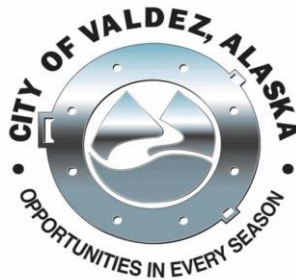


City of Valdez

212 Chenega Ave.
Valdez, AK 99686



Meeting Minutes - Draft

Tuesday, February 21, 2017

6:00 PM

**Work Session (Alyeska/SERVS Marine Services Transition)
Regular Meeting**

Council Chambers

City Council

WORK SESSION AGENDA - 6:00 pm

Minutes not transcribed for work sessions. Audio available upon request.

Work Session: Alyeska/SERVS Marine Services Transition

Present: 11 - Mayor Ruth E. Knight
Council Member Nate Smith
Council Member Lon Needles
Council Member H. Lea Cockerham
Council Member Ryan Rydor McCune
Council Member Dennis Fleming
City Manager Elke Doom
City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
Assistant City Manager Todd Wegner
City Attorney Jake Wakeland

Excused: 1 - Council Member Christopher Moulton

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

Mayor Knight called the meeting to order at 7:00 p.m. in Valdez City Council Chambers.

II. PLEDGE OF ALLEGIANCE

The City Council led in the Pledge of Allegiance to the American flag.

III. ROLL CALL

Present: 11 - Mayor Ruth E. Knight
Council Member Nate Smith
Council Member Lon Needles
Council Member H. Lea Cockerham
Council Member Ryan Rydor McCune
Council Member Dennis Fleming
City Manager Elke Doom
City Clerk Sheri Pierce
Deputy City Clerk Allie Ferko
Assistant City Manager Todd Wegner
City Attorney Jake Wakeland

Excused: 1 - Council Member Christopher Moulton

IV. CORPORATIONS

1. Appointment to Valdez Museum and Historical Archive Association Board of Directors

MOTION: Council Member Smith moved, seconded by Council Member McCune, to recess as Valdez City Council and reconvene as the Valdez Museum and Historical Archive Corporation Board of Directors. The motion carried by the following vote after the following discussion occurred.

VOTE ON MOTION TO RECESS & RECONVENE:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

Excused: 1 - Council Member Moulton

MOTION: Board Member Cockerham moved, seconded by Board Member Smith, to appoint Mr. Eric Reich to a three year term on the Valdez Museum and Historical Archive Association (VMHA) Board of Directors. The motion carried by the following vote after the following discussion occurred.

VOTE ON MOTION:

Yays: 6 - Board Chair Knight, Board Member Smith, Board Member Needles, Board Member Cockerham, Board Member McCune and Board Member Fleming

Excused: 1 - Board Member Moulton

Mayor Knight thanked Mr. Reich for applying for the VMHA board of directors and stated she was impressed with his resume.

MOTION: Board Member Smith moved, seconded by Board Member McCune, to recess as Valdez Museum and Historical Archive Corporation Board of Directors and reconvene as the Valdez City Council. The motion carried by the following vote after the following discussion occurred.

VOTE ON MOTION TO RECESS AND RECONVENE:

Yays: 6 - Board Chair Knight, Board Member Smith, Board Member Needles, Board Member Cockerham, Board Member McCune, and Board Member Fleming

Excused: 1 - Board Member Moulton

V. APPROVAL OF MINUTES

1. Regular Meeting Minutes of February 7, 2017

Mayor Knight noted a minor error in the title to the Ordinance listed on the agenda. With that change, City Council accepted the regular meeting minutes of February 7, 2017 as presented.

VI. PUBLIC BUSINESS FROM THE FLOOR

James “Hotai” Williams, Valdez resident, expressed concerns with the City’s Economic Development program. He explained he and several others members of the community worked an active salvage recycling program. They were required to cease their salvage efforts by the Alaska Department of Environmental Conservation in 2014. He stated he felt this action is counter to economic development in Valdez. Mr. Williams also expressed concerns with the new harbor project contractor placing rocks near his property on Glacier Haul Road in 2015. He stated he feels like there is much room for improvement for economic development efforts.

Mayor Knight thanked Mr. Williams for expressing his concerns and requested he submit them in writing.

Mr. Allen Crume, Valdez resident, stated he was aware of the rocks placed near Mr. Williams’ property on Glacier Haul Road. He explained they were actually very large, jagged rocks and echoed Mr. Williams’ concerns.

VII. CONSENT AGENDA

MOTION: Council Member Smith moved, seconded by Council Member Cockerham, to approve the Consent Agenda. The motion carried by the following Vote.

- 1. Approval of 2017 Community Purpose Property Tax Exemption Program Applications**
- 2. Approval of Senior Citizen Hardship Property Tax Exemption for Barbara Ezell**

VOTE ON MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

Absent: 1 - Council Member Moulton

VIII. NEW BUSINESS**1. Approval of a Professional Services Agreement (PSA) with RSA Engineering in the amount of \$86,883 for Design of a Replacement Potable Water Distribution System within the Providence Valdez Medical Center (PVMC) and Gilson Clinic**

MOTION: Council Member Cockerham moved, seconded by Council Member Fleming, to approve a Professional Services Agreement (PSA) with RSA Engineering in the amount of \$86,883 for Design of a Replacement Potable Water Distribution System within the Providence Valdez Medical Center (PVMC) and Gilson Clinic. The motion carried by the following vote after the following discussion occurred.

Council Member Fleming asked why a potable water system is being installed in a relatively new building. Mr. Jason Miles, City Capital Facilities Director, explained leaks in the hospital building have been an ongoing significant issue due to erosion of copper water piping. The situation was discussed during the capital improvement project budget discussion. Last year, his department explored options of a silica injection system done elsewhere in the state to address the leaks. However, there are too many unknowns associated with that option. Mr. Miles explained it will cost the city a large amount of money to replace the copper piping, but it is the only option to address the issue.

Mayor Knight clarified the professional service agreement is strictly for design of the system. Mr. Miles confirmed that was correct. Mayor Knight asked why the silica injection system was discounted as an option. Mr. Miles stated the silica system would be very expensive as well, but would not permanently address the issue.

Council Member Fleming asked Mr. Miles for a rough estimate of the total cost to replace the potable water system at the hospital and clinic. Mr. Miles stated the project would involve opening multiple wall cavities and replacing all water piping, so it would likely be near or close to one million dollars. Once the design is complete, he will be able to obtain an engineer's cost estimate which would be much

Mayor Knight asked if the hospital and clinic's piping system were separate or one system. Mr. Miles stated the entire building is on one system. For purposes of billing, his department will likely keep replacement for the clinic and hospital separate even if they are both part of the same project. Mayor Knight suggested considering trying the silica injection system in one portion of the building to see how well it worked and perhaps save the City funding. Mr. Miles stated he would look into the option, but expressed concern with the need to isolate one portion of the building and prevent silica from traveling into the rest of the City water system.

Council Member Cockerham asked what the timeline would be if the city moved forward with designing the piping system, but then later decided to use the silica injection option instead. Mr. Miles stated there are also mold issues now in hospital walls that needed to be addressed.

Council Member Needles asked if the removed copper piping could be recycled. Mr. Miles stated he would check and bring that information back to the Council.

Council Member Smith stated he would prefer the cost to replace the complete system

and do it correctly. He explained the hospital serves a critical function in the community.

Council Member Fleming requested copper piping not be included in the construction design of the new fire department building.

Mr. James "Hotai" Williams asked if the copper piping system is under warranty and expressed concerns with holding the original construction contractor accountable for the issue. Mr. Miles explained the system would not be covered under warranty, as it is a failure of materials.

VOTE ON MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

Absent: 1 - Council Member Moulton

2. Approval to Submit Application to the Alaska Department of Transportation & Public Facilities to Vacate & Acquire Portions of Dayville Road Right-of-Way

MOTION: Council Member McCune moved, seconded by Council Member Cockerham, to approve submittal of application to the Alaska Department of Transportation & Public Facilities to vacate and acquire portions of Dayville Road right-of-way. The motion carried by the following vote after the following discussion occurred.

Council Member Fleming asked if the land would be obtained from the state and given to the Valdez Fisheries Development Association (VFDA). Ms. Von Barga, City Community Development Director, stated the VFDA expressed interest in acquiring the property. However, current City policy only allows leases for uplands adjacent to tidelands owned by the City. She explained the Council may consider selling other lands. There are other waterfront lessees who are interested in purchasing similar lands around the community. She explained the VFDA would likely enter a long-term lease of the land with the City and provided further explanation of the area map provided in the City Council agenda packet.

Council Member Fleming asked if the bike path would be included in the acquisition. Ms. Von Barga explained the bike path is not included.

VOTE ON MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

Absent: 1 - Council Member Moulton

3. Discussion Item: 2017 Flood Mitigation Plan

Mayor Knight explained this discussion item replaced the City Council February 16th work session which was cancelled due to lack of a quorum. She explained the flood mitigation plan and scope were developed by the City's Flood Mitigation Task Force. City staff then took that information, put finishing touches on the documents, and brought them back to the Task Force for final discussion.

Mayor Knight stated the community is aware it commonly floods around Valdez each spring. She explained members of the Flood Mitigation Task Force reiterated the need to move forward with tangible actions relating to flooding this spring. The proposed flood mitigation plan will likely be the tool which allows this action.

Ms. Von Barga explained several acronyms and symbols found within the Mitigation Action Plan.

Ms. AnnMarie Lain, City Community Development Senior Planner and Certified Floodplain Manager, and Mr. Brad Melocik, Senior Water Resources Project Manager for DOWL (by teleconference), presented an update to City Council regarding the 2017 flood mitigation plan.

Ms. Lain explained the Task Force broke down the overall flood mitigation project into different riverine areas and identified 2017 action items.

She then outlined aerial maps of Mineral Creek and brought attention to several areas of significant erosion, gravel deposits, and stream braiding. Ms. Lain stated the Task Force identified several Mineral Creek projects to include an annual gravel extraction plan with hydrologist oversight and a kicker dike below the bridge to protect the land parcels most at risk in the area which are not currently protected.

Ms. Von Barga explained the City is state permitted to extract 33,000 cubic yards of gravel annually from Mineral Creek, but there has not been clear oversight about where the gravel should be extracted. The gravel extraction plan, therefore, must identify the most advantageous locations for stream flood mitigation. Mayor Knight added the Task Force received citizen feedback that the unorganized fashion which gravel has been extracted from the creek likely added to stream braiding and flooding in that location. A hydrologist would provide scientifically based direction regarding where gravel could be extracted. City staff would also need to provide oversight of gravel extraction efforts instead of citizens or contractors doing so unsupervised. Oversight will ensure the gravel is being removed from the correct location.

Ms. Lain explained the kicker dike below the Mineral Creek bridge would require outside design and construction contracts, as well as an evaluation of the existing revetments along the creek. The number of parcels protected by the existing revetments is substantial and evaluation must be done to identify weak points for future projects. Identified future projects would be listed by priority.

Council Member Smith asked if any revetment weak points had been identified in Mineral Creek. Ms. Lain explained the water is eroding the stream banks near the bridge and it is important to prevent the creek from working its way behind the existing revetments. Mayor Knight stated she did not realize the number of kicker dikes along Mineral Creek.

Council Member Cockerham asked if the City currently has the personnel resources to work on this project. Ms. Lain explained the work done thus far has been provided by DOWL and the City does not have adequate staffing to provide oversight. Ms. Lain stated, further, assessments should be conducted by a professional hydrologist.

Council Member Fleming asked for cost estimates for the flood mitigation projects. Ms. Lain explained the next item on the agenda is a professional services agreement with DOWL in the amount of \$88,506 for flood mitigation work. To accomplish everything identified in the flood mitigation work plan, action would need to be taken quickly and will be very labor intensive.

Council Member McCune asked if a dike was considered to protect the Homestead Road Trail. Ms. Pierce stated there has never been a dike along the trail and that is a location of significant erosion. Mayor Knight stated gravel extraction should help in this area.

Council Member Needles asked for a definition of gravel extraction. Mayor Knight explained gravel extraction is where someone goes into the stream, creek, or river and mines gravel. Council Member Needles expressed concerns with this type of extraction, as it is not aggressive enough to ensure results. He stated an extra ordinate amount of city money has been spent over the years to deal with flooding issues and there needs to be real action with real results. He explained many of the issues the city is currently experiencing related to flooding events could have already been handled. He expressed his frustration with the situation. He encouraged selecting proper oversight and aggressive action in the future.

Mayor Knight asked Council Member Needles for his suggestions for recommended action which differed from the Task Force recommendations. Council Member Needles stated the river needed to given a place to go. Mayor Knight explained that is the exact purpose of the gravel extraction plan.

Council Member Needles asked why gravel extraction permits were not already in place. Mayor Knight stated some permits were already in place. Ms. Von Barga explained the city holds their second permit of 10 years for gravel extraction in Mineral Creek. Mayor Knight asked if gravel allowable under the permit had been extracted from Mineral Creek. Ms. Von Barga stated gravel extraction has ebbed and flowed in the past depending on who in the community needs the material. Council Member Smith added, under the permit, the gravel had to be completely removed from the area. It could not be mined and stockpiled on the creek bank. The Task Force plans to request adjustment of the permit to allow stacking of gravel. Mayor Knight stated, in the case of Mineral Creek, the Task Force recommends having a hydrologist determine where

gravel needs to be extracted to prevent additional erosion or flooding.

Council Member Fleming asked what contractors have done gravel extraction in Mineral Creek in the past. Ms. Von Barga stated, in the past, anyone who desired to mine gravel in the creek paid a fee to the city of \$0.75 per cubic yard and then was directed by the City Public Works Department regarding where to extract the material. For many years, ADOT pulled out the majority of the gravel allowed under the extraction permit to make sand. Council Member Needles reiterated the need to move gravel even if it was not being immediately used.

Council Member Fleming stated the city paid for quite a few studies regarding flood mitigation and gravel extraction and questions whether another study is really necessary. Mr. Melocik stated one of the goals of the gravel extraction plan is to work with the appropriate agencies. The current gravel extraction permit is through the Army Corps of Engineers which means it is not always also coordinated through the Alaska Department of Fish and Game. He explained the gravel extraction amount allowable under the permit needs to be justified with science at the agency level. In the future, the city may need to remove even more material and so that number is important to better understand. He stated the team has also run into roadblocks with state agencies.

Mr. Melocik keeping good data during the process is important to demonstrate how gravel extraction in certain areas impacts the course of the creeks and rivers. He stated another concern expressed is that the gravel material is too expensive to purchase. Some of the areas which are the easiest to access are the worst places to extract due impact on braiding and erosion. Mayor Knight asked if there was data in existence regarding gravel extraction in Mineral Creek. Ms. Lain stated data exists from 2006, but badly needs to be updated.

Ms. Lain outlined aerial maps of Valdez Glacier Stream and brought attention to several areas of significant erosion, gravel deposits, and stream braiding. She pointed out impact of recent glacier dammed lake outbursts.

Ms. Lain stated DOWL is currently working on a gravel extraction plan and design solution for Valdez Glacier Stream south of the bridge, especially along Copper Avenue and to protect the radio tower. That project will go out for contract and bid assist. Stream gauge monitoring system and AGGS monitoring of the dammed lake are in place. For 2017, further evaluation is planned for the encroachments along Glacier Haul Road. She provided Council with an aerial map overview of concerns for the stream. She stated the Task Force desires to put protections in place before issues arise.

Ms. Lain explained the second part of the Valdez Glacier Stream plan is to evaluate material rights and ownership of material in the stream. Gravel extraction protocols need to be developed. An overview of current City gravel leases also need to be determined to ensure they are not hindering gravel extraction efforts.

Council Member Fleming asked if fortification of the stream bank would need to extend all the way to Valdez Glacier Lake. Ms. Lain explained the first step will to be evaluating

the encroachment and prioritize the areas in terms of risk. She stated there are already areas of concern identified through over flights. Council Member Fleming stated it likely does not help that gravel extraction pits exist along the stream bank to the north.

Council Member Needles expressed concerns with stream management in the past. Mayor Knight stated nothing could be done about the past. The goal is to focus on the future and what could be done to be proactive moving forward.

Council Member McCune stated it needed to be determined where the river needed to be directed, as this would effect the gravel extraction plan for the stream.

Ms. Lain stated flood mitigation work is never done and multiple solutions will be needed over time. Periodic reevaluations and adjustments will be necessary to achieve the desired outcome. Council Member Fleming asked what the appropriate reevaluation schedule would look like. Ms. Lain explained it would likely be constant. Council Member Fleming stated Ms. Lain is the only staff member in recent times to present riverine planning to Council and assessment needs to be ongoing. Mayor Knight explained the Flood Mitigation Task Force is discussing the schedule of reevaluation. She also asked Task Force members if they would continue to serve if the project was ongoing.

Council Member Fleming stated the Valdez community is based around creeks, streams, and rivers and there is little that can be done once Mother Nature decides to take action. He stated the city cannot continue to sustain high dollar spending every year reacting to flooding events and trying to control the rivers. This is why proactive planning and action is even more important on a holistic level. He stated he supports hiring professional experts to develop a scientifically based solution and creating a regular evaluation schedule where staff can conduct over flights to gather data.

Council Member Cockerham asked Ms. Lain if the City Community Development department had sufficient staffing to manage the projects, not actually do the extraction work. He stated the process will be very labor intensive. Mayor Knight explained additional staffing is something to review and address in the future.

Ms. Von Barga explained the Task Force decided if the city had not received confirmation of funding from the Natural Resources Conservation Service (NRCS) by February 15th, they planned to move forward with a different city plan. She stated staff heard back from the City's lobbyist who stated a decision about funding prior to the Council meeting. She stated she anticipates receiving a decision very soon.

Mr. James "Hotai" Williams, Valdez resident, stated he represented the landowners, including Mr. Tom Landy, along Copper Avenue adjacent to Valdez Glacier Stream. He stated City staff and representatives should be considered trespassed from access to those properties. He stated the City cannot put a dike or finger dikes along the river banks near Copper Avenue because they may not access that land. He stated the City accessed private property in that area in the past without, in his opinion, getting permission from the landowners. Mr. Williams stated lack of access to those properties

would bring protection of the KCHU radio tower at the mouth of the stream to a “screaming stop” until City staff did something about the channel. He outlined personal actions he took in 2003 to reroute the stream and prevent it from flooding his property.

Mr. Williams stated the City’s Public Works department did a very good job in the past keeping the main stream channel open. These actions appeared to work well in 2014. He stated at that time, a contractor went in and tore rip rap and cars out of the dikes along the stream. This harmed the dike enough to cause water to circumvent it and cause private property damage. He expressed his concerns with the situation and stated he is not impressed with what has been done thus far to address flooding and erosion. He believes gravel needs to be extracted aggressively to fix the problem. He stated he believes the City has been negligent in protection the fourteen acres of Old Town property. He stated City plans along Copper Avenue may not progress because the City staff should consider themselves trespassed from that property.

Mayor Knight explained part of the Task Force project is to evaluate property and material rights, so cooperatively working with private property owners will be addressed appropriately.

Mr. Allen Crume, Valdez resident and member of the Flood Mitigation Task Force, provided comments regarding recent discussions and planning efforts. He stated Council Member Needles points of opening up the main channel were valid and could be accomplished with adequate planning and proper permitting. Mr. Crume stated scientific studies and data is necessary and important. However, immediate action needs to be taken to open the channel before the data and conditions change in the spring. Once the channel is opened, it can be maintained in future years. Property lost to erosion can be rebuilt with materials extracted.

Mr. James “Hotai” Williams suggested consulting former Mayor and City Public Works director, who might provide experienced insight.

Ms. Dorothy Moore, Valdez resident and former City Council Member, stated she would be happy to share photos from the 1960’s which might help demonstrate significant changes over the years.

Council Member Needles asked if Ms. Lain could display past and current maps to demonstrate the level of erosion in Valdez Glacier Stream. Ms. Lain explained she could provide a report to Council after conducting a few calculations.

Mr. Melocik explained permits were in place north of the Valdez Glacier Stream bridge. He stated City crews were in the river in 2016 moving material. He found it interesting to consider the effect of upstream gravel pits on the amount of material being deposited in the stream. He concurred with Ms. Moore’s statements. He has reviewed photos of the stream from the mid-1970’s and the area has opened up quite a bit from that time. He stated he has concerns about the bridge as well, as it is very narrow for the current width of the floodplain.

Mr. Melocik stated the goal is to reduce erosion along the banks of Valdez Glacier Stream. Just below the bridge, what happened for a long period of time is that backwater has created a pond upstream. Material is dropped upstream until the next flood event when it is carried downstream under the center of the bridge. This has created a gravel bar in the middle of the channel. He explained material built up and filled in behind the dike that was built last year.

Mr. Melocik explained the NRCS visited Valdez to survey and determine what funding the City could receive to assist in the flood mitigation projects. He stated he believes the City is moving in the right direction and that moving large amounts of material will take time and significant effort.

Council Member Needles asked for details about the plan to address Valdez Glacier Stream. Ms. Lain explained on the south side of the bridge there are two projects to protect the banks and the radio tower.

Ms. Von Bargaen stated the gravel extraction plan is about moving gravel out of the stream this spring.

Ms. Lain provided explained the Alaska Department of Transportation plans to extend the City's dike and place rip rap to better protect the bridge over Glacier Stream. ADOT has also identified four other river encroachment areas along the Richardson Highway. State projects will be designed in 2017 for construction in 2018. Ms. Lain stated the influx of ADOT work on the local highway system is encouraging.

Ms. Lain outlined aerial maps of the Lowe River and brought attention to several areas of significant erosion, gravel deposits, and stream braiding. She explained USGS stream gauge monitoring is in place. Levy certification and FEMA levy analysis mapping procedures are in process. In 2016, a levy groin was extended as part of an emergency declaration related to flooding. The Task Force would like to see the levy slope improved and armor put in place. This will ensure what was built in an emergency-type situation would last through the long term. Ms. Von Bargaen stated this was determined during a DOWL inspection in 2016 and the design for those improvements will occur in 2017.

Ms. Lain explained the Task Force's plan involves implementation of the Lowe River gravel extraction plan and prioritization of the project action list. The URS levy evaluation should be used to develop project priorities for the remaining groins, which will likely involve raising the freeboard, armoring, and reinforcing what is already in place. The bottom of the river appears to be rising, so raising the freeboard of the dikes is critical.

Ms. Lain explained it is also time to conduct an engineer's assessment of existing revetments to ensure they are adequate and maintained. The Army Corps of Engineers CAT205 project approved at the last City Council meeting is a long term project, but the revetment evaluation needs to occur now before another flooding event. The Task Force would also like to evaluate and identify at-risk properties along the Lowe River. Council Member Smith stated that much of this data has been identified in bits and

pieces and should supplement and connect upcoming work.

Mr. Crume, Valdez resident and Task Force member, stated that each of the flood mitigation projects involved multiple elements. Channels need to be cut strategically in Valdez Glacier Stream and Mineral Creek all the way down to deep water. He explained the Lowe River pushes an extremely large amount of gravel material into Port Valdez every year.

Mr. James Williams, Valdez resident, outlined his past experience discussing gravel extraction in the Lowe River.

Mr. Melocik stated the Lowe River is different than the creek and stream because of its proximity to the Alpine Woods subdivision, its significant change in elevation, and access to the riverbanks. Gravel extraction from the river will be more complex as well because of the presence of fish.

Ms. Lain explained in the April FEMA will be visiting Valdez to hold an open house regarding FEMA's flood insurance rate updates. She stated the city-wide gravel management plan was last updated many years ago and must be updated. Mayor Knight asked for an explanation of the process to update the gravel management plan. Ms. Von Barga explained the plan is a locally adopted document and the Task Force has the ability to modify the process. Mayor Knight stated data collected as part of overall Task Force efforts could be incorporated into the management plan.

Ms. Donna Schantz, Valdez resident and Flood Mitigation Task Force member, thanked Mayor Knight, Ms. Lain, and the other staff members for their hard work regarding the flood mitigation and gravel management plan.

4. Approval of Professional Services Agreement in the Amount of \$88,506 with DOWL for Flood Mitigation Work

MOTION: Council Member Smith moved, seconded by Council Member Cockerham, to approve Professional Services Agreement in the amount of \$88,506 with DOWL for flood mitigation work. The motion carried by the following vote after the following discussion occurred.

Council Member Needles asked for a timeline for the start of the flood mitigation work. Mr. Melocik explained the first phase consists of Mineral Creek gravel extraction, Glacier Stream gravel extraction, Glacier Stream downstream dike design and associated NRCS design, and Robe River levy evaluation and slope improvement design. He explained, as discussed, several of the elements have already been started. The two gravel extraction plans were both already being addressed by DOWL and a draft would likely be available for staff review within the next month. The downstream design is close to complete. DOWL is also working on the Edison Chouest project and Mr. Melocik believes they will likely need rock material for use in construction. The levy evaluation is the only portion of phase one that is not in progress due to snow cover. Mr. Melocik stated he anticipates all of the phase one elements will be substantially in progress or complete by the summer.

Mr. Melocik explained he personally oversees work on this project, with a team that does the technical work on the project. This will allow forward movement without a bottleneck.

Council Member Cockerham requested Mr. Melocik provide regular updates to City Council as the project progresses.

Mr. Melocik explained the survey for Glacier Stream is done, complete with levy information. He stated he has already been planning to reroute the Glacier Stream with smaller dikes to prevent safety concerns with the contractor working in the water.

Ms. Von Barga stated staff will write a reporting schedule into the contract. Staff will also write a timeline with deliverables to provide for Council review.

Mr. Jim Shirrell, Valdez resident, stated he appreciated the good discussion during the meeting. The next step is to positively identify what needs to be done, then proceeding with work in a timely manner. He stated the contract needs to be written to include specific deliverables and specific dates to meet the community's needs. Contracts should include commitments which can be actively managed. If the contractual terms are not met, conversations about performance need to occur. He stated DOWL has done great work for the City in the past, but this contract needs to include specific expectations for the firm.

Mayor Knight asked Mr. Melocik to comment on the project timeline. Mr. Melocik stated in the past it has not been the lack of contractors available to do the work, it has been the environmental conditions preventing work from being done. Mr. Melocik expressed concerns with Mr. James Williams' statement about private property land access, as it would effect possible solutions to the flooding problem.

Mr. Melocik explained City Council would need to decide if they wanted contractors to pay for material and extract gravel on their own, which would cost the city less money, or have the city extract the gravel and stockpile it for contractor purchase.

Mayor Knight asked who would be the entity overseeing contractors extracting gravel. Mr. Melocik explained he would designate areas approved for gravel extraction. The area in which extraction is made is more critical than the amount taken.

VOTE ON MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

Absent: 1 - Council Member Moulton

IX. ORDINANCES**1. #17-03 - Amending Title 9 of the Valdez Municipal Code Titled Public Peace and Welfare. Second Reading. Adoption.**

MOTION: Council Member Cockerham moved, seconded by Council Member McCune, to approve Ordinance #17-03 amending Chapter 9 of the Valdez Municipal Code titled Public Peace and Welfare.

Ms. Pierce explained Valdez Police Chief Bart Hinkle proposed a change to Title 9 regarding fireworks that would more appropriately be addressed during the current revision process as opposed to bringing it to Council in a future ordinance. City legal has already reviewed the proposed revisions.

Mayor Knight asked if the revisions aligned with recent changes to state statute. Chief Hinkle stated the language matches verbiage taken from the City of Houston's municipal code. He explained, Valdez municipal code clearly outlines the timeframe in which fireworks are authorized, but does not speak to the manner in which they may be used. Over the last two summers, there have been multiple incidents regarding inappropriate or dangerous fireworks use, oftentimes involving alcohol consumption.

Council Member Fleming clarified the ordinance reads those under 18 may not purchase fireworks, but they may discharge fireworks. Chief Hinkle stated Council Member Fleming is correct and aligns with state statute.

Council Member Needles asked if the amendment should include prohibition of fireworks not just while under the influence of alcohol, but also controlled substances. He would prefer to see that phrase added to the ordinance. Chief Hinkle stated most of the incidents involving fireworks involve alcohol use, but he had no objections to the addition of controlled substances to the amendment.

MOTION TO AMEND: Council Member Smith moved, seconded by Council Member Needles, to amend Section 9.12.070, by inserting (B) to read: "The sale of fireworks to any person under the age of 18 is prohibited. It is unlawful for persons under 18 years of age to purchase fireworks. Purchasers of fireworks must show proof of age upon request by seller." By inserting (C) to read: "It is unlawful for any person to negligently or unlawfully discharge fireworks in a manner that could reasonably cause harm to life or property". By inserting (D) to read: "It is unlawful for any person under the influence of alcohol or a controlled substance to discharge fireworks". By inserting (E) to read: "Violation of A-B of this section is punishable by a \$100.00 fine. Violation of C-D of this section is punishable by a \$300.00 fine." And striking the words: "Each violation of this section is punishable by a one hundred dollar fine" (formerly (C)). The motion to amend carried by the following vote after the following discussion occurred.

VOTE ON MOTION TO AMEND:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

Absent: 1 - Council Member Moulton

VOTE ON MAIN MOTION, AS AMENDED, FIRST READING, PUBLIC HEARING: The main motion, as amended, carried by the following vote after the following discussion occurred.

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

Absent: 1 - Council Member Moulton

NOTE: As amendments were made during this meeting, Ordinance # 17-03, as amended, will return at the next City Council regular meeting for first reading, public hearing.

X. RESOLUTIONS

1. Resolution #17-04 - Endorsing the Prince William Sound Citizens' Advisory Council for Recertification by the U.S. Coast Guard

MOTION: Council Member McCune moved, seconded by Council Member Smith, to approve Resolution #17-04 endorsing the Prince William Sound Regional Citizens' Advisory Council for recertification by the U.S Coast Guard. The motion carried by the following vote after the following discussion occurred.

Mayor Knight stated she urged the U.S. Coast Guard to recertify the organization.

Ms. Donna Schantz, Prince William Sound Regional Citizens Advisory Council (RCAC) Executive Director, expressed her appreciation for City Council's support of the resolution. She provided a brief overview of the RCAC, the organization's origination, mission to represent citizens and communities, and the federal regulatory basis for its activities. She explained the RCAC is mandated by Congress, but funded by Alyeska Pipeline Service Company. The City of Valdez holds two seats on the RCAC's board of directors; currently filled by Ms. Amanda Bauer, board president, and Ms. Dorothy Moore. Both directors also fill positions on RCAC committees. Ms. Schantz explained several Valdez community members serve on RCAC committees.

Ms. Schantz stated each year the RCAC is certified by the U.S. Coast Guard as meeting the intention of the Oil Pollution Act of 1990. Every third year, recertification goes out for public comment. 2017 is a public comment year and the City Council's resolution will be forwarded to the U.S. Coast Guard for inclusion in those public comments.

VOTE ON MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

Absent: 1 - Council Member Moulton

2. Resolution #17-05 - Supporting Alaska State Senate Bill 7 Establishing a Museum Construction Grant Program in the Department of Commerce, Community, and Economic Development

MOTION: Council Member McCune moved, seconded by Council Member Smith, to approve Resolution # 17-05 supporting the Alaska State Senate Bill 7 establishing a Museum Construction Grant Program in the Department of Commerce, Community, and Economic Development. The motion carried by the following vote after the following discussion occurred.

Ms. Patty Relay, chair of the Museums Alaska Advocacy Committee, explained the purpose and mission of the Museums Alaska organization which represents museum professionals from over 80 museums throughout the state. She also explained the background and current status of Senate Bill 7 which provides critical capital improvement support to Alaskan museums. She stated the bill is void of a fiscal note. An amendment will be added to explain that financing the museum grant program is subject to appropriation of funds through the legislative process. The matching grant program is designed to award up to 50% of proposed costs to help build, expand, or renovate existing museum facilities. The program is based upon the successful example of a Senate Bill regarding library capital improvement grants.

Ms. Relay explained Alaskan museum facilities include cultural centers and historic houses that preserve and exhibit community history. Many museum facilities throughout the state will have critical capital improvement needs in the next five years. Ms. Relay outlined several examples of those needs. Valdez Museum staff continue to do work exploring multiple avenues to fund construction of a new museum facility in Valdez.

Ms. Relay stated Governor Walker proclaimed 2017 the year of history and heritage. This proclamation directly supports the core missions of museums throughout the state. The Museums Alaska Advocacy Committee will continue to express support of Senate Bill 7. Ms. Relay thanked City Council for consideration and urged approval of Resolution #17-05.

VOTE ON MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

Absent: 1 - Council Member Moulton

3. Resolution # 17-06 - Supporting the Rebuilding of the Cordova South Harbor

MOTION: Council Member Smith moved, seconded by Council Member McCune, to approve Resolution # 17-06 supporting the rebuilding of Cordova South Harbor. The motion carried by the following vote after the following discussion occurred.

VOTE ON MOTION:

Yays: 6 - Mayor Knight, Council Member Smith, Council Member Needles, Council Member Cockerham, Council Member McCune and Council Member Fleming

Absent: 1 - Council Member Moulton

XI. REPORTS

1. Human Resources Report

Mayor Knight and several Council Members thanked Mr. Tim James, City Human Resource Director, for the report.

2. Fire Station #1 Mold Report - January 2017

Council Member Needles stated it was good to know there is no longer an urgent need for alternate options. He explained this would assist the City in making well-researched and strategic decisions regarding construction of the new fire department facility.

3. January 2017 Building Permit & Inspection Report

4. Aleutian Village Update Report

Council Member Smith asked for major updates to the report. Ms. Von Bargaen explained the property appraisal is underway. The City's Community Development Department provided the appraiser the City's water and electrical systems assessments. She stated the contractor conducting the environmental assessment, Ms. Rhonda Wade, will submit that report in the next several weeks.

Council Member Fleming asked if Ms. Wade would need to conduct core sampling as part of the environmental assessment. Ms. Von Bargaen explained Ms. Wade would need to do additional historical research before determining the need for core

sampling.

5. Report on Success Metrics for Small Business Development Center Workshops

Ms. Von Bargen stated ten additional people have responded to the survey since the report was written, for a total of 55 participants.

5. Population Count Update

Ms. Von Bargen explained the Mayor received a letter earlier in the day from the State of Alaska Department of Commerce, Community, and Economic Development. The letter explained the department agreed to hold the Valdez population to 4,011 for 2018. Further, the letter outlined the future requirement to provide back-up documentation with the request for re-evaluation.

Ms. Von Bargen explained once the State determines a population count, they allow the municipality 30 days to submit a response appeal. She explained this timeline is not feasible based upon the amount and type of back-up documentation required. She stated she drafted a response letter from the Mayor to request the State provide an approved population number count methodology the City could use in the future. This process would need to occur in the fall each year to provide enough time to finish the process prior to submitting a response appeal.

Ms. Von Bargen explained she also requested clarification if the 4,011 population count number would be authorized for use in the 2018 community assistance payment.

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

1. City Manager Report

Ms. Doom outlined her efforts since arrival in Valdez. She has been very busy, but very productive.

She explained she delved into the Kimley-Horn proposal and would like to look more closely at the information provided to the firm and how the proposal was developed.

Ms. Doom stated proposed revisions to the City Personnel Regulations alcohol and controlled substance policy caused some concern amongst City employees. She, the Assistant City Manager, and the City Human Resources director will do

additional research prior to moving any further in the revision process. It is precedent setting that the state of Alaska does not provide a clear threshold for impairment from marijuana, while other states do.

Ms. Doom and the City Human Resources director will also be reviewing and revision the City's employee evaluation process. Currently, the process appears to be punitive and, instead, should be more of a give and take. She stated there are many department directors are due but did not receive an evaluation prior to the departure of the previous city manager. She stated she directed all directors to conduct a self-evaluation of their performance and provide that information to the City Manager's office for review. This will provide Ms. Doom a baseline for future evaluations.

The open GIS Manager position is now posted. Ms. Doom is also looking into how the Community and Economic Development departments will be split and what operations will overlap. This review is critical to determine how both departments will be successful in the future. The job announcement for the Economic Development director should be published very soon. She explained there is still a concern with how the director will be supported by an administrative assistant and solutions are being explored.

Ms. Doom stated Ms. Von Barga and Mr. Wegner provided her a facility tour and explanation of a small portion of the City. This will be a regular event until Ms. Doom is able to visit all facilities and see everything.

Ms. Doom met individually with most of the City department director to discuss department operations, future goals, and staffing needs.

Ms. Doom also met with Ms. Relay regarding museum needs and concerns.

Ms. Doom thanked the department directors for their efforts in providing background information regarding City operations so she is well informed and educated.

2. City Clerk Report

Ms. Pierce provided the City Council a report regarding state of Alaska liquor licenses. She explained she reached out to the state Alcohol Control Office for information to answer the Council's questions regarding the number of licenses authorized in the community. Mr. Jed Smith from AMCO provided information and a graph regarding state-issued license counts for Valdez.

The number of liquor licenses allowed in Valdez is based upon the city population. Currently, the state of Alaska authorizes the following liquor licenses within Valdez city limits: three restaurant/eatery licenses, two beverage dispensary licenses, two package store license, and two club licenses.

Currently, there are the following numbers of liquor licenses in existence in Valdez: three restaurant/eatery licenses, three beverage dispensary licenses, three package store license, and two club licenses. These numbers reflect more licenses than allowed by the state based upon current population numbers. Ms. Pierce explained this may be due to changes in the community's population or state liquor license regulation over the years.

Ms. Pierce stated, at their last regular meeting, the City Council expressed concerns with liquor license holders who did not actively operate a business. This might prevent other business owners from doing so due to the limited number of licenses available. She stated Mr. Smith suggested the City Council may chose to write a letter of protest to the AMCO Board requesting the inactive licenses be revoked. Ms. Pierce asked for direction from Council on how to proceed. Council Member Needles asked if a current liquor license holder could sell their license to another business. Ms. Pierce stated the Alcohol Control Board is not supposed to renew licenses that are not actively being used. Businesses with liquor licenses are required to be open for a certain period of time each year to be considered "active". She explained a license can be transferred and this usually occurs when a business is sold. The liquor license would be included in the sale of the business.

Mr. Allen Crume, Valdez resident, stated the same state board is regulating alcohol and marijuana. He asked if alcohol and marijuana licenses are connected in any way. Ms. Pierce stated it is the same state agency – Alcohol and Marijuana Control Office – but different boards.

Council Member Smith stated he supports contacting the inactive license holders to determine their intentions prior to issuing a letter of protest. Council Member Cockerham concurred. Mayor Knight stated this might encourage an inactive license holder to open a business.

Ms. Pierce stated she would continue working with the Alcohol Control Board to resolve the discrepancy.

Ms. Pierce stated her office published the preliminary notice of the May 2nd Valdez Municipal Election. Citizens can now obtain a nominating petition in person from the City Clerks office to run for City Council or Valdez School Board. Deadline to submit nominating petitions is 5:00 p.m. on March 16th. Valid petitions require 25 signatures from registered Valdez voters.

The following vacancies will appear on the May 2nd ballot: One City Council vacancy (three-year term), two City Council vacancies (two-year term), three School Board vacancies (three-year term), and one School Board vacancy (two-year term).

A people's initiative proposition ("Proposition No. One) will also appear on the ballot. The proposition question reads "Shall the City of Valdez adopt a local option to prohibit the operation of commercial marijuana establishments, including the following license types". The proposition then lists and defines the four types of commercial marijuana establishments currently allowed in Valdez: retail marijuana store, marijuana cultivation facility, marijuana product manufacturing facility, and marijuana testing facility. A "yes" vote on the proposition means that commercial marijuana establishments will be prohibited within the boundaries of the City of Valdez to include a 10 mile area within the adjacent unincorporated borough. A "no" vote means that commercial marijuana establishments will be allowed in the City of Valdez as authorized and regulated in Chapter 5.06 of the Valdez Municipal Code.

3. City Attorney Report

Mr. Wakeland updated Council on the status of three public cases.

Regarding the deck action on SAARB jurisdiction which the City took to the

Supreme Court and successfully overturned state Department of Revenue (DOR) regulations, the attorneys are now in the last phase of the case attempting to recoup attorney fees and other litigation costs.

There is no change to escaped property negotiations. The city attorney's office awaits a response from the state DOR regarding a memorandum of understanding for joint assessment.

Regarding the Alaska Liquefied Natural Gas (LNG) project, comments signed by a variety of stakeholders have been submitted to the Federal Energy Regulatory Commission (FERC). The commission is

Mr. Wakeland stated he will follow-up with Mr. Guerriero regarding the concerns related to the hospital potable water system project, as well as erosion control concerns.

4. City Mayor Report

Mayor Knight provided highlights from her written report. She and several members of City administration met with representatives from the Alaska Interstate Gas Utility on February 8th, to hear a presentation and ask questions regarding their plans in both Valdez and Cordova. The organization has a solid financier for their project. Mayor Knight recommended awaiting further information before moving forward with any action regarding the Utility's proposed project.

The Health Advisory Council met on February 8th. The Advisory Council will be releasing a Community Health Needs Assessment survey in 2017. Mayor Knight encouraged citizens to take the survey, as the results provide clear direction for future hospital planning.

Mayor Knight explained she sent a letter to Mr. Mark Sullivan of Tailgate Alaska reiterating Council's direction to provide a clear connection between the Thompson Pass event and economic development in Valdez. Mr. Sullivan provided an email response stating he would provide event receipts, as instructed.

XIII. COUNCIL BUSINESS FROM THE FLOOR

Council Member Fleming stated he attended the Elks Basketball Tournament, the event was well attended, and the Valdez boys and girls team performed very well. Council Member Cockerham

Council Member McCune asked for an update on damage to the Egan Street lights. Mr. Miles explained his project managers were working with the manufacturer to resolve the issue. He would provide an update to Council. Mayor Knight stated the Beautification Task Force meeting is cancelled for February since so many members will be out of town. The next Task Force meeting will be in March and regular updates on the Egan Street lights are normally included during those meetings.

Mayor Knight explained she and Council Member Needles would be traveling to Juneau for the annual city lobbying trip the week of February 26th. Ms. Pierce added she, Ms. Doom, Mr. Wegner, and Ms. Von Bargaen would also be a part of the Valdez delegation.

XIV. ADJOURNMENT

There being no further business, Mayor Knight adjourned the meeting at 9:30 p.m.