



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Meeting Agenda

City Council

Tuesday, September 16, 2025

7:00 PM

Council Chambers

Regular Meeting

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. APPROVAL OF MINUTES

1. [Approval of Minutes for Special Meeting August 20, 2025](#)
2. [Approval of Minutes for Regular Council Meeting of September 2, 2025](#)

V. PUBLIC APPEARANCES

1. [Public Appearance: Providence Valdez Counseling Center](#)
2. [Public Appearance: Lanette Oliver, Valdez Adventure Alliance, Odyssey Off Trail Race](#)

VI. PUBLIC BUSINESS FROM THE FLOOR

VII. CONSENT AGENDA

1. [Appointment to the Economic Diversification Commission, Applicant: Colleen Stephens](#)
2. [Appointment to City Permanent Fund Investment Committee- Applicant: Mike Wells](#)
3. [Acceptance of Resignation of Library Board Member Kent Runion](#)
4. [Approval of New Tourism Liquor License- Alaska Backcountry Guides LLC #60308](#)
5. [Approval of Renewal Marijuana Cultivation Facility License – DKW Farms, LLC](#)

VIII. ORDINANCES

1. [#25-11 - Authorizing an Amendment to the Zoning Map to Effect a Change to Lot 2, A.S.L.S. 78-139, Plat 98-2 to General Commercial. Second Reading. Adoption.](#)

IX. RESOLUTIONS

1. [#25-41 - Adopting Revisions to the Permanent Fund Investment Policy Statement and Rescinding Resolution #22-50](#)
2. [#25-42 - Amending the 2025 City Budget by Transferring \\$134,444 from Budget Variance Reserve to Community Development Department Contractual Services](#)

X. REPORTS

1. [Report: Code Enforcement Update](#)
2. [Procurement Report: Agreement for Professional Services – HDR Engineering, Inc. \(Balefill & C&D Landfill Survey\)](#)
3. [Procurement Report: Service Agreement with Harris Sand & Gravel, Inc. \(2025 Asphalt & Sidewalk Repair\) in the Amount of \\$60,477.00](#)
4. [Change Order Report: Change Order with Harris Sand & Gravel for the Valdez SBH H-K Major Reconstruction project in the amount of \\$28,496.01](#)
5. [Contract Amendment Report: Extend the 2025 Emergency Generator Annual Inspection Contract Through 2026.](#)
6. [Report: Issuance of Temporary Land Use Permit 25-10 for the Valdez Convention and Visitors Bureau, Inc. for 161 Galena Drive \(Lot 31, Block 33 Mineral Creek Subdivision\), 310 Galena Drive \(Lots 15 & 16, Block 35, Mineral Creek Subdivision\) and 180 Galena Drive \(Lots 11 & 12, Block 35, Mineral Creek Subdivision\) owned by the City of Valdez](#)

XI. CITY MANAGER / CITY CLERK / CITY ATTORNEY / MAYOR REPORTS

1. City Manager Report

1. [City Manager Written Report](#)

2. City Clerk Report

3. City Attorney Report

4. City Mayor Report

XII. COUNCIL BUSINESS FROM THE FLOOR

XIII. ADJOURNMENT

XIV. APPENDIX

1. [Legal Billing Summary – June 2025 and July 2025](#)



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0383, **Version:** 1

ITEM TITLE:

Approval of Minutes for Special Council Meeting of August 20, 2025

SUBMITTED BY: Elise Sorum-Birk, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

RECOMMENDATION:

Review and approve minutes.

SUMMARY STATEMENT:

The minutes from the Special Meeting held on August 20, 2025 are attached for review and approval.

City of Valdez

212 Chenega Ave.
Valdez, AK 99686



DRAFT – Special Meeting Minutes

Wednesday, August 20, 2025

12:00 PM

Special Meeting - Executive Session on Oil and Gas Property
Legal Matters

Council Chambers

City Council

SPECIAL AGENDA - 12:00 PM**I. CALL TO ORDER**

Mayor Pro Tem Love Called the special meeting of the Valdez City Council to order at 12:00 p.m.

II. ROLL CALL

Present: 6- Council Member Austin Love
Council Member Jimmy Devens
Council Member Olivia Foster
Council Member Joseph Lally
Council Member Joy Witte
Council Member Lester Greene

Excused: 1 - Mayor Dennis Fleming

Also Present: 2 - City Manager Nathan Duval
Deputy City Clerk Elise Sorum-Birk

III. NEW BUSINESS

1. Approval To Go Into Executive Session Re: 1) Legal Implications of Superior Court Order on Escaped Property, 2) Potential Settlement of Claim Regarding Scope of Board of Equalization Authority to Hear Taxability Appeals, 3) Trans Alaska Pipeline System Ad Valorem Settlement Negotiations

MOTION: Devens moved, seconded by Lally, to approve going into executive session to discuss the three matters listed on the agenda.

Yays: 6 - Love, Devens, Foster, Lally, Witte and Greene
Excused: 1 - Fleming

Meeting went into executive session.

IV. EXECUTIVE SESSION

Meeting came out of executive session.

V. RETURN FROM EXECUTIVE SESSION

Mayor Pro Tem Love announced that the Council had provided the legal team with direction on the three topics discussed in executive session and added that Council had appointed a subcommittee to work with the City Attorneys on Trans Alaska Pipeline System ad valorum tax settlement negotiations.

VI. ADJOURNMENT

Mayor Pro Tem Love adjourned the meeting at 2:56 p.m.





City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0402, **Version:** 1

ITEM TITLE:

Approval of Minutes for Regular Council Meeting of September 2, 2025

SUBMITTED BY: Elise Sorum-Birk, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

RECOMMENDATION:

Review and approve minutes.

SUMMARY STATEMENT:

The minutes from the Regular Meeting held on September 2, 2025 are attached for review and approval.

City of Valdez

212 Chenega Ave.
Valdez, AK 99686



DRAFT- Meeting Minutes

Tuesday, September 2, 2025

7:00 PM

Regular Meeting

Council Chambers

City Council

REGULAR AGENDA - 7:00 PM**I. CALL TO ORDER**

Mayor Fleming called the meeting to order at 7:00 p.m.

II. PLEDGE OF ALLEGIANCE**III. ROLL CALL**

Present: 7 - Mayor Dennis Fleming
Council Member Austin Love
Council Member Jimmy Devens
Council Member Olivia Foster
Council Member Joseph Lally
Council Member Joy Witte
Council Member Lester Greene

Also Present: 2 - City Manager Nathan Duval
Records Manager and Elections Coordinator Katie Carr

IV. PUBLIC BUSINESS FROM THE FLOOR**VI. CONSENT AGENDA****1. Proclamation: Suicide Prevention Month**

MOTION: Council Member Devens moved, seconded by Council Member Lally, to approve the consent agenda.

VOTE ON MOTION

Yays: 7 - Fleming, Love, Devens, Foster, Lally, Witte and Greene
MOTION CARRIED.

VII. NEW BUSINESS**1. Approval of Professional Services Agreement No. 2410 with Bettisworth North Architects and Planners for Child Care Facility Design in the Amount of \$222,351.00**

MOTION: Council Member Love moved, seconded by Council Member Devens, to approve the professional services agreement No. 2410 to Bettisworth North Architects and Planners for child care facility design in the amount of \$222,351.00.

VOTE ON MOTION

Yays: 7 - Fleming, Love, Devens, Foster, Lally, Witte and Greene
MOTION CARRIED.

VII. ORDINANCES**1. #25-11 - Authorizing an Amendment to the Zoning Map to Effect a Change to Lot 2, A.S.L.S. 78-139, Plat 98-2 to General Commercial. First Reading. Public Hearing.**

MOTION: Council Member Lally moved, seconded by Council Member Witte, to approve Ordinance #25-11 - Authorizing an amendment to the zoning map to effect a change to Lot 2, A.S.L.S. 78-139, Plat 98-2 to General Commercial in first reading for public hearing.

VOTE ON MOTION

Yays: 7 - Fleming, Love, Devens, Foster, Lally, Witte and Greene
MOTION CARRIED.

IX. RESOLUTIONS**1. #25-37 – Approving the State of Alaska Department of Transportation and Public Facilities Land Lease ADA-72-348 for Valdez Airport, Supplement No. 2**

MOTION: Council Member Love moved, seconded by Council Member Lally, to approve Resolution 25-37.

VOTE ON MOTION

Yays: 7 - Fleming, Love, Devens, Foster, Lally, Witte and Greene
MOTION CARRIED.

2. #25-38 - Authorizing the City Manager to Negotiate the Purchase of a 5-Acre Parcel, Known as Lot 2, Mineral Creek Industrial Subdivision (Tract K) from The Port Valdez Company, Inc.

MOTION: Council Member Lally moved, seconded by Council Member Love, to approve Resolution 25-38.

VOTE ON MOTION

Yays: 7 - Fleming, Love, Devens, Foster, Lally, Witte and Greene
MOTION CARRIED.

3. #25-39 - Authorizing the Submission of a Grant Application to the US Department of Transportation Port Infrastructure Development Program (PIDP) Requesting \$4,000,000 in Grant Funds and Authorizing up to 25% in Local Matching Grant Funds up to the Amount of \$1,250,000 for the Port of Valdez Improvement Plan

MOTION: Council Member Devens moved, seconded by Council Member Witte, to approve Resolution 25-39.

VOTE ON MOTION

Yays: 7 - Fleming, Love, Devens, Foster, Lally, Witte and Greene
MOTION CARRIED.

4. #25-40 - Amending the FY25 City Budget by Accepting an ASPCA Quality of Life Housing Grant in the Amount of \$16,000 for Valdez Animal Shelter Kennel Improvements

MOTION: Council Member Devens moved, seconded by Council Member Love, to approve Resolution 25-40.

Council Member Love complimented the Animal Control staff on seeking out and receiving the grant.

VOTE ON MOTION

Yays: 7 - Fleming, Love, Devens, Foster, Lally, Witte and Greene
MOTION CARRIED.

X. REPORTS

1. Law Enforcement Activities Related to Impeding Snow Removal

Council Member Love asked for and received clarification on certain statistics and specific language used in the report.

2. Quarterly Financial Summary Reports June 30, 2025

Council Member Love asked about the unused budget for VMC 3.30 Assessment Assistance and Finance Director Nelson noted that the appropriation of the contract would not reach the \$100,000 threshold and additional funds would be included in carryforward.

Love further inquired about whether the large healthcare claim that occurred early in the year was normal, Nelson noted that it was not unusual.

3. July Treasury Report

XI. CITY MANAGER / CITY CLERK / CITY ATTORNEY / MAYOR REPORTS

1. City Manager Report

City Manager Duval responded to questions about the agreement received and timeline for expenditure of the federal discretionary grant to develop a child care facility and highlighted the following items in addition to his written report:

- A barge load of scrap metal was ready to ship, and additional scrap would continue to be gathered for a future barge.
- The grand opening of Nayurluku Park at Meals Hill.
- The upcoming State Parks Conference.
- The upcoming work session to review Council Housing Subcommittee recommendations.
- Dates that he would be out of office.

2. City Clerk Report

Records Manager and Elections Coordinator Katie Carr shared when the City Clerk and Deputy City Clerk would return to the office.

3. City Attorney Report

City Attorney Jake Staser gave updates on the following legal matters:

- Ongoing litigation related to escaped property.
- Seeking settlement of the lawsuit related to VMC 3.30.
- Ongoing process for the Valdez Marine Terminal Contingency Plan Renewal.

4. City Mayor Report

Mayor Fleming shared about his meeting with the incoming U.S. Coast Guard Admiral and congratulated the Valdez High School Volleyball Team for a strong start to the season.

XII. COUNCIL BUSINESS FROM THE FLOOR

Council Members shared their experiences of the U.S. Coast Guard Cutter Black Tip rehomeporting ceremony and welcomed the vessel's crew.

Council Member Devens noted that Kodiak was slated to receive additional Coast Guard housing and vessels and encouraged Council to advocate for additional assets in Valdez.

Council Member Lally summarized the meeting with the Admiral and thanked Callan for the Permanent Fund presentation.

Council Member Love noted that he'd been included in a group who tested out mountain bike trails at Meals Hill and praised the quality of the new trails.

Council Member Foster also shared enthusiasm for the new park.

XIII. ADJOURNMENT

Mayor Fleming adjourned the meeting at 7:29 p.m.



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0404, **Version:** 1

ITEM TITLE:

Public Appearance: Providence Valdez Counseling Center

SUBMITTED BY: [Click here to enter text.](#)

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

[Click here to enter text.](#)

SUMMARY STATEMENT:

Edmore Mangena from Providence Counseling Center and his staff will present to Council in conjunction with Suicide Awareness & Prevention Month.

Edmore will introduce the staff, discuss the services available at the Counseling Center and discuss information about how we can be proactive in suicide awareness & prevention locally and what resources are available.



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0395, **Version:** 1

ITEM TITLE:

Public Appearance: Lanette Oliver, Valdez Adventure Alliance, Odyssey Off Trail Race

SUBMITTED BY: Elise Sorum-Birk, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

Valdez Adventure Alliance board members and executive director will give Council an update on the Odyssey Off Trail Race that took place in early September.



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0397, **Version:** 1

ITEM TITLE:

Appointment to the Economic Diversification Commission, Applicant: Colleen Stephens

SUBMITTED BY: Elise Sorum-Birk, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

RECOMMENDATION:

Appoint applicant.

SUMMARY STATEMENT:

The City Clerk's Office advertised 4 regular vacancies on the Economic Diversification Commission - 2 seats each for a 3-year term and 2 seats each for a 2-year term. Terms were staggered to make future recruitment more consistent.

Colleen Stephens has reapplied to fill one of these vacancies on the Economic Diversification Commission.

If appointed, Stephens will serve a full 3-year term ending September 30, 2028.

3 vacancies remain after this appointment and will be further advertised.

Application materials are attached.

Application Form**Profile**

Colleen

First Name

Stephens

Last Name

Email Address

Valdez Mailing Address (PO BOX # or HCI BOX #)

Home Address

Suite or Apt

City

State

Postal Code

Primary Phone

Alternate Phone

Stan Stephens Cruises, Inc.

Employer

President

Occupation

Which Boards would you like to apply for?

Economic Diversification Commission: Eligible

Question applies to multiple boards

Required Time Commitment: All board/committee members and commissioners are expected to (1) be physically present at most, if not all, board/committee or commission meetings and (2) review agenda materials prior to arriving for the meeting to be best prepared for discussion and decision making. Are you aware of the time commitment involved in serving on this particular board, committee, or commission? Are you willing and able to commit to regular meetings plus work sessions every month for your full term?

Yes

Question applies to multiple boards

Regular attendance at meetings by commissioners/board members is crucial to the commission/board's ability to conduct business. Attendance for commissioners/board members is tracked. Under current City Council policy, the seat of a board/committee member or commissioner will be considered vacant following three consecutive absences from regular meetings. At that time, the member will be asked to either resign or be removed by formal action of Council to allow other interested citizens a chance to serve. Are you committed to in-person attendance at most, if not all, commission/board meetings? Do you understand you must provide your commission/board staff as much notice as possible if you must be absent to ensure a quorum is available to conduct commission/board business?

Yes

How did you learn about this vacancy?

I am a Current Board/Committee/Commission Member

Interests & Experience

Why are you interested in serving on a City of Valdez board or commission?

Valdez is my home and I am committed to make it a better place for businesses and residents to thrive.

Please outline your education, work, and volunteer experience which will assist you in serving on a City of Valdez board/commission.

See attached resume.

Question applies to Economic Diversification Commission

Valdez Municipal Code Chapter 2.60 states members of the Economic Diversification Commission should be diversified to the maximum extent possible. Please select the industry sector which best represents your area of expertise (choose one). *

Summer Tours & Attractions

Question applies to Economic Diversification Commission

Please describe your qualifications to represent your selected industry sector.

See attached resume.

Question applies to Economic Diversification Commission

Please describe your vision for the economic future of Valdez.

The future of Valdez needs to be one with a strong diversified work force. One that leads instead of follows other communities. In order to do this a clear plan and direction needs to be developed and enacted.

[Resume Sept 2020.pdf](#)

Upload a Resume or Letter of Interest

Colleen Stephens

Colleen Stephens



PO Box 2542 • Valdez, AK 99686 • Phone: 907-831-7321 • Fax: 907-835-3765 • E-Mail: colleen@stephenscruises.com

Objective

To positively influence the future of Valdez by participating in the Economic Diversification Commission (EDC). If appointed I would use my knowledge and understanding of the industry that I have grown up in to ensure that tourism remains a stable part of Valdez's economy.

Experience

Stan Stephens Glacier & Wildlife Cruises

1978 - Present

- Currently I am the President of the corporation and am responsible for the marketing, operations and employee training and management.
- Our current marketing plans include participation in the cooperative programs offered by the State of Alaska including; direct consumer leads, international missions, travel trade events, consumer trade shows, and cooperative magazine advertising.
- Through the years I have had the joy of working in all aspects of the business from vessel crew, reservations and management.
- At times I have served as the company representative to many organizations around our region including the Greater Whittier Chamber of Commerce, Cordova Chamber of Commerce, Greater Copper Valley Chamber of Commerce, Visit Anchorage, Explore Fairbanks as well as the Tok Chamber of Commerce.

Ports and Harbors Commission, City of Valdez

2002 - Present

- Appointed by the City Council to advise on issues relative to the ports, harbors and transportation issues.

Economic Diversification Commission, City of Valdez

2014 – 2019

- Appointed by the City Council to advise on areas relative to economic development and diversification.

Comprehensive Planning Advisory Committee, City of Valdez

2018 - Present

- Appointed by the City Council to advise on the Comprehensive Plan for the City of Valdez. Currently serve as this committee's chairperson.

Economic Recovery Taskforce, City of Valdez

2020 - Present

- Appointed by the City Council to advise the economic recovery of Valdez relative to the economic impacts of the COVID-19 pandemic.

Valdez Fisheries Development Association

2017 – Present

- Elected to the Board of Directors in 2017.

Alaska Travel Industry Association Board of Directors

2012 - Present

- Appointed by the Board in 2012 and elected by membership in 2013 to fill an At Large Seat representing and advocating for the concerns and needs of the Tourism Industry in Alaska.
- During my term as a Director I have served on the Tourism Policy & Planning Committee, Convention Committee, Membership Committee, Executive Committee, and am currently the Chairperson of the Alaska Travel Industry Association Board of Directors.

Colleen Stephens



Alaska Travel Industry Association Marketing Committee

2005 - Present

- In 2013/2014 I have served as the Chairperson for the ATIA Marketing Committee where I have worked with staff, sub committees, and the full committee to develop and express the industries recommendations to the State of Alaska on the statewide marketing program for tourism.
- While serving on the Marketing Committee I have also served as the chairperson for multiple sub committees including: Travel Trade, International, Web Site, & Public Relations.

Passenger Vessel Association

2014 - Present

- Appointed to the Passenger Vessel Association, a national trade association for US Flagged passenger vessels in 2014.
- Appointed as the Association's Secretary/Treasurer in 2017, Vice President in 2018 and currently serve as the President.

Valdez Convention & Visitors Bureau Board of Directors

1998 - 2015

- Elected by the membership in 1998 and have served on the Board of Directors since that time. During this 16-year period of time I have served as the Board President for 8 of the years.
- The Valdez Convention & Visitors Bureau is responsible for the promotion of Valdez as a business and leisure destination.

Alaska Wilderness Recreation & Tourism Association Board of Directors

1999 – 2000

- Elected by membership to serve a two-year term.

Education

University of Idaho, BS Resource Recreation and Tourism 1997

A tourism management degree that focused on the creation and management of tourism assets that work in concert with local communities and the environment.



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0398, **Version:** 1

ITEM TITLE:

Appointment to City Permanent Fund Investment Committee- Applicant: Mike Wells

SUBMITTED BY: Elise Sorum-Birk, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

RECOMMENDATION:

Review and appoint applicant.

SUMMARY STATEMENT:

The City Clerk's Office received the following application (attached) for appointment to the following committee:

Mike Wells - City Permanent Fund Investment Committee - three-year term, expiring November 1, 2028.

Application Form

Profile

How did you learn about this vacancy?

I am a Current Board/Committee/Commission Member

Mike
First Name

Wells
Last Name

Email Address

Valdez Mailing Address (PO BOX # or HCl BOX #)

Home Address

Suite or Apt

City

State

Postal Code

Primary Phone

Alternate Phone

Valdez Fisheries
Development Assoc.
Employer

Executive Director
Occupation

Which Boards would you like to apply for?

Permanent Fund Investment Committee: Submitted

Question applies to multiple boards

Required Time Commitment: All board/committee members and commissioners are expected to (1) be physically present at most, if not all, board/committee or commission meetings and (2) review agenda materials prior to arriving for the meeting to be best prepared for discussion and decision making. Are you aware of the time commitment involved in serving on this particular board, committee, or commission? Are you willing and able to commit to regular meetings plus work sessions every month for your full term?

I am fully aware of the time commitment and am willing to commit to regular meetings and other meetings as required. I have a very good record of in person meeting attendance as a member of the Permanent Fund Committee.

Question applies to multiple boards

Regular attendance at meetings by commissioners/board members is crucial to the commission/board's ability to conduct business. Attendance for commissioners/board members is tracked. Under current City Council policy, the seat of a board/committee member or commissioner will be considered vacant following three consecutive absences from regular meetings. At that time, the member will be asked to either resign or be removed by formal action of Council to allow other interested citizens a chance to serve. Are you committed to in-person attendance at most, if not all, commission/board meetings? Do you understand you must provide your commission/board staff as much notice as possible if you must be absent to ensure a quorum is available to conduct commission/board business?

Yes

Interests & Experience

Why are you interested in serving on a City of Valdez board or commission?

As a former Valdez City Council member, I am familiar with the purpose, structure and governing policies of the permanent fund and have sat on the committee for several terms. As a long time resident of Valdez, effective management of one of community's most important financial assets is critical to the continued well being and financial security of future generations of Valdezans. I feel I can bring perspective and sound management practice to this committee.

Please outline your education, work, and volunteer experience which will assist you in serving on a City of Valdez board/commission.

Currently employed as executive director of the Valdez Fisheries Development Association and am responsible for the oversight of the organizations financial investments and benefits programs. I have served on the city council for three terms, Ports and Harbor Commission as its chair and the Permanent Fund Committee. Also, serve on the boards of the Valdez Fish Derbies and the Prince William Sound Economic Development District.

[Wells Application Letter.pdf](#)

Upload a Resume or Letter of Interest

September 11, 2025

Mayor Fleming
Members of the Council
POBox 307
Valdez, AK 99686

RE: Permanent Fund Committee Application

Dear Valdez City Council,

Please consider this letter my application and desire to continue to serve on the Valdez Permanent Fund Committee.

The city's permanent fund is a trust for all community residents. As such, it must be managed with responsibility to insure its security for both current and future residents of our great town.

It has been a privilege to serve the community of Valdez as a volunteer to this important committee. I have held a seat both as an appointed councilman and member of the public for many years. I believe that my past experience can be of value to the committee and the community.

Please consider my interest and commitment to continue to serve in this capacity. Sincerely



Mike H. Wells



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0399, **Version:** 1

ITEM TITLE:

Acceptance of Resignation of Library Board Member Kent Runion

SUBMITTED BY: Elise Sorum-Birk, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Accept resignation.

SUMMARY STATEMENT:

Section XIII.E.19 of Council Policies and Procedures (re: citizens advisory groups) states *“Any member wishing to resign from a citizen advisory group prior to the completion of their full term shall provide written notice to their staff liaison who will forward such notice to the City Clerk’s Office for processing and formal acceptance by City Council”*.

Library Board Member Sadie Kent Runion submitted his resignation to the Library Board and Clerk’s Office by email on September 9, 2025.

The Clerk’s Office will advertise this partial vacancy.

September 8, 2025

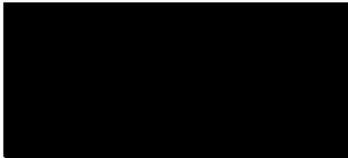
To Whom It May Concern:

Thank you for allowing me the opportunity to serve and support the mission of the Valdez Consortium Library. Effective Monday, September 8, 2025, I resign my seat on the Valdez Consortium Library Advisory Board.

If you have any further questions or need any additional information, please contact me.

Thank you,

Katrin





City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0400, **Version:** 1

ITEM TITLE:

Approval of New Tourism Liquor License- Alaska Backcountry Guides LLC #60308

SUBMITTED BY: Elise Sorum-Birk, CMC, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

RECOMMENDATION:

Click here to enter text.

SUMMARY STATEMENT:

A local governing body may protest the approval of an applicant pursuant to AS 04.11.480 by furnishing the director and the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of the notice.

Following notification of a new license or renewal of an existing license by the Alcohol & Marijuana Control Office, the City Clerk's office submits all license applications to the city council for approval. The Police Chief is notified of the request and is provided with the opportunity to express any concerns with the issuance or re-issuance of the license.

Please see attached information provided by the AMCO office regarding this application.



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

September 3, 2025

City of Valdez
VIA Email: spierce@valdezak.gov; esorumbirk@valdezak.gov

License Type:	Beverage Dispensary Tourism – Seasonal	License Number:	60308
Licensee:	Alaska Backcountry Guides, LLC		
Doing Business As:	Alaska Backcountry Guides		
Premises Address	284 Airport Rd, Valdez, AK 99686		
Endorsement(s):	Restaurant Endorsement		

New Application

Transfer of Ownership Application

Transfer of Location Application

Transfer of Controlling Interest Application

We have received a completed application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 305.085(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable. To protest the application referenced above, please submit your protest within 60 days and show proof of service upon the applicant.

AS 04.11.491 – AS 04.11.509 provide that the board will deny a license application if the board finds that the license is prohibited under as a result of an election conducted under AS 04.11.507.

AS 04.11.420 provides that the board will not issue a license when a local governing body protests an application on the grounds that the applicant's proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the alcohol establishment, unless the local government has approved a variance from the local ordinance.

Sincerely,
Anna White, Licensing Examiner II
For
Kevin Richard, Director
amco.localgovernmentonly@alaska.gov



Document reference ID : 5845

Licensing Application Summary

Application ID:	5845
Applicant Name:	Alaska Backcountry Guides Llc
License Type applied for:	Beverage Dispensary Tourism License (BDTL) (AS 04.09.350)
Application Status:	In Review
Application Submitted On:	07/30/2025 10:05 AM AKDT

Entity Information

Business Structure:	Limited liability company
FEIN/SSN Number:	[REDACTED]
Member Managed or Manager Managed:	Manager Managed
Alaska Entity Number (CBPL):	10138154
Alaska Entity Formed Date:	07/01/2020
Home State:	AK

Entity Contact Information

Name	Phone	Email	Relation
Joseph Wolf	907-312-0588	wolf@akbcguides.com	Designated Licensee
Entity Address:	PO Box 1508, Valdez, AK, 99686, USA		

Initial Application Information

Authority Type: I am authorized user by the designated licensee with binding authority

Prefix: Mr

Legal First Name: Michael

Legal Last Name: Schwarz

Email Address: mschwarz@bbh.com

Phone Number: 907-276-1550

Additional Authorized Users

Legal Name	Relation with Applicant
Attorneys and Paralegals of Birch Horton Bittner & Cherot	Other

Ownership / Principal Party Details

Principal Parent Entity	Principal Party	Role	%Ownership
Alaska Backcountry Guides Llc	Joseph Wolf	Member	100

Premises Address

Address: 284 Airport Rd, Valdez, AK, 99686, USA

Does the proposed site include a valid street address? Yes

Basic Business information

Business/Trade Name: Alaska Backcountry Guides

What is your primary business at this location? Other

Premises Contact Details

Contact Person Name	Joseph Wolf
Business Phone Number	907-312-0588
Alternate Phone Number	312-909-3330
Email Address	wolf@akbcguides.com

Local Government and Community Council Details

City/Municipality	Valdez
Borough	Unorganized Borough

Measurement Information

What is the approximate distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the outer boundaries of the nearest school grounds? (in feet)	23232
What is the approximate distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the public entrance of the nearest church building? (in feet)	8448

Property Ownership

Do you, the applicant, own the land, building, No and/or warehouse at this proposed licensed location?

Property Utilization Status	An Existing Facility
Are you operating under?	Lease
Add Copy of Lease\Sublease document	Lease Agreement - DOT _ ABCG (redacted).pdf

Premises Diagram

Will the license or permit embrace the entire premises address? Yes

Premises Diagram

- [AKBCG Premises Diagrams 20250729.pdf](#)

Seasonal Information

Are you conducting seasonal business? Yes

Please Provide your six-month operating period 01/01 - 6/30

Operation Period Details Alaska Backcountry Guides (“ABG”) hosts individuals seeking a world-class heliskiing adventure in the heart of Alaska, and based in the Chugach Mountain range. During its time-limited season (February to May), ABG hosts an average of 7 to 14 guests per week. The central focus of ABG is to deliver high-end, personalized adventure experiences. During their stay, guests experience more than just exhilarating skiing and snowboarding; they are treated to gourmet meals that are prepared by ABG’s in-house chef in a licensed commercial kitchen, which are served in the lounge area located in the mezzanine level of its hanger which has a permanently plumbed bar. To further enhance the experience for guests, consistent with ABG’s mission to offer world-class services, ABG is seeking a Beverage Dispensary Tourism License to allow it offer premium beer, wine, and spirits to guests of legal age as well as off-duty staff, and the public generally.

Other licenses involvement

Joseph Wolf is the 100% owner/manager in License Number 2218280 of Alaska Backcountry Guides LLC.

Tourism Statement

Explain how issuance of a alcoholic beverage license at your establishment has/will encourage tourism.

Alaska Backcountry Guides (“ABG”) hosts individuals seeking a world-class heliskiing adventure in the heart of Alaska, and based in the Chugach Mountain range. During its time-limited season (February to May), ABG hosts an average of 7 to 14 guests per week. The central focus of ABG is to deliver high-end, personalized adventure experiences. During their stay, guests experience more than just exhilarating skiing and snowboarding; they are treated to gourmet meals that are prepared by ABG’s in-house chef in a licensed commercial kitchen, which are served in the lounge area located in the mezzanine level of its hanger which has a permanently plumbed bar. To further enhance the experience for guests, consistent with ABG’s mission to offer world-class services, ABG is seeking a Beverage Dispensary Tourism License to allow it offer premium beer, wine, and spirits to guests of legal age as well as off-duty staff, and the public generally.

Explain how the facility was/will be constructed or improved as required by AS 04.11.400(d)(1)

ABG has constructed a nearly 5,000 square foot hangar facility at the Valdez Pioneer Field Airport, and effectively serves as a terminal. A terminal is generally understood to be building at an airport where passengers transfer between ground transportation and the facilities that allow them to board and disembark from an aircraft, which is precisely what occurs at ABG’s facility. ABG’s guests often arrive and/or disembark from the facility through chartered flights, or by ground transportation, and on skiing days if guests disembark from the facility helicopters stationed in the hangar.

Does the licensee or applicant for this liquor license also operate the tourism facility in which this license is located? Yes

Do you offer room rentals to the traveling public? No

If your establishment includes a dining facility, please describe that facility. If it does not please write “none”.

There is a dining area (lounge) located on the mezzanine level of the hangar. Food is prepared in a commercial kitchen located on the first floor of the hangar, which is served in the lounge area.

If additional amenities are available to your guests through your establishment (eg: guided tours or trips, rental equipment for guests, other activities that attract tourists), please describe them. If they are not offered, please write “none”.

As noted above, ABG offers guided heliskiing trips to approximately 150-200 tourists each year during its time limited season.

Financial Interest

I hereby certify that no person other than a proposed licensee listed on the liquor license application has a direct or indirect financial interest, as defined in AS 04.11.450(f) in the business for which a liquor license is being applied for.

I hereby certify that any ownership change shall be reported to the board as required under AS 04.11.040, AS 04.11.045, AS 04.11.050, and AS 04.11.055.

Attestations

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 305.700.

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

I certify that all proposed licensees have been listed with Division of Corporation, Business, and Professional Licensing.

I certify that I and any individual identified in the business entity ownership section of this application, has or will read AS 04 and its implementing regulations.

The proposed changes conform to all applicable public health, fire, and safety laws.

Signature

Joseph Wolf

Signed by:

Joseph Wolf

907FE13FCB9B459...

This application was digitally signed by : Michael Schwarz on 07/29/2025 09:26 AM AKDT

Payment Info

Payment Type : CC

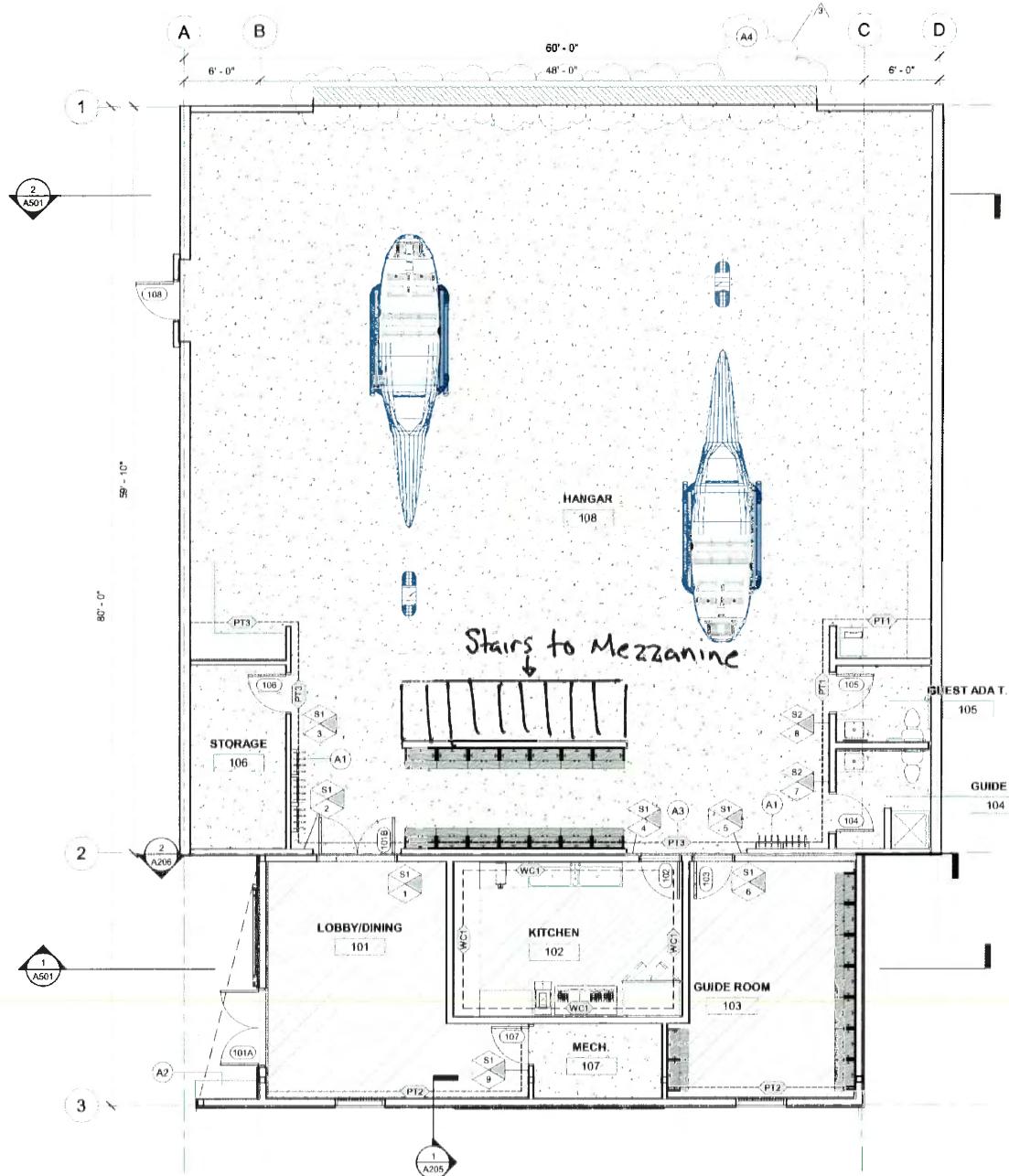
Payment Id: 0b55ace7-a7cf-4ebf-b56b-985be1ab0749

Receipt Number: 101088477

Documents

#	File Name	Type	Added On
1	Lease Agreement - DOT _ ABCG (redacted).pdf	License Lease\Sublease document	07/29/2025 09:05 AM AKDT
2	AKBCG Premises Diagrams 20250729.pdf	License Location Diagram Document	07/29/2025 09:07 AM AKDT

FLOOR FINISH LEGEND



1 FLOOR PLAN
A201 3/16" = 1'-0"

A201 3/16" = 1'-0"

AIRPORT ROAD

A scale bar and a north arrow are located in the bottom right corner of the map. The scale bar shows distances of 0', 2', 4', 8', and 12'. The north arrow is a stylized 'N' with a circle at the top.

WALL FINISH LEGEND

1. GENERAL WALL FINISH TO BE PT1 UON
2. ALL WALLS TO BE IRGBWB UP TO 8'-0"
3. ALL WALL BASE TO BE RB1 UON
4. ALL OUTSIDE CORNERS TO RECIEVE FULL HEIGHT CORNERGUARD

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— — — — - WALL COVERING

SIGNAGE LEGEND

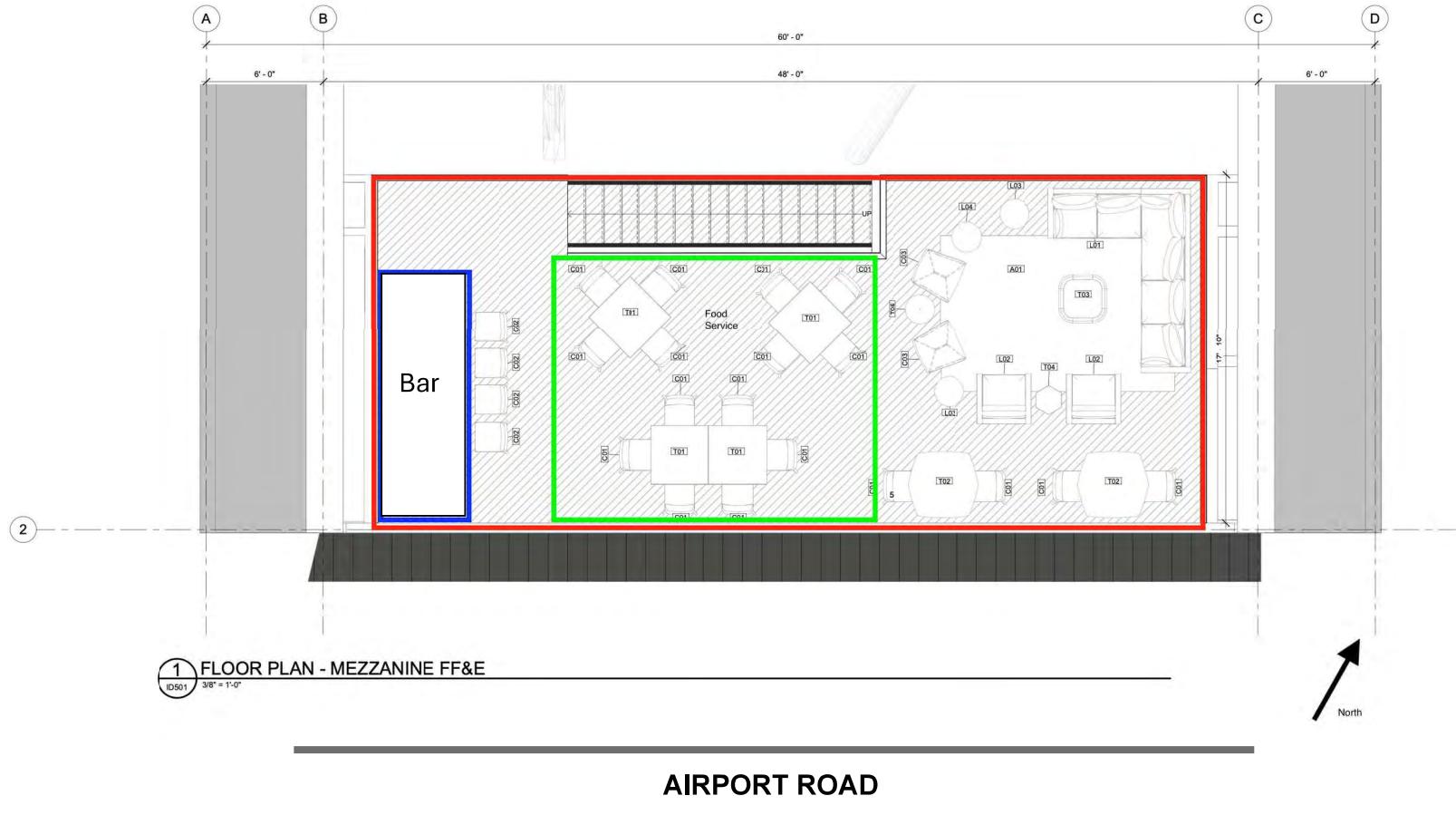
SIGNAG

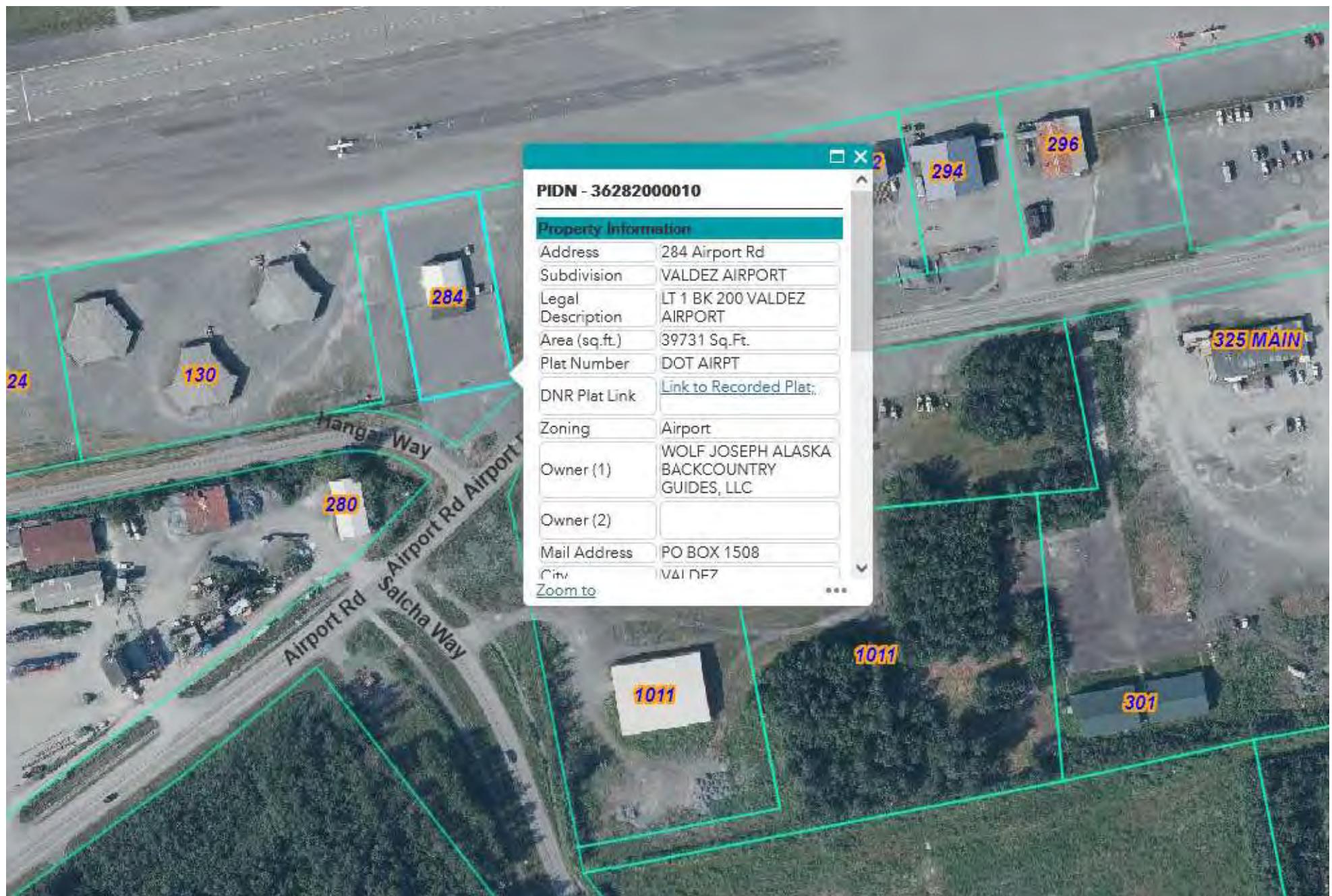
- SIGN TYPE
- SIGNAGE TAG
- SIGN REFERENCE NUMBER

SIGN TYPE SUMMARY:

SHEET NOTES

A1	BOOT DRYER - OFCI
A2	CONCRETE BENCH
A3	PT3 THIS LOCATION TO 8'-0" A.F.F.
A4	SELF-SUPPORTED 40'-0" X 13'-0" HANGAR DOOR SYSTEM, BY OTHERS.

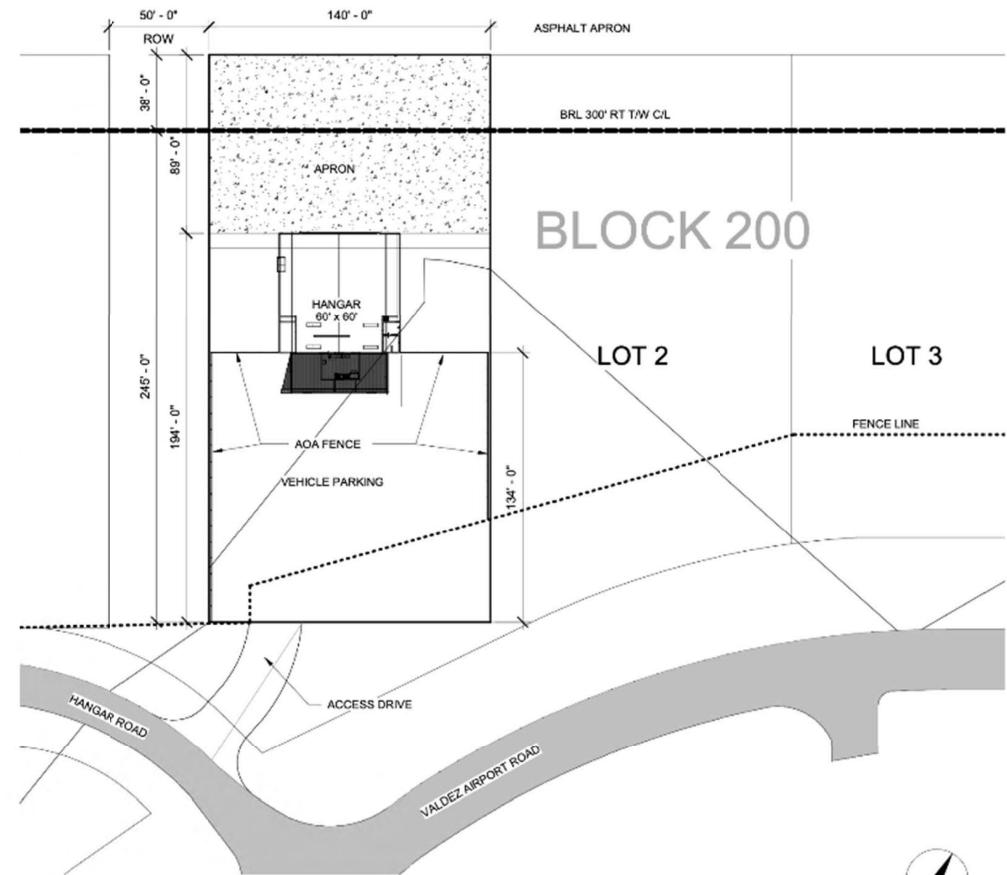




VICINITY MAP



SITE PLAN



LOCATION MAP





Document reference ID : 5330

Licensing Application Summary

Application ID: 5330
Applicant Name: Alaska Backcountry Guides Llc
License Type applied for: Restaurant Endorsement (RE) (AS 04.09.450)
Application Status: In Review
Application Submitted On: 08/28/2025 04:25 PM AKDT

Entity Information

Business Structure: Limited liability company
FEIN/SSN Number: [REDACTED]
Member Managed or Manager Managed: Manager Managed
Alaska Entity Number (CBPL): 10138154
Alaska Entity Formed Date: 07/01/2020
Home State: AK

Entity Contact Information

Name	Phone	Email	Relation
Joseph Wolf	907-312-0588	wolf@akbcguides.com	Designated Licensee
Entity Address:	PO Box 1508, Valdez, AK, 99686, USA		

Initial Application Information

Authority Type: I am authorized user by the designated licensee with binding authority

Legal First Name: Joseph

Legal Last Name: Wolf

Email Address: wolf@akbcguides.com

Phone Number: 907-312-0588

Additional Authorized Users

Legal Name	Relation with Applicant
Michael Schwarz, Birch Horton Bittner & Cherot (and other attorneys and paralegals)	Legal Counsel

Ownership / Principal Party Details

Principal Parent Entity	Principal Party	Role	%Ownership
Alaska Backcountry Guides Llc	Joseph Wolf	Member	100

Premises Address

Address: 284 Airport Rd, Valdez, AK, 99686, USA

Does the proposed site include a valid street address? Yes

Primary license number

Primary License Information Application ID - 5845 - New Beverage Dispensary Tourism License Application - In Review

Basic Business information

Business/Trade Name: Alaska Backcountry Guides

Local Government and Community Council Details

City/Municipality	Valdez
Borough	Unorganized Borough

Premises Diagram

Will the license or permit embrace the entire premises address? No

Premises Diagram

- [Premises Diagram.pdf](#)

Restaurant Detail

Dining after standard closing hours: AS 04.16.010(c) No

Dining by persons 16 – 20 years of age: AS 04.16.049(a)(2) Yes

Dining by persons under the age of 16 years, accompanied by a person over the age of 21: AS 04.16.049(a)(3) Yes

Employment for any persons under 21 years of age: AS 04.16.049(c) No

List where within the premises minors are anticipated to have access in the course of either dining or employment. (Example: Minors will only be allowed in the dining area. OR Minors will only be employed and present in the Kitchen.)

Minor guests will be allowed in the licensed premises only when accompanied by a parent or guardian over the age of 21.

Describe the policies, practices and procedures that will be in place to ensure that minors do not gain access to alcohol while dining or employed at your premises.

(1) ABG has a manager on duty at all times when operating; (2) all minors must be accompanied by an adult (parent or guardian over the age of 21) while in the restricted area when any alcohol is being served, sold or consumed; (3) all new patrons are carded upon ordering alcohol; (4) service staff will closely monitor to ensure that only guests that have been carded will receive alcoholic beverages; (5) service staff is will have a current service education card before the season opens;(6) access to alcohol by minors is strictly prohibited and monitored by staff and management; (7) proper signage will be installed at points of entry indicating that no minors may be present without a parent or legal

guardian; and (8) alcohol is stored in a secure area behind the bar, which is monitored and controlled by staff and management.

Is an owner, manager, or assistant manager who is 21 years of age or older always present on the premises during business hours? Yes

Food Service Permit

Is your license located in Municipality of Anchorage?	No
Do you have Approved food service permit for this premises?	Yes
Copy of the current food service permit for this premises OR the plan review approval.	DEC Food Permit.pdf f

Entertainment & Service

Are any forms of entertainment offered or available within the licensed business or within the proposed licensed premises?	No
Food and beverage service offered or anticipated is:	Counter Service

Restaurant Declaration

Please upload the finalized or expected Food and Alcohol Menu. [Food Menu.pdf](#)

There are tables or counters at my establishment for consuming food in a dining area on the premises. I have included with this form a menu, or an expected menu, listing the meals to be offered to patrons.

This menu includes entrées that are regularly sold and prepared by the licensee at the licensed premises.

I certify that the license for which I am requesting designation is either a Beverage Dispensary, Beverage Dispensary Tourism, Club, Sporting Activity or Event License, Outdoor Recreation Lodge, Golf Course, Destination Resort, OR Restaurant or Eating Place, Seasonal REPL Tourism License.

Hours Of Operation

Sunday	10:00 AM - 10:00 PM
Monday	10:00 AM - 10:00 PM
Tuesday	10:00 AM - 10:00 PM
Wednesday	10:00 AM - 10:00 PM
Thursday	10:00 AM - 10:00 PM
Friday	10:00 AM - 10:00 PM
Saturday	10:00 AM - 10:00 PM

Attestations

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 305.700.

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

I certify that all proposed licensees have been listed with Division of Corporation, Business, and Professional Licensing.

I certify that I and any individual identified in the business entity ownership section of this application, has or will read AS 04 and its implementing regulations.

I certify I have provided a menu of a variety of types of food appropriate for meals that are prepared on the licensed premises.

I certify that non-employees under 21 years of age will not enter and remain on the licensed premises except for the purposes of dining only.

I certify that the sale and service of food and alcoholic beverages and any other business on the licensed premises is under the sole control of the licensee.

I certify the licensed premises is a bona fide restaurant as defined in AS 04.21.080(b).

I certify there is supervision on the licensed premises adequate to reasonably ensure that a person under 21 years of age will not gain access to alcoholic beverages.

Signature

Electronic Signature not collected; application submitted based on paper form.

Payment Info

Payment Type : Check

Check Number: 101033665

Payment Date: 01/29/2025 12:00 PM AKST

Documents

#	File Name	Type	Added On
1	DEC Food Permit.pdf	LicenseRestaurantDetailFoodServicePermitDocument	03/13/2025 11:31 AM AKDT
2	Premises Diagram.pdf	License Location Diagram Document	08/28/2025 04:16 PM AKDT
3	Food Menu.pdf	LicenseRestaurantDeclarationFoodAlcoMenuDocument	08/28/2025 04:23 PM AKDT



Alaska Food Code 2025 Establishment Permit

Division of Environmental Health
Food Safety & Sanitation Program

Permit Number: 12795

Issued to: **ALASKA BACKCOUNTRY GUIDES**

For: **ALASKA BACKCOUNTRY GUIDES**

For Operation Of: **FF-1 Food Service**

Located at: **284 Airport RD Valdez, AK 99686**

This permit, issued under the provisions of 18 AAC 31, is valid until the noted expiration date or unless suspended or revoked by the department.

This permit is not transferable for change of ownership, facility location, or type of operation. It must be posted in plain view in the establishment and is the property of the State of Alaska.

Expiration Date:

December 31, 2025

Program Manager:

**If you have questions or concerns regarding safe food handling practices call or text
907-764-9825 or visit our website to file a complaint
(dec.alaska.gov/eh/fss/report-illness-issue/)**



AK Menu

Breakfast-

1. Biscuits N Gravy- Eggs, Sausage gravy, Biscuits, Bacon(pre-cooked)
2. Breakfast Burrito- Tortilla, Peppers and onions, Salsa, Potatoes, Chedder Cheese
3. OKI- Bacon Fry Rice(Bacon is pre Cooked), Peas, carrots, Green onion, Eggs
4. Breakfast Tacos- Flour Tortilla, Eggs, Bacon(pre cooked), Avocado Crème, Mix Shredded Cheese, Salsa, Refried Beans
5. American- Eggs, Bacon(pre Cooked), Hash Browns, Toast,
6. Eggs Benny- Poached Eggs, English Muffin, Canadian Bacon, Hollandaise, Potatoes
7. Omellette- Ham, Chedder cheese, eggs, Potatoes

Lunch

1. Chicken Gyro- Diced Grilled chicken, Tzatziki, shaved lettuce, tomato, katamata olives, red onion, Feta cheese, pita bread, Side salad
2. Burgers- Cooked on Grill outside, brioche bun, fire roasted poblano and goat cheese spread, Bacon and onion jam, shaved lettuce, tomato
3. Pulled Pork- Braised pork shoulder, house BBQ, white BBQ Slaw, Kaiser bun, Mix chips
4. Chicken ceasar Wrap- Spinach Tortilla, Diced Grilled chicken(pre Cooked), Caesar dressing, Parmesan cheese, Romaine lettuce
5. Smoked Chicken- Chicken cooked outside on smoker then pulled, House BBQ, White BBQ Slaw, Kaiser roll, Crispy Onion(store bought)
6. Turkey Club- Roasted Turkey, Sourdough Bread, Lettuce, Tomato, Red Onion, Dijionaise, Avocado, Bacon(Pre Cooked), Chips
7. Chicken Salad- Crossaint, Diced Grilled Chicken(Pre Cooked), Grapes, celery, Red onion, Bibb Lettuce, Cranberry Aioli
8. Carnita Burrito- Braised Pork Shouldar, Salsa, Mix Cheese, Mix Cabbages, Secret sauce, Flour Tortilla
9. Seafood Chowder- Mix Seafood chowder, Baked Grill Cheese toast Points

Dinner

1. Meatloaf- Mashed Potatoes, Green Beans, Roll, Mushroom Gravy
2. Chicken Parm- Baked Chicken Parmesan, Marinera, Parmesan Cheese, Garlic Bread, Linguini

3. Shortys- Braised Beef Short Ribs, Brussel sprout hash, Mash Potato, Reduced Braising Liquid
4. Lasagna- Veal, Italian Sausage, Garlic Bread
5. Smoked Brisket- Cooked outside on Smoker, Baked Beans, White BBQ Cole slaw
6. Smoked Half Chicken- Cooked outside on Smoker, Mac N Cheese, Braised Collard Greens, White BBQ Drizzle
7. Thanksgiving- Roasted Turkey, Italian Stuffing(how ya Doin), Green Beans, Roll, Pan Gravy
8. Surf N Turf- Fillet Mignon(cooked outside on Grill), Baked Crab Cakes, Potato Puree, Roasted Asparagus, Bernaise

**STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES**

VALDEZ AIRPORT

ADA-72659

LEASE INDEX

ARTICLE I	Premises
ARTICLE II	Term
ARTICLE III	Uses and Rights
ARTICLE IV	Rents and Fees
ARTICLE V	Survey, Improvements and Performance Bond
ARTICLE VI	Ownership and Disposition of Improvements
ARTICLE VII	Maintenance, Utilities and Snow Removal
ARTICLE VIII	Operations
ARTICLE IX	Environmental Provisions
ARTICLE X	Laws, Taxes and Claims
ARTICLE XI	Indemnification and Insurance
ARTICLE XII	General Provisions
ARTICLE XIII	Assignment or Sublease
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ARTICLE XV	Holdover and Continued Occupancy
ARTICLE XVI	Fueling Operations and Fuel Storage
ARTICLE XVII	Definitions
ARTICLE XVIII	Exhibits

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

LAND LEASE

VALDEZ AIRPORT

ADA-72659

The State of Alaska, Department of Transportation and Public Facilities (DOT&PF) (Lessor), and Alaska Backcountry Guides, (Lessee), enter into this lease (Lease), including exhibit(s) and signature page(s), and agree as follows:

MAILING ADDRESS AND CONTACT INFORMATION

LESSOR

Alaska DOT/PF
Statewide Aviation Leasing, Northern Region
Mailing: 2301 Peger Road
Physical: 2301 Peger Road
Fairbanks, Alaska 99709-5399

Phone: [REDACTED]

Fax: [REDACTED]

Email: [REDACTED]

LESSEE

Alaska Backcountry Guides, LLC
Attn: Joseph Wolf
PO Box 1508
Valdez, AK 99686

Phone: [REDACTED]

Fax: [REDACTED]

Email: [REDACTED]

The Lessee will provide the Lessor with any change to the Lessee's mailing address, phone, fax or email contact within 30 days of the change.

ARTICLE I
Premises

A. The Lessor leases to the Lessee, and the Lessee leases from the Lessor, the following described property (Premises), located on the Valdez Airport (Airport), in Section 35, Township 8 south, Range 6 west, Copper River Meridian, within the Valdez Recording District, Third Judicial District, Alaska:

Lot 1, Block 200, consisting of approximately 39,731 square feet of land as shown on Pages 33 & 34 of this Lease.

B. Except as may be provided in this Lease, the Lessor makes no specific warranties, express or implied, concerning the title or condition of the Premises, including its survey, soils, wetlands, access, and suitability for any use including those authorized by this Lease, the application of any local, state, or federal laws or restrictions that may limit Lessee's intended use of the Premises, the Premises' environmental condition, the presence of artifacts or sites of archeological or historical significance, or the presence or absence of Hazardous Substance in, on, and under the surface. The Lessee takes the Premises on an "as is" basis and without warranty, subject to any and all of the covenants, terms, and conditions affecting the Lessor's title to the Premises.

ARTICLE II **TERM**

The term of this Lease is fifty five (55) years, beginning August 1, 2021 and ending August 1, 2076. All rights and liabilities under this Lease become effective on the first day of the term of this Lease. The Lessor reserves the right to reduce the term of this Lease upon written notice to Lessee pursuant to Article V (Survey, Improvements and Performance Bond).

ARTICLE III **USES AND RIGHTS**

A. AUTHORIZED USES

1. The Lessor authorizes the Lessee to use the Premises for the following uses only:

Construction and maintenance of an aircraft hangar; storage and maintenance of aircraft; storage of fuel and self-fueling of Lessee's aircraft, all in support of Lessee's commercial guide business.

B. RESERVED RIGHTS OF LESSOR

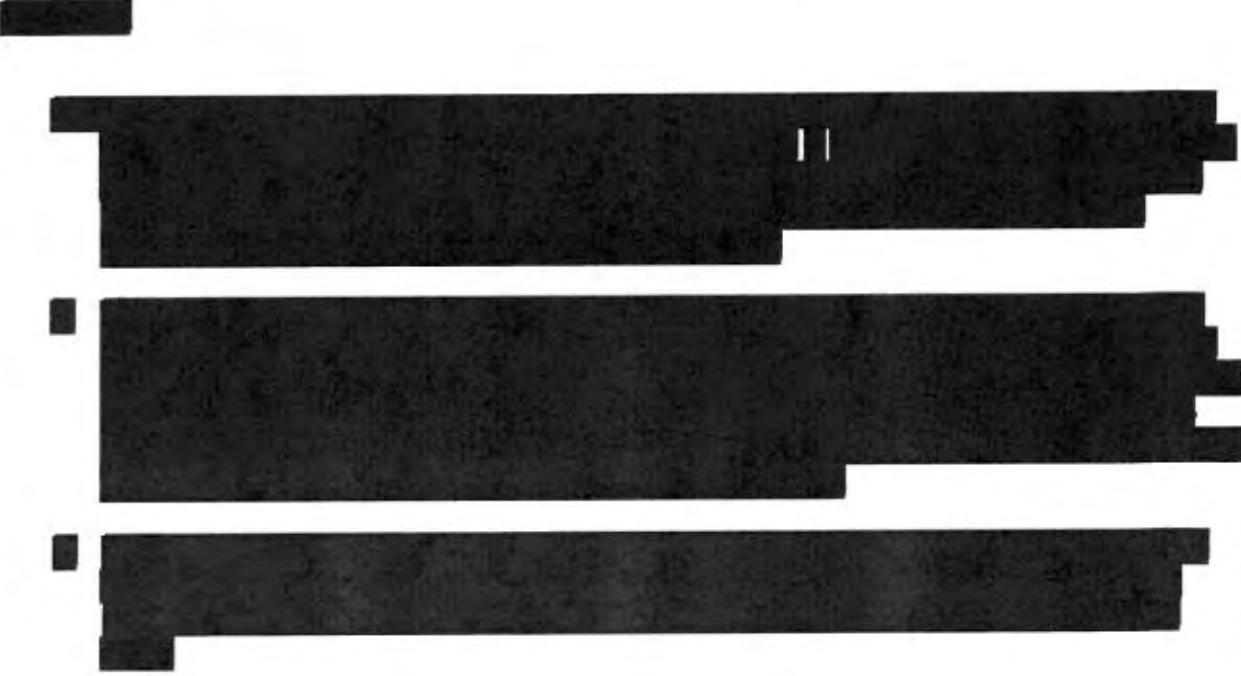
1. The Lessor reserves the right to grant to others privileges not specifically granted to the Lessee. The privileges granted to the Lessee in this Lease are the only privileges granted to the Lessee by this Lease.
2. The Lessor reserves the right to make grants to third parties or reserve to the Lessor easements or rights of way through, on, or above the Premises. The Lessor will not grant or reserve any easement or right of way that unreasonably interferes with the Lessee's authorized uses of the Premises.
3. The Lessor reserves the right of ingress to and egress from the Premises and the right to enter any part of the Premises, including buildings, for the purpose of inspection or environmental testing at any reasonable time. Except in the case of an emergency, all inspections and environmental testing will be coordinated with the Lessee and will not unreasonably interfere with the Lessee's authorized uses of the Premises.
4. There is hereby reserved to the Lessor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises. This public right of flight will include the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from, or operation on the Airport.

C. PROHIBITED USES

Unless specifically authorized by this Lease or by the Lessor in writing, the following uses of the Premises are prohibited:

1. Any use of the Premises other than those authorized in this Lease.
2. The establishment or maintenance of any kind of living quarters or residence on the Premises.
3. The outside storage on the Premises of junk, trash, solid waste, debris, salvage aircraft or vehicle parts, nonoperational support equipment, or unused or damaged equipment or material.
4. The disposal on the Airport of waste materials generated by the Lessee, including Hazardous Substance, slash, overburden and construction waste.
5. The stripping, wasting, or removing from the Premises of any soil, gravel, trees, or other state-owned material.
6. Erecting structures or allowing growth of natural objects that would constitute an obstruction to air navigation, or allowing any activity on the Premises that would interfere with or be a hazard to the flight of aircraft, or interfere with air navigation or communication facilities, serving the Airport.
7. Any activity that violates, or would cause the Lessor as owner and operator of the Airport to violate, local, state, or federal law.

ARTICLE IV
RENTS AND FEES



The text "ARTICLE IV" and "RENTS AND FEES" is centered above a large rectangular area of the document that has been completely redacted with black ink. Above this redacted area, there is a small black square mark. Below the redacted area, there is another small black square mark.

■ [REDACTED]

B. RENT OR RENTAL RATE ADJUSTMENT

1. During the first five years of the term of this Lease, the Lessor may not change the rent payable under this Lease. At any time after the end of the fifth year of the Lease term, the Lessor may, in its sole discretion, increase or decrease the rent, provided that the Lessor may not change the rents more than once in any 12-month period. Any change is effective 30 days after the date of the Lessor's notice of rent adjustment. If the Lessee believes that the changed rent exceeds the fair market rent for the Premises, the Lessee may protest to the Lessor according to 17 AAC 45.297.
2. The Lessee must pay the changed rent beginning on the effective date stated in the Lessor's rent adjustment notice and continue paying the adjusted rent throughout the protest process.
3. The Lessor has no obligation to appraise the Premises under any circumstances.

ARTICLE V
SURVEY, IMPROVEMENTS AND PERFORMANCE BOND

A. SURVEY

The Lessee agrees, at its sole expense, to cause the Premises to be surveyed by a Land Surveyor registered in the State of Alaska, and to place suitable permanent markers at the corners and at other appropriate locations such that others can readily identify the leased Premises. The Lessee further agrees to complete the survey and submit a plat of the survey to the Lessor by no later than August 1, 2022 or prior to the commencement of any construction or development on the Premises, whichever event occurs first. The plat and the survey must conform to the Lessor's survey plat requirements, which should be obtained from the Lessor before survey work starts. Lessor will review the submitted plat and either approve the plat or require additional information. If there is a significant difference between the approved survey plat and the lease lot description in this Lease, the Lessor and Lessee agree to supplement the Lease to conform to the approved survey plat and adjust the rent of the Premises accordingly.

B. IMPROVEMENTS

1. At no cost to the Lessor, Lessee agrees to complete site development and construction of Permanent Improvements including construction of a hangar, by no later than August 1, 2023, with an aggregate cost or investment of at least \$ [REDACTED], excluding financing costs. In addition to the as-built drawings required by this Lease, the Lessee must submit to the Lessor evidence that the Lessee has completed the land development and constructed improvements on the Premises with an aggregate cost or investment of not less than \$ [REDACTED]. The evidence of cost or investment must be submitted to the Lessor within ninety (90) days of the completion of the development and improvements, but by no later than November 1, 2023.

 - a. Costs considered toward the aggregate cost of investment include, but may not be limited to, design, labor, materials, shipping, permits, equipment, soil testing, and environmental assessments directly related to the construction; premises, boundary, and as-built surveys; site development, including excavation, geotextile fabric, filling, grading, fill material, gravel, and pavement, remediation of Contamination (unless Lessee caused or Materially Contributed To the Contamination); and utility infrastructure development or connection costs.
 - b. The cost or investment in Permanent Improvements excludes financing costs and work performed by the Lessor and not reimbursed by the Lessee, or work performed by the Lessee but reimbursed by the Lessor.
2. If the Lessee fails to complete construction within the time allowed under Paragraph 1 of this Section, including any extensions granted, the Lessor will execute the forfeiture of any performance bond, deposit, personal guarantee or other security posted by the Lessee as required under Section C of this Article and, as applicable, Lessor will
 - a. If one-third or less of the construction or remediation has been completed, initiate cancellation of the Lease;
 - b. If at least two-thirds of the construction or remediation has been completed, reduce the term of the Lease to a period that is consistent with the portion of the construction timely completed;
 - c. If more than one-third but less than two-thirds of the construction or remediation has been completed, take the action described in either (a) or (b) of this Paragraph.
3. The Lessee must first obtain the Lessor's written approval in the form of the Lessor's approved Airport building permit before beginning any land development, construction or demolition of any improvements on the Premises, or before beginning any alterations, modifications, or renovation of existing structures on the Premises. The Lessee must submit to the Lessor drawings of the proposed development, alteration, modification, or renovation in sufficient detail for the Lessor to understand and evaluate the project and its scope. Further, the Lessee will submit to Lessor evidence of the Lessee's compliance with the FAA Code of Federal Regulation (CFR) Title 14, Part 77 (14 CFR Part 77).

4. Approval of any construction, alteration, modification, or renovation will not be withheld unless the Lessee does not demonstrate adequate financial resources to complete the project, the project plans, specifications, and agency approvals are incomplete; the proposed project would result in a violation of applicable statute or regulation; the proposed project would interfere with or is incompatible with the safety, security, maintenance, or operation of the Airport; the proposed project is inconsistent with sound airport planning; the proposed project is inconsistent with the terms of the lease; the project plans do not make sufficient provision for drainage, aircraft, vehicle, and equipment parking, or for snow storage; or the proposed project does not conform with generally recognized engineering principles or applicable fire or building codes or the project must be denied under 17 AAC 45.010(g).
5. No new hangar, building or other permanent structure may be constructed or placed within twenty (20) feet of any boundary line of the Premises without Lessor's prior written approval. In addition, no building or other permanent structure may be constructed or placed on the apron side, taxiway side, landing strip side or runway side of the Building Restriction Line (BRL) (as shown on Exhibit A, Page 34 of this Lease).
6. All construction on the Premises must be neat, presentable, safe, and compatible with the use of the Premises as determined by the Lessor.
7. Prior to any demolition of any structure(s) on the Premises, Lessee will deliver to Lessor a scope of work that, at a minimum, lists the structure(s) that are to be demolished and the timeframe for demolition and removal of the debris from the Airport. Lessor will review Lessee's scope for demolition and issue Lessee written approval for the work to be done.
8. The Lessee is solely responsible for compliance with all local, state, and federal laws and requirements. The Lessor's approval of any construction, alteration, modification, renovation, or demolition shall not constitute a warranty by the Lessor that the Lessee has complied with all such laws or requirements.
9. If required, the Lessee agrees to erect or modify a security fence, according to standards approved by the Lessor around the sides of the Premises necessary to maintain the Airport security program. The fence may be tied to the Lessor's Airport security fence. The fence around the Premises must be constructed at the sole expense of the Lessee and must be maintained by the Lessee in an attractive condition and according to standards approved by the Lessor.
10. Within ninety (90) days after completion of construction or placement of improvements upon the Premises, the Lessee will deliver to the Lessor 1) photographs (digital format preferred) of all aboveground improvements and 2) a copy of an as-built drawing, acceptable to the Lessor, showing the location and dimensions of the improvements, giving distances to all Premises' boundaries. If the Lessee constructs underground improvements, the Lessee will appropriately mark the surface of the land with adequate surface markers. The type, quantity, and distance between such markers will be subject to written approval of the Lessor.

11. If Lessee's improvements are damaged or destroyed, Lessee will cause the Improvements to be repaired or rebuilt, and restored to normal function within two (2) years of the destruction or damage. Failure of the Lessee to rebuild or restore the improvements will be cause for Lessor to:
 - a. unilaterally reduce the term of the Lease so that the total term from the beginning of the Lease is consistent with the cost or value of the undamaged improvements remaining on the Premises, using the table in 17 AAC 45; or
 - b. grant an extension of time for the Lessee to complete the repair, reconstruction, or replacement of damaged or destroyed improvements on the Premises for good cause shown by the Lessee and upon a finding by Lessor that the action would be consistent with the best interest of the state.
12. If Lessee's improvements are damaged to the extent that more than 50% of the space is unusable and the damage occurs within five years of the expiration of the term of this Lease, Lessee may terminate this Lease by giving thirty (30) days written notice, after removing the damaged improvements and restoring the Premises to a clean and neat physical condition acceptable to the Lessor.

C. PERFORMANCE BOND

The Lessee may be required to submit a performance bond, deposit, personal guarantee, or other security if the Lessor determines that such security is necessary or prudent to ensure compliance with any provision of this Lease or completion of construction or remediation within the time period set under Section B of this Article or completion of any additional or subsequent construction or remediation. The Lessor will determine the form and amount of the security considering the compliance under the provision or nature and scope of the construction or remediation and the financial responsibility of the Lessee.

ARTICLE VI **OWNERSHIP AND DISPOSITION OF IMPROVEMENTS**

A. OWNERSHIP OF PERMANENT IMPROVEMENTS

Permanent Improvements on the Premises, excluding Site Development Materials, constructed, placed, or purchased by the Lessee remain the Lessee's property as long as this Lease remains in effect, including any period of extension or holdover with the consent of the Lessor.

B. DISPOSITION OF SITE DEVELOPMENT MATERIALS

1. The Lessee acknowledges that, once placed by the Lessee, the removal from the Premises of Site Development Materials can damage the Premises, adversely affect

surface water drainage patterns, and destabilize adjacent structures. When placed on the Premises by the Lessee, Site Development Materials, including building pads, parking areas, driveways, and similar structures:

- a. become a part of the realty and the property of the state;
- b. unless otherwise directed by the Lessor, must be maintained by the Lessee throughout the term of this Lease, including any extensions and periods of holdover; and
- c. may not be removed by the Lessee without the prior written approval of the Lessor.

C. DISPOSITION OF PERSONAL PROPERTY AND PERMANENT IMPROVEMENTS OTHER THAN SITE DEVELOPMENT MATERIALS

1. Unless the Lessor otherwise directs under Paragraph 5 of this Section, when this Lease expires, terminates, or is cancelled and is neither extended nor followed by a successive lease, the departing Lessee may do one or more of the following:
 - a. remove Lessee-owned Permanent Improvements from the Premises, remediate any Contamination for which the Lessee is responsible, and restore the Premises to a clean and neat physical condition acceptable to the Lessor within 60 days after the expiration, cancellation, or termination date of this Lease;
 - b. with written approval from the Lessor, sell Lessee-owned Permanent Improvements to the succeeding lessee, remove all personal property, remediate, any Contamination for which the Lessee is responsible under 17 AAC 45 and leave the Premises in a clean and neat physical condition acceptable to the Lessor within 60 days after notice from the Lessor that the Lessor has approved an application for a lease of the Premises by another person or such longer period specified in the notice, but in no event more than 180 days after the expiration, termination, or cancellation date of this Lease;
 - c. elect to have the Lessor sell Lessee-owned Permanent Improvements at public auction under Paragraphs 2 and 3 of this Section, remediate any Contamination for which the Lessee is responsible under 17 AAC 45, and restore the premises to a clean and neat physical condition acceptable to the Lessor. If the Lessor sells Permanent Improvements under this Paragraph for removal from the Premises, the departing Lessee's obligation under this Paragraph continues until the Premises are remediated and restored to a clean and neat physical condition acceptable to the Lessor after the improvements have been removed.
2. If the departing Lessee elects to have the Lessor sell Lessee-owned Permanent Improvements at public auction per this Section, the Lessee shall, within 30 days after the expiration, cancellation, or termination of this Lease:

- a. submit to the Lessor a written request and authorization to sell the Permanent Improvements by public auction;
 - b. provide to the Lessor an executed conveyance document transferring clear title to the Permanent Improvements to the successful bidder at the public auction, along with authorization to the Lessor, as agent for the Lessee for purposes of the sale only, to endorse the name of the successful bidder on the conveyance document upon receipt of payment of the successful bid price; and
 - c. before the date of the public auction, remove all personal property, remediate any Contamination for which the Lessee is responsible under 17 AAC 45 and leave the Premises in a neat and clean physical condition acceptable to the Lessor.
3. When selling Lessee-owned Permanent Improvements at public auction for the departing Lessee, the Lessor will establish the terms and conditions of the sale as provided under 17 AAC 45. The Lessor shall pay the Lessee any proceeds of the sale of the Permanent Improvements, less the administrative costs of the public auction and any financial obligation the Lessee owes to the Lessor under this Lease. Payment will be made within a reasonable time after the Lessor completes the sale transaction and receives the proceeds, but not to exceed 60 days. If all or a portion of the Permanent Improvements do not sell at public auction, the Lessee will remove those Permanent Improvements, remediate any Contamination for which the Lessee is responsible under 17 AAC 45 and restore the Premises to a clean and neat physical condition acceptable to the Lessor within 60 days after the auction.
4. If the Lessee shows good cause to the Lessor and if it is not inconsistent with the best interest of the state, the Lessor will grant an extension of time that is sufficient to allow the Lessee to remove or sell Lessee-owned Permanent Improvements, remediate any Contamination for which the Lessee is responsible and to restore the Premises to a clean and neat physical condition acceptable to the Lessor under this Section.
5. The Lessor will, by written notice, direct the departing Lessee to remove Lessee-owned Permanent Improvements from the Premises, to remediate, consistent with applicable law, any Contamination for which the Lessee is responsible under 17 AAC 45 and to restore the Premises to a clean and neat physical condition acceptable to the Lessor if the Lessor determines in writing:
 - a. that the continued presence of the Permanent Improvements on the Premises are not consistent with either
 - i. the applicable provisions of 17 AAC 45 and of any other statute or regulation, including any relating to noise or Airport land use; or
 - ii. any written Airport program or plan required for compliance with applicable federal or state law;
 - b. that the continued presence of the Permanent Improvements on the Premises is not in the best interest of the state; or

- c. that the Permanent Improvements present a hazard to public health or safety.
6. The departing Lessee to whom the Lessor has issued direction under Paragraph 5 of this Section shall comply with the Lessor's direction within 60 days after issuance of the direction and at no cost to the Lessor. If the departing Lessee shows good cause to the Lessor, continues to work diligently to comply with Lessor's direction, and if it is not inconsistent with the best interest of the state, the Lessor will allow in writing a longer period that is sufficient to allow the Lessee to comply with the Lessor's direction. A departing Lessee who fails to comply with a direction issued by the Lessor under Paragraph 5 of this Section, shall, within 30 days of being billed by the Lessor, reimburse the Lessor for any costs reasonably incurred by the Lessor, including legal fees and administrative costs, to enforce the Lessor's direction or to remove and dispose of unremoved Lessee-owned improvements, remediate any Contamination for which the Lessee is responsible under 17 AAC 45 and restore the Premises.
7. If the departing Lessee does not timely remove or sell the Lessee-owned Permanent Improvements on the Premises in accordance with the requirements of this Section, any remaining Permanent Improvements and any remaining personal property of the departing Lessee will be considered permanently abandoned. The Lessor may sell, lease, demolish, dispose of, remove, or retain the abandoned property for Airport use as the Lessor determines is in the best interest of the state. The departing Lessee shall, within 30 days after being billed by the Lessor, reimburse the Lessor for any costs reasonably incurred by the Lessor, including legal and administrative costs, to demolish, remove, dispose, clear title to, or sell the abandoned property and to remediate and restore the Premises.
8. After the expiration, termination, or cancellation of the Lease, including any holdover under 17 AAC 45, the departing Lessee loses all right to occupy or use the premises without the express or implied consent of the Lessor. Except as the Lessor notifies the departing Lessee otherwise in writing, the Lessor consents to the departing Lessee's continued use and occupancy of the Premises to diligently accomplish the requirements of this Section. Until the departing Lessee relinquishes possession of and completely vacates the Premises under Paragraph 9 of this Section and notifies the Lessor in writing that it has relinquished and vacated the Premises, the departing Lessee shall perform the following as if the lease were still in effect:
 - a. pay rent to the Lessor;
 - b. maintain the premises;
 - c. provide the Lessor with evidence of each insurance coverage, if any, required under the Lease; and
 - d. cease using the premises other than to diligently accomplish the requirements of this Section, and to comply with the other requirements of the Lease.
9. A departing Lessee will not be considered to have relinquished possession and completely vacated the Premises until

- a. the departing Lessee has
 - i. remediated, consistent with applicable law, any Contamination for which the Lessee is responsible under this Lease; and
 - ii. restored the Premises to a clean and neat physical condition acceptable to the Lessor; and
- b. either
 - i. removed all of the Lessee's Permanent Improvements and personal property from the premises or sold the Permanent Improvements and personal property to a succeeding Lessee under the provisions of this Lease; or
 - ii. transferred title to the Lessee's Permanent Improvements and personal property that remain on the premises to the Lessor.

ARTICLE VII **MAINTENANCE, UTILITIES AND SNOW REMOVAL**

A. MAINTENANCE

1. Lessee will keep the Premises and all improvements on the Premises neat and presentable.
2. All structures on the Premises must be painted, finished, or covered with a permanent exterior surface and be maintained in good condition by the Lessee.
3. At no cost to the Lessor, the Lessee will provide for all maintenance and services at the Premises necessary to facilitate the Lessee's use of the Premises.
4. The Lessee further agrees to comply with all reasonable decisions and directions of the Lessor's Airport management personnel regarding maintenance and general use of the Airport by the Lessee.

B. UTILITIES

At no cost to the Lessor, the Lessee will provide for and maintain all utilities at the Premises necessary to facilitate the Lessee's use at the Premises except that installation of a drinking water well on the premises is prohibited where local water utility service is available.

C. SNOW REMOVAL

1. At no cost to the Lessor, the Lessee will be responsible for plowing, removing and disposing of snow from the Premises to a Lessor-approved location, or providing

suitable storage within the boundaries of the Premises in accordance with all applicable federal and state laws.

2. Lessee agrees to coordinate its snow removal activities on the Airport with the Lessor's Airport personnel.
3. Lessee agrees not to allow an accumulation of snow on the Premises that would
 - a. cause interference with adjoining leaseholders or other users of the Airport;
 - b. damage Airport fencing; or
 - c. not comply with security or safety operations under Article VIII (Operations) of this Lease.

ARTICLE VIII **OPERATIONS**

A. SECURITY AND CERTIFICATION

1. The Lessee will coordinate any Airport security matter with the Lessor. If the Airport is operated under 49 CFR Part 1542 (Airport Security) and 14 CFR Part 139 (Airport Certification), the Lessee will comply with all applicable requirements of the Lessor's Airport Security Program, Airport Certification Manual, and Airport Emergency Plan. Upon written notice from Lessor, Lessee will, at its sole expense, promptly correct any violation or omission under the Airport Security Program or Airport Certification Manual within the time specified in the notice.
2. If the Transportation Security Administration (TSA), the Federal Aviation Administration (FAA) or any other federal, state or local government agency fines or otherwise imposes a monetary penalty on the Lessor or requires the Lessor to remediate or mitigate any condition for a violation of a statute, ordinance, or regulation, and if the violation is caused by or based on, all or in part, an act or omission by the Lessee or someone acting on the Lessee's behalf, the Lessee will reimburse the Lessor for the amount of the fine or penalty, the Lessor's costs incurred to remediate or mitigate the condition, and any legal or other associated costs incurred by the Lessor in responding to the violation. The Lessee will reimburse the Lessor for fines, penalties or costs, paid within 30 days after receipt of written notice from the Lessor.

B. AIRPORT OPERATIONS

1. The Lessee shall comply with 17 AAC 45 and other applicable laws and orders that the Lessor or the Airport manager issues under AS 02.15.020(a) or under any other state or federal law; and instructions, requirements, and restrictions that the Lessor or the Airport manager has posted or indicated by sign, signal, or other control device, unless otherwise directed by an authorized person directing aircraft, vehicle, or pedestrian

traffic. The Lessee shall not hinder or obstruct another person, a vehicle, or an aircraft from lawful use of Airport property.

2. The Lessee is required to coordinate the Lessee's activities on the Airport with the Lessor and to abide by the Lessor's decisions and directives regarding snow removal, maintenance, and general use of the Airport by the Lessee, the Lessee's personnel, employees, and any person acting on behalf of or under the authority of the Lessee, and by the Lessee's sublessees, contractors, and guests, including customers and vendors.
3. The Lessee is required to comply with all applicable requirements imposed on the Airport or the Lessor by federal law to ensure that the Airport's or Lessor's eligibility for federal money or for participation in a federal aviation program is not jeopardized.

C. LESSEE'S CONTROL AND RESPONSIBILITY

1. The Lessee is required to assume full control and sole responsibility as between the Lessee and the Lessor for the activities of the Lessee, the Lessee's personnel, employees, and persons acting on behalf of or under the authority of the Lessee, anywhere on the Airport and for the activities of the Lessee's sublessees, contractors, and guests, including customers and vendors, on the Premises.
2. The Lessee is required to perform all operations authorized by the Lease in a manner that ensures the safety of people and the Airport, the protection of public health and the environment, and the safety and integrity of the Premises.
3. The Lessee is required to immediately notify the Lessor of any condition, problem, malfunction, or other occurrence that threatens the safety of the Airport, the safety of persons using the Airport, the public health or the environment, or the safety or integrity of the Premises.

D. RADIO INTERFERENCE

The Lessee will discontinue the use of any machine or device that interferes with any government operated transmitter, receiver, or navigation aid until the cause of the interference is eliminated.

E. WILDLIFE

The Lessee acknowledges that a concentration of birds or other wildlife on an airport constitutes a significant hazard to aircraft operations. The Lessee agrees to keep the Premises clean of fish slime, fish waste, or any other material or item that might attract birds or other wildlife. The Lessee accepts full responsibility to take all prudent measures to prevent attracting birds or other wildlife.

F. PARKING

The Lessee is required to provide vehicle, equipment, and aircraft parking space, snow storage, and drainage on the premises adequate for the Lessee's activities on the premises or confine parking to such other places on the Airport as designated in writing by the Lessor.

ARTICLE IX ENVIRONMENTAL PROVISIONS

A. HAZARDOUS SUBSTANCES

- 1. Lessee will provide notification to the Lessor of any Hazardous Substance stored, dispensed or handled on the Premises.**
- 2. If Hazardous Substances are stored, dispensed or handled on the Premises, the Lessee agrees to have properly trained personnel and adequate procedures for safely storing, dispensing, and otherwise handling Hazardous Substances in accordance with all applicable federal, state, and local laws.**
- 3. Lessee will promptly give the Lessor notice of proceedings to abate or discussions with federal or state regulatory agencies relating to the presence or release of a Hazardous Substance on the Premises or from the Lessee's operations on the Airport. The Lessee will allow the Lessor to participate in such proceedings or discussions.**
- 4. If Lessee provides annual reporting to the Environmental Protection Agency (EPA) as a Small or Large Quantity Hazardous Waste Generator, or if a Notification of Regulated Waste Activities form is submitted to EPA, Lessee shall provide Lessor with a copy of the EPA submission.**

B. ENVIRONMENTAL LIABILITY BASELINE

- 1. The Lessee has the sole responsibility under this Lease to ascertain the environmental condition and presence of Hazardous Substance existing in, on, and under the surface of the Premises, and is conclusively presumed to have caused or Materially Contributed To any Contamination of or originating on the Premises except as identified in an Environmental Liability Baseline accepted by the Lessor.**
- 2. The Lessee assumes financial responsibility to the Lessor for any Contamination in, on, and under the Premises and any Airport property affected by a release of a Hazardous Substance from the Lessee's operations (Affected Property), except for Contamination that is identified in an Environmental Liability Baseline. This is without prejudice to the Lessee's right to seek contribution or indemnity from either prior lessees of the Premises and Affected Property, or other potentially responsible parties except for the Lessor.**
- 3. The procedures for establishing an Environmental Liability Baseline shall be as follows:**

- a. If the Lessee wants to establish an Environmental Liability Baseline for all or any portion of the Premises, the Lessee shall provide the Lessor with an Environmental Assessment for that portion of the Premises. The Environmental Assessment shall be performed according to standard industry procedures.
- b. If the Lessee discovers Contamination in, on, or under the surface of the Premises, for any portion of the Contamination to be considered for inclusion in the Environmental Liability Baseline, the Lessee must demonstrate by clear and convincing evidence to the satisfaction of the Lessor that the Contamination proposed for inclusion was not caused or Materially Contributed To by the Lessee or the Lessee's operations or activities nor assumed by the Lessee by reason of assignment. In light of the Lessee's responsibility under Article VIII (Operations), Section C (Lessee's Control and Responsibility) of this Lease for the acts of its sublessees, contractors, and guests on the Premises, Contamination caused or Materially Contributed To by activities of the Lessee's sublessees, contractors, and guests on the Premises are deemed to be Materially Contributed To by the Lessee.
- c. Only that portion of Contamination not caused or Materially Contributed to by the Lessee or the Lessee's operations or activities, nor assumed by the Lessee by reason of assignment, shall be included in the Environmental Liability Baseline.

4. The procedures for adding to an existing Environmental Liability Baseline shall be as follows:
 - a. If, after an Environmental Liability Baseline is established for any portion of the Premises, Lessee discovers Contamination in, on, or under the surface of that portion of the Premises having an Environmental Liability Baseline, which Contamination Lessee or Lessee's operations or activities did not cause or Materially Contribute To, and which Lessee did not assume by reason of assignment, Lessee may, at its own cost, submit an additional Environmental Assessment reflecting that information to Lessor for Lessor's consideration to add to the Environmental Liability Baseline. Lessee's additional Environmental Assessment must demonstrate by clear and convincing evidence to the satisfaction of Lessor which portion of the additional Contamination on the Premises was not caused or Materially Contributed To by Lessee or Lessee's operations or activities nor assumed by Lessee by reason of assignment.
 - b. Only that portion of Contamination not caused or Materially Contributed To by Lessee or Lessee's operations or activities, nor assumed by Lessee by reason of assignment, may be added to the existing Environmental Liability Baseline.
5. When the Lessor receives the Lessee's Environmental Assessment to establish the Environmental Liability Baseline, the Lessor, in its sole discretion, will do one of the following:
 - a. Accept the findings of the Lessee's Environmental Assessment as the Environmental Liability Baseline for that portion of the Premises being assessed.

- b. Reject the findings of the Lessee's Environmental Assessment for that portion of the Premises being assessed and offer the Lessee the opportunity to perform additional environmental testing if the Lessor determines in writing that the findings of the Environmental Assessment are inadequate to develop an Environmental Liability Baseline. The Lessor's written rejection of the Lessee's submittal(s) will be based on failure of the Lessee's Environmental Assessment to either:
 - i. follow rules and regulations for site assessment in determining the environmental condition of the Premises and the presence of Contamination in, on, or under the surface of the Premises; or
 - ii. demonstrate the portion of the Contamination that was not caused or Materially Contributed To by the Lessee or the Lessee's operations or activities, nor assumed by the Lessee by reason of assignment.
 - c. Perform additional environmental testing at the Lessor's expense to verify the environmental condition of that portion of the Premises being assessed. If the results of the Lessor's tests conflict with the Lessee's Environmental Assessment, the Lessor and the Lessee will negotiate in good faith an Environmental Liability Baseline for that portion of the Premises being assessed. To the extent the Lessor and Lessee are unable to agree, the Lessor's testing shall control in establishing the Environmental Liability Baseline.
6. If, after the Environmental Liability Baseline for any portion of the Premises is established, it is discovered that the presence of a Hazardous Substance identified in the Environmental Liability Baseline was caused or Materially Contributed To by the Lessee or its operations, or assumed by the Lessee by reason of assignment, the Environmental Liability Baseline shall be amended to delete that portion of the Contamination. The Lessor will have the burden of proof in establishing that the Lessee caused or Materially Contributed To this Contamination or that the Contamination was assumed by the Lessee by reason of assignment.

C. ENVIRONMENTAL INDEMNIFICATION

If Contamination of the Premises or other properties by a Hazardous Substance occurs from the Lessee's operations on the Premises that is not in Lessee's Environmental Baseline, the Lessee will indemnify, defend, and hold the Lessor harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses, including, but not limited to, sums paid in settlement of claims, attorney's fees, consultant fees, and expert fees, which arise during or after the term of this Lease as a result of such Contamination. This indemnification of the Lessor by the Lessee includes, but is not limited to, costs incurred in connection with any investigation of site conditions or any cleanup, remediation, removal, or restorative work required by any federal, state, or local governmental agency because of a Hazardous Substance being present in the soil or groundwater on or under the Premises or other properties affected by the Contamination.

D. REMEDIATION

1. In the event of a Hazardous Substance spill on the Premises, the Lessee will immediately notify the Lessor and the Alaska Department of Environmental Conservation and act promptly, at its sole expense, to contain the spill, repair any damage, absorb and clean up the spill area, and restore the Premises to a condition satisfactory to the Lessor and otherwise comply with the applicable portions of Title 17 and Title 18 of the Alaska Administrative Code.
2. In addition to any notices required by this Lease, the Lessee will immediately notify and copy the Lessor in writing of any of the following:
 - a. any permit, enforcement, clean up, lien, removal or other governmental or regulatory action instituted, completed, or threatened pursuant to any Environmental Law;
 - b. any claim made or threatened by any person against the Lessee or arising from the Lessee's operations authorized by this Lease, relating to damage, contribution, compensation, loss or injury resulting from, or claimed to result from, any Hazardous Substances in, on, or under the Airport; or
 - c. any report made to any environmental agency arising out of or in connection with any Hazardous Substances in, on, or removed from the Premises, including any complaints, notices, warnings or asserted violation.
3. The Lessor is under no obligation to remediate Contamination identified in an Environmental Assessment, except the Lessor agrees to remediate, or have responsible parties remediate, the Contamination identified in the Environmental Liability Baseline if the Lessee or Lessor is required to remediate by an agency with such authority. In the event of such required remediation, the Lessor will make a reasonable effort to coordinate the remediation with the Lessee to minimize disruption of the Lessee's operations and damage to the Lessee's improvements and property. The Lessee releases and holds the Lessor harmless for all costs associated with damage to, relocation and removal of, loss of use of, and the repair of Lessee's improvements and property that results from this remediation.
4. Remediation and restoration of the affected area must meet all applicable state and federal laws and regulations and must meet the requirements of all governing regulatory authorities.

E. ACTION AGAINST POTENTIALLY RESPONSIBLE PARTIES

Nothing contained in this Lease shall restrict either the Lessor or the Lessee from seeking and obtaining cleanup efforts, costs, or damages from other potentially responsible parties for Contamination identified in the Environmental Liability Baseline.

F. ENVIRONMENTAL AUDIT

Lessee will provide Lessor all investigative data, test results, or reports as part of or in relation to any Environmental Assessment, characterization or audit which Lessee performs or causes to be performed after the starting date of this Lease. The Lessee will submit the data, result, or report to the Lessor within 60 days following the date on which it becomes available to the Lessee.

G. RELEASE OF LESSEE

The Lessor releases the Lessee from liability to the Lessor for Contamination and the presence of Hazardous Substances identified by the Environmental Liability Baseline that was not caused or Materially Contributed To by the Lessee nor assumed by the Lessee by reason of assignment.

H. SURVIVAL OF OBLIGATIONS - LESSOR

The Lessor's release of the Lessee and the Lessor's covenant to remediate as discussed in this Article will survive the cancellation, termination or expiration of this Lease.

I. LESSOR'S RIGHT TO PERFORM ENVIRONMENTAL ASSESSMENT

Upon the cancellation, termination, or expiration of this Lease, or any time the Lessor has cause to believe the Premises may have been contaminated, or that Contamination of other property on the Airport may have originated on the Premises, the Lessor may perform an Environmental Assessment on the Premises or on potentially Affected Property to establish the presence and source of any Contamination and describe the environmental condition of the Premises or potentially Affected Property. If the Lessor performs such assessment before cancellation, termination, or expiration of this Lease, the Lessor shall minimize interference with the Lessee's operations while performing the assessment. The Lessor will assume the cost of the assessment if Contamination is not found on the Premises and no Contamination that originated on the Premises or caused by the Lessee or the Lessee's operations or activities is found on potentially Affected Property. If such Contamination is found on either the Premises or potentially Affected Property, the Lessee shall pay the costs of assessment and cleanup of any Contamination not included in an Environmental Liability Baseline.

ARTICLE X
LAWS, TAXES AND CLAIMS

A. COMPLIANCE WITH LAW

1. This Lease is issued subject to all applicable requirements of state statutes and regulations in effect during the term of this Lease, including those related to the leasing of lands and facilities and the granting of privileges at state airports. All references to regulations contained in this Lease shall be construed to incorporate any amendments to those regulations. In the event any regulation referred to in this Lease shall be repealed,

the reference shall be construed to incorporate any contemporaneously or subsequently adopted regulation addressing the same or similar subject matter.

2. The Lessee will comply with all applicable requirements imposed on the Airport or the Lessor by federal law to ensure that the Lessor's eligibility for federal money or for participation in a federal aviation program by the Airport or the Lessor is not jeopardized and with all orders issued by the Lessor.
3. At no expense to the Lessor, the Lessee will obtain all necessary licenses and permits, pay all taxes and special assessments lawfully imposed upon the Premises, and pay other fees and charges assessed under applicable law. Nothing in this Lease prevents the Lessee from challenging any taxes or special assessments to the appropriate authority under applicable procedures.
4. The laws of the State of Alaska will govern in any dispute between the Lessee and Lessor. If a dispute continues after exhaustion of administration remedies, any lawsuit must be brought in the courts of the State of Alaska, in Fairbanks within the Fourth Judicial District.

B. CLAIMS

The Lessee will promptly notify the Lessor of any claim, demand, or lawsuit arising out of the Lessee's occupation or use of the Airport or the Premises. Upon the Lessor's request, the Lessee will cooperate and assist in the investigation and litigation of any claim, demand, or lawsuit affecting the Airport or the Premises.

ARTICLE XI **INDEMNIFICATION AND INSURANCE**

A. INDEMNIFICATION

1. The Lessee will indemnify, save harmless, and defend the Lessor, its officers, agents, and employees from and against any and all liabilities, losses, suits, administrative actions, claims, awards, judgments, fines, demands, damages, injunctive relief or penalties (specifically including civil penalties assessed by the FAA, TSA or any other federal agency) of any nature or kind to the full extent of the loss or obligation for property damage, personal injury, death, violation of any regulation or grant agreement, or any other injury or harm, including sums paid in settlement of claims, attorney fees, consultant fees, expert fees, or any other costs and expenses, directly or indirectly arising from, connected to or on account of this Lease as it relates to the Lessee, the Lessee's activities at or relating to the Airport, or any act or omission by the Lessee, or by any of its officers, employees, agents, contractors or sublessees.
2. The Lessee shall give the Lessor prompt notice of any suit, claim, action or other matter affecting the Lessor to which Paragraph 1 of this Section may apply, together with a copy of any letter by an attorney on behalf of a complainant, any complaint filed in court, and any notice or complaint by any regulatory agency. The Lessee shall also use

counsel acceptable to the Lessor and the Alaska Department of Law in carrying out its defense obligations under this Paragraph, and the Lessor shall also have the right, at its option, to participate cooperatively in the defense of and settlement negotiations regarding any such matter, without relieving the Lessee of any of its obligations under this provision. These indemnity obligations are in addition to, and not limited by, the Lessee's obligation to provide insurance, and shall survive the expiration or earlier termination of this Lease.

3. Paragraph 1 notwithstanding, the Lessee shall not be obligated to indemnify the Lessor for liability for personal injury or property damage legally caused by the Lessor's own negligence, recklessness or intentional misconduct.

B. INSURANCE

The Lessee is not required to provide insurance coverage at the commencement of this Lease. However, if the Lessor determines the activity, construction, or operation of the Lessee under this Lease will expose the State of Alaska to a liability risk greater than the risk typically posed by the activity, construction, or operation of lessees that are not required to obtain insurance, the Lessor may require the Lessee to provide proof of insurance coverage in amounts determined by the Lessor.

ARTICLE XII **GENERAL PROVISIONS**

A. LIENS

The Lessee will keep the Premises and improvements placed on the Premises free of all liens for any obligations incurred by Lessee. The Lessee will pay all costs for labor and materials arising out of any construction or improvements by the Lessee on the Premises, and hold the Lessor harmless from liability for any liens, including costs and attorney fees. The Lessor does not recognize that it is in any way liable for any liens on the Premises or improvements placed on the Premises. This restriction does not prohibit the assignment of interest for security purposes if the Lessor approves the assignment in writing.

B. CONDEMNATION AND RELOCATION

If all or any part of the Premises is condemned by any authority or person vested with the power of Eminent Domain, including Lessor, the term of this Lease will end on the date the Lessee is required to surrender possession of the Premises under 17 AAC 45. The Lessor shall be entitled to all compensation from the condemning authority for the taking of the Premises. Nothing within this Lease will diminish Lessee's rights, if any, to receive compensation for improvements or personal property belonging to the Lessee and located on the Premises under applicable relocation laws.

C. NOTICES

All notices by either party required or permitted under this Lease shall be in writing sent by first class or higher priority mail, electronic transmission, or hand delivery, to the contact

details set out on Page 1 of this Lease or any other contact details that the parties subsequently designate in writing. Unless otherwise agreed to in writing, the parties will also supply to the other party, as promptly as possible, and in any event, within 15 days after the involved party first receives or sends the same, copies of all claims, reports, complaints, notices, liens or warnings, or asserted violations relating in any way to the Premises or the Lessee's use of the Airport.

D. MODIFICATION

Upon written notification to Lessee, the Lessor may modify this Lease to meet the revised requirements of federal or state grants or to conform to the requirements of any revenue bond covenant to which the Lessor is a party; provided that a modification may not cause the Lessee financial loss, or reduce the rights or privileges granted to the Lessee by this Lease, except that any such modification may substitute rights or privileges that are substantially similar or of comparable value.

E. VALIDITY OF PARTS

If any provision of this Lease is declared to be invalid by a court of competent jurisdiction, the remaining provisions will continue in full force.

F. INTERRELATIONSHIP OF PROVISIONS

All provisions of this Lease including exhibits, supplements, and addenda are essential parts of this Lease and are intended to be cooperative, provide for the use of the Premises, and describe the respective rights and obligations of the Lessor and Lessee. In case of a discrepancy, written dimensions govern over scaled dimensions unless obviously incorrect.

G. INTEGRATION AND MERGER

This Lease sets out all the terms, conditions, and agreements of the parties and supersedes any previous understandings or agreements regarding the Premises whether oral or written. No modification or amendment of this Lease is effective unless in writing and signed by both the parties.

H. EXECUTION BY THE PARTIES

This Lease is of no effect until the Lessee or a duly authorized representative of Lessee and the Commissioner of the Department of Transportation and Public Facilities or the Commissioner's designated representative has signed it.

I. CAPTIONS

The captions of the provisions of this Lease are for convenience only and do not define, limit, describe, or construe the contents of any provision.

J. ADDITIONAL INFORMATION

The Lessor may, from time to time, require the Lessee to provide such documentation as the Lessor may reasonably require establishing the Lessee's continuing qualification for this Lease.

K. RIGHTS OF CONSTRUCTION

This Lease is intended to make public property available for private use, while at all times protecting the public interest to the greatest extent possible. Following the rule that transfers of interest in public property are to be strictly construed in favor of the Lessor, all rights granted to the Lessee under this Lease will be strictly construed, and all rights of the Lessor and protections of the public interest will be liberally construed.

L. LESSEE ACKNOWLEDGEMENT

The Lessee acknowledges that the Lessee has read this Lease and fully understands its terms, that the Lessee has been fully advised or has had the opportunity of advice by separate legal counsel, and voluntarily executes this Lease. Lessee also acknowledges and agrees that the rule of interpretation under which a document is construed against the drafter will not apply to this Lease.

M. APPROVAL BY LESSOR

Any approval required of the Lessor by this Lease will not be unreasonably withheld. The Lessor's approval does not waive the Lessee's legal responsibility or liability to comply with all applicable federal and state laws and regulations.

N. DISCRIMINATION

The Lessee will not discriminate on the grounds of race, color, religion, national origin, ancestry, age, or sex against any patron, employee, applicant for employment, or other person or group of persons in any manner prohibited by federal or state law. The Lessee recognizes the right of the Lessor to take any action necessary to enforce this provision, including actions required pursuant to any federal or state law.

O. AFFIRMATIVE ACTION

If required by 14 CFR Part 152, subpart E, the Lessee will undertake an affirmative action program to insure that no person will be excluded from participating in any employment activities offered by the Lessee on the grounds of race, creed, color, national origin, or sex. No person may be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by subpart E. The Lessee further agrees that it will require its suborganization(s) provide assurance to the Lessor to the same effect that they will also undertake affirmative action programs and require assurances from their suborganization(s) as required by 14 CFR, Part 152, subpart E.

P. QUIET ENJOYMENT & RIGHT OF INSPECTION

The Lessee is entitled to quiet enjoyment of the Premises subject to the terms of this agreement and the Lessor's right of ingress to and egress from the Premises, including buildings, and the right to enter any part of the Premises for the purpose of inspection at any reasonable time, subject only to the Lessor's best efforts, except in the case of an emergency, to coordinate its inspection with the Lessee to minimize interference with the Lessee's activities on the Premises.

**ARTICLE XIII
ASSIGNMENT OR SUBLICENSE**

All provisions in this Lease extend to and bind the legal representatives, successors, and assigns of the parties. The Lessor's consent to one assignment, sublease, assignment of sublease or security interest will not waive the requirement of obtaining the Lessor's consent to any subsequent assignment or sublease. In the event of a conflict between this Lease and an assignment or a sublease, the terms of this Lease govern; a provision stating this priority must be included in each assignment or sublease, but is implied in all assignments whether stated or not.

A. ASSIGNMENT

1. Lessee shall obtain and follow Lessor's written assignment guidance and the requirements in 17 AAC 45.260, as amended.
2. The Lessee may not assign all or a portion of this Lease, including improvements, without the prior written consent of the Lessor. An assignment made contrary to the requirements of this Section is void.
3. A request for consent to an assignment must be submitted to the department in writing.
4. Any proposed assignment must be submitted to the Lessor for approval in three (3) copies, each bearing the original notarized signature of all parties.
5. An assignment must include a provision stating that the assignee accepts responsibility for all of the assignor's obligations under this Lease, including environmental liability and responsibility.
6. An assignee may not occupy the Premises before the Lessor consents to the assignment in writing.
7. Any single or cumulative transfer of more than 50 percent interest in a joint venture, partnership, limited liability company, corporation, or other dual or multi-party entity which is a Lessee under this Lease is an assignment of an interest subject to written approval by the Lessor.

B. ASSIGNMENT FOR SECURITY PURPOSES

1. The Lessee may not assign for security purposes all or a portion of or any interest in this Lease, including improvements, without the prior written consent of the Lessor. An assignment for security purposes made contrary to the requirements of this Section is void.
2. Lessee shall obtain and follow Lessor's written security assignment guidance and the requirements in 17 AAC 45.265, as amended.
3. A request for consent to an assignment for security purposes must be submitted in writing to the Lessor for approval.
4. A security assignment document must include provisions stating that:
 - a. If the security assignee takes possession or control of the Lease, either directly or through a sub-tenant, by foreclosure or otherwise, under the security assignment,
 - i. The security assignee accepts responsibility for all of the Lessee's obligations under the Lease, including environmental liability and responsibility, commencing as of the date the security assignee succeeds to the Lessee's interest under the Lease, and
 - ii. Except as provided in Paragraph 4c below, those obligations terminate as to the security assignee upon further transfer of the Lease by the security assignee;
 - b. The security assignee has an affirmative duty to notify the state in writing upon the reconveyance or release of the security interest; and
 - c. Unless the security assignee "participates in management" of the Lessee (as defined in 42 U.S.C. 9601(20)(F)), the security assignee does not have environmental liability or responsibility for the period pre-dating the time when it took possession or control of the Leasehold. The security assignee does not have environmental liability or responsibility following a subsequent transfer of its entire interest in the Lease unless, by its direct actions, negligence, or failure to use due care, the security assignee
 - i. caused or contributed to a violation of any of the Lease terms relating to environmental law or hazardous substances;
 - ii. violated 17 AAC 45.045 or 17 AAC 45.050; or
 - iii. caused or contributed to actual financial damages to the Lessor due to the security assignee's breach of any environmental law.
5. Exercise by a security assignee of a power of sale or further assignment under a security assignment is subject to the consent of the Lessor with respect to any purchaser or assignee and shall be conditioned upon the purchaser or assignee accepting

responsibility for all of the lessee's obligations under this Lease, including environmental liability and responsibility.

C. SUBLEASE

1. Each provision of this Section applies to a sublease of all or a portion of the Premises, as well as to a further sublease of a sublease. A sublease made contrary to the requirements of this Section is void.
2. The Lessee may not sublease all or a portion of the Premises without the prior written consent of the Lessor. The consent of the Lessor under this Section is required for each sublease of all or any portion of the Premises.
3. Lessee shall obtain and follow Lessor's written sublease consent guidance and the requirements in 17 AAC 45.270, as amended.
4. A sublease must include a provision that it is subject to all of the terms and conditions of this Lease governing the property being subleased. The Lessor reserves the right and authority to enforce the obligations of Article IV (Rents and Fees) of this Lease with respect to the sublessee's operations against either the sublessee directly, or against the Lessee.
5. A sublessee may not occupy the Premises before the Lessor consents to the sublease in writing.
6. A sublease may not and does not relieve the Lessee of responsibility for providing the Lessor with evidence of any required insurance (if applicable) that meets the requirements of this Lease, including coverage of the sublessee's operations on the Premises.
7. Consent to a sublease by the Lessor does not relieve or otherwise alter the obligations of the Lessee under this Lease.
8. A sublessee may not assign all or a portion of a sublease, including improvements, without the prior written consent of the Lessor and the Lessee under Section A of this Article. An assignment made contrary to the requirements of Section A of this Article is void.

ARTICLE XIV
DEFAULT BY LESSEE

A. EVENTS OF DEFAULT

The occurrence of any of the following events shall constitute a default by Lessee under the terms of this Lease:

1. Lessee fails to pay when due the rents, charges, or fees specified in this Lease, including any increases made under this Lease.

2. Lessee's checks for payment of rents, charges, or fees are returned for insufficient funds; or if Lessee's credit or debit card is not accepted by the issuing financial institution.
3. Lessee uses or authorizes the use of the Premises for any purpose not authorized by this Lease.
4. Lessee fails to fully perform and comply with any provision in this Lease.
5. A court enters a judgment of insolvency against Lessee.
6. A trustee or receiver is appointed for Lessee's assets in a proceeding brought by or against Lessee.
7. Failure by Lessee to comply with any of the terms of this Lease, including, but not limited to the land development and Permanent Improvement requirements under Article V (Survey, Improvements and Performance Bond), Section B (Improvements).

B. REMEDIES

In addition to any other remedy allowed by law, if any default by Lessee is not cured within 30 days of Lessee's receipt of written notice from Lessor, Lessor shall be entitled to pursue any or all of the following remedies:

1. Terminate this lease, in which case Lessee shall immediately vacate the Premises;
2. Without further notice to Lessee and without prejudice to any other remedies Lessor may have, enter and take possession of the Premises;
3. Commence legal proceedings to evict Lessee from the Premises; and
4. Recover from Lessee, by any legal means, all amounts owed by Lessee to Lessor under the terms of this Lease, with interest thereon at the rate provided for in AS 45.45.010(a).

C. COSTS AND ATTORNEY'S FEES

Lessee will pay all reasonable actual expenses, costs, and attorney's fees Lessor may incur, with or without formal action, to enforce, defend, or protect this Lease or Lessor's rights under this Lease, including any expense incurred with respect to environmental compliance, bankruptcy or any proceeding that involves Lessee, the Lease, the Premises, improvements or personal property on the Premises. Lessee will make payment within 30 days of the date of each notice from Lessor of any amounts payable under this provision.

D. REASONABLE CURE

1. In the case of a default that cannot be reasonably cured within 30 days, a notice of default issued by Lessor to Lessee under this Article is stayed if, within the 30-day notice period, Lessee begins and continues expeditious action to cure the violation. Lessor will

determine if a violation cannot be reasonably cured within 30 days and what constitutes expeditious action.

2. In the case where, in Lessor's sole determination, Lessee's default is considered an imminent threat to the Airport, public health or safety, or the environment, Lessor will direct Lessee to stop the activity immediately and may reduce the period to cure the default, or Lessor may correct the default pursuant to Section E of this Article.

E. RIGHT OF LESSOR TO PERFORM

1. If, after 30 days following issuance of notice, Lessee fails or refuses to perform any action required by this Lease, Lessor will have the right, but not the obligation, to perform any or all such actions required by this Lease at the sole expense of Lessee. Lessor will not take action if Lessee begins and continues expeditious action to perform any action required by this Lease that cannot be reasonably completed within 30 days. Lessor will, at its sole discretion, determine what constitutes expeditious action and if an action cannot be reasonably performed in 30 days.
2. Lessee is required to pay, within 30 days of the billing date, any cost or damage that Lessor incurs to enforce or protect Lessor's rights under the Lease or due to any failure of Lessee to comply with a provision of the Lease, including a cost to correct a violation under 17 AAC 45; in this paragraph "cost" includes legal fees and administrative costs.
3. If Lessee fails or refuses to perform any action that has been deemed an imminent threat Lessor will have the right, but not the obligation, to perform any or all such actions required to expeditiously correct the imminent threat. If Lessor acts to correct a violation or omission by Lessee, Lessor may seek reimbursement from Lessee of all costs, plus interest at the rate provided in AS 45.45.010(a), that Lessor incurs in acting to correct the violation or omission, including site assessment costs, clean-up costs, collection costs, legal and administrative costs, applicable fines, and costs resulting from interference with or delay of Airport projects or operations.

F. WAIVER

A waiver by the Lessor of any default by the Lessee of any provision of this Lease will not operate as a waiver of any subsequent default. If the Lessor waives a default, the Lessor is not required to provide notice to the Lessee to restore or revive any term or condition under this Lease. The waiver by the Lessor of any provision in this Lease cannot be enforced or relied upon unless the waiver is in writing and signed on behalf of the Lessor. The Lessor's failure to insist upon the strict performance by the Lessee of any provision in this Lease is not a waiver or relinquishment for the future and the provision will continue in full force.

ARTICLE XV
HOLDOVER AND CONTINUED OCCUPANCY

A. HOLDOVER

If the Lessor has not directed the Lessee to vacate the premises upon expiration of the Lease, then if the Lessee continues to occupy the premises in holdover after the expiration of the Lease, the holdover ends on the earliest of the following, regardless of any rents or fees accepted by the Lessor:

1. the date on which the Lessor and the Lessee execute a term extension for the Lease or a new Lease for the Premises; or
2. the date on which the Lessor or the Lessee terminates the holdover upon not less than 30 days' notice; or
3. the 180th day after the expiration of the Lease.

B. CONTINUED OCCUPANCY

If the Lessee continues to occupy the Premises in Holdover under this Article, the Lessee will continue to pay the Lessor rents and fees after the expiration, termination, or cancellation of this Lease and to abide by the Lease obligations, including providing any required proof of insurance coverage, through the date Lessee relinquishes possession of and completely vacates the Premises. Lessor will consider the Premises vacated if:

1. The Lessee has remediated any environmental Contamination for which the Lessee is responsible; and
2. The Lessee has removed or otherwise disposed of any Lessee-owned permanent or removable improvements and personal property; and
3. The Lessee has restored the Premises to a neat and clean physical condition acceptable to Lessor.

C. AIRPORT CLOSURE

Pursuant to AS 02.15.070(b) and 17 AAC 45, the Lessor may abandon or temporarily or permanently close the Airport for aircraft operations if the Lessor finds that is in the best interest of the state.

1. If Lessor closes the Airport for aircraft operations for sixty (60) days or less, this Lease will remain in full force and effect without adjustment.
2. If Lessor closes the Airport for aircraft operations for more than sixty (60) days, but not permanently, and the Lessee's Lease is for aeronautical uses, the Lessee may either terminate the Lease in writing or retain the Lease and receive a fifty percent (50%) rent reduction or credit for that portion of the closure that exceeds sixty (60) days.

3. If Lessor permanently closes the Airport for aircraft operations the Lessee may terminate this agreement by written notice to Lessor or retain the Lease subject to any obligation of the Lessor to return management of the affected land to the State of Alaska Department of Natural Resources, any obligation of the state to return the affected land to the federal government or other public or private person or entity under a deed restriction, federal grant assurance, or other binding requirement, or any decision of the Lessor to sell or exchange the land or to put the land to other use.

D. DISASTERS

The Lessee or Lessor may cancel this Lease upon written notice to the other party if:

1. the Premises becomes unusable through no fault of either party and performance under this Lease becomes impossible; or
2. the Airport becomes unusable through no fault of either party and the performance under this Lease becomes impossible.

If the Lessee elects in writing that it will continue to operate after notice from Lessor to Lessee that the Airport has become unusable, the Lessee's obligations under the Lease will continue but Lessor is under no obligation to continue to perform. Causes for termination of the Lease under this provision include acts of God, the public enemy, and the United States.

E. NATIONAL EMERGENCY

If the federal government declares a national emergency, neither party may hold the other liable for any inability to perform any part of this Lease as a result of the national emergency.

ARTICLE XVI **FUELING OPERATIONS AND FUEL STORAGE**

A. SELF FUELING

Except as may be provided in this Lease, the Lessee shall not conduct Fueling operations on the Airport except Self-fueling, which shall be conducted only on the Premises or on the premises of a commercial fueling facility.

B. FUEL STORAGE

1. If Fuel is stored on the Premises, the Fuel storage facility must be in compliance with 17 AAC 45 and installed and plumbed according to all Environmental Laws, 13 AAC 50, 14 CFR Part 139 (if applicable), and all comply with all applicable federal and state laws.
2. The Lessee will keep all equipment used in conjunction with the Lessee's Fueling operations on the Airport in a safe and properly functioning condition.
3. At any time, the Lessor has the right to inspect all Fueling equipment used by the Lessee on the Airport to determine if the Lessee's Fueling equipment and operations

conform to the applicable laws, regulations, and codes. The Lessee, prior to any further Fueling operations, will accomplish any corrective action deemed necessary by the Lessor.

4. All Fueling operations must be in compliance with 17 AAC 45 and will meet current requirements for Fueling and fire safety as described in applicable federal and state laws and regulations.
5. If required under 40 CFR 112, Lessee agrees that before performing any Fueling function on the Airport, Lessee will maintain and submit to the Lessor a copy of the operator's Spill Prevention, Control, and Countermeasures Plan prepared under 40 CFR 112.

ARTICLE XVII **DEFINITIONS**

For the purposes of this Lease the following terms are defined as follows:

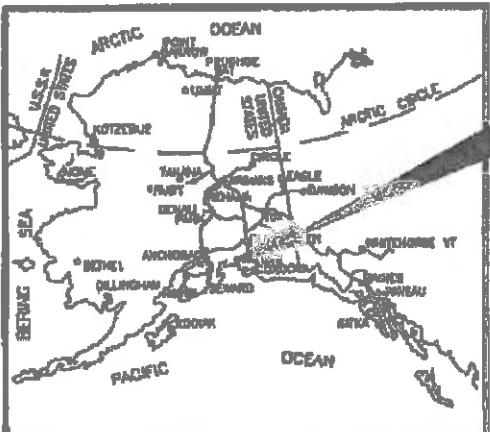
1. **Contamination** -- the unpermitted presence of any released Hazardous Substance.
2. **Environmental Assessment** -- means an assessment of property, prepared in a manner consistent with generally accepted professional practices, that is supported by reports and tests that determine the environmental condition of property and the presence, type, concentration, and extent of any Hazardous Substance in, on, and under the surface of the property.
3. **Environmental Law** --any federal, state, or local statute, regulation, ordinance, code, permit, order, decision, or judgment from a governmental entity relating to environmental matters, including littering and dumping, including 42 USC 7401-7671q (Clean Air Act); 33 USC 1251-1387 (Federal Water Pollution Control Act); 42 USC 8901-8992k (Resource Conservation and Recovery Act); 42 USC 9601-9657 (Comprehensive Environmental Response, Compensation, and Liability Act); 49 USC 5101-5127 (Hazardous Materials Transportation Act); 15 USC 2601-2692 (Toxic Substances Control Act); AS 46 (Alaska Water, Air, Energy, and Environmental Conservation Acts); and the provisions of 18 AAC (Environmental Conservation), Implementing AS 46.
4. **Environmental Liability Baseline** -- a document based on an Environmental Assessment that identifies Contamination in, on, or under the surface of the Premises that was neither caused nor Materially Contributed To by the Lessee, nor assumed by the Lessee by reason of assignment. If an Environmental Assessment determines the presence of Contamination in, on, or under the surface of the Premises that was Materially Contributed To by the Lessee, the Environmental Liability Baseline will include only that portion of the Contamination not caused or Materially Contributed To by the Lessee or the Lessee's operations, nor assumed by the Lessee by reason of assignment.

5. **Fuel** -- any motor fuel or liquid heating fuel including gasoline, aviation gasoline, jet fuel, diesel fuel, kerosene, propane, and liquid natural gas.
6. **Fueling** -- delivering or dispensing Fuel, defueling and refueling, or any other transfer of Fuel on Airport property.
7. **Hazardous Substance** -- a substance that is defined under an Environmental Law as hazardous waste, Hazardous Substance, hazardous material, toxic, pollutant, contaminant, petroleum, petroleum product, or oil.
8. **Lessor** -- The State of Alaska, Department of Transportation and Public Facilities' employee or other person designated by the commissioner or a regional director to act for the department, including an Airport manager.
9. **Materially Contributed To** -- to play a substantial role in causing or increasing the release or migration of a Hazardous Substance in a reportable quantity as defined under an applicable Environmental Law.
10. **Permanent Improvement** -- a fixed addition or change to land that is not temporary or portable, including a building, building addition, a well associated with a building, and a Fuel tank of not less than 1,000 gallons capacity and affixed to a permanent foundation, but not site development work, Site Development Materials and items of ordinary maintenance, such as glass replacement, painting, roof repairs, door repairs, plumbing repairs, floor covering replacement, or pavement patching.
11. **Self-fueling** -- the dispensing of Fuel to an aircraft or vehicle for use by the aircraft or vehicle using fueling apparatus owned or leased by the owner or operator of the aircraft or vehicle.
12. **Site Development Materials** -- materials used for site development, including geotextile, fill, gravel, paving, and pavement reinforcement materials.

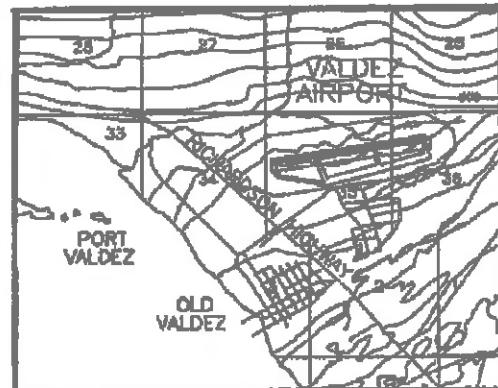
ARTICLE XVIII **EXHIBITS**

Exhibit A **Leased Premises (2 pages)**

EXHIBIT A:

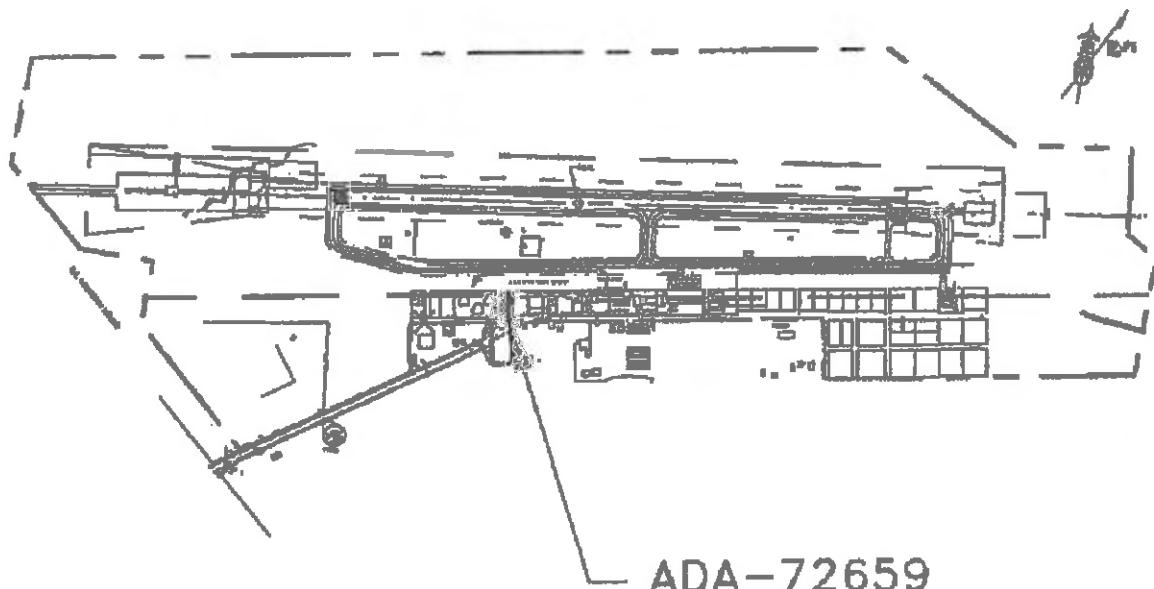


LOCATION MAP



VICINITY MAP

SCALE: 1" = 1 MILE
TBS & TBS, RSW & RSW, C.R.M.
USGS VALDEZ (A-6 & A-7) 1960



ADA-72659
VALDEZ AIRPORT

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
AVIATION LEASING

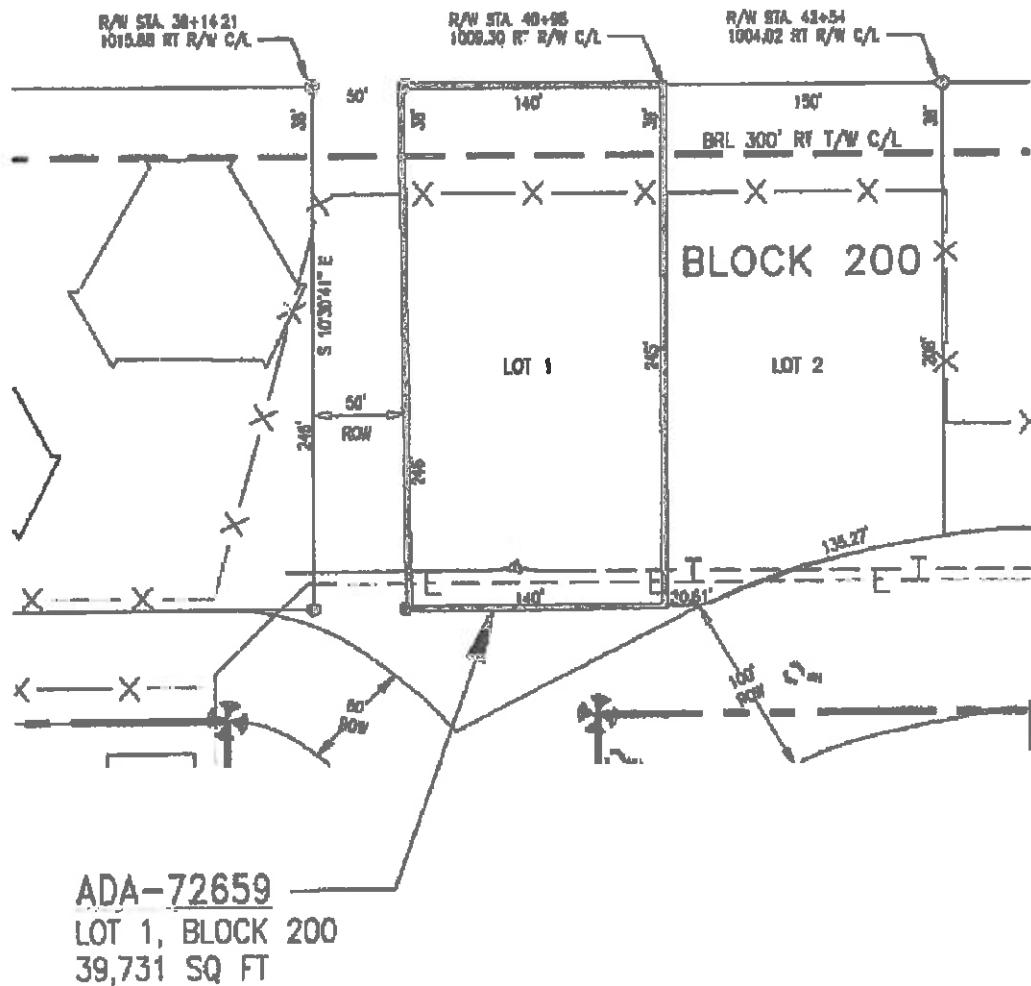
LEASE ADA-72659

LOT 1, BLOCK 200

VALDEZ AIRPORT

DATE DRAWN: 07/23/2021
EXHIBIT A

SCALE: 1" = 2000'
PAGE 1 OF 2



STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
AVIATION LEASING

LEASE ADA-72659

LOT 1, BLOCK 200

VALDEZ AIRPORT

DATE DRAWN: 07/23/2021

SCALE: 1" = 100'

EXHIBIT A

PAGE 2 OF 2

1

Initials fw
Lease ADA-72659

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year stated in the acknowledgments below.



LESSEE: Alaska Backcountry Guides, LLC

BY:


(Signature)

Joseph Wolf

(Typed/Printed Name & Title of Signer)

STATE OF UTAH
SALT LAKE JUDICIAL DISTRICT OR COUNTY ss.

THIS IS TO CERTIFY that on this 8th day of September, 2021, before me, the undersigned Notary Public, duly commissioned and sworn, personally appeared Joseph Wolf, known to me and to me known to be a member/manager of the above mentioned limited liability company (LLC), who executed the within instrument, and he acknowledged to me that he executed the same for and on behalf of said LLC, and that he is fully authorized by said LLC to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.


(Typed name and signature)

My Commission Expires: 8/30/23

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

BY: 

Diana M. Osborne

STATE OF ALASKA
FOURTH JUDICIAL DISTRICT ss.

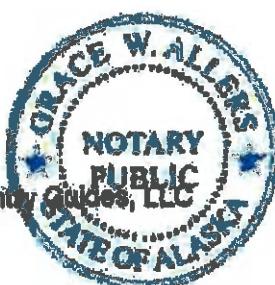
THIS IS TO CERTIFY that on this 10th day of September, 2021, before me, the undersigned Notary Public, duly commissioned and sworn as such, personally appeared Diana M. Osborne, known to me and to me known to be the Acting Chief, Northern Region Office, Statewide Aviation Leasing, Department of Transportation and Public Facilities, and s/he acknowledged to me that s/he executed the foregoing instrument freely and voluntarily on behalf of the State of Alaska, Department of Transportation and Public Facilities, for the uses and purposes therein set forth and that s/he is authorized by said State of Alaska so to do.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first written above.


(Typed name and signature)

My Commission Expires: North Office

Valdez Airport
Alaska Backcountry Guides, LLC





City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0403, **Version:** 1

ITEM TITLE:

Approval of Renewal Marijuana Cultivation Facility License - DKW Farms, LLC

SUBMITTED BY: Elise Sorum-Birk, CMC, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

RECOMMENDATION:

Approve.

SUMMARY STATEMENT:

AMCO has received a complete renewal application and/or endorsement renewal application for a marijuana establishment within our jurisdiction. Notice is required under 3 AAC 306.035(c)(2).

To protest the approval of this application pursuant to 3 AAC 306.060, the city must furnish the director and the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable. If the protest is a "conditional protest" as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license renewal, but require the applicant to show to the board's satisfaction that the requirements of the local government have been met before the director issues the license.

Police chief has reviewed and has no objection to renewal.

Alcohol & Marijuana Control Office

License Number: 11234**License Status:** Active-Operating**License Type:** Standard Marijuana Cultivation Facility**Doing Business As:** DKW FARMS LLC**Business License Number:** 1042644**Designated Licensee:** Dwain Dunning**Email Address:** cd_dunning@cvinternet.net**Local Government:** Valdez**Local Government 2:****Community Council:****Latitude, Longitude:** 61.079370, -146.174367**Physical Address:** 4269 Richardson Hwy

Valdez, AK 99686

UNITED STATES

Licensee #1**Type:** Entity**Alaska Entity Number:** 10041595**Alaska Entity Name:** DKW Farms LLC**Phone Number:** 907-255-1463**Email Address:** coastalcannabiscompanyak@gm
ail.com**Mailing Address:** P.O.Box 2078
Valdez, AK 99686
UNITED STATES**Entity Official #1****Type:** Individual**Name:** William Watson**Phone Number:** 907-831-1547**Email Address:** coastalcannabiscompanyak@gm
ail.com**Mailing Address:** P.O.Box 512
Valdez, AK 99686
UNITED STATES**Entity Official #2****Type:** Individual**Name:** Kenneth Watson**Entity Official #3****Type:** Individual**Name:** Dwain Dunning**Phone Number:** 907-255-1463**Email Address:** cd_dunning@cvinternet.net**Mailing Address:** P.O.Box 1876
Valdez, AK 99686
UNITED STATES**Note:** No affiliates entered for this license.



Alaska Marijuana Control Board

Form MJ-20: 2025-2026 Renewal Application Certifications

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Why is this form needed?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's Anchorage office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	DKW Farms LLC	License Number:	11234		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	DKW Farms LLC				
Premises Address:	4269 Richardson Hwy				
City:	Valdez	State:	AK	ZIP:	99686

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	William Allen Watson		
Title:	Member		

Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

I certify that a notice of violation has **not** been issued for this license between July 1, 2024, and June 30, 2025.

Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).

**Section 5 – Certifications**

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

Initial this box if you are submitting an original fingerprint card and the applicable fees to AMCO for AMCO to obtain criminal justice information and a national criminal history record required by AS 17.38.200 and 3 AAC 306.035(d). If I have multiple marijuana licenses being renewed, I understand one fingerprint card and fee will suffice for all marijuana licenses being renewed.

If multiple licenses are held, list all license numbers below:

11234 , 35633

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

William Allen Watson

Printed name of licensee

Signature of licensee



Alaska Marijuana Control Board

Form MJ-20: 2025-2026 Renewal Application Certifications

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

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Licensee:	DKW Farms LLC	License Number:	11234		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	DKW Farms LLC				
Premises Address:	4269 Richardson Hwy				
City:	Valdez	State:	AK	ZIP:	99686

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Kenneth Charles Watson		
Title:	Member		

Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

KCW

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

KCW

I certify that a notice of violation has **not** been issued for this license between July 1, 2024, and June 30, 2025.

KCW

Sign your initials to the following statement **only** if you are unable to certify one or more of the above statements:

Initials

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**Section 5 – Certifications**

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

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 KCW

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

 KCW

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

 KCW

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

 KCW

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

 KCW

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

 KCW

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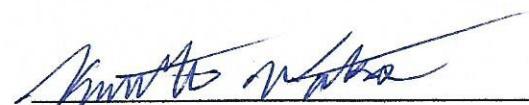
If multiple licenses are held, list all license numbers below:

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

 KCW

Kenneth Watson

Printed name of licensee



Signature of licensee



Alaska Marijuana Control Board

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Form MJ-20: 2025-2026 Renewal Application Certifications

Why is this form needed?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

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License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	DKW Farms LLC				
Premises Address:	4269 Richardson Hwy				
City:	Valdez	State:	AK	ZIP:	99686

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Dwain Todd Dunning
Title:	Member

Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

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Sign your initials to the following statement **only** if you are unable to certify one or more of the above statements:

Initials

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**Section 5 – Certifications**

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

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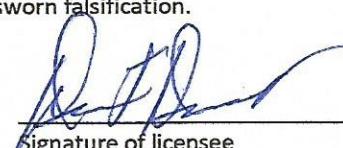
If multiple licenses are held, list all license numbers below:

11234, 35633

I hereby certify that I am the person herein named and subscribing to this application and that I have read the complete application, and I know the full content thereof. I declare that all of the information contained herein, and evidence or other documents submitted are true and correct. I understand that any falsification or misrepresentation of any item or response in this application, or any attachment, or documents to support this application, is sufficient grounds for denying or revoking a license/permit. I further understand that it is a Class A misdemeanor under Alaska Statute 11.56.210 to falsify an application and commit the crime of unsworn falsification.

Delain Todd Denning

Printed name of licensee



Signature of licensee



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

September 11, 2025

Licensee: DKW Farms LLC

DBA: DKW Farms LLC

VIA email: cd_dunning@cvinternet.net

Local Government: Valdez

Via Email: spierce@valdezak.gov; esorumbirk@valdezak.gov

Community Council:

Via Email:

BCC: amco.admin@alaska.gov

Re: Standard Marijuana Cultivation Facility License Combined Renewal Notice

License Number:	#11234
License Type:	Standard Marijuana Cultivation Facility
Licensee:	DKW Farms LLC
Doing Business As:	DKW Farms LLC
Physical Address:	4269 Richardson Hwy Valdez, AK 99686
Designated Licensee:	Dwain Dunning
Phone Number:	907-255-1463
Email Address:	cd_dunning@cvinternet.net

License Renewal Application

Endorsement Renewal Application

Dear Licensee:

After reviewing your renewal documents, AMCO staff has deemed the application complete for the purposes of 3 AAC 306.035(c).

Your application will now be sent electronically, in its entirety, to your local government, your community council (if your proposed premises is in Anchorage or certain locations in the Mat-Su Borough), and to any non-profit agencies who have requested notification of applications. The local government has 60 days to protest your application per 3 AAC 306.060.

At the May 15, 2017 Marijuana Control Board meeting, the board delegated to AMCO Director the authority to approve renewal applications. However, the board is required to consider this application independently if you have been issued any notices of violation for this license, if your local government

protests this application, or if a public objection to this application is received within 30 days of this notice under 3 AAC 306.065.

If AMCO staff determines that your application requires independent board consideration for any reason, you will be sent an email notification regarding your mandatory board appearance. Upon final approval, your 2025/2026 license will be provided to you during your annual inspection. If our office determines that an inspection is not necessary, the license will be mailed to you at the mailing address on file for your establishment.

Please feel free to contact us through the marijuana.licensing@alaska.gov email address if you have any questions.

Dear Local Government:

AMCO has received a complete renewal application and/or endorsement renewal application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.035(c)(2). Application documents will be sent to you separately via ZendTo.

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable. If the protest is a “conditional protest” as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license renewal, but require the applicant to show to the board’s satisfaction that the requirements of the local government have been met before the director issues the license.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to AMCO Director the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Sincerely,



Kevin Richard, Director
907-269-0350



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: ORD 25-0011, **Version:** 1

ITEM TITLE:

#25-11 - Authorizing an Amendment to the Zoning Map to Effect a Change to Lot 2, A.S.L.S. 78-139, Plat 98-2 to General Commercial. Second Reading. Adoption.

SUBMITTED BY: Kate Huber, Community Development Director

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Approve Ordinance #25-11 - Authorizing an amendment to the zoning map to effect a change to Lot 2, A.S.L.S. 78-139, Plat 98-2 to General Commercial and adopt staff's recommended findings.

SUMMARY STATEMENT:

Silver Ridge Properties LLC submitted an application requesting to change the zoning of Lot 2, A.S.L.S. 78-139, Plat 98-2 (1800 Richardson Highway) to General Commercial (G). The official zoning map indicates that this property is currently zoned Neighborhood Mixed Use (NMU).

The Planning and Zoning Commission held a public hearing on this matter on August 13, 2025, and approved a recommendation to the city council to approve the requested rezone.

Please see the attached staff report for the staff review of the application and how it complies with the city code and the comprehensive plan.

CITY OF VALDEZ, ALASKA

ORDINANCE NO. 25-11

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA AUTHORIZING AN AMENDMENT TO THE ZONING MAPS TO EFFECT A CHANGE ON LOT 2, A.S.L.S. 78-139, PLAT 98-2 TO GENERAL COMMERCIAL

WHEREAS, Silver Ridge Properties LLC, the property owner of the subject property, submitted an application to change the zoning district of their property; and

WHEREAS, the official zoning map indicates that the subject property is currently zoned Neighborhood Mixed Use; and

WHEREAS, Silver Ridge Properties LLC desires to rezone said properties from Neighborhood Mixed Use to General Commercial; and

WHEREAS, the Planning & Zoning Commission held a public hearing on this matter on August 13, 2025; and following discussion, approved a recommendation to the city council to approve this rezone and adopted the findings proposed by staff;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that:

Section 1: The Zoning Maps of the City of Valdez, Alaska are amended to effect a change to Lot 2, A.S.L.S. 78-139, Plat 98-2 from Neighborhood Mixed Use to General Commercial.

Section 2: This ordinance becomes effective immediately upon passage and approval.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this _____ day of _____, 2025.

CITY OF VALDEZ, ALASKA

Dennis Fleming, Mayor

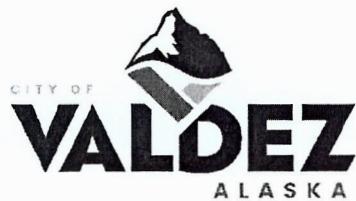
ATTEST:

Sheri L. Pierce, MMC, City Clerk

APPROVED AS TO FORM:

First Reading:
Second Reading:
Yea:
Nay:
Absent:
Abstain:

Brena, Bell & Walker, P.C.



ZONING MAP AMENDMENT (REZONE) APPLICATION

All fields are required. If not applicable, please mark with N/A or dash.

Office Use Only

Application Number 25-02 Date Received July 24, 2025
Initials BW

APPLICANT INFORMATION

Name Silver Ridge Properties
Phone 907-255-2723
Email silverridgeak@gmail.com
Mailing Address PO Box 182
Valdez AK 99680

REPRESENTATIVE INFORMATION (if applicable)

Name Brad Barnett
Phone 907-255-2723
Email barnett.building24@gmail.com
Mailing Address PO Box 182
Valdez, AK 99680

ADDITIONAL MATERIALS REQUIRED (The following must be submitted when applying for a rezone.)

- Proposed Amendment** (Provide proposed map amendments on a figure that clearly delineates and labels the proposed changes.)
- Narrative** (Describe the location, surrounding land uses, environmental features, proposed use(s), and proposed development activity, as applicable. Describe how the proposed amendments align with the goals and policies within the comprehensive plan. Identify whether the proposal will result in nonconforming situations that involve the existing structures and land uses within the subject property.)
- Map Set and Technical Studies** (Additional maps and studies may be required depending on the amendment proposal.)

APPLICANT SIGNATURE

A handwritten signature in black ink, appearing to read "Brad Barnett".

DATE 07/23/25

(Your signature above certifies that all information included on this form is accurate.)

ADDITIONAL INFORMATION

Forms may be emailed to communitydevelopment@valdezak.gov or dropped off at the Community Development window in City Hall.

To submit via mail, send to the following address:

Community Development Department
City of Valdez
PO Box 307
Valdez, AK 99686

QUESTIONS?

Call the City of Valdez Community Development Department at **907-834-3401** or email communitydevelopment@valdezak.gov.

Rezone Application Narrative

Location of Property: 1800 Richardson Highway

Surrounding land uses: light industrial, neighborhood mixed use, and general commercial. It appears to be a convenience store and gas station, a couple empty lots, a lot with a trailer and residence and a couple of lots with shops. I believe these are residential shops. Also, I'll add that I believe all this property and neighborhood use to be zoned light industrial.

Environmental features: Property is flat and cleared with gravel pad. Surrounding properties- some are wooded and undeveloped. Some are cleared with buildings. There is no water in the vicinity. The proposed intended use for this lot is construction and building material storage and a retail building.

Comprehensive Plan, Goals and Policies: I believe this aligns because for one it is working with local business, so they can properly conduct their business and serve the community. Two, it is new development for the community. Three, the existing neighborhood appears to be more industrial and commercial. The non-adjacent lots in the surrounding 1-mile vicinity are definitely more commercial and industrial. I think it is fair to keep in mind that this property once was light industrial. I think commercial and industrial uses are what it is better suited to serve in that area and a local business that provides services for the community.



Rezone – Silver Ridge Properties – Staff Report

Date: September 2, 2025
To: City Council
From: Kate Huber, Community Development Director

General Information

Applicant:	Silver Ridge Properties LLC
Property Owner:	Silver Ridge Properties LLC
Property Address:	1800 Richardson Highway
Legal Description:	Lot 2, A.S.L.S. 78-139, Plat 98-2
Current Zoning District:	Neighborhood Mixed Use (NMU)
Proposed Zoning District:	General Commercial (G)
Comp. Plan Place Type:	Mixed Use Center
Vicinity Zoning:	
East:	Light Industrial (LI), Neighborhood Mixed Use (NMU), and General Commercial (G)
West:	Neighborhood Mixed Use (NMU) and Moderate Density Residential (R2)
North:	Light Industrial (LI)
South:	Light Industrial (LI)
Access:	Richardson Highway

VMC 17.44.010 states:

The G district includes those areas which are heavily exposed to automobile traffic and where public utilities are available. The district is intended specifically for those areas surrounding major intersections where personal services, convenience goods and auto-related service facilities are desirable and appropriate land uses. The extension of the G district commercial uses along arterials in a "strip" fashion is discouraged.

VMC 17.36.010 states:

The NMU district is intended primarily for areas with utilities that include residential and supporting commercial and institutional uses that serve the convenience shopping needs for local residents. Business establishments should be developed in a small and compact format to serve adjacent neighborhoods. Both vertical and horizontal mixed-use

configurations are encouraged. Some nonresidential uses are allowed as conditional uses so that their compatibility with surrounding neighborhoods can be evaluated on a case-by-case basis. All uses shall be compatible in terms of scale and design.

The differences in the allowed uses can be found in VMC 17.16.040, Table 17.16.040-1. The differences in the dimensional standards can be found in VMC 17.16.060 Table 17.16.060-1.

Application Description

The property proposed for a rezone is 3.705 acres located approximately 500 feet from the highway intersection with Airport Road / Mineral Creek Loop Road. The applicant has stated that he wants to utilize the lot for construction and building material storage and a retail building. The General Commercial zoning district provides for more commercial uses of the property than is allowed with the current Neighborhood Mixed Use zoning district.

Environmental Conditions

The applicant's narrative states, "*Property is flat and cleared with gravel pad. Surrounding properties-some are wooded and undeveloped. Some are cleared with buildings. There is no water in the vicinity.*"

The property is relatively flat with an approximate elevation of 30 feet along the highway and 24 feet at the back of the property. Fill has recently been added to the property. There are not any mapped Special Flood Hazard Areas on the property or mapped wetlands. The property is located in the mapped tsunami inundation area. A tsunami evacuation shelter is located at the airport.

VMC 17.12.080(E)(6)

The planning and zoning commission shall conduct a public hearing to review the application, review the staff report, hear staff, applicant, and public testimony, discuss the proposal, and make a formal recommendation to city council. Following the hearing, the community development department shall update its staff report to include the planning and zoning commission's recommendation.

VMC 17.12.080(E)(7)

The City Council shall retain the authority to limit its approval of amendments to the zoning code and the official zoning map to limit certain land use activities, protect public health, safety, and welfare of humans and the environment, and ensure its ability to serve properties/individuals with adequate public services.

Proposed Findings & Conclusions

1. Procedure.

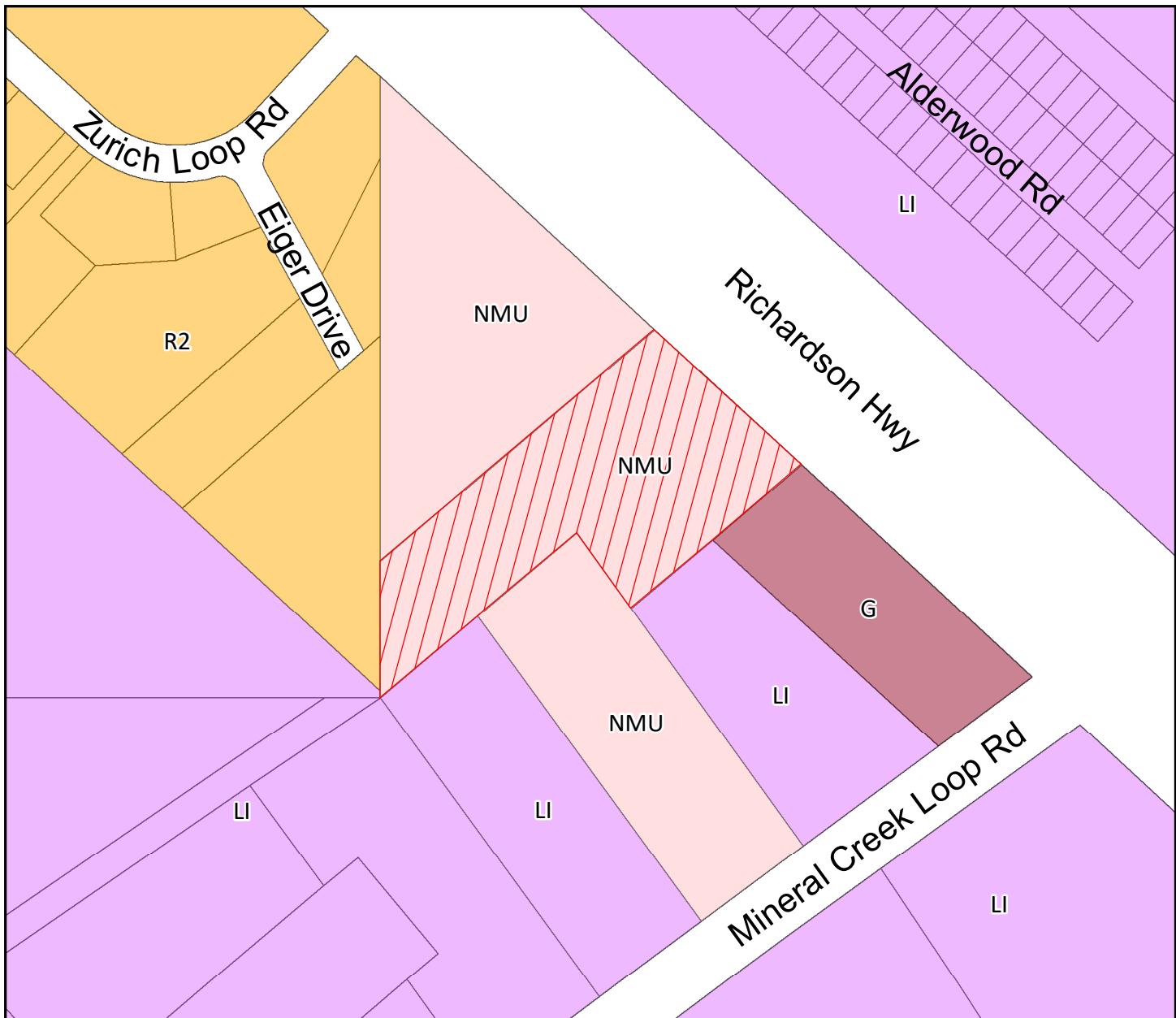
- a) On July 1, 2025 the Community Development Department received a rezone application from Silver Ridge Properties LLC to change the zoning on the subject property to General Commercial.
- b) On July 24, 2025 Community Development Department received an updated application and a narrative to accompany the application.
- c) The Community Development Department reviewed the application and determined that it was complete, in accordance with VMC 17.12.080(E)(1).
- d) A public hearing was scheduled for August 13, 2025, to consider the zoning change.
- e) Notice of the meeting was published in the Copper River Record on July 31, 2025, and August 7, 2025.
- f) Notice of the publication was published in KVAK's e-blast newspaper on July 28, 2025, and August 4, 2025.
- g) Notice of the meeting was published on the City of Valdez website on July 30, 2025, in accordance with VMC 17.12.080(E)(5) and 17.12.160(C)(1).
- h) Notice of the meeting was mailed on July 28, 2025, to the 11 property owners within 300 feet of the subject property, in accordance with VMC 17.12.080(E)(5) and 17.12.160(C)(2).
- i) A document holder was posted on the Richardson Highway with public notice flyers on July 28, 2025, in accordance with VMC 17.12.080(E)(5) and 17.12.160(C)(3).
- j) The Planning & Zoning Commission held a public hearing on this matter on August 13, 2025; and following discussion, approved a recommendation to the city council to approve this rezone and adopted the findings proposed by staff.

2. Consistency with the Comprehensive Plan and its goals and policies. VMC 17.12.080(C)(2) and 17.12.080(E)(4)(b)

- a) The applicant's narrative states, "*I believe this aligns because for one it is working with local business, so they can properly conduct their business and serve the community. Two, it is new development for the community. Three, the existing neighborhood appears to be more industrial and commercial. The non-adjacent lots in the surrounding 1-mile vicinity are definitely more commercial and industrial.*"
- b) Goal 2.1, Action E in Plan Valdez, the comprehensive plan for the City of Valdez, is, "*Rezone parcels to align with the Future Land Use Map.*"
- c) VMC 17.04.030(A) states, "*The comprehensive plan of the city of Valdez is the primary policy document to guide land use ... decisions within the city.*"
- d) VMC 17.04.030(B) states, "*The comprehensive plan shall provide guidance for actions including, but not limited to, rezoning as referenced herein.*"
- e) The Future Land Use Map depicts the subject property within the Mixed-Use Center place type.
- f) Commercial and institutional uses are listed as primary land uses in the Mixed-Use Center place type.
- g) The proposed rezone is consistent with the Mixed-Use Center place type depicted on the future land use map for the subject property.
- h) Goal 2.2 in Plan Valdez is, "*Encourage redevelopment and new development*".
- i) The rezone to General Commercial (G) is consistent with the goals and action items in Plan Valdez.

3. Potential impact on public services. VMC 17.12.080(C)(2) and 17.12.080(E)(4)(c)

- a) The city water is located within the Richardson Highway right-of-way adjacent to the subject property.
- b) City sewer mains are within approximately 500 feet of the subject property.
- c) There are not any anticipated impacts on public services associated with the rezone of this property.



Rezone Request from Neighborhood Mixed Use (NMU) to General Commercial (G)

Legend

Subject Property

Current Zoning

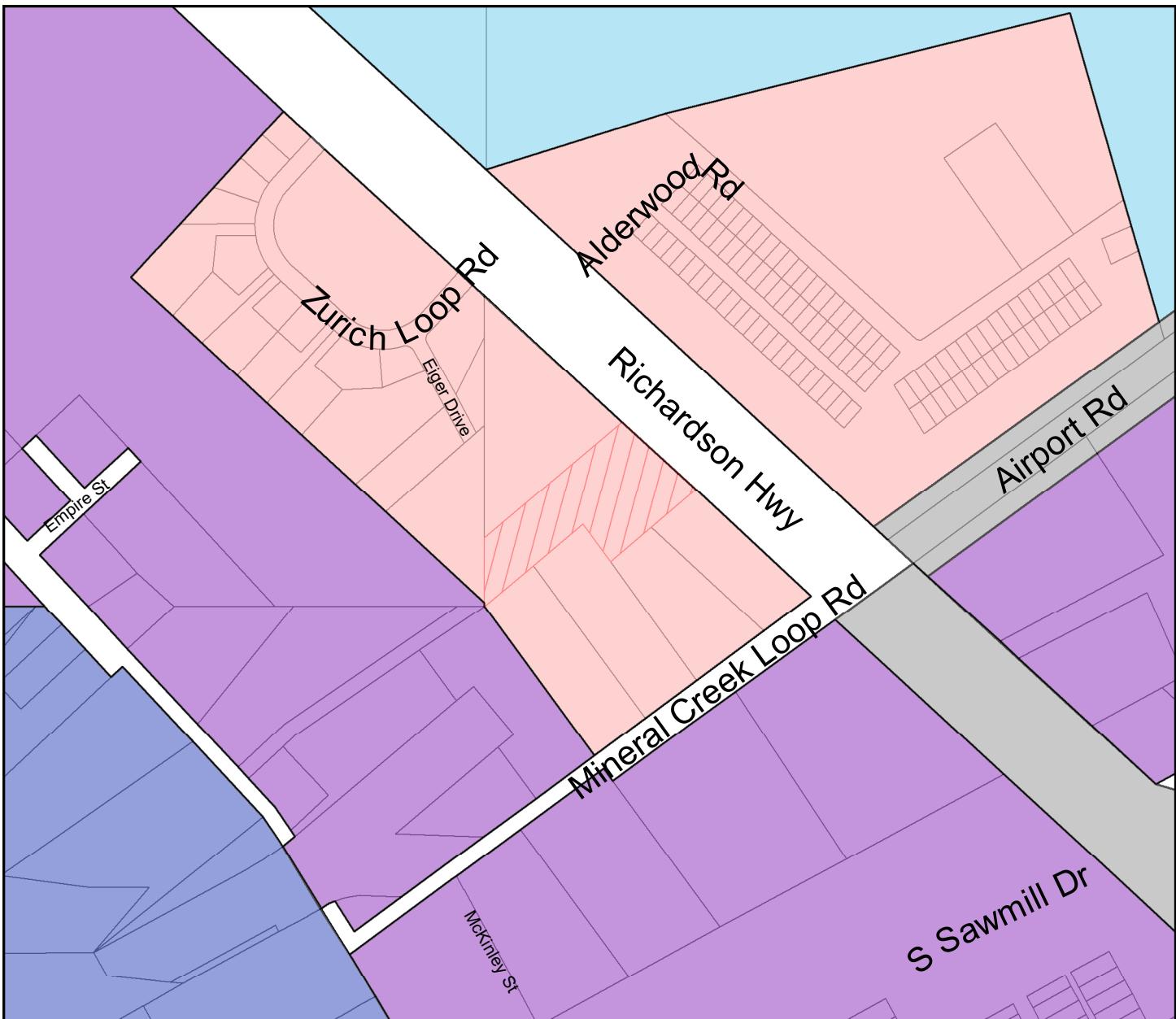
High Density Residential (R2)
Neighborhood Mixed Use (NMU)
General Commercial (G)
Light Industrial (LI)
Parcels



0 125 250 500 Feet

Date: 7/28/2025

Author: Community Development Department



Rezone Request from Neighborhood Mixed Use (NMU) to General Commercial (G)

Legend

Comprehensive Plan Place Type

- Mixed Use Center
- Working Waterfront
- Industrial Business & Production
- Valdez Airport
- Gateway Corridor Overlay
- Subject Property
- Parcels



0 250 500 1,000 Feet

Date: 7/28/2025

Author: Community Development Department



Rezone Request from Neighborhood Mixed Use (NMU) to General Commercial (G)



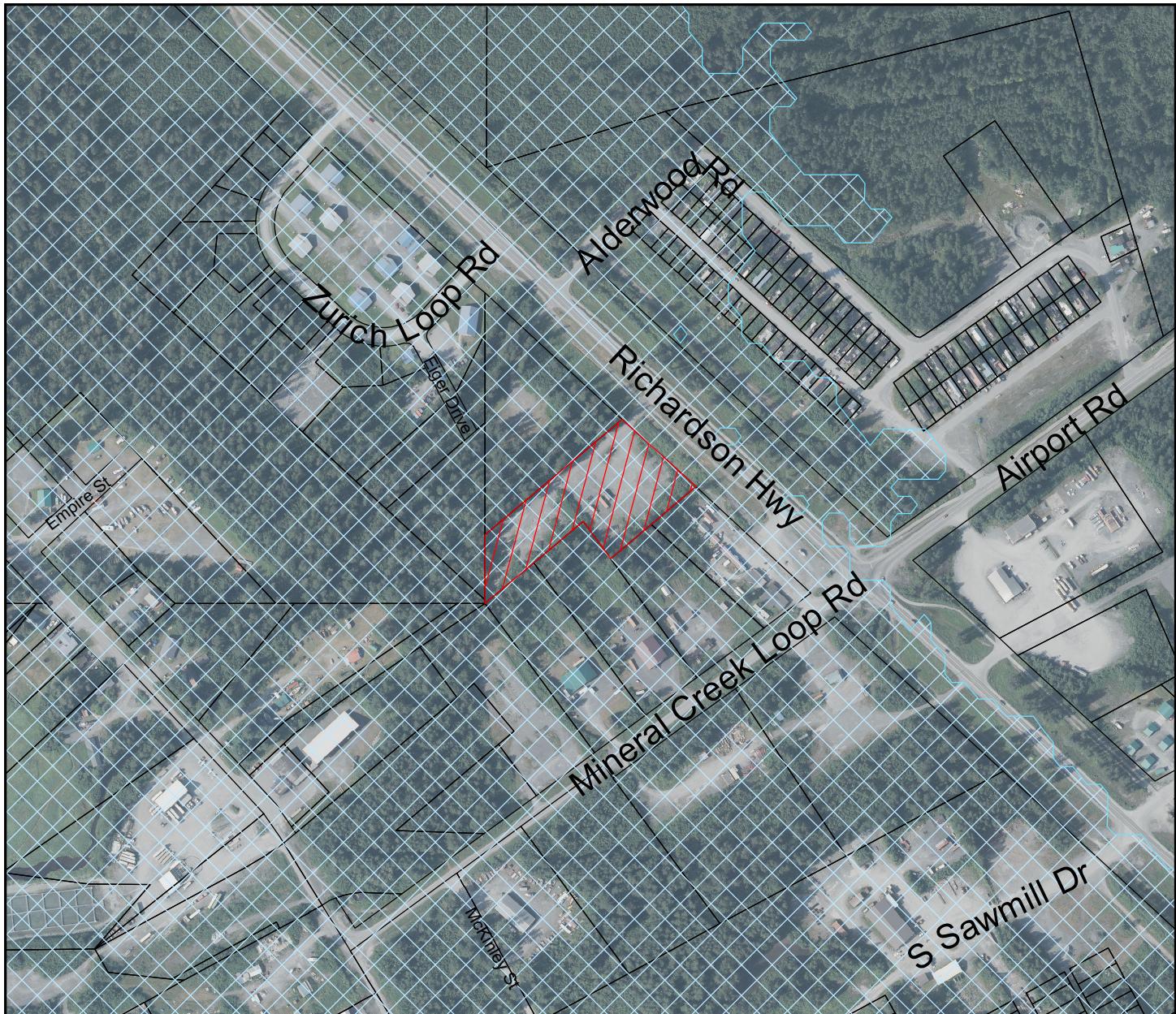
0 75 150 300 Feet

Date: 8/7/2025

Author: Community Development Department

Legend

- Two-Foot Contours
- Subject Property
- Parcels



Rezone Request from Neighborhood Mixed Use (NMU) to General Commercial (G)



0 250 500 1,000
Feet

Date: 8/7/2025

Author: Community Development Department

Legend

Subject Property

Tsunami Inundation Zone

Parcels



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: RES 25-0041, **Version:** 1

ITEM TITLE:

#25-41 - Adopting Revisions to the Permanent Fund Investment Policy Statement and Rescinding Resolution #22-50

SUBMITTED BY: Jordan Nelson, Finance Director

FISCAL NOTES:

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

RECOMMENDATION:

Approve Resolution 25-41.

SUMMARY STATEMENT:

Valdez Municipal Code and Charter articulate guidelines for annual review and adoption of Permanent Fund investment policy statement (IPS).

- VMC 3.04.051(B)(2): The city council shall review the investment policies of the permanent fund at least once each year during the first quarter and shall, by formal resolution, re-adopt or modify said policies
- 1 Charter Section 6.7(d): Investment policy shall be formulated by the city council. In formulating investment policy, the council shall consider maximum income and appreciation, consistent with prudent levels of risk and diversification, governed by the prudent investor rule. If an allocation in section 6.7(c) is exceeded, corrective action shall be taken in a reasonable time in accordance with the policy adopted by the city council or its designee
- 2 The City of Valdez Permanent Fund Committee recommended staff update the figures in the Executive Summary on an annual basis following the Permanent Fund Annual Meeting, regardless of whether additional changes are contemplated in order to align with established City Code and Charter.
 - The current IPS (Attachment A) contains a revision to page 3 updating figures in Executive Summary

CITY OF VALDEZ, ALASKA

RESOLUTION #25-41

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ,
ALASKA, ADOPTING REVISIONS TO THE PERMANENT FUND
INVESTMENT POLICY STATEMENT AND RESCINDING RESOLUTION
#22-50

WHEREAS, section 3.04.052(B)(2) of Valdez Municipal Code establishes an ongoing annual review by the Valdez City Council of Permanent Fund investment policies and guidelines; and

WHEREAS, in order to revise the Permanent Fund Investment Policy Statement, it is necessary to rescind Resolution #22-50, which previously established investment policies and guidelines; and

WHEREAS, the Permanent Fund Investment Committee seeks Council authorization to revise the Permanent Fund Investment Policy Statement to best meet the long-term investment objectives for the Permanent Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that

Resolution 22-50 is hereby rescinded, and the Permanent Fund Investment Policy Statement, appended as Attachment A, is adopted.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ,
ALASKA, this 16th day of September, 2025.

CITY OF VALDEZ, ALASKA

Dennis Fleming, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk

ATTACHMENT A – RESOLUTION 25-41

INVESTMENT POLICY STATEMENT

For

City of Valdez Permanent Fund

Approved March 1, 2022

Revised September 16, 2025

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EXECUTIVE SUMMARY

Table I: Fund Characteristics

Assets:	<u>\$304 million (as of 06/30/2025)</u>
Planning Time Horizon:	Long Term (Greater than 10 years)
Risk Tolerance:	Moderate, due to objective to moderately grow purchasing power of the Fund and generate earnings for annual distribution
Income Needs:	Distribute 1.5% of the Fund's value each year to the General Fund

Table II: Strategic Asset Allocation

Asset Class	Lower Limit	Strategic Allocation	Upper Limit
Domestic Equity	25%	29%	33%
International Equity	18%	21%	24%
Fixed Income	34%	40%	46%
Real Estate	7%	10%	15%
Cash Equivalents	0%	0%	10%

The Strategic Allocation denotes acceptable ranges for asset classes except those asset classes where restrictions are placed on contributions and/or redemptions.

Performance Evaluation Benchmark

The Total Fund is expected to produce a total return exceeding that of an index based upon the strategic asset allocation of the Fund and various broad asset classes. Specifically, the Total Fund policy index will be a weighted index comprised of:

<u>Allocation</u>	<u>Benchmark</u>
29%	Russell 3000
21%	MSCI ACWI ex-US IMI
40%	Bloomberg Aggregate
10%	NCREIF ODCE

Total Return Objective

The long-term (greater than 10 years) total return objective of the Fund's investable assets net of investment management fees and prior to distributions is a 4% real return (CPI + 4%).

PURPOSE OF THE INVESTMENT POLICY STATEMENT

The purpose of this Investment Policy Statement (IPS) is to assist the City Administration in effectively investing the assets of the City of Valdez Permanent Fund (the “Fund”) and in monitoring investment results and by communicating the investment objectives to the Investment Consultant and Investment Managers. The IPS is required by the Valdez Charter Section 6.7 (d) and Valdez Municipal Code Section 3.04.051 (B).1. The Fund’s investment program is defined in the various sections of the IPS by:

- Stating in a written document the objectives and guidelines for the investment of Fund assets, including explicit consideration of liquidity needs and risk tolerance;
- Setting forth an investment structure for managing Fund assets. This structure includes various asset classes, asset allocation and acceptable ranges that, in total, are expected to produce an intended level of overall diversification and total investment return over the long-term;
- Providing guidelines for each investment portfolio that controls the level of overall risk and liquidity assumed in that portfolio, so that all Fund assets are managed in accordance with stated objectives;
- Establishing formal criteria to select and monitor the performance results achieved by the Investment Managers on a regular basis;
- Encouraging effective communications between the City Administration, the City Council, the Investment Committee, the Investment Consultant, and the Fund’s Investment Managers; and,
- Complying with all applicable fiduciary, prudence, and due diligence requirements that experienced investment professionals would utilize, and with all applicable laws, rules and regulations from various local, state and federal entities that may impact Fund assets.

FUND GUIDELINES

This section describes the guidelines for the overall management of the Fund, specifically the time horizon, liquidity constraints, risk tolerance, asset allocation, rebalancing, and income distribution needs. All of these factors are incorporated in the asset allocation, which is described in this section.

Investment Objectives

Pursuant to Charter Section 6.7 (d) “In formulating investment policy, the council shall consider maximum income and appreciation, consistent with prudent levels of risk and diversification, governed by the prudent investor rule.” The investment objective of the Fund is to moderately grow the purchasing power of the Fund over time and generate earnings for annual distribution by utilizing a balanced investment approach. The Fund should be managed in a manner that is consistent with prudent levels of risk and diversification, and governed by the prudent investor rule.

Time Horizon

The Fund has a very long time horizon (greater than 10 years). After the annual 1.5% distribution, the Fund’s assets are held perpetually in trust for the benefit of the present and future generations of Valdez residents. Thus, the assets are to be invested with a long-term time horizon. The assumptions underlying the asset allocation analysis are based on a ten-year projection of financial markets. While the future of the Fund extends beyond the next ten years, the relevant planning horizon is consistent with the use of the assumptions. The assumptions utilized are consistent with the long run returns, risks, and statistical interrelationships observed among major asset categories.

Liquidity Analysis

Distributions from the Fund will be based on a percentage of market value of 1.5% per year as applied to the last day of the accounting year. Annual distributions will be appropriated on the first business day of the City’s fiscal year. The Fund will be rebalanced as necessary to fund such distributions in excess of available dividend and interest income.

Risk Tolerances

The overall risk tolerance of the Fund is heavily influenced by its objective: to moderately grow the purchasing power of the Fund and generate earnings for an annual distribution linked to a percentage of market value. Based on modern portfolio theory, the Fund must have a meaningful equity commitment to moderately grow and protect the Fund from inflation as well as generate earnings for distribution. Such an equity commitment will entail a moderate level of risk, as measured by the volatility of investment returns. The Fund has a long-term investment horizon, which allows the Fund to absorb considerable short-term volatility.

Table III: Strategic Asset Allocation

Strategic Asset Allocation and Asset Class Structure Weights ¹				
Asset Class	Lower Limit	Strategic Allocation	Upper Limit	Asset Class Structure Weights
Domestic Equity	25%	29%	33%	
Large Cap	66.0%	70%	74.0%	20%
Mid Cap	16.0%	20%	24.0%	6%
Small Cap	6.0%	10%	14.0%	3%
International Equity	18%	21%	24%	
Int'l Large/Mid Cap	77.0%	80%	83.0%	17%
Int'l Small Cap	17.0%	20%	23.0%	4%
Investment Grade Fixed Income	34%	40%	46%	
Domestic	64.0%	70%	76.0%	28%
Global	24.0%	30%	36.0%	12%
Real Estate	7%	10%	15%	
Core Open-End	7.0%	100%	15.0%	10%
Cash Equivalents	0%	0%	10%	

¹The Strategic Asset Allocation denotes acceptable ranges for liquid asset classes and the desired ranges

Rebalancing of Strategic Asset Allocation & Sub-asset Classes

The Strategic Asset Allocation in Table III is the target. Some variability around the target is expected and acceptable. Material deviation from the target is undesirable, as it alters the expected risk and return profile for the Fund. Therefore, upper and lower limits are established for each asset class and their sub-asset class components.

When necessary and/or available, cash inflows/outflows will be deployed by Staff in a manner consistent with the strategic asset allocation and their sub-asset class components.

To ensure that the Fund remains within its strategic asset allocation, each quarterly Investment Committee meeting agenda will include an explicit fund rebalancing discussion. The discussion will be based on an asset allocation report generated by Finance Staff reflecting the most recent available market values preceding the Investment Committee meeting.

When liquid asset classes are outside of their strategic asset allocation policy ranges as presented at the time of the Investment Committee meeting, the Investment Committee will direct Staff to rebalance all liquid asset classes and their respective sub-asset class components to their respective targets, or as close as practical.

Additionally, the Investment Committee may at its discretion direct staff to rebalance asset classes and sub-asset classes if they vary from their explicit targets, but are within their target-limits at the time of the quarterly rebalancing discussion.

Rebalancing of illiquid assets, (i.e. asset classes for which cash in-flows and outflows are at the investment manager's discretion), will be separately considered and directed by the Investment Committee. To facilitate this discussion, staff, in consultation with the

ATTACHMENT A – RESOLUTION 25-41

Investment Consultant, will provide the Investment Committee with a rebalancing recommendation and anticipated funding date if available.

DUTIES AND RESPONSIBILITIES

Investment Committee

Under the direction of the City Council and in consultation with the City Administration, the Investment Committee shall:

- Provide guidance to the City Administration regarding the investment of the assets of the Fund in accordance with this IPS and Section 6.7(c) of the City Charter.
- Provide guidance on Investment Consultant, Investment Manager(s), and Custodian contracts and selection.
- Provide insight and recommendations to the City Council on investment matters.

City Administration

Under the direction of the City Council and in consultation with the Investment Committee, the City Administration shall:

- Invest the assets of the Fund in accordance with this IPS and Section 6.7(c) of the City Charter.
- For transactions requiring explicit Council approval, City Administration will:
 - Obtain formal Council approval of Investment Committee recommendations at the first available Council meeting following the Committee recommendation.
 - Prepare and execute all needed documents and establish accounts immediately and with maximum expediency following formal Council approval of recommended transactions.
 - Initiate transactions on the first business day following full execution of documents and final preparation of accounts.
- Coordinate Investment Managers, Investment Consultant, and Investment Committee meetings' activities and presentations.
- Administer Investment Consultant, Investment Managers, and Custodian contracts.
- Annually review governing instruments of any mutual funds or other interests in collective and commingled funds to determine that such instruments are substantially consistent with the IPS guidelines set forth herein.

Investment Consultant

The Investment Consultant will provide general consulting services as required by the City in connection with the investment of Fund assets. As directed, the Consultant shall:

- Annually review the IPS to assure it is consistent with the Fund's goals and objectives.
- Annually review the Fund's asset allocation, including updated risk and return projections in order to assess the ability of the Fund to meet its goals and objectives.
- Assist with the selection of Investment Managers and Custodian.
- Conduct a quarterly performance report of the Fund and its investment managers.
- Evaluate and monitor the Fund's Investment Managers on an on-going basis.
- Provide general advice, guidance, and research as required to the Investment Committee.

Investment Managers

The duties and responsibilities of each Investment Manager retained for the Fund include the following:

- Manage Fund assets under its care, custody and/or control in accordance with the IPS objectives and guidelines set forth herein.
- Exercise investment discretion with the IPS objectives and guidelines set forth herein.
- Provide monthly reports of the assets, holdings and transactions, and the total return achieved. Provide quarterly reports with additional detail on the investment strategy and outlook, and performance attribution for the prior quarter. For separate account Fund managers, monthly reports must state whether the portfolio is in compliance with the guidelines, and note the steps being taken to correct any failures to comply.
- Promptly inform the City Administration and Investment Consultant in writing regarding all significant and/or material matters and changes within the investment management firm pertaining to the investment of Fund assets, including, but not limited to:
 - Investment strategy
 - Portfolio structure
 - Firm ownership

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- Organizational structure
- Financial condition
- Professional staff
- Recommendations for guideline changes
- All material, legal, SEC, and other regulatory agency proceedings affecting the firm
- Significant account losses
- Significant growth of new business
- Promptly vote all proxies and related actions in a manner consistent with the long-term interests and objectives of the Fund set forth herein. Each manager shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto.
- Utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like investment programs with like aims in accordance and compliance with all applicable laws, rules and regulations from local, state, federal and international political entities as it pertains to fiduciary duties and responsibilities.
- Adopt a brokerage policy that ensures that all transactions effected for the Fund are subject to the best price and execution possible.
- Acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire IPS set forth herein, and as modified in the future.
- Provide on an annual basis a disclosure concerning whether the firm makes use of soft dollars. If the firm does use soft dollars, the report shall disclose how the soft dollar benefits are utilized.

Custodian

The Custodian shall:

- Provide safekeeping and custody of securities purchased by Investment Managers on behalf of the Fund.
- Provide for timely settlement of securities transactions.
- Maintain short-term investment vehicles for investment of cash not invested by Investment Managers.
- Check all manager accounts daily to make sure all available cash is invested.
- Collect interest, dividend, and principal payments on a timely basis.
- Process corporate actions.

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- Price all public market securities on a daily basis.
- Provide monthly, quarterly, and annual reports.

INVESTMENT MANAGER GUIDELINES

The following guidelines apply to Fund assets managed in a separate account. Any mutual funds or other interests in collective and commingled funds utilized should be reviewed to determine that their governing instruments are substantially consistent with the following guidelines.

General

All guidelines are applicable at the time of purchase. The sale of a security is not automatically required due to a subsequent change in circumstance.

The following transactions are not authorized:

- Short sales or margin transactions
- The use of leverage, except for real estate

Each portfolio will be diversified with regard to specific issuer, industry, and economic sector, in order to reduce risk.

Core Fixed Income

Eligible investments include the following:

- Debt instruments issued by the U.S. government, its agencies and instrumentalities
- Debt instruments that have been issued by domestic entities, including credit, mortgage-backed and asset-backed securities
- Dollar denominated debt issued by non-domestic entities in the U.S.
- Derivative instruments, such as futures, options, and swaps, in which the underlying security is a permissible security are permitted, provided that the use of such instruments do not introduce risks to the portfolio that are not otherwise permitted in this IPS and do not impart leverage to the portfolio.

All securities must be rated “Baa3/BBB-/BBB-” or above.

- When determining credit quality, the middle rating of Moody's, Standard and Poor's, and Fitch is used after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower (“more conservative”) rating is used. When a rating from only one agency is available, that rating is used to determine credit quality.
- In the event a security is downgraded below the specified minimum rating, the manager shall give written notice to the City Administration within 30 days of the downgrading; the manager shall have six months from the date of the downgrade to sell the security at the best possible price to minimize any loss to the Fund.
- The weighted average credit quality of the portfolio must be rated “Aa3/AA-/AA-” or higher.

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No security shall exceed 5% of the market value of the portfolio, with the exception of U.S. government and agency securities.

The duration of the portfolio shall be within plus or minus 20% of the duration of the Bloomberg Aggregate Index.

Global Fixed Income:

- No purchase shall be made that would cause the holding of any one issuer, excluding government issuers, to exceed five percent (5%) of the portfolio valued at market;
- At the time of purchase, no holding should exceed five percent (5%) of the issue outstanding;
- Global managers may hold any mix of fixed income securities and cash equivalents. However, portfolio duration shall be within plus or minus 40% of the duration of the Bloomberg Global Aggregate Bond Index;
- The weighted average credit quality of the portfolio will not fall below “A2/A/A” or equivalent; when determining credit quality, the middle rating of Moody’s, Standard and Poor’s, and Fitch is used after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower (“more conservative”) rating is used. When a rating from only one agency is available, that rating is used to determine credit quality;
- No more than twenty percent (20%) of the portfolio may be invested in unhedged non-dollar denominated currencies. Both long and short currency exposures are permissible. The total currency exposure will be determined by adding the net positions within currencies, and the resulting value will contribute to the portfolio’s currency exposure on an absolute basis;
- No more than twenty percent (20%) of the portfolio may be invested in securities rated below investment grade;
- No more than twenty percent (20%) of the portfolio may be invested in emerging markets.
- Global managers may use futures, and options on eligible securities, provided that such instruments do not introduce risks to the manager’s portfolio that are not otherwise permitted in this Investment Policy and do not leverage the portfolio;
- Global managers may use swaps, forwards, options on forwards, and options on swaps, provided that such instruments do not introduce risks to the manager’s portfolio that are not otherwise permitted in this Investment Policy and do not leverage the portfolio;

ATTACHMENT A – RESOLUTION 25-41

- Global managers may invest in private placements, providing these investments do not exceed ten percent (10%) of the portfolio. Investments in Rule 144a securities and 4(2) commercial paper are excluded from this limitation.

Domestic Equity

Eligible investments include the following:

- Common stock and preferred stock traded on a U.S. stock exchange or on U.S. over-the-counter markets and denominated in U.S. dollars
- Securities that take the form of American Depository Receipts (ADRs)
- Securities of investment company shares, such as open-end and closed-end funds
- Securities of unit investments trusts, such as exchange traded funds, are only permitted for the purpose of overlaying cash to generate equity exposure

Foreign equity investments, including foreign stock listed on U.S. exchanges and ADRs, are limited to 15% of the total portfolio.

Investment in any one company shall not exceed the greater of 5% or 1.5 times the stock's weighting in an appropriate market index. If a security is not included in the appropriate index, the limit is 5% of the market value of the portfolio.

Investments in any one sector shall not exceed the greater of 30% or 1.5 times the sector's weighting in an appropriate market index.

Managers shall not hold more than 5% of the portfolio in cash and cash equivalents.

Equity futures may be employed solely for the purpose of overlaying cash to generate equity exposure; the use of other derivative instruments is prohibited without prior approval by the City Administration and Investment Committee.

International Equity

Eligible investments include the following:

- Foreign equity securities, defined as common stock and preferred stock issued by any company that is organized or headquartered in a foreign country, or whose primary business (75% or more) is conducted outside the U.S.
- Securities that take the form of American Depository Receipts (ADRs), Global Depository Receipts (GDRs), European Depository Receipts (EDRs), or similar instruments representing securities of foreign securities
- Securities of investment company shares, such as open-end and closed-end funds
- Securities of unit investments trusts, such as exchange traded funds, are only permitted for the purpose of overlaying cash to generate equity exposure

Investments in companies located in emerging markets shall not exceed 35% of the portfolio's market value.

ATTACHMENT A – RESOLUTION 25-41

The manager may enter into foreign exchange contracts on currency provided that use of such contracts is limited to hedging currency exposure existing within the manager's portfolio.

Investment in any one company shall not exceed the greater of 5% or 1.5 times the stock's weighting in an appropriate market index. If a security is not included in the appropriate index, the limit is 5% of the market value of the portfolio.

Investments in any one sector shall not exceed the greater of 30% or 1.5 times the sector's weighting in an appropriate market index.

Managers shall not hold more than 5% of the portfolio in cash and cash equivalents.

Equity futures may be employed solely for the purpose of overlaying cash to generate equity exposure; the use of other derivative instruments is prohibited without prior approval by the City Administration and Investment Committee.

Core Real Estate

Eligible investments include the following:

- Real estate investments in a diversified portfolio of institutional quality, income producing properties held in a collective investment vehicle.

The portfolio shall provide diversification both in terms of property type and geographic location.

Leverage shall be limited to 40% of the portfolio's gross asset value.

Cash Equivalents

Eligible investments include the following:

- Cash and cash equivalents, which may include any security that has an effective duration under one year and/or a weighted average life under one year
- Repurchase Agreements secured by obligations insured or guaranteed by the United States or agencies or instrumentalities of the United States.
- Commercial paper bearing the highest rating of a nationally recognized rating agency.
- Certificates of deposit issued by United States domestic banks which are members of the Federal Deposit Insurance Corporation for which a generally recognized secondary market exists or which are secured fully at all times as to the payment of principal and interest.
- Money market and short-term investment funds consistent with SEC Rule 2a-7 under the Investment Company Act of 1940.
- Deposits with mutual savings banks in Alaska which are fully secured at all times as to the payment of principal and interest.

SELECTION OF EXTERNAL INVESTMENT MANAGERS

To achieve the investment objectives of the Fund, external Investment Managers will be employed to invest the assets. Both separate accounts and collective investment vehicles, such as mutual funds and commingled trusts, may be considered. External managers must meet the following minimum criteria:

- Be a bank, insurance company, independent investment counselor, or investment adviser as defined by the Investment Advisers Act of 1940.
- Clearly articulate the investment strategy that will be followed, provide historical performance associated with the strategy, and document that the strategy is consistent with the IPS guidelines.
- Provide detailed information on the history of the firm, key personnel, key clients, fee schedule, Form ADV, and support personnel.
- Selected firms shall have no outstanding legal judgments or past judgments, which may reflect negatively upon the firm's ability to perform.
- Demonstrate highly ethical business principles and strictly manage potential conflicts of interest.
- Offer a competitive fee structure.
- Fund assets should comprise no more than 10% of total firm assets under management.
- Acknowledge fiduciary duty in managing Fund assets.

PERFORMANCE MONITORING

Monitoring of Total Fund

The Fund is expected to produce a total return exceeding that of an index based upon the strategic asset allocation of the Fund and various broad asset classes. Specifically, the policy index will be a weighted index comprised of:

<u>Allocation</u>	<u>Benchmark</u>
29%	Russell 3000
21%	MSCI ACWI ex-US IMI
40%	Bloomberg Aggregate Bond Index
10%	NCREIF ODCE

The long-term (greater than 10 years) total return objective of the Fund's investable assets net of investment management fees and prior to distributions is a 4% real return (CPI + 4%).

Monitoring of Investment Managers

Quarterly performance will be evaluated to test progress toward the attainment of long-term investment objectives. The following will be reviewed on a quarterly basis:

- Manager's adherence to the guidelines and the duties and responsibilities of Investment Managers, as prescribed above;
- Material changes in the manager's organization, investment philosophy and/or personnel; and
- Comparisons of the manager's results to appropriate indices and peer groups, specifically:

Table IV: Manager Performance Benchmarks

<i>Asset Category</i>	<i>Index</i>	<i>Peer Group Universe</i>
Domestic Large Cap	S&P 500	Large Cap Core
Domestic Mid Cap	S&P 400	Mid Cap Broad
Domestic Small Cap	Russell 2000	Small Cap Broad
International Large/Mid Cap	MSCI ACWI ex-US	Non-US Equity
International Small Cap	MSCI ACWI ex-US SC	Int'l SC
Core Fixed Income	Bloomberg Aggregate	Core Bond
Global Fixed Income	Bloomberg Gbl Agg Hgd	Global Fixed Income
Core Real Estate	NCREIF ODCE	Open End Real Estate

Long-term performance standards should measure an Investment Manager's performance from inception and on a rolling 10-year return basis in relation to an appropriate market index. If an Investment Manager fails to generate a return premium

ATTACHMENT A – RESOLUTION 25-41

in excess of the agreed-upon index, then, upon completion of appropriate due diligence or such other steps as the Committee determines, the Committee may decide to place on Watch List or recommend to City Council to terminate the contract with the Investment Manager.

Short-term performance standards should measure an Investment Manager's performance on a rolling 3-year return basis (or since inception if less than 3 years) in relation to an appropriate peer group. Each Investment Manager is to be measured against the median return of a previously agreed-upon peer group of investment managers with similar investment styles.

Notwithstanding any other provision of this IPS, the City Council, on the recommendation of the Investment Committee, retains the right to terminate the contract with, and the services provided to the City of Valdez by an Investment Manager at any time. The City Council will make the decision to retain or terminate an Investment Manager based on the Committee's reasoned judgment and its confidence in the Investment Manager's ability to perform in the future.

Watch List

A number of factors may contribute to a manager's over- or under-performance at any given time: market dynamics, investment skill, and/or pure chance. Given this uncertainty, it is unwise to mandate termination purely for lagging performance at any specific point. A Watch List will be utilized to identify managers whose performance and/ or organization changes are cause for concern.

At the discretion of the Investment Committee, a manager may be included on the Watch List based on both qualitative and quantitative criteria detailed above. Once a manager is placed on a Watch List, the manager will be notified and performance will be closely monitored and scrutinized. An update on the manager as well as recommendation from the Investment Consultant to terminate or retain the manager must be made to the Investment Committee at each subsequent meeting after inclusion on the Watch List. Organizational issues that have been resolved in a satisfactory manner and improved performance relative to an index and/or peer group will be used as an indicator to remove a given manager from the Watch List.

Review of Investment Objectives and IPS

The Investment Committee will review annually the achievement of the Fund's investment objectives and monitor performance on a quarterly basis, based on the evaluation criteria set forth in this IPS. The annual review will focus on the continuing feasibility of achieving the investment objectives and the continued appropriateness of the IPS. It is not expected that the IPS will change frequently; in particular, short-term changes in the financial markets generally should not require an adjustment in the IPS.

The IPS will be reviewed annually by the Investment Committee. Pursuant to Valdez Municipal Code Section 3.04.051 (B) (2) "The city council shall review the investment policies of the permanent fund at least once each year during the first quarter and shall by formal resolution, re-adopt or modify said policies". However, specific policy issues may be visited whenever the Investment Committee deems it necessary. Specific occurrences which might suggest to the Committee an earlier review are:

ATTACHMENT A – RESOLUTION 25-41

- Changes in the distribution policy.

ATTACHMENT A – RESOLUTION 25-41

- The availability of acceptable new asset classes, or the improvement of data on previously known but inadequately understood asset classes to the point where the asset class might reasonably be considered.
- The availability of new technology, the application of which the Investment Committee believes will improve the IPS.
- The passage of relevant new legislation or regulations

APPENDIX

VALDEZ CITY CHARTER

Chapter VI. BUDGET PROCEDURE AND GENERAL FINANCE PROVISIONS

Valdez Charter Section 6.7 – PERMANENT FUND

Section 6.7. Permanent Fund. (a) There is established as a separate account, the Valdez permanent fund. All amounts received by the city from the sale of Marine Terminal Revenue Bonds for its own use and expenditure, as well as any other funds that may subsequently be so designated by the city council, shall be placed in the fund. Each year on the first business day of the city's fiscal year, one and one-half percent (1.5%) of the permanent fund's market value, as determined on the last day of the last accounting year that has been certified by an annual audit, shall be transferred into the general fund for appropriation for operational and capital expenses of the city. The remaining funds and any other funds appropriated for deposit in the permanent fund shall not be spent, but shall be held perpetually in trust for the benefit of the present and future generations of Valdez residents. The fund shall be administered in accordance with the provisions of this section.

(b) Funds placed or deposited in the permanent fund are fund principal which shall be invested in perpetuity only in investments specifically designated in this section, regardless of other provisions of law dealing with permissible investments of city funds.

(c) The assets of the fund may be invested in the following:

(1) Publicly traded equity investments, including but not limited to preferred and common stock and investment company shares;

(2) Debt instruments that have been issued by domestic and non-domestic entities including but not limited to the U.S. government, its agencies and instrumentalities;

(3) Obligations secured by reserves paid in by the United States or agencies or instrumentalities of the United States or corporations in which the United States is a shareholder or member;

(4) Bank certificates of deposit which are secured as to the payment of principal and interest in accordance with Alaska law; and

- (5) Corporate obligations of prime or equivalent quality as recognized by a nationally recognized rating organization;
- (6) Domestic and foreign common stocks and preferred stocks of publicly traded companies, provided that the total exposure to stocks shall be diversified among issuers and will not exceed sixty-five percent (65%) of the market value of the permanent fund;
- (7) Real estate investments in a portfolio of institutional quality properties (as defined in the investment policy), held in a collective investment vehicle, and managed by a registered investment advisor; provided, that total exposure to real estate investments shall not exceed fifteen percent (15%) of the market value of the permanent fund.

(d) Investment policy shall be formulated by the city council. In formulating investment policy, the council shall consider maximum income and appreciation, consistent with prudent levels of risk and diversification, governed by the prudent investor rule. If an allocation in section 6.7(c) is exceeded, corrective action shall be taken in a reasonable time in accordance with the policy adopted by the city council or its designee.

(e) The council has the power to:

- (1) Delegate the power to invest the fund to the city manager or other city official, and require reports relating to the investment as it prescribes;
- (2) Hire other persons as necessary to assist the council in the exercise of its powers; and
- (3) Take whatever other actions are reasonably necessary in furtherance of the purpose of this section. (Reso. 07-59, § 1; 6-6-06; Reso. No. 97-27, § 1; 7-19-77.)



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: RES 25-0042, **Version:** 1

ITEM TITLE:

#25-42 - Amending the 2025 City Budget by Transferring \$134,444 from Budget Variance Reserve to Community Development Department Contractual Services

SUBMITTED BY: Jordan Nelson, Finance Director

FISCAL NOTES:

Expenditure Required: \$134,444

Unencumbered Balance: \$350,122

Funding Source: Budget Variance Reserve, 350-0350-55000

RECOMMENDATION:

Approve Resolution 25-42.

SUMMARY STATEMENT:

There are two contracts in 2024 Community Development Department where appropriations expired before encumbrances were in effect.

1. The first contract for \$75,000 for the Housing Needs Assessment was executed in late December, communication oversight between Community Development and Finance Department led to 2024 Budget appropriations expiring before the fully executed contract was encumbered.
2. The second contract for \$59,044 was fully executed in October, however, a W-9 was not received until July 2025 leading to 2024 Budget appropriations expiring before the fully executed contract was encumbered.

The Community Development 2025 Budget does not have a level of appropriation sufficient to cover both contracts without significant reduction in anticipated level of service for the remainder of the fiscal year.

Budget Variance Reserve exists to absorb unanticipated, unexpected, and necessary appropriations and is budgeted at a sufficient level of funding to alleviate this issue.

CITY OF VALDEZ, ALASKA

RESOLUTION #25-42

RESOLUTION AMENDING THE 2025 CITY BUDGET BY TRANSFERRING \$134,444 FROM BUDGET VARIANCE RESERVE TO COMMUNITY DEVELOPMENT DEPARTMENT CONTRACTUAL SERVICES

WHEREAS, adopted budgets reflect best estimates of operating expenses; and

WHEREAS, the previously authorized appropriation for contracts executed at the end of the fiscal year expired without encumbrance, leaving the obligations unfunded; and

WHEREAS, existing appropriations are inadequate to fully fund the ongoing Housing Needs Assessment and Cooperative Resource Management Agreement (CRMA), necessitating supplemental appropriation; and

WHEREAS, budget amendments must be formally appropriated via Budget Amendment Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the 2025 City Budget is revised as follows:

Section 1. Community Development Department Contractual Services 001.5500.43400 is increased by \$134,444.

Section 2. Budget Variance Reserve 350.0350.55000 is decreased by \$134,444.

Section 3. Transfer to General Fund 350.0050.49100 is increased by \$134,444.

Section 4. Transfer from Reserve Fund 001.0050.39140 is increased by \$134,444.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 16th day of September, 2025.

City of Valdez, Alaska

Dennis Fleming, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0405, **Version:** 1

ITEM TITLE:

Report: Code Enforcement Update

SUBMITTED BY: Kalin King, Police Chief

FISCAL NOTES:

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

Report on code enforcement activities is attached for review.



POLICE DEPARTMENT MEMORANDUM



TO: CM Duval
FROM: Chief King
DATE: 08.04.2025
RE: Code Enforcement

Code Enforcement Report 08.2025 /Code Enforcement Officer Dan Plaster

This report highlights the projects completed and in progress since approximately May of 2025. In this report you will find up-dates on the COV Scrap Metal Project and current abatement issues that have been completed or are in progress. For clarification, a majority of what would have been categorized as individual CE calls in past years are being grouped into the 2025 Scrap Metal Project.

We are already envisioning a second phase for the scrap metal project in 2026. As of this report we have "cubed" approximately 720 tons of metal. Alaska Scrap and Recycling estimates that when finished with processing the COV metal pit materials they will have amassed around 1400 tons of materials. Several other sites and a growing pile of vehicles will still need processing and are not included in the 1400-ton figure. The remaining scrap metal tonnage will continue being processed through fall (2025) by COV personnel. This will primarily be vehicle processing. Alaska Scrap and Recycling will return to Valdez to continue operations in the summer of 2026. We estimate that the continuation of the scrap metal project will cost \$1,000,000.

Also, in 2026 we are planning on using Code Enforcement under (VMC Title 8) and Community Development (VMC Title 15 & 17) to bring our major nuisance issue offenders to task. As mentioned in this report we have two of the major offender property owners now cooperating with the city to work on their VMC Title 08.20 nuisance violations. We estimate that the clean up of these properties will come with an upfront cost of \$750,000.

Included in this report is the data from 2023 to present for statistical comparison.

2025 COV Scrap Metal Project

- Letters sent out to RO of 4269 & 4271 Richardson Hwy., RO of 200 Glacier Haul Road, RO of 1498 & 1508 Richardson Hwy., RO of 1310 & 1314 Richardson Hwy., RO of 540 Atigun Drive, and RO of 1655 Homestead Road.



POLICE DEPARTMENT MEMORANDUM



- Two property RO's have responded to the letter and are working with the COV to remove vehicles and metal from their properties.
- Scrap metal pit currently estimated to be completed in 2 to 3 weeks.
- Scrap metal crew will then concentrate on vehicles located at the brazier, estimate 1 week to process current number of vehicles. Current vehicle number is approximately 100 vehicles.
- Two property RO's have more vehicles available.
- Multiple entities private/commercial in Valdez in communication with COV to process their metal.

2025 Active Abatement

- 255 Airport Road, completed
- 5120 Whispering Spruce, completed
- 5385 Snowflake Circle, completed
- 1885 Mineral Creek Loop Road, building, in progress, deadline to be completed 08.15.2025
- 1655 Homestead Road, in progress
- 200 Glacier Haul Road -Trailer only, nearing completion
- 5305 Snowflake Circle, starting communication with property owner

Current and Historical Statistics:

Code Enforcement call for service 2025:

Total calls: 10 each

CE Inspections: 2 each



POLICE DEPARTMENT MEMORANDUM



CE Life Safety: 5 each
CE Nuisance Abt: 3 each
Vehicles Processed: estimate of 100+

Code Enforcement call for service 2024:

Total calls: 16 each
CE Inspections: 2 each
CE Life Safety: 2 each
CE Nuisance Abt: 9 each
Vehicles Processed: 51 each

Code Enforcement call for service 2023:

Total calls: 17 each
CE Inspections: 1 each
CE Life Safety: 4 each
CE Nuisance Abt: 5 each
Vehicles Processed: 69 each

Chief King



POLICE DEPARTMENT MEMORANDUM





City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0406, **Version:** 1

ITEM TITLE:

Procurement Report: Agreement for Professional Services - HDR Engineering, Inc. (Balefill & C&D Landfill Survey)

SUBMITTED BY: John Witte, Director, Public Works Department

FISCAL NOTES:

Expenditure Required: \$43,678.00

Unencumbered Balance: Sufficient funds available

Funding Source: Cost Code 001-7300-43400

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

The City of Valdez has negotiated an Agreement for Professional Services with HDR Engineering, Inc. to provide updated survey services for the Balefill and Construction & Demolition (C&D) landfill. The survey will include updated topographic information for use in permitting and planning.

The Consultant's project manager is Courtney Holston, and the City's project manager is John Witte. The period of performance under this agreement is 365 days from the written Notice to Proceed. Compensation shall be in accordance with the Basis of Compensation (Appendix B) and shall not exceed \$43,678.00.

The updated landfill survey data will be used to support the City's 2026 Alaska Department of Environmental Conservation (DEC) landfill permit renewal and the development of the Landfill Master Plan. HDR Engineering, Inc. will be required to maintain insurance as specified in the contract, and all terms and conditions are outlined in the Agreement and attached appendices.

This contract (No. 2398) ensures that the City has accurate and current landfill survey data to support regulatory compliance, operational planning, and long-term solid waste management.

July 7, 2025

Mr. John Witte
Public Works Director
City of Valdez
JWitte@ValdezAK.Gov

Subject: City of Valdez 2025 Landfill Survey

Dear Mr. Witte:

In response to the City of Valdez's (COV's) meeting requesting a proposal on June 11, 2025, HDR Engineering, Inc. (HDR) hereby submits this proposal to provide an updated survey of the COV's Balefill and Construction & Demolition (C&D) landfill. The survey would include new topographic information of the existing site for the COV's use in permitting and planning.

Scope of Work:

HDR proposes to produce one draft and one final set of survey drawings. The 2025 Landfill Survey will include the following:

- Coordination with the Valdez Airport for compliance with regulations for aerial survey using an unmanned aerial vehicle (UAV or drone).
- Surveys will be completed and stamped by a Registered Land Surveyor (RLS).
- Survey of groundwater monitoring well horizontal coordinates and elevations.
- Electronic Topography in AutoCAD Civil 3D 2018 format
 - Elevations in NAVD88 GEOD 12B vertical datum.
 - Topographic information such as break-line and boundary information, Triangular Irregular Network (TIN) surfaces, and other information that HDR requires for the creation of Digital Terrain Models without further data manipulation in AutoCAD.
 - Distances and elevations shall be accurate to 0.1 to 0.3 feet dependent on acquisition method.
 - Electronic copies of all field data in .csv or similar format. All electronic point file data shall include Point ID, Northing, Easting, Elevation, and Description (PNEZD).
 - "Waste Disposal Areas" (see Attachment 1) shall be on a twenty (20)-foot grid stationing, or smaller, plus horizontal and vertical grade breaks and constructed features such as road lines.
 - "Remaining Property" (see Attachment 1) shall be on a fifty (50)-foot grid stationing, or smaller, for the C&D Landfill and eighty (80)-foot grid stationing, or smaller for the Balefill (plus horizontal and vertical grade breaks and constructed features such as road lines).

Deliverables:

1. Survey Drawings stamped by a Registered Land Surveyor, submitted as a PDF (draft and final)
2. Electronic Data Files for the Survey Drawings (draft and final)

All deliverables will be submitted to the COV as electronic files only.

Schedule:

We propose the following schedule:

1. Rowland Engineering Consultants (RECON) will conduct the aerial survey in the Fall of 2025 to collect LiDAR data once vegetation provides less interference.
2. HDR to submit the draft 2025 survey to COV within 14 calendar days of receiving topographic data of both sites from RECON.
3. The COV will provide comments to HDR within two weeks of receiving the draft submittal.
4. HDR will submit the final 2025 Survey to the COV within 21 calendar days of receipt of the review comments.
5. Delays due to weather conditions may impact the schedule and cost.

Cost:

HDR proposes to complete this project on a time and expenses basis for an estimated cost not to exceed \$43,678. See Attachment 2 for a detailed breakdown of costs.

Assumptions:

1. COV will not require edits to the draft 2025 survey that require acquisition of additional data. Edits will be limited to labeling or interpretation of points.
2. The survey scope does not include further manipulation of the data or rendering to match previous formatting in COV solid waste permits.
3. COV review comments on the draft 2025 survey will be consolidated into one file.
4. The COV will provide RECON access to the sites and groundwater monitoring wells.
5. Costs do not include delays due to weather conditions. Unexpected lost UAV flight days due to the weather would be at additional cost.
6. COV will provide a person to show the surveyor where the groundwater monitoring wells are located and open the monuments for surveying top of casing.

If you have any questions, please contact Courtney Holston, E.I.T. at (907) 644-2195 or courtney.holston@hdrinc.com.

Respectfully,
HDR Engineering, Inc.

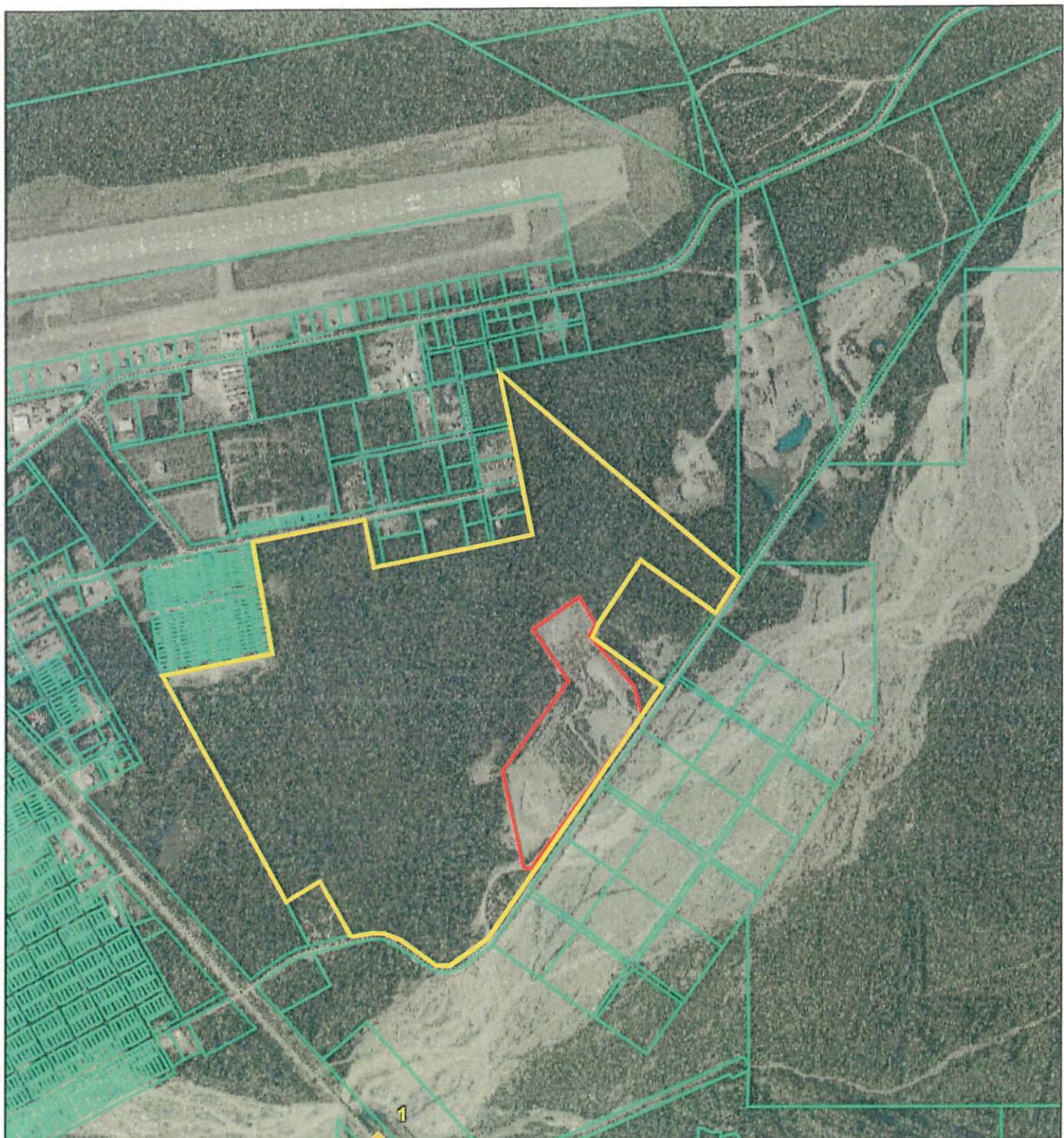

Anna Kohl (Jul 3, 2025 14:58 AKDT)

Anna Kohl, C.E.P.
Alaska Area Manager

Attachments:

1. Project Survey Areas
2. Detailed Cost Estimate Breakdown

Attachment 1 - Project Survey Areas
Balefill



6/21/2024, 12:09:36 PM

1:36,112

0 0.15 0.3 0.6 mi
0 0.23 0.45 0.9 km

Parcels

Mile_Points

Valdez City Limits

Approximate "Waste Disposal Area" - 20 ft grid

Approximate "Remaining Property Area" - 80 ft grid

(note some of the actual property area removed to avoid other operations)

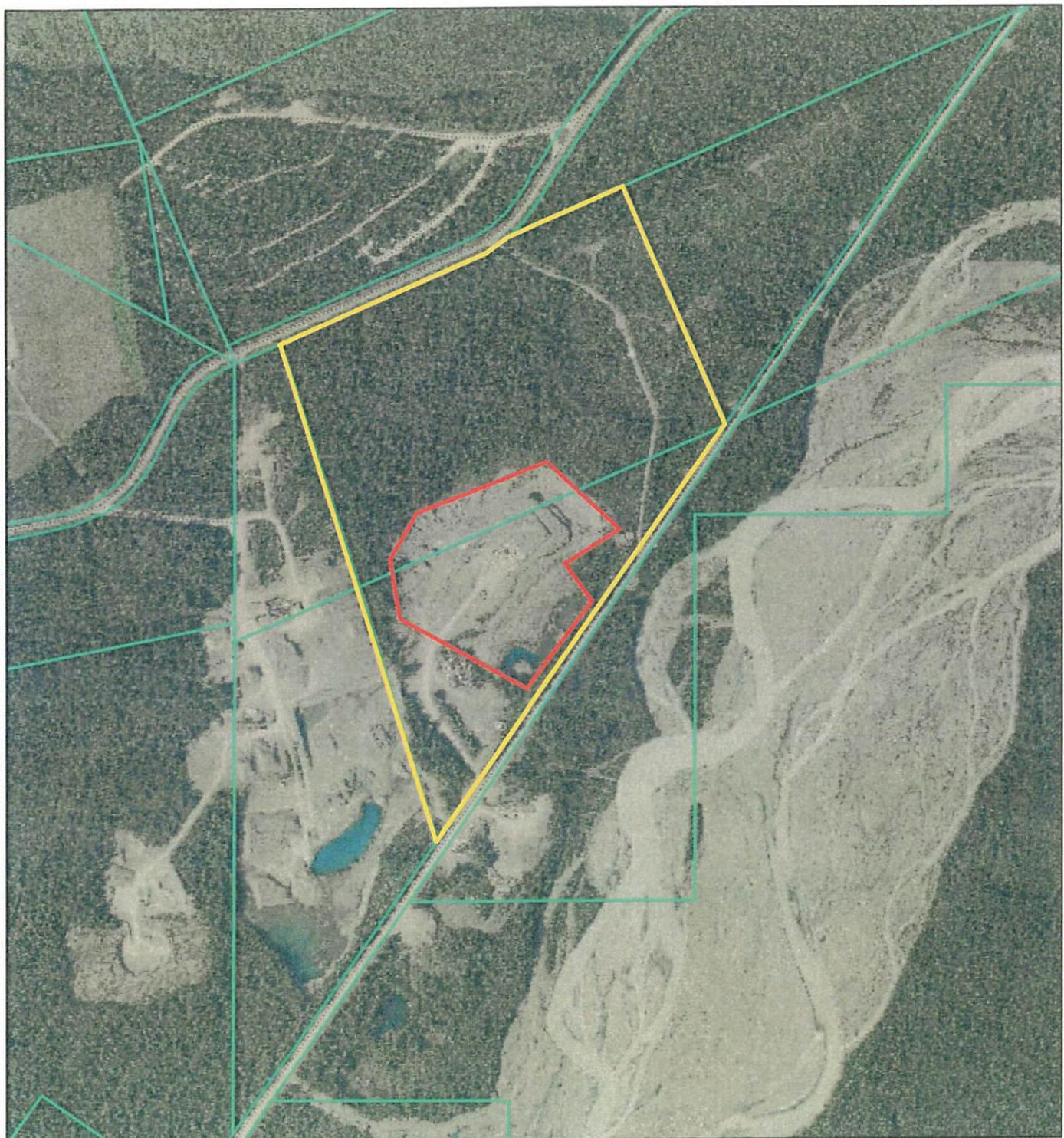
JAP, City of Valdez; JAP, Maxar

COV GIS Website

Earthstar Geographics | City of Valdez; JAP | JAP |

144

Attachment 1 - Project Survey Areas
C&D Landfill



6/19/2024, 1:44:04 PM

1:18,056

0 0.07 0.15 0.2 0.3 mi
0 0.1 0.2 0.4 km

Parcels

Valdez City Limits

Approximate "Waste Disposal Area" - 20 ft grid

JAP, City of Valdez; JAP, Maxar

Approximate "Remaining Property Area" - 50 ft grid

COV GIS Website

Earthstar Geographics | City of Valdez; JAP | JAP |

Attachment 2 - Detailed Cost
Estimate Breakdown

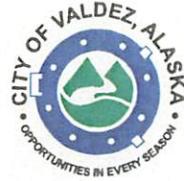
HDR Engineering, Inc.
COV 2025 Landfill Survey

Time and Materials

COV 2025 Landfill Survey	HDR Labor								SUBS			OTHER DIRECT COSTS				TOTAL COSTS		
	Project Role	Project Manager	Deputy Project Manager	CAD Specialist	Water Quality Specialist	Project Accountant	Hour Subtotal 1	Cost Subtotal	RECON Survey	Subs Subtotal	Markup	Subs Subtotal with Markup	Shipping	Other Direct Costs Subtotal	Markup (other direct costs)	Other Direct Costs Subtotal with Markup		
		Employee	Holston, Courtney Briana	Buchanon, Samantha Rachel (Sam, Sami)	Fair, Alexander Jonathan (Alex)	Helmericks, Cynthia Lee Milligan (Cindy)												
			2025 Rates	\$138.60	\$165.00	\$114.64	\$198.00	\$157.08										
1 Survey			11	4	3	1	3	22	\$3,198	\$36,800	\$36,800	\$3,680	\$40,480	\$0	\$0	\$0	\$0	\$43,678
1.1 Project Management and Coordination			6	1				2	9	\$1,311	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,311
1.2 Survey			5	3	3	1	1	13	\$1,887	\$36,800	\$36,800	\$3,680	\$40,480	\$0	\$0	\$0	\$0	\$42,367
* Rates based on multiplier with yearly escalation																		
Labor Hour Total			11	4	3	1	3											
TOTAL COSTS			\$ 1,525	\$ 660	\$ 344	\$ 198	\$ 471	22	\$3,198	\$36,800	\$36,800	\$3,680	\$40,480	\$0	\$0	\$0	\$0	\$43,678

Notes:

1 10% markup on Subs



City of Valdez Agreement for Professional Services

THIS AGREEMENT between the CITY OF VALDEZ, ALASKA, ("City") and HDR Engineering, Inc. ("Consultant") is effective on the 19th day of August, 2025

All work under this agreement shall be referred to by the following:

Project: COV's Balefill & Construction & Demolition (C&D) Landfill Survey
Project No:
Contract No.: 2398
Cost Code: 001-7300-43400

Consultant's project manager under this agreement is Courtney Holston.

Consultant's project manager may not be changed without the written consent of the City.

City's project manager is John Witte.

ARTICLE 1. Scope of Work

1.1 The scope of work to be performed hereunder is more completely described in Appendix A which is incorporated herein by reference.

ARTICLE 2. Compensation

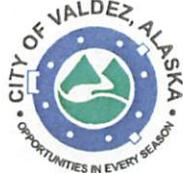
2.1 Compensation shall be paid in accordance with the Basis of Compensation Schedule attached hereto as Appendix B and incorporated herein by reference in an amount not to exceed \$43,678.00.

ARTICLE 3. Period of Performance

3.1 The Consultant agrees to commence work under this agreement only as authorized by and in accordance with written notice to proceed and to complete the work in accordance with the Scope of Work (Appendix A).

3.2 The period of performance under this agreement shall end and Consultant shall have completed all work under this agreement within 365 days of the written Notice to Proceed. Work shall proceed in accordance with the schedule set forth in Appendix A.

Agreement for Professional Services
Project: COV's 2025 Landfill Survey
Project No.
Contract No. 2398
Cost Code: 001-7300-43400



ARTICLE 4. Subconsultants

4.1 The Consultant shall be responsible for the performance of all services required under this agreement.

ARTICLE 5. Insurance

5.1 In accordance with the provision contained in the General Conditions (Appendix C), the following minimum limits of insurance coverage are required:

<u>Type of Insurance</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
Workers' Compensation	Statutory	Statutory
Employers' General	\$ 100,000	\$ 300,000
Commercial General Liability*	\$1,000,000	\$2,000,000
Comprehensive Automobile Liability	\$ 100,000	\$ 300,000
Professional Liability*	\$1,000,000	\$2,000,000

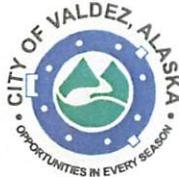
**(including Broad Form Property Damage Coverage and Completed Operations Coverage)*

ARTICLE 6. Appendices

6.1 The following appendices are attached to this agreement and incorporated herein:

<u>Appendix</u>	<u>Title</u>
A	Scope of Work
B	Basis of Compensation
C	General Conditions

Agreement for Professional Services
Project: COV's 2025 Landfill Survey
Project No.
Contract No. 2398
Cost Code: 001-7300-43400



IN WITNESS WHEREOF, the parties to this presence have executed this CONTRACT in two (2) counterparts, each of which shall be deemed an original, in the year and day first mentioned above.

HDR Engineering, Inc

Anna Kohl

Authorized Signature

Anna Kohl

Printed name

Date: Aug. 11, 2025

Title: Vice President

FEDERAL ID #: 47-0680568 - HDR Engineering

582 E. 36th Ave. Ste 500

Mailing Address

Anchorage, AK 99523

City, State, Zip Code

Signature of Company Secretary or Attest

Date: _____

**CITY OF VALDEZ, ALASKA
APPROVED:**



Nathan Duval, City Manager

Date: 8-19-25

ATTEST:



Sheri L. Pierce, MMC, City Clerk

Date: 8/19/25

RECOMMENDED:



John Witte, Public Works Director

Date: 8/15/2025



APPROVED AS TO FORM:

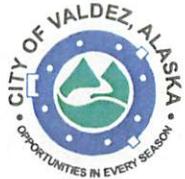
Brena, Bell & Walker, P.C.



Jon S. Wakeland

Date: 7/23/25

Agreement for Professional Services
Project: COV's 2025 Landfill Survey
Project No.
Contract No. 2398
Cost Code: 001-7300-43400



Appendix A Scope of Work

BASIC SERVICES

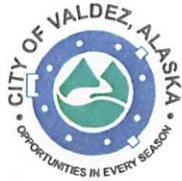
Provide an updated survey of the COV's Balefill and Construction & Demolition (C&D) landfill. The survey would include new topographic information of the existing site for the COV's use in permitting and planning.

The scope of work is more specifically described in the attached proposal dated July 7, 2025 which is incorporated herein by reference. Where any provisions of the attached proposal conflict with the provisions of the General Conditions under Appendix C, the latter shall govern this agreement.

Appendix B Basis of Compensation

On completion of work and submission of invoices, the City shall pay to Consultant the compensation as follows:

Payment shall be made based on the proposed fee and shall not exceed \$43,678.00 per the proposal attached to Appendix A of this Agreement, without prior authorization by the City as required in Section V of the General Conditions (Appendix C).



Appendix C General Conditions

I. Definitions:

Basic Services: The identified work elements set forth in this Agreement for which the Consultant will receive prime compensation.

Change: An addition to, or reduction of, or other revision in the scope, complexity, character, or duration of the services or other provisions of this Agreement.

City's Project Manager: City's representative in charge of the project(s) and the consultant's primary point of contact for notice(s) to proceed, invoices, correspondence and interface with the City.

Consultant's Project Manager: The Consultant's representative in charge of the project(s) who is directly responsible and engaged in performing the required services.

Extra Services: Any services or actions required of the Consultant above and beyond provisions of this Agreement.

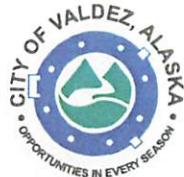
Funding Agency(s): The agency(s) of the federal, state or municipal government which furnishes funds for the Consultant's compensation under this Agreement.

Optional Services: Identifiable and/or indeterminate work elements set forth in this Agreement, which are separate and distinct from those covered by the prime compensation, which the City has the option to authorize.

Prime Compensation: The dollar amount paid to the Consultant for basic services set forth in this Agreement. Prime compensation does not include payment for any optional or extra services.

Scope of Work: Basic and optional services required of the Consultant by provisions of this Agreement.

Subconsultant: Any person, firm, corporation, joint venture, partnership or other entity engaged through or by Consultant.



II. Information and Services from Others:

Provisions of information, data, budget, standards, and other materials by the City do not warrant their accuracy or quality nor provide approval of omissions or oversights or of any non-compliance with applicable regulation.

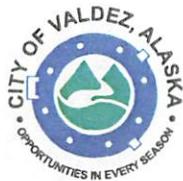
The City may, at its election, or in response to a request from the Consultant, furnish information or services from other Consultants. If, in the Consultant's opinion, such information or services are inadequate, the Consultant must notify the City of the specific service or material deemed inadequate and the extent of the inadequacy prior to use in the performance of this Agreement. Unless so notified by the Consultant, the City may assume the information or services provided are adequate.

III. Indemnification

To the fullest extent permitted by law, the Consultant shall indemnify, defend, and hold harmless the City from and against any claim of, or damages, losses, expenses and liability (including but not limited to fees and charges of engineers, architects, attorneys, and other professionals, and court, mediation and/or arbitration costs) for negligent acts, errors, and omissions of the Consultant, Subconsultant, persons or organizations directly or indirectly employed or engaged by Consultant or Subconsultant under this Agreement. The Consultant is not required to indemnify, defend, or hold harmless the City for a claim of, or liability for the independent negligent acts, errors, and omissions of the City. If there is a claim of, or liability for a joint negligent act, error, or omission of the Consultant and the City, the indemnification, defense, and hold harmless obligation of this provision shall be apportioned on a comparative fault basis. In this provision, "Consultant" and "City" include the employees, agents, and contractors who are directly responsible, respectively, to each. In this provision, "independent negligent acts, errors, and omissions" means negligence other than in the City's selection, administration, monitoring, or controlling of the Consultant, or in approving or accepting the Consultant's work.

IV. Insurance:

All of the insurance coverages listed in Article 5 shall be purchased by the Consultant. The City shall be made an additional insured on the Consultants Commercial General Liability policy in connection with the activities related to this contract. The Consultant shall purchase and maintain the Article 5 insurance coverages with limits not less than those specified for the duration of the Agreement. The professional liability insurance shall be maintained in force for one year following the date of final payment for the work performed herein. The amount of the contract may be renegotiated if the insurance premiums for the following year are raised over those in force when the contract was let. Should the professional liability insurance become unavailable during the one-year period following the date of final payment, the insurance coverage may be renegotiated between the owner and the Consultant.



Insurance coverage shall provide for negligent acts, errors or omissions which the Consultant, employees of the Consultant or Subconsultant may make which produce loss or liability to the Owner and for the protection against loss which results from reliance on the Consultant's products, reports or a combination thereof. Failure to comply with the provision for maintaining the insurance in effect for one year following the date of final payment may be cause for the Owner to refrain from dealing with the Consultant in the future.

V. Payments:

The City shall pay to the Consultant the amount of any changes in the cost of insurance that are attributable to the Scope of Work created by change orders.

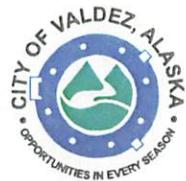
Payments shall be made in accordance with Appendix B. Consultant shall submit progress invoices to City in duplicate showing the itemized services performed during the invoice period and the charges therefore.

All progress invoices shall be prepared as a percentage of the work is completed except contracts performed on "time and expenses" basis which invoiced amounts shall not exceed the actual charges to the invoice date.

Under no circumstances will City pay for charges in excess of any lump-sum or not-to-exceed contract amount incurred prior to written authorization by City for an increase in the contract amount. Written request for an increase in the contract amount shall be given to City with sufficient notice to allow City to issue formal approval prior to the incurring of excess charges without delay to the work.

On "time and expenses" contract amounts, compensation for work included in the Scope of Work shall be for direct labor costs and the actual cost of reimbursable expenses. Direct labor costs shall be as shown on the current Standard Labor Rates for the Consultant, a copy of which is attached as Appendix D, times a factor of n/a, for services rendered by principals and employees of the firm. Reimbursable expenses mean the actual expenses incurred directly or indirectly in connection with the Project for: transportation and subsistence incidental thereto; obtaining bids or proposals from contractor(s); furnishing and maintaining field office facilities; toll telephone calls and telegrams; reproduction of reports, drawings, specifications, and similar project-related items and, if authorized in advance by City, overtime work requiring higher than regular rates. Reimbursable expenses shall also include the amount billed to Consultant by Subconsultant employed by consultant for such Subconsultants' services and reimbursable expenses times a factor of 1.05.

The sum of payments shall not exceed the allowable compensation stated in this Agreement. In the event items on an invoice are disputed, payment on those items will be withheld until the dispute is resolved.



The Consultant shall submit a final invoice and required documentation for services authorized by each Notice to Proceed within Ninety (90) days after final acceptance by the City. The City will not be held liable for payment of invoices submitted after this time unless prior written approval has been given.

VI. Changes:

Changes in the Scope of Work or of services may only be made by written amendment signed by both City and Consultant.

If at any time the City through its authorized representatives, either orally or in writing, requests or issues instructions for extra services or otherwise directs actions that conflict with any provisions of this Agreement, the Consultant shall, within ten (10) days of receipt and prior to pursuing such instructions, notify the City in writing, and to the extent possible, describe the scope and estimated cost of any extra services. Unless so notified by the Consultant, the City may assume such instructions have not changed any provisions of this Agreement nor require additional compensation. No additional payments shall be made to the Consultant without such notice.

VII. Audits and Records:

The Consultant shall maintain records of all performances, communications, documents, and correspondence pertinent to this Agreement, and the City or its authorized representatives shall have the right to examine such records and accounting procedures and practices.

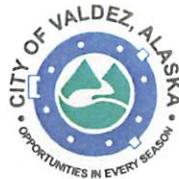
The materials described in the Article shall be made available at the business office of the Consultant, at all reasonable times, for inspection, audit or reproduction by City or any funding agency, for a minimum of three years from the date (a) of final payment under this Agreement (b) final payment upon claims or disputes, and for such longer period, if any, as may be required by applicable statute or other provisions of this Agreement.

VIII. Inspections:

The City, or any funding agency, has the right to inspect, in the manner and at reasonable times it considers appropriate during the period of this Agreement, all facilities, materials and activities of the Consultant in the performance of this Agreement.

IX. Termination or Suspension:

This Agreement may be terminated by either party upon ten (10) days' written notice if the other party fails substantially to perform in accordance with its terms through no fault of the party initiating the termination (default termination). If the City terminates this



Agreement, the City will pay the Consultant a sum equal to the percentage of work completed that can be substantiated by the Consultant and the City. If the City becomes aware of any fault or defect in the work of the Consultant or nonconformance with this Agreement, the City will give prompt written notice thereof to the Consultant. Should the Consultant's services remain in nonconformance with this Agreement, the percentage of total compensation attributable to the nonconforming work may be withheld.

The City at any time may terminate (convenience termination) or suspend this Agreement for its own needs or convenience. In the event of a convenience termination or suspension for more than three months, the Consultant will be compensated for authorized services and authorized expenditures performed to the date of receipt of written notice of termination plus reasonable termination expenses. NO fee or other compensation for the uncompleted portion of the services will be paid, except for already incurred indirect costs which the Consultant can establish and which would have been compensated for over the life of this Agreement, but because of the convenience termination would have to be absorbed by the Consultant without further compensation.

If state or federal funds support this Agreement, settlement in the event of default or convenience termination must be approved by the City and any appropriate state or federal agency.

X. Officials Not to Benefit:

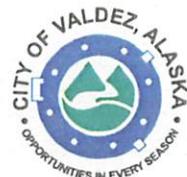
No member of or delegate to Congress, United States Commissioner or other officials of federal, state or local government shall be admitted to any share or part of this Agreement or any benefit to arise therefrom. The Consultant warrants that it has not employed or retained any organization or person, other than a bona fide employee working for the Consultant, to solicit or secure this Agreement and that it has not paid or agreed to pay any consideration contingent upon or resulting from this Agreement.

XI. Independent Consultant:

Except in those instances specifically provided for herein, the Consultant and any of its agents and employees shall act in an independent capacity and not as agents of the City in the performance of the Agreement.

XII. Ownership of Work Products:

Work products produced under this Agreement, except items that have preexisting copyrights, are the property of the City. Payments to the Consultant for services hereunder include full compensation for all work products, field notes, interim work, reports, and other materials produced by the Consultant and its Subconsultants pertaining to this Agreement. Any re-use the City might make of these work products shall be at the City's own risk and the



Consultant shall not incur any liability for the City's re-use of the work products on any project for which they were not intended.

XIII. Subconsultants, Successors and Assigns:

The City must concur in the selection of all Subconsultants for professional services to be engaged in performance of this Agreement.

As soon as practicable after the award of the contract, the Consultant shall furnish to the City in writing the names of the proposed Subconsultants for each of the principal portions of the work. The City shall promptly notify the Consultant if it has reasonable objection to any of the proposed Subconsultants. Failure of the City to give prompt notification shall constitute notice of no reasonable objection. The Consultant shall not contract with any Subconsultant to whom the City has made reasonable objection.

If this Agreement includes named firms or individuals, then such firms or individuals shall be employed for the designated services, unless the Agreement is changed by amendment.

The Consultant shall not assign, sublet or transfer any interest in this Agreement without the prior written consent of the City.

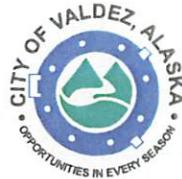
The Consultant binds itself, its partners, its Subconsultants, assigns and legal representatives to this Agreement and to the successors, assigns and legal representatives of the City with respect to all covenants of this Agreement.

The Consultant shall include provisions appropriate to effectuate the purposes of this Appendix C in all subcontracts executed to perform services under this Agreement in which subcontract amount exceeds \$40,000.

XIV. Claims and Disputes:

If the Consultant becomes aware, or reasonably should have become aware of any act or occurrence which may form the basis of a claim, the consultant shall immediately inform the City's Project Manager. If the matter cannot be resolved within seven (7) days, the Consultant shall within the next fourteen (14) days submit written notice of the facts which may form the basis of the claim.

In addition, all claims by the Consultant for additional compensation or an extension of the time for performance of any dispute regarding a question of fact or interpretation of this Agreement shall be presented in writing by the Consultant to the City's Project Manager within the next sixty (60) days unless the Project Manager agrees in writing to an extension of time for good cause shown. Good cause shown includes time for the Consultant



to prepare the claim, and the City's Project Manager will grant an extension of not more than sixty (60) days for preparation of the claim. The Consultant agrees that unless these written notices are provided, the Consultant shall not be entitled to additional time or compensation for such act, event or condition. The Consultant shall in any case continue diligent performance under this Agreement. The Consultant shall in any case continue to expeditiously accomplish disputed services pending future resolution of the Consultant's claim unless notified by the City to stop work on the disputed matter.

In presenting any claim, the Consultant shall specifically include, to the extent then possible, the following:

- The provisions of this Agreement that apply to the claim and under which it is made.
- The specific relief requested including any additional compensation claimed and the basis upon which it was calculated and/or the additional time requested and the basis upon which it was calculated.
- The claim will be acknowledged in writing by the City's Project Manager. If the claim is not disposed of within sixty (60) days of acknowledgement, provided additional time is not granted in writing by the City's Contract Officer, the claim will be decided by the City's Contract Officer. The Contract Officer reserves the right to make a written request to the Consultant at any time for additional information that the Consultant may possess to support the claims(s). The Consultant agrees to provide the City such additional information within thirty (30) days of receipt for such a request. The City's Contract Officer will allow a reasonable time extension for good cause if presented in writing prior to the expiration of the thirty (30) days. Failure to furnish such additional information constitutes a waiver of claim.
- The Consultant will be furnished a written, signed copy of the Contract Officer's decision within ninety (90) days of receipt of all necessary information from the Contractor upon which to base the decision. The Contract Officer's decision is final and conclusive unless, within thirty (30) days of receipt of the decision, the Consultant delivers a notice of appeal to the City Manager. The notice of appeal shall include specific exceptions to the City's decision including specific provision of this Agreement which the Consultant intends to rely upon on appeal. General assertions that the City's decision is contrary to law or to fact are not sufficient.



- The decision of the City Manager will be rendered within 120 days of notice of appeal and the decision constitutes the exhaustion of contractual and administrative remedies.

XV. Extent of Agreement:

This Agreement, including appendices, represents the entire and integrated Agreement between the City and the Consultant and supersedes all prior negotiations, representations or agreements, either written or oral.

Nothing contained herein may be deemed to create any contractual relationship between the City and any Subconsultants or material suppliers; nor may anything contained herein be deemed to give any third party a claim or right of action against the City or the Consultant that does not otherwise exist without regard to this Agreement.

This Agreement may be changed only by written amendment executed by both the City and the Consultant.

All communications that affect this Agreement must be made or confirmed in writing.

The Consultant receiving final payment will execute a release, if required, relinquishing in full all claims against the City arising out of or by reason of the services and work products furnished under this Agreement.

The Consultant shall pay all federal, state and local taxes incurred by the Consultant and shall require payment of such taxes by any Subconsultant or any other persons in the performance of this Agreement.

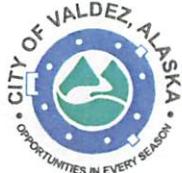
XVI. Governing Laws:

This Agreement is governed by the laws of the State of Alaska and such federal and local laws and ordinances as are applicable to work performed. Any litigation arising out of the terms of this Agreement shall be brought in the Third Judicial District, Superior or District Court at Valdez.

XVII. Minimum Wages:

Minimum wages as determined by the Department of Labor shall be paid to all persons performing work on this Contract.

Agreement for Professional Services
Project: COV's 2025 Landfill Survey
Project No.
Contract No. 2398
Cost Code: 001-7300-43400



**City of Valdez
Contract Release Page 1 of 2**

The undersigned, _____ for itself, its owners, partners, successors in interest, assigns trustees, administrators, subcontractors, suppliers, and laborers do hereby release and forever discharge the CITY OF VALDEZ, ALASKA a municipal corporation, as set forth herein related to or arising out of the following described contract ("Contract"):

Project:
Project Number: / Contract Number:

The undersigned hereby acknowledges receipt of the amount of \$ _____ as full and final payment in consideration for all services, materials and labors rendered in connection with the Contract.

The undersigned hereby waives and releases any right or claim of lien, any state or federal statutory bond right, any private bond right, any claim for payment under the Contract, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for itself, its owners, directors, officers, its successors in interest, assigns, agents, attorneys, trustees, administrators, subcontractors, suppliers, and laborers.

The undersigned certifies that no amounts payable under the Contract have been assigned to anyone.

The undersigned agrees that this Release is not executed as a result of financial disadvantage. No promise or inducement has been offered or made except as set forth in the above Contract. Accordingly, the undersigned voluntarily waives any and all rights to void this Release or any of its provisions, due to economic or business distress and/or compulsion. The undersigned represents that it is familiar with and has had the opportunity for its attorneys to explain the meaning of decisions of the Alaska Supreme Court applicable to this Release including, but not limited to, *Petroleum Sales, Ltd. v. Mapco of Alaska, Inc.*, 687 P.2d 923 (Alaska 1984); *Totem Marine T. & B. v. Alyeska Pipeline, et. al.*, 584 P.2d 15 (Alaska 1978); and *Witt v. Watkins*, 579 P.2d 1065 (Alaska 1978).

The undersigned hereby declares that the terms of this Release have been completely read and are fully understood, and said terms are voluntarily accepted for the purpose of making a full and final release of any and all payment claims, disputed or otherwise, arising under or by virtue of the Contract. The undersigned represents and warrants that it has the full and complete legal authority to enter into this Release, that the individuals executing this Release have the legal authority to do so, and that this Release shall be binding and enforceable upon it and its representatives, successors, and assigns, in accordance with its terms upon execution. The signature of the undersigned is an acknowledgement that the person signing has the authority to bind the party to this Release.

Agreement for Professional Services
Project: COV's 2025 Landfill Survey
Project No.
Contract No. 2398
Cost Code: 001-7300-43400



**City of Valdez
Contract Release Page 2 of 2**

IN WITNESS WHEREOF, I have hereunto set my hand and seal this _____ day of _____, 20____.

COMPANY

SIGNATURE

TITLE

STATE OF ALASKA)
)
)ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this _____ day of _____, 20____, before me, Notary Public in and for the State of Alaska, personally appeared _____ of _____, known to me to be its _____ and acknowledged to me that he has read this foregoing RELEASE and knew contents thereof to be true and correct to the best of his knowledge and belief, and that he signed the same freely and voluntarily for the uses and purposes therein mentioned, and that he was duly authorized to execute the foregoing document according to the Bylaws or by Resolutions of said corporation.

WITNESS my hand and notarial seal this _____ day of _____, 20____.

Notary Public in and for Alaska

My Commission expires: _____

July 7, 2025

Mr. John Witte
Public Works Director
City of Valdez
JWitte@ValdezAK.Gov

Subject: City of Valdez 2025 Landfill Survey

Dear Mr. Witte:

In response to the City of Valdez's (COV's) meeting requesting a proposal on June 11, 2025, HDR Engineering, Inc. (HDR) hereby submits this proposal to provide an updated survey of the COV's Balefill and Construction & Demolition (C&D) landfill. The survey would include new topographic information of the existing site for the COV's use in permitting and planning.

Scope of Work:

HDR proposes to produce one draft and one final set of survey drawings. The 2025 Landfill Survey will include the following:

- Coordination with the Valdez Airport for compliance with regulations for aerial survey using an unmanned aerial vehicle (UAV or drone).
- Surveys will be completed and stamped by a Registered Land Surveyor (RLS).
- Survey of groundwater monitoring well horizontal coordinates and elevations.
- Electronic Topography in AutoCAD Civil 3D 2018 format
 - Elevations in NAVD88 GEOID 12B vertical datum.
 - Topographic information such as break-line and boundary information, Triangular Irregular Network (TIN) surfaces, and other information that HDR requires for the creation of Digital Terrain Models without further data manipulation in AutoCAD.
 - Distances and elevations shall be accurate to 0.1 to 0.3 feet dependent on acquisition method.
 - Electronic copies of all field data in .csv or similar format. All electronic point file data shall include Point ID, Northing, Easting, Elevation, and Description (PNEZD).
 - "Waste Disposal Areas" (see Attachment 1) shall be on a twenty (20)-foot grid stationing, or smaller, plus horizontal and vertical grade breaks and constructed features such as road lines.
 - "Remaining Property" (see Attachment 1) shall be on a fifty (50)-foot grid stationing, or smaller, for the C&D Landfill and eighty (80)-foot grid stationing, or smaller for the Balefill (plus horizontal and vertical grade breaks and constructed features such as road lines).

Deliverables:

1. Survey Drawings stamped by a Registered Land Surveyor, submitted as a PDF (draft and final)
2. Electronic Data Files for the Survey Drawings (draft and final)

All deliverables will be submitted to the COV as electronic files only.

Schedule:

We propose the following schedule:

1. Rowland Engineering Consultants (RECON) will conduct the aerial survey in the Fall of 2025 to collect LiDAR data once vegetation provides less interference.
2. HDR to submit the draft 2025 survey to COV within 14 calendar days of receiving topographic data of both sites from RECON.
3. The COV will provide comments to HDR within two weeks of receiving the draft submittal.
4. HDR will submit the final 2025 Survey to the COV within 21 calendar days of receipt of the review comments.
5. Delays due to weather conditions may impact the schedule and cost.

Cost:

HDR proposes to complete this project on a time and expenses basis for an estimated cost not to exceed \$43,678. See Attachment 2 for a detailed breakdown of costs.

Assumptions:

1. COV will not require edits to the draft 2025 survey that require acquisition of additional data. Edits will be limited to labeling or interpretation of points.
2. The survey scope does not include further manipulation of the data or rendering to match previous formatting in COV solid waste permits.
3. COV review comments on the draft 2025 survey will be consolidated into one file.
4. The COV will provide RECON access to the sites and groundwater monitoring wells.
5. Costs do not include delays due to weather conditions. Unexpected lost UAV flight days due to the weather would be at additional cost.
6. COV will provide a person to show the surveyor where the groundwater monitoring wells are located and open the monuments for surveying top of casing.

If you have any questions, please contact Courtney Holston, E.I.T. at (907) 644-2195 or courtney.holston@hdrinc.com.

Respectfully,
HDR Engineering, Inc.

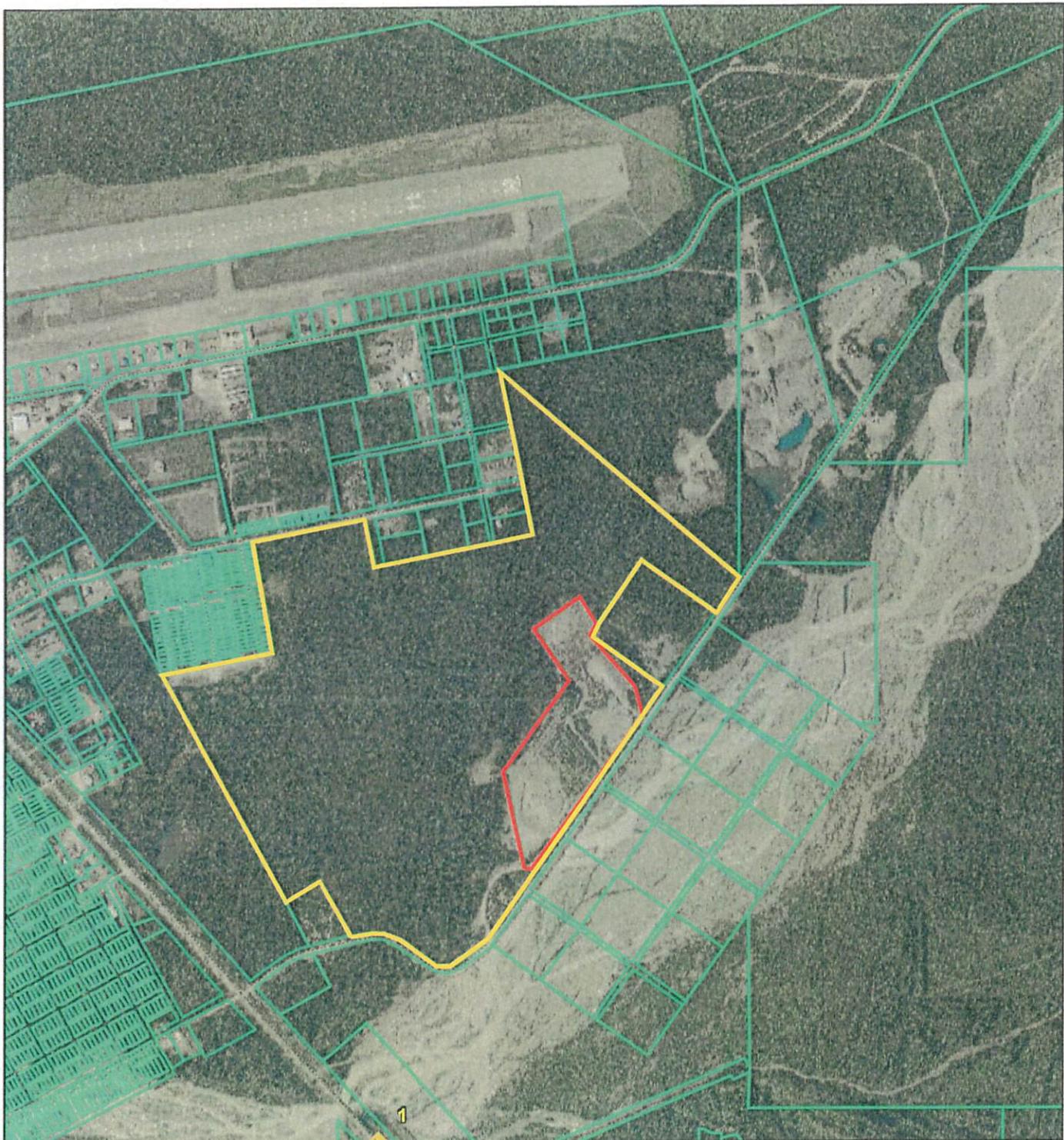

Anna Kohl (Jul 3, 2025 14:58 AKDT)

Anna Kohl, C.E.P.
Alaska Area Manager

Attachments:

1. Project Survey Areas
2. Detailed Cost Estimate Breakdown

Attachment 1 - Project Survey Areas
Balefill



6/21/2024, 12:09:36 PM

1:36,112

0 0.15 0.3 0.6 mi
0 0.23 0.45 0.9 km

Parcels

Mile_Points

Valdez City Limits

Approximate "Waste Disposal Area" - 20 ft grid

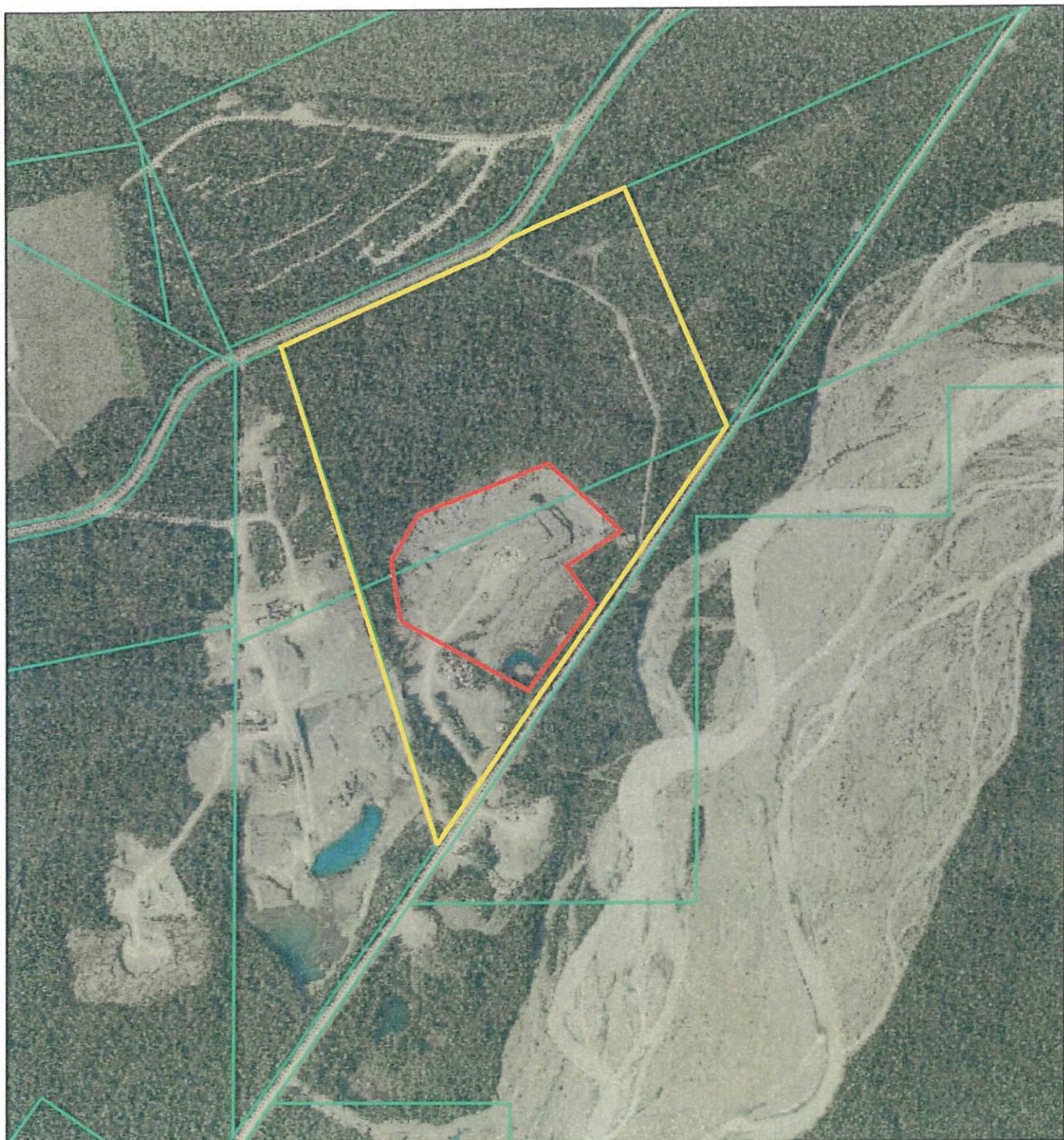
Approximate "Remaining Property Area" - 80 ft grid
(note some of the actual property area removed to avoid other operations)

JAP, City of Valdez; JAP, Maxar

COV GIS Website

Earthstar Geographics | City of Valdez; JAP | JAP |

Attachment 1 - Project Survey Areas
C&D Landfill



6/19/2024, 1:44:04 PM

1:18,056

0 0.07 0.15 0.3 mi
0 0.1 0.2 0.4 km

Parcels

Valdez City Limits

Approximate "Waste Disposal Area" - 20 ft grid

JAP, City of Valdez, JAP, Maxar

Approximate "Remaining Property Area" - 50 ft grid

COV GIS Website

Earthstar Geographics | City of Valdez; JAP | JAP |

Attachment 2 - Detailed Cost
Estimate Breakdown

HDR Engineering, Inc.
COV 2025 Landfill Survey

Time and Materials

COV 2025 Landfill Survey	HDR Labor								SUBS			OTHER DIRECT COSTS				TOTAL COSTS	
	Project Role	Project Manager	Deputy Project Manager	CAD Specialist	Water Quality Specialist	Project Accountant	Hour Subtotal	Cost Subtotal	RECON Survey	Subs Subtotal	Markup	Subs Subtotal with Markup	Shipping	Other Direct Costs	Markup (other direct costs)	Other Direct Costs Subtotal with Markup	
		Holston, Courtney Briana	Buchanon, Samantha Rachel (Sam, Sami)	Fair, Alexander Jonathan (Alex)	Helmericks, Cynthia Lee Milligan (Cindy)	Hall, Calley Nicole											
2025 Rates		\$138.60	\$165.00	\$114.64	\$198.00	\$157.08						10%			10%		
1 Survey		11	4	3	1	3	22	\$3,198	\$36,800	\$36,800	\$3,680	\$40,480	\$0	\$0	\$0	\$0	\$43,678
1.1 Project Management and Coordination		6	1				2	9	\$1,311	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,311
1.2 Survey		5	3	3	1	1	13	\$1,887	\$36,800	\$36,800	\$3,680	\$40,480	\$0	\$0	\$0	\$0	\$42,367
* Rates based on multiplier with yearly escalation																	
Labor Hour Total		11	4	3	1	3											
TOTAL COSTS		\$ 1,525	\$ 660	\$ 344	\$ 198	\$ 471	22	\$3,198	\$36,800	\$36,800	\$3,680	\$40,480	\$0	\$0	\$0	\$0	\$43,678

Notes:

1 10% markup on Subs

Venessa Dawson

From: Jack Wakeland <jwakeland@brenalaw.com>
Sent: Wednesday, July 23, 2025 2:11 PM
To: Venessa Dawson
Cc: Robin O. Brena; Jake Staser; Nathan Duval; John Witte; Sheri Pierce; Elise Sorum-Birk; Raymond Gross
Subject: RE: Contract Review - COV's Balefill & Construction & Demolition (C&D) Landfill Survey

Hello Venessa, this contract is approved as to form, please let us know if we can further assist.

Thank you,
Jack

Jack Wakeland, Esq.



RSD Building
810 N Street, Suite 100
Anchorage, AK 99501
Tel.: (907) 258-2000
Fax: (907) 258-2001
jwakeland@brenalaw.com

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From: Venessa Dawson <VDawson@ValdezAK.Gov>
Sent: Tuesday, July 22, 2025 8:47 AM
To: Jack Wakeland <jwakeland@brenalaw.com>
Cc: Robin O. Brena <rbrena@brenalaw.com>; Jake Staser <jstaser@brenalaw.com>; Nathan Duval <NDuval@ValdezAK.Gov>; John Witte <JWitte@ValdezAK.Gov>; Sheri Pierce <SPierce@ValdezAK.Gov>; Elise Sorum-Birk <ESorumBirk@ValdezAK.Gov>; Raymond Gross <RGross@ValdezAK.Gov>
Subject: Contract Review - COV's Balefill & Construction & Demolition (C&D) Landfill Survey
Importance: High

Hi Jack,
Attached is contact number 2398 and the attachments for HDR Engineering, Inc. for the COV's Balefill & Construction & Demolition (C&D) Landfill Survey for your review.
Please "reply all" as to form.
Thank you,

Venessa J. Dawson
Office Manager, Public Works Department

907-835-4473

ydawson@valdezak.gov

602 W. Egan, Valdez, AK 99686



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0407, **Version:** 1

ITEM TITLE:

Procurement Report: Service Agreement with Harris Sand & Gravel, Inc. (2025 Asphalt & Sidewalk Repair) in the Amount of \$60,477.00

SUBMITTED BY: John Witte, Director, Public Works Department

FISCAL NOTES:

Expenditure Required: \$60,477.00

Unencumbered Balance: Sufficient funds available

Funding Source: Cost Codes 001-4400-43400 & 350-1100-55000.301

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

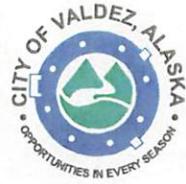
The Public Works Department entered into a Service Agreement with Harris Sand & Gravel, Inc. to provide asphalt and sidewalk repairs throughout multiple locations within the City. The scope of work includes the removal and disposal of existing asphalt, grading, compaction, and asphalt paving at the following locations: North Harbor, South Meals, Robe River Drive at the Jr. High driveway, 717-725 Cottonwood Street, 113 Eklutna Street, 568 Cliffside Drive, and 555 Cliffside Drive. Concrete work is excluded from this agreement. The Citywide Asphalt Repairs Reserve & annual department budget cover these expenses annually, this was a budgeted expense.

The Consultant's project manager is Bill Harris, and the City's project manager is Nate Gilfillan. The period of performance under this agreement is 180 days from the written Notice to Proceed.

Compensation shall be in accordance with the Basis of Compensation (Appendix B) and shall not exceed \$60,477.00.

Harris Sand & Gravel, Inc. was selected for this work as Bill Harris was the only available supplier of asphalt.

This report is filed in accordance with procurement code VMC 2.80.040.



**City of Valdez
Agreement for Professional Services**

THIS AGREEMENT between the CITY OF VALDEZ, ALASKA, ("City") and Harris Sand and Gravel, Inc. ("Consultant") is effective on the 19th day of August, 2025

All work under this agreement shall be referred to by the following:

Project: 2025 Asphalt & Sidewalk Repair

Project No:

Contract No.: 2405

Cost Code: 001-4400-43400 & 350-1100-55000.301

Consultant's project manager under this agreement is Bill Harris.

Consultant's project manager may not be changed without the written consent of the City.

City's project manager is Nate Gilfillan.

ARTICLE 1. Scope of Work

1.1 The scope of work to be performed hereunder is more completely described in Appendix A which is incorporated herein by reference.

ARTICLE 2. Compensation

2.1 Compensation shall be paid in accordance with the Basis of Compensation Schedule attached hereto as Appendix B and incorporated herein by reference in an amount not to exceed \$60,477.00.

ARTICLE 3. Period of Performance

3.1 The Consultant agrees to commence work under this agreement only as authorized by and in accordance with written notice to proceed and to complete the work in accordance with the Scope of Work (Appendix A).

3.2 The period of performance under this agreement shall end and Consultant shall have completed all work under this agreement within 180 days of the written Notice to Proceed. Work shall proceed in accordance with the schedule set forth in Appendix A.

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ARTICLE 4. Subconsultants

4.1 The Consultant shall be responsible for the performance of all services required under this agreement.

ARTICLE 5. Insurance

5.1 In accordance with the provision contained in the General Conditions (Appendix C), the following minimum limits of insurance coverage are required:

<u>Type of Insurance</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
Workers' Compensation	Statutory	Statutory
Employers' General	\$ 100,000	\$ 300,000
Commercial General Liability*	\$1,000,000	\$2,000,000
Comprehensive Automobile Liability	\$ 100,000	\$ 300,000
Professional Liability*	\$1,000,000	\$2,000,000

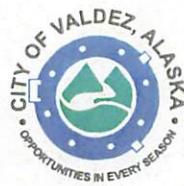
*(including Broad Form Property Damage Coverage and Completed Operations Coverage)

ARTICLE 6. Appendices

6.1 The following appendices are attached to this agreement and incorporated herein:

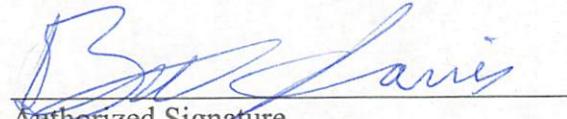
<u>Appendix</u>	<u>Title</u>
A	Scope of Work
B	Basis of Compensation
C	General Conditions

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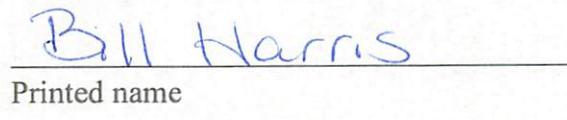


IN WITNESS WHEREOF, the parties to this presence have executed this CONTRACT in two (2) counterparts, each of which shall be deemed an original, in the year and day first mentioned above.

HARRIS SAND & GRAVEL, INC



Authorized Signature



Printed name

Date: 8/15/25

Title: President

FEDERAL ID #: 92-0056819

PO Box 6

Mailing Address

Valdez AK 99686

City, State, Zip Code



Date: 8/15/25

CITY OF VALDEZ, ALASKA
APPROVED:



Nathan Duval, City Manager

Date: 8/15/25

ATTEST:



Sheri L. Pierce, MMC, City Clerk

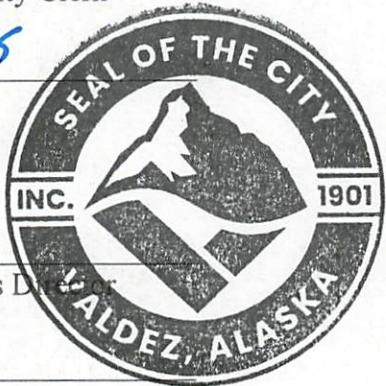
Date: 8/19/25

RECOMMENDED:



John Witte, Public Works Director

Date: 8/18/2025



APPROVED AS TO FORM:
Brena, Bell & Walker, P.C.



Jon S. Wakeland
Date: 8/11/25

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Appendix A Scope of Work

Provide all professional services necessary to provide the City of Valdez:

Removal and replacement of asphalt throughout areas within the City of Valdez that are requiring attention. This is to include removal and disposal of the existing asphalt, and provide grading, compaction and asphalt paving for each of the areas outlined in the email dated 8/4/2025 and listed below. Concrete work is excluded.

Areas included North Harbor, South Meals, Robe River Dr. at Jr. High driveway, 717-725 Cottonwood Street, 113 Eklutna Street, 568 Cliffside Drive, and 555 Cliffside Drive.

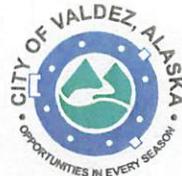
The scope of work is more specifically described in the attached proposal dated 8/4/2025 which is incorporated herein by reference. Where any provisions of the attached proposal conflict with the provisions of the General Conditions under Appendix C, the latter shall govern this agreement.

Appendix B Basis of Compensation

On completion of work and submission of invoices, the City shall pay to Consultant the compensation as follows:

Payment shall be made based on the proposed fee and shall not exceed \$ 60,477.00 per the proposal attached to Appendix A of this Agreement, without prior authorization by the City as required in Section V of the General Conditions (Appendix C).

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Appendix C General Conditions

I. Definitions:

Basic Services: The identified work elements set forth in this Agreement for which the Consultant will receive prime compensation.

Change: An addition to, or reduction of, or other revision in the scope, complexity, character, or duration of the services or other provisions of this Agreement.

City's Project Manager: City's representative in charge of the project(s) and the consultant's primary point of contact for notice(s) to proceed, invoices, correspondence and interface with the City.

Consultant's Project Manager: The Consultant's representative in charge of the project(s) who is directly responsible and engaged in performing the required services.

Extra Services: Any services or actions required of the Consultant above and beyond provisions of this Agreement.

Funding Agency(s): The agency(s) of the federal, state or municipal government which furnishes funds for the Consultant's compensation under this Agreement.

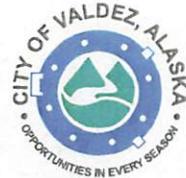
Optional Services: Identifiable and/or indeterminate work elements set forth in this Agreement, which are separate and distinct from those covered by the prime compensation, which the City has the option to authorize.

Prime Compensation: The dollar amount paid to the Consultant for basic services set forth in this Agreement. Prime compensation does not include payment for any optional or extra services.

Scope of Work: Basic and optional services required of the Consultant by provisions of this Agreement.

Subconsultant: Any person, firm, corporation, joint venture, partnership or other entity engaged through or by Consultant.

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II. Information and Services from Others:

Provisions of information, data, budget, standards, and other materials by the City do not warrant their accuracy or quality nor provide approval of omissions or oversights or of any non-compliance with applicable regulation.

The City may, at its election, or in response to a request from the Consultant, furnish information or services from other Consultants. If, in the Consultant's opinion, such information or services are inadequate, the Consultant must notify the City of the specific service or material deemed inadequate and the extent of the inadequacy prior to use in the performance of this Agreement. Unless so notified by the Consultant, the City may assume the information or services provided are adequate.

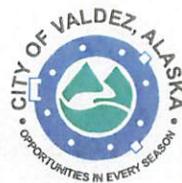
III. Indemnification

To the fullest extent permitted by law, the Consultant shall indemnify, defend, and hold harmless the City from and against any claim of, or damages, losses, expenses and liability (including but not limited to fees and charges of engineers, architects, attorneys, and other professionals, and court, mediation and/or arbitration costs) for negligent acts, errors, and omissions of the Consultant, Subconsultant, persons or organizations directly or indirectly employed or engaged by Consultant or Subconsultant under this Agreement. The Consultant is not required to indemnify, defend, or hold harmless the City for a claim of, or liability for the independent negligent acts, errors, and omissions of the City. If there is a claim of, or liability for a joint negligent act, error, or omission of the Consultant and the City, the indemnification, defense, and hold harmless obligation of this provision shall be apportioned on a comparative fault basis. In this provision, "Consultant" and "City" include the employees, agents, and contractors who are directly responsible, respectively, to each. In this provision, "independent negligent acts, errors, and omissions" means negligence other than in the City's selection, administration, monitoring, or controlling of the Consultant, or in approving or accepting the Consultant's work.

IV. Insurance:

All of the insurance coverages listed in Article 5 shall be purchased by the Consultant. The City shall be made an additional insured on the Consultants Commercial General Liability policy in connection with the activities related to this contract. The Consultant shall purchase and maintain the Article 5 insurance coverages with limits not less than those specified for the duration of the Agreement. The professional liability insurance shall be maintained in force for one year following the date of final payment for the work performed herein. The amount of the contract may be renegotiated if the insurance premiums for the following year are raised over those in force when the contract was let. Should the professional

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liability insurance become unavailable during the one-year period following the date of final payment, the insurance coverage may be renegotiated between the owner and the Consultant. Insurance coverage shall provide for negligent acts, errors or omissions which the Consultant, employees of the Consultant or Subconsultant may make which produce loss or liability to the Owner and for the protection against loss which results from reliance on the Consultant's products, reports or a combination thereof. Failure to comply with the provision for maintaining the insurance in effect for one year following the date of final payment may be cause for the Owner to refrain from dealing with the Consultant in the future.

V. Payments:

The City shall pay to the Consultant the amount of any changes in the cost of insurance that are attributable to the Scope of Work created by change orders.

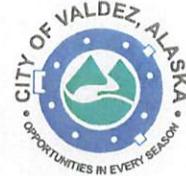
Payments shall be made in accordance with Appendix B. Consultant shall submit progress invoices to City in duplicate showing the itemized services performed during the invoice period and the charges therefore.

All progress invoices shall be prepared as a percentage of the work is completed except contracts performed on "time and expenses" basis which invoiced amounts shall not exceed the actual charges to the invoice date.

Under no circumstances will City pay for charges in excess of any lump-sum or not-to-exceed contract amount incurred prior to written authorization by City for an increase in the contract amount. Written request for an increase in the contract amount shall be given to City with sufficient notice to allow City to issue formal approval prior to the incurring of excess charges without delay to the work.

On "time and expenses" contract amounts, compensation for work included in the Scope of Work shall be for direct labor costs and the actual cost of reimbursable expenses. Direct labor costs shall be as shown on the current Standard Labor Rates for the Consultant, a copy of which is attached as Appendix D, times a factor of n/a, for services rendered by principals and employees of the firm. Reimbursable expenses mean the actual expenses incurred directly or indirectly in connection with the Project for: transportation and subsistence incidental thereto; obtaining bids or proposals from contractor(s); furnishing and maintaining field office facilities; toll telephone calls and telegrams; reproduction of reports, drawings, specifications, and similar project-related items and, if authorized in advance by City, overtime work requiring higher than regular rates. Reimbursable expenses shall also include the amount billed to Consultant by Subconsultant employed by consultant for such Subconsultants' services and reimbursable expenses times a factor of 1.05.

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The sum of payments shall not exceed the allowable compensation stated in this Agreement. In the event items on an invoice are disputed, payment on those items will be withheld until the dispute is resolved.

The Consultant shall submit a final invoice and required documentation for services authorized by each Notice to Proceed within Ninety (90) days after final acceptance by the City. The City will not be held liable for payment of invoices submitted after this time unless prior written approval has been given.

VI. Changes:

Changes in the Scope of Work or of services may only be made by written amendment signed by both City and Consultant.

If at any time the City through its authorized representatives, either orally or in writing, requests or issues instructions for extra services or otherwise directs actions that conflict with any provisions of this Agreement, the Consultant shall, within ten (10) days of receipt and prior to pursuing such instructions, notify the City in writing, and to the extent possible, describe the scope and estimated cost of any extra services. Unless so notified by the Consultant, the City may assume such instructions have not changed any provisions of this Agreement nor require additional compensation. No additional payments shall be made to the Consultant without such notice.

VII. Audits and Records:

The Consultant shall maintain records of all performances, communications, documents, and correspondence pertinent to this Agreement, and the City of its authorized representatives shall have the right to examine such records and accounting procedures and practices.

The materials described in the Article shall be made available at the business office of the Consultant, at all reasonable times, for inspection, audit or reproduction by City or any funding agency, for a minimum of three years from the date (a) of final payment under this Agreement (b) final payment upon claims or disputes, and for such longer period, if any, as may be required by applicable statute or other provisions of this Agreement.

VIII. Inspections:

The City, or any funding agency, has the right to inspect, in the manner and at reasonable times it considers appropriate during the period of this Agreement, all facilities, materials and activities of the Consultant in the performance of this Agreement.

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IX. Termination or Suspension:

This Agreement may be terminated by either party upon ten (10) days' written notice if the other party fails substantially to perform in accordance with its terms through no fault of the party initiating the termination (default termination). If the City terminates this Agreement, the City will pay the Consultant a sum equal to the percentage of work completed that can be substantiated by the Consultant and the City. If the City becomes aware of any fault or defect in the work of the Consultant or nonconformance with this Agreement, the City will give prompt written notice thereof to the Consultant. Should the Consultant's services remain in nonconformance with this Agreement, the percentage of total compensation attributable to the nonconforming work may be withheld.

The City at any time may terminate (convenience termination) or suspend this Agreement for its own needs or convenience. In the event of a convenience termination or suspension for more than three months, the Consultant will be compensated for authorized services and authorized expenditures performed to the date of receipt of written notice of termination plus reasonable termination expenses. NO fee or other compensation for the uncompleted portion of the services will be paid, except for already incurred indirect costs which the Consultant can establish and which would have been compensated for over the life of this Agreement, but because of the convenience termination would have to be absorbed by the Consultant without further compensation.

If state or federal funds support this Agreement, settlement in the event of default or convenience termination must be approved by the City and any appropriate state or federal agency.

X. Officials Not to Benefit:

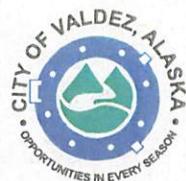
No member of or delegate to Congress, United States Commissioner or other officials of federal, state or local government shall be admitted to any share or part of this Agreement or any benefit to arise therefrom. The Consultant warrants that it has not employed or retained any organization or person, other than a bona fide employee working for the Consultant, to solicit or secure this Agreement and that it has not paid or agreed to pay any consideration contingent upon or resulting from this Agreement.

XI. Independent Consultant:

Except in those instances specifically provided for herein, the Consultant and any of its agents and employees shall act in an independent capacity and not as agents of the City in the performance of the Agreement.

XII. Ownership of Work Products:

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Work products produced under this Agreement, except items that have preexisting copyrights, are the property of the City. Payments to the Consultant for services hereunder include full compensation for all work products, field notes, interim work, reports, and other materials produced by the Consultant and its Subconsultants pertaining to this Agreement. Any re-use the City might make of these work products shall be at the City's own risk and the Consultant shall not incur any liability for the City's re-use of the work products on any project for which they were not intended.

XIII. Subconsultants, Successors and Assigns:

The City must concur in the selection of all Subconsultants for professional services to be engaged in performance of this Agreement.

As soon as practicable after the award of the contract, the Consultant shall furnish to the City in writing the names of the proposed Subconsultants for each of the principal portions of the work. The City shall promptly notify the Consultant if it has reasonable objection to any of the proposed Subconsultants. Failure of the City to give prompt notification shall constitute notice of no reasonable objection. The Consultant shall not contract with any Subconsultant to whom the City has made reasonable objection.

If this Agreement includes named firms or individuals, then such firms or individuals shall be employed for the designated services, unless the Agreement is changed by amendment.

The Consultant shall not assign, sublet or transfer any interest in this Agreement without the prior written consent of the City.

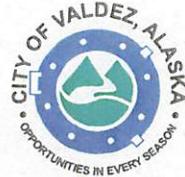
The Consultant binds itself, its partners, its Subconsultants, assigns and legal representatives to this Agreement and to the successors, assigns and legal representatives of the City with respect to all covenants of this Agreement.

The Consultant shall include provisions appropriate to effectuate the purposes of this Appendix C in all subcontracts executed to perform services under this Agreement in which subcontract amount exceeds \$40,000.

XIV. Claims and Disputes:

If the Consultant becomes aware, or reasonably should have become aware of any act or occurrence which may form the basis of a claim, the consultant shall immediately inform the City's Project Manager. If the matter cannot be resolved within seven (7) days, the Consultant shall within the next fourteen (14) days submit written notice of the facts which may form the basis of the claim.

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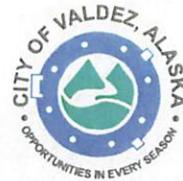


In addition, all claims by the Consultant for additional compensation or an extension of the time for performance of any dispute regarding a question of fact or interpretation of this Agreement shall be presented in writing by the Consultant to the City's Project Manager within the next sixty (60) days unless the Project Manager agrees in writing to an extension of time for good cause shown. Good cause shown includes time for the Consultant to prepare the claim, and the City's Project Manager will grant an extension of not more than sixty (60) days for preparation of the claim. The Consultant agrees that unless these written notices are provided, the Consultant shall not be entitled to additional time or compensation for such act, event or condition. The Consultant shall in any case continue diligent performance under this Agreement. The Consultant shall in any case continue to expeditiously accomplish disputed services pending future resolution of the Consultant's claim unless notified by the City to stop work on the disputed matter.

In presenting any claim, the Consultant shall specifically include, to the extent then possible, the following:

- The provisions of this Agreement that apply to the claim and under which it is made.
- The specific relief requested including any additional compensation claimed and the basis upon which it was calculated and/or the additional time requested and the basis upon which it was calculated.
- The claim will be acknowledged in writing by the City's Project Manager. If the claim is not disposed of within sixty (60) days of acknowledgement, provided additional time is not granted in writing by the City's Contract Officer, the claim will be decided by the City's Contract Officer. The Contract Officer reserves the right to make a written request to the Consultant at any time for additional information that the Consultant may possess to support the claims(s). The Consultant agrees to provide the City such additional information within thirty (30) days of receipt for such a request. The City's Contract Officer will allow a reasonable time extension for good cause if presented in writing prior to the expiration of the thirty (30) days. Failure to furnish such additional information constitutes a waiver of claim.
- The Consultant will be furnished a written, signed copy of the Contract Officer's decision within ninety (90) days of receipt of all necessary information from the Contractor upon which to base the decision. The Contract Officer's decision is final and conclusive unless, within thirty (30) days of receipt of the decision, the Consultant delivers a notice of appeal to

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the City Manager. The notice of appeal shall include specific exceptions to the City's decision including specific provision of this Agreement which the Consultant intends to rely upon on appeal. General assertions that the City's decision is contrary to law or to fact are not sufficient.

- The decision of the City Manager will be rendered within 120 days of notice of appeal and the decision constitutes the exhaustion of contractual and administrative remedies.

XV. Extent of Agreement:

This Agreement, including appendices, represents the entire and integrated Agreement between the City and the Consultant and supersedes all prior negotiations, representations or agreements, either written or oral.

Nothing contained herein may be deemed to create any contractual relationship between the City and any Subconsultants or material suppliers; nor may anything contained herein be deemed to give any third party a claim or right of action against the City or the Consultant that does not otherwise exist without regard to this Agreement.

This Agreement may be changed only by written amendment executed by both the City and the Consultant.

All communications that affect this Agreement must be made or confirmed in writing.

The Consultant receiving final payment will execute a release, if required, relinquishing in full all claims against the City arising out of or by reason of the services and work products furnished under this Agreement.

The Consultant shall pay all federal, state and local taxes incurred by the Consultant and shall require payment of such taxes by any Subconsultant or any other persons in the performance of this Agreement.

XVI. Governing Laws:

This Agreement is governed by the laws of the State of Alaska and such federal and local laws and ordinances as are applicable to work performed. Any litigation arising out of the terms of this Agreement shall be brought in the Third Judicial District, Superior or District Court at Valdez.

XVII. Minimum Wages:

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Minimum wages as determined by the Department of Labor shall be paid to all persons performing work on this Contract.

**City of Valdez
Contract Release Page 1 of 2**

The undersigned, _____ for itself, its owners, partners, successors in interest, assigns trustees, administrators, subcontractors, suppliers, and laborers do hereby release and forever discharge the CITY OF VALDEZ, ALASKA a municipal corporation, as set forth herein related to or arising out of the following described contract ("Contract"):

Project:
Project Number: / Contract Number:

The undersigned hereby acknowledges receipt of the amount of \$_____ as full and final payment in consideration for all services, materials and labors rendered in connection with the Contract.

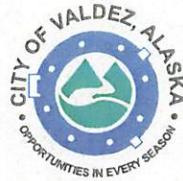
The undersigned hereby waives and releases any right or claim of lien, any state or federal statutory bond right, any private bond right, any claim for payment under the Contract, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for itself, its owners, directors, officers, its successors in interest, assigns, agents, attorneys, trustees, administrators, subcontractors, suppliers, and laborers.

The undersigned certifies that no amounts payable under the Contract have been assigned to anyone.

The undersigned agrees that this Release is not executed as a result of financial disadvantage. No promise or inducement has been offered or made except as set forth in the above Contract. Accordingly, the undersigned voluntarily waives any and all rights to void this Release or any of its provisions, due to economic or business distress and/or compulsion. The undersigned represents that it is familiar with and has had the opportunity for its attorneys to explain the meaning of decisions of the Alaska Supreme Court applicable to this Release including, but not limited to, *Petroleum Sales, Ltd. v. Mapco of Alaska, Inc.*, 687 P.2d 923 (Alaska 1984); *Totem Marine T. & B. v. Alyeska Pipeline, et. al.*, 584 P.2d 15 (Alaska 1978); and *Witt v. Watkins*, 579 P.2d 1065 (Alaska 1978).

The undersigned hereby declares that the terms of this Release have been completely read and are fully understood, and said terms are voluntarily accepted for the purpose of making a full and final release of any and all payment claims, disputed or otherwise, arising under or by virtue of the Contract. The undersigned represents and warrants that it has the full and complete legal authority to enter into this Release, that the individuals executing this Release have the legal authority to do so, and that this Release shall be binding and enforceable upon it and its representatives, successors, and assigns, in accordance with

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its terms upon execution. The signature of the undersigned is an acknowledgement that the person signing has the authority to bind the party to this Release.

City of Valdez
Contract Release Page 2 of 2

IN WITNESS WHEREOF, I have hereunto set my hand and seal this _____ day of _____,
20____.

COMPANY

SIGNATURE

TITLE

THIS IS TO CERTIFY that on this _____ day of _____, 20_____, before me, Notary Public in and for the State of Alaska, personally appeared _____ of _____, known to me to be its _____ and acknowledged to me that he has read this foregoing RELEASE and knew contents thereof to be true and correct to the best of his knowledge and belief, and that he signed the same freely and voluntarily for the uses and purposes therein mentioned, and that he was duly authorized to execute the foregoing document according to the Bylaws or by Resolutions of said corporation.

WITNESS my hand and notarial seal this _____ day of _____, 20____.

Notary Public in and for Alaska

My Commission expires:

Venessa Dawson

From: Kimberlee Varnes <kim@harrissandg.com>
Sent: Thursday, August 7, 2025 12:13 PM
To: Venessa Dawson
Cc: Nathan Gilfillan; Bill Harris; Steve Hocking
Subject: Re: Asphalt price

Hi Venessa,

Yes, it has been a while! Hope you are doing well, enjoying our summer as I have been!

I'm not sure there is much more information I can provide. This is for the removal and replacement of asphalt to include removal and disposal of the existing asphalt, and provide grading, compaction and asphalt paving for each of the areas outlined in the previous email. Concrete work is excluded.

Because this will be well over \$25,000 we will be filing a notice of work with the department of labor (pending your department filing the notice of award) and paying the current prevailing wages published in pamphlet 600 - issue 50.

Please let us know if you need anything in addition.

Thank You,

Kimberlee Varnes
Executive Assistant
Office: 907-835-4756
Cell: 907-831-1540

<https://harrissandandgravel.com/>



Harris Sand & Gravel, Inc.
PO Box 6 - 260 Airport Road
Valdez, AK 99686

From: Venessa Dawson <VDawson@ValdezAK.Gov>
Sent: Thursday, August 7, 2025 11:04 AM
To: Kimberlee Varnes <kim@harrissandg.com>
Cc: Nathan Gilfillan <NGilfillan@ValdezAK.Gov>
Subject: FW: Asphalt price

Hi Kim,

How are you? It's been a bit since we last spoke. I was hoping you could assist me with the contract that I am getting ready to set up for the Asphalt Repair work that needs to be done. Do you think you could get me a scope of work? I know you gave me all the prices for each location, but I think I might need a little more for our finance department and legal. Please feel free to reach out if you have any questions or concerns.

Thank you,

-V



Venessa J. Dawson

Office Manager, Public Works Department

907-835-4473

vdawson@valdezak.gov

602 W. Egan, Valdez, AK 99686

From: Bill Harris <bharris@harrissandg.com>

Sent: Monday, August 4, 2025 2:20 PM

To: Nathan Gilfillan <NGilfillan@ValdezAK.Gov>

Cc: Kimberlee Varnes <kim@harrissandg.com>; Pat Harris (Akpat5@gmail.com) <akpat5@gmail.com>; Steve Hocking <steve@harrissandg.com>; Webster Bergford <webster@harrissandg.com>; Carla Sparks <carla@harrissandg.com>

Subject: Re: Asphalt price

Hi Nate,

Steve gave me the SF of the areas you wanted prepped and paved. The cost to prep and pave all the smaller areas is \$14 SF. The two larger areas (North Harbor and South Meals) and (Jr High entrance on Robe River Dr.) is \$13 SF. The list of SF and cost is as follows.

1. North Harbor and South Meals. 2808 SF @ \$13 SF =	\$37,625
2. Robe River Dr. at Jr High driveway. 778 SF @ \$13 SF =	\$8138
3. 717-725 Cottonwood St. 160 SF @ \$14 SF =	\$2240
4. 113 Eklutna St. 297 SF @ \$14 SF =	\$4158
5. Cliffside (Robert's) Dr. 204 SF @ \$14 SF =	\$2856
6. 555 Cliffside Dr. (Mary's) 390 SF @ \$14 SF =	\$5460
Total Cost	\$60,477.00

Please advise if you need more info.

Thanks,

Bill Harris
President
<https://harrissandandgravel.com/>
907-835-4756 – Office
907-835-2049 - Fax
907-831-0287 - Cell



Harris Sand & Gravel, Inc.
PO Box 6 - 260 Airport Rd
Valdez, AK 99686

From: Nathan Gilfillan <NGilfillan@ValdezAK.Gov>
Sent: Wednesday, July 23, 2025 8:30 AM
To: Bill Harris <bharris@harrissandg.com>
Subject: Asphalt price

Hey Bill, I'm looking for a square footage price for asphalt come time for paving. I have quite a few small and big patches I want done and need a price so I can use up some more money. Sq. Ft. price with and without prep please. Thanks

Nate Gilfillan
City of Valdez Public Works
Streets Foreman
(907)835-4473

"Appendix A to B"

Venessa Dawson

From: Kimberlee Varnes <kim@harrissandg.com>
Sent: Thursday, August 7, 2025 12:13 PM
To: Venessa Dawson
Cc: Nathan Gilfillan; Bill Harris; Steve Hocking
Subject: Re: Asphalt price

Hi Venessa,

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Cell: 907-831-1540

<https://harrissandandgravel.com/>



Harris Sand & Gravel, Inc.
PO Box 6 - 260 Airport Road
Valdez, AK 99686

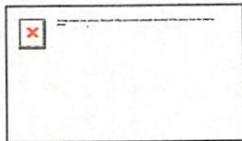
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Venessa J. Dawson

Office Manager, Public Works Department

907-835-4473

vdawson@valdezak.gov

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Sent: Monday, August 4, 2025 2:20 PM

To: Nathan Gilfillan <NGilfillan@ValdezAK.Gov>

Cc: Kimberlee Varnes <kim@harrissandg.com>; Pat Harris (Akpat5@gmail.com) <akpat5@gmail.com>; Steve Hocking <steve@harrissandg.com>; Webster Bergford <webster@harrissandg.com>; Carla Sparks <carla@harrissandg.com>

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Total Cost		\$60,477.00

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Thanks,

Bill Harris
President
<https://harrissandandgravel.com/>
907-835-4756 – Office
907-835-2049 - Fax
907-831-0287 - Cell



Harris Sand & Gravel, Inc.
PO Box 6 - 260 Airport Rd
Valdez, AK 99686

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Sent: Wednesday, July 23, 2025 8:30 AM
To: Bill Harris <bharris@harrissandg.com>
Subject: Asphalt price

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Nate Gilfillan
City of Valdez Public Works
Streets Foreman
(907)835-4473



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0408, **Version:** 1

ITEM TITLE:

Change Order Report: Change Order with Harris Sand & Gravel for the Valdez SBH H-K Major Reconstruction project in the amount of \$28,496.01

SUBMITTED BY: Austin Rake, Capital Facilities Project Manager

FISCAL NOTES:

Expenditure Required: \$28,496.01

Unencumbered Balance: \$1,972,991.86

Funding Source: 310-6441-58000

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

The remaining amount of the “Valdez SBH H-K Major Reconstruction” owner’s contingency of \$407,609.31 will be used for the additional scope of work to fix the failing waterline outside of the Harbormaster office. The owner’s contingency is \$28,496.01 short of the necessary remaining cost to complete the work and close the project.

This report is filed per City Procurement Code 2.80.050



CHANGE ORDER CITY OF VALDEZ

TO: Harris Sand & Gravel, Inc.
260 Airport Road
P.O. Box 6
Valdez, AK 99686

PROJECT: Valdez SBH H-K Major Reconstruction

DATE ISSUED	9/2/2025
CHANGE ORDER NO.	3
COST CODE NO.	310-6441-58000
PROJECT NO.	20-310-6450
CONTRACT NO.	2095
Distribute to	
Engineering	
Owner	x
Contractor	x
Other	

You are directed to make the changes in this CONTRACT as follows: Increase scope of work in the amount of \$28,496.01 to complete Harbormaster water line repairs and close project.

Justification: The remaining amount of the “Valdez SBH H-K Major Reconstruction” owners contingency will be used for an additional scope of work to fix the failing waterline outside of the Harbormaster office, the owners contingency is \$28,496.01 short of the necessary amount to complete the work and close the project.

Not valid until signed by the City Manager. Signature of Contractor indicates his agreement herewith, including any adjustment in **CONTRACT** sum or **CONTRACT** time.

The original CONTRACT sum was.....	\$ \$16,384,100.00
Change by previously authorized Change Order(s).....	\$ \$24,789.78
The CONTRACT sum prior to this Change Order was.....	\$ \$16,408,889.78
The CONTRACT sum will be increased by this Change Order.....	\$ \$28,496.01
New CONTRACT sum including this Change Order will be.....	\$ \$16,437,385.79

The date of Substantial Completion as of the date of this Change Order therefore is September 30th, 2025.

HARRIS SAND & GRAVEL, INC.

AUTHORIZED BY:
CITY OF VALDEZ

By: _____

By: _____

Date: _____

Nathan Duval, City Manager

Date: _____

CORPORATE SEAL

RECOMMENDED

By: _____
Scott Benda, Director of Capital Facilities

Attest: _____

Date: _____

Corporate Secretary



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0409, **Version:** 1

ITEM TITLE:

Contract Amendment Report: Extend the 2025 Emergency Generator Annual Inspection Contract Through 2026.

SUBMITTED BY: Scott Benda, Capital Facilities Director

FISCAL NOTES:

Expenditure Required: \$23,000.00

Unencumbered Balance: N/A

Funding Source: 001-4200-43400, Contractual Services

RECOMMENDATION:

Receive and File.

SUMMARY STATEMENT:

This is the first amendment to the 2025 Emergency Generator Annual Inspection Contract to extend service through 2026.

Original Contract Amount: \$23,000.00

Amendment #1: \$23,000.00

Total Contract Amount: \$46,000.00

This report is filed per City Procurement Code 2.80.040 (procurement) 2.80.050 (change orders and contract amendments).



**City of Valdez
Contract Amendment #1**

THIS AMENDMENT between the CITY OF VALDEZ, ALASKA, ("City") and FRONTIER ELECTRICAL SERVICE, LLC, ("Consultant"), is to the following AGREEMENT dated the 9th day of September, 2025:

Project: 2025 Emergency Generator Annual Inspections

Contract No.: 2294

Cost Code: 001-4200-43400

Consultant's project manager under this agreement is Ryan Ambacher.

City's project manager is Stanely Porritt.

ARTICLE 1. Justification

The above referenced AGREEMENT requires modification due to the following requirements or conditions: The term of the contract shall be extended for an additional period of one (1) year for service through December 31, 2026.

ARTICLE 2. Scope of Work - Period of Performance

Scope of work and/or Period of Performance to the above referenced AGREEMENT shall be modified as specified in Appendix A and B, which is hereby incorporated by this reference.

ARTICLE 3. Compensation

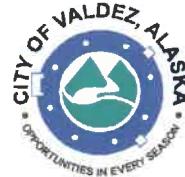
Original amount of the AGREEMENT: \$23,000.00

Amount Changed by previously authorized Amendment: \$0.00

AGREEMENT Amount prior to this Amendment: \$23,000.00

Amount of this Amendment: \$23,000.00

New total AGREEMENT amount including this Amendment: \$46,000.00



City of Valdez Agreement for Services

THIS AGREEMENT between the CITY OF VALDEZ, ALASKA, ("City") and FRONTIER ELECTRICAL SERVICE, LLC ("Contractor") is effective on the 27th day of December, 2024.

All work under this agreement shall be referred to by the following:

Project: 2025 Emergency Generator Annual Inspections
Contract No.: 2294
Cost Code: 001-4200-43400

Contractor's project manager under this agreement is Ryan Ambacher.

Contractor's project manager may not be changed without the written consent of the City.

City's project manager is Stanley Porritt.

ARTICLE 1. Scope of Work

1.1 The scope of work to be performed hereunder is more completely described in Appendix A, which is incorporated herein by reference.

ARTICLE 2. Compensation

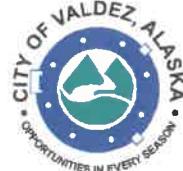
2.1 Compensation shall be paid in accordance with Appendix B which is incorporated herein by reference in an amount not to exceed \$23,000.00.

ARTICLE 3. Period of Performance

3.1 The Contractor agrees to commence work under this agreement only as authorized by and in accordance with written notice to proceed and to complete the work in accordance with the Scope of Work (Appendix A).

3.2 The period of performance under this agreement shall end and Contractor shall have completed all work under this agreement by December 31, 2025. The City of Valdez reserves the right to extend this contract by one (1) year increments for two (2) years.

Agreement for Services
Project: 2025 Emergency Generator
Annual Inspections
Contract No. 2294
Cost Code: 001-4200-43400



ARTICLE 4. Subcontractors

4.1 The Contractor shall be responsible for the performance of all services required under this agreement.

ARTICLE 5. Insurance

5.1 The following minimum limits of insurance coverage are required:

<u>Type of Insurance</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
Workers' Compensation	Statutory	Statutory
Employers' General	\$ 100,000	\$ 300,000
Commercial General Liability*	\$1,000,000	\$2,000,000
Comprehensive Automobile Liability	\$ 100,000	\$ 300,000

*(including Broad Form Property Damage Coverage and Completed Operations Coverage)

ARTICLE 6. Appendices

6.1 The following appendices are attached to this agreement and incorporated herein:

<u>Appendix</u>	<u>Title</u>
A	Scope of Work
B	Basis of Compensation
C	General Conditions

Agreement for Services
Project: 2025 Emergency Generator
Annual Inspections
Contract No. 2294
Cost Code: 001-4200-43400



IN WITNESS WHEREOF, the parties to this presence have executed this CONTRACT in two (2) counterparts, each of which shall be deemed an original, in the year and day first mentioned above.

**FRONTIER ELECTRICAL SERVICES,
LLC**

DocuSigned by:

Ryan Ambacher

Authorized Signature

Ryan Ambacher

Printed name

Date: 12/17/2024 | 4:21 PM EST

Title: CEO

FEDERAL ID #: 47-5730206

PO Box 3030

Mailing Address

Valdez, AK 99686

City, State, Zip Code

Signature of Company Secretary or Attest

Date: _____

CITY OF VALDEZ, ALASKA

APPROVED:

DocuSigned by:

John Douglas

D1D95CFDD26043F
John Douglas, City Manager

Date: 12/27/2024 | 12:16 PM AKST

ATTEST:

Sheri L. Pierce

Sheri L. Pierce, MMC, City Clerk OF VALDEZ, ALASKA
Date: 12/27/24

RECOMMENDED:

DocuSigned by:

N.D.

1259023008294C0
Nathan Duval, Capital Facilities Director
Date: 12/17/2024 | 12:22 PM AKST

APPROVED AS TO FORM:

Brena, Bell & Walker, P.C.

Jake W. Staser

Date: 12/16/24

Agreement for Services
Project: 2025 Emergency Generator
Annual Inspections
Contract No. 2294
Cost Code: 001-4200-43400



Appendix A **Scope of Work**

BASIC SERVICES

Provide annual service and load test for all level #1 generators owned by the City of Valdez. The service should adhere at a minimum to NFPA 110. At a minimum: (Courtesy Cummins Northwest Maintenance Check List):

1. Engine Oil – Check for leaks, oil level and pressure, full flow and bypass oil filters, change oil and oil filters, take oil sample, check hydraulic/mechanical governor oil level.
2. Engine Cooling – Check for leaks, radiator air restriction, radiator duct work and fan shroud, fan hub, drive pulley, belt tension/condition, water pump, coolant level and antifreeze point, DCA level, coolant condition, coolant heater operation, hose condition and connections, coolant filter, radiator cap, motor or mechanical louver operation.
3. Engine Air Intake System – Check for leaks, change filters as needed.
4. Batteries-Check batteries for voltage and cold cranking amps or any other damage. Notify owner if any batteries need replacing.
5. Transfer Switches-Check all transfer switches for proper change-over intervals. Make sure contactors are clean and make positive contact and are not corroded from arcing.
6. Load test each generator in compliance with test schedule.

The scope of work is more specifically described in the attached proposal dated November 15, 2024 which is incorporated herein by reference. Where any provisions of the attached proposal conflict with the provisions of the General Conditions under Appendix C, the latter shall govern this agreement.

Appendix B **Basis of Compensation**

On completion of work and submission of invoices, the City shall pay to Contractor the compensation as follows:

Payment shall be made based on the proposed fee and shall not exceed \$23,000.00 per the attached proposal dated November 15, 2024, without prior authorization by the City as required in Section V of the General Conditions (Appendix C).



City of Valdez
REQUEST FOR QUOTES

Project Name: 2025 Emergency Generator Annual Inspection
Contract No.: TBD
Cost Code: 001-4200-43400

October 17, 2024

Dear Contractor:

This project includes, but is not necessarily limited to:

Provide annual service and load test for all Level #1 Generators owned by the City of Valdez. The service should adhere at a minimum to NFPA 110. At a minimum: (Courtesy Cummins Northwest Maintenance Check List):

1. Engine Oil – Check for leaks, oil level and pressure, full flow and bypass oil filters, change oil and oil filters, take oil sample, check hydraulic/mechanical governor oil level.
2. Engine Cooling – Check for leaks, radiator air restriction, radiator duct work and fan shroud, fan hub, drive pulley, belt tension/condition, water pump, coolant level and antifreeze point, DCA level, coolant condition, coolant heater operation, hose condition and connections, coolant filter, radiator cap, motor or mechanical louver operation.
3. Engine Air Intake System – Check for leaks, change filters as needed.
4. Batteries – Check batteries for voltage and cold cranking amps or any other damage. Notify owner if any batteries need replacing.
5. Transfer Switches – Check all transfer switches for proper change-over intervals. Make sure contactors are clean and make positive contact and are not corroded from arcing.
6. Load Test each Generator in compliance with test schedule.

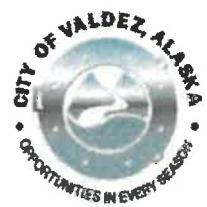
This is a one-year contract with the option for a yearly renewal for up to two additional years.

This Request for Quotes will be used for quotes under \$40,000.

A copy of the quote schedule is attached for your use in submitting quotes. Quotes will be accepted until 2:00 pm local time on November 15, 2024 at the office of the Building Maintenance Supervisor, 555 W. Egan St, PO Box 307, Valdez, Alaska 99686. Quotes will be accepted via fax, mail, email or in person. Fax number: 907-835-5410. The City's Project Manager is Stanley Porritt; email sporritt@valdezak.gov.

All bidders should visit the sites and view existing conditions before submitting quotes.

The following items must be included within your quote:

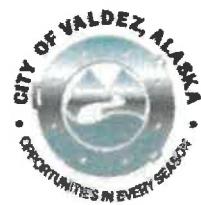


1. Copy of current Alaska Contractor License
2. Copy of current Alaska Business License
3. Copy of current City of Valdez Business License
4. Proof of Insurance

The City reserves the right to waive any irregularities or information in a quote, to reject any and all quotes without cause, and to re-solicit for quotes.

The current minimum prevailing wage rates as published by the Alaska Department of Labor must be paid if required by law. The requirement of the Alaska Employment Preference Act (AS 36.10) must be met in performing the work of this quote. Certified payrolls must be submitted to the Alaska Department of Labor.

If you have any further questions or comments, please do not hesitate to contact the assigned project manager.



Quote Schedule Page 1 of 2
Project: 2025 Emergency Generator Annual Inspections
Contract No.: TBD

<u>Item No.</u>	<u>Item Description</u>	<u>Serial/Model Numbers</u>	<u>Address</u>	<u>Individual Cost for Each Generator</u>
1	Cummins Power Generation DQDAA-1412042, (Cummins Engine) 250 KW City Hall	#M14G307667 (Gen) #DQDAA-1412042 #H140731880	206 Pioneer St.	2,250.00
2	Olympian D200P3, (Perkins engine) 200 KW, Civic Center	#177733/14	314 Clifton Dr.	2,100.00
3	Kohler 50REOZJB, 50 KW, Senior Center	#0779322	1300 E. Hanagita St.	1,250.00
4	Marathon Electric MECon Simplex 9115700 (Cummins engine), 60 KW, City Shop	#360FDC462FF-FOO-W #JA-95573-1	602 W. Egan St.	1,650.00
5	Cummins Power Generation DQDAC-1336864, (Cummins engine) 300 KW Elementary School	#M13H348135 (Gen) #DQDAC-1336864 #130561406	1009 W. Klutina Ave.	2,500.00
6	CAT C15 Generator 450 S/N CAT00C15PT3301283 Gilson Middle School		357 Robe River Dr.	2,900.00
8	CAT Generator New Fire Station #1		407 West Pioneer	2,100.00
9	John Deere 12MKW Airport	T06359T156802	300 Airport Rd.	1,700.00
10	CUMMINS Gilson Middle School (Well House #2)	DQDAA 1831169	357 Robe River Dr.	1,800.00
11	CUMMINS 20kW C20 D6 Spec. A Sewer Treatment Plant	D180345249	800 Sawmill Dr.	1,000.00
12	CUMMINS 1000KW VCT Container Terminal	QST30-G5 NR2	1460 Container Terminal Rd	3,750.00



**City of Valdez
Quote Schedule Page 2 of 2**

Project: 2025 Emergency Generator Annual Inspections

Total Quote Amount:

Twenty Three Thousand

dollars Zero

cents

(\$ 23,000.00)

I, Ryan Ambacher, hereinafter called Quoter, an individual doing business as Frontier Electrical Services, (strike out inapplicable words) a partnership, a corporation incorporated in the State of Alaska, a joint venture, hereby submits this quote and agrees: to hold this quote open for forty five (45) days, to accept the provisions of the Request for Quotes, to accomplish the work in accordance with the plans and/or specifications, for the lump sum and unit price amounts as set forth in the quote schedule.

Respectfully submitted this 15 day of November, 2024.

QUOTER:

Frontier Electrical Services
Company Name

PO Box 3030
Address

Valdez, AK 99686
City, State, Zip Code

907-835-4810
Telephone Number

46-5730206
Federal I.D. or S.S.N.

Ryan Ambacher
Authorizing Name

CEO
Title


Signature

rja@frontierelectricalservices.com
Email Address
CORPORATE SEAL:

ATTEST:

Signature of Corporate Secretary

Print Name



CITY OF VALDEZ 2024 BUSINESS REGISTRATION

Business Name Frontier Electrical Services LLC
Physical Address 3293 Falcon Ave, Valdez AK 99686
Business Phone Number (907) 255-5094
Owner Name Ryan Ambacher
Business Description Frontier Electrical Services LLC

ISSUED BY
City of Valdez
Planning Department
212 Chenega Ave
PO Box 307
Valdez, AK 99686
planningdept@valdezak.gov
Phone: 907-834-3401

Approval Status:

Approved

APPROVED BY:

Approval Date 11/14/2024
Expiration Date 12/31/2024
Auto ID Number COV Business ID: 2024-246

This license is non-transferable and is issued in compliance with the City of Valdez, AK per Valdez Municipal Code 5.04.

Alaska Business License # 1006029

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business, and Professional Licensing

PO Box 110806, Juneau, AK 99811-0806

This is to certify that

FRONTIER ELECTRICAL SERVICES, LLC

PO BOX 3030, VALDEZ, AK 99686-3030

owned by

FRONTIER ELECTRICAL SERVICES, LLC

is licensed by the department to conduct business for the period

January 3, 2024 to December 31, 2025
for the following line(s) of business:

23 - Construction

This license shall not be taken as permission to do business in the state without having
complied with the other requirements of the laws of the State or of the United States.
This license must be posted in a conspicuous place at the business location.
It is not transferable or assignable.

Julie Sande
Commissioner





Department of Commerce, Community, and Economic Development

CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

[State of Alaska](#) / [Commerce](#) / [Corporations, Business, and Professional Licensing](#) / [Search & Database Download](#) / [Professional Licenses](#) / License Details

LICENSE DETAILS

This serves as primary source verification* of the license.

License #: CONS39536

Program: Construction Contractors

Type: Specialty Contractor

Status: Active

DBA: FRONTIER ELECTRICAL SERVICES, LLC

Issue Date: 05/14/2014

Effective Date: 01/11/2022

Expiration Date: 09/30/2024

Mailing Address: VALDEZ, AK, UNITED STATES

Public Note: 5/26/21 - Cease & Desist All Construction Order issued for no bonding.
C&D lifted with new bond 6/21/21.

*Primary Source verification: License information provided by
the Alaska Division of Corporations, Business and Professional
Licensing, per AS 08 and 12 AAC.

Owners

Owner Name	Entity Number
FRONTIER ELECTRICAL SERVICES, LLC	10020557

Relationships

Title	License/Entity #	Name	License Status	Expiration Date
Electrical Administrator Assignee	EADE1598	RYAN AMBACHER	Active	12/31/2023

Designations

Type	Group
Electrical	Specialties

Agreements & Actions

No Agreements Or Actions

1/3/2024 4:38:06 PM (Alaskan Standard Time)

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CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
 06/17/2024

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 have ADDITIONAL INSURED provisions or 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

Seward Insurance Agency
PO Box 2103
Seward, AK 99664

CONTACT NAME:	Erick C Amberg	
PHONE (A/C No. Ext.):	907-224-7370	FAX (A/C No.): 907-224-7330
E-MAIL ADDRESS:	commercial@sewardinsuranceagency.com	
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A: Umiak Insurance Company		
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED

Frontier Electrical Services LLC
DBA Frontier Electrical Services
PO Box 3030
Valdez, AK 99686

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/SUR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ex 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 \$ 2,000,000 \$
A	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO- JECT <input type="checkbox"/> LOC OTHER:	Y	Y	CPP 1178454	12/29/2023 12/29/2024	COMBINED SINGLE LIMIT (Ex accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> Hired AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	Y	Y	CPP 1178388	12/29/2023 12/29/2024	EACH OCCURRENCE \$ AGGREGATE \$ \$
	UMBRELLA LIAB EXCESS LIAB					
	DED RETENTION \$					
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y N / N	Y	WCV 1024184	12/29/2023 12/29/2024	<input checked="" type="checkbox"/> PER STATUTE <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 (ACORD-101, Additional Remarks Schedule, may be attached if more space is required)

Electrical Contractor

CERTIFICATE HOLDER

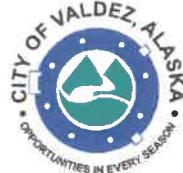
CANCELLATION

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

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Agreement for Services
Project: 2025 Emergency Generator
Annual Inspections
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Cost Code: 001-4200-43400



Appendix C **General Conditions**

I. Definitions:

Basic Services: The identified work elements set forth in this Agreement for which the Contractor will receive prime compensation.

Change: An addition to, or reduction of, or other revision in the scope, complexity, character, or duration of the services or other provisions of this Agreement.

City's Project Manager: City's representative in charge of the project(s) and the Contractor's primary point of contact for notice(s) to proceed, invoices, correspondence and interface with the City.

Contractor's Project Manager: The Contractor's representative in charge of the project(s) who is directly responsible and engaged in performing the required services.

Extra Services: Any services or actions required of the Contractor above and beyond provisions of this Agreement.

Funding Agency(s): The agency(s) of the federal, state or municipal government which furnishes funds for the Contractor's compensation under this Agreement.

Optional Services: Identifiable and/or indeterminate work elements set forth in this Agreement, which are separate and distinct from those covered by the prime compensation, which the City has the option to authorize.

Prime Compensation: The dollar amount paid to the Contractor for basic services set forth in this Agreement. Prime compensation does not include payment for any optional or extra services.

Scope of Work: Basic and optional services required of the Contractor by provisions of this Agreement.

Subcontractor: Any person, firm, corporation, joint venture, partnership or other entity engaged through or by Contractor.

II. Information and Services from Others:

Provisions of information, data, budget, standards, and other materials by the City do not warrant their accuracy or quality nor provide approval of omissions or oversights or of any non-compliance with applicable regulation.

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The City may, at its election, or in response to a request from the Contractor, furnish information or services from other Contractors. If, in the Contractor's opinion, such information or services are inadequate, the Contractor must notify the City of the specific service or material deemed inadequate and the extent of the inadequacy prior to use in the performance of this Agreement. Unless so notified by the Contractor, the City may assume the information or services provided are adequate.

III. Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the City from and against any claim of, or damages, losses, expenses and liability (including but not limited to fees and charges of engineers, architects, attorneys, and other professionals, and court, mediation and/or arbitration costs) for negligent acts, errors, and omissions of the Contractor, Subcontractor, persons or organizations directly or indirectly employed or engaged by Contractor or Subcontractor under this Agreement. The Contractor is not required to indemnify, defend, or hold harmless the City for a claim of, or liability for the independent negligent acts, errors, and omissions of the City. If there is a claim of, or liability for a joint negligent act, error, or omission of the Contractor and the City, the indemnification, defense, and hold harmless obligation of this provision shall be apportioned on a comparative fault basis. In this provision, "Contractor" and "City" include the employees, agents, and contractors who are directly responsible, respectively, to each. In this provision, "independent negligent acts, errors, and omissions" means negligence other than in the City's selection, administration, monitoring, or controlling of the Contractor, or in approving or accepting the Contractor's work.

IV. Payments:

The City shall pay to the Contractor the amount of any changes in the cost of insurance that are attributable to the Scope of Work created by change orders.

Payments shall be made in accordance with Appendix B. Contractor shall submit progress invoices to City in duplicate showing the itemized services performed during the invoice period and the charges therefore.

All progress invoices shall be prepared as a percentage of the work is completed except contracts performed on "time and expenses" basis which invoiced amounts shall not exceed the actual charges to the invoice date.

Under no circumstances will City pay for charges in excess of any lump-sum or not-to-exceed contract amount incurred prior to written authorization by City for an increase in the contract amount. Written request for an increase in the contract amount shall be given to City with sufficient notice to allow City to issue formal approval prior to the incurring of excess charges without delay to the work.

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On "time and expenses" contract amounts, compensation for work included in the Scope of Work shall be for direct labor costs and the actual cost of reimbursable expenses. Direct labor costs shall be as shown on the current Standard Labor Rates for the Contractor, as shown in the attached proposal dated n/a, times a factor of n/a, for services rendered by principals and employees of the firm. Reimbursable expenses mean the actual expenses incurred directly or indirectly in connection with the Project for: transportation and subsistence incidental thereto; obtaining bids or proposals from contractor(s); furnishing and maintaining field office facilities; toll telephone calls and telegrams; reproduction of reports, drawings, specifications, and similar project-related items and, if authorized in advance by City, overtime work requiring higher than regular rates. Reimbursable expenses shall also include the amount billed to Contractor by Subcontractor employed by Contractor for such Subcontractors' services and reimbursable expenses times a factor of 1.05.

The sum of payments shall not exceed the allowable compensation stated in this Agreement. In the event items on an invoice are disputed, payment on those items will be withheld until the dispute is resolved.

The Contractor shall submit a final invoice and required documentation for services authorized by each Notice to Proceed within ninety (90) days after final acceptance by the City. The City will not be held liable for payment of invoices submitted after this time unless prior written approval has been given.

V. Changes:

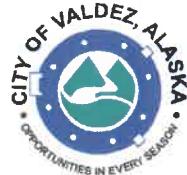
Changes in the Scope of Work or of services may only be made by written amendment signed by both City and Contractor.

If at any time the City through its authorized representatives, either orally or in writing, requests or issues instructions for extra services or otherwise directs actions that conflict with any provisions of this Agreement, the Contractor shall, within ten (10) days of receipt and prior to pursuing such instructions, notify the City in writing, and to the extent possible, describe the scope and estimated cost of any extra services. Unless so notified by the Contractor, the City may assume such instructions have not changed any provisions of this Agreement nor require additional compensation. No additional payments shall be made to the Contractor without such notice.

VI. Audits and Records:

The Contractor shall maintain records of all performances, communications, documents, and correspondence pertinent to this Agreement, and the City of its authorized representatives shall have the right to examine such records and accounting procedures and practices.

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The materials described in the Article shall be made available at the business office of the Contractor, at all reasonable times, for inspection, audit or reproduction by City or any funding agency, for a minimum of three years from the date of (a) final payment under this Agreement, (b) final payment upon claims or disputes, or (c) such longer period, if any, as may be required by applicable statute or other provisions of this Agreement.

VII. Inspections:

The City, or any funding agency, has the right to inspect, in the manner and at reasonable times it considers appropriate during the period of this Agreement, all facilities, materials and activities of the Contractor in the performance of this Agreement.

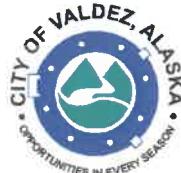
VIII. Termination or Suspension:

This Agreement may be terminated by either party upon ten (10) days' written notice if the other party fails substantially to perform in accordance with its terms through no fault of the party initiating the termination (default termination). If the City terminates this Agreement, the City will pay the Contractor a sum equal to the percentage of work completed that can be substantiated by the Contractor and the City. If the City becomes aware of any fault or defect in the work of the Contractor or nonconformance with this Agreement, the City will give prompt written notice thereof to the Contractor. Should the Contractor's services remain in nonconformance with this Agreement, the percentage of total compensation attributable to the nonconforming work may be withheld.

The City at any time may terminate (convenience termination) or suspend this Agreement for its own needs or convenience. In the event of a convenience termination or suspension for more than three months, the Contractor will be compensated for authorized services and authorized expenditures performed to the date of receipt of written notice of termination plus reasonable termination expenses. NO fee or other compensation for the uncompleted portion of the services will be paid, except for already incurred indirect costs which the Contractor can establish and which would have been compensated for over the life of this Agreement, but because of the convenience termination would have to be absorbed by the Contractor without further compensation.

If state or federal funds support this Agreement, settlement in the event of default or convenience termination must be approved by the City and any appropriate state or federal agency.

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IX. Officials Not to Benefit:

No member of or delegate to Congress, United States Commissioner or other officials of federal, state or local government shall be admitted to any share or part of this Agreement or any benefit to arise therefrom. The Contractor warrants that it has not employed or retained any organization or person, other than a bona fide employee working for the Contractor, to solicit or secure this Agreement and that it has not paid or agreed to pay any consideration contingent upon or resulting from this Agreement.

X. Independent Contractor:

Except in those instances specifically provided for herein, the Contractor and any of its agents and employees shall act in an independent capacity and not as agents of the City in the performance of the Agreement.

XI. Ownership of Work Products:

Work products produced under this Agreement, except items that have preexisting copyrights, are the property of the City. Payments to the Contractor for services hereunder include full compensation for all work products, field notes, interim work, reports, and other materials produced by the Contractor and its Subcontractors pertaining to this Agreement. Any re-use the City might make of these work products shall be at the City's own risk and the Contractor shall not incur any liability for the City's re-use of the work products on any project for which they were not intended.

XII. Subcontractors, Successors and Assigns:

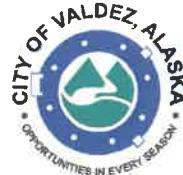
The City must concur in the selection of all Subcontractors for services to be engaged in performance of this Agreement.

As soon as practicable after the award of the contract, the Contractor shall furnish to the City in writing the names of the proposed Subcontractors for each of the principal portions of the work. The City shall promptly notify the Contractor if it has reasonable objection to any of the proposed Subcontractors. Failure of the City to give prompt notification shall constitute notice of no reasonable objection. The Contractor shall not contract with any Subcontractor to whom the City has made reasonable objection.

If this Agreement includes named firms or individuals, then such firms or individuals shall be employed for the designated services, unless the Agreement is changed by amendment.

The Contractor shall not assign, sublet or transfer any interest in this Agreement without the prior written consent of the City.

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The Contractor binds itself, its partners, its Subcontractors, assigns and legal representatives to this Agreement and to the successors, assigns and legal representatives of the City with respect to all covenants of this Agreement.

The Contractor shall include provisions appropriate to effectuate the purposes of this Appendix C in all subcontracts executed to perform services under this Agreement in which the subcontract amount exceeds \$40,000.

XIII. Claims and Disputes:

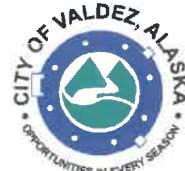
If the Contractor becomes aware, or reasonably should have become aware of any act or occurrence which may form the basis of a claim, the Contractor shall immediately inform the City's Project Manager. If the matter cannot be resolved within seven (7) days, the Contractor shall within the next fourteen (14) days submit written notice of the facts which may form the basis of the claim.

In addition, all claims by the Contractor for additional compensation or an extension of the time for performance of any dispute regarding a question of fact or interpretation of this Agreement shall be presented in writing by the Contractor to the City's Project Manager within the next sixty (60) days unless the Project Manager agrees in writing to an extension of time for good cause shown. Good cause shown includes time for the Contractor to prepare the claim, and the City's Project Manager will grant an extension of not more than sixty (60) days for preparation of the claim. The Contractor agrees that unless these written notices are provided, the Contractor shall not be entitled to additional time or compensation for such act, event or condition. The Contractor shall in any case continue diligent performance under this Agreement. The Contractor shall in any case continue to expeditiously accomplish disputed services pending future resolution of the Contractor's claim unless notified by the City to stop work on the disputed matter.

In presenting any claim, the Contractor shall specifically include, to the extent then possible, the following:

- The provisions of this Agreement that apply to the claim and under which it is made.
- The specific relief requested including any additional compensation claimed and the basis upon which it was calculated and/or the additional time requested and the basis upon which it was calculated.
- The claim will be acknowledged in writing by the City's Project Manager. If the claim is not disposed of within sixty (60) days of acknowledgement, provided additional time is not granted in writing by the City's Contract

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Officer, the claim will be decided by the City's Contract Officer. The Contract Officer reserves the right to make a written request to the

- Contractor at any time for additional information that the Contractor may possess to support the claims(s). The Contractor agrees to provide the City such additional information within thirty (30) days of receipt for such a request. The City's Contract Officer will allow a reasonable time extension for good cause if presented in writing prior to the expiration of the thirty (30) days. Failure to furnish such additional information constitutes a waiver of claim.
- The Contractor will be furnished a written, signed copy of the Contract Officer's decision within ninety (90) days of receipt of all necessary information from the Contractor upon which to base the decision. The Contract Officer's decision is final and conclusive unless, within thirty (30) days of receipt of the decision, the Contractor delivers a notice of appeal to the City Manager. The notice of appeal shall include specific exceptions to the City's decision including specific provision of this Agreement which the Contractor intends to rely upon on appeal. General assertions that the City's decision is contrary to law or to fact are not sufficient.
- The decision of the City Manager will be rendered within 120 days of notice of appeal and the decision constitutes the exhaustion of contractual and administrative remedies.

XIV. Extent of Agreement:

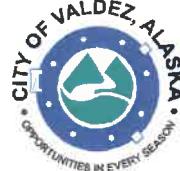
This Agreement, including appendices, represents the entire and integrated Agreement between the City and the Contractor and supersedes all prior negotiations, representations or agreements, either written or oral.

Nothing contained herein may be deemed to create any contractual relationship between the City and any Subcontractors or material suppliers; nor may anything contained herein be deemed to give any third party a claim or right of action against the City or the Contractor that does not otherwise exist without regard to this Agreement.

This Agreement may be changed only by written amendment executed by both the City and the Contractor.

All communications that affect this Agreement must be made or confirmed in writing.

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The Contractor receiving final payment will execute a release, if required, relinquishing in full all claims against the City arising out of or by reason of the services and work products furnished under this Agreement.

The Contractor shall pay all federal, state and local taxes incurred by the Contractor and shall require payment of such taxes by any Subcontractor or any other persons in the performance of this Agreement.

XV. Governing Laws:

This Agreement is governed by the laws of the State of Alaska and such federal and local laws and ordinances as are applicable to work performed. Any litigation arising out of the terms of this Agreement shall be brought in the Third Judicial District, Superior or District Court at Valdez.

XVI. Minimum Wages:

Minimum wages as determined by the Department of Labor shall be paid to all persons performing work under this Contract.

See attached links for reference:

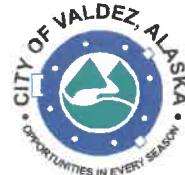
<http://labor.state.ak.us/lss/pamp600.htm>

<http://labor.alaska.gov/lss/forms/Pam400.pdf>

In accordance with the requirements of AS 36.05.070 and AS 36.05.080, the following provisions are included where applicable:

- (1) Contractor or subcontractors of Contractor shall pay all employees unconditionally and not less than once a week;
- (2) wages may not be less than those stated in the advertised specifications, regardless of the contractual relationship between Contractor or subcontractors and laborers, mechanics, or field surveyors;
- (3) the scale of wages to be paid shall be posted by Contractor in a prominent and easily accessible place at the site of the work;

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(4) The City shall withhold so much of the accrued payments as is necessary to pay to laborers, mechanics, or field surveyors employed by Contractor or subcontractors the difference between

- (A) the rates of wages required by the contract to be paid laborers, mechanics, or field surveyors on the work; and
- (B) the rates of wages in fact received by laborers, mechanics, or field surveyors.

(5) If it is found that a laborer, mechanic, or field surveyor employed by Contractor or subcontractor has been or is being paid a rate of wages less than the rate of wages required by the contract to be paid, the City may, by written notice to the contractor, terminate Contractor's right to proceed with the work or the part of the work for which there is a failure to pay the required wages and to prosecute the work to completion by contract or otherwise, and Contractor and Contractor's sureties are liable to the City for excess costs for completing the work.



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0410, **Version:** 1

ITEM TITLE:

Report: Issuance of Temporary Land Use Permit 25-10 for the Valdez Convention and Visitors Bureau, Inc. for 161 Galena Drive (Lot 31, Block 33 Mineral Creek Subdivision), 310 Galena Drive (Lots 15 & 16, Block 35, Mineral Creek Subdivision) and 180 Galena Drive (Lots 11 & 12, Block 35, Mineral Creek Subdivision) owned by the City of Valdez

SUBMITTED BY: Nicole Chase, Senior Planner

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

N/A - report only

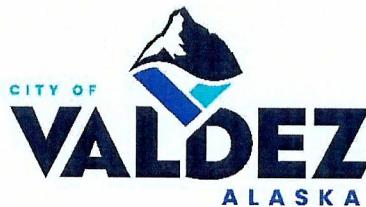
SUMMARY STATEMENT:

The Valdez Convention and Visitors Bureau, Inc. applied for a temporary land use permit for use of 161 Galena Drive (Lot 31, Block 33 Mineral Creek Subdivision), 310 Galena Drive (Lots 15 & 16, Block 35, Mineral Creek Subdivision) and 180 Galena Drive (Lots 11 & 12, Block 35, Mineral Creek Subdivision) for September 18th and 21st, 2025. The request was for the use of the subject properties for vendors associated with Oktoberfest open to the public.

Public Works Director and Chief of Police were solicited for comments on the application and expressed no objection. The applicant is working with the Valdez Police Department to receive a street event permit for their street closure.

Pursuant to Valdez Municipal Code 17.12.120 (G) Approval Criteria, staff review of the proposed temporary use request found that all 10 approval criteria were satisfied.

Per resolution #23-43, this permit was exempted from permit fees as a community celebration less than 10 days in duration.



CITY OF VALDEZ
TEMPORARY LAND USE PERMIT AGREEMENT

Permit No. 25-10

This Temporary Land Use Permit Agreement (hereinafter referred to as Permit) is entered into this 11th day of September, 2025 by and between the **CITY OF VALDEZ**, an Alaska municipal corporation (hereinafter referred to as "Valdez"), whose address is P.O. Box 307, Valdez, Alaska, 99686, and **VALDEZ CONVENTION AND VISITOR'S BUREAU, INC.**, (hereinafter referred to as "Permittee"), whose address is **P.O Box 1603, Valdez AK 99686**.

W I T N E S S E T H:

1. Permit. Valdez hereby grants to Permittee the right and privilege to be present upon the following described real property belonging to Valdez pursuant to the terms of this Permit Agreement:

161 Galena Drive (Lot 31, Block 33 Mineral Creek Subdivision), 310 Galena Drive (Lots 15 & 16, Block 35, Mineral Creek Subdivision) and 180 Galena Drive (Lots 11 & 12, Block 35, Mineral Creek Subdivision) (See Exhibit "A")

2. Term and Termination. Permittee may use the Property for the purposes set forth herein beginning on **September 18th through September 21st, 2025**. Permittee shall vacate the Property immediately after the expiration of this Permit.

3. Use. Permittee shall use the Property for staging of vendors for the Oktoberfest festival and for no other purposes without the prior written consent of the City of Valdez. **No permanent structures shall be erected on the property; and no permanent alteration of the land shall occur.** This permit is subject to the conditions set forth in Exhibit B.

4. Permittee Not a Lessee. No legal title or leasehold interest in the Property shall be deemed or construed to have been created or vested in Permittee by anything contained herein. The purpose of this permit is to convey a non-possession interest by the City of Valdez to Permittee in that certain property (not to exceed two acres) described in paragraph 1 above. The City of Valdez shall maintain all right, title, and interest in that Property as fee simple owner thereof, and Permittee by virtue of this Permit has only the right and privilege to be present upon the Property and to make use of it for the purpose set forth in paragraph 3 above.

5. Fee. Pursuant to resolution #23-43 fees for this Agreement have been waived by Valdez City Council passed and approved August 15, 2023.

6. Insurance Requirement. The Permittee shall, at its own expense, purchase, maintain and otherwise keep in force the following insurance for the duration of this Agreement. The City shall be notified immediately prior to any termination, cancellation, or any other material change in such insurance. The Permittee shall provide the City a Certificate of Insurance prior to the commencement of any activity undertaken in connection with this Temporary Land Use Permit Agreement. Failure to provide adequate proof of insurance prior to the occupation of the Property will result in revocation of the Permit.

Event Liability Insurance: Covering the Permittee and the City for any and all claims for personal injury, bodily injury (including death) and property damage (including environmental degradation or contamination) arising from any activity occurring as a result of this Temporary Land Use Permit Agreement.

Minimum limits:	\$1,000,000 Each Occurrence
	\$100,000 Damage to Rented Premises
	\$5,000 Medical Payments
	\$1,000,000 Personal & Adv Injury
	\$2,000,000 General Aggregate
	\$2,000,000 Products and Completed Operations Aggregate

The City of Valdez shall be included as an Additional Insured.

Waiver of Subrogation. For the purpose of waiver of subrogation, Permittee releases and waives all rights to claim or recover damages, costs or expenses against Valdez for any casualty of any type whatsoever in, on or about the Premises if the amount of such damage, cost or expense has been paid to such damaged party under the terms of any policy of insurance required herein.

7. Maintenance. Permittee agrees to maintain the property in a neat and orderly fashion. Upon termination of this Permit, Permittee agrees to leave the premises in a neat and clean condition.

8. Mechanic's Liens. Permittee shall pay all costs for construction done by it or caused to be done by it on the Property as permitted by this Permit. Permittee agrees not to construct any permanent structures on the property.

9. Utilities. Permittee shall be solely liable for and shall timely pay when due all expenses and fees for all utilities used or consumed with respect to the Property. The Permittee shall be required to provide and maintain sanitary facilities to include, but not be limited to, port-a-potties and garbage dumpsters.

10. Exculpation of Valdez. Valdez shall not be liable to Permittee for any damage to Permittee or Permittee's property from any cause. Permittee waives all claims against Valdez for damage to persons or property arising from any reason.

11. Indemnity. Permittee shall hold the City of Valdez harmless from and against any and all damages arising out of any damage to any persons or property occurring in, on, or about the Property.

12. Condemnation. If during the term of this Permit there is any taking by condemnation of the Property or any interest in this Permit, this Permit shall terminate on the date of taking. Any condemnation award shall belong to and be paid to The City of Valdez, and Permittee hereby assigns to the City of Valdez Permittee's interest therein.

13. No Encumbrance or Assignment Permitted. Permittee shall not voluntarily encumber its interest in this Permit or in the Property or attempt to assign all or any part of the Property, or allow any other person or entity, except its authorized representatives, to occupy or use all or any part of the Property.

14. Default. The occurrence of any of the following shall constitute a default under this Permit by Permittee:

(a) Failure to pay fees when due, if the failure continues for fifteen (15) days after written notice for payment;

(b) Any default in or failure to perform any term, covenant, or condition of this Permit including those set forth in Exhibit B;

(c) The cessation by Permittee of the operation of the Permittee's business located on the Property for a period of thirty (30) days;

(d) The making of any assignments for the benefit of creditors of Permittee, the appointment of a receiver for Permittee's business, the entry of an Order for Relief as to Permittee under the United States Bankruptcy Code as now in effect or hereafter amended, the insolvency of Permittee, or any similar situation.

15. Remedies. In the event of any default by Permittee under the provisions of paragraph 14 of this Permit, all of Permittee's rights hereunder shall immediately terminate; and the City of Valdez may, in addition to any rights and remedies that it may be given by statute, common law, express agreement, or otherwise, enter and take sole possession and control of the Property.

16. Valdez' Entry on Premises. The City of Valdez shall have the right to enter the Property at any time and, in view of the fact this Permit constitutes a license on real property rather than a lease, shall at all times remain in possession of the Property.

17. Notices. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by certified mail, return receipt requested, and shall be addressed to the other party at the address set forth in the introductory paragraph of this Permit. Either party may change its address by notifying the other party of the change of address. Such notices shall be deemed given when mailed irrespective of whether or not they are received.

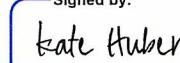
18. Modification, Amendment, Waiver. No delay or omission in the exercise of any right or remedy of the City of Valdez on any default by Permittee shall impair such a right or remedy or be construed as a waiver. No modification, amendment, or waiver of any of the provisions of this Agreement shall be effective unless in writing, specifically referring hereto, and authorized by both parties.

19. Governing Law/Jurisdiction. This Permit shall be governed by, interpreted, and enforced in accordance with the laws of the State of Alaska and the laws of the United States, as applicable. The venue for all litigation arising out of or relating to this Agreement shall be Valdez, Alaska. The parties hereto irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of Alaska and waive any defense of *forum non conveniens*.

20. Miscellaneous. Time is of the essence with respect to each provision of the Permit, and it shall be binding upon and inure to the benefit of the parties, their heirs, assigns, and successors in interest. The enforceability, invalidity, or illegality of any provisions of this Permit shall not render the other provisions of this Permit unenforceable, invalid, or illegal.

IN WITNESS WHEREOF the parties have caused this Permit to be executed by their duly authorized officers the day and year first above written.

CITY OF VALDEZ, ALASKA

Signed by:

By: 6D5C663D3C1E4C8...
Kate Huber, Community Development Director

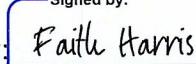
Date: 9/9/2025 | 4:51 PM AKDT

ATTEST:
By: Elise Jon Birch *deputy for*
Sheri L. Pierce, MMC, City Clerk

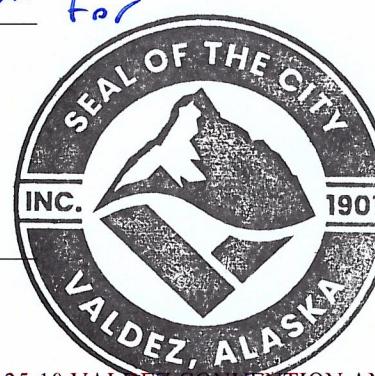
Approved as to Form:
BRENA, BELL & WALKER, P.C.
Attorneys for the City of Valdez

By: JS
Jon S. Wakeland

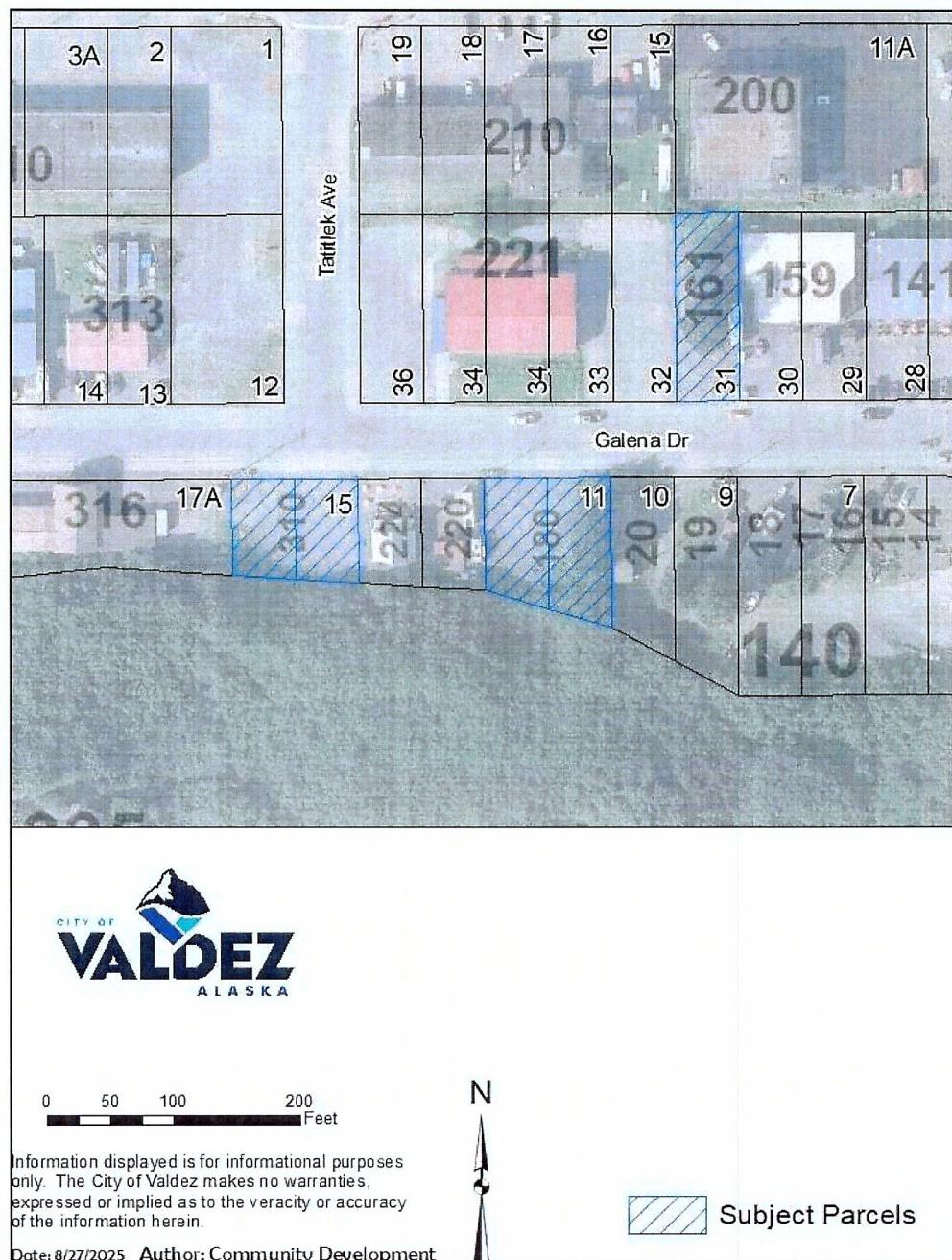
PERMITTEE:
VALDEZ CONVENTION &
VISITOR'S BUREAU, INC.

Signed by:

By: 72473081701464
Faith Harris, Executive Director

Date: 9/9/2025 | 4:32 PM AKDT



“EXHIBIT A”



“EXHIBIT B”

The additional conditions of this permit have been set forth and are detailed as follows:

1. The Permittee shall coordinate with Valdez Police Department to establish an approved traffic management and road closure schedule, including timing of lane closures, placement of necessary barricades, and traffic direction by Valdez Police Department during the event hours.



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0394, **Version:** 1

ITEM TITLE:

City Manager Report

SUBMITTED BY: Nathan Duval, City Manager

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Receive & File

SUMMARY STATEMENT:

Attached report outlines events since the last Council meeting. Verbal update provided in conjunction with report.



Council Priorities

- **Child Care** [Complete an operating, active, licensed childcare facility by Fall 2026]
 - District Office design continues
 - Chugachmuit has a signed lease with the Royal Center & is hoping to begin operations there after the first of the year.
 - Need to have a discussion with Council on infant daycare at the new center. Not part of Head Start grant but can be accommodated through other means.
- **Housing** [Increase housing stock by Fall 2027, utilizing the housing needs survey]
 - 9/11 work session related to St. Patrick Subdivision
 - We were informed that Valdez is not eligible for the AHFC Professionals Housing grant because we are on the road system and too large.
 - Attached is a housing resource guide developed by the Prince William Sound Economic Development District.
- **Maintenance** [Annually appropriate funds toward deferred maintenance on critical infrastructure]
- **Modernize Aging Infrastructure** [Annually modernize aging infrastructure, while leveraging natural and transportation assets, to expand: Outdoor Recreation, Tourism, Maritime, Community]
 - Submitted the PIDP planning grant application 9/9/25

Legislative Interactions

- Fall DC Fly-in will be the first week of November (2nd-6th)
- Working with a consultant to provide graphics and white paper to demonstrate local capacity to homeport additional USCG vessels in Valdez.
- Attended the Providence Health Advisory Council Meeting. Locally Prov is doing well; nationally, health care systems are struggling.
 - Met with Interim Prov CEO John Hill to discuss outlook for the future

Operations & Initiatives

- Budget reviews underway
- Valdez PRCS hosted the ARPA conference, big shout out to the PRCS staff for making it happen
- Trash truck loaned to Cordova will be headed back at the end of the month

Personnel

- Employee Appreciation Picnic happened on 9/4. Weather was perfect. We have wonderful staff it was great to celebrate them and their families.
- We have an accepted offer for Capital Facilities Director. He will begin October 20th.

Projects

- Nayurluku Park at Meals Hill is open. All trails and facilities are open, including the restroom.
- Scrap barge loadout scheduled for 9/23
- Final Monthly Project Report will be presented at the first meeting in October. The following projects have achieved Substantial Completion since the last meeting:
 - Pioneer Dr



- Sewer Force Main
- Meals Hill
- Library Windows
- Senior Center Siding

PRINCE WILLIAM SOUND

2024/2025

HOUSING RESOURCE GUIDE



This guide is designed to serve as a starting point to help Prince William Sound residents navigate currently available state and federal housing programs. Please note that program details, including income limits, funding amounts, eligibility, and availability, are subject to change each year. Funding may be limited, and federal or state policy updates may affect program access. We encourage you to contact program administrators or visit the websites linked to verify current information before applying. Whether you're building, buying, or improving a home, we hope this guide will help you make informed decisions and take the next step toward safe, stable, and affordable housing in our region.

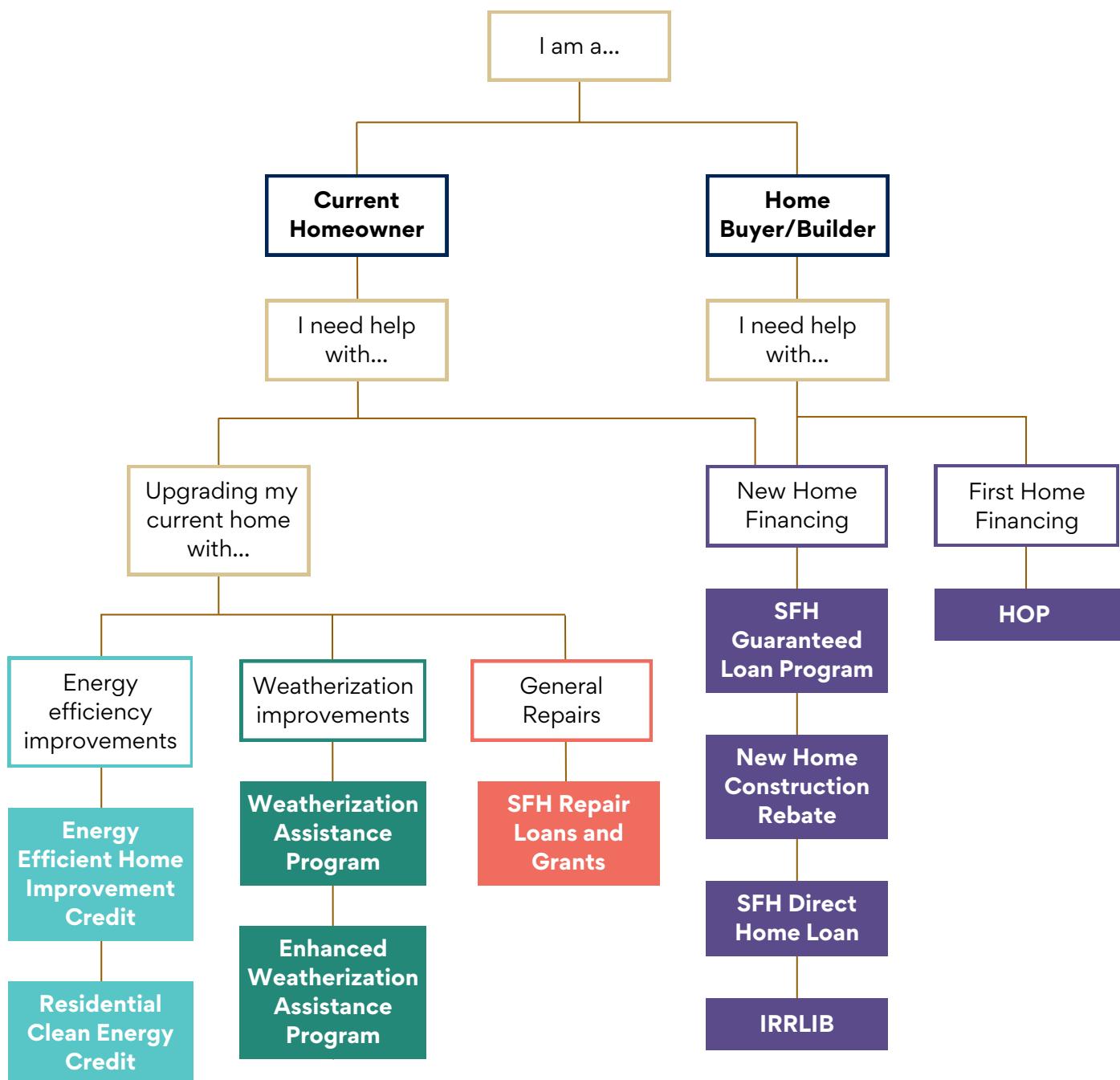


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New Home Financing

- [USDA Rural Development Single Family Housing Guaranteed Loan Program \(SFH-G\)](#)

Federal

Loan

New Housing

Existing
Housing

What is the USDA Guaranteed Loan Program?

This program helps low- and moderate-income individuals and families acquire financing buy, build, or improve homes in rural areas with no down payment required.

Is a guaranteed loan program the same as a regular loan?

Instead of lending money directly, the USDA guarantees up to 90% of the loan amount for the approved lender. This means that the USDA promises to cover most of the lender's losses if the borrower can't repay the loan, making it easier for lenders to offer 100% financing.

Who can qualify for this program?

Open to both first-time and repeat homebuyer who meet program income limits (see table). [CLICK HERE](#) for up to date income limits and to check your eligibility. Additionally, applicants must be able to demonstrate that they cannot obtain a conventional loan that doesn't require Private Mortgage Insurance (PMI).

USDA SFH-G Income Limits for Chugach Census Area FY 2024

	1-4 PERSONS	5-8 PERSONS
Valdez & Whittier	\$133,950	\$176,850
Chenega, Cordova, & Tatitlek	\$196,650	\$259,600

What is Private Mortgage Insurance?

Conventional loans often require PMI if the borrower makes a down payment of less than 20%. PMI is an additional cost added to the monthly mortgage payment to protect the lender in case the borrower defaults.

What can this program be used for?

Funds can be used to purchase or refinance a home as long as it is your primary residence. You can purchase a new or existing home, including single-family homes, townhomes, condominiums, modular homes, or manufactured homes, but the property cannot be used to generate income. The loan can also cover closing costs and typical expenses associated with buying a home.

What can this program be used for? (continued)

There is no limit on property size. The loan can be used for a lot with a new or existing home, to make repairs or improvements when buying a home, or to refinance an existing USDA loan. Funds can also cover essential household appliances and equipment (carpeting, stoves, refrigerators, washers, dryers, heating/cooling systems) if they come with the home, as well as site preparation, grading, planting grass or trees, and installing fences, walkways and driveways.

Is there a credit requirement?

The program has no credit score requirements, but applicants are expected to demonstrate a willingness and ability to handle and manage debt.

How do I apply? Is there a deadline?

Contact an approved lenders (see link below). This program is open year round.

Links:

- [Fact Sheet](#)
- [Active Eligible Lenders](#)
- [Income Eligibility Check Worksheet](#)

- [USDA Rural Development Single Family Housing Direct Home Loan Program](#)

Federal

Loan

New Housing

Existing
Housing

What is the USDA Direct Home Loan Program?

This program provides direct loans from the USDA to eligible low- and very low-income borrowers to buy, build, repair, renovate or relocate a home. The USDA acts as the lender, rather than a bank or private financial institution. This program also offers a payment assistance subsidy that can reduce mortgage payments for a period of time. Payment assistance lowers the loan's effective interest rate, sometimes as low as 1%, based on the borrower's adjusted income.

Who can qualify for this program?

Open to both first-time and repeat homebuyer who meet program income limits (see table on following page), are currently without safe, decent, and sanitary housing, and are unable to obtain a loan from other resources. Applicants must agree to occupy the home as their primary residence.

What can this program be used for?

Funds can be used to buy, build, repair, renovate, or relocate a home, or to purchase and prepare home sites (including providing water and sewage facilities) that will serve as the applicant's primary residence.

USDA Direct Loan Income Limits for Chugach Census Area FY 2024

	1-4 PERSONS	5-8 PERSONS
Valdez & Whittier	\$93,200	\$123,000
Chenega, Cordova, & Tatitlek	\$136,800	\$180,600

Is there a credit requirement?

There is no minimum credit score for this program, but applicants with a credit score of 640 or higher may qualify for a streamlined credit analysis. Those with scores below 640 will undergo a more detailed credit evaluation.

How much may I borrow?

The area loan limit for Prince William Sound communities is **\$398,600**. Potential applicants can use the [Single Family Housing Direct Self-Assessment tool](#) to see how much they might qualify for before applying. The tool provides a quick assessment based on details such as household size, income, monthly debt, property location, and estimated taxes and insurance.

What are the loan terms?

- Effective January 1, 2025, the current interest rate for Single Family Housing Direct home loans is 4.50% for low-income and very low-income borrowers.
- Fixed interest rate based on current market rates at loan approval or loan closing, whichever is lower
- Interest rate when modified by payment assistance can be as low as 1%
- Up to 33 year payback period. 38 year payback period is available for very low income applicants who can't afford the 33 year loan term
- No down payment is typically required. Applicants with assets higher than the asset limits may be required to use a portion of those assets.

How do I apply? Is there a deadline?

Start by using the Single Family Housing Direct Self-Assessment tool below. If you think you may be eligible, contact Robin Ezzo, Single Family Housing Loan Specialist at (907) 761-7730 or robin.ezzo@usda.gov. This program is open year round.

Links:

- [Fact Sheet](#)
- [Income Limits by Census Region](#)
- [Single Family Housing Direct Self-Assessment Tool](#)
- [Area Loan Limits](#) (use Valdez-Cordova Census Area)

- [Alaska Housing Finance Corp. Interest Rate Reduction for Low-Income Borrowers \(IRRLIB\)](#)

State

New Housing

What is the IIRLIB Program?

This program seeks to increase home ownership by offering subsidized interest rates to low-income borrowers depending on family income and size.

How much can my interest rate be reduced by?

Reductions of 0.5% or 1% are available depending on family income (see income limits table below). The interest rate reduction applies to the first \$180,000 of the loan amount. Loans exceeding \$180,000 receive a blended interest rate rounded up to the next 0.125%.

Who can qualify for this program?

Open to applicants who have not owned a primary residence in the last 3 years, do not own any other residential property within 50 miles of the home being purchased, and who meet program income limits (see table on following page). [CLICK HERE](#) to calculate your gross monthly income using an AHFC worksheet.

What properties are eligible for this program?

Eligible properties are limited to owner-occupied single-family residences, condominiums, units in a Common Interest Community and Type I manufactured homes. Homes that are 10 years old or older must be inspected by an authorized home inspector.

Links:

- [Approved Lenders](#)
- [Income Limits](#)
- [Gross Monthly Income Worksheet](#)

IRRLIB Program Income Limits for Chugach Census Area FY 2024

	1 PERSON	2 PERSONS	3 PERSONS	4+ PERSONS
0.5%	\$62,625	\$71,550	\$80,500	\$89,425
1%	\$50,050	\$58,390	\$69,220	\$80,050

How do I apply? Is there a deadline?

To apply, contact an approved lender (see link below). This program is open year round.

- **Alaska Community Development Corp. Home Opportunity Program (HOP)**

State

Loan

First Housing

What is the Home Opportunity Program?

This program provides low-income households in Alaska with zero interest loans that can be used for down payment assistance, closing costs, and (if necessary to achieve affordability) a buy-down on the first mortgage.

Who can qualify for this program?

Individuals and families who have an annual income below 80% of the Chugach Census Area median income (see table) and do not own another home can participate in this program. The HOP assisted home must be the only home the buyer's own and it must be their primary residence.

HOP Income Limits for Chugach Census Area FY 2024 by household size

1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS
\$59,550	\$68,050	\$76,550	\$85,050
5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
\$91,900	\$98,700	\$105,500	\$112,300

Are there other eligibility conditions?

Homes purchased or constructed using HOP funds must meet required property standards and must be the assisted homebuyer's principal residence. Homes built before 1978 must undergo a visual assessment and possible stabilization of lead-based paint. Homes must be of non-luxury nature. The homebuyer may not be in arrears on any child support obligation. The homebuyer must attend a homebuyer education class provided by a HUD-approved housing counseling agency.

What is the maximum loan amount, and what are the loan terms?

The HOP loan assistance limit is \$30,000, not to exceed \$3,000 in closing costs. HOP provides zero interest loans of up to \$10,000 that are forgivable over a 5-year period. To qualify for a buy-down of the first mortgage payment, the payment ratio on the first mortgage payment should not be less than 25% of the buyer's gross income used to qualify for the mortgage.

Who are the HOP participating lenders for a primary mortgage?

Current participating lenders are: Academy Mortgage, Academy Mortgage Corporation, Cornerstone Home Lending First National Bank of Alaska, (continued on following page)

Who are the HOP participating lenders for a primary mortgage? (continued)

Alaska USA Mortgage Company, Residential Mortgage (includes Summit Mortgage and Preferred Mortgage), Kodiak Island Housing Authority, Homestate Mortgage, Denali Federal Credit Union, First Bank, True North FCU, NeighborWorks Alaska, Primary Residential Mortgage and USDA Rural Development. Other interested lenders should contact ACDC for participation.

How do I apply? Is there a deadline?

Applications are available at the Alaska Community Development Corporation office in Palmer or through participating lenders (see above). If you have other questions, contact: Lori Tice at (907) 746-5680 ex 2. HOP assistance funding is very limited and is available on a first come, first served basis.

Links:

- [Program Home Page](#)
- [Home Loan Toolkit](#)

• Alaska Housing Finance Corp. New Home Construction Rebate

State

Rebate

New Housing

What is the New Home Construction Rebate?

This program seeks to increase Alaska's housing inventory while promoting energy-efficient home construction by providing a \$10,000 rebate to homeowners who build or purchase newly constructed, owner-occupied homes that meet 5-Star Plus or higher energy efficiency standards. The program is available on a first-come, first-served basis until funds are depleted.

Who can qualify for this program?

There is no minimum or maximum income requirement for this program. Applicants do not necessarily need to be an Alaska resident to qualify, but eligibility is limited to owner-occupied residential dwellings in Alaska that serve as the applicant's primary residence. Only one rebate is allowed per single family home or multi-unit building, regardless of the number of owners. If the multi-unit dwelling is jointly owned, the owners may qualify for only one rebate, not per unit.

What are the eligibility requirements for this program?

- The home's foundation must be completed and inspected on or after January 2, 2025.

What are the eligibility requirements for this program? (continued)

- The home must meet a minimum 5-Star Plus or higher energy efficiency standard.
- The home must be owner-occupied.
- The rebate is restricted to single-family residences, duplexes, triplexes and fourplexes where the homeowner occupies one unit.
- Payment is contingent on new home construction being completed within 18 months.
- Home completion is determined upon the date of the recorded PUR-102 (Summary of Building Inspections) or date of the Certificate of Occupancy from an approved municipality.
- The program excludes developers, investment properties and non-residential buildings.

How can the rebate be used ?

Once awarded, homeowners may use the rebate at their discretion. AHFC will issue a 1099-G at year end for the rebate amount. Consult a tax professional for implications.

How do I apply? Is there a deadline?

There is no deadline, but funds are distributed on a first come first serve basis.

- Check you eligibility using the link [HERE](#)
- Submit a completed application (linked below) and all required supporting documents.
- AHFC reviews all application materials and if determined eligible, you will be preliminarily approved for the rebate (if home construction is not completed) or approved (if home construction is already completed).
- If preliminarily approved, you will need to submit additional materials prior to completion of home construction for final approval.
- Once application materials are submitted and AHFC confirms that you have met all program requirements, funds will be distributed to you, the homeowner.

What supporting documents are required?

If the home is not complete at time of application, you will need:

- If working with a contractor, a copy of the contract with the builder to verify their Contractor License and a Residential Endorsement License.
- Proof of a commitment that the home will meet a 5-Star Plus energy standard.

Upon completion of construction, you will also need to supply:

- Proof of ownership (e.g., title transfer deed, warranty deed, or tax assessment notice).
- A PUR-101 showing that the home meets a 5-Star Plus energy standard.
- A PUR-102 or Certificate of Occupancy.
- W-9 for tax purposes.

How long will it take for my application to be reviewed?

AHFC expects processing to take approximately 30 days.

Can this program be used in combination with other housing programs?

Alaskans may be able to use federal tax credits or participate in other federally funded new home construction or energy savings programs. Participation in these programs will not impact a homeowners' ability to participate in AHFC's New Home Construction Rebate.

Links:

- [Program Home Page](#)
- [Eligibility Assessment AND Program Application](#)
- [FAQs](#)

General Home Repair

- [USDA Single Family Housing Repair Loans and Grants](#)

Federal

Loan

Grant

Existing
Housing

What is the USDA Single Family Housing Repair Program?

This program provides loans directly from the USDA to very-low-income homeowners to repair, improve or modernize their homes or grants to elderly very-low-income homeowners to remove health and safety hazards.

Who can qualify for this program?

Open to homeowners who occupy the home, meet program income limits (see table), and are unable to obtain affordable credit elsewhere. Applicants must continue to occupy the home as their primary residence. For grants, the homeowner must be age 62 or older.

USDA SFH Repair Program Income Limits for Chugach Census Area FY 2024

	1-4 PERSONS	5-8 PERSONS
Valdez & Whittier	\$58,250	\$76,900
Chenega, Cordova, & Tatitlek	\$85,500	\$112,850

What's the maximum amount of funding I can receive?

- Maximum loan is \$40,000
- Maximum grant is \$10,000 (must be 62 or older)
- Loans and grants can be combined for up to \$50,000 in assistance

What are the loan and grant terms?

- Loans are termed for 20 years
- Loan interest rate is fixed at 1%
- Full title service is required if the total outstanding balance on Section 504 loans is greater than \$25,000
- Grants have a lifetime limit of \$10,000
- Grants must be repaid if the property is sold in less than 3 years

For grants, what qualifies as a “health and safety hazard”?

Common examples are listed below. To determine if your specific needs qualify, it's best to contact a USDA home loan specialist in your area.

- Structural Issues: Repairing foundations, roofs, or walls that are compromised and pose a risk of collapse.
- Electrical Hazards: Updating outdated or faulty wiring to prevent electrical fires or shocks.
- Plumbing Problems: Fixing leaks or broken pipes that could lead to water damage or mold growth.
- Accessibility Improvements: Installing ramps, grab bars, or modifying bathrooms to prevent falls and accommodate residents with mobility challenges.
- Lead-Based Paint: Removing or encapsulating lead paint, especially in homes built before 1978, to prevent lead poisoning.

How do I apply? Is there a deadline?

To apply, contact the Alaska Rural Development State Office at (907) 761-7705. This program is open year round.

Links:

- [Fact Sheet](#)
- [Income Limits by Census Region](#)

Home Weatherization

- [RurAL CAP Enhanced Weatherization Assistance Program](#)

State

Home
Upgrades

Existing
Housing

What is the Enhanced Weatherization Assistance Program?

This program provides client education and home energy efficiency and indoor air quality improvements to reduce rural Alaskans' utility bills and improve the health and comfort of their homes at no cost to the participant.

What services does this program provide?

Services may include:

- Upgrades such as furnace and/or hot water heater replacement
- Door and window repairs or upgrades, sealing or replacement
- Air sealing and insulation
- Whole household ventilation systems and moisture control
- New smoke detectors and carbon monoxide detectors
- New fire extinguishers

Enhanced Weatherization Assistance State Income Limits by household size

1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS
\$74,850	\$85,500	\$96,200	\$106,900
5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
\$115,450	\$124,000	\$132,550	\$141,100

Who can qualify for this program?

Participants must meet income requirements (see table above).

What supporting documents are required to apply?

- Completed application (All adults 18+ residing in the home must include social security numbers)
- Proof of homeownership AND for renters, Landlord/Tenant agreement
- Most recent filed income tax returns and W-2's for all household members that have filed
- Most recent pay advice, and documentation of all other income not listed
- Photo ID

How do I apply? Is there a deadline?

Submit completed application and supporting documents to info@weatherizeme.org.

There is no deadline for this program.

Links:

- [Program Home Page](#)
- [Application Packet](#)

- [Alaska Housing Finance Corp. Weatherization Assistance Program](#)

State

Home
Upgrades

Existing
Housing

What is the Weatherization Assistance Program?

This program provides weatherization improvements designed to help low- to moderate- income households who own or rent eligible homes reduce energy use in the home, lower heating bills, and make the home more comfortable. Weatherization assessors conduct an inspection to assess the needs and determine the improvements to be made to the home. Assistance funds are not given to households to spend, but pay for trained workers or contractors to purchase materials and make eligible weatherization improvements to homes.

Who can qualify for this program?

Eligibility is based on federal OR state income limits (see tables), housing type, and household needs, with priority given to seniors (55+), people with disabilities, households with children under six, and those who meet federal income limits.

Automatic eligibility is given to those receiving ATAP/TANF, federally funded Low-Income Home Energy Assistance, or SSI. The home must be the applicant's primary residence, and participants must be available throughout the 4-6 month weatherization process. Those who leave the state for more than 30 days per year or do not reside in the home during the heating season may not qualify.

What types of housing are eligible?

Both homeowners and renters in eligible housing (including apartments, cabins, condominiums, houses, mobile homes and multi-family dwellings) are eligible to apply.

Are there any other eligibility restrictions?

- The home must not have been weatherized in the last 15 years through this program
- It cannot be listed for sale, rent, or demolition at the time of application
- For rental properties, landlords must approve participation and may be required to contribute matching funds

Federal Weatherization Assistance Income Limits by household size

1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS
\$37,620	\$51,080	\$64,540	\$78,000
5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
\$91,460	\$104,920	\$118,380	\$131,840

State Weatherization Assistance Income Limits for CCA by household size

1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS
\$78,260	\$89,440	\$100,620	\$111,800
5 PERSONS	6 PERSONS	7 PERSONS	8 PERSONS
\$120,744	\$128,688	\$138,632	\$147,576

What does the application timeline look like?

Households with federal eligibility are given higher priority on the waiting list. If a household exceeds federal limits but still qualifies for state funding, they may face a wait of 1-2 years or more. Applications are processed on a first-come, first-served basis, with priority given to those in high-need categories (seniors, disabled, young children, or emergency situations). This is not an emergency assistance program - most weatherization work is completed during the construction season, and applicants may wait a year or more after approval before improvements to their home begin. Non-road access communities may wait longer due to funding limitations and logistical challenges.

What services does this program provide?

Eligible services may include air-sealing, caulking, insulation, and weatherstripping, replacement entry doors, exterior skirting, ventilation measures, moisture and mildew control, clock thermostats, and efficient lighting.

What supporting documentation is required for a complete application?

Copies, not originals, of the following documents are required:

- Proof of Income for the past 12 months or previous calendar year including a most recent Federal Tax Return and pay stubs (last 3 months)
- Proof of Age for household members 55+ (if applicable)
- Proof of Disability (if applicable)
- Proof of Home Ownership (for homeowners), such as a property tax or mortgage statement
- Landlord-Tenant Agreement (for renters)
- Proof of Residency & Occupancy such as a Utility bill in the applicant's name or lease agreement/mortgage statement
- Alaska Permanent Fund Dividend (PFD) verification statement for all household members, which can be obtained from the Alaska PFD website

How do I apply? Is there a deadline?

There is no deadline for this program. Application packet and required supporting documentation should be mailed to:

Alaska Community Development Corporation
1517 S. Industrial Way, #8
Palmer, AK 99645

Links:

- [Program Home Page](#)
- [Application Packet](#)
- [Additional Information for Renters](#)

Home Energy Efficiency

- **IRS Energy Efficient Home Improvement Credit**

Federal

Tax Credit

Existing
Housing

What is the Energy Efficient Home Improvement Credit?

The Energy Efficient Home Improvement Credit is a non-refundable tax credit equal to 30% of eligible expenditures for qualified energy efficient improvements. The credit is available to participants annually through 2032, with no lifetime cap— you can claim the credit each year if you continue to make eligible improvements.

Who can qualify for this program?

You can claim the credit for improvements made to your principal residence (where you live most of the year), as long as it is an existing home located in the United States. Landlords or other property owners who don't live in the home are not eligible for this credit.

What is the maximum amount I can claim each year?

You can claim \$3,200 per year in total: \$1,200 total for most improvements (with sub-limits), and \$2,000 per year for qualified heat pumps, heat pump water heaters, biomass stoves, or boilers.

What home improvements and purchases qualify for the credit?

- Building Envelope Improvements (Up to \$1,200 per year, includes other efficiency upgrades)
 - Exterior Doors – Energy Star certified (\$250 per door, \$500 max per year)
 - Windows & Skylights – Energy Star Most Efficient (\$600 max per year)
 - Insulation & Air Sealing – Must meet IECC standards (No individual cap, but included in \$1,200 limit)
 - Includes spray foam, fiberglass batts, weather stripping, caulking, etc.
 - Labor costs do not qualify
- Home Energy Audits (Up to \$150 per year)
- Residential Energy Property (Up to \$600 per item, included in the \$1,200 limit)
 - Central A/C, Gas/Propane/Oil Furnaces, Boilers, Water Heaters – Must meet CEE efficiency standards
 - Electrical Panel Upgrades (200 Amps+) – If required for energy-efficient upgrades (\$600 max)

What home improvements and purchases qualify for the credit? (continued)

- Heat Pumps & Biomass Equipment (Up to \$2,000 per year, separate from the \$1,200 cap)
 - Heat Pumps & Heat Pump Water Heaters – Must meet CEE highest efficiency tier
 - Biomass Stoves/Boilers – Must have $\geq 75\%$ thermal efficiency
 - Labor costs qualify for installation.

Where can I find eligible products?

The manufacturer, retailer or installer should be able to help you validate eligibility. You can also check the [Energy Star](#) webpage for eligible [residential windows, doors, and skylights](#).

How do I apply? Is there a deadline?

File [Form 5695, Residential Energy Credits](#) Part II, with your tax return to claim the credit. You must claim the credit for the tax year when the equipment or upgrades are installed, not the year they were purchased.

Links:

- [Program Home Page](#)
- [Tax Form 5695](#)
- [Step-by-Step Guide](#)
- [Energystar.gov](#)

• [IRS Residential Clean Energy Credit](#)

Federal

Tax Credit

Existing
Housing

What is the Residential Clean Energy Credit?

The Residential Clean Energy Credit provides a tax credit equal to 30% of the costs of new, qualified clean energy property for your home installed anytime from 2022 through 2032.

What is the Residential Clean Energy Credit? (continued)

The credit percentage rate phases down to 26 percent for property placed in service in 2033 and 22 percent for property placed in service in 2034. You can claim the annual credit every year that you install eligible property until the credit begins to phase out in 2033.

Who can qualify for this program?

You can claim the credit for improvements made to your principal residence (where you live most of the year), as long as it is an existing home located in the United States. Landlords are not eligible for this credit. You may be able to claim a credit for certain improvements made to a second home located in the United States that you live in part-time and don't rent to others. You can't claim a credit for fuel cell property for a second home or for a home that is not located in the United States.

What is the maximum amount I can claim each year?

The credit has no annual or lifetime dollar limit except for credit limits for fuel cell property. Fuel cell property is limited to \$500 for each half kilowatt of capacity. If more than one person lives in the home, the combined credit for all residents can't exceed \$1,667 for each half kilowatt of fuel cell capacity.

What purchases qualify for the credit?

Qualified expenses include, solar electric panels, solar water heaters, wind turbines, geothermal heat pumps, fuel cells, and battery storage technology. You can find more information about qualifying purchases [HERE](#). Used or previously owned clean energy property is not eligible. Qualified expenses may include labor costs for onsite preparation, assembly or original installation of the property and for piping or wiring to connect it to the home. Traditional building components that primarily serve a roofing or structural function generally don't qualify. For example, roof trusses and traditional shingles that support solar panels don't qualify, but solar roofing tiles and solar shingles do because they generate clean energy.

Are there any standards the equipment listed above must meet to qualify?

Solar water heaters must be certified by the Solar Rating Certification Corporation or a comparable entity endorsed by your state. Geothermal heat pumps must meet Energy Star requirements in effect at the time of purchase. Battery storage technology must have a capacity of at least 3 kilowatt hours.

How do I apply? Is there a deadline?

File [Form 5695, Residential Energy Credits](#) Part I, with your tax return to claim the credit. You must claim the credit for the tax year when the equipment or upgrades are installed, not the year they were purchased.

Links:

- [Program Home Page](#)
- [Tax Form 5695](#)
- [Qualifying Purchases Information](#)



City of Valdez

212 Chenega Ave.
Valdez, AK 99686

Legislation Text

File #: 25-0401, **Version:** 1

ITEM TITLE:

Legal Billing Summary - June 2025 and July 2025

SUBMITTED BY: Elise Sorum-Birk, CMC, Deputy City Clerk

FISCAL NOTES:

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

RECOMMENDATION:

Receive and file.

SUMMARY STATEMENT:

Attorney billing summary for June and July 2025 are attached for City Council review.

BRENA, BELL & WALKER, P.C.

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 WILLIAM M. WALKER
 DAVID W. WENSEL
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trupe@brenalaw.com

July 15, 2025

City of Valdez
 Attn: Nathan Duval, City Manager
 P.O. Box 307
 Valdez, AK 99686

June 2025 Billing Summary Sheet

File No.	Description	Amount
1374-007	City Council	\$7,716.00
1374-008	Capital Facilities	\$195.00
1374-009	Ports & Harbors	\$8,580.00
1374-010	Finance	\$162.50
1374-011	Administration	\$3,822.13
1374-012	Community Development	\$1,007.50
1374-014	Escaped Property	\$576.20
1374-014B	Escaped Property Appeal	
1374-014C	Escaped Property 2017-2022 Superior Court Appeal	
1374-014D	Escaped Property Original Assessments	\$67,909.06
1374-014F	Super Ct. 2024 Appeal	\$1,439.75
1374-016	Parks and Recreation	
1374-017	Police Department	\$1,329.14
1374-018	Human Resources CONFIDENTIAL	\$4,293.25
1374-019	Public Works	
1374-029S	Ad Valorem Settlement	\$2,072.90
1374-030	C-Plan	\$18,262.49
1374-032	Economic Development	
1374-033	Fire Department	
1374-036	Code Enforcement	\$2,444.00
1374-039	Boundary Change Issues	
1374-042	Redistricting	\$5,574.81
1374-043A	RCA Order 6 Appeal	\$13,807.66
1374-043E	Remand Order Appeal (Sup Ct)	\$9,320.22
1374-044A	AK Trappers Association Appeal	
1374-044B	AK Trappers (Attorneys' Fee Appeal)	
1374-050	Escaped Property – Ordinance	\$29,739.49
1374-051	3.30 AKV Superior Court Appeal	\$61,000.96
1374-052	AK Ventures-Valdez Prelim	\$38,171.90
1374-053	Ables	\$1,599.00
	TOTAL	\$279,023.96

Contributed-Hour Summary

DO NOT PAY - Fees will be paid from any attorneys' fees award.

File No.	Description	Fees Over Cap
1374-043B	City of Valdez/RCA/Consolidated Appeals of Orders 6 & 17 Superior Ct. Nos. 3AN-20-05915 CI/3AN-21-04104 CI (Consolidated) Work began December 2020 Initial Fee Cap of \$25,000 has been met.	\$276,587.50
1374-043C	City of Valdez/BP-Hilcorp/Dismissal Appeal Supreme Ct. No. S-18178 Work began August 2021	\$315,712.67
1374-043D	City of Valdez/BP-Hilcorp/Constitutional Claimant Fees Appeal, Supreme Ct. No. S-18347 Work began February 2022	\$109,014.39
	TOTAL	\$704,314.56

BRENA, BELL & WALKER, P.C.

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August 18, 2025

City of Valdez
Attn: Nathan Duval, City Manager
P.O. Box 307
Valdez, AK 99686

July 2025 Billing Summary Sheet

File No.	Description	Amount
1374-007	City Council	\$2,307.50
1374-008	Capital Facilities	\$325.00
1374-009	Ports & Harbors	\$390.00
1374-010	Finance	\$888.59
1374-011	Administration	\$8,574.44
1374-012	Community Development	\$812.50
1374-014	Escaped Property	
1374-014B	Escaped Property Appeal	
1374-014C	Escaped Property 2017-2022 Superior Court Appeal	\$1,150.20
1374-014D	Escaped Property Original Assessments	\$88,128.19
1374-014F	Super Ct. 2024 Appeal	\$2,551.60
1374-016	Parks and Recreation	
1374-017	Police Department	\$2,635.95
1374-018	Human Resources CONFIDENTIAL	
1374-019	Public Works	\$227.50
1374-029S	Ad Valorem Settlement	\$7,401.80
1374-030	C-Plan	\$3,831.35
1374-032	Economic Development	
1374-033	Fire Department	
1374-036	Code Enforcement	
1374-039	Boundary Change Issues	
1374-042	Redistricting	\$242.15
1374-043A	RCA Order 6 Appeal	\$31,296.63
1374-043E	Remand Order Appeal (Sup Ct)	\$17,262.35
1374-044A	AK Trappers Association Appeal	
1374-044B	AK Trappers (Attorneys' Fee Appeal)	
1374-050	Escaped Property – Ordinance	\$44,616.89
1374-051	3.30 AKV Superior Court Appeal	\$44,973.59
1374-052	AK Ventures-Valdez Prelim	\$2,530.10
1374-053	Ables	\$2,179.25
	TOTAL	\$262,325.58

Contributed-Hour Summary

DO NOT PAY - Fees will be paid from any attorneys' fees award.

File No.	Description	Fees Over Cap
1374-043B	City of Valdez/RCA/Consolidated Appeals of Orders 6 & 17 Superior Ct. Nos. 3AN-20-05915 CI/3AN-21-04104 CI (Consolidated) Work began December 2020 Initial Fee Cap of \$25,000 has been met.	\$276,587.50
1374-043C	City of Valdez/BP-Hilcorp/Dismissal Appeal Supreme Ct. No. S-18178 Work began August 2021	\$315,712.67
1374-043D	City of Valdez/BP-Hilcorp/Constitutional Claimant Fees Appeal, Supreme Ct. No. S-18347 Work began February 2022	\$109,014.39
	TOTAL	\$701,314.56