864 Mobile Home Parks, RV Parks, Private Marinas and Boat Docks. The utility will provide metering
865 for individual mobile homes, RV spaces and boat marinas under the current rate structure
866 providing the following conditions are met:

867 A. The system owners shall furnish and install a wiring system to connect to the utility
868 facilities via main disconnect(s). This device shall be installed by the customer at a
869 predetermined location set by the utility for the purpose of protection, isolation, sectionalizing,
870 maintenance and testing between privately owned equipment and electric circuits, and
871 municipally owned equipment and electric circuits.

872 This device shall be designed and rated to carry expected load and to open and close all
873 ungrounded conductors of the circuit simultaneously from their source of supply by
874 nonautomatic means and to open all ungrounded conductors of the circuit simultaneously from
875 their source of supply automatically on a predetermined load current or fault current in excess
876 of specified design.

877 Utility maintenance and replacement responsibility terminates at the supply (line) side of
878 the customer-owned disconnect(s).

879 B. The system owner shall furnish and install a wiring system connecting each service location
880 with a meter socket and protective device (breaker/disconnect). Such a wiring system and
881 protective device (breaker/disconnect) shall be of adequate capacity to maintain standard

882 current and voltage to each location. Systems are to be installed in accordance with all current
883 codes and requirements.

884 C. Whenever a service is disconnected, it shall be brought into compliance with current codes
885 and standards prior to being re-energized.

886 **15.01.060 Rental structures.**

887 A. Owner Policy. Special conditions may apply to electrical service provided to rental
888 structures. The owner or owner's representative of such structures may request that the
889 account for the rental structure be placed in "owner status" for the purposes of cleaning and
890 nonoccupancy only. Accounts in owner status are subject to the following conditions:

891 B. While in owner's status, an account will be charged for all electricity consumed, subject to
892 minimum consumption requirements.

893 C. The owner/landlord is not required to pay a residential deposit if in good credit standing
894 with the city. Residential deposits will be required, however, from all tenants when the
895 structure is rented.

896 D. The owner/landlord must notify the utility customer service desk immediately upon
897 occupancy of a rental unit. If the unit is occupied and the utility customer service desk has not
898 been notified of the occupancy, the owner/landlord is liable and responsible for all electricity
899 charges for the account until such notification is given and the account is switched to the
900 tenants.

901 E. Under no circumstances will the owner turn an electrical meter on or off. Meter connects
902 and disconnects will be performed by the utility.

903 F. When an owner account is transferred to a tenant, or transferred from a tenant back to an
904 owner, a service charge will be charged to the account.

905 G. If a renter is being disconnected for nonpayment of electrical charges, the municipality will
906 notify the owner, if said owner has provided contact information, that service to the rental
907 structure is being disconnected before the physical disconnection occurs.

908 H. Upon vacation of the rental structure by tenants the account will automatically be
909 transferred to the landlord/owner. The transfer will be subject to a service charge.

910 I. If owner/landlords turn off electric service, they will be liable for any costs that are incurred
911 by the tenants and/or the municipality.

912 J. If any owner is disconnected for nonpayment, the municipality will immediately remove the
913 owner status from all of the individual's owner accounts. Thereafter, each account must
914 individually meet the billing credit policy herein.

915 K. If an owner is disconnected for nonpayment and the municipality has not been notified that
916 a tenant has occupied the structure, the owner will be immediately charged for all appropriate
917 services while the structure was occupied, and the account will not be reconnected until all
918 charges are paid in full.

919 **15.01.065 Motors and controllers.**

920
921 The administrator shall establish written policies and procedures for customer motors and
922 controllers and shall make this information available to the public.

923
924
925 ~~A. Utility to Be Advised. The utility shall be advised before any single phase motor in excess of~~
926 ~~five horsepower or any three phase motor rated ten horsepower or larger is installed by a~~
927 ~~customer. The information given the utility shall include the nameplate data of the motor, the~~
928 ~~nature of the load and operating characteristics of the proposed installation, such as how~~
929 ~~frequently the motor will be started and if the load fluctuates rapidly, etc.~~

930 ~~B. Motor Starters. The utility may require customers to install reduced voltage starting~~
931 ~~equipment in cases where across the line starting would result in excessive voltage motor~~
932 ~~disturbances to the utility system.~~

933 ~~C. Single Phase Motors. Generally, motors larger than five horsepower should be three phase,~~
934 ~~but the utility may require the use of single phase motors or appropriate phase converters~~
935 ~~where three phase service is not readily available.~~

936 ~~D. Protection. All motors should be properly protected against overload, including overloads~~
937 ~~caused by low voltage conditions. It is the customer's responsibility to protect three phase~~
938 ~~motors against the possibility of single phase operation. Reverse phase relays, together with~~
939 ~~circuit breakers, or the equivalent devices, should be used on all three phase installations for~~
940 ~~elevators, cranes, and similar applications to protect the installation from phase reversal.~~

941 **15.01.070 Undesirable characteristics.**

942 The utility may refuse or discontinue service to customers who operate equipment which
943 causes detrimental voltage fluctuations (such as, but not limited to, hoists, welders, radio
944 transmitters, X-ray apparatus, elevator motors, compressors and furnaces). The customer must
945 reasonably limit such fluctuations upon request by the utility. Undesirable load characteristics
946 include, but are not limited to, twenty percent unbalanced load between phases, a power
947 factor below ninety percent, or cyclical demand fluctuations produced by the customer's
948 equipment. The utility may require, as a condition of service, that customers install, at their
949 expense, equipment that will eliminate the undesirable load characteristics.

950 **15.01.075 Special equipment.**

951
952 The administrator shall establish written policies and procedures for customer special
953 equipment connections and shall make this information available to the public.

954

955 ~~A. Customer Installed Capacitors. Customers installing capacitors to improve the power factor~~
956 ~~of their load must contact the utility for essential coordination details.~~

957 ~~B. Electric Fences. Electric fences must comply with the standard for electric fence controllers,~~
958 ~~ANSI/UL 69. A direct electric connection to a fence, or a connection through resistance,~~
959 ~~reactance, or lamp bulb, without an approved controller is not permitted.~~

960 ~~C. Swimming Pools and Hot Tubs. Circuits serving swimming pools, hot tubs, or associated~~
961 ~~areas shall be protected by ground fault interrupters per the NEC.~~

962 ~~D. Lightning Protection Systems. The utility recommends the use of secondary surge arresters~~
963 ~~for protection of customers' equipment, where such additional protection is desired. Arresters~~
964 ~~shall be connected on the load side of the main disconnect, not at the weather head.~~

965 ~~Lightning rod systems, if desired, should be installed per NFPA 78, "Lightning Protection Code."~~
966 ~~A bond between the lightning rod system down ground and the service neutral should not be~~
967 ~~installed. Spacing should be arranged so that the meter enclosure is not bonded to the lightning~~
968 ~~rod system down ground.~~

969 ~~E. Transient Surge Protectors. Transient surge protectors can be installed by the customers on~~
970 ~~their system to help protect sensitive equipment from low energy transient surges. It is~~
971 ~~recommended that the transient surge protector (suppressor) utilized has the UL 1449 rating~~
972 ~~and incorporate failure indicators.~~

973 **15.01.080 Customer generation.**

974 A. General. All installations of customers' generating equipment require adherence to
975 fundamental rules for safeguarding of all personnel and the utility's equipment. The utility must
976 be consulted before any generating equipment is connected to any circuit which is or can be
977 supplied from the distribution system. This is to assure against any unanticipated backfeed of
978 electricity into the utility's system.

979 B. Standby Generators. This type of generator is for emergency supply for lighting and other
980 load and is usually connected in case of loss of the normal supply. A double throw switch or
981 conductor shall be provided to positively disconnect from the normal supply and transfer all
982 ungrounded conductors of any emergency lighting or power load to the standby generator.
983 Automatic transfer systems must be approved by the utility.

984 C. Systems Operated in Parallel with the Utility's Supply. Customers considering the
985 installation of generating equipment to supply all or a portion of their electrical energy
986 requirements and who wish to arrange for, or continue to receive, service from the utility's
987 system for their remaining electrical energy requirements and/or for standby service must
988 consult the utility regarding the design, installation, and operation of such generating
989 equipment. This consultation should be done before the customer is committed to a specific
990 system design.

991 ~~**15.01.085 Carrier current.**~~

992 ~~If a customer used building wiring for a carrier current system for communication or signaling~~
993 ~~purposes, the customer shall install suitable filter equipment or make other provisions~~
994 ~~approved by the utility to keep the distribution facilities free from carrier currents produced by~~
995 ~~the customer's equipment.~~

996 ~~**15.01.090 Rebate program for electric heat pump heating systems.**~~

997 ~~A.—General Requirements. All residential customers are eligible to participate in the rebate~~
998 ~~program, subject to the rules and procedures developed by the electric department, and~~
999 ~~funding of the program.~~

1000 ~~B.—Eligible Equipment. Only the following products are eligible for the rebate program:~~

1001 ~~1.—Electric heat pump heating system that replaces an existing oil or electric resistance~~
1002 ~~heating system, such as electric baseboard heaters, electric plug-in heaters, and electric~~
1003 ~~boilers, if it is the primary heating source for the residence.~~

1004 ~~C.—Rebates. Residential customers requesting a rebate shall submit a signed rebate request~~
1005 ~~using electric department forms within sixty days of the purchase of the rebate eligible product.~~
1006 ~~Rebates will be issued within sixty days of receipt of the form to any eligible customers that~~
1007 ~~meet the terms and conditions of the program.~~

1008 ~~D.—Funding. The rebate program will terminate when all project funds have been expended.~~

1009
1010 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date
1011 of its passage.

1012
1013 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
1014 Alaska this 11th day of October, 2016.

1015
1016
1017
1018

Mim McConnell, Mayor

1019 **ATTEST:**
1020
1021
1022

Sara Peterson, CMC
1023 Municipal Clerk

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1025
1026
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1028



CITY AND BOROUGH OF SITKA

APPROVED - ELECTRIC UTILITY CUSTOMER SERVICE PROCEDURES

Approved Version - Rev 0
Dated 9-2-2016

ELECTRIC UTILITY CUSTOMER SERVICE PROCEDURES

Sections:

[15.01.030](#) Billing—Credit—Deposits—Fees.

15.01.030 Billing—Credit—Deposits—Fees.

Account deposits commensurate with an anticipated six-week utility billing may be required. Deposits will be refunded after one year's satisfactory payment history or termination of service. Refund will be made by credit to customer's billing account. Interest shall accrue at an interest rate equivalent to the average rate of interest on one-year treasury bills for the last day of the fiscal year and previous fiscal year. Interest will be determined at the end of the fiscal year and will be credited to the customer's utility billing as soon as possible thereafter. Driver's license or Social Security number will be requested for notation and for identification purposes.

B. Meter Reading. Meters shall be read monthly as nearly as possible on the same cycle date. Because of holidays, Saturdays, Sundays and the difference in the length of months, a three-to-five-day variation may occur. If for any reason a reading cannot be obtained for any particular period, the billing may be based on an estimated energy use and demand.

C. Billing. Bills will be rendered monthly and are due and payable thirty days after date of billing. Failure to receive a bill will not release the customer from obligation of payment. The utility reserves the right to disconnect the meter for the final bill within a twenty-four-hour period from the time requested by the customer.

D. Credit Policy.

1. Any electrical charges become delinquent if not paid within thirty days of the billing date. If a customer's account becomes delinquent, the customer will be notified by mail no less than forty-five days after the billing date of the delinquency and of the requirement to contact the credit manager to arrange for an approved payment plan. If a customer has not contacted the credit manager within 5 working days from the postmark date after being notified by mail or by other method of having a delinquent account, ~~a notice will be physically posted at the customer's physical location notifying the customer that~~ electrical power will be disconnected ~~the next day~~ without further notice unless an approved payment plan is accepted by the credit manager.

2. The city finance director has the authority to establish a payment plan for customers with delinquent accounts. If a payment plan is established for a customer with a delinquent account, the customer will be required at the time of agreement to the plan and thereafter, without exception, to pay all current charges due on the date the plan is entered into, pay the finance charge on the delinquent charges currently due, ~~and~~ to make additional ~~regularly scheduled~~ monthly payments toward the delinquent balance due, and to agree to pay all future charges by the scheduled date they are due, ~~as part of the plan~~ until the delinquent balance has been paid in full. ~~The amount and timing of additional regularly scheduled payments will be jointly determined by the credit manager and the customer; however, as a minimum, such payments must exceed monthly finance charges by at least ten dollars per month. All payment plans will~~ require customers to make monthly payments in the same amount, and, the number of such payments will not exceed twelve. Additional agree-upon monthly payments toward the delinquent balance must be made by the monthly due date of all future charges; this will result in a period of less than thirty days before the first additional agreed-upon monthly payment is due. All delinquent balances will be subject to a yearly finance charge of twelve percent.

3. The Finance Director shall have the authority to use discretion in managing electricity disconnections if the amount necessary to avoid disconnection is \$50 or less, or, by granting no more than 4 extra working days for a customer to make the payment required to avoid disconnection. If the Finance Director grants additional time for a payment to be made, the customer must both firmly commit to a specific amount to be paid and a non-extendable deadline for that committed payment to be made. If a customer is granted additional time and fails to honor his/her commitment, electrical service will be disconnected without further notice. ~~If a customer fails to make the specified additional regularly scheduled payments, or pay current charges, as required in the payment plan, that customer's account will be scheduled for disconnection. A notice will be physically posted at the customer account's physical location notifying the customer that electrical power will be disconnected the next day without further notice unless the credit manager is contacted. No additional notice will be sent by mail. The credit manager has the authority to amend a payment plan. If a payment plan has been amended and the customer again fails to make specific additional regularly scheduled payments, or pay current charges, as required by the payment plan, that customer's~~

~~account will be scheduled for immediate disconnection. If a customer's account is disconnected for failure to make specified additional regularly scheduled payments, or pay current charges as required by the payment plan, all delinquent charges plus accrued interest must be paid in full before electrical service will be reconnected.~~

4. If a customer has applied for utility assistance through some external organization or entity, the following rules regarding disconnection shall apply: (a) the customer's application must be verified; (b) the amount of the utility assistance payment to be received must be sufficient to either pay the entire past due balance of the customer's account, or, provide for the required payment amount necessary in conjunction with the customer entering into a payment plan, and (c) the assisting entity must commit to a date certain within 60 days that payment will be made. If the three requirements can't be all met, the customer's account will be disconnected.

5. Disconnection Policy. If a customer is notified by mail or other method that the customer's account is scheduled for disconnection, it shall be the responsibility of the customer to promptly contact the credit manager within 5 working days of the postmark date of disconnection letters. Failure to contact the Credit Manager prior to the date of disconnection, which shall not be less than 5 days from the postmark date, will be grounds for disconnection. Contact of the credit manager on the day of disconnection will be processed, if practicable, but will not guarantee disconnection. If a customer makes a partial payment towards its account which is in an amount less than the required amount to avoid disconnection, the account will still be scheduled for disconnection unless either an additional payment is made or more time is requested (subject to the Finance Director's limits of discretion).

6. Reconnect Policy. If an account is disconnected for failure to make specified additional regularly scheduled payments, or for failure to make payments as required by a payment plan, the customer must either pay all delinquent charges plus accrued interest, or, enter into a payment plan and make the payment required at the time of the agreement to the plan before electrical service will be reconnected. Once applicable payments have been made, reconnection of electrical service shall be made as soon as practicable. Electrical service will not be reconnected after 4:30 pm on weekdays, or, on weekend days or holidays, other than in the case of an emergency. The Electric Department Director, the Police Chief, or the Fire Chief shall be the officials designated to determine if an emergency situation exists warranting an emergency reconnection. Emergency reconnections shall be subject to an emergency reconnection fee which must be paid in full by the close of business on the first working day following the emergency; otherwise, service will be disconnected again without notice.

47. Tampering with meters or diversion of electricity is not allowed. If a meter is tampered with or electricity has been diverted, the utility shall charge the account holder for the cost of repairs plus all known or estimated electricity consumed. Charges

will be made retroactively without limitation for all known or estimated electricity consumed back to the date of the tampering or diversion.

58. If a customer is found to have consumed electricity and the utility has not charged the customer for the electricity, and the reason for the supply of electricity without charge is found to be the fault of the utility and not the customer, the utility shall charge the customer for known or estimated electricity for a period not to exceed three years. Conversely, if a customer has been overcharged, the customer will be refunded the known or estimated overpayment for a period not to exceed three years.



CITY AND BOROUGH OF SITKA

APPROVED - ELECTRIC UTILITY CONSTRUCTION GUIDELINES

Approved Version - Rev 0
Dated 9-2-2016

ELECTRIC UTILITY CONSTRUCTION GUIDELINES

Sections:

- [15.01.015](#) Construction guidelines.
- [15.01.040](#) Service connections.
- [15.01.065](#) Motors and controllers.
- [15.01.075](#) Special equipment.
- [15.01.085](#) Carrier current.

15.01.015 Construction guidelines.

A. Codes. All electric utility system installations must comply with the National Electrical Code (NEC) and the National Electrical Safety Code (NEC) where applicable. As a supplement to these codes, the Sitka design and construction guidelines (SDCG) and the design standards of the USDA Rural Utilities Service (RUS) are employed by the utility. Services and/or service entrances may be denied if these codes and specifications are not met.

B. Electrical Inspections. To protect the customer's interest as well as the utility's, the utility requires an inspection certificate (green tag) by the city's building inspector before energizing new facilities. In addition, for all three phase loads (of any amperage) or any single phase loads in excess of 800 amps, the customer shall submit to the city an updated customer one-line diagram, a connected load calculation, and power factor compliance calculation stamped by a licensed electrical engineer in the state of Alaska. These documents shall be submitted at least six months prior to energization and shall be submitted along with the requisite building permit application.

Inspections shall confirm compliance with the latest state-adopted version of the NEC and NEC, the latest version of the SDCG, any municipal codes, and any utility specifications that

may exceed portions of the aforementioned codes. The utility reserves the right to challenge the construction when utility personnel observe deficiencies in the installation at any time.

C. Utility Tools and Equipment. All utility materials, tools and equipment are available for utility projects only. Tools and equipment are not available for rent or loan at any time.

D. Material Sales/Loans. No materials shall be sold, traded or loaned except for electrical emergencies such as power outages. The utility may agree to sell equipment for a specific utility construction project, at rates established by the utility.

E. Subdivisions. In addition, all subdivisions two lots or greater and line extensions greater than two thousand six hundred forty feet are required to be designed by an electrical engineer licensed in Alaska. The customer is required to seek an electrical engineer licensed in Alaska to design the facilities or a licensed electrical contractor to construct the facilities needed to serve them. All designs, equipment, materials and a detailed scope of work must be approved by the utility before construction commences and is subject to inspection by the utility during construction. All equipment and materials such as transformers, hardware, street lights, poles, cables and components, etc., must be new and in undamaged condition. The utility reserves the right to issue "cease and desist" orders for nonconformance of design, workmanship and materials involved with electrical system construction projects. Once the construction is accepted by the utility, the utility will own and be responsible for maintenance of the facilities to the point of delivery of power, unless otherwise stated in this customer service policy or by mutual agreement.

15.01.040 Service connections.

A. General. This section applies to each new service installation and to existing installations when changes and/or rearrangements are made. Each case shall be referred to the utility before electrical work is begun.

B. Metering, Service Entrance(s), Disconnects. All service entrance(s), meters, and disconnecting device(s) shall be permanently installed externally, at an approved location.

Main disconnect: this device shall be installed by the customer at a predetermined location designated by the utility for the purpose of protection, isolation, sectionalizing, maintenance, and testing between privately owned equipment and electric circuits and municipally owned equipment.

This device shall be designed and rated in accordance with the NEC and to open and close all ungrounded conductors of the circuit simultaneously from their source of supply.

Municipal maintenance and replacement responsibility terminates at the source side of the customer-owned disconnects.

It shall be the responsibility of the customer to maintain a clear space of at least thirty-six inches in front and thirty-six inches on either side of the meter. Exceptions to this that meet current revision of the NEC may be approved by the utility. Meters shall be installed at a height of five to six and one-half feet above a finished grade, platform, deck, etc. The utility shall be consulted prior to installation. New service entrance and remodel locations are subject to approval by the utility. All single-phase circuits up to six hundred volts and less than two hundred amperes or less shall be metered through self-contained meters. Loads of more than two hundred amperes will be metered with instrument transformers. The contractor or owner will consult the utility for metering requirements prior to installation.

C. Instrument Transformer Metering. All instrument transformer enclosures, mountings and fittings, meter sockets and conduits or raceways for meter wiring will be furnished and installed by the customer and will be of a type approved by the utility. They shall be provided with a means for sealing. Instrument transformers will be furnished by the utility. All wiring from the instrument transformers to the meter base will be furnished and installed by the utility in conduits installed by the contractor or owner. The utility will install conduits at the customer's expense upon request. Provision for potential taps will be made in the instrument transformer enclosure by the owner or contractor. No potential taps will be made outside of a sealed enclosure. The meter socket must be UL approved, designed for outside use, and have a sealable test switch enclosure. The metering instrument transformers shall be installed in an approved, sealable enclosure that is located on the load side of the service main disconnect (cold sequence). Any exceptions must receive prior approval of the utility.

D. Point of Delivery. Service shall be supplied to the entire premises through a single delivery point and at an agreed-upon voltage and phase rating. If a customer has more than one point of delivery, then each point of delivery shall be metered and billed separately. The point of delivery is that point on the customer's premises (or other agreed point) where the utility terminates its electrical conductors. Utility services shall not be run from building to building. When crossing property, service drop wires shall not be carried over/under buildings. All equipment on a load side shall belong to and be the responsibility of the consumer, except meters and metering equipment and other equipment provided by the utility. It shall be the responsibility of the customer to advise the utility of his service requirements in advance of installing the service entrance equipment and to ascertain that the location is acceptable to the utility. For mobile home parks and RV parks the point of delivery is the supply (line) side of the disconnect(s). For private marinas and boat docks the point of delivery is the supply (line) side of the disconnect on the upland facilities.

E. Customer Power Outage. If the customer's service fails, they shall endeavor to determine if they have blown fuses, tripped breakers, or their equipment is at fault before calling the utility. If a service person is sent out on such a request, and it is determined that the customer's equipment is at fault, the customer will be charged for the service call.

F. Interruption of Service. The utility will use reasonable diligence to provide an adequate and uninterrupted supply of electrical energy at normal voltage, but if the supply is interrupted without notice, for any cause, the utility shall not be liable for personal injuries, loss or damages resulting therefrom, nor will such failure constitute breach of agreement for service.

The utility reserves the right to temporarily suspend services for the purpose of making emergency repairs or routine improvements to the system, but in such cases, whenever practicable, every effort will be made to contact affected customers beforehand and make such interruptions as short as possible. Emergency outages will occur without notification.

G. Curtailment. Should a serious power shortage develop, and should it become mandatory that the utility place into effect a curtailment program, the utility reserves the right to limit the use of electrical energy during such hours as may become necessary.

H. Discontinuance of Service by the Electric Utility. The utility may refuse to connect or may discontinue service for violation of payment contract provisions, for theft or illegal diversion of current, or for the noncompliance with current revision of the NEC or ordinances of the city and borough of Sitka. This discontinuance of service for any of these causes does not release the customer from their obligation to pay for services received or charges specified in any existing contract. The utility may also refuse to service loads of a character which are seriously detrimental to the service being rendered to other customers.

I. Additional Load. In the event the customer desires to change their load, he shall notify the utility sufficiently in advance so the utility may provide the facilities required. In the event that the customer fails to notify the utility, and as a result the utility equipment is damaged, the customer shall be liable for the cost of such damage. Other costs involved with repair service charges will also be applied.

J. Notice of Trouble. In the event that service is erratic or interrupted, it shall be the obligation of the customer to notify the utility.

K. System Disturbance. Electric service shall not be utilized in such a manner as to cause severe disturbances or voltage fluctuations to other customers. In the event that any customer uses equipment that is detrimental to the service of other customers, such as welders, pipe-thawing equipment, or large motor-starting equipment, they shall be required to install at their own expense regulative equipment to control such fluctuations. Work required by the utility to remedy these situations will be paid for by the customer causing the disturbance.

L. Customer's Wiring and Equipment. It shall be the customer's responsibility to provide suitable protective equipment such as fuses, circuit breakers, and relays of sufficient size to protect their equipment. All newly constructed single, duplex and triplex dwellings shall be equipped with a meter box and disconnect rated not less than one hundred amps. Exceptions to this must be approved by the utility. New installations, rebuilds, upgrades, and remodeled premises, including residential, commercial, industrial and public, requiring that the external point of delivery or service entrance configuration be altered in any way shall be equipped with a means of externally metering and disconnecting each electric service. The utility must approve any external disconnecting device and its location prior to installation.

In some cases, a shunt trip device may be required. If three-phase equipment is used, it shall be the customer's responsibility to protect it against phase reversal, loss of phase, under- and over-voltage. The utility will take all reasonable precautions to prevent phase failure or

abnormal voltage variations, but cannot guarantee that such conditions may not occur, due to circumstances beyond its control. The customer's wiring shall be in accordance with current NEC standards. The utility will reserve the right to refuse or discontinue service to a customer when his equipment or wiring is in a hazardous condition, or not in conformity with the lawful codes and local regulations. The customer shall be solely responsible for the maintenance and safety of their wiring and equipment. The utility shall not be in any way liable for accidents or damages occurring to the customer or to third parties because of contact with or failure of any portion of the customer's installation. Should a service be disconnected it will be required to meet current codes and standards prior to re-energization.

M. **Underground Locating Services.** The utility provides location services, free of charge, for utility-owned facilities during normal working hours. A twenty-four-hour advance notice is required for this service to be scheduled. A customer, contractor, or operator who causes damage to utility property will be charged at a rate equivalent to the actual cost to supply material, labor, equipment, and overhead necessary to complete repairs and to restore services on any damaged property.

N. **Marking.** Multiple unit buildings, trailer courts, etc., must have the correct address for each unit permanently marked at the following locations:

1. The meter socket;
2. The main breaker;
3. The subpanel in each unit;
4. The door or doorway.

If all markings are not present or of a permanent nature, the service shall be subject to being disconnected.

O. **Customer Services.** Customer services that are installed under retaining walls or foundations shall be the customer's responsibility. The customer is responsible for the actual cost of replacing or repairing the conduit if damaged to a point that new service conductors cannot be installed.

15.01.065 Motors and controllers.

A. **Utility to Be Advised.** The utility shall be advised before any single-phase motor in excess of five horsepower or any three-phase motor rated ten horsepower or larger is installed by a customer. The information given the utility shall include the nameplate data of the motor, the nature of the load and operating characteristics of the proposed installation, such as how frequently the motor will be started and if the load fluctuates rapidly, etc.

B. **Motor Starters.** The utility may require customers to install reduced-voltage starting equipment in cases where across-the-line starting would result in excessive voltage motor disturbances to the utility system.

C. Single-Phase Motors. Generally, motors larger than five horsepower should be three-phase, but the utility may require the use of single-phase motors or appropriate phase converters where three-phase service is not readily available.

D. Protection. All motors should be properly protected against overload, including overloads caused by low voltage conditions. It is the customer's responsibility to protect three-phase motors against the possibility of single-phase operation. Reverse phase relays, together with circuit breakers, or the equivalent devices, should be used on all three-phase installations for elevators, cranes, and similar applications to protect the installation from phase reversal.

15.01.075 Special equipment.

A. Customer-Installed Capacitors. Customers installing capacitors to improve the power factor of their load must contact the utility for essential coordination details.

B. Electric Fences. Electric fences must comply with the standard for electric fence controllers, ANSI/UL 69. A direct electric connection to a fence, or a connection through resistance, reactance, or lamp bulb, without an approved controller is not permitted.

C. Swimming Pools and Hot Tubs. Circuits serving swimming pools, hot tubs, or associated areas shall be protected by ground fault interrupters per the NEC.

D. Lightning Protection Systems. The utility recommends the use of secondary surge arresters for protection of customers' equipment, where such additional protection is desired. Arresters shall be connected on the load side of the main disconnect, not at the weather head.

Lightning rod systems, if desired, should be installed per NFPA 78, "Lightning Protection Code." A bond between the lightning rod system down ground and the service neutral should not be installed. Spacing should be arranged so that the meter enclosure is not bonded to the lightning rod system down ground.

E. Transient Surge Protectors. Transient surge protectors can be installed by the customers on their system to help protect sensitive equipment from low energy transient surges. It is recommended that the transient surge protector (suppressor) utilized has the UL 1449 rating and incorporate failure indicators.

15.01.085 Carrier current.

If a customer used building wiring for a carrier current system for communication or signaling purposes, the customer shall install suitable filter equipment or make other provisions approved by the utility to keep the distribution facilities free from carrier currents produced by the customer's equipment.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-33 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 9/6/2016 In control: City and Borough Assembly
On agenda: 9/27/2016 Final action:
Title: Adjusting the FY17 Budget (first reading)
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2016-33.pdf](#)
[Ord 2016-33.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-33 on
first reading.

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CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-33

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET**

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY17 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows:

<u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u>
In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows for the purchase orders open as of June 30, 2016.
General Fund – Amount of \$219,205.38; Electric Fund - \$129,805.47; Water Fund - \$865.70; Wastewater Treatment Fund - \$19,210.09; Solid Waste Fund - \$1,503; Harbor Fund - \$42,204.92; Gary Paxton Industrial Complex Fund - \$40,106.59; MIS Fund - \$84,647.56; Central Garage Fund - \$75,394.00; and Building Maintenance Fund - \$34,811.36.
Finance – Operations: The Finance Director has requested to re-appropriate funds in the amount of \$30,000 from personnel to contracted/ purchased services. This is due to the services performed from an outside accounting firm due to the Deputy Finance Director position vacancy.

ENTERPRISE AND INTERNAL SERVICE FUNDS
Electric Department – Capital Projects: The Electric Utility Director has requested to re-appropriate the following projects and amounts: Jarvis Street Diesel Capacity Increase #90646 in the amount of \$244,393; SMC Road Upgrades Express Feeder #90512 for \$9,574; Marine Street Substation Voltage Regulator #90627 for \$9,150; HPR-Kramer Cascade Creek Line Riser #90645 for \$21,985; Transmission & 1220 Upgrade #90648 for \$4,519; Jarvis St. Control Building Roof Replacement #90765 for \$12,223; Microwave or Fiber Optic #90611 for \$37,618; Duel Fuel Interruptible Power #90791 for \$78,979; Jarvis Warehouse Paving #90719 for \$30,899 to the following existing and new requested projects: Feeder Improvements #80003 for \$195,838; SCADA System Enhancements #90410 for \$65,702; Capital for Fuel Conversions (Interruptible) for \$100,000; Asset Management for \$12,800; and Harbor Meters for \$75,000.
Electric Department – Personnel: At the August 9, 2016 meeting, the Assembly approved the 2016-2019 International Brotherhood of Electrical Workers (IBEW), Local 1547 Collective Bargaining Agreement. An amount of \$79,106 in wages and benefits will be increased in the Electric Department’s personnel account.

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EXPLANATION

Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 11th Day of October, 2016.

ATTEST:

Mim McConnell, Mayor

**Sara Peterson, CMC
Municipal Clerk**



September 1, 2016

To: Mark Gorman, Municipal Administrator
Via: Jay Sweeney, Chief Finance & Administrative Officer
From: Bryan Bertacchi, Electric Utility Director

Subject: Electric Department - 10 Year Capital Plan and Associated Funds Transfer

Executive Summary:

The Electric Department respectfully requests Assembly approval of a revised and consolidated ten year capital plan. This ten year plan includes expending a total of \$22M in capital over the ten year period while maintaining an emergency reserve of \$2.5M and a liquidity reserve of \$1.0M. These reserve requirements are based on industry best practice as recommended by the CBS Chief Finance and Administrative Officer. The currently available Electric Department total working capital of \$15,881,204 will be increased by a \$1.5M/year due to the bond covenants. This request includes a revision to all Electric Department existing capital projects (“re-appropriation”) as well as newly identified projects to provide a complete consolidation. This recommendation comes after an eight month long process within the Electric Department which included detailed reviews coupled with 3rd party engineering studies. These projects are lengthy and interrelated, thus approval of the complete revision is requested.

Background:

The electrical infrastructure of the Electric Department required a thorough review to ensure that efficient and reliable operation will be sustained at the lowest reasonable cost. After review, it was identified that the available working capital was not sufficient to support the total number of capital projects identified. However, after an intensive and long process, staff is able to recommend a series of projects which can be completed within the existing capital constraints and that have the highest probability of ensuring reliability at low cost to our citizens and customers.

Highlights:

1. N-1 Project (\$3.9M): This term is used in our industry to describe redundancy and emergency backup. As we have often described, 80% of our citizens and customers are served from the Marine Street Substation. A back-up for this substation is imperative and necessary as the existing equipment is now over 35 years old. A new substation north of town would be ideal (Kramer Ave area) however the cost was identified as being too high (>\$13M of the available capital would be consumed). Alternatively, we are proposing to install a 2nd bay at the existing Marine Street Substation at a cost of approximately \$3.9M. This second bay would still utilize a portion of the older equipment, but the overall cost is substantially lower. This modification would also increase the amount of power that can be delivered from the Jarvis Substation to Marine Street customers in the

- event of an emergency. While not ideal, this provides the greatest increase in emergency backup at the lowest cost.
2. Green Lake Power Plant Overhaul (\$4.8M): The Green Lake Power Plant is a very valuable asset for the community and has not been overhauled since the early 1990's. A major pre-inspection is scheduled for 2018 which will help to further define and identify the costs of a major overhaul. Similar plants have had overhauls in the cost range of \$8M when a full rewind of the generators was required. We are currently recommending a reserve of 4.8M for this item. Numerous small inspections during the last twelve months have clearly demonstrated specific needs to return this overhaul to the list of required capital items.
 3. Jarvis Fuel System Repairs/Storage (\$1.5M) & Thimbleberry Bypass (\$3.8M): These two items are directly related. In August 2015 the fuel release demonstrated a need for extensive repairs and redesign to the Jarvis Street fuel storage system. Presently, the system was designed for over seven days of fuel storage. This period was defined by the time needed to repair the worst case scenario on the electrical transmission line...the Thimbleberry portion of the transmission line. The existing Thimbleberry portion of our 69kv backbone transmission line is installed in difficult and dangerous terrain and is subject to outages from fallen trees and extensive degradation of transmission poles. Presently, a repair during winter months has demonstrated to be dangerous and time-consuming (on the order of seven days), thus setting the amount of fuel storage required. This plan, proposes to permit and install a bypass to the existing transmission line from the Whale park area to the Blue Lake Switchyard. This line would be planned on the inside of the roadway to minimize the impacts to the viewshed. This line will reduce the cost of annual diesel fuel burned, reduce the redesign costs of the Jarvis fuel system (\$2M saved), likely eliminate the need to replace the very old diesel generation units at the Jarvis facility (\$10M saved) , and eliminate the costly and dangerous maintenance required on the existing transmission line.
 4. Feeder Improvements (\$1.6M): A host of miscellaneous feeder improvements are planned and required. Extensive aging and environment requires sufficient engineering, planning, inventory and lead time.
 5. Blue Lake 3rd Turbine (\$2.48M): A significant host of items are needed to close out this project and are required for compliance with the FERC permit including but not limited to: the dam overlook project, the campground, safety ladders on the dam, rock removal, etc.
 6. SCADA System (\$230,000): A significant amount of work has already been performed to remove the Electric Department control system from the interface with commercial carriers thus making the system significantly more secure. Additionally, the Green Lake power house and many of the system field breakers have only very limited control capability making outages more frequent and longer with extensive personnel overtime. These changes will improve safety and reliability and will bring old systems up to date significantly extending the life of the equipment (which lowers overall costs).
 7. Capital for Fuel Conversions (\$1.2M): With the assistance of Siemens Engineering, a number of facilities have been identified for conversion to dual fuel (Electric Interruptible boilers). These projects have a three year return on the invested capital and will subsequently improve revenue for the department and reduce the need for rate increases to all citizens.
 8. Harbor Meters (\$75,000): The revised electric rates will include an increase to the monthly rate for harbor meters which was reviewed and supported by the Harbor

Commission. This increase will generate annual revenue of approximately \$75,000 per year to support the needed replacement of failed harbor meters (currently approximately 75 meters out of service). These capital funds will be used to “kick start” this program to allow replacement of first 30 meters. Additional funding will be requested as the revenue is generated.

9. Jarvis Electric Storage and Shop Building (previously \$1.2M being reduced to \$85,000): Assembly members previously expressed concern at the older approved capital project (over \$1.2M) to add a new warehouse to the Jarvis Street Complex. The approval of this project was suspended by the Electric Department last year and has been revised to adding a number of new replacement cargo containers and an office trailer adjacent to the existing switchgear room.
10. Other Items on the list – Include existing approved capital projects which are being updated to reflect the balance needed for completion. Some additional new items are included for Safety, automatic start of back-up generators at Blue Lake/Green Lake, and a replacement roof for Green Lake.

Recommendation:

Approve the Electric Department 10 year Capital Plan.

ELECTRIC DEPARTMENT 10 YEAR CAPITAL PLAN

B. Bertacchi - 8/25/2016

Rev 2

	Required	Desired Status	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	TOTAL
63010	Green Lake FERC Compliance: Inspect and Upgrades	141,291	105,000	36,291								141,291
90562	Green Lake Power Plant Improvements	334,697	50,000	50,000	50,000	50,000	50,000	50,000	34,697			334,697
90594	Blue Lake Third Turbine and Dam Upgrade	2,477,001	500,000	560,000	340,000	760,000	250,000	67,001				2,477,001
90610	Blue Lake FERC License Mitigation	423,734	220,000	93,790	109,944							423,734
90614	Takatz Lake Hydroelectric (open pending Grant Aug FY17)	(0)										0
90646	Jarvis Street Diesel Capacity Increase	(21,361)		(21,361)								(21,361)
90717	Jarvis Street Improvements	27,781		27,781								27,781
90794	Jarvis Bulk Tank Improvements	0										0
90804	Blue Lake Powerhouse Conversion	150,000									150,000	150,000
- New -	Blue Lake Howell Bunker Valve	0										0
- New -	Green Lake Power Plant 35yr Overhaul	4,900,000			0	4,900,000	0	0				4,900,000
- New -	Green Lake Power Plant pre overhaul inspection	380,000			380,000							380,000
- New -	Jarvis Fuel System Repairs and Storage Tanks	1,500,000			200,000	700,000	500,000	100,000				1,500,000
- New -	Blue Lake Auto start Back-up Diesel	70,000			70,000							70,000
- New -	Green Lake Auto start Back-up Diesel	20,000				20,000						20,000
- New -	Green Lake Re-roof	225,000						225,000				225,000
80003	Feeder Improvements	1,600,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	100,000	100,000	1,600,000
90261	Island Improvements	225,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	225,000
90512	SMC Road Upgrades Express Feeder	0										0
90627	Marine Street Substation Voltage Regulator	0										0
90645	HPR - Kramer - Cascade Creek Line Riser	0										0
90648	Transmission & 1220 Upgrade	0										0
90672	Medevajie Hatchery Transformer Replacement	45,000	45,000									45,000
90718	Marine Street Substation Replacements	160,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	10,000	10,000	160,000
90765	Jarvis St. Control Building Roof Replacement	0										0
- New -	Marine St N-1 Design to New HPR North Sub	3,900,000	1,400,000	1,500,000	0							2,900,000
- New -	69 kV Thimbleberry Trans Line Bypass	3,800,000		20,000	20,000		60,000	300,000	1,000,000	1,400,000	1,000,000	3,800,000
80040	Automated Meter Reading	32,085	32,085									32,085
90410	SCADA System Enhancements	230,000	110,000	120,000								230,000
90611	Microwave or Fiber Optic	0										0
90628	Demand Side Load Management- (close 6/30/15)	14,437	14,437									14,437
90777	Meter Replacement Upgrading Meters	95,000	45,000	50,000								95,000
90791	Dual Fuel Interruptible Power	0										0
90719	Jarvis Warehouse Paving	0										0
90776	Jarvis Electric Storage & Shop Building	85,000	85,000									85,000
- New -*	Capital for Fuel Conversions (Interruptibles)	1,200,000	600,000	600,000								1,200,000
- New -*	Asset Management	12,800	12,800									12,800
- New -*	Safety - Arc Flash, Training, Equipment and implementation support	50,000	20,000	10,000	10,000	10,000						50,000
- New -*	Harbor Meters	75,000	75,000									75,000
	TOTAL	22,152,464	3,565,742	3,865,081	6,444,944	1,645,000	945,000	1,587,001	1,679,697	1,135,000	285,000	21,152,464

Existing Total Working Capital as of 8/2016	15,881,204											
Working Capital Growth per year	1,500,000			1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	
Liquidity to Maintain	(1,000,000)											
Emergency Reserve to Maintain	(2,500,000)											
Calculated Avail Cap per year	12,381,204		8,815,462	6,450,381	1,505,437	1,360,437	1,915,437	1,828,437	1,648,740	2,013,740	3,228,740	

ELECTRIC DEPARTMENT 10 YEAR CAPITAL PLAN

B. Bertacchi - 8/25/2016

Rev 2

		Required	Desired Status	FY17	Current Balance	Funding needed for FY2017	Closed Projects Re-appropriate Funds	Reappropriate	Balance
63010	Green Lake FERC Compliance: Inspect and Upgrades	141,291	OPEN	105,000	\$ 137,993.58				
90562	Green Lake Power Plant Improvements	334,697	OPEN	50,000	\$ 197,319.89				
90594	Blue Lake Third Turbine and Dam Upgrade	2,477,001	OPEN	500,000	\$ 5,531,526.28		\$ 971,213.76	\$ 4,060,312.52	
90610	Blue Lake FERC License Mitigation	423,734	OPEN	220,000	\$ 423,733.62				
90614	Takatz Lake Hydroelectric (open pending Grant Aug FY17)	(0)	OPEN		\$ 488,555.66				
90646	Jarvis Street Diesel Capacity Increase	(21,361)	CLOSE	(21,361)	\$ 244,393.41		\$ 244,393.41		
90717	Jarvis Street Improvements	27,781	OPEN	27,781	\$ 27,780.97				
90794	Jarvis Bulk Tank Improvements	0	OPEN		\$ 381.05				
90804	Blue Lake Powerhouse Conversion	150,000	OPEN		\$ 150,000.00				
- New -	Blue Lake Howell Bunker Valve	0	NEW						
- New -	Green Lake Power Plant 35yr Overhaul	4,900,000	NEW						
- New -	Green Lake Power Plant pre overhaul inspection	380,000	NEW						
- New -	Jarvis Fuel System Repairs and Storage Tanks	1,500,000	NEW						
- New -	Blue Lake Auto start Back-up Diesel	70,000	NEW						
- New -	Green Lake Auto start Back-up Diesel	20,000	NEW						
- New -	Green Lake Re-roof	225,000	NEW						
80003	Feeder Improvements	1,600,000	OPEN	200,000	\$ 118,328.00	\$ 81,672.00			
90251	Island Improvements	225,000	OPEN	25,000	\$ 65,087.91				
90512	SMC Road Upgrades Express Feeder	0	CLOSE		\$ 9,574.57		\$ 9,574.57		
90627	Marine Street Substation Voltage Regulator	0	CLOSE		\$ 9,150.00		\$ 9,150.00		
90645	HPR - Kramer - Cascade Creek Line Riser	0	CLOSE		\$ 21,985.05		\$ 21,985.05		
90648	Transmission & 1220 Upgrade	0	CLOSE		\$ 4,519.98		\$ 4,519.98		
90672	Medvejeje Hatchery Transformer Replacement	45,000	OPEN	45,000	\$ 153,954.20				
90718	Marine Street Substation Replacements	160,000	OPEN	20,000	\$ 89,521.54				
90765	Jarvis St. Control Building Roof Replacement	0	CLOSE		\$ 12,223.05		\$ 12,223.05		
- New -	Marine St N-1 Design to New HPR North Sub	3,900,000	NEW	1,400,000		\$ 1,400,000.00			
- New -	69 kV Thimbleberry Trans Line Bypass	3,800,000	NEW						
80040	Automated Meter Reading	32,085	OPEN	32,085	\$ 55,215.94				
90410	SCADA System Enhancements	230,000	OPEN	110,000	\$ 44,298.77	\$ 65,701.23			
90611	Microwave or Fiber Optic	0	CLOSE		\$ 37,618.48		\$ 37,618.48		
90628	Demand Side Load Management- (close 6/30/15)	14,437	OPEN	14,437	\$ 24,437.93				
90777	Meter Replacement Upgrading Meters	95,000	OPEN	45,000	\$ 181,514.75				
90791	Dual Fuel Interruptible Power	0	CLOSE		\$ 78,979.09		\$ 78,979.09		
90719	Jarvis Warehouse Paving	0	CLOSE		\$ 30,899.79		\$ 30,899.79		
90776	Jarvis Electric Storage & Shop Building	85,000	OPEN	85,000	\$ 919,616.05			\$ 834,616.05	\$ -
- New -	Capital for Fuel Conversions (Interruptibles)	1,200,000	NEW	600,000		\$ 600,000.00			
- New -	Asset Management	12,800	NEW	12,800		\$ 12,800.00			
- New -	Safety - Arc Flash, Training, Equipment and Implementation support	50,000	NEW	20,000		\$ 20,000.00			
- New -	Harbor Meters	75,000	NEW			\$ 75,000.00			
	TOTAL	22,152,464		3,565,742	\$ 1,372,580.80	\$ 2,255,173.23	\$ 449,343.42		

Closed Accts	\$ 449,343.42	
	\$ 1,805,829.81	
	\$ 834,616.05	Jarvis Electric Storage & Shop Building #90776
	\$ 971,213.76	Blue Lake Third Turbine and Dam Upgrade #90594
Balance	\$ -	



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-170 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 9/21/2016 In control: City and Borough Assembly
On agenda: 9/27/2016 Final action:
Title: Transfer \$440,862 from the FY16 General Fund balance to the Public Infrastructure Sinking Fund and place \$250,000 of the General Fund unreserved, undesignated fund balance to a committed fund balance for unbudgeted landslide legal, geotechnical and other related expenses

Sponsors:

Indexes:

Code sections:

Attachments: [Public Infrastructure Sinking Fund.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTIONS

Step 1:

I MOVE TO approve the Administrator's recommendation to transfer \$440,862 to the Public Infrastructure Sinking Fund.

Step 2:

I MOVE TO restrict \$250,000 of the General Fund unreserved, undesignated fund balance to a committed fund balance, available only for appropriation for the purposes of providing payment for landslide legal and geotechnical services and other related costs.

Memo

Thru : Mark Gorman, Municipal Administrator

To: City and Borough of Sitka Assembly

From: Jay Sweeney, Chief Finance and Administrative Officer

Date: September 20, 2016

Re: Transfer of General Fund funds to Public Infrastructure Sinking Fund and Commitment of General Fund Balance of \$250,000

Section 4.45.020 of the Sitka General Code (SGC) requires the Administrator, within 90 days after the start of the fiscal year, to prepare an analysis of the General Fund balance and recommend to the Assembly an amount to be transferred to the Public Infrastructure Sinking Fund (PISF). Within 60 days after this presentation to the Assembly, the amount determined by the Administrator is automatically transferred unless a super majority of the Assembly votes to change the recommended amount.

The annual analysis has been completed and \$690,862 is available. The Administrator is recommending that only \$440,862 be transferred to the PISF for the following reason:

The Municipality is anticipating unbudgeted legal, geotechnical and other expenses related to the August 2015 landslide. These could be as high as \$250,000. It is felt that the 2015 fund balance provides a good source to cover these expenses. The Administrator is recommending that this amount not be transferred to the PISF. Instead, it should be restricted in the form of a committed fund balance within the General Fund for the purposes of providing funding for the payment of legal, services and geotechnical services and related other costs.

The commitment of \$250,000 of the undesignated, unreserved fund balance of the General Fund does not require an ordinance or resolution. Passage of a motion is sufficient. Subsequent expenditure of the funds for the specific purposes they have been restricted for requires an appropriation. Likewise, transfer of funds from the General Fund to the Public Infrastructure Sinking Fund will requires an appropriation. All appropriations must be accomplished through budget ordinances (one follows this agenda item).

Appropriate Assembly motions to accomplish the various purposes described above are as follows:

I move to accept the Administrator's recommendation to transfer \$440,862 to the Public Infrastructure Sinking Fund.

I move to restrict \$250,000 of the General Fund unreserved, undesignated fund balance to a committed fund balance, available only for appropriation for the purposes of providing payment for legal and geotechnical services and other related costs.

Please note that the supplemental budget ordinance in the next agenda item is predicated upon the anticipation that the Assembly will pass the two motions stated above; if either motion is not passed, the related supplemental budget ordinance must be changed and should not be passed on first reading.

Chapter 4.45
LONG-TERM INFRASTRUCTURE SINKING FUND FOR THE REPAIR AND
REPLACEMENT OF GENERAL FUND MUNICIPAL BUILDINGS, STREETS,
SIDEWALKS, PARKING LOTS, AND PARKS

Sections:

- 4.45.010 Establishment of the public infrastructure sinking fund.
- 4.45.020 Determination of the required balance of the public infrastructure sinking fund.
- 4.45.030 Assembly action.
- 4.45.040 Use of the sinking fund.
- 4.45.050 Emergency transfer of the sinking fund.

4.45.010 Establishment of the public infrastructure sinking fund.

There shall hereby be created, within the fund structure of the city and borough of Sitka, a sinking fund for the repair and replacement of general fund municipal buildings, streets, sidewalks, parking lots, and parks to be hereafter called the public infrastructure sinking fund. (Ord. 12-30 § 4 (part), 2012.)

4.45.020 Determination of the required balance of the public infrastructure sinking fund.

Within ninety days after the start of each fiscal year, the administrator shall prepare an analysis of the general fund balance with an accompanying recommendation as to an amount of the general fund balance available for potential transfer to the public infrastructure sinking fund. This analysis shall first take into account any portions of the general fund restricted by Chapter 4.44A before recommending any further amounts for potential transfer to the public infrastructure sinking fund. (Ord. 12-30 § 4 (part), 2012.)

4.45.030 Assembly action.

Within sixty days after presentation of the annual analysis by the administrator, the amount determined by the administrator shall automatically be transferred to the public infrastructure sinking fund, unless a super majority of the assembly votes to change the recommended amount. (Ord. 12-30 § 4 (part), 2012.)

4.45.040 Use of the sinking fund.

The assembly shall annually appropriate an amount from the public infrastructure sinking fund to be used exclusively for the repair and replacement of general fund municipal buildings, streets, sidewalks, parking lots, and parks as recommended by the administrator in his annual budget. (Ord. 12-30 § 4 (part), 2012.)

4.45.050 Emergency transfer of the sinking fund.

The assembly shall have the authority to transfer any portion of the public infrastructure sinking fund to the general fund in the case of an emergency threatening public health, safety, or welfare which requires use of public funds. Such a transfer shall require an approval of a super majority of the assembly. (Ord. 12-30 § 4 (part), 2012.)

The image shows a stylized, high-contrast graphic of an open book. The pages are represented by dark, irregular shapes. On the right page, a large, bold dollar sign (\$) is prominently displayed. The entire graphic is set against a light gray background with a subtle grid pattern. Two dark horizontal bars are overlaid on the book: one on the left page containing the title 'FUND BALANCE' and another across the gutter containing the subtitle 'NEW AND IMPROVED'.

FUND BALANCE

NEW AND IMPROVED

BY STEPHEN J. GAUTHIER

There is probably no single item in a typical state or local government's financial statements that attracts more attention than fund balance. In February 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This latest GASB standard will not affect the calculation of fund balance, but will fundamentally alter the various components used to report it.

BACKGROUND

Accountants use the term *fund balance* to describe the arithmetic difference between the assets and liabilities reported in a governmental fund (e.g., general fund). The categories that have been used until now to present fund balance have focused on whether resources were *available for appropriation* (i.e., budgeting). Thus, the traditional presentation of fund balance distinguished *unreserved fund balance* (i.e., available for appropriation) from *reserved fund balance* (i.e., not available for appropriation).

Fund balance might not be available for appropriation (i.e., reserved) for a variety of reasons. Some resources of a governmental fund, by their very nature, cannot be spent (e.g., prepaid rent and inventories of supplies). Other resources may convert to spendable form only at a much later date (e.g., the long-term portion of notes receivable). Still other resources may be available for spending, but their use is externally restricted to a purpose narrower than the purpose of the fund in which they are reported.

In addition, governing bodies themselves frequently place their own limitations on how they will use resources otherwise available for appropriation (e.g., "earmarking"). Likewise, a government's management may have tentative plans for all or a portion of those resources. In either case, a government traditionally has had the *option* of indicating these tentative managerial plans and self-imposed limitations by presenting a portion of unreserved fund balance as *designated*.

This traditional approach to classifying fund balance is summarized in Exhibit 1.

Three considerations led the GASB to undertake its recent reexamination of the components used to report fund balance. First, the traditional terminology was not self-explanatory

and has frequently led to misunderstandings. Second, governments often have applied the different categories inconsistently in practice. Finally, some have questioned whether the historic focus on availability for appropriation best serves the needs of financial statement users.

NEW GUIDANCE

Focus. GASB Statement No. 54 will shift the focus of fund balance reporting from the availability of fund resources for budgeting to "the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund can be spent."¹

Components of fund balance. GASB Statement No. 54 establishes five components of fund balance. Because circumstances differ among governments, not every government or every governmental fund will report all of those components.

Constraints on how amounts can be spent are not really an issue for resources that are *inherently nonspendable*. Examples include inventories and prepaids; the long-term portion of loans receivable²; and non-financial assets held for resale.³ Still other resources cannot be spent because *legal or contractual provisions require that they be maintained intact* (e.g., the principal of an endowment). GASB Statement No. 54

directs that the portion of fund balance reflecting both be labeled ***nonspendable fund balance***.

Not all limitations on how resources may be used have the same force. Some limitations are externally enforceable and lie beyond the power of the government to change unilaterally (e.g., restrictions imposed by a grant contract or a bond covenant). Other limitations are self-imposed, but would require formal action at the highest level of the government to remove (e.g., resources legally "earmarked" for a given project by the governing body). Still other limitations are less binding and function more as a declaration of intent. GASB Statement No. 54 has created a separate category to accommodate each of these situations.

■ **Restricted fund balance.** The term *restricted fund balance* will encompass net fund resources subject to externally enforceable legal restrictions. It is no accident that the term *restricted fund balance* so closely resembles the term

Exhibit 1: Traditional Components of Fund Balance

(Focus on Availability for Appropriation)

☒ Reserved fund balance (not available for appropriation)

- Portion of net resources that *cannot ever be spent* because of their form
- Portion of net resources that *cannot yet be spent*
- Portion of net resources that *cannot be spent for any and all fund-related purposes* because of external limitations

☒ Unreserved fund balance (available for appropriation)

- Designated unreserved fund balance (available for appropriation, with a limitation on use imposed by the government itself)
 - Portion of net resources subject to limitations imposed by the governing body
 - Portion of net resources set aside by management in connection with its tentative plans
- Undesignated unreserved fund balance (available for appropriation, with no external or internal limitation)

restricted net assets used in the context of government-wide financial reporting. In both cases, the *restrictions* concerned would be either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation.⁴ Note that there is no need for the limitation to be narrower than the purpose of the fund.⁵

- **Committed fund balance.** The term *committed fund balance* will be used to describe the portion of fund balance that represents resources whose use is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation would need to occur no later than the close of the reporting period. Note, once again, that there is no requirement that the limitation be narrower than the purpose of the fund.⁶

- **Assigned fund balance.** The *assigned fund balance* category will cover the portion of fund balance that reflects a government's *intended* use of resources. Such intent would have to be established at either the highest level of decision making, or by a body (e.g., finance committee) or an official designated for that purpose.⁷ Logically speaking, a government cannot *assign* resources that it does not have; therefore, the amount reported as *assigned fund balance* could never exceed total fund balance less its nonspendable, restricted, and committed components. Once again, note that there is no requirement that the limitation be narrower than the purpose of the fund.

Of course, the general fund, as the principal operating fund of a government, may have net resources in excess of what is properly categorized in one of the four categories just already described. If so, the surplus will be presented as **unassigned fund balance**. A positive amount of unassigned fund balance, however, will never be reported in a governmental fund other than the general fund, because GASB Statement No. 54 prohibits reporting resources in another fund unless they are at least *assigned* to the purpose of that fund. All the same, funds other than the general fund could report a negative amount of unassigned fund balance should the total of nonspendable fund balance, restricted fund balance, and committed fund balance exceed the total net resources of the fund.

The new components of fund balance are summarized in Exhibit 2.

Stabilization arrangements. Governments often establish “rainy day funds” or “contingency funds” to provide a financial cushion against unanticipated adverse financial or economic circumstances. The appropriate classification of such resources within fund balance depends on the specific nature of the arrangement.

On the one hand, if the use of the resources is limited in a way that is legally enforceable by an outside party, classification as restricted fund balance would be appropriate. On the other hand, if the limitation was imposed by the highest level of decision making and can only be removed by formal action equivalent to the action taken to impose it, the use of the committed fund balance classification would be appropriate. It would never be appropriate, however, to classify such resources as assigned fund balance.

Exhibit 2: New Components of Fund Balance — GASB Statement No. 54

(Focus on Extent to which Government Is Bound to Honor Constraints on the Specific Purposes for Which Amounts Can Be Spent)

- ☞ **Nonspendable fund balance** (inherently nonspendable)
 - Portion of net resources that cannot be spent because of their form
 - Portion of net resources that cannot be spent because they must be maintained intact
- ☞ **Restricted fund balance** (externally enforceable limitations on use)
 - Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments
 - Limitations imposed by law through constitutional provisions or enabling legislation
- ☞ **Committed fund balance** (self-imposed limitations set in place prior to the end of the period)
 - Limitation imposed at highest level of decision making that requires formal action at the same level to remove
- ☞ **Assigned fund balance** (limitation resulting from intended use)
 - Intended use established by highest level of decision making
 - Intended use established by body designated for that purpose
 - Intended use established by official designated for that purpose
- ☞ **Unassigned fund balance** (residual net resources)
 - Total fund balance in the general fund in excess of *nonspendable*, *restricted*, *committed*, and assigned fund balance (i.e., surplus)
 - Excess of *nonspendable*, *restricted*, and *committed* fund balance over total fund balance (i.e., deficit)

GASB Statement No. 54, paragraph 20, places serious limits on what qualifies as a *stabilization arrangement* for this purpose:

The formal action that imposes the parameters for spending should identify and describe the specific circumstances under which a need for stabilization arises. Those circumstances should be such that they would not be expected to occur routinely. For example, a stabilization amount that can be accessed “in an emergency” would not qualify to be classified within the committed category because the circumstances or conditions that constitute an emergency are not sufficiently detailed, and it is not unlikely that an “emergency” of some nature would routinely occur. Similarly, a stabilization amount that can be accessed to offset an “anticipated revenue shortfall” would not qualify unless the shortfall was quantified and was of a magnitude that would distinguish it from other revenue shortfalls that occur during the normal course of governmental operations.

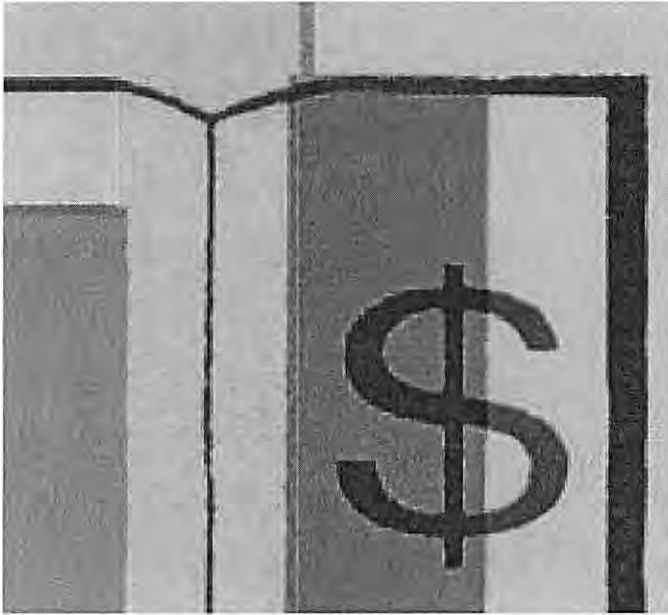
Appropriated fund balance. Not infrequently, governments balance their budget by appropriating a portion of existing fund balance to bridge the gap between appropriations and estimated revenues. The portion of fund balance thus appropriated for the following year would properly be classified as assigned fund balance.

Flow assumptions. Frequently resources for a single project will come from multiple sources. For example, a city may elect to finance a new bridge partially from restricted grant proceeds (*restricted fund balance*), partially from earmarked revenues (*committed fund balance*), and partially from other available resources expressly set aside for the purpose (*assigned fund balance*). In that case, flow assumptions would be needed:

- When both restricted resources and other resources are to be used, how are outlays allocated to each (e.g., restricted resources presumed to be spent first? Spending presumed to occur on a pro rata basis?)?
- When committed, assigned, and unassigned resources are to be used, how are outlays allocated among the various categories?

COMPARISON OF OLD AND NEW

Perhaps the best way to gain an understanding of the new fund balance categories is to contrast how certain specific items are reported today with how those same items will be reported in the future under GASB Statement No. 54.



Reserved fund balance. Currently, reserved fund balance comprises three elements:

- Resources that by their very nature cannot be spent (e.g., prepaid rent)
- Resources that are not yet available for spending (e.g., long-term portion of loans receivable)
- Resources externally restricted to a purpose narrower than the fund

The first of these elements will *always* be reported as nonspendable fund balance. The second element *normally* would be reported as nonspendable fund balance (i.e., unless there was a limitation on how the amounts eventually received could be used, in which case the classification would be restricted, committed, or assigned fund balance, as appropriate). The third element will be reported as restricted fund balance.

Designated unreserved fund balance. Currently this category comprises two elements:

- Limitations that the government places upon itself
- Tentative management plans

Net resources currently reflected in the first category will be reported in the future as either committed fund balance or as assigned fund balance, depending upon the source of the limitation. The latter will be reported as either assigned fund balance (if management is designated to make such assignments) or unassigned fund balance.

Undesignated unreserved fund balance. Today this residual category includes resources whose use is limited, but not for a purpose narrower than the purpose of the fund. Under GASB Statement No. 54, there is no requirement that a limitation be narrower than the purpose of the fund. Accordingly, items that are restricted, committed, or assigned simply for the purpose of the fund will be reported as restricted, committed, or assigned fund balance.

Also, reporting designated unreserved fund balance today is optional. Under GASB Statement No. 54, the use of the equivalent category (i.e., assigned fund balance) will be required. Therefore, many governments that today do not report designated unreserved fund balance will report as assigned fund balance a portion of what today is labeled simply unreserved fund balance.

EFFECTIVE DATE

Governments will need to implement GASB Statement No. 54 starting with the fiscal period that ends June 30, 2011. In the statistical section of the comprehensive annual financial report, retroactive implementation is encouraged, but not required. If a government declines to restate amounts from previous years in the statistical section, it will need to provide an explanation.¹

Notes

1. GASB Statement No. 54, paragraph 5.
2. Assuming that there are not constraints on the use of the amounts eventually collected.
3. Assuming that there are not constraints on the use of the proceeds of the eventual sale.
4. The criteria for restricted net assets set forth in GASB Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*, paragraph 34, are identical to the criteria for restricted fund balance in GASB Statement No. 54, paragraph 8.
5. If the use of the amounts to be collected on long-term loans receivable and the amounts resulting from the sale of nonfinancial assets is subject to restrictions, then those items should be reflected in restricted fund balance, rather than in nonspendable fund balance.
6. If the use of the amounts to be collected on long-term loans receivable and the amounts resulting from the sale of nonfinancial assets is committed, then those items should be reflected in committed fund balance, rather than in nonspendable fund balance.
7. If the use of the amounts to be collected on long-term loans receivable and the amounts resulting from the sale of nonfinancial assets is assigned, then those items should be reflected in assigned fund balance, rather than in nonspendable fund balance.

STEPHEN J. GAUTHIER is director of the GFOA's Technical Services Center in Chicago, Illinois.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-37 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 9/21/2016 In control: City and Borough Assembly
On agenda: 9/27/2016 Final action:
Title: Adjusting the FY17 Budget (Public Infrastructure Sinking Fund - first reading)
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2016-37.pdf](#)
[Ord 2016-37.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-37 on
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-37

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET (PUBLIC INFRASTRUCTURE SINKING FUND)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY17 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows:

<u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u>
General Fund - Appropriate \$440,862 to be transferred to the Public Infrastructure Sinking Fund;
Public Infrastructure Sinking Fund – Increase revenue budget in the amount of \$440,862 to reflect transfer from General Fund;
General Fund - Appropriate \$150,000 for outside legal representation and \$100,000 to contracted/purchased services for geotechnical engineering services and costs specifically related to landslide response and related potential landslide risk identification and mitigation. The total amount appropriated of \$250,000 is to come from the committed General Fund balance set aside for these purposes.

EXPLANATION

Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 11th Day of October, 2016.

ATTEST:

Mim McConnell, Mayor

Sara Peterson, CMC
Municipal Clerk