



Alice Ruby, **Mayor**

Council Members

- Holly Johnson (Seat A) • Chris Maines (Seat B) • Misty Savo (Seat C)
- Curt Armstrong (Seat D) • Andy Anderson (Seat E) • Paul Liedberg (Seat F)

DILLINGHAM CITY COUNCIL – REVISED AGENDA October 4, 2016
David B. Carlson Council Chambers
 Dillingham City Hall, 141 Main Street, Dillingham, AK 99576 (907) 842-5212

WORKSHOP - LANDFILL	6:30 P.M.	OCTOBER 6, 2016
REGULAR MEETING	7:00 P.M.	OCTOBER 6, 2016

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - a. Regular Council Meeting, September 1, 2016 page 5
 - b. BOE Hearing, September 28, 2016 page 13
4. **APPROVAL OF CONSENT AGENDA**
APPROVAL OF AGENDA
5. **STAFF REPORTS**
 - a. City Manager and Staff Reports page 15
 - b. Standing Committee Reports page 43
6. **PUBLIC HEARINGS**
7. **CITIZEN’S DISCUSSION (Prior Notice or Agenda Items)**
 - a. Attorney Dan Coffey – Kvichak Pacific LLC Liquor License Application for Transfer of License to New Location
8. **ORDINANCES AND RESOLUTIONS**
 - a. Adopt Resolution No. 2016-55, A Resolution of the Dillingham City Council Approving the 2017-2022 Capital Improvement Plan and Adopting the FY18 Legislative Priorities List page 57
 - b. Adopt Resolution No. 2016-56, A Resolution of the Dillingham City Council Approving a Long Term Encroachment Permit for Nushagak Cooperatives to Install Electric Service at the Dillingham Small Boat Harbor page 63

- c. Adopt Resolution No. 2016-57, A Resolution of the Dillingham City Council Approving a Long Term Encroachment Permit for Nushagak Cooperatives to Extend the Utility Easement Along the Waskey Road Corridor page 69
- d. Adopt Resolution No. 2016-58, A Resolution of the Dillingham City Council Designating Wastewater System Upgrades - Aeration as the Number one Local State Funding Priority for Fiscal Year 2017 page 75
- e. Adopt Resolution No. 2016-59, A Resolution of the Dillingham City Council Authorizing the City Manager to Advertise for an Invitation to Bid for the Purchase of a Fully Equipped Ambulance page 79
- f. Adopt Resolution No. 2016-60, A Resolution of the Dillingham City Council Authorizing the City Manager to Advertise for a Request for Proposal for Designing the Repairs to the Senior Center
- g. Adopt Resolution No. 2016-61, A Resolution of the Dillingham City Council Authorizing the City Manager to Pursue an USDA Loan/Grant for Wastewater System and Water System Improvements

9. UNFINISHED BUSINESS

- a. Citizen Committee Appointments
 - 1) Planning Commission, 2 Seats Open page 83
 - 2) Senior Advisory Commission, 1 Seat Open
- b. Annexation Update
- c. Interim Task Force Borough Feasibility Study Update

10. NEW BUSINESS

- a. Approve Action Memorandum No. 2016-18, Authorize the City Manager to Execute a Contract for Janitorial Services to Advanced Building Cleaners page 85
- b. Approve Action Memorandum No. 2016-19, Authorize the City Manager to Execute a Purchase Agreement with JJC Enterprises for the Sale of the 1967 Manitowoc Crane page 89
- c. Approve Action Memorandum No. 2016-20, Award Contract to Alaska West Supply for Drilling a New Water Well and Pump Purchase
- d. Reschedule December 1, 2016 Council Meeting to December 8, 2016
- e. Reschedule October 13 Code Review Committee Meeting to October 20

f. Special Meeting Scheduled for October 13, 2016 (DMC 3.70.040) (Clerk Note: DMC 2.09.020 Special Meetings. No business shall be transacted at the meeting that is not mentioned in the notice.)

- 1) Certify the October 4, 2016 Municipal Election
- 2) Approve Action Memorandum No. 2016-20 ~~-21~~, Award Contract for Downtown Fire Hall Coiling Door
- 3) Approve Action Memorandum No. 2016-21 ~~-22~~, Award Contract for Dillingham Library Vinyl Siding
- 4) Schedule a BOE Hearing in October
- 5) Executive Session – Personnel Matter

i. Manager's Contract

11. CITIZEN'S DISCUSSION (Open to the Public)

12. COUNCIL COMMENTS

13. MAYOR'S COMMENTS

14. EXECUTIVE SESSION

a. Legal Matter

- 1) Bingman Foreclosure Sale
- 2) Dillingham & Manokotak Annexation Petitions
- 3) Update from Public Safety Department

15. ADJOURNMENT

MEMORANDUM
Ernouf & Coffey, P.C.

Dan K. Coffey
Of Counsel Ernouf & Coffey
PO Box 212314
Anchorage, Ak 99521

Phone: (907)274-3385
Cell: (907) 306-6001
E mail: dancoffey@gci.net

TO: Dillingham City Council
CC: Janice Williams, City Clerk
Brooks Chandler, Attorney for the City of Dillingham
FROM: Ernouf & Coffey, P.C.
ATTN: Dan Coffey, Of Counsel
RE: Olsen's Liquor Store
Transfer of Location
DATE: 9-28-2016

PURPOSE OF THE MEMO:

The purpose of this Memo is to address the Dillingham City Council's action at its August 18th meeting where it protested the transfer of location of an existing package store liquor license to a new location on lot 1 in Ahklun Subdivision on Lake Aleknagik road.

The Law Firm of Ernouf and Coffey represents the Applicant, Mike Keenan, who owns Olsen's package store. Mr. Keenan has operated the store for several years without any liquor license violations. He is asking the City Council to withdraw its protest and allow the relocation of the license.

Mr. Keenan and I will attend the City Council meeting on October 6th prepared to answer any questions the Council might have. This memo is intended to acquaint the Council member's with the State of Alaska's Statute and Regulation on protests by local governments. The Memo is also intended to present a factual analysis leading to the conclusion that the protest should be lifted by the Council.

CITY'S PROTEST:

On August 19th, the clerk filed the City's protest with the ABC Board stating the reason for the protest was "inadequate public notice". In addition, the protest letter stated that the Council's "... main concern was that the property was not identified by street names in the advertisement..." (See attached Letter to the ABC Board).

There is no City of Dillingham ordinance or regulation requiring any specific type of notice (street address or street name). In addition, the city did not advise the Applicant of this "concern" until just prior to the City Council meeting of August 18th, allowing him no time to provide additional notice.

A) Note that the City had the application since late June, 2016, having received a letter from the ABC Board advising of the application which is dated June 24, 2016. On July 28, by e mail, the staff of the ABC Board provided copies of the affidavit of public notice, the posting of the application and the advertisement publication to the City Manager (See attached email from the ABC Board staff).

NOTICE REQUIREMENTS/TRANSFER OF LOCATION:

The Dillingham City Code does not have any requirements for noticing liquor license location transfers. All of the notice requirements are found in State Statute and State Regulation. (See AS.04.11.310 and 3 AAC 304.125)

STATE STATUTORY NOTICE REQUIREMENTS (AS.04.11.310): The Applicant met all of the notice requirements imposed by the State Statute which states as follows:

- 2) "The Applicant must post a copy of the application for 10 days at the location of the proposed licensed premises and at any additional locations designated by the board."
- 3) "The Board may require the applicant
 - a. (1) to provide a copy of the application to newspapers, radio and television stations for public service announcements; or
 - b. (2) to provide paid notice of the application once each week for three successive weeks in a newspaper or by radio."

STATUTE REGULATORY NOTICE REQUIREMENTS (3 AAC 304.125): This Regulation increases the notice requirements set out in the Statute. The Applicant also met all of the Regulatory notice requirements.

The State Regulation, citing the Statute, is found in section (a) as follows: "The notice required by AS 04.11.310 **"must be given"** as follows:

- 1) By posting for a period of at least 10 days a true copy of the application at:
 - (A) The location of the proposed premises; and

(B) One other conspicuous location in the area of the proposed premises.

2) By an announcement, published once a week for three consecutive weeks in a newspaper of general circulation in the area or broadcast twice a week for three consecutive weeks by a radio station serving the area, stating,

(A) The name of the applicant and the transferee if applicable;

(B) The name and location of the proposed premises;

(C) The type of license applied for;

(D) That any comment or objection may be submitted to the board;

(E) Whether the application is for a new license or transfer of an existing license.

Subsection (b) of the same Regulation requires that "Proof of posting and of publication must be made by affidavit which must be attached to the application."

The Applicant met all of the notice requirements of State Statute and State Regulation by providing notice as follows:

1) The Applicant posted the application on the property where the proposed new location is to be constructed (See attached affidavit of Tom Mueller).

2) The Applicant posted the required notice in the local post office.

3) The Applicant provided "... the notice of the application.... (transfer of location_ "once each week for three successive weeks in a newspaper...." of general circulation (See attached news paper advertisement).

4) The Affidavit of Posting signed by the Applicant's building contractor,

A) Tom Mueller. who installed a post on the property to which he affixed the application. Anyone who lives or works in the vicinity had the opportunity to see what the posting stated as did anyone who picks up their mail at the post office.

B) Mueller advised the Applicant that he drove by the property daily, as he lives on Lake Aleknagik road. He further advised the Applicant that

the notice was posted on the property continuously for the required number of days.

- 5) As to the description of location of the proposed new store, the advertising stated as follows: "Ahklun View Estates North Addition, Lot 1, Dillingham, Alaska". This is the legal description of the property as there is no street address for this property.
- 6) The City's protest is based on the fact the street name on which the business is proposed to be located was not included in the advertising.
 - A) The street which connects with Lake Aleknagik Road is named Raspberry Circle. It provides access to 5 lots, including the proposed new location. (See Plat Map attached). However, access to the site will be from Lake Aleknagik Road, not Raspberry Circle.
 - B) The City's protest claims that the legal description was not sufficient to identify where the business would actually be located.
 - C) If an individual were concerned about the proposed transfer, the legal description would enable that individual to find the location very simply.
 - D) Three individuals who live in that subdivision wrote the three (3) protest letters all dated August 22, 2016, 4 days after the City Council meeting of August 18.
 - 1) The Denslingers identified themselves as residents of Ahklun View Subdivision, Lot 7 (no street address given).
 - 2) Gary Hale identified himself as a resident of Ahklun subdivision although he does not state his Lot #. He did however, state the lot # of the proposed license relocation (did provide a street address).
 - 3) The Budrows also identified themselves as residents of Ahklun View Estates, although they did not provide their Lot # (no street address given).
 - 4) Both the Denslingers' and Hale's letters reference receiving "notification of the application". They do not state the source of that notification nor the date of their receipt of the notification. Apparently, from the minutes of the Code Review Committee "Manager"

Loera "...contacted some of the residents in the area...."

5) The three (3) August 22nd letters were not the basis for the City Council protest of the new proposed location.

E) The staff of the ABC Board found that all statutory requirements were met prior to sending the transfer of location application to the Dillingham City Council for its review. Had these requirements NOT BEEN MET, the staff of the ABC Board would not have sent the application to the City of Dillingham.

LOCAL GOVERNING BODY PROTEST: STATE STATUTE AND REGULATION.

There are two (2) provisions in State law regarding "local governing body protests: one Statutory and one Regulatory.

Under State Statute (AS 04.11.480 (a):

"A local governing body may protest the issuance, renewal, relocation or transfer to another person of a license by sending the board and the applicant a protest and the reasons for the protest within 60 days of receipt from the board of the notice of the filing of the application."

The State Statute continues in Subsection (a):

"If an application ... is protested, the board shall deny the application ... unless the board finds that the protest is arbitrary, capricious, and unreasonable."

There is also an ABC Board Regulation governing "protests" by local governing bodies which is found at 3 AAC 304.145 (a): that

"... [t]o protest an application ..., the local governing body must set out its reasons in a written protest filed with the board and copied to the applicant. The reasons stated by the local governing board must be logical grounds for opposing the application ... and have a reasonable basis in fact."

The Regulation provides two basis for a protest by a local governing body.

- 1) A protest "...may be based upon facts that render the particular application objectionable to the local body or may be based upon a general public policy.

- 2) "If based on a general public policy it must have a reasonable basis in fact, may not be contrary to law and may not be patently inapplicable to the particular application being protested."

In this case the City's protest is based on concerns that the public notice given by the Applicant, which complied with all State Statutes and Regulations, was deficient. The "facts" of the protest, is the Applicant's failure to use the street name of the proposed location.

The City's protest letter to the ABC Board states that the City Council protested the application "due to what they felt public was inadequate public noticing." The City's letter goes on to state that "One of their main concerns was that the property was not identified by a street name in the advertisement making it difficult, they felt, to identify where the property was located." (See City's Protest Letter to ABC Board).

CITY PROTEST VIOLATES STATE STATUTE AND REGULATION:

The City has protested a license location transfer which was in compliance with state statute and regulation when it has no ordinance or regulation of its own.

As noted above, the City of Dillingham does not have any ordinances or regulations specifying how notice of a requested transfer of location of a package store license is to be made.

As also noted above, the ABC Board does have comprehensive Statutory and Regulatory requirements specifying, in detail, how public notice is to be given. The Applicant complied with all of those requirements.

Since there are no code or regulatory provisions adopted by the City and since the State Statutory and Regulatory notice requirements were all met by the Applicant, the City's protest of this application for the stated reason ("concern for notice"), was "contrary to law".

If the City had concerns about the notice as it was given, this concern was not provided to the Applicant until the right before the City Council meeting on August 18th.

The Applicant attended the Code Review Committee meeting that day where the notice issue was brought up. He made a presentation concerning the location. He advised the Committee that access to the property would be from Aleknagik Road, not from Raspberry Road. He also told the Committee that he "would leave a barrier of trees between the apartment building and the proposed site."

During its discussion of the issue, the Committee commented that "describing the property other than using street names made it difficult to identify the proposed location". Nevertheless, the Committee noted that "any concerns could be addressed when the land use permit was processed" and unanimously approved a motion "to recommend the Council take no action".

Believing that the City Council would adopt the recommendation of the Committee, the Applicant did not attend the Council meeting that night. Instead of taking the action recommended by the Committee, the Council protested the location transfer, effectively cutting off the land use permit process.

ABC BOARD DENIAL OF A LOCAL GOVERNING BODY PROTEST:

As discussed above, a protest by a local governing body **will not be upheld** by the ABC Board if "the board finds that the protest is arbitrary, capricious and unreasonable" (AS 04.11.480 (a) or if the protest is "contrary to law" (3 AAC 304.145 (e)).

If the City Council persists in its protest after its October 6th meeting, this protest will be considered by the ABC Board at its October meeting in Nome, Alaska. At that time the Applicant will present the following facts to the ABC Board to demonstrate that the Council's action was "arbitrary, capricious and unreasonable" and that the protest is "contrary to law".

- 1) Applicant met all of the notice requirements in state law and regulation.
- 2) The City of Dillingham has no specific requirements for notice.
- 3) No notice was given to the Applicant in advance of the August 16 Council meeting that his notice was "deficient" so he had no time to provide additional notice(s).
- 4) The Applicant was led to believe by the action of the Code Review Committee, that the concerns could be addressed when the land use permit was processed. The Committee recommended that "the Council take no action."

These facts demonstrate that the City's protest is both "arbitrary, capricious and unreasonable" and "contrary to law".

REQUESTED ACTION BY THE CITY COUNCIL

The Applicant will appear at the City Council meeting on October 6, 2016.

At the October 6th meeting, the Applicant will address the Council's notice concern and any other concerns the Council members may have.

However, for all of the reasons stated above, the Applicant will request the Council to remove its protest to the ABC Board. A local governing body protest can, under ABC Board procedure, be withdrawn at any time prior to the Board's decision on the protest. Given the facts and the law as set out above, removing the protest is the appropriate action for the Council to take.

CONCLUSION:

The Applicant does not want a dispute with the City of Dillingham at the ABC Board meeting in October in Nome. He is a life long Alaska who owns two (2) businesses in Dillingham which he has operated without incident for several years. He very much wants to resolve this matter with the City.

By now, all affected parties are most likely aware of the proposed location. Certainly, three residents of Ahklun Subdivision are aware. The opportunity to address the objections of the residents can and should be addressed during the land use process. That is the appropriate venue for this to occur. However, unless the protest is lifted, this process cannot occur. The Applicant urges you to lift the protest, allow for the ABC Board to approve the transfer subject to the City's land use processes.

DATED at Anchorage, Alaska this _____ day of September, 2016

Ernouf & Coffey, P.C.

By: _____

Dan K. Coffey
Of Counsel
Ak Bar No. 75-0511



August 19, 2016

Maxine Andrews
State of AK, Dept. of Commerce, Community and Economic Development
550 W. 7th Avenue, Suite 1600
Anchorage, AK 99501

Subject: Kvichak Pacific d/b/a Olsen's Liquor Store – Request for Liquor License Transfer of Location

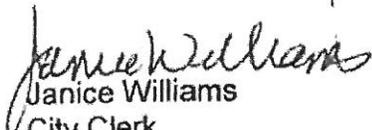
Dear Maxine:

This is in response to Kvichak Pacific's request for a Liquor License Transfer of Location, as recorded in your letter to the City of Dillingham, dated June 24, 2016.

At last night's Council meeting, the Council voted unanimously to protest the license transfer due to what they felt was inadequate public noticing. Please note they did receive a copy of the Posting Affidavit showing proof of advertisement, along with a copy of your June 24 letter. One of their main concerns was that the property was not identified by street names in the advertisement, making it difficult, they felt, to identify where the property was located. Due to the time constraints, sixty day protesting period, I am emailing this letter as an attachment.

Please do not hesitate to contact us with any questions.

Sincerely,


Janice Williams
City Clerk

cc: Kim Parker dllqliqstore@yahoo.com
Rose Loera, City Manager

STATE OF ALASKA
ALCOHOLIC BEVERAGE CONTROL BOARD
AFFIDAVIT IN CONNECTION WITH POSTING LIQUOR LICENSE APPLICATION
Alaska Statutes: 04.11.260, 04.11.310

POSTING AFFIDAVIT

3 AAC 304.125 The public notice must be given within the 60 days immediately preceding the filing of the application.

I, the undersigned, being first duly sworn on oath, depose and say that:

1. a. Posting of application for a new _____ liquor license
for _____
located at _____
(address and/or location)

OR

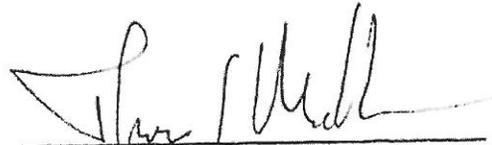
- b. Posting of application for transfer of a Package store liquor license
currently issued to Kvichak Pacific LLC whose business name (d/b/a)
is Olsen's Liquor store located at 1.25 mile Willow Lane
(address and/or location)

2. Has been completed by me for the following 10 FULL day period:

_____ to _____

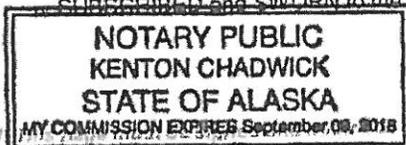
*** Prior to the filing of said application, a true copy of the application was posted at the following described locations: (name and address of location)

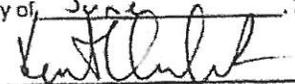
- a. Location of premises to be licensed Abklon View est North Add lot 1 Dillingham
- b. Other conspicuous location in the area USPS Dillingham AK
3. I believe that with the approval of this application, population would not at one time exceed in the aggregate of one license of the type requested for population as provided by law. AS 04.11.400 (check one)
- a. a radius of five (5) miles of the proposed location.
- b. an incorporated city, organized borough or unified municipality.
- c. does not apply (application filed under AS 04.11.400(d)(e)(g) or transfer of license holder or location within an incorporated city or unified municipality or organized borough).
- d. established village.
- e. lodge license.
- f. common carrier.



(signature)

SUBSCRIBED and SWORN to me this 6th day of June, 2016.





Notary Public in and for Alaska
My commission expires: 09-09-2018

FYI: You have posted your liquor license application

ALASKA
Journal of Commerce

6/3/2016

Alaska's Paper of Record • Established 1977

Affidavit of Publication

Account No. 1000718850

ATTACH PROOF OF PUB HERE

LAW OFFICES OF ERNOUF & COFFEY, P.C
PO BOX 212314
ANCHORAGE AK 99521 USA

UNITED STATES OF AMERICA, STATE OF ALASKA,
THIRD DISTRICT BEFORE ME, THE UNDERSIGNED,
A NOTARY PUBLIC THIS DAY PERSONALLY
APPEARED Andrew Jensen WHO, BEING FIRST DULY
SWORN, ACCORDING TO THE LAW, SAYS THAT
HE/SHE IS AN AUTHORIZED REPRESENTATIVE OF
THE ALASKA JOURNAL OF COMMERCE PUBLISHED
AT 301 ARCTIC SLOPE, SUITE 350, IN SAID THIRD
DISTRICT AND STATE OF ALASKA AND THAT
ADVERTISEMENT, OF WHICH THE ANNEXED IS A
TRUE COPY, WHICH HAS PUBLISHED IN SAID
PUBLICATION ON THE DATES LISTED BELOW:

Public Notices

Kvichak Pacific, LLC d/b/a Olsen's
Liquor Store located at 1.25 mile
Willow Lane Dillingham AK 99576
is applying for transfer of a Package
Store AS 04.11.150 liquor license
to Kvichak Pacific, LLC located at
Ankiva View Estates North Add Lot 1
Dillingham AK 99576

Interested persons should submit
written comment to their local
governing body, the applicant and to
the Alcoholic Beverage Control Board
at 550 West 7th Ave. Suite 1600
Anchorage AK 99501
Pub: 5/22, 29 & 6/5, 2016
Ad#7000056961

Section / Ad #	Run Date	Page Placement
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LEGAL NOTICES		
7000056961-01		

5/22/2016

5/29/2016

6/5/2016

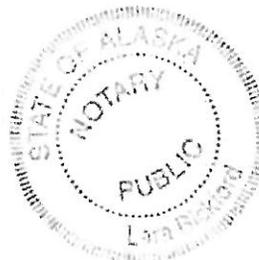
3

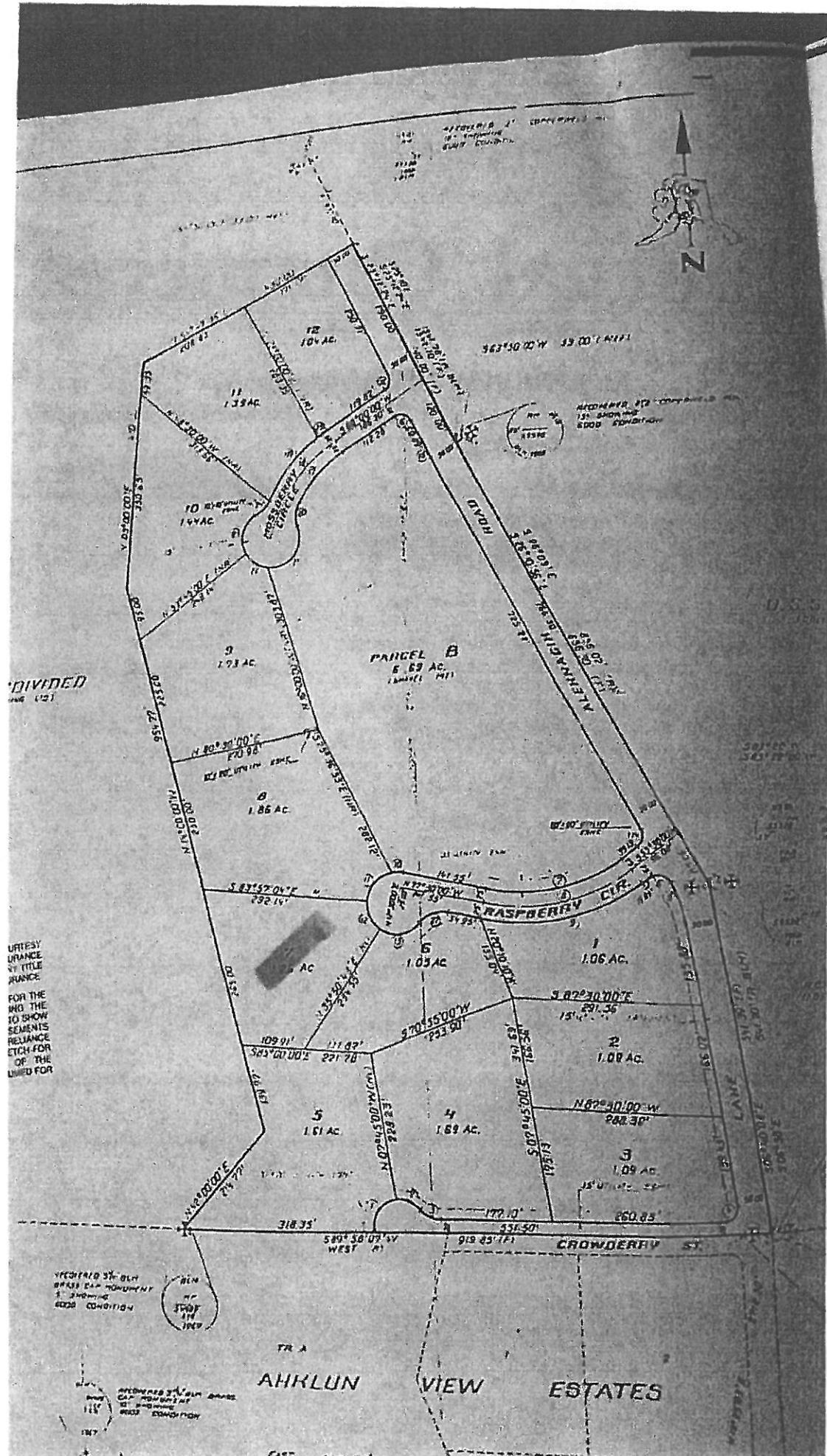
Andrew Jensen
AUTHORIZED REPRESENTATIVE
SUBSCRIBED AND SWORN BEFORE ME

THIS 16th DAY OF June, 2016

NOTARY PUBLIC STATE OF ALASKA

MY COMMISSION EXPIRES 12/17/17





Janice Williams

Subject: FW: liquor license transfer - Kvichak Pacific dba Olsen Liquor Store

From: Andrews, Maxine R (CED) [<mailto:maxine.andrews@alaska.gov>]

Sent: Thursday, July 28, 2016 10:48 AM

To: manager@dillinghamak.us; cityclerk@dillinghamak.us

Subject: RE: liquor license transfer - Kvichak Pacific dba Olsen Liquor Store

Good morning Janice,

Find attached the affidavits of public notice: the posting of the application in two locations for at least 10 days and advertisement in a publication circulated in the area one day a week for three consecutive weeks.

If you have any questions or concerns, please feel free to reply to this email amco.localgovernmentonly@alaska.gov.

AMCO Staff

Dept. of Commerce and Economic Development | AMCO the Alcohol and Marijuana Control Office
550 W. 7th Ave. Ste. 1600 Anchorage, AK 99501 | 907.269.0350

CITY OF DILLINGHAM, ALASKA

RESOLUTION 2016-60

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ADVERTISE FOR A REQUEST FOR PROPOSAL FOR DESIGNING THE REPAIRS TO THE SENIOR CENTER

WHEREAS, the Senior Center needs repairs to maintain the integrity of the building to include fixing the foundation in the front entrance that is rotting, addressing the deficiencies in the solarium section, replacing windows, and addressing the drainage system to drain away from the building; and

WHEREAS, the entire project is estimated to cost about \$166,500; and

WHEREAS, the City received a grant for \$25,000 from the Mental Health Trust Authority for the repairs and has also budgeted \$40,000 in FY 17 Equipment Replacement Fund to be used as a last resort; and

WHEREAS, the City also has a pending grant with the Rasmuson Foundation that will be reviewed by their board in November 2016 in the amount of \$114,500; and

WHEREAS, we are getting the project drafted now and once complete need to get it designed by a qualified engineering firm; and

WHEREAS, we will request that the design of the project be broken down into phases in the event we do not get the funding from Rasmuson to do the entire project;

NOW, THEREFORE, BE IT RESOLVED that the Dillingham City Council authorizes the City Manager to advertise a Request For Proposal to design the repairs to the Senior Center to be paid from the Mental Health Trust Authority Funds with award of the contract at the December Council meeting.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on October 6, 2016.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

City of Dillingham Information Memorandum

Agenda of: October 6, 2016

Attachment to:

Ordinance No. _____ / Resolution No. 2016-60

Subject:

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ADVERTISE FOR A REQUEST FOR PROPOSAL FOR DESIGNING THE REPAIRS TO THE SENIOR CENTER

City Manager: Recommend Approval

Signature: Rose Doera

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

Summary Statement:

The Senior Center needs some major repairs to preserve the building into the future. The front entrance foundation is rotting, the solarium needs to be replaced, gutters need to be installed, energy efficient windows installed and water needs to be diverted from the building.

We will be designing the project in phases so that in the event we don't have the funds to do it all we can prioritize those items that are the most crucial. The total cost is estimated at \$166,500 of which we have a pending Rasmuson Grant for \$114,500, awarded a Mental Health Trust Authority (MHTA) grant for \$25,000 and have budgeted funding in FY 17 Equipment Replacement for the project.

Funds for the design will be paid for by the MHTA grant.

Attachment to:
Ordinance No. _____ / Resolution No. 2016-60

Summary Statement continued:

Route to	Department Head	Date
X	Finance Director	
X	Planning Director	
X	Public Works Director	
X	City Clerk	

CITY OF DILLINGHAM, ALASKA

RESOLUTION 2016-61

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE CITY MANAGER TO PURSUE A USDA LOAN/GRANT FOR WASTEWATER SYSTEM AND WATER SYSTEM IMPROVEMENTS

WHEREAS, the City needs funds to complete the Wastewater system work that was started in 2012 and also the Water system work started in 2016; and

WHEREAS, the Wastewater system will involve installing a new aeration system with an estimated cost of \$1.2 million; and

WHEREAS, the Water system improvement will be installing circulation loops to water pipes that are dead ends for an estimated cost of \$2.2 million; and

WHEREAS, the City staff is exploring all avenues of funding in order to complete these projects; and

WHEREAS, the City has State Municipal Matching (MMGs) grants for both the wastewater and water projects that has a 30% match and are set to expire in May of 2018; and

WHEREAS, staff would like to pursue a USDA grant/loan for these projects in the event that the MMGs will not cover the cost of the projects; and

WHEREAS, in speaking with USDA their current interest rate is 1.875 and once they have our application they will determine if we would qualify for a loan, grant or a combination of the two; and

WHEREAS, the full amount requested will depend upon other funding sources for these projects such as MMGs and ANTHC; and

WHEREAS, the initial application for the funds will require an Environmental Review and Preliminary Engineer Reports; and

WHEREAS, staff is asking the current engineer CRW for the cost to do the Environmental Review; and

WHEREAS, USDA is reviewing the Engineer Reports completed for both systems to determine if they are sufficient; and

WHEREAS, pursuing a USDA application would not commit the City to accepting the funds if approved;

NOW, THEREFORE, BE IT RESOLVED that the Dillingham City Council authorizes the City Manager to pursue a USDA loan/grant for the wastewater and water projects.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on October 6, 2016.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Janice Williams, City Clerk

City of Dillingham Information Memorandum

Agenda of: October 6, 2016

Attachment to:

Ordinance No. _____ / Resolution No. Resolution 2016-61

Subject:

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE CITY MANAGER TO PURSUE A USDA LOAN/GRANT FOR WASTEWATER SYSTEM AND WATER SYSTEM IMPROVEMENTS

City Manager: Recommend Approval

Signature: Rose Loren

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

Summary Statement:

The City staff has been discussing a possible grant/loan combination with USDA as a funding option for its wastewater and water system projects. The projects include the aeration system for the lagoon and water circulating loops for the water system. Both projects will cost about \$3.4 million. The City currently has MMGs for wastewater and water with a 30% match requirement as well as an ANTHC grant for the lagoon.

USDA stated if we were to get a loan the current rate is 1.875 and is good until the end of December.

USDA will review the City's financial capability and determine whether a loan or grant or a combination of the two is warranted. The maximum we would be applying for is \$3.4 million but with the other funding sources could be considerably left.

This authorizes City staff to pursue funding from USDA but doesn't obligate us to take it if awarded. The Council will be presented with the award when issued.

Time is important for this application because of the rate changing in December and the MMGs expiring in May 2018. The projects need to go out for bid soon for work to commence in 2017.

Attachment to:
Ordinance No. _____ / Resolution No. Resolution 2016-61

Summary Statement continued:

Route to	Department Head	Date
X	Finance Director	
X	Public Works Director	
X	Planning Director	
X	City Clerk	

City of Dillingham Action Memorandum

Agenda of: October 6, 2016

Action Memorandum No. 2016-20

Subject:

Award contract to Alaska West Supply for Drilling a New Water Well and Pump Purchase

City Manager: Recommend Approval

Signature: Rose Loren

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

Summary Statement:

The City awarded a contract to CRW for Water System Design and Testing through Action Memo 2016-08 at the May 12, 2016 meeting. The report from the design and testing recommended two additional wells be drilled. Staff is moving forward with just one well at this time.

Staff contacted three companies in the area that have the ability to drill a well and asked them for a bid. Alaska West Supply came in at \$16,200 and Johnson Drilling at \$55,000 and the third, Dillingham Construction, did not respond. Optional items are estimated to cost about \$6,550. We propose a 6" well at a maximum depth of 200'. If we get water before 200' the cost would be reduced. The well will be drilled on the north side of the Old Airport property.

We estimate the total project with the testing requirements to come in at \$35,000. This includes an additional pump for the well at the High School.

CRW and subcontractor will be brought in to evaluate and test the well as it is developed at a cost of approximately \$7,300 and a new pump at \$5,000.

Funds for this project will come from the Municipal Matching Grant for Water @ 70% and 30% BBEDC grant. We also budgeted about \$15,000 in the Water account for some of this work and will use as a last resort.

Action Memorandum No. 2016-20

Summary Statement continued:

Staff recommends moving forward with this new water source. Once drilled we will consider an RFP to get the well piped into the Water Treatment Plant.

PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council
on _____.

Mayor

ATTEST:

[SEAL]

City Clerk

Route to	Department Head	Date
X	Finance Director	
X	Planning Director	
X	Public Works Director	
X	City Clerk	

City of Dillingham
Fiscal Note

Agenda Date: October 6, 2016

Contract with Alaska West Supply for Drilling of New Water Well & Pump.

ORIGINATOR: Rose Loera

FISCAL ACTION (TO BE COMPLETED BY FINANCE)		FISCAL IMPACT <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
AMOUNT REQUESTED: <p style="text-align: right; margin-right: 100px;">\$35,000</p>		FUNDING SOURCE MMG (70%) & BBEDC (30%) Grants	
FROM ACCOUNT		Project	
4424 8710 30 61 4414 0	\$24,500	New Water Well & Pump	
5926 8710 30 61 4414 0	\$10,500		
TO ACCOUNT:		VERIFIED BY: <u>Navin Bissram</u>	Date: <u>10/4/2016</u>

EXPENDITURES

OPERATING	FY16			
TOTAL OPERATING	\$ -	\$ -	\$ -	\$ -

CAPITAL	35,000.00			
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REVENUE				
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FUNDING

General & Special Rev. Funds				
State/Federal Funds				
Other	35,000.00			
TOTAL FUNDING	\$ 35,000.00	\$ -	\$ -	\$ -

POSITIONS

Full-Time				
Part-Time				
Temporary				

ANALYSIS: (Attach a separate page if necessary)

See Action Memorandum 2016-20

PREPARED BY: Navin Bissram

October 4, 2016

DEPARTMENT: Finance

APPROVED BY: _____