

CITY OF VALDEZ, ALASKA

RESOLUTION #22-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, SUPPORTING VALDEZ FISHERIES DEVELOPMENT ASSOCIATION, INC. IN A NON-FEDERAL COST SHARE OF \$393,750 TO PARTNER WITH THE U.S. ARMY CORPS OF ENGINEERS-ALASKA DISTRICT TO FUND ROBE LAKE FEASIBILITY STUDY

WHEREAS, the Valdez Fisheries Development Association Inc., submitted in 2021, a Letter of Interest requesting assistance of the U.S. Army Corps of Engineers (ACOE), under Section 206 of the Water Resources Development Act of 1996, Aquatic Ecosystem Restoration, for planning and designing of a project for the long term improvement of salmon habitat in Robe Lake located in Valdez; and

WHEREAS, The U.S. Army Corp of Engineers (ACOE), has selected Robe Lake as a project for a feasibility study; and

WHEREAS, The ACOE has committed \$485,000 for feasibility study; and

WHEREAS, the commitment of the Tatitlek Corporation and Native Village of Tatitlek, to sponsor this project creates a \$530,000 credit toward total cost of the feasibility study; and

WHEREAS, the Valdez Fisheries Development Association has committed \$91,250 to the non-federal share of the feasibility study; and

WHEREAS, the City of Valdez has committed \$393,750 to the non-federal share of the feasibility study; and

WHEREAS, participation by VFDA in such feasibility study or a design and construction project at Robe Lake beyond the Federal Interest Determination was dependent upon the VFDA obtaining funding commitments from non-federal partners such as tribal organizations, the City of Valdez, and other local funding sources.

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

Section 1. The City of Valdez having designated Robe Lake as municipal entitlement land has determined the long term sustainability of the Robe Lake habitat is in the public interest of the City and citizens.

Section 2. The City of Valdez is in support of the Valdez Fisheries Development Association's requesting assistance of the U.S. Army Corps of Engineers for planning and designing of a project for the long-term improvement of salmon habitat in Robe Lake.

Section 3. The City of Valdez is in support of joining Valdez Fisheries Development Association in the CAP Section 206 Aquatic Ecosystem Restoration Program project for Robe Lake.

Section 4. The City of Valdez is in support and would agree to share \$393,750 of the local cost share for planning study (50%Local-50%Federal) and if justified by such planning study, 75% of the project costs (35% Local-65% Federal) based on continued commitment of the Tatitlek Corporation and Native Village of Tatitlek as a non-federal partner and the commitment of VFDA to provide \$91,250 of the local cost share.

Section 5. The City Council hereby authorizes the Mayor to sign the Agreement between the Department of the Army and City of Valdez, Alaska and Native Village of Tatitlek for the Robe Lake CAP 206 Aquatic Ecosystem Restoration (Appendix A) and further authorizes the Mayor to sign the Memorandum of Understanding between the City of Valdez and Valdez Fisheries Development Association (Appendix B).

CITY OF VALDEZ, ALASKA

Sharon Scheidt, Mayor

ATTEST:

Sheri L. Pierce, MMC, City Clerk

APPENDIX A

AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
CITY OF VALDEZ, ALASKA
AND
NATIVE VILLAGE OF TATITLEK
FOR THE
ROBE LAKE CAP 206 ECOSYSTEM RESTORATION

THIS AGREEMENT is entered into this _____ day of _____, _____, by and between the Department of the Army (hereinafter the "Government"), represented by the District Commander for Alaska District (hereinafter the "District Commander") and the City of Valdez, Alaska, and the Native Village of Tatitlek (hereinafter the "Non-Federal Sponsors"), represented by the City Mayor and Tribal President.

WITNESSETH, THAT:

WHEREAS, Section 206 of the Water Resources Development Act of 1996, as amended authorizes a feasibility study for a project to restore aquatic ecosystems;

WHEREAS, Section 105(a) of the Water Resources Development Act of 1986, Public Law 99-662, as amended (33 U.S.C. 2215(a)), specifies the cost-sharing requirements; and

WHEREAS, the Government and the Non-Federal Sponsors have the full authority and capability to perform in accordance with the terms of this Agreement.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I - DEFINITIONS

A. The term "Study" means the activities and tasks required to identify and evaluate alternatives and the preparation of a decision document that, as appropriate, recommends a coordinated and implementable solution for degraded salmon spawning and rearing habitat at Robe Lake, Valdez, Alaska.

B. The term "shared study costs" means all costs incurred by the Government and Non-Federal Sponsors after the effective date of this Agreement that are directly related to performance of the Study and cost shared in accordance with the terms of this Agreement. The term includes, but is not necessarily limited to: the Government's costs for preparing the PMP; for plan formulation and evaluation, including costs for economic, engineering, real estate, and environmental analyses; for preparation of a floodplain management plan if undertaken as part of the Study; for preparing and processing the decision document; for supervision and administration; for Agency Technical Review and other review processes required by the Government; and for response to any required Independent External Peer Review; and the Non-Federal Sponsors'

creditable costs for in-kind contributions, if any. The term does not include any costs for dispute resolution; participation by the Government and Non-Federal Sponsors in the Study Coordination Team to discuss significant issues and actions; audits; an Independent External Peer Review panel, if required; or negotiating this Agreement. The term also does not include the first \$100,000 of costs for the Study incurred by the Government, whether before or after execution of this Agreement, and costs funded at full Federal expense based on the waiver of non-Federal cost sharing in accordance with Article II.I.

C. The term “PMP” means the project management plan, and any modifications thereto, developed in consultation with the Non-Federal Sponsors, that specifies the scope, cost, and schedule for Study activities and tasks, including the Non-Federal Sponsors’ in-kind contributions, and that guides the performance of the Study.

D. The term “in-kind contributions” means those planning activities (including data collection and other services) that are integral to the Study and would otherwise have been undertaken by the Government for the Study and that are identified in the PMP and performed or provided by the Non-Federal Sponsors after the effective date of this Agreement and in accordance with the PMP.

E. The term “maximum Federal study cost” means the \$1,500,000 Federal cost limit for the Study, unless the Government has approved a higher amount, and includes the first \$100,000 of costs for the Study incurred by the Government.

F. The term “fiscal year” means one year beginning on October 1st and ending on September 30th of the following year.

ARTICLE II - OBLIGATIONS OF THE PARTIES

A. In accordance with Federal laws, regulations, and policies, the Government shall conduct the Study using funds appropriated by the Congress and funds provided by the Non-Federal Sponsors. In carrying out its obligations under this Agreement, the Non-Federal Sponsors shall comply with all the requirements of applicable Federal laws and implementing regulations.

B. The Non-Federal Sponsors shall contribute 50 percent of shared study costs in accordance with the provisions of this paragraph and provide required funds in accordance with Article III.

1. After considering the estimated amount of credit for in-kind contributions, if any, that will be afforded in accordance with paragraph C. of this Article, the first \$100,000 of the costs incurred by the Government that are excluded from shared costs, and the cost sharing waiver in accordance with Article II.I., the Government shall provide the Non-Federal Sponsors with a written estimate of the amount of funds required from the Non-Federal Sponsors to meet its share of shared study costs for the remainder of the initial fiscal year of the Study. No later

than 15 calendar days after such notification, the Non-Federal Sponsors shall provide the full amount of such funds to the Government.

2. No later than August 1st prior to each subsequent fiscal year of the Study, the Government shall provide the Non-Federal Sponsors with a written estimate of the amount of funds required from the Non-Federal Sponsors during that fiscal year to meet its cost share. No later than September 1st prior to that fiscal year, the Non-Federal Sponsors shall provide the full amount of such required funds to the Government.

C. The Government shall include in shared study costs and credit towards the Non-Federal Sponsors' share of such costs, the costs, documented to the satisfaction of the Government, that the Non-Federal Sponsors incurs in providing or performing in-kind contributions, including associated supervision and administration, after the effective date of this Agreement. Such costs shall be subject to audit in accordance with Article VI to determine reasonableness, allocability, and allowability, and crediting shall be in accordance with the following procedures, requirements, and limitations:

1. As in-kind contributions are completed and no later than 60 calendar day after such completion, the Non-Federal Sponsors shall provide the Government appropriate documentation, including invoices and certification of specific payments to contractors, suppliers, and the Non-Federal Sponsors' employees. Failure to provide such documentation in a timely manner may result in denial of credit. The amount of credit afforded for in-kind contributions shall not exceed the Non-Federal Sponsors' share of shared study costs.

2. No credit shall be afforded for interest charges, or any adjustment to reflect changes in price levels between the time the in-kind contributions are completed and credit is afforded; for the value of in-kind contributions obtained at no cost to the Non-Federal Sponsors; for any items provided or performed prior to completion of the PMP; or for costs that exceed the Government's estimate of the cost for such item if it had been performed by the Government.

D. To the extent practicable and in accordance with Federal laws, regulations, and policies, the Government shall afford the Non-Federal Sponsors the opportunity to review and comment on solicitations for contracts prior to the Government's issuance of such solicitations; proposed contract modifications, including change orders; and contract claims prior to resolution thereof. Ultimately, the contents of solicitations, award of contracts, execution of contract modifications, and resolution of contract claims shall be exclusively within the control of the Government.

E. The Non-Federal Sponsors shall not use Federal program funds to meet any of its obligations under this Agreement unless the Federal agency providing the funds verifies in writing that the funds are authorized to be used for the Study. Federal program funds are those funds provided by a Federal agency, plus any non-Federal contribution required as a matching share therefor.

F. Except as provided in paragraph C. of this Article, the Non-Federal Sponsors shall not be entitled to any credit or reimbursement for costs it incurs in performing its responsibilities under this Agreement.

G. If Independent External Peer Review (IEPR) is required for the Study, the Government shall conduct such review in accordance with Federal laws, regulations, and policies. The Government's costs for an IEPR panel shall not be included in shared study costs or the maximum Federal study cost.

H. In addition to the ongoing, regular discussions of the parties in the delivery of the Study, the Government and the Non-Federal Sponsor may establish a Study Coordination Team to discuss significant issues or actions. The Government's costs for participation on the Study Coordination Team shall not be included in the shared study costs, but shall be included in calculating the maximum Federal study cost. The Non-Federal Sponsors' costs for participation on the Study Coordination Team shall not be included in shared study costs and shall be paid solely by the Non-Federal Sponsors without reimbursement or credit by the Government.

I. Pursuant to Section 1156 of the Water Resources Development Act of 1986, Public Law 99-662, as amended (33 U.S.C. 2310), the Government shall waive up to \$530,000 in non-Federal cost sharing of the Study. The amount of the waiver shall not be included in shared study costs, but shall be included in calculating the maximum Federal study cost.

ARTICLE III - PAYMENT OF FUNDS

A. As of the effective date of this Agreement, shared study costs are projected to be \$730,000 with the Government's share of such costs projected to be \$365,000 and the Non-Federal Sponsors' share of such costs projected to be \$365,000. These amounts are estimates only that are subject to adjustment by the Government and are not to be construed as the total financial responsibilities of the Government and the Non-Federal Sponsors.

B. The Government shall provide the Non-Federal Sponsors with monthly reports setting forth the estimated shared study costs and the Government's and Non-Federal Sponsors' estimated shares of such costs; costs incurred by the Government, using both Federal and Non-Federal Sponsors funds, to date; the amount of funds provided by the Non-Federal Sponsors to date; the estimated amount of any creditable in-kind contributions; costs funded at full Federal expense based on the waiver of non-Federal cost sharing in accordance with Article II.I.; and the estimated remaining cost of the Study.

C. The Non-Federal Sponsors shall provide to the Government required funds by delivering a check payable to "FAO, USAED, Alaska District (J4)" to the District Commander, or verifying to the satisfaction of the Government that the Non-Federal Sponsors has deposited such required funds in an escrow or other account acceptable to the Government, with interest accruing to the Non-Federal Sponsors, or by providing an Electronic Funds Transfer of such required funds in accordance with procedures established by the Government.

D. The Government shall draw from the funds provided by the Non-Federal Sponsors to cover the non-Federal share of shared study costs as those costs are incurred. If the Government determines at any time that additional funds are needed from the Non-Federal Sponsors to cover the Non-Federal Sponsors' required share of shared study costs, the Government shall provide the Non-Federal Sponsors with written notice of the amount of additional funds required. Within 60 calendar days of such notice, the Non-Federal Sponsors shall provide the Government with the full amount of such additional funds.

E. Upon completion of the Study and resolution of all relevant claims and appeals, the Government shall conduct a final accounting and furnish the Non-Federal Sponsors with the written results of such final accounting. Should the final accounting determine that additional funds are required from the Non-Federal Sponsors, the Non-Federal Sponsors, within 60 calendar days of written notice from the Government, shall provide the Government with the full amount of such additional funds. Should the final accounting determine that the Non-Federal Sponsors have provided funds in excess of its required amount, the Government shall refund the excess amount, subject to the availability of funds. Such final accounting does not limit the Non-Federal Sponsors' responsibility to pay its share of shared study costs, including contract claims or any other liability that may become known after the final accounting.

ARTICLE IV - TERMINATION OR SUSPENSION

A. Upon 30 calendar days written notice to the other parties, any party may elect at any time, without penalty, to suspend or terminate future performance of the Study. Furthermore, unless an extension is approved by the Assistant Secretary of the Army (Civil Works), the Study may be terminated if a CAP decision document is not completed for the Study within 3 years after the effective date of this Agreement.

B. In the event of termination, the parties shall conclude their activities relating to the Study. To provide for this eventuality, the Government may reserve a percentage of available funds as a contingency to pay the costs of termination, including any costs of resolution of contract claims, and resolution of contract modifications.

C. Any suspension or termination shall not relieve the parties of liability for any obligation incurred. Any delinquent payment owed by the Non-Federal Sponsors pursuant to this Agreement shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the 13 week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3 month period if the period of delinquency exceeds 3 months.

ARTICLE V - DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other parties in writing of the nature of the purported breach and seek

in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to the parties. Each party shall pay an equal share of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

ARTICLE VI - MAINTENANCE OF RECORDS AND AUDIT

A. The parties shall develop procedures for the maintenance by the Non-Federal Sponsors of books, records, documents, or other evidence pertaining to costs and expenses for a minimum of three years after the final accounting. The Non-Federal Sponsors shall assure that such materials are reasonably available for examination, audit, or reproduction by the Government.

B. The Government may conduct, or arrange for the conduct of, audits of the Study. Government audits shall be conducted in accordance with applicable Government cost principles and regulations. The Government's costs of audits for the Study shall not be included in shared study costs, but shall be included in calculating the maximum Federal study cost.

C. To the extent permitted under applicable Federal laws and regulations, the Government shall allow the Non-Federal Sponsors to inspect books, records, documents, or other evidence pertaining to costs and expenses maintained by the Government, or at the request of the Non-Federal Sponsors, provide to the Non-Federal Sponsor or independent auditors any such information necessary to enable an audit of the Non-Federal Sponsor's activities under this Agreement. The costs of non-Federal audits shall be paid solely by the Non-Federal Sponsors without reimbursement or credit by the Government.

ARTICLE VII - RELATIONSHIP OF PARTIES

In the exercise of their respective rights and obligations under this Agreement, the Government and the Non-Federal Sponsors each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the others. Neither of the parties shall provide, without the consent of the other parties, any contractor with a release that waives or purports to waive any rights a party may have to seek relief or redress against that contractor.

ARTICLE VIII - NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally or mailed by certified mail, with return receipt, as follows:

If to the Non-Federal Sponsors:
Native Village of Tatitlek
Attn: President
P.O. Box 171
Tatitlek, Alaska 99677

and

City of Valdez
Attn: City Manager
P.O. Box 307
Valdez, Alaska 99686

If to the Government:
USACE, Alaska District
Attn: CEPOA-PM-C
PO Box 6898
JBER, AK 99506

B. A party may change the recipient or address for such communications by giving written notice to the other parties in the manner provided in this Article.

ARTICLE IX - CONFIDENTIALITY

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party.

ARTICLE X - THIRD PARTY RIGHTS, BENEFITS, OR LIABILITIES

Nothing in this Agreement is intended, nor may be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever in any third person not a party to this Agreement.

ARTICLE XI – JOINT AND SEVERAL RESPONSIBILITY OF THE NON-FEDERAL SPONSORS

The obligations and responsibilities of the Non-Federal Sponsors shall be joint and several, such that each Non-Federal Sponsor shall be liable for the whole performance of the obligations and responsibilities of the Non-Federal Sponsors under the terms and provisions of this Agreement. The Government may demand the whole performance of said obligations and responsibilities from any of the entities designated herein as one of the Non-Federal Sponsors.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Commander.

DEPARTMENT OF THE ARMY

CITY OF VALDEZ

BY: _____
Damon Delarosa
Colonel, U.S. Army
District Commander

BY: _____
Sharon Scheidt
City Mayor, Valdez

DATE: _____

DATE: _____

NATIVE VILLAGE OF TATITLEK

BY: _____
Nanci Robart
Tribal President, Native Village of Tatitlek

DATE: _____

APPENDIX B

**MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF VALDEZ AND
VALDEZ FISHERIES DEVELOPMENT ASSOCIATION, INC.**

1. Valdez Fisheries Development Association, Inc. (VFDA) is a 501(c)(3) Alaska private nonprofit corporation dedicated to rearing salmon for common property fisheries within the City of Valdez (City).
2. VFDA has been working with the U.S. Army Corp of Engineers (Corps) on a project to attempt to improve the hydrology of Robe Lake, which is also located within the City.
3. At VFDA's request, the Corps initiated a Robe Lake Section 206 Ecosystem Restoration Project (P2# 478434) (Project). The primary purpose of the Project will be to attempt to restore the Robe Lake ecosystem to the condition that existed before human-related impacts.
4. The sponsors of the Project are the Corps, VFDA, and the City, with the City acting as the primary point of contact for the Project.
5. The Native Village of Tatitlek and the Tatitlek Corporation (Tatitlek) have been approached by the City and VFDA to be a co-sponsor of the Project in order to benefit Tatitlek's members. Tatitlek has agreed to be a co-sponsor of the Project.
6. The Corps completed a Federal Interest Determination for the Project and the Corps is working with the three co-sponsors of the Project (City, VFDA, and Tatitlek) to negotiate a Feasibility Cost Sharing Agreement (FCSA).
7. The City and VFDA agree that the City, in addition to being the primary point of contact for the Project, will be the lead party on the Project and be the signatory on the FCSA and any other Project documents required by the Corps and the primary party responsible for the Project.
8. The City and VFDA agree that while VFDA would not be a signatory on the FCSA or other Corps documents related to the Project, VFDA would enter into such agreements and commit such obligations as necessary to reach finalization of all reasonably necessary documents the Corps needs to undertake the Project and work collaboratively with the City to attempt to successfully secure the Project.
9. Among other things, VFDA would sign necessary documents with the City and Tatitlek to obtain the Project, and contribute such funds it can to secure the Project because it is in VFDA's interests as the primary originator of the Project with the Corps and because VFDA is keenly interested in insuring the success of the Project as set out in the Corps' October 2021 Robe Lake Ecosystem Restoration Section 206 Project Fact Sheet to improve, among other things, the Robe Lake salmon habitat and ecosystem.

10. At the time of this Agreement, VFDA has agreed to commit \$91,250.00 toward obtaining the Project, which is 25.0% of the non-federal portion of the Project's FCSA, the City will pay any remainder amount to secure the Project, and the City and VFDA will work together to obtain the funds necessary to complete the Project and a cost waiver from the Corps, which is available for the Project because Tatitlek is a federally recognized tribe and will be involved in the Project.

11. VFDA and the City will work and collaborate closely and cooperatively on such things as Project management, financing, design, implementation and timing of activities associated with the Project, and any other decision processes in order to ensure, among other things, that the Project does not create unnecessary negative impacts and to ensure that the design, implementation, management, and staffing of the Project is carried out and implemented as effectively as possible.

12. The City and VFDA understand that additional documents may have to be drafted and signed in order to successfully obtain and implement the Project and they agree to work closely together to finalize and execute those documents in a timely, good faith manner.

13. The City and VFDA may amend this Agreement as necessary.

CITY OF VALDEZ

By: Sharon Scheidt
Its: Mayor

Dated: _____

VALDEZ FISHERIES DEVELOPMENT ASSOCIATION, INC.

By: Michael H. Wells
Its: Executive Director

Dated: _____