



# Petersburg Borough

12 South Nordic Drive  
Petersburg, AK 99833

## Meeting Agenda Borough Assembly Regular Meeting

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Monday, August 09, 2021

12:00 PM

Assembly Chambers

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You are invited to a Zoom webinar.  
When: August 9, 2021 12:00 PM Alaska  
Topic: August 9, 2021 Assembly Meeting

Please click the link below to join the webinar:  
<https://zoom.us/j/93175061459?pwd=cWtjOCs5OFpYeGlITFdKemVjSEFnZz09>  
Passcode: 140732

Or Telephone:

Dial (for higher quality, dial a number based on your current location):

US: +1 346 248 7799 or +1 669 900 9128 or +1 253 215 8782 or +1 312 626 6799 or  
+1 646 558 8656 or +1 301 715 8592

Webinar ID: 931 7506 1459

Passcode: 140732

1. **Call To Order/Roll Call**
2. **Voluntary Pledge of Allegiance**
3. **Approval of Minutes**

**A.** Regular Assembly Meeting July 19, 2021

A request has been submitted to Municode to add "Excused" to the roll call section of the software. In the meantime, the clerk will note in the narrative who is absent and who is excused.

4. **Amendment and Approval of Meeting Agenda**
5. **Public Hearings**

**A. Ordinance #2021-12: An Ordinance Authorizing the Issuance of Electric Utility Revenue Bonds in an Aggregate Amount not to Exceed \$7.8 Million to Finance the Blind Slough Hydroelectric Refurbishment Project and the Scow Bay Standby Generation Project and Directing That This Matter be Submitted to the Voters for Consideration at the Next Regular Election to be Held on October 5, 2021 - Public Hearing**

Any public testimony regarding Ordinance #2021-12 should be given during this public hearing. A copy of Ordinance #2021-12 may be found under agenda item 15A.

**6. Bid Awards**

**7. Persons to be Heard Related to Agenda**

*Persons wishing to share their views on any item on today's agenda may do so at this time.*

**8. Persons to be Heard Unrelated to Agenda**

*Persons with views on subjects not on today's agenda may share those views at this time.*

**9. Executive Session**

The Assembly will adjourn to Executive Session to discuss Manager Giesbrecht's contract renewal request.

**10. Boards, Commission and Committee Reports**

**11. Consent Agenda**

**12. Report of Other Officers**

**A. Petersburg Medical Center Update**

PMC CEO Hofstetter will provide an update on the Medical Center.

**B. Electric Utility Bond Issue**

Utility Director Hagerman will present a PowerPoint to the Assembly regarding bond issue information and impacts to electric rates.

**C. Development Code Update**

Community and Economic Development Director Cabrera will discuss the next steps for the new Development Code.

**13. Mayor's Report**

**A. August 9, 2021 Mayor's Report**

**14. Manager's Report**

**A. August 9, 2021 Manager's Report**

**15. Unfinished Business**

**A. Ordinance #2021-12: An Ordinance Authorizing the Issuance of Electric Utility Revenue Bonds in an Aggregate Amount not to Exceed \$7.8 Million to Finance the Blind Slough Hydroelectric Refurbishment Project and the Scow Bay Standby Generation Project and Directing That This Matter be Submitted to the Voters for Consideration at the Next Regular Election to be Held on October 5, 2021 - Second Reading**

If adopted, Ordinance #2021-12 will add the Electric Utility Revenue Bond Issuance matter to the October 5th ballot.

## 16. New Business

### A. Authorize Removal of FAA site from Municipal Selection

Community Development Director Cabrera recommends the Borough relinquish the 3.5-acre FAA site at Frederick Point from municipal selection and have DNR retain ownership due to contamination at the site.

### B. Papkes and Banana Point Engineering Service Proposal

The Assembly will consider the Engineering Service Proposal from Harai & Associates, Inc which includes a Banana Point Breakwater Replacement Design and Papke's Landing Marine Facility Conceptual Plans.

### C. Borough Manager Contract Renewal

Assembly Member Lynn requested consideration of the extension of Manager Giesbrecht's contract.

### D. Letter to Senator Murkowski

Assembly Member Lynn requested this agenda item.

The Assembly will consider approval of a letter to Senator Murkowski regarding her efforts to secure funding to do the preliminary work on a new hospital for Petersburg.

### E. Review of ADNR's Final Finding and Decision for ADL 108579

Community Development Director Cabrera will present the decision of DNR regarding selected lands at Woodpecker Cove and Olsen's Log Dump.

## 17. Communications

### A. Correspondence Received Since July 15, 2021

## 18. Assembly Discussion Items

### A. Manager Evaluation Form

This discussion item was requested by Assembly Member Meucci.

### **B. Assembly Member Comments**

### **C. Recognitions**

## 19. Adjourn



# Petersburg Borough

12 South Nordic Drive  
Petersburg, AK 99833

## Meeting Minutes Borough Assembly Regular Meeting

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Monday, July 19, 2021

6:00 PM

Assembly Chambers

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### 1. Call To Order/Roll Call

Vice Mayor Stanton Gregor called the meeting to order at 6:00 pm.

#### PRESENT

Assembly Member Bob Lynn  
Assembly Member Chelsea Tremblay  
Assembly Member David Kensinger  
Vice Mayor Jeigh Stanton Gregor  
Assembly Member Jeff Meucci

#### EXCUSED

Mayor Mark Jensen

#### ABSENT

Assembly Member Taylor Norheim

### 2. The Pledge was recited.

### 3. Approval of Minutes

#### A. October 5, 2020 Regular Assembly Meeting Minutes

#### B. October 9, 2020 Certification of 2020 Municipal Election Minutes

#### C. October 20, 2020 Special Assembly Meeting Minutes

#### D. July 6, 2021 Regular Assembly Meeting Minutes

All minutes were approved as submitted.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Tremblay.  
Voting Yea: Assembly Member Lynn, Assembly Member Tremblay, Assembly Member  
Kensinger, Vice Mayor Stanton Gregor, Assembly Member Meucci

**4. Amendment and Approval of Meeting Agenda**

The agenda was approved as submitted.

Motion made by Assembly Member Tremblay, Seconded by Assembly Member Lynn.  
Voting Yea: Assembly Member Lynn, Assembly Member Tremblay, Assembly Member Kensinger, Vice Mayor Stanton Gregor, Assembly Member Meucci

**5. Public Hearings**

There was no public hearing.

**6. Bid Awards**

There were no bid awards.

**7. Persons to be Heard Related to Agenda**

Tor Benson commented on the the new Planning and Zoning document.

**8. Persons to be Heard Unrelated to Agenda**

No testimony was given.

**9. Executive Session**

The Assembly adjourned to Executive Session to discuss the status of the collective bargaining agreement with the International Brotherhood of Electrical Workers Local 1547.

Motion to adjourn made by Assembly Member Kensinger, Seconded by Assembly Member Lynn.  
Voting Yea: Assembly Member Lynn, Assembly Member Tremblay, Assembly Member Kensinger, Vice Mayor Stanton Gregor, Assembly Member Meucci

The Assembly Meeting was re-convened at 6:25 pm.

**10. Boards, Commission and Committee Reports**

No reports were given.

**11. Consent Agenda**

There were no consent agenda items.

**12. Report of Other Officers**

No reports were given.

### 13. Mayor's Report

Vice Mayor Stanton Gregor read the Mayor's report into the record.

#### A. Mayor's Report July 19, 2021

### 14. Manager's Report

Manager Giesbrecht read his report into the record, a copy of which is attached and made a permanent part of these minutes.

#### A. Manager's Report July 19, 2021

### 15. Unfinished Business

There was no Unfinished Business.

### 16. New Business

#### A. Ordinance #2021-12: An Ordinance Authorizing the Issuance of Electric Utility Revenue Bonds in an Aggregate Amount not to Exceed \$7.8 Million to Finance the Blind Slough Hydroelectric Refurbishment Project and the Scow Bay Standby Generation Project and Directing That This Matter be Submitted to the Voters for Consideration at the Next Regular Election to be Held on October 5, 2021 - First Reading

Ordinance #2021-12 was adopted in its first reading by a vote of 5-0.

Motion made by Assembly Member Kensinger, Seconded by Assembly Member Lynn. Voting Yea: Assembly Member Lynn, Assembly Member Tremblay, Assembly Member Kensinger, Vice Mayor Stanton Gregor, Assembly Member Meucci

#### B. Award Recommendation-Scow Bay Generation Design Study

By unanimous roll call vote, the Assembly awarded the contract to Electric Power Systems, Inc. for completion of the Scow Bay Generation Design Study for a cost not to exceed \$32,163.00.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Tremblay. Voting Yea: Assembly Member Lynn, Assembly Member Tremblay, Assembly Member Kensinger, Vice Mayor Stanton Gregor, Assembly Member Meucci

#### C. IBEW Contract Renewal

By unanimous roll call vote, the Assembly accepted the IBEW Collective Bargaining Agreement for July 1, 2021 through June 30, 2024.

Motion made by Assembly Member Kensinger, Seconded by Assembly Member Tremblay.

Voting Yea: Assembly Member Lynn, Assembly Member Tremblay, Assembly Member Kensinger, Vice Mayor Stanton Gregor, Assembly Member Meucci

**17. Communications**

**A. Correspondence Received Since July 1, 2021**

**B. Petersburg Borough Audit Planning Document**

The Borough's auditors have provided an audit plan for year ending June 30, 2021. The document can be found on the Borough's website.

**18. Assembly Discussion Items**

**A. American Cruise Lines**

Assembly Member Meucci discussed American Cruise Lines COVID 19 cases and the response from the community, hospital, and public health. Manager Giesbrecht said that since the EOC stood down the communications will not be as rapid. Fire/EMS Director Dixson updated the Assembly on the response to COVID cases. Assembly Member Tremblay thanked Director Dixson for her work in navigating through the situation.

**B. P&Z Code Revision**

Assembly Member Meucci would like an update on where we are on the Planning and Zoning documents.

Manager Giesbrecht said that Community and Economic Development Director Cabrera can attend the next Assembly meeting and update the Assembly.

**C. Affordable Lots and Affordable Housing**

Assembly Member Meucci said Petersburg needs more affordable housing and that more land should be made available for purchase.

**D. Assembly Member Comments**

There were no Assembly Member comments.

**E. Recognitions**

Assembly Member Tremblay thanked the Petersburg Pilot for publishing the hospital budget. She welcomed the Petersburg Pilot's new reporter, Chris Baysinger, to Petersburg and thanked the Pilot for all they do for our community.

Assembly Member Stanton Gregor thanked Katie Holmlund for her work with the Kinder Skog program providing quality childcare and an experiential educational experience.

Assembly Member Meucci thanked Liz Cabrera and Borough staff for their work with the Visitor Industry working group. The new trailer restrooms are a result of the group's efforts.

## 19. Adjourn

The meeting was adjourned at 7:25 pm.

Motion made by Assembly Member Tremblay, Seconded by Assembly Member Kensinger.  
Voting Yea: Assembly Member Lynn, Assembly Member Tremblay, Assembly Member Kensinger, Vice Mayor Stanton Gregor, Assembly Member Meucci



# Electric Utility Bond Issue

BOND ISSUE INFORMATION AND IMPACTS TO ELECTRIC RATES

# Projects Needing Funding

## Blind Slough Hydroelectric Refurbishment

- Renews all equipment and controls in the powerhouse.
- Extends legacy of low-cost hydro power for Petersburg customers far into the future.
- Total project cost: \$9 million.
- Bonding of \$6.3 million to complete funding of project.

## Scow Bay Generation project

- Adds diesel generation capacity in order to fully meet standby demands of the community.
- Total cost estimated to be \$1.4million
- Bonding of \$980,000 to complete funding of the project.

# Total Bonding Costs

Blind Slough Hydro Project	\$6.3 million
Blind Slough Debt Service reserve	\$420,000
Scow Bay Generation Project	\$980,000
Bond issuance costs	\$100,000
Total cost of Bond Issuance	\$7.8 million

# Rate Study: Impacts to Electric Rates

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D.Hittle and Associates performing rate study.

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Inflation and increasing annual operations costs included.

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Debt service on bond issue included.

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Fuel Surcharge during annual SEAPA shutdowns included.

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Capital project plan for smaller projects of the utility included.

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Power purchases increased during Blind Slough project.

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Potential SEAPA wholesale rate increase included.

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Cost of Service analysis shows a reliance on Large Commercial to subsidize rates for other customer classes.

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Municipal rate is heavily subsidized by other customer classes.

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Currently proposed to increase revenues by 9.5% in FY22 and 9.5% in FY23.

# Rate Study: Impacts to Electric Rates

Rate Proposal				FY22				FY23			
Current				FY22				FY23			
Class	Service Fee	Usage block	Rate	Class	Service Fee	Usage Block	Rate	Class	Service Fee	Usage Block	Rate
Residential	\$9.00	0-500 kWh	\$0.119	Residential	\$10.00	0-500 kWh	\$0.123	Residential	\$11.00	0-500 kWh	\$0.126
		over 500	\$0.081			over 500	\$0.095			over 500	\$0.109
Harbor	\$9.00	0-500 kWh	\$0.118	Harbor	\$10.50	0-500 kWh	\$0.123	Harbor	\$12.00	0-500 kWh	\$0.128
		over 500	\$0.096			over 500	\$0.110			over 500	\$0.124
General	\$9.00	0-3000 kWh	\$0.110	General	\$10.50	0-3000 kWh	\$0.117	General	\$12.00	0-3000 kWh	\$0.123
		over 3000	\$0.088			over 3000	\$0.102			over 3000	\$0.116
Large Com	\$28.00	0-15000 kWh	\$0.106	Large Com	\$31.00	0-15000 kWh	\$0.115	Large Com	\$34.00	0-15000 kWh	\$0.123
		15000-60000	\$0.111			15000-60000	\$0.119			15000-60000	\$0.126
		over 60000	\$0.088			over 60000	\$0.096			over 60000	\$0.104
Demand/kW	\$3.10			Demand/kW	\$3.40			Demand/kW	\$3.70		
Municipal	\$25.00	0-15000 kWh	\$0.080	Municipal	\$27.50	0-15000 kWh	\$0.095	Municipal	\$30.00	0-15000 kWh	\$0.110
		over 15000	\$0.080			over 15000	\$0.095			over 15000	\$0.110

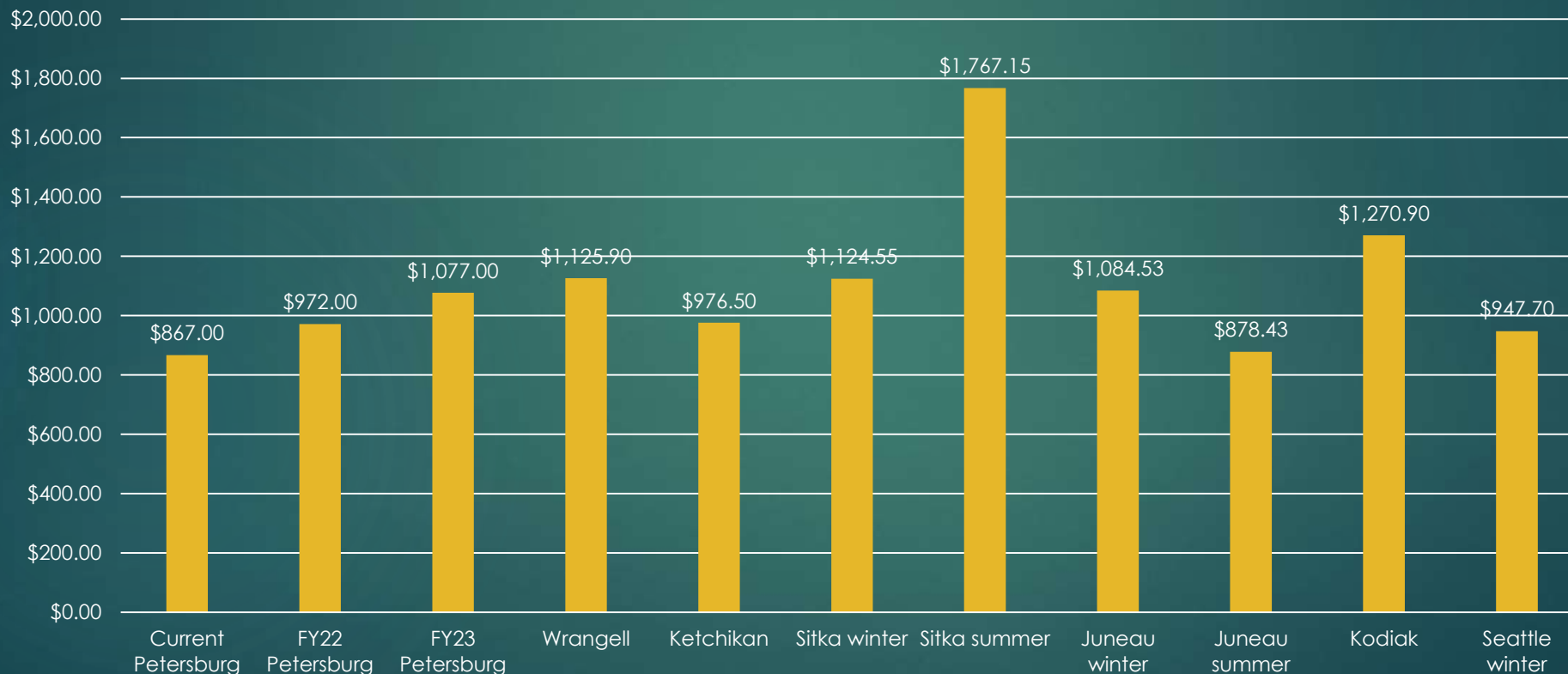
# Rate Study: Impacts to Electrical Rates

Residential Billing Comparison 3000 kwh



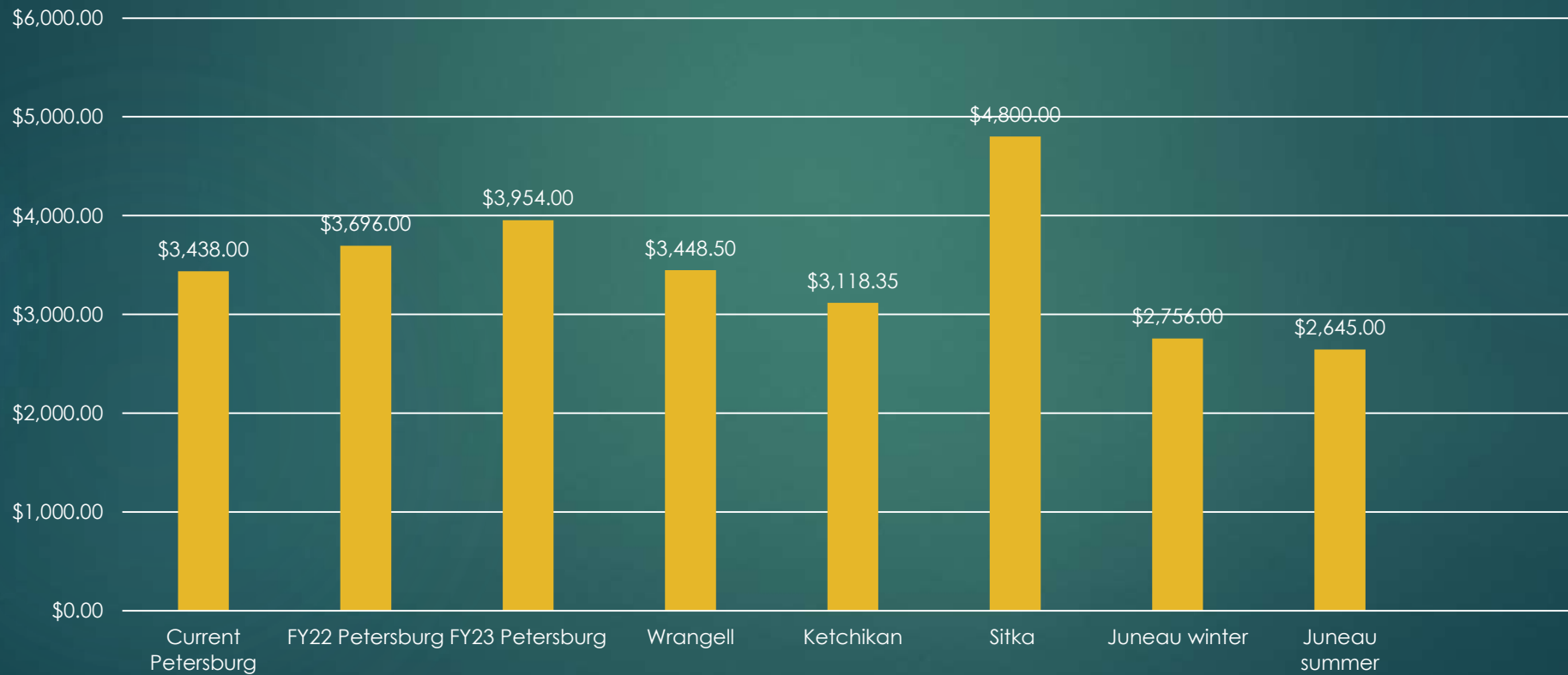
# Rate Study: Impacts to Electric Rates

General Service Billing Comparison 9000 kwh



# Rate Study: Impacts to Electric Rates

Large Commercial Comparison 30,000kwh/50kW demand





# What if: No Action on Bonds

- ▶ Hypothetically, let's discuss life without Blind Slough.
- ▶ Realistically, this is not an "all or nothing" question.
- ▶ If the bonds were not approved, it would likely be a number of years and many smaller maintenance or component replacement type projects before catastrophic failure were to occur and the facility unavailable for use.
- ▶ The department would nurse the facility along and to maximize low-cost hydro power for as long as possible.
- ▶ However, increased maintenance costs would be a fact of life and increased downtime of the facility due to smaller breakdowns would impact annual expenses as well.
- ▶ The unknown remaining service life of the facility would put the department and community in limbo in regard to knowing if overall system generation capacity is truly adequate.
- ▶ Diesel generation capacity would need to be built up in order to displace Blind Slough generation at any time.

# What if: No Action on Bonds

- ▶ Based on current costing information, a scenario for life without Blind Slough was developed for if the bond issue is not approved and there is no support for major updates to the facility.
- ▶ Blind Slough refurbishment is not completed.
- ▶ Blind Slough will eventually fail and can be dismantled/demolished.
- ▶ Disposition of water supply to the Crystal Lake Hatchery would need discussion and resolution.
- ▶ PMPL will budget for approximately 25% more SEAPA power purchases annually. Increasing from \$3.3 million to \$4.3 million annually.
- ▶ Fuel use of the utility, mainly used during annual SEAPA shutdowns, increases from \$165,000/yr to approximately \$263,000/yr.
- ▶ Current Blind Slough output, up to 1.7 MW, would need to be made up by diesel generation in the case of a SEAPA outage.

# Costs of Power Production at Blind Slough

CASE 4B-\$7.83M Debt	Before Upgrade	Construction Period		After Upgrade
	2022	2023	2024	2025
<b>Annual Expenses</b>				
Hydro O&M Expense <sup>(1)</sup>	\$ 129,200	\$ 132,400	\$ 135,700	\$ 139,100
Allocated A&G <sup>(2)</sup>	30,700	31,500	32,300	33,100
Subtotal	\$ 159,900	\$ 163,900	\$ 168,000	\$ 172,200
Debt Service <sup>(3)</sup>	-	381,800	381,800	381,800
Total Annual Cost of Power (\$)	\$ 159,900	\$ 545,700	\$ 549,800	\$ 554,000
Annual Energy Generation (MWh) <sup>(4)</sup>	12,000	9,000	9,000	12,000
Annual Cost of Power (cents/kWh) <sup>(5)</sup>	1.3	6.1	6.1	4.6

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Scow Bay Generation project becomes exceedingly important if Blind Slough is not available.

# What if: No Action on Bonds

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Sizing of new standby generators increases, as well as costs of the project.

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Scow Bay becomes possible through use of department reserves instead of bonding, however higher rate increases are required due to higher power purchase costs, higher fuel usage and higher diesel plant maintenance needs.

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Based on the hypothetical unavailability of Blind Slough, instead of a 19% increase in revenue requirements over two years, rates need to provide 23% more revenue to support the operations of the electric utility.

# What if: No Action on Bonds

- ▶ If Blind Slough goes dark and is not available during a SEAPA outage, diesel generation alone is needed to provide Petersburg's electrical loads.
- ▶ Blind Slough currently produces power at approximately 1.3 cents/kwh. After the refurbishment project, this is projected to be 4.6 cents/kwh.
- ▶ From recent rate study analysis, diesel generation produces power at approximately 18.8 cents/kwh.
- ▶ For every 1,000 kwh that is provided by Blind Slough, the department offsets approximately **\$142,000** in fuel costs.

# Conclusions

- ▶ Blind Slough Hydro actively reduces PMPL expenses on an annual basis and stabilizes rates in Petersburg.
- ▶ If Blind Slough is left to fail, electric rates need to increase to cover additional costs associated with increased power purchases from SEAPA, additional fuel consumption and addition of diesel generation capacity to cover the shortfall in standby generation.
- ▶ Proposed rate increases in Petersburg are still competitive with other SE Alaskan communities.
- ▶ Diesel generation is approximately 300% more costly than hydro generation from Blind Slough.
- ▶ Standby generation is vital to Petersburg, even more so if Blind Slough is not available during a SEAPA outage.
- ▶ While rate increases are never popular, critical infrastructure must be renewed from time to time in order for the community to continue to see the long-term benefits from that infrastructure.

# Closing Statements

- ▶ For nearly 100 years, PMPL rate payers have reaped the benefits from the forward-looking construction of the Blind Slough Hydro project.
- ▶ It has been over 65 years since the last major upgrade, which included construction of a new powerhouse, and installation of a turbine, generator, switchgear and governor.
- ▶ The proposed new upgrade will keep the Blind Slough hydro project operational as a low-cost generation source for our community for many more years to come.
  
- ▶ Questions?

**Mayor's Report  
For  
August 9, 2021 Assembly Meeting**

- 1. Congratulations:** Mayor Mark Jensen and the Assembly would like to congratulate Art Hammer on his 100<sup>th</sup> birthday. Happy belated birthday Art!
- 2. Seeking Letters of Interest:** The Assembly is seeking letters of interest from Borough residents who wish to serve the community by filling a vacant seat on the following Boards/Commissions until the October 2021 Municipal Election:

Planning Commission – 1 vacant seat  
Public Safety Advisory Board – 2 vacant seats

Letters of interest should be submitted to Clerk Thompson at the Borough office located at 12 S. Nordic Drive; by mailing to PO Box 329, Petersburg, AK 99833; or by emailing to [dthompson@petersburgak.gov](mailto:dthompson@petersburgak.gov).





**Borough Manager's Report  
Assembly Meeting 9 August 2021**

- ❖ We are having issue with a couple of (1984) piling in South Harbor, rotting off at mudline, working with Tamico & Rock N Road for a fix.
- ❖ The Fire Station is open to walk-in traffic; however, the training room remains closed to the public.
- ❖ Fire/EMS/SAR is continuing to accept volunteer applications.
- ❖ Visitation continues at Assisted Living. Call 772-2445 with any questions.
- ❖ State of Alaska background check is still down. DHSS still has no access to NABCS. VERY slow process.
- ❖ We continue to have Resident Assistant positions open at AL. We have two 40-hour positions and a 30-hour position. Applications can be found on the Borough website.
- ❖ PMC Doctors continue to see residents for routine appointments at Assisted Living. A big thank you to Dr. Hyer! Mindy and Shelyn continue to meet with Dr. Hyer as Physician Liaison between the facilities monthly. We are grateful for her willingness to do this. It continues to go very well.
- ❖ Elderly Housing is full, Assisted Living has one vacant apartment which will be filled the first part of August.
- ❖ Sunday night 7/26 fire alarms went off due to a leak in the sprinkler system at EH causing low pressure. Thank you to the fire department for their quick response. John Taylor came 7/27 and did some work with Brian Haley on the system. Replacement of some pipes and repairs will happen in the next month or so.
- ❖ The Alaska Housing Finance Corporation is slated to receive an estimated \$50 million to assist homeowners impacted by COVID-19. Pending guidance from the U.S. Treasury, AHFC will announce details, including eligibility and the application process. Interested homeowners can sign up to receive updates about mortgage relief at: [ahfc.us](http://ahfc.us).
- ❖ Juneau Economic Development Council contacted PEDC about partnering on a regional SBA Community Navigator grant application. This is a new program established under the American Rescue Plan. If successful, the grant would provide two years of funding for PEDC to add part-time staff to provide business support/education.
- ❖ Water Staff recently met with a technician that provides conditions assessments of metallic water pipe and will be doing some work for Sitka and Juneau in the future. There is a possibility that multiple communities could schedule work to occur at the same time to lower mobilization costs for the service. Karl is looking into receiving a quote for the service for various trouble areas in the water distribution system.

- ❖ A pre-construction meeting was scheduled with Rock N Road Construction for July 29<sup>th</sup> for the Ira II Street Sewer project.
- ❖ The line crew has been very busy with line extensions and service work.
- ❖ The electrician continues to install AMI meters in the harbor.
- ❖ Line apprentice interviews will be held soon with qualified applicants.
- ❖ PMPL is looking for a new Office Manager to take over for long time employee Sue Flanary who is retiring on October 1. The department knows that Sue's shoes will be extremely hard to fill. She has been integral to PMPL's success for many, many years. Please congratulate Sue on her retirement when you see her. She will be missed greatly once October rolls around.
- ❖ Reconstruction work continues on the Motor Pool Building. We are hoping to be back in the facility before the weather gets colder.
- ❖ We continue to have an open mechanic position in the Motor Pool, and a Facility Maintenance position at Parks & Recreation.
- ❖ Lots of positive COVID cases in Southeast Alaska. Please get vaccinated and help protect our town.
- ❖

**PETERSBURG BOROUGH  
ORDINANCE #2021-12**

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF ELECTRIC UTILITY  
REVENUE BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$7.8  
MILLION TO FINANCE THE BLIND SLOUGH HYDROELECTRIC  
REFURBISHMENT PROJECT AND THE SCOW BAY STANDBY GENERATION  
PROJECT AND DIRECTING THAT THIS MATTER BE SUBMITTED TO THE  
VOTERS FOR CONSIDERATION AT THE NEXT REGULAR ELECTION TO BE  
HELD ON OCTOBER 5, 2021.**

**WHEREAS**, the Borough dba Petersburg Municipal Power and Light (the "Utility") provides electric service to the residents and businesses of Petersburg and desires to complete the Blind Slough Hydroelectric Refurbishment and the Scow Bay Standby Generation project (cumulatively, the "Project") following all required approvals and for the benefit of all Petersburg residents and businesses;

**WHEREAS**, the Utility has operated the Blind Slough plant for almost 100 years, and at present it provides almost twenty-five percent (25%) of the power to the community;

**WHEREAS**, the power provided by the Blind Slough plant is available to the community at a lower cost than the power obtained from the Southeast Alaska Power Agency (SEAPA), and thus continued operation of the plant is substantially beneficial to the community;

**WHEREAS**, the equipment and machinery of the Blind Slough plant was last updated in 1957, and is in need of repair and replacement;

**WHEREAS**, repairing and replacing the Blind Slough equipment and machinery now, prior to plant failure, would prevent the community from being solely dependent upon SEAPA for its power during an extended shutdown of the plant;

**WHEREAS**, the Utility has, through a competitive proposals process, obtained bids for purchasing the new equipment, consisting of a generator, turbine, switchgear and related machinery for the Blind Slough plant, and entered into a contract with a supplier for the approximate amount of \$2.3 million, which is contingent upon voter approval of this proposition;

**WHEREAS**, the Utility estimates that the engineering, inspection, permitting, labor and additional costs of installing the new Blind Slough equipment and completing the Project would total approximately \$6.7 million, for a total estimated Project cost of \$9.0 million, of which the Utility wishes to finance up to \$6.3 million with approval of this proposition;

**WHEREAS**, the Utility has tracked a rise in peak system demand during winter months that is within 5% of total local generation capacity that would impact restoration to all customers in the event of a loss of the SEAPA-transmitted power supply;

**WHEREAS**, the Utility desires to contract for design, equipment procurement, installation and commissioning of adequate standby generation to meet peak power demands and provide a power generation safeguard in the event of a loss of hydroelectric power, known as the Scow Bay Standby Generation project, at a total estimated cost of \$1.4 million, and wishes to finance up to \$980,000 for this purpose with approval of this proposition;

**WHEREAS**, upon completion of the Project, the newly refurbished Blind Slough plant is anticipated to not require substantial upgrades for over thirty years, and the new Scow Bay 2 generation would add diesel generation to cover peak loading of the Petersburg system for the next 10 years, which would be beneficial to both the residents and businesses of the Petersburg community;

**WHEREAS**, the Utility has planned to fund up to 30% of the cost of the Project with electric fund reserves;

**WHEREAS**, the estimated costs of issuance of the bonds, including bond counsel fees, Bond Bank fees and associated professional services, are expected to be approximately \$100,000;

**WHEREAS**, the issuance of revenue bonds requires that a dedicated debt service reserve account be established to provide security to the annual bond debt service and must hold an amount equal to the estimated annual debt service on the bond, estimated to be approximately \$420,000;

**WHEREAS**, the issuance costs and the debt service reserve account will be included in the principal of the bond issuance amount;

**WHEREAS**, the Assembly wishes to authorize the issuance of bonds, payable only from the revenue of the electric utility, in an amount not to exceed \$7.8 million in aggregate principal amount (the "Bonds") to pay the Project costs, including making a deposit to a debt service reserve and paying the costs of issuance of the Bonds;

**WHEREAS**, it is anticipated that an increase in electric billing rates will be adopted to generate adequate funds to pay the indebtedness, consistent with the D. Hittle and Associates 2021 rate study conducted by Mr. John Heberling; and

**WHEREAS**, the Assembly finds that it is vital to the long-term economic interests of the Petersburg Borough to incur long-term debt in order to maintain the safe and efficient functionality of the Blind Slough plant and to ensure adequate standby diesel generation in the event of a loss of hydroelectric power, and, pursuant to the provisions of Section 13.04, it wishes to submit this matter to the qualified voters of the Borough for their consideration.

**THEREFORE, THE PETERSBURG BOROUGH ORDAINS**, as follows:

**SECTION 1. Classification:** This ordinance shall not be codified in the Petersburg Municipal Code.

**SECTION 2. Purpose:** The purpose of this ordinance is to submit the question to the Borough voters at the next regular election to authorize long-term indebtedness, through issuance of Bonds, to finance: (i) improvements to the Borough electric utility system's Blind Slough plant and the Scow Bay Standby Generation project, and to pay incidental costs incurred in connection with carrying out such improvements (the "Project"); and (ii) to pay the costs incident to financing the Project, including providing for a debt service reserve, if necessary, and paying the costs of issuance of the Bonds.

### **SECTION 3. Substantive Provisions:**

**A.** The Borough Assembly hereby (i) determines that it is in the best interests of the Borough to undertake the Project, consisting of capital improvements in the form of refurbishment of the Blind Slough hydroelectric plant (including without limitation replacement of the generator, turbine and switchgear) and construction of the Scow Bay Standby Generation project, and (ii) authorizes long-term indebtedness for the purpose of financing the Project, in the form of issuance of Bonds that shall be a revenue obligation of the electric utility only, payable solely from the gross revenues of the Utility after payment of maintenance and operations expenses, in an amount not to exceed the total principal sum of \$7.8 million.

The cost of all necessary architectural, engineering, legal and other consulting services; site acquisition or improvement (e.g., clearing and demolition); on and off-site utilities and related improvements; payments for fiscal and legal expenses; printing, advertising, establishing and funding accounts; necessary and related planning, consulting, inspection and testing costs; administrative expenses; and other similar activities or purposes incurred in connection with the Project shall be deemed a part of the costs of such capital improvements. The Borough may modify details of the Project as it may find necessary or advisable. The Project, or any portion or portions thereof, shall be made insofar as is practicable with available money and in such order of time as shall be deemed necessary or advisable by the Borough. The economic life of the Project is expected to exceed the life of the Bonds.

The Borough shall determine the application of available money between the various portions of the Project so as to accomplish, as near as may be, all of the Project. If available money from the proceeds of the Bonds is more than sufficient to pay the costs of the Project, or if state or local circumstances require any alteration in the Project, the Borough may acquire, construct, equip and make other capital improvements to the Utility's facilities or infrastructure or may retire and/or defease a portion of the Bonds, all as the Borough may determine and as permitted by law. If the proceeds of the sale of the Bonds and other available money are insufficient to make all of the capital improvements herein provided for, or if it has become impractical to accomplish the Project or portions of the Project, the Borough may use the proceeds of the Bonds and other available money for paying the costs of those portions of the Project deemed by the Borough to be most necessary and in the best interest of the Borough.

**B.** The Bonds will be issued and sold in the amounts and at the time or times as they Assembly finds necessary and advisable and as permitted by law. The Bonds may be issued in one or more series and shall mature in the amounts and at the times within a maximum term of 25 years from the date of issuance of the Bonds, all as authorized by the Assembly and as provided by law. The date, form, interest rates, terms, redemption provisions, maturities, covenants and manner of sale of the Bonds shall be as hereafter provided by the Assembly. After voter approval of the Bond proposition set forth in Paragraph C of this ordinance, and in anticipation of the issuance of the Bonds, the Borough may issue short-term bond anticipation notes as authorized by the laws of the State of Alaska and the Borough Charter.

**C.** The question of whether to authorize this indebtedness shall be submitted to the qualified voters of the Petersburg Borough at the regular municipal election to be held on October 5, 2021. The ballot proposition to be submitted to the voters shall read substantially as follows:

PROPOSITION NO. \_\_\_\_\_  
 NOT TO EXCEED \$7,800,000 REVENUE BONDS  
 BLIND SLOUGH HYDROELECTRIC PLANT REFURBISHMENT AND SCOW BAY  
 STANDBY GENERATION  
 (Assembly Ordinance #2021-12)

Shall the Petersburg Borough incur long-term indebtedness, in a total principal amount not to exceed Seven Million Eight Hundred Thousand dollars (\$7,800,000) for the purpose of refurbishment of the Blind Slough hydroelectric plant and construction of the Scow Bay Standby Generation project, including paying incidental costs incurred in connection with carrying out and financing such improvements? The indebtedness would be in the form of electric utility revenue bonds, payable solely from the gross revenues of the electric utility after payment of costs of operation and maintenance, with a term not to exceed 25 years, and be a revenue obligation of the electric utility only.

- Yes
- No

**D.** The Borough Manager and Utility Director are authorized to provide informational documents to the voters regarding this proposition and are directed to cause notice of the election to be published in accordance with Section 13.02 of the Borough Charter.

**SECTION 4. General Authorization; Ratification:** The proper Borough officials are authorized to perform such duties as are necessary or required by law to the end that the question of whether or not the Bonds shall be issued as provided in this ordinance, shall be submitted to the voters of the Borough at the October 5, 2021 election. Any action taken consistent with the authority and prior to the effective date of this ordinance is hereby ratified, approved and confirmed.

**SECTION 5. Intent to Reimburse:** The Borough Assembly declares that to the extent that the Borough makes capital expenditures for the Project prior to the date the Bonds or other short term obligations are issued to finance the Project from funds that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside by the Borough under its existing and reasonably foreseeable budgetary and financial circumstances to finance the Project, those capital expenditures are intended to be reimbursed out of proceeds of the Bonds or other short term obligations issued in an amount not to exceed the principal amount of the Bonds provided by this ordinance.

**SECTION 6. Severability:** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person and circumstance shall not be affected.

**SECTION 7. Effective Date:** This ordinance is effective upon passage. The indebtedness contemplated by this ordinance shall be considered approved by the voters upon certification of the October 5, 2021 election results reflecting approval of the proposition. If such proposition is approved by the requisite number of voters, the Borough shall be authorized to issue the Bonds in the manner described in this ordinance, to spend the proceeds thereof to pay the costs of the Project and the costs of issuance and sale of such Bonds within ten years as provided by Section 13.08 of the Borough Charter.

**Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska,  
this 16<sup>th</sup> day of August, 2021.**

\_\_\_\_\_  
**Mark Jensen, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Debra K. Thompson, Borough Clerk**

Adopted:  
Published:  
Effective:

August 2, 2021

TO: Borough Assembly

FR: Liz Cabrera

RE: Relinquish FAA Site at Frederick Pt.

---

**BACKGROUND:**

The FAA site at Frederick Pt is included in the list of municipal land selections. During review of adjacent selections in the area, the AK Dept of Environmental Conservation noted the FAA site is listed on the state's Contaminated Sites database. Per DEC:

One active contaminated site, Hazard ID 1762, is located within the bounds of the Frederick Point parcel (the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 33, Township 58 South, Range 80 East, Copper River Meridian) \*. Based on the current information in the DEC file, the contamination at this site is de minimis. Due to the underlying bedrock at the site, the groundwater has not been investigated. The ingestion of contaminated groundwater is considered a future risk at this site. ***If the property is transferred to the Petersburg Borough, they will become a responsible party; they should be made aware of this before the property transfer.***

(\* NOTE: The DEC's legal description of the parcel is incorrect.)

Although contaminated soils were removed on two different occasions, the site remains an active contaminated site because arsenic levels exceed DEC cleanup levels.

**DISCUSSION:**

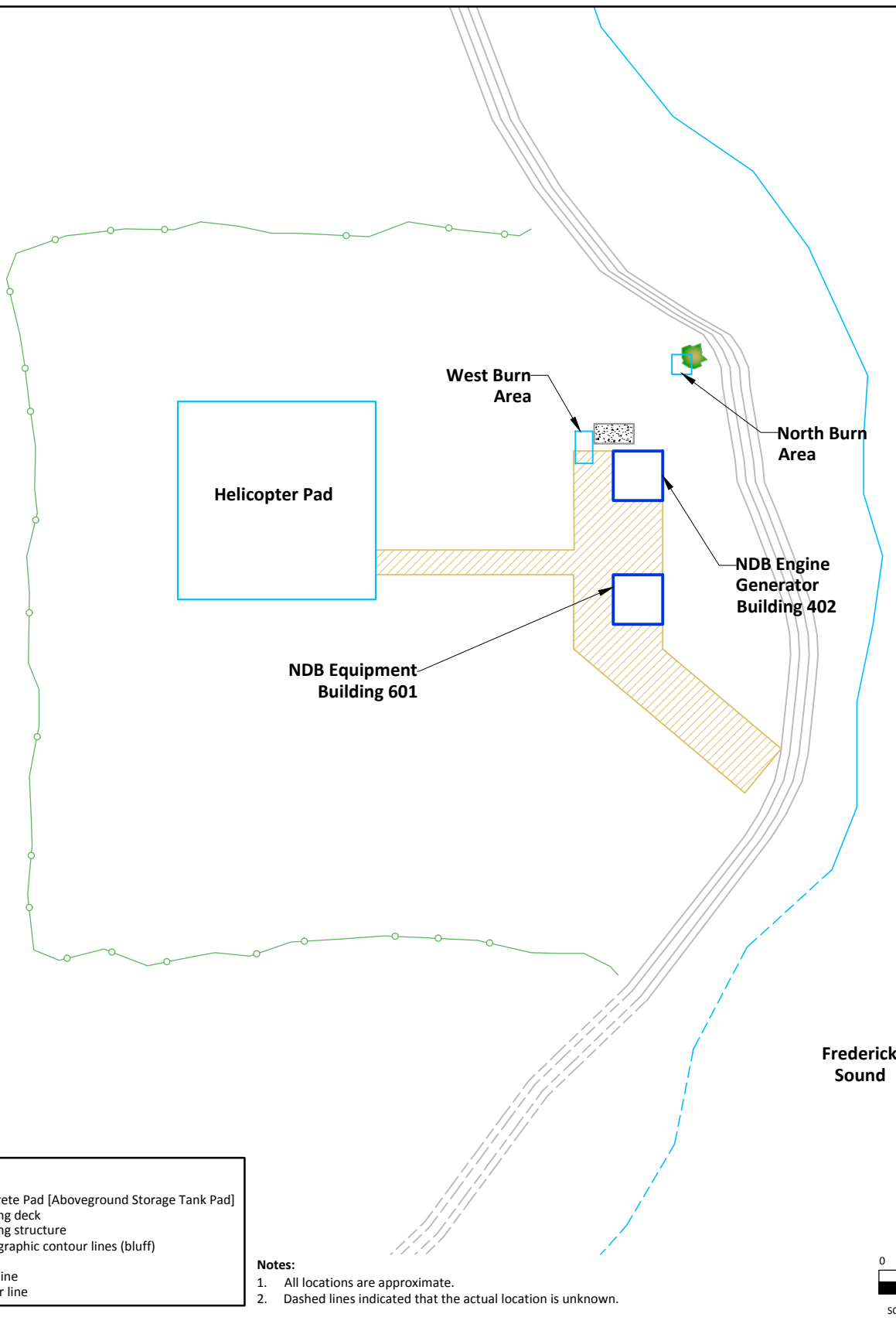
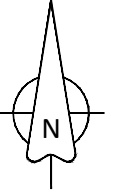
The borough should consider relinquishing the 3.5-acre parcel, meaning give up the right to select this parcel as part of its municipal entitlement, and have the DNR retain ownership. Once the parcel is relinquished, the borough cannot select it again.

If the borough relinquishes the parcel prior to the state issuing a Final Findings and Decision (FFD), then the state must accept the parcel. If the borough waits until after the FFD is issued, the state has the option to decline return of the parcel. At this time, the parcel has not yet been adjudicated nor included in a preliminary decision by the DNR.

See attachments.



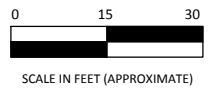




**Key:**

- Area
- Concrete Pad [Aboveground Storage Tank Pad]
- Existing deck
- Existing structure
- Topographic contour lines (bluff)
- Tree
- Tree line
- Water line

- Notes:**
1. All locations are approximate.
  2. Dashed lines indicated that the actual location is unknown.



**Excavation of Contaminated Soil  
Frederick Point NDB Site near Petersburg, Alaska**



**Site Plan**

Project Number: 20125.074	Figure Number: <b>2</b>
Date: 01.08.2015	
Drawn By: G.R.	

L:\Frederick Point\20125.074\CAD\FP.wp 09/22/14.dwg

# SITE REPORT: FAA FREDERICK POINT NDB FACILITY

**SITE NAME:** FAA Frederick Point NDB Facility

**ADDRESS:** 4.5 Mi. ESE of Petersburg, Frederick Point, Petersburg, AK 99833

**FILE**  
1521.38.011  
**NUMBER:**

**HAZARD ID:** 1762

**STATUS:** Active

**STAFF:** Erin Gleason, 9072697556 [erin.gleason@alaska.gov](mailto:erin.gleason@alaska.gov)

**LATITUDE:** 56.792264

**LONGITUDE:** -132.821219

**HORIZONTAL**  
WGS84  
**DATUM:**

*We make every effort to ensure the data presented here is accurate based on the best available information currently on file with DEC. It is therefore subject to change as new information becomes available. We recommend contacting the assigned project staff prior to making decisions based on this information.*

## Problems/Comments

Near NDB Engine Generator Building 402 at the site, burned oily areas and oil-stained soil patches were noted during site investigation in 1998. Burning treated wood and oil area had elevated petroleum levels, high arsenic(860ppm), and hexavalent chrome. Also samples for TRPH turned up 7,700ppm. FAA removed contaminated soil from the North Burn Area northeast of Building 402 in 1998, in 2012, and in 2014, and from the West Burn Area near the wooden deck near Building 402 in 2012, and, in 2014. Confirmation sample results from the 2014 removal action show arsenic is the only contaminant of concern remaining at the burn areas and the extent is de minimis. Further sampling and excavation in 2017 at the West Burn area and North Burn area. All samples at the West burn area were below ADEC cleanup levels for petroleum contaminants. Samples at the north burn area still exceed ADEC arsenic cleanup levels.

## Action Information

ACTION DATE	ACTION	DESCRIPTION	DEC STAFF
4/6/1993	Update or Other Action	(Old R:Base Action Code = SA1 - Phase I Site Assessment (General)). Report covers all associated facilities in the Petersburg area used for air navigation. Most significant is Frederick Point, 4.5 miles east-southeast of Petersburg.	No Longer Assigned
11/1/1993	Preliminary Assessment Approved	Preliminary Assessment Approved this date.	No Longer Assigned
9/22/1994	Site Added to Database	Remote navigational aid facility near Petersburg. Minimal contamination likely, initial tests showed elevated levels of arsenic.	No Longer Assigned
9/22/1994	Update or Other Action	(Old R:Base Action Code = RARR - Remedial Action Report Review (CS)).	No Longer Assigned
11/28/1997	Site Ranked Using the AHRM	Initial ranking.	Sally Schlichting
7/11/2000	Site Ranked Using the AHRM	Changed Population Density Value from 10 to 3, GW Usage Value from 0.4 to 0, SW Usage Value from 0.4 to 0, and Environmental Recreation value from 0 to 2.	No Longer Assigned
1/18/2006	Update or Other Action	Updated CSP Database info for site. At request of FAA, reviewed 1993 and 1998 site work for site closure. 1998 confirmational samples indicate full closure of the site is warranted. PAH issues were noted in 1993 and sampling was not performed in 1998, however confirmational samples were Non-Detect for all other compounds and risk pathways appear to be incomplete. Drafting a closure letter for site.	Mike Jaynes
6/18/2007	Exposure Tracking Model Ranking	ETM ranking	Anne Marie Palmieri

3/30/2012	Report or Workplan Review - Other	Approved work plan for site investigation and cleanup activities at the North Burn Area and the West Burn Area. An estimated ½ cubic yard of contaminated soil will be removed, containerized and transported off site for disposal from each site. Confirmation samples will be collected for benzene, toluene, ethylbenzene, and xylenes (BTEX), diesel and residual range organics (DRO and RRO), polynuclear aromatic hydrocarbons (PAHs), arsenic, chromium, copper, pesticides, and dioxin.	Melody Debenham
11/30/2012	Report or Workplan Review - Other	Approved the final report documenting site investigation and cleanup activities at the North Burn Area and the West Burn Area. Approximately ½ cubic yard of contaminated soil was removed from each site. Confirmation samples were analyzed for benzene, toluene, ethylbenzene, and xylenes (BTEX), diesel and residual range organics (DRO and RRO), polynuclear aromatic hydrocarbons (PAHs), arsenic, chromium, copper, pesticides, and dioxin. At the North Burn Area, arsenic and chromium remain above the cleanup level. At the West Burn Area, arsenic remains above the cleanup level. Two samples were collected and analyzed for background concentrations of COCs. Arsenic background was 2 mg/kg.	Melody Debenham
5/6/2014	Report or Workplan Review - Other	Received work plan for removal of arsenic and chromium contaminated soil at north burn area and arsenic contaminated soil at west burn area.	Melody Debenham
2/23/2015	Report or Workplan Review - Other	Approved final report describing removal of contaminated soil at two areas of concern. At the north burn area, 0.5 cubic yards of contaminated soil was removed. Samples were analyzed for total chromium and hexavalent chromium. Results indicate that all chromium at the north burn area is trivalent chromium. At the west burn area, approximately 0.25 cubic yards of contaminated soil was	Melody Debenham

		removed. Contaminated soil was transported out of state to an appropriate disposal facility. Confirmation sampling indicates that arsenic remain above the cleanup level, however it is not practicable to remove any additional soil at these sites.	
8/12/2015	Exposure Tracking Model Ranking	A new updated ranking with ETM has been completed for source area 72740 NDB.	Melody Debenham
2/7/2017	Update or Other Action	Evaluate environmental reports and the FAA and DEC communication regarding what remains after the site characterization and remedial cleanup at the site. Contact made with FAA to discuss actions to take this spring while dismantling the facility.	Bruce Wanstall
7/7/2017	Report or Workplan Review - Other	Approved the work plan to remove approximately 1 and a third cubic yards of petroleum and arsenic contaminated soil.	Danielle Duncan
8/4/2017	Update or Other Action	Approve offsite soil transport of several drums of metals contaminated soil to Columbia Ridge.	Sally Schlichting
10/10/2017	Update or Other Action	Staff assigned changed from Sally Schlichting to Erin Gleason	Kathryne Roldan
5/15/2018	Update or Other Action	Received draft 2017 report on 4/17/2018. ADEC has reviewed and requested one revision from FAA via email.	Erin Gleason
6/1/2018	Site Characterization Report Approved	Received revised draft of report from FAA on 6/1/2018. The report is now approved. The FAA removed remaining infrastructure associated with the NDB facility. In addition 0.3 cubic yards (cyd) of arsenic contaminated soil was removed from the north burn area (NBA) and 1 cyd of petroleum contaminated soil was removed from the west burn area (WBA). Three analytical soil samples were collected from the perimeter of the excavation at the NBA and found arsenic of 19 mg/kg, 60 mg/kg, and 160 mg/kg. Excavation at the	Erin Gleason

NBA was inhibited by a large Sitka Spruce tree and its root systems. All soil in the NBA was removed by hand. All other contaminants of concern in the NBA were below method 2 ADEC cleanup levels. Four analytical samples were collected at the WBA and all samples were below ADEC method 2 cleanup levels.

3/15/2019	Exposure Tracking Model Ranking	A new updated ranking with ETM has been completed for source area 72740 NDB.	Erin Gleason
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### Contaminant Information

NAME	LEVEL DESCRIPTION	MEDIA	COMMENTS
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### Control Type

TYPE	DETAILS
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### Requirements

DESCRIPTION	DETAILS
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State of Alaska Department of Environmental Conservation

P.O. Box 111800  
 Juneau, AK 99811-1800  
 Phone: 907-465-5066  
 Fax: 907-465-5245  
 TDD: 800-770-8973  
 Physical Location: 410 Willoughby

**From:** Alan Murph <[alan.murph@hotmail.com](mailto:alan.murph@hotmail.com)>  
**Sent:** Tuesday, July 13, 2021 5:38 PM  
**To:** Stephen Giesbrecht <[sgiesbrecht@petersburgak.gov](mailto:sgiesbrecht@petersburgak.gov)>  
**Subject:** Re: Papke's and Banana Point engineering service proposal

Steve,

Attached are the Banana Point Breakwater Replacement Design and Papke's Landing Marine Facility Conceptual Plans Engineering Services Proposal. I would like to request a time frame to complete be next spring, mid or late April, 2022. The time frame request is because we are fortunate to already have two Borough engineering service contracts (Ira II Sewer Replacement inspection, and City Shop Culvert Replacement design and contract bundle) that we are working on. The due date of these is the end of November. The Banana Point and Papke project, if they are awarded to us, would be worked on this summer, gathering the field work portion, but the bulk of the office work would be in line for completion after the first two Borough projects we already have. It's possible everything will click along and we could finish these two new projects in a quicker time. Feel free to discuss the time frames and project proposals with me if you have questions.

Thank you,  
Alan



# Harai & Associates, Inc.

Consulting Civil Engineers & Land Surveyors

P.O. Box 625 Petersburg, Alaska 99833  
Telephone & Fax (907) 772-9216

July 12, 2021

Steve Giesprecht  
Borough Manager  
Petersburg Borough  
P.O. Box 329  
Petersburg, Alaska 99833

Re: Banana Point Breakwater Replacement Design  
Papke's Landing Marine Facility Conceptual Plans  
Engineering Services Proposal

Steve,

I would like to offer engineering services for these two projects; 1) Banana Point Breakwater Replacement Design and 2) Papke's Landing Marine Facility Conceptual Plans. Both projects are presently at the end of their design life and in need of repair or replacement. This proposal will be offered as two separate engineering projects.

## Banana Point Breakwater Replacement Design

Banana Point boat launch is protected by a series of floating breakwater that is about 30 years old. The floats have deteriorated or gone missing due to harsh weather and waves over the years. This engineering services project will provide a floating breakwater design that will most likely follow the concept of the existing breakwater. It is possible after inventory of the existing breakwater system, parts of the original may have some service life left and only a few new breakwater floats would need to be replaced or the replacement can be phased over several years. These are option that will be considered.

I will be working with you and Borough staff during this project to come up with the best design. The final product from these engineering services will be a floating breakwater design drawings and technical specifications for going to bid for the construction and installation of the floating breakwater. The design drawings and technical specifications bundled into a bid package that can be advertised for this construction.

Costs for Banana Point engineering services are estimated as follows:

Preliminary project inventory of information	
Professional Engineer:	
6 hrs @ \$115/hr =	\$690.00
Field assessment of existing floats	

Steve Giesbrecht  
July 12, 2021  
Page 1 of 4

Professional Engineer:  
6 hrs @ \$115/hr = \$690.00

Preliminary design  
Professional Engineer  
32 hrs @ \$115/hr = \$3,680.00

Preliminary drawings for review by Borough  
Professional Engineer  
24 hrs @ \$115/hr = \$2,760.00

Site survey to set control monuments for float positioning  
2 Man Survey Crew  
8 hrs @ \$175/hr = \$1,400.00

Final drawings after Borough approval  
Professional Engineer  
24 hrs @ \$115/hr = \$2,760.00

Technical specification documents  
Professional Engineer  
24 hrs @ \$115/hr = \$2,760.00

Project manual and cost estimate for the bidding process  
Professional Engineer  
24 hrs @ \$115/hr = \$2,760.00

Banana Point Breakwater Replacement Design  
Engineering Services Total . . . . . \$17,500.00

Papke's Landing Marine Facility Conceptual Plans

Papke’s Landing Marine Facility presently exist as a wooden trestle with a single wooden float at the end for docking boats, a boat launch ramp that was originally constructed as a log transfer facility during the timber industry boom day. And a small substandard parking area to service both the float and the boat ramp.

This proposal is for site improvement conceptual drawings targeting a new trestle/float for docking boats, boat launch ramp improvements, parking lot improvements, public restrooms, et cetera, for the upgrade of the area to meet the public needs for the future. Along with these conceptual drawings will be a preliminary cost estimate that will itemize the different phases of improvements.

I will be working with you and Borough staff during this project to come up with the best design. The final product from these engineering services is a set of conceptual drawings to be use as a future planning tool. These conceptual drawings and cost estimate can be used as a guide for detailed design construction drawings for building the different phases of the upgraded Papke's Landing Marine Facility.

Costs for Papke's Landing Marine Facility Conceptual Plans engineering services are estimated as follows:

Preliminary project inventory of information	
Professional Engineer:	
24 hrs @ \$115/hr =	\$2,760.00
Field assessment of existing site	
Professional Engineer:	
12 hrs @ \$115/hr =	\$1380.00
Site survey of existing site	
2 Man Survey Crew	
8 hrs @ \$175/hr =	\$1,400.00
Preliminary conceptual design	
Professional Engineer	
32 hrs @ \$115/hr =	\$3,680.00
Preliminary conceptual drawings for review by Borough	
Professional Engineer	
24 hrs @ \$115/hr =	\$2,760.00
Final conceptual design	
Professional Engineer	
32 hrs @ \$115/hr =	\$3,680.00
Final conceptual drawings & cost estimate after Borough approval	
Professional Engineer	
24 hrs @ \$115/hr =	<u>\$2,760.00</u>
Papke's Landing Marine Facility Conceptual Plans	
Engineering Services Total . . . . .	\$18,420.00

The total cost for these engineering services is summed up below:

Banana Point Breakwater Replacement Design	\$17,500.00
Papke's Landing Marine Facility Conceptual Plans	<u>\$18,420.00</u>
Engineering Services Total =	\$35,920.00

The total cost for these engineering services is \$35,920.00. If you have questions or I can be of further help, please call me. Thank you, for considering my engineering and design services.



Alan Murph, PE/LS  
Harai & Associates, Inc.



July 7, 2021

Petersburg Borough Assembly;

Thank you for your continued support of Petersburg, the Borough staff and me as well. As you may know, I have an employment contract which is currently in effect until October of 2022. I would like to stay as the Borough Manager past this time and would like the Assembly to consider renewing my contract. It would be helpful if I knew the Assembly's will on this issue prior to the expiration of my current contract.

I am asking the Assembly to consider renewing my contract until October of 2027; an additional five (5) years from the 10/2022 expiration date.

As part of this contract extension, I am requesting an increase to my annual salary of 5%, or \$6,049, to an annual salary of \$127,043. I would like this increase to be effective October of 2022, with no other increases for the additional five (5) years of the extended contract. I would like all other terms of the contract to remain the same.

Please let me know your thoughts on this issue and I look forward to continuing to work with you in the future.

Stephen Giesbrecht



August 10, 2021

Senator Lisa Murkowski  
522 Hart Senate Office Building  
Washington, DC 20510

(via email to Chere Klein at  
Chere\_Klein@murkowski.senate.gov)

Dear Senator Murkowski,

The Petersburg Borough Assembly is very appreciative of your inclusion of the Petersburg Medical Center in the FY2022 congressionally directed spending items request.

In May of this year the Petersburg Borough Assembly passed a Resolution in support of the Petersburg Medical Center's efforts for a new hospital. The Borough also provided 1 of 3 sites for consideration. The funding from the bill allows for the necessary geotechnical work so that a specific site can be selected, and the selected site will then be designated by the Borough to Petersburg Medical Center for the new hospital.

A Master Plan completed in 2020 identified safety concerns with structural deficiencies and aged equipment and determined that the current facility can no longer be remodeled to accommodate the necessary upgrades. The facility therefore is obsolete and in need of replacement. The cost of a new facility far exceeds the Borough's ability to finance or bond for the project, making it imperative that the project be completed in phases as external sources of funding are available. The Hospital Board recognized these constraints and has been engaging the local public throughout the planning process. The Assembly supports the Hospital Board and CEO in the planning for the new facility and efforts to seek external sources of funding.

Knowing that we stand stronger as a community in our efforts for our quality of health care, we are committed to supporting the Hospital Board, CEO and staff at Petersburg Medical Center as they move forward in the work required for the replacement of the community's hospital building.

Thank you again for your support of our community hospital. We see this as one of our highest community priorities in the coming years. We recognize the value of quality health care that our hospital and clinic have been providing and want to see it maintained and improved.

Your efforts on our community's behalf are recognized and strongly supported.

Respectfully,

Mark Jensen  
Mayor

**Borough Administration**  
PO Box 329, Petersburg, AK 99833 – Phone (907) 772-4425 Fax (907)772-3759  
[www.ci.petersburg.ak.us](http://www.ci.petersburg.ak.us)

August 2, 2021

TO: Borough Assembly

FR: Liz Cabrera

RE: FFD for ADL 108579

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**BACKGROUND:**

In March 2021, the borough submitted comments to the DNR regarding its proposal to convey certain selected lands on Mitkof Island. The borough objected to two specific parcels being retained by the state:

- Blind Slough LTF/Olsen's Log Dump – 2.96 acres (Tract 37, Section 8, T61S, R81E)
- Waterfront Lot Near Woodpecker Cove - 10.4 acres (East ½ of Lot 3, Section 13, T62S, R81S)

The DNR just issued a *Final Finding and Decision* stating the state will retain these parcels.

The borough has 20 days to file an appeal if it so chooses.

If no appeal is filed, the decision goes into effect 31 days after the date the notice is signed.

The state is proposing to retain these two parcels based on recommendation of the AK Dept. of Forestry and the USDA Forest Service.

**OLSEN'S LOG DUMP** - Tract 37 (See attached map) – This is a very small strip of uplands. The tidelands are not eligible for selection by the borough and will be retained in state ownership. Tract 37 is basically the access point for the LTF and was deeded to the State but reserved by the USFS until such time the FS had no further use.

The State and USFS have indicated the LTF is critical for Forest Management. The Borough makes no claim to the LTF tidelands and noted that conveying the upland Tract 37 with existing right of access would preserve future use of the LTF.

In reading the FFD, the state does not discuss the borough's recommendation to convey with access rights.

**WOODPECKER COVE** - East ½ of Lot 3 (see attached map) – This is half of a waterfront lot close to the Woodpecker Cove LTF. The AK Department of Forestry stated it needs this land, which is currently undeveloped, for a transition zone and future reconfiguration of the LTF site for multiple use. The borough did not object to the state retaining the LTF site nor the adjacent Lot 2. The borough's objection was to the state retaining an additional 10+ acres for a "transition zone".

**DISCUSSION:**

The likelihood of a successful appeal is low.

While DNR does not directly address the borough's comments, a successful appeal would need to demonstrate the borough interest outweighs the state's interest. The state has no written criteria outlining what constitutes best interest. The DNR Commissioner makes the final decision.

While these selections represent, the borough's priorities and are adjacent to existing infrastructure, there is a significant amount of land yet to be adjudicated, over 12,000 acres.

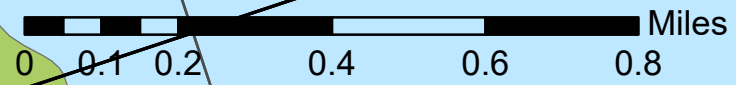
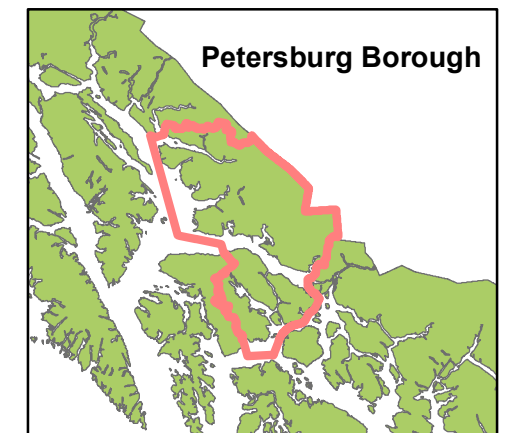
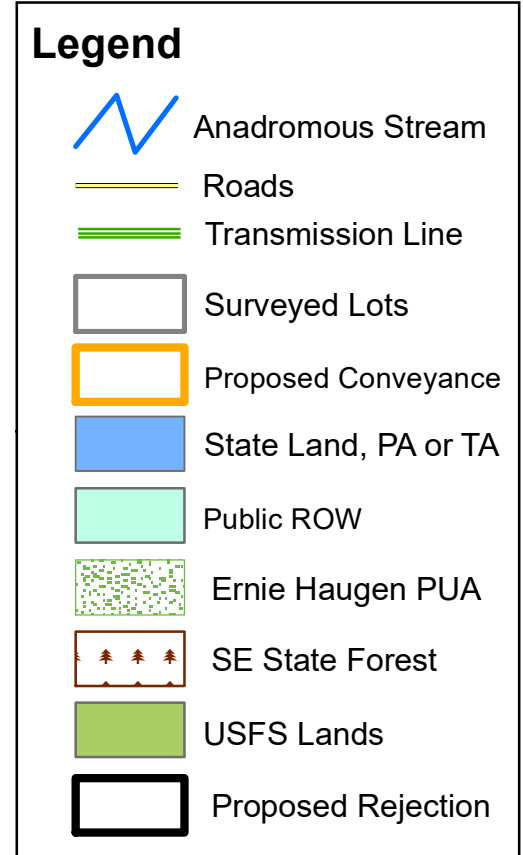
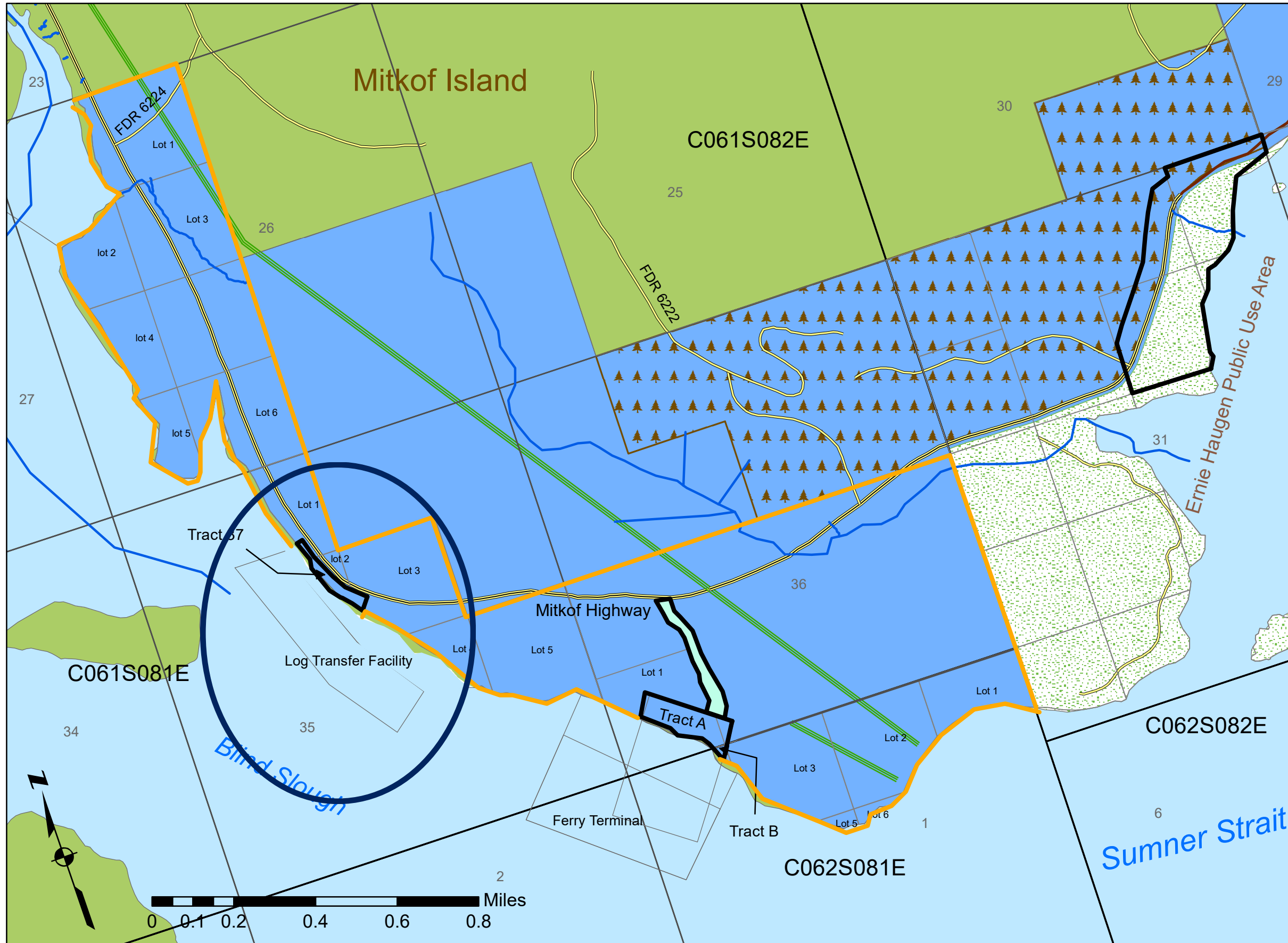
<b>ADL</b>	<b>Selections</b>	<b>Proposed for Conveyance</b>	<b>Postponed</b>	<b>Rejected</b>	<b>Remaining to be adjudicated</b>
108579	1,804	1,421	240	143	240
108981	701	616		85	0
108982	1,579				1,579
108983	6,348.87				6,348.87
108984	4,126.32				4,126.32
	<b>14,559.19</b>	<b>2,037</b>	<b>240</b>	<b>228</b>	<b>12,294.19</b>

NB: The borough's entitlement is 14,208 acres.



**Petersburg Borough**  
 Municipal Selections  
**ADL 108579**  
 Preliminary Decision

**Blind Slough**



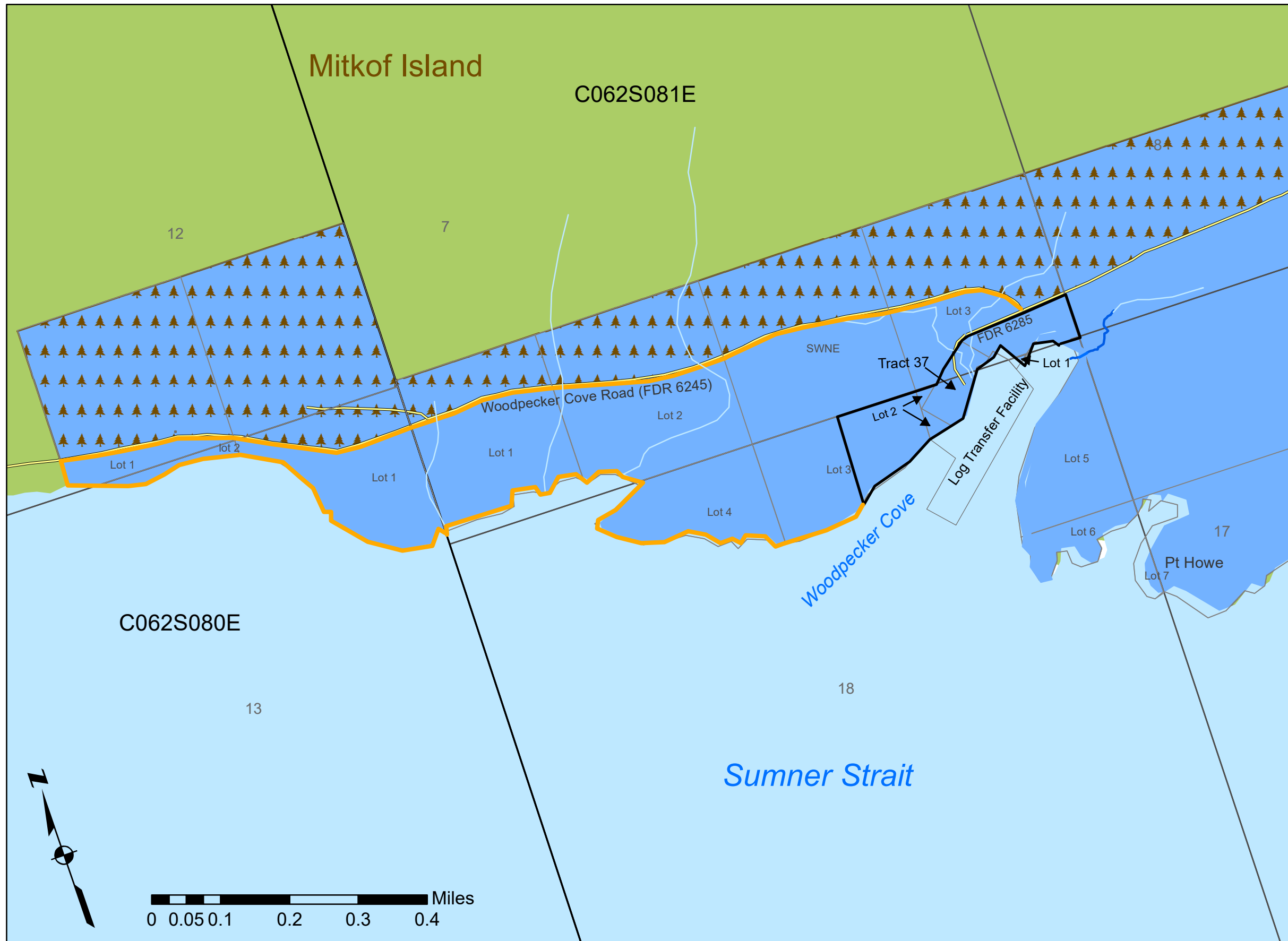
This map is for graphic representation only. It is intended to be used as a guide only and may not show the exact location of existing surveyed parcels or show all easements and reservations. Source documents remain the official record.

Created by: SOA-DNR-DMLW-LCS

February 2021

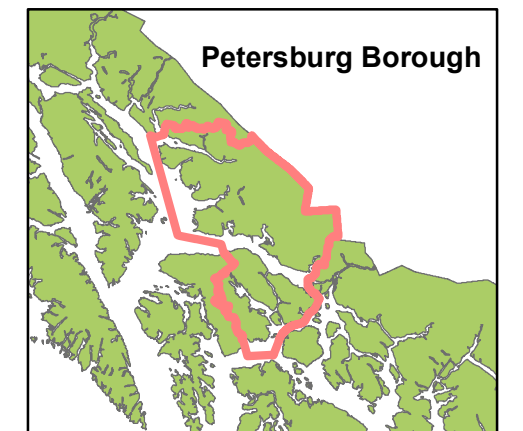
# Petersburg Borough Municipal Selections ADL 108579 Preliminary Decision

## Woodpecker Cove



### Legend

- Anadromous Stream
- Roads
- Surveyed Lots
- Proposed Conveyance
- State Land, PA or TA
- SE State Forest
- USFS Lands
- Proposed Rejection



Created by: SOA-DNR-DMLW-LCS



This map is for graphic representation only. It is intended to be used as a guide only and may not show the exact location of existing surveyed parcels or show all easements and reservations. Source documents remain the official record.



March 9, 2021

Division of Mining, Land and Water  
 Attn: Ms. Mary Hermon  
 550 West 7th Avenue, Suite 640  
 Anchorage, Alaska 99501

**RE: COMMENTS FROM THE PETERSBURG BOROUGH REGARDING THE LCS PRELIMINARY DECISION  
 – PETERSBURG BOROUGH MUNICIPAL LAND SELECTIONS ADL 108579**

Dear Ms. Hermon,

The borough has completed a review of ADL 108579.

There are several instances where we were unable to confirm the state's rationale for either rejecting a parcel or pursuing a reservation and request you review and confirm your findings before making a final decision. Please feel free to contact us if we can assist in clarifying any of the borough's comments.

The Petersburg Borough supports the LCS's decision to convey approximately 1,452 acres of state-owned vacant, unappropriated, unreserved (VUU) general grant land.

**FANSHAW BAY**

The Petersburg Borough supports the LCS decision to convey approximately 33.35 acres in Fanshaw Bay to the Petersburg Borough.

The Petersburg Borough concurs with the ADFG finding that the proposed selection is more than 50' from the OHW mark of the unnamed stream (AWC#110-31-10100).

**THOMAS BAY**

The Petersburg Borough supports the LCS decision to convey approximately 38.83 acres in Thomas Bay to the Petersburg Borough. The Petersburg Borough concurs with the LCS finding that there are no inland waters subject to navigable or public water reservations on the lands proposed for conveyance. The Petersburg Borough has the following additional comments regarding statements in the preliminary decision:

ADL 105605. Private Easement. Please confirm in the Final Decision that this easement is located within Tract C and therefore is located on land rejected for conveyance.

ADL 106536, Quiet Title. Please confirm in the FFD whether this quiet title action is Tract B-2 and not selected by the municipality.

ADL 107637/ADL108804 Material Sale. Please confirm in the FFD that this material sale is within Tract C and therefore is located on land rejected for conveyance.

Community & Economic Development Department  
 PO Box 329, Petersburg, AK 99833  
 907.518.0242 - email:lcabrera@petersburgak.gov

Forest Development Road 6256. Please confirm in the FFD whether FDR 6256 extends into Section 35 as shown on DNR maps.

ADL107968 Trespass. Please confirm in the FFD that this trespass parcel is located within Tract C and therefore located on land rejected for conveyance.

### **FREDERICK POINT**

The Petersburg Borough supports the LCS decision to convey approximately 134.2 acres in Frederick Point to the Petersburg Borough. The borough notes the LCS has not stated any overriding state interest in Quarry #4 and a portion of Quarry #3 and these areas should be conveyed along with surrounding parcels.

Table 3, page 9, lists an Unnamed Creek at Frederick Point. The ADFG review makes no mention of this creek nor does a creek appear on any of the DNR maps or online map. Please provide additional information in the FFD regarding this creek to justify a public waters reservation.

ADEC identified an active contaminated site located at Frederick Point (Hazard ID 1762). The ADEC Contaminated Site Report (2015) states the site is located on “seven acres of land leased from the United States Forest Service.” A legal description is provided: “Section 27, Township 058 South, Range 079 East, Copper River Meridian”, which places the site in the downtown Petersburg area. The ADEC online mapper places the FAA beacon at Section 4, Township 059 South, Range 080 East, Copper River Meridian, which would not be within a parcel proposed for conveyance. The preliminary decision does not list any third-party interest related to the USFS, FAA, or any other entity within the selected parcel. The LSC should disclose an accurate location of the hazardous site, including a legal description, and any encumbrances or third-party interests in its FFD so the borough may determine whether it wishes to accept conveyance of the parcel.

The Petersburg Borough has the following additional comments regarding statements in the preliminary decision:

ADL107872/ADL106863 Material Sale. Please confirm in the FFD whether the material sales are active as stated in Table 1 or closed.

ADL107871/ADL107614 Material Sale. Please confirm in the FFD whether the material sales are active as stated in Table 1 or closed.

### **NE Mitkof & Rock Pit**

The Petersburg Borough supports the LCS decision to convey approximately 174.65 acres in NE Mitkof to the Petersburg Borough.

The Petersburg Borough has the following additional comments regarding statements in the preliminary decision:

ADL107870/ADL105928 Material Sale. Please confirm in the FFD whether these material sales are located on lands rejected for conveyance.

FDR 6206 Climber Rd. Please confirm in the FFD whether this road is located within the lands proposed to be conveyed.

### **Duncan Canal**

The Petersburg Borough supports the LCS decision to convey approximately 144.7 acres in Duncan Canal to the Petersburg Borough.

The preliminary decision references an unnamed stream. Please provide additional information in the FFD regarding this stream and justifying a public waters reservation.

The ADFG finding also references associated wetlands and there is a separate reference in the decision document to an unnamed small lake subject to a public waters reservation in Table 3. 11 AAC 51.035 makes no mention of public water reservations along wetlands and the minimum size of water bodies for designation is at least 10 acres. Anecdotal information suggests this is a beaver pond and does not appear to meet the minimum size requirement for a public waters reservation. LCS should clarify the water bodies being reserved and provide evidence of the state's interest in the reservation under 11 AAC 51.035.

### **Falls Creek**

The Petersburg Borough supports the LCS decision to convey approximately 100.78 acres at Falls Creek to the Petersburg Borough. The LCS references an unnamed minor trail/road on maps and in the preliminary decision document but does not list any third-party interest indicating a public access reservation or other interest in this unnamed minor trail/road. The borough is not aware of any minor trail/road at this location. The LCS should provide documentation of its existence and disclose any third-party interest or delete the reference in the FDD.

Regarding postponing the decision of 218.31 acres in Falls Creek, the borough has no objection as there is significant acreage left to adjudicate and Falls Creek can be included in a future preliminary decision document. The LCS should encourage ADFG to consult with the borough on an appropriate retention buffer for this location prior to deciding on conveyance.

### **Blind Slough**

The Petersburg Borough supports the LCS decision to convey approximately 697.49 acres at Blind Slough to the Petersburg Borough.

The unnamed tributary (108-10550-2013) and unnamed creek (108-40-10576) do not appear to be located within the lands proposed for conveyance. Please clarify in the FFD.

The borough notes the only state interest in Tract 37, "Olsen's Log Dump" is ADFG's recommendation that "an easement or right-of-way be reserved through the selection to the log transfer site to allow continued public use". ADFG does not recommend the state retain ownership. Neither DNR Division of Forestry nor DOT&PF indicated any state interest in this specific facility during their agency review in March of 2018 and again in October of 2020.

Access to Tract 37 is reserved along FDR 40101 and Tract 37 itself appears to be reserved as a ROW in PA 50-2015-0074. The state should convey these lands subject to the existing access reservations of the patent as well as any state public access dedication that currently exist. This would preserve the state's interest in the parcel.

The borough notes the Preliminary Decision does not list an easement for FDR 40101 or Tract 37 other than what is set out in PA 50-2015-0074. Regardless, the state can convey the parcel to the borough reserving any existing access rights.

### **Woodpecker Cove**

The Petersburg Borough supports the LCS decision to convey approximately 117.86 acres at Woodpecker Cove to the Petersburg Borough.

ADFG's recommendation for a public waters reservation of "several unnamed creeks" lacks sufficient information to answer basic questions (how many creeks are there"? where are these creeks located? what is the basis for ADFG's 'prediction' regarding occupation by anadromous fish?), making it impossible for the borough to concur with or object to the finding or provide any meaningful response.

ADEC identified an active contaminated site located at Woodpecker Cove (Hazard ID 3871). Please confirm that this site is located in Tract 37 and Lot 2, Section 18, lands rejected for conveyance.

The Division of Forestry requests a transition zone be retained alongside Tract 37. The DOF argues the buffer is necessary because development adjacent to the LTF facility is incompatible particularly for residential owners, but then also states the buffer is needed to allow for expansion or reconfiguration to accommodate "future multiple-use management in the area."

Between the DOF's statement that it requires property for "future multiple-use management" and the management intent from the CSSAP that the area should be used for public recreation, the area surrounding the LTF site clearly is compatible with development and other uses. The borough has no objection to the state retaining Lot 2, which is directly adjacent to the LTF, but Lot 3 should be conveyed in its entirety to the borough.

### **GENERAL COMMENTS**

1. P. 2. The City of Petersburg was dissolved in favor of the Petersburg Borough in 2013. Please delete the reference in the FFD.
2. P. 3. The first sentence appears incomplete. The second sentence indicates the State "holds fee title to the land and mineral estates" listed in Table 1 "through either Patent or Tentative Approval (TA)". None of the lands listed in Table 1 are held through Tentative Approval (TA). The FFD should make clear the state holds a Patent for all lands adjudicated in this decision.
3. P. 6. The James J. Johnson Airport in Petersburg is owned by the State of Alaska.
4. P. 7. The small road system in Thomas Bay developed as a result of state timber sales and an active material sale in the area. There is no "developing subdivision" in Thomas Bay.
5. P. 7. A land survey should not be required to make a determination of OHWM and MHWM. The FFD should be amended to read, "If no state approved survey exists, a survey will determine the Ordinary High-Water Mark (OHWM)....".

6. P. 8. The borough requests the following amendment in the FFD: All tidal waters are considered navigable under the Submerged Lands Act...The MHWM is established at the time of survey, unless a state approved survey exists.

7. P. 8. The borough notes that the LCS does not propose any alternative upland access routes to be reserved under 11 AAC 51.045(d)(1).

8. P. 8. The LCS has identified only marine waters as navigable waters and subject to a 50' public access easement. The borough concurs with this determination.

9. p. 8. The borough concurs with the LCS that the beds of public waters are to be conveyed to the borough with the adjoining approved lands.

10. p.22 The borough notes that no waters navigable in fact have been identified by the state in this decision.

11. p. 22. The borough requests the following language be amended in IX.B.2. "...location of the MHWM and OHWM of navigable waters...to determine the specific area to be retained by the state, unless a state approved survey exists.".

12. p. 22. The borough requests the following language be amended in IX.B.3. "...location of the OHWM of public waters will be determined at the time of survey, unless a state approved survey exists.".

Thank you for the opportunity to comment.

Sincerely,



Liz Cabrera  
Municipal Land Agent  
Petersburg Borough

STATE OF ALASKA  
ALASKA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING, LAND AND WATER

**FINAL FINDING AND DECISION**  
**CONVEYANCE OF STATE LAND UNDER AS 29.65**

**PETERSBURG BOROUGH**  
**MUNICIPAL LAND ENTITLEMENT SELECTIONS**  
**ADL 108579**

**I. SUPPLEMENT STATEMENT**

This Final Finding and Decision (FFD) complements and updates the Preliminary Decision (PD) dated February 9, 2021 for the proposed actions, which are incorporated herein, except as modified or clarified by this FFD. The maps attached to this FFD depict the selection that is the focus of this decision. The PD (attached) has had the required public review.

**II. RECOMMENDED ACTION**

The State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), Land Conveyance Section (LCS) recommends that Alternative 3, as described in the PD, is the preferred action aligning with the intent and requirements of the Municipal Entitlement Act. This decision covers approximately 1,804 acres, approving approximately 1,421 acres for conveyance and transfer of management authority to the Petersburg Borough (Borough). This decision postpones conveyance of approximately 240 acres and rejects approximately 143 acres.

**III. AUTHORITY**

The authority for conveyance of state land for municipal entitlements is pursuant to *AS 29.65 General Grant Land* and the authority for the Final Finding and Decision is pursuant to *AS 38.05.035(e) Power and Duties of the Director*.

**IV. PUBLIC PARTICIPATION AND INPUT**

Pursuant to *AS 38.05.945 Notice*, public notice announcing the Preliminary Decision for the proposed conveyance of municipal entitlement selections along with the solicitation for public comment was published and distributed in the following manner:

- Posted under State of Alaska Online Public Notice from February 9 to March 12, 2021.
- Posted on the DNR Land Sales website from February 9 to March 12, 2021.
- Posted on the DNR Municipal Entitlement website from February 9 to March 12, 2021.
- Mailed with a request to post for 30 days to the Kupreanof and Petersburg postmasters and Petersburg Library per *AS 38.05.945(c)(4)*.
- Mailed to the regional corporation and local tribes per *AS 38.05.945(c)(2)-(3)*.
- Mailed and/or emailed to the Petersburg Borough.

The public notice stated that written comments must be received by 4:30 PM, Friday, March 12, 2021 in order to ensure consideration and eligibility to appeal. For more information, refer to the attached PD.

**V. SUMMARY OF COMMENTS**

DNR DMLW LCS received comments from Alaska Department of Transportation and Public Facilities, Alaska Department of Fish and Game, DNR DMLW Statewide Abatement of Impaired Land, DNR Division of Forestry, United States Department of Agriculture - Forestry Service, and the Petersburg



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Petersburg Borough – ADL 108579

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Borough during the public comment period. All comments received during the public comment period are summarized and addressed below.

### DNR DMLW LCS received brief comments of non-objection from the following agencies:

DNR DMLW Statewide Abatement of Impaired Land and the Alaska Department of Transportation & Public Facilities.

*DNR DMLW LCS Response:* LCS appreciates your review.

### Comments from the Alaska Department of Fish and Game (ADF&G):

The Alaska Department of Fish and Game (ADF&G) has reviewed the Preliminary Decision (PD) for ADL 108579, as part of the Petersburg Borough Municipal Entitlements. The PD appears to adequately address ADF&G's previous comments, particularly those regarding applying public access easements to and along any known anadromous, navigable, public and/or marine waterbodies.

ADF&G would like to reiterate our previous comments regarding the importance of maintaining a natural buffer adjacent to Falls Creek, as recommended by the Central Southern Southeast Area Plan for Unit P-14. ADF&G concurs with the decision by DNR DMLW LCS to postpone adjudication for the portion of this unit south of the minor trail that transects Section 12, T60S, R79E, CRM until such time that ADF&G can provide additional information about the importance of the previously discussed tributaries to Falls Creek.

*DNR DMLW LCS Response:* Thank you for your review of the PD. LCS will abide by the buffer set in the Central Southern Southeast Area Plan (CSSEAP) for Falls Creek. We also understand the need for proper data to make informed decisions about the management of land around public and potentially anadromous streams. The adjudication of the land in the S1/2 S1/2 N1/2 and N1/2 S1/2 of Section 12, Township 60 South, Range 79 East, Copper River Meridian will be postponed until ADF&G can effectively gather data and present the results. Using aliquot parts for the legal description of the land to be postponed better defines the area (see *Attachment G: Falls Creek*), see **Section VI. Modifications to Decision** below.

### Comments from DNR Division of Forestry (DOF):

DOF appreciates the proposal of retaining the area around Woodpecker Cove in state ownership (Lots 1 and 2, east half of Lot 3 and Tract 37).

Even though, DOF is aware that this current PD does not address the east side of Woodpecker Cove, they have sent in a request and their reasoning for retaining Lot 5 in state ownership. They provided information to demonstrate more clearly the specific safety issues and conflicts associated with conveying Lot 5 into private ownership, as well as support from the USFS demonstrating that no other LTF in the area provides the same benefits to the timber industry.

The Woodpecker Cove LTF is a vitally important asset to the timber industry in Southeast Alaska, and unless the state retains Lot 5, DOF is convinced that the LTF will not remain viable for long. The small size of Woodpecker Cove ensures that significant private or industrial use of Lot 5 (which would include docks, buoys, and other obstacles to shipping) will render the LTF unusable.

*DNR DMLW LCS Response:* Thank you for your review of the PD. Lot 5 (Section 18, Township 62 South, Range 81 East, Copper River Meridian) is not addressed in this decision and will be addressed in a later decision. At that time, LCS will review DOF's reasoning for keeping the lot in state ownership. LCS understands the issue of safety and the economic value of log transfer facilities (LTFs) to the timber industry and for those reasons, Lots 1, 2, the east half of Lot 3,

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Petersburg Borough – ADL 108579

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Tract 37, and the land south of FDR 6285 (within Lot 3 of Section 7) will be retained in state ownership (see *Attachment I: Woodpecker Cove*).

### Comments from USDA Forest Service (USFS) Tongass National Forest:

The Forest Service reviewed the preliminary decision notice and the lands proposed conveyance for municipal entitlement. While we generally support the preliminary decision, we have concern on the impacts to three of Log Transfer Facilities (LTF's) used for today's operations.

Section 4407 of the "Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for users of August 10, 2005" or "SAFETEA-LU." (23 U.S.C. 10, 119 Stat. 1777), as amended, provided for an exchange of road and tideland easements between the State of Alaska and the United States Forest Service. Under SAFETEA-LU, the United States Forest Service was issued tideland easements for LTF's at Blind Slough, Thomas Bay, and Woodpecker Cove, which intersect and are directly adjacent with the lands proposed for conveyance to the City and Borough of Petersburg for community development and/or subdivision.

The LTF's are necessary for today's Forest Service operations and their industrial use is essential for timber management purposes and other commercial uses including gravel transport and barge operations. Copies of the LTF easements are enclosed. Additional information regarding specifics on the Thomas Bay, Blind Slough, and Woodpecker Cove LTF's are noted below.

1. **The Thomas Bay LTF** is directly adjacent to the lands proposed for conveyance in the tidelands. This LTF will be utilized for future timber operations. This LTF is also currently utilized for sand and gravel transfer.
2. **The Blind Slough LTF** serves as a marine access point for timber transportation needs and will continue to be used for timber management, as outlined in the Tongass Forest Land and Resource Management Plan.
3. **The Woodpecker Cove LTF** is currently the only LTF with a concrete ramp permitted for log transfer on Mitkof Island. We support the preliminary decision for the State to retain the LTF at Woodpecker Cove for reasons described by DNR Division of Forestry (Page 12). This will allow for continued industrial use as part of a long-term transition framework to young growth management on the Tongass.

In addition to the LTF's, the Forest Service retained multiple National Forest System Roads (formerly noted as Forest Development Roads (FDR's)) in the patents to the State of Alaska in the proposed conveyance and will continue management for public access and use.

*DNR DMLW LCS Response:* Thank you for your review of the PD. LCS will retain the LTFs at Blind Slough and Woodpecker Cove in state ownership. The LTF at Thomas Bay was not selected by the Borough and it is to stay in state ownership per the CCSEAP. All the FDRs have a reservation of 66' or 100' ROW.

### Comments from Petersburg Borough:

The Petersburg Borough supports the LCS's decision to convey approximately 1,452 acres of state-owned vacant, unappropriated, unreserved (VUU) general grant land.

*DNR DMLW LCS General Response:* LCS appreciates your review and seeks to further explain the PD/FFD process. The FFD complements and updates the PD as necessary to provide clarification, make modifications to the original proposed action if technical errors were identified in the PD or due to comments received during the public comment period, and to act as our final decision on an action proposed through a PD. Therefore, language or wording that needs

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Petersburg Borough – ADL 108579

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clarification or modification due to a technical error will be addressed in this FFD and included in **Section VI. Modifications to Decision** below. To provide clarity on specific items brought up by the Borough through their comment, please see LCS's responses incorporated below.

### FANSHAW BAY

The Petersburg Borough supports the LCS decision to convey approximately 33.35 acres in Fanshaw Bay to the Petersburg Borough.

The Petersburg Borough concurs with the ADFG finding that the proposed selection is more than 50' from the OHW mark of the unnamed stream (AWC#110-31-10100).

*DNR DMLW LCS Response:* LCS appreciates your review and concurrence.

### THOMAS BAY

The Petersburg Borough supports the LCS decision to convey approximately 38.83 acres in Thomas Bay to the Petersburg Borough. The Petersburg Borough concurs with the LCS finding that there are no inland waters subject to navigable or public water reservations on the lands proposed for conveyance. The Petersburg Borough has the following additional comments regarding statements in the preliminary decision:

ADL 105605. Private Easement. Please confirm in the Final Decision that this easement is located within Tract C and therefore is located on land rejected for conveyance.

*DNR DMLW LCS Response:* LCS appreciates your review and concurrence and confirms that ADL 105605 is located within Tract C which is proposed for rejection in this decision.

ADL 106536, Quiet Title. Please confirm in the FFD whether this quiet title action is Tract B-2 and not selected by the municipality.

*DNR DMLW LCS Response:* LCS confirms that Tract B-2 was part of the quiet title and the tract was not included in the selections provided by the Borough.

ADL 107637/ADL108804 Material Sale. Please confirm in the FFD that this material sale is within Tract C and therefore is located on land rejected for conveyance.

*DNR DMLW LCS Response:* LCS confirms that ADL 107637 and ADL 108804 are within Tract C which is proposed for rejection in this decision.

Forest Development Road 6256. Please confirm in the FFD whether FDR 6256 extends into Section 35 as shown on DNR maps.

*DNR DMLW LCS Response:* FDR 6256 extends into Section 35 as shown on *Attachment C: Thomas Bay*. The location of FDR 6256 is confirmed by USFS maps and State plats indicating this road is present. FDR 6256 only borders Tract C and no other selected parcels within this decision.

ADL107968 Trespass. Please confirm in the FFD that this trespass parcel is located within Tract C and therefore located on land rejected for conveyance.

*DNR DMLW LCS Response:* LCS confirms that ADL 107968 is within Tract C which is proposed for rejection in this decision.

## Final Finding and Decision

Petersburg Borough – ADL 108579

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### FREDERICK POINT

The Petersburg Borough supports the LCS decision to convey approximately 134.2 acres in Frederick Point to the Petersburg Borough. The borough notes the LCS has not stated any overriding state interest in Quarry #4 and a portion of Quarry #3 and these areas should be conveyed along with surrounding parcels.

*DNR DMLW LCS Response:* LCS confirms that the quarries are proposed to be conveyed to the Borough in this decision.

Table 3, page 9, lists an Unnamed Creek at Frederick Point. The ADFG review makes no mention of this creek nor does a creek appear on any of the DNR maps or online map. Please provide additional information in the FFD regarding this creek to justify a public waters reservation.

*DNR DMLW LCS Response:* The unnamed creek running through Lot 3 is present on the USGS Quad (1:63,360) map Petersburg D-3 and on Alaska Mapper, the State's interactive mapping program for land data. There is another unnamed creek present that runs through Lot 1. Should a survey find either or both creek widths to be 10 feet or more, then a public access easement will be imposed. Please note, not all streams may be listed on Table 3 as waterbodies determined to be public waters but, their lack of listing does not preclude them from needing an access easement pursuant to *AS 38.05.127 Access to Navigable or Public Water* should they meet the statutory requirements.

ADEC identified an active contaminated site located at Frederick Point (Hazard ID 1762). The ADEC Contaminated Site Report (2015) states the site is located on "seven acres of land leased from the United States Forest Service." A legal description is provided: "Section 27, Township 058 South, Range 079 East, Copper River Meridian", which places the site in the downtown Petersburg area. The ADEC online mapper places the FAA beacon at Section 4, Township 059 South, Range 080 East, Copper River Meridian, which would not be within a parcel proposed for conveyance. The preliminary decision does not list any third-party interest related to the USFS, FAA, or any other entity within the selected parcel. The LSC should disclose an accurate location of the hazardous site, including a legal description, and any encumbrances or third-party interests in its FFD so the borough may determine whether it wishes to accept conveyance of the parcel.

*DNR DMLW LCS response:* Hazard ID 1762 and the FAA beacon are located within Section 4, Township 59 South, Range 80 East, Copper River Meridian which is outside of the lands being adjudicated by this decision. However, this parcel was selected by the Petersburg Borough as part of their municipal entitlement and will be addressed with selections in ADL 108983. Any third-party interests related to this site will be addressed in a decision for ADL 108983.

The Petersburg Borough has the following additional comments regarding statements in the preliminary decision:

ADL107872/ADL106863 Material Sale. Please confirm in the FFD whether the material sales are active as stated in Table 1 or closed.

ADL107871/ADL107614 Material Sale. Please confirm in the FFD whether the material sales are active as stated in Table 1 or closed.

*DNR DMLW LCS Response:* LCS confirms the material sites ADL 107872 and 107871 are active. LCS does not include closed case files in the Third-Party Interest Table and therefore, ADLs 106863 and 107614 were not included in the table as they are closed.

### NE Mitkof & Rock Pit

The Petersburg Borough supports the LCS decision to convey approximately 174.65 acres in NE Mitkof

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Petersburg Borough – ADL 108579

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to the Petersburg Borough.

The Petersburg Borough has the following additional comments regarding statements in the preliminary decision:

ADL107870/ADL105928 Material Sale. Please confirm in the FFD whether these material sales are located on lands rejected for conveyance.

*DNR DMLW LCS Response:* LCS confirms that material site ADL 107870 is active and is located on lands proposed for rejection in this decision. ADL 105928 was not mentioned in the PD and, according to state land records, is closed.

FDR 6206 Climber Rd. Please confirm in the FFD whether this road is located within the lands proposed to be conveyed.

*DNR DMLW LCS Response:* FDR 6207 is known as Climber Road and does not cross any lands proposed to be conveyed in this decision. It traverses through the SE State Forest. FDR 6206, known as Cabin Creek Road, does not cross any selected land in this decision. This road will be addressed in a future decision.

### Duncan Canal

The Petersburg Borough supports the LCS decision to convey approximately 144.7 acres in Duncan Canal to the Petersburg Borough.

The preliminary decision references an unnamed stream. Please provide additional information in the FFD regarding this stream and justifying a public waters reservation.

The ADFG finding also references associated wetlands and there is a separate reference in the decision document to an unnamed small lake subject to a public waters reservation in Table 3. 11 AAC 51.035 makes no mention of public water reservations along wetlands and the minimum size of water bodies for designation is at least 10 acres. Anecdotal information suggests this is a beaver pond and does not appear to meet the minimum size requirement for a public water's reservation. LCS should clarify the water bodies being reserved and provide evidence of the state's interest in the reservation under 11 AAC 51.035.

*DNR DMLW LCS Response:* This stream was identified by ADF&G as a waterbody in their October Agency Review comments (Pg. 17 of the PD) and noted that this stream may be anadromous. However, upon a further review it was found the stream was not anadromous and the beaver pond held no resident fish. A public access easement would not be required for this water body nor the inlet stream.

### Falls Creek

The Petersburg Borough supports the LCS decision to convey approximately 100.78 acres at Falls Creek to the Petersburg Borough.

The LCS references an unnamed minor trail/road on maps and in the preliminary decision document but does not list any third-party interest indicating a public access reservation or other interest in this unnamed minor trail/road. The borough is not aware of any minor trail/road at this location. The LCS should provide documentation of its existence and disclose any third-party interest or delete the reference in the FDD.

Regarding postponing the decision of 218.31 acres in Falls Creek, the Borough has no objection as there is significant acreage left to adjudicate and Falls Creek can be included in a future preliminary decision document. The LCS should encourage ADFG to consult with the borough on an appropriate retention buffer for this location prior to deciding on conveyance.

*DNR DMLW LCS Response:* To clarify the adjudication of this area, LCS has determined that using aliquot parts for the legal description of the land to be postponed and the land to be

## Final Finding and Decision

Petersburg Borough – ADL 108579

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conveyed, better defines the area (see *Attachment G: Falls Creek*), see **Section VI. Modifications to Decision** below.

### Blind Slough

The Petersburg Borough supports the LCS decision to convey approximately 697.49 acres at Blind Slough to the Petersburg Borough.

The unnamed tributary (108-10550-2013) and unnamed creek (108-40-10576) do not appear to be located within the lands proposed for conveyance. Please clarify in the FFD.

The borough notes the only state interest in Tract 37, “Olsen’s Log Dump” is ADFG’s recommendation that “an easement or right-of-way be reserved through the selection to the log transfer site to allow continued public use”. ADFG does not recommend the state retain ownership. Neither DNR Division of Forestry nor DOT&PF indicated any state interest in this specific facility during their agency review in March of 2018 and again in October of 2020.

Access to Tract 37 is reserved along FDR 40101 and Tract 37 itself appears to be reserved as a ROW in PA 50-2015-0074. The state should convey these lands subject to the existing access reservations of the patent as well as any state public access dedication that currently exist. This would preserve the state’s interest in the parcel.

The borough notes the Preliminary Decision does not list an easement for FDR 40101 or Tract 37 other than what is set out in PA 50-2015-0074. Regardless, the state can convey the parcel to the borough reserving any existing access rights.

*DNR DMLW LCS Response:* Unnamed creek (Anadromous Waters Catalog (AWC)# 108-40-10576) is within lands rejected for conveyance. Unnamed tributary (AWC# 108-40-10550-2013) is located just outside of lands proposed for conveyance for this decision but will be listed in a further decision of Petersburg selections.

In agency review, ADF&G recommended a public easement to the LTF through Tract 37. In the PD, LCS showed that access to the LTF is issued to the USFS and determined that the tract should be retained by the State. DOTP&F requested all of Unit P-25 (all of Blind Slough) for future transportation projects.

During the public notice period, USFS recommend that the State retain access to Tract 37 for continued public access and recreational use of the boat ramp at “Olsen’s Log Dump”. Additionally, DOF and USFS recommended that the State retain the log transfer facility at Tract 37 to enable continued practical and economic movement of forest products onto and off Mitkof Island. The importance of the LTF and its association with the State Forest management practices make this parcel valuable to the State. This decision maintains the finding that it is in the State’s best interest to retain Tract 37.

### Woodpecker Cove

The Petersburg Borough supports the LCS decision to convey approximately 117.86 acres at Woodpecker Cove to the Petersburg Borough.

ADFG’s recommendation for a public waters reservation of “several unnamed creeks” lacks sufficient information to answer basic questions (how many creeks are there”? where are these creeks located? What is the basis for ADFG’s ‘prediction’ regarding occupation by anadromous fish?), making it impossible for the borough to concur with or object to the finding or provide any meaningful response.

*DNR DMLW LCS Response:* ADF&G has identified several unnamed streams flowing into the Sumner Strait through the selected land. The location of these five streams is depicted on the Woodpecker Cove map (*Attachment I: Woodpecker Cove*). ADF&G has identified these streams as likely being occupied by anadromous or resident fishes. ADF&G makes predictions whether

## Final Finding and Decision

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streams are or are not anadromous based on gathering additional field data on resident fish populations. A survey will determine if any of the creeks are to be considered public waterbodies and therefore be subject to AS 38.05.127.

ADEC identified an active contaminated site located at Woodpecker Cove (Hazard ID 3871). Please confirm that this site is located in Tract 37 and Lot 2, Section 18, lands rejected for conveyance.

*DNR DMLW LCS Response:* LCS confirms that an active contaminated site is located at Woodpecker Cove (Hazard ID 3871). Per coordinates provided by the Department of Environmental Conservation (DEC), the contaminated site falls within Tract 37 which are lands rejected for conveyance.

The Division of Forestry requests a transition zone be retained alongside Tract 37. The DOF argues the buffer is necessary because development adjacent to the LTF facility is incompatible particularly for residential owners, but then also states the buffer is needed to allow for expansion or reconfiguration to accommodate “future multiple-use management in the area.”

Between the DOF’s statement that it requires property for “future multiple-use management” and the management intent from the CSSAP that the area should be used for public recreation, the area surrounding the LTF site clearly is compatible with development and other uses. The borough has no objection to the state retaining Lot 2, which is directly adjacent to the LTF, but Lot 3 should be conveyed in its entirety to the borough.

*DNR DMLW LCS Response:* DOF, in an agency review and a response to the PD, have identified the Woodpecker Cove Log Transfer Utility as a critical infrastructure facility for forest management of State Forest and USFS land on Mitkof Island. DOF and USFS recommended that the State retain the log transfer facility at Tract 37 to enable continued practical and economic movement of forest products onto and off Mitkof Island. The importance of the Log Transfer Facility (LTF) and its association with the State Forest management practices make this parcel valuable to the state. Conveyance of this land out of state ownership puts future timber management on public land at risk. Additionally, ADF&G recommended that the State retain access to Tract 37 for continued public access and recreational use of the boat ramp. This decision recognizes the importance of the facility and retaining Lot 2 and the eastern half of Lot 3 adjacent to Woodpecker Cove. These lots will provide for a necessary transition zone or buffer for the log transfer site. It is necessary for the State to retain these lots as development adjacent to the facility is incompatible and could create possible safety issues. Lot 2 and the eastern half of Lot 3 is needed to accommodate possible expansion or reconfiguration of the site to accommodate future multiple-use management. The State finds that conveying the western half of Lot 3 is permissible. This decision maintains the finding that it is in the State’s best interest to retain Tract 37.

## GENERAL COMMENTS

P. 2. The City of Petersburg was dissolved in favor of the Petersburg Borough in 2013. Please delete the reference in the FFD.

*DNR DMLW LCS Response:* In terms of municipal entitlement processes, the City of Petersburg was dissolved or subsumed under the authority of the Borough. However, Petersburg as a home rule city still exists and was our intended reference in Section V, subsection A of the Preliminary Decision. For modifications and clarifications to this decision, please see **Section VI. Modifications to Decision** below.

P. 3. The first sentence appears incomplete. The second sentence indicates the State “holds fee title to the land and mineral estates” listed in Table 1 “through either Patent or Tentative Approval(TA)”. None

## Final Finding and Decision

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of the lands listed in Table 1 are held through Tentative Approval (TA). The FFD should make clear the state holds a Patent for all lands adjudicated in this decision.

*DNR DMLW LCS Response:* The statement is correct as stated in the PD and no amendment to the language is necessary. The wording about Tentative Approval (TA) or Patent is general and put in all decisions and is not intended to be explicit. If the selected land was in TA status, it would be listed as such in Table 1. Once land is patented to the State, the TA status is subsumed.

P. 6. The James J. Johnson Airport in Petersburg is owned by the State of Alaska.

*DNR DMLW LCS Response:* The reference to the Petersburg's airport is only referring to the fact there is an airport within the city limits, not that it belongs to the city of Petersburg.

P. 7. The small road system in Thomas Bay developed as a result of state timber sales and an active material sale in the area. There is no "developing subdivision" in Thomas Bay.

*DNR DMLW LCS Response:* The Thomas Bay Subdivision, ASLS No. 81-235 was filed as Plat 82-16 on October 21, 1982 and although the parcels are not in private ownership, the subdivision can be considered to be "developing" since its recordation as segments of the platted access have been developed and utilized.

P. 7. A land survey should not be required to make a determination of OHWM and MHWM. The FFD should be amended to read, "If no state approved survey exists, a survey will determine the Ordinary High-Water Mark OHWM)....".

P. 8. The borough requests the following amendment in the FFD: All tidal waters are considered navigable under the Submerged Lands Act... The MHWM is established at the time of survey, unless a state approved survey exists.

*DNR DMLW LCS Response:* The statement is correct as stated in the PD and no amendment to the language is necessary.

P. 8. The borough notes that the LCS does not propose any alternative upland access routes to be reserved under 11 AAC 51.045(d)(1).

P. 8. The LCS has identified only marine waters as navigable waters and subject to a 50' public access easement. The borough concurs with this determination.

P. 8. The borough concurs with the LCS that the beds of public waters are to be conveyed to the borough with the adjoining approved lands.

P.22 The borough notes that no waters navigable in fact have been identified by the state in this decision.

*DNR DMLW LCS Response:* LCS appreciates your review and concurrence.

P. 22. The borough requests the following language be amended in IX.B.2. "...location of the MHWM and OHWM of navigable waters...to determine the specific area to be retained by the state, unless a state approved survey exists."

P.22. The borough requests the following language be amended in IX.B.3. "...location of the OHWM of public waters will be determined at the time of survey, unless a state approved survey exists."

*DNR DMLW LCS Response:* The statement is correct as stated in the PD and no amendment to the language is necessary.



## Final Finding and Decision

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### VI. MODIFICATIONS TO DECISION

Pursuant to comment's received during the public notice period, there a few small corrections or clarifications made between the PD and the FFD. None of these changes affect the amount of acreage approved for conveyance, nor the amount being rejected in this decision.

- LCS recognizes that Petersburg is a home-rule city, however for this decision process within municipal entitlement, the City of Petersburg is considered subsumed under the authority Petersburg Borough.
- There is a change between the PD and the FFD with regards to Falls Creek lands. DNR will postpone adjudication of a portion of this selection as follows: the S1/2 S1/2 N1/2 and the N1/2 S1/2 (about 240 acres) of Section 12, Township 60 South, Range 79 East, Copper River Meridian until additional data is gathered from the Alaska Department of Fish and Game. This impacts the amount of conveyable acreage in the Falls Creek parcel.
- The FFD attachments have been modified with updated GIS data to clarify locations of creeks that were not present in the PD attachments.
- The unnamed tributary (AWC# 108-40-10550-2013) is located just outside of lands proposed for conveyance for this decision and should have not been listed in Table 3 of the PD, however, it will be listed in a further decision of Petersburg selections.

### VII. DISCUSSION AND FINAL FINDING AND DECISION

Through this Final Finding and Decision, DNR determines that it is in the best interest of the State to convey 1,421.08 acres of state land with management authority transferred to the Borough upon the effective date of this decision. There are no overriding state interests in retaining these selections and the conveyance to Petersburg Borough is consistent with the requirements for conveyance under AS 29.65, and the management intent requirements of the Central/Southern Southeast Area Plan.

#### Lands Approved for Conveyance

Table 1 lists those lands approved for conveyance in this decision. The estimated acreages for conveyance do not account for any exclusions, and exact acreages are determined by survey. The final acreage amount will be credited towards partial fulfillment of Petersburg Borough municipal land entitlement.

Table 1

Map Name	MTR	Section and Legal Description	Acres
Fanshaw Bay	C054S075E	<b>Sec. 04:</b> Lots A – C USS 2590 (8.82 ac.) Lots D – M USS 2591 (19.33 ac.) Lots N and O USS 2592 (5.2 ac.)	33.35
Thomas Bay	C056S079E	<b>Sec. 35:</b> Lots 1 – 5 Block 1 ASLS 81-235 (11.64 ac.) Lots 1 and 2 (3.168 ac.), portion of Lot 3 (1.521 ac.), portion of Lot 4 (0.162 ac.) Block 2 ASLS 81-235	16.49
	C057S080E	<b>Sec. 03:</b> Lot 13 (2.856 ac.), portion of Lot 11 (0.506 ac.), portion of Lot 12 (2.799 ac.) Block 2 ASLS 81-235 <b>Sec. 04:</b> Lots 5 – 10 (12.501 ac.), portion of Lot 3 (0.086 ac.), portion of Lot 4 (1.445 ac.), portion of Lot 11 (2.112 ac.), portion of Lot 12 (0.036 ac.), Block 2 ASLS 81-235	22.34
Frederick Point	C058S080E	<b>Sec. 32:</b> Lots 1 – 4 (116.88 ac.) <b>Sec. 33:</b> Lot 1 (17.32 ac.)	134.2
NE Mitkof & Rock Pit	C059S080E	<b>Sec. 03:</b> Lot 1 (11.61 ac.) <b>Sec. 10:</b> Lots 1 and 2 (71.24 ac.), Lots 3 and 4 (73.61 ac.) <b>Sec. 15:</b> Lot 1 (18.19 ac.)	174.65

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Petersburg Borough – ADL 108579  
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Map Name	MTR	Section and Legal Description	Acres
Falls Creek	C060S079E	<b>Sec. 12:</b> N1/2 S1/2 N1/2 (80 ac.)	80
Blind Slough	C061S081E	<b>Sec. 26:</b> Lots 1 – 6 (162.28 ac.), NE1/4 SW1/4 (40 ac) <i>excluding Mitkof Hwy ROW</i> <b>Sec. 35:</b> Lots 1 – 5 (107.77 ac.) <i>excluding Mitkof Hwy ROW</i> <b>Sec. 36:</b> Lot 1 (17.85 ac.) <i>excluding Tract A ASLS 2004-52</i> , SE1/4 (160 ac.), N1/2 SW1/4 (80 ac.), SE1/4 SW1/4 (38.87 ac.) <i>excluding Tract A ASLS 2004-52, excluding Mitkof Hwy ROW and public access easement (ADL 107222)</i>	606.77
	C062S081E	<b>Sec. 01:</b> Lots 1 and 2 (55.54 ac.), Lot 3 (31.84 ac.) <i>excluding Tract B ASLS 2004-52</i> , Lot 4 (0.18 ac.) <i>excluding Tract B ASLS 2004-52</i> , Lots 5 and 6 (3.16 ac.)	90.72
Woodpecker Cove	C062S080E	<b>Sec. 12:</b> Portion of Lot 1 south of Woodpecker Cove Road (5.35 ac.) <b>Sec. 13:</b> Lot 2 (1.86 ac.), portion of Lot 1 south of Woodpecker Cove Road (17.47 ac.)	24.68
	C062S081E	<b>Sec. 07:</b> Those portions of Lots 1 and 2 south of Woodpecker Cove Road (37.19 ac.), south of Woodpecker Cove Road within SW1/4 SE1/4 (21.91 ac.), portion of Lot 3 south of Woodpecker Cove Road and north of FDR 6285 (8.79 ac.) <b>Sec. 18:</b> West half of Lot 3 (10.07 ac.), Lot 4 (15.22 ac.)	67.89 25.29
Duncan Canal	C060S078E	<b>Sec 36:</b> Lots 1 – 3 (64.7 ac.), SE1/4 NE1/4, NE1/4 SE1/4 (80 ac.)	144.7
<b>APPROXIMATE TOTAL APPROVED ACRES:</b>			<b>1421.08</b>

**Lands Approved for Postponement**

Table 2 lists those lands approved for postponement in this decision. The estimated acreages for conveyance do not account for any exclusions, and exact acreages are determined by survey. These lands will be reassessed for adjudication in the future.

Table 2

Map Name	MTR	Section and Legal Description	Acres
Falls Creek	C060S079E	<b>Sec 12:</b> the N1/2 S1/2 (160 ac.), S1/2 S1/2 N1/2 (80 ac.)	240
<b>APPROXIMATE TOTAL POSTPONED ACRES:</b>			<b>240</b>

**Lands to be Rejected**

Table 3 lists those lands that were selected by Petersburg Borough that will be rejected in this decision. These include lands to be retained by the State because the interest of the State outweighs that of the Borough or the CSSEAP states the land will be retained by the State.

Table 3

Map Name	MTR	Section and Legal Description	Acres
Thomas Bay	C057S080E	<b>Sec. 04:</b> Portion of Tract C, ASLS 81-235 (25.345 ac.) <b>Sec. 09:</b> Portion of Tract C, ASLS 81-235 (1.852 ac.)	27.197
NE Mitkof & Rock Pit	C059S080E	<b>Sec. 09:</b> Portion within Material Site in SW1/4 SW1/4 NE1/4	3.54
Woodpecker Cove	C062S081S	<b>Sec: 07:</b> Portion of Tract 37 (1.36 ac.), Lot 3 south of FDR 6285 (4.1 ac) <b>Sec: 18:</b> Portion of Tract 37 (2.21 ac.), Lot 1 (.17 ac), Lot 2 (.79 ac), E1/2 Lot 3 (10.07 ac)	18.7

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<b>Map Name</b>	<b>MTR</b>	<b>Section and Legal Description</b>	<b>Acres</b>
Blind Slough	C061S081E	<b>Sec. 35:</b> Tract 37 (2.96 ac.) <b>Sec. 36:</b> Tract A ASLS 2004-52 (10.17 ac.), Public Access Easement ADL 107222 (6 ac.)	19.13
	C061S082E	<b>Sec. 31:</b> From 300 ft upland of the Mitkof Hwy. (31 ac), Lot 1 (15.16 ac.), portion of Lot 4 south of Mitkof Hwy. (23.81 ac.), portion of NW1/4 NE1/4 south of Mitkof Hwy. (3.29 ac.), Lot 5 (1.08 ac.)	74.34
	C062S081E	<b>Sec. 01:</b> Tract B, ASLS 2004-52 (0.44 ac.)	0.44
<b>APPROXIMATE TOTAL REJECTED ACRES:</b>			<b>143.347</b>

Recommendation and approval of the Final Finding and Decision follow.

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Petersburg Borough – ADL 108579  
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**Final Finding and Decision**

The Land Conveyance Section recommends proceeding with the action as described in the Preliminary Decision. This action is undertaken under relevant authorities.

The following are the findings for this FFD:

1. That it is appropriate to convey approximately 1,421.08 acres of state-owned land to Petersburg Borough. This decision determines that the State's interest to retain this land does not outweigh the Borough's interest to obtain it.
2. That it is appropriate to postpone adjudication of 240 acres of state-owned land so that ADF&G may gather more data on the Falls Creek tributary and drainage system.
3. That it is appropriate to reject 69.007 acres of borough land selections where the interest of the State in retaining the land outweighs the interest of the Borough in obtaining it.
4. That it is appropriate to reject 74.34 acres of borough land selections because they are within Legislatively Designated Areas (Southeast State Forest and Ernie Haugen Public Use Area), and thus are ineligible for conveyance.

The findings presented above have been reviewed and considered. Public Notice has been accomplished in accordance with AS 38.05.945, and comments received were considered. The case files have been found to be complete and the requirements of all applicable statutes have been satisfied. LCS recommends proceeding with the proposed action as described in the Preliminary Decision and this Final Finding and Decision.



Recommended by:  
Mary Hermon  
Natural Resource Specialist 2  
Land Conveyance Section  
Division of Mining, Land and Water  
Department of Natural Resources  
State of Alaska

7/28/2021  
Date

Under the authority of the applicable statutes, it is in the best interest of the state to proceed with the recommended action as described in this Final Finding and Decision.



for → Approved by:  
Rachel Longacre  
Section Chief  
Land Conveyance Section  
Division of Mining, Land and Water  
Department of Natural Resources  
State of Alaska

July 28, 2021  
Date

**Final Finding and Decision**  
Petersburg Borough – ADL 108579  
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**ATTACHMENTS**

- Maps: *Attachment A*: Vicinity  
*Attachment B*: Fanshaw Bay  
*Attachment C*: Thomas Bay  
*Attachment D*: Frederick Point  
*Attachment E*: NE Mitkof & Rock Pit  
*Attachment F*: Duncan Canal  
*Attachment G*: Falls Creek  
*Attachment H*: Blind Slough  
*Attachment I*: Woodpecker Cove

**Final Finding and Decision**

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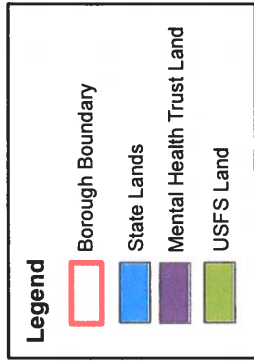
**APPEAL PROVISION**

A person affected by this decision may appeal it in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of “issuance” of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-(907) 269-8918, or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F) which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b).

If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31<sup>st</sup> calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to the Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

# Petersburg Borough Municipal Selections Vicinity Map

ADL 108579



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July 2021

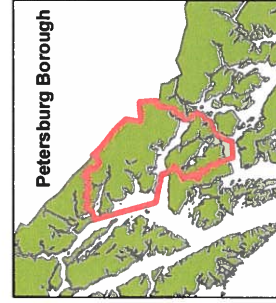
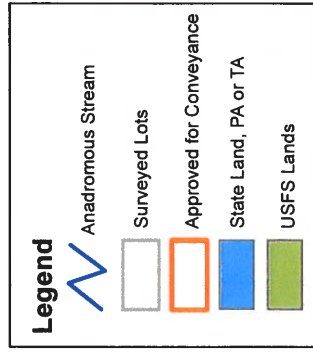


This map is for graphic representation only. It is intended to be used as a guide only and may not show the exact location of existing surveyed parcels or show all easements and reservations. Source documents remain the official record.



ATTACHMENT B  
**Petersburg Borough**  
 Municipal Selections  
 ADL 108579  
 Final Finding and Decision

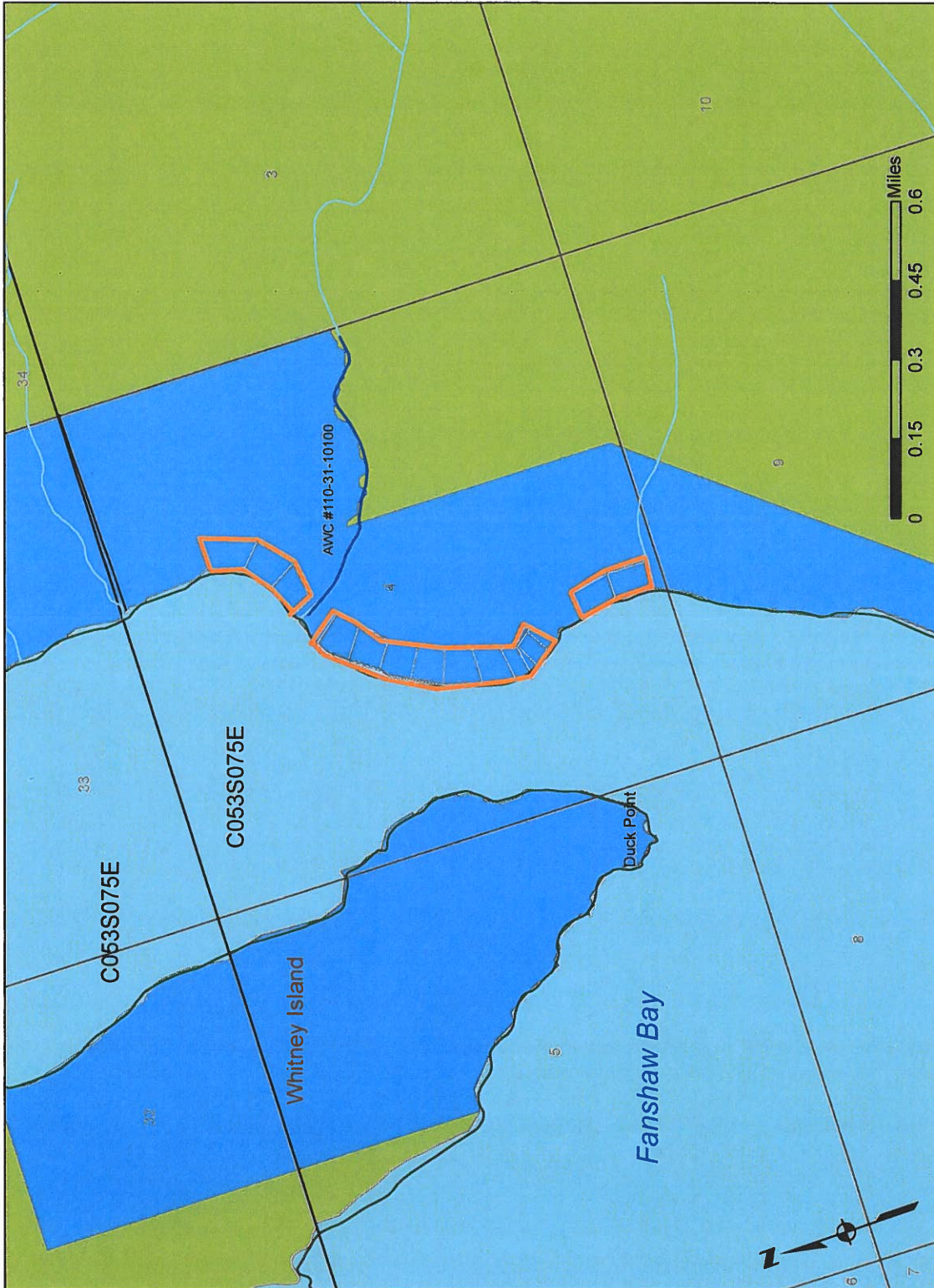
Fanshaw Bay



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July 2021

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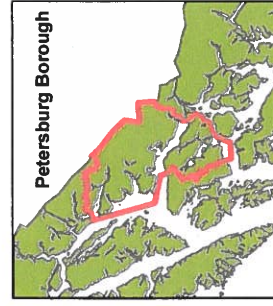
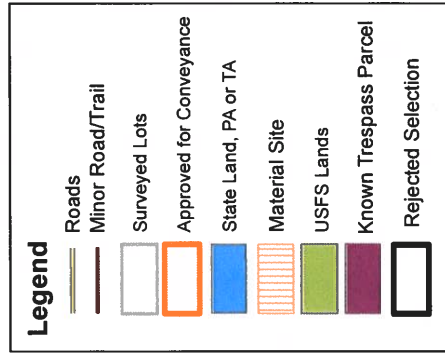




ATTACHMENT C  
**Petersburg Borough**  
 Municipal Selections  
 ADL 108579

Final Finding and Decision

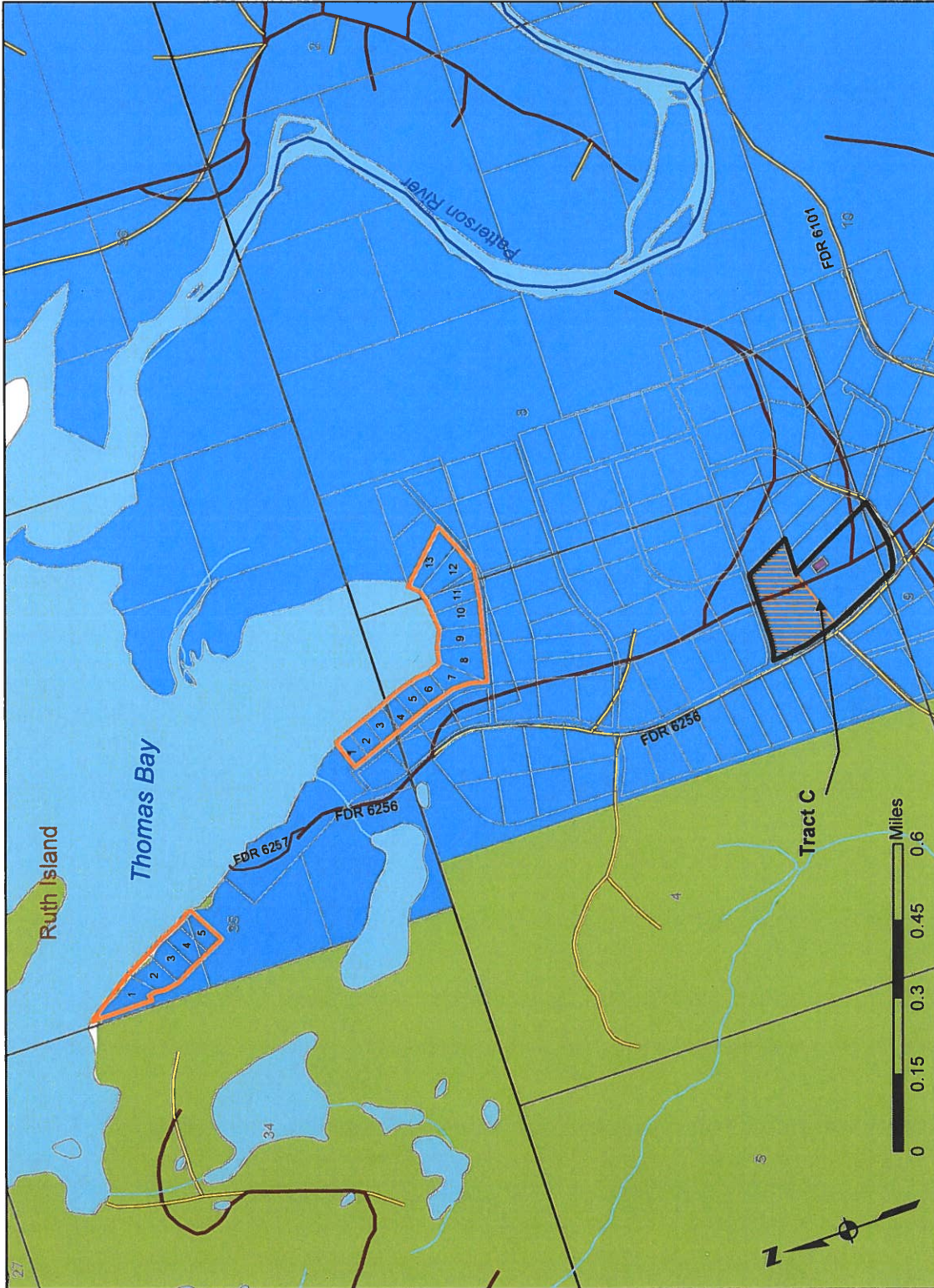
Thomas Bay



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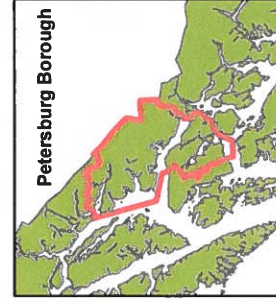
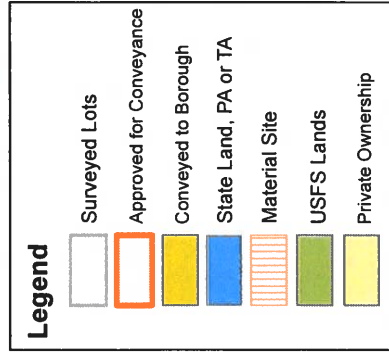
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ATTACHMENT D  
**Petersburg Borough**  
 Municipal Selections  
 ADL 108579

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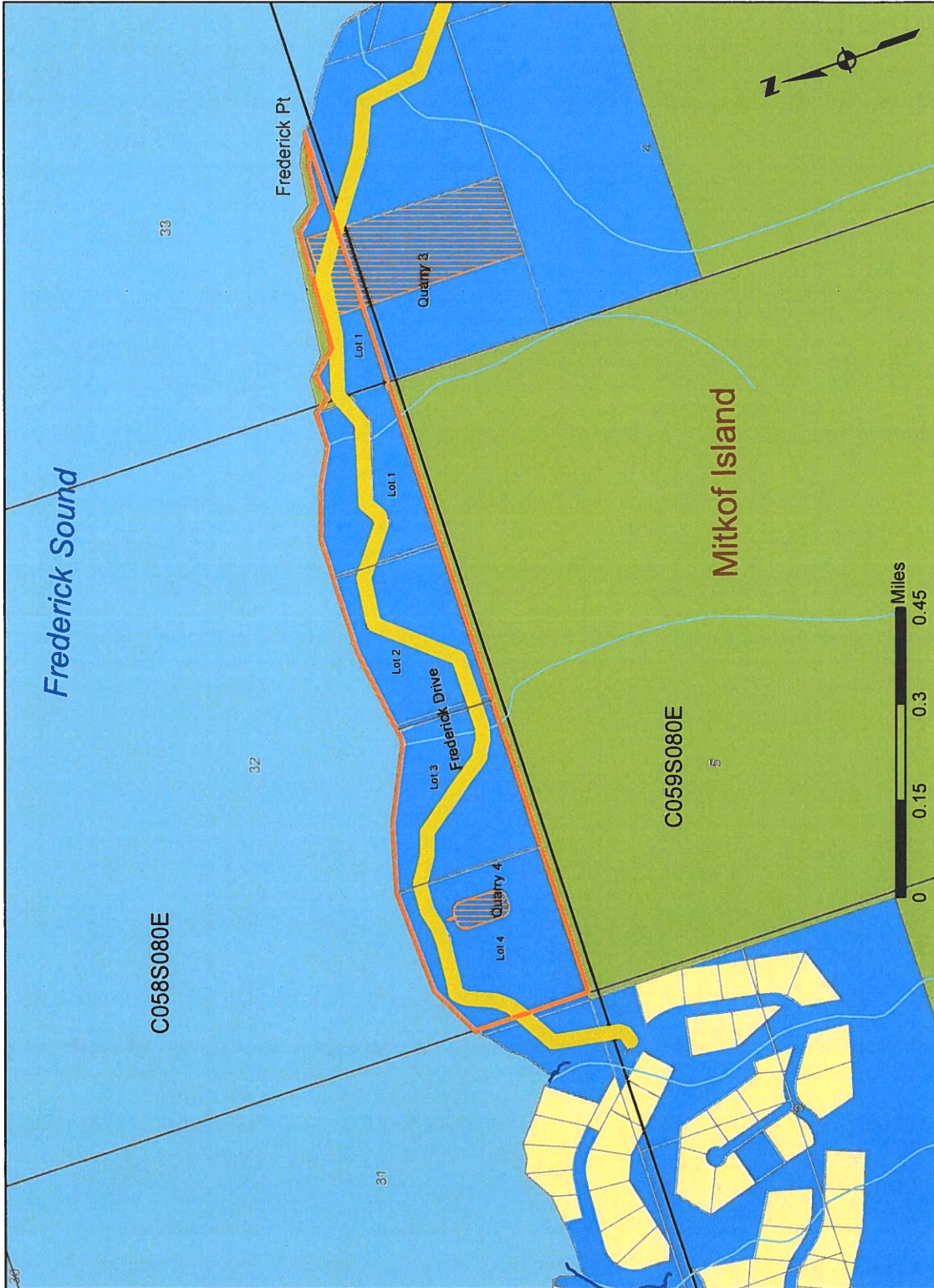
**Frederick Point**



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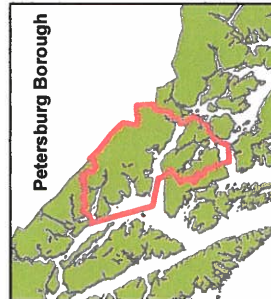
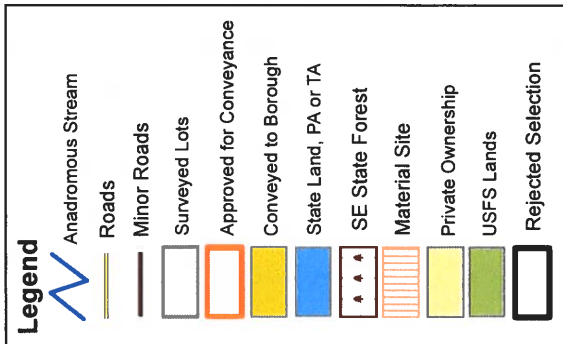
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ATTACHMENT E  
**Petersburg Borough**  
Municipal Selections  
ADL 108579

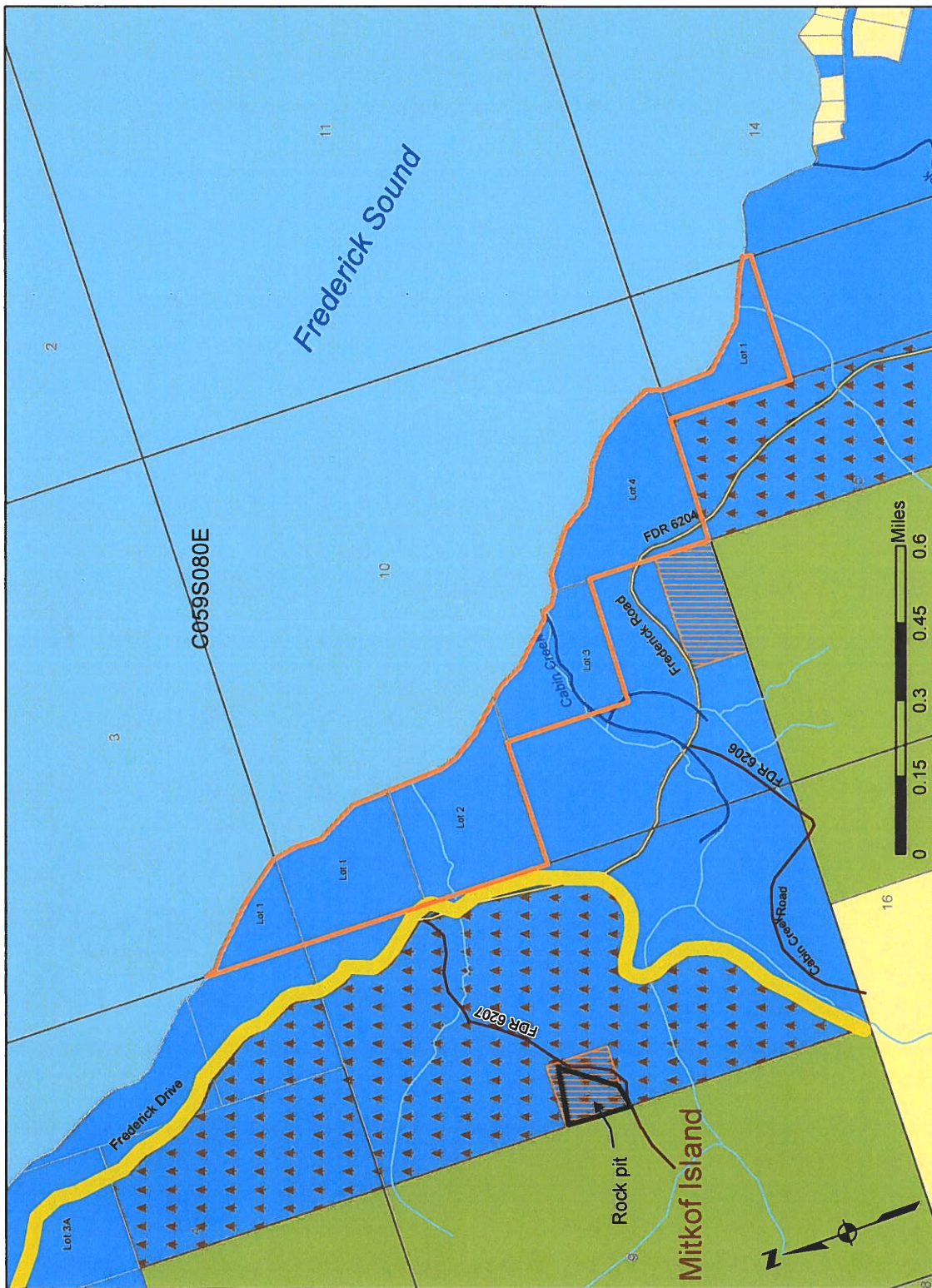
Final Finding and Decision

NE Mitkof & Rock pit



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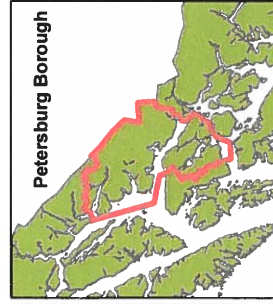
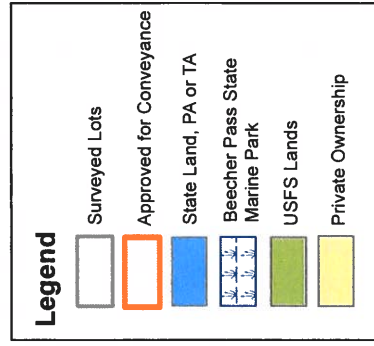
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ATTACHMENT F  
**Petersburg Borough**  
 Municipal Selections  
 ADL 108579

Final Finding and Decision

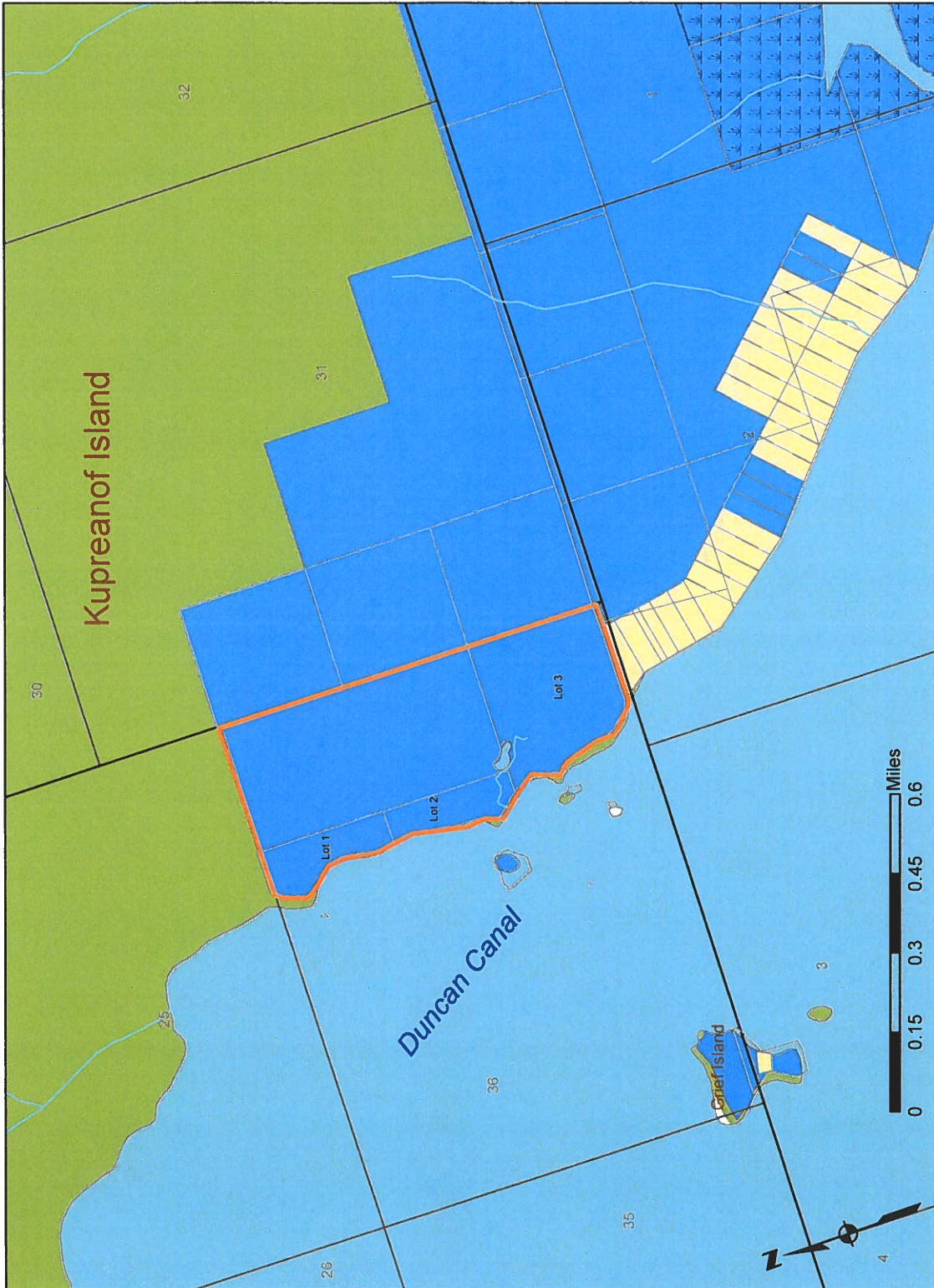
**Duncan Canal**



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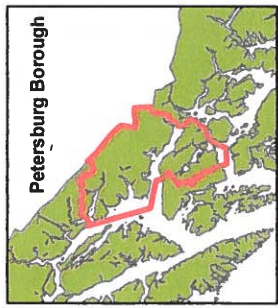
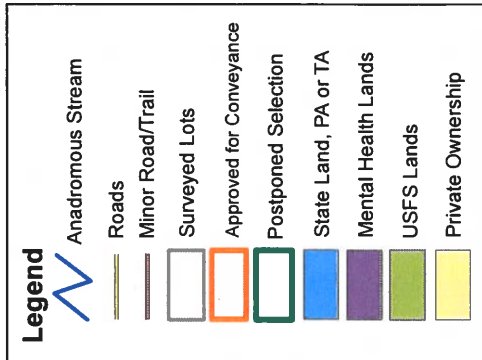
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ATTACHMENT G  
**Petersburg Borough**  
 Municipal Selections  
 ADL 108579

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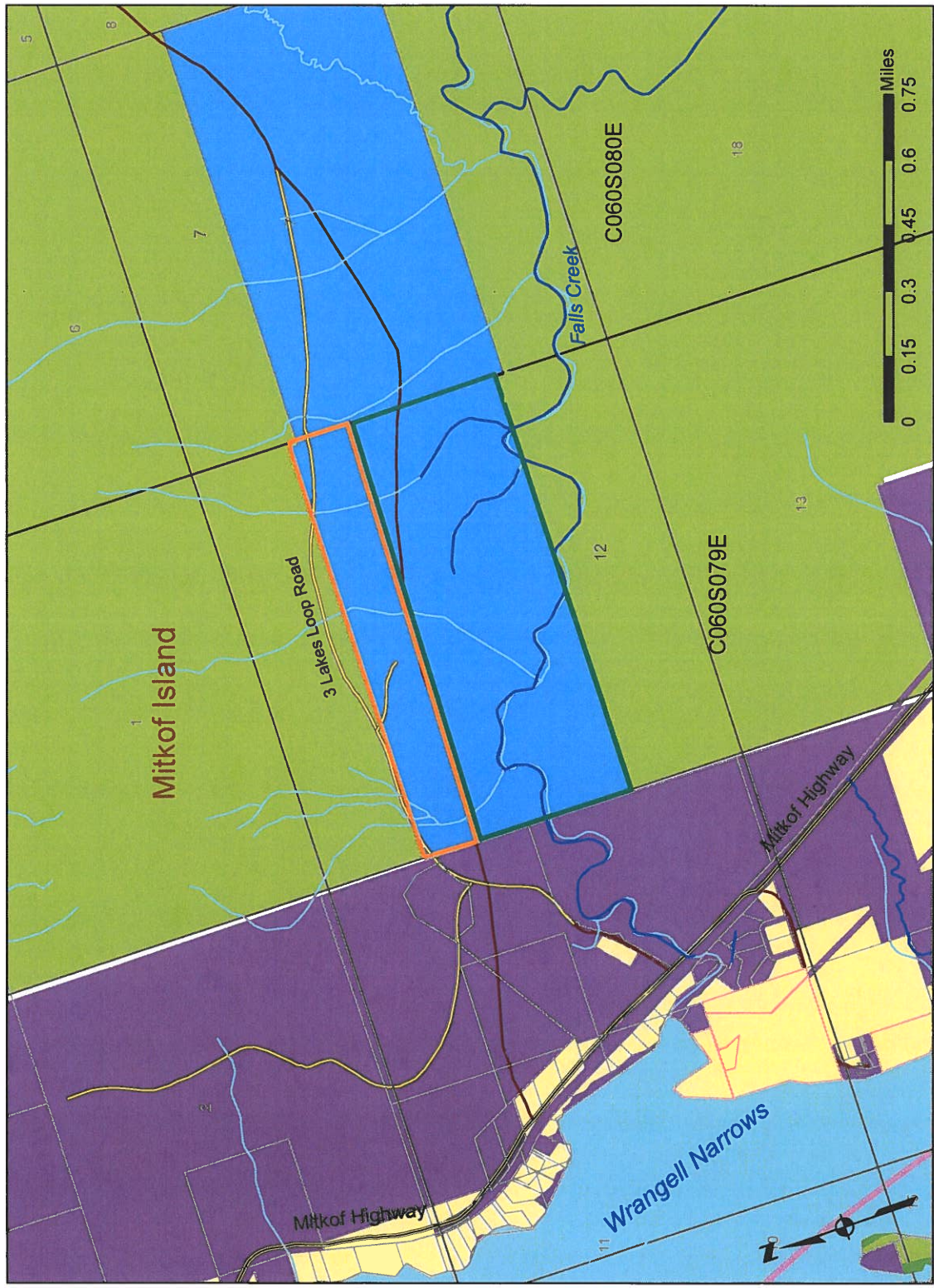
Falls Creek



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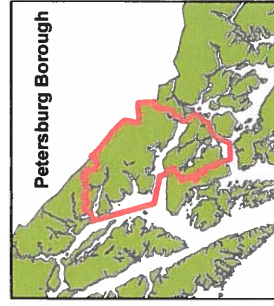
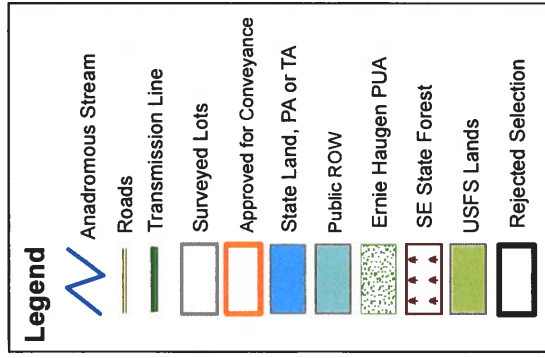
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ATTACHMENT H  
**Petersburg Borough**  
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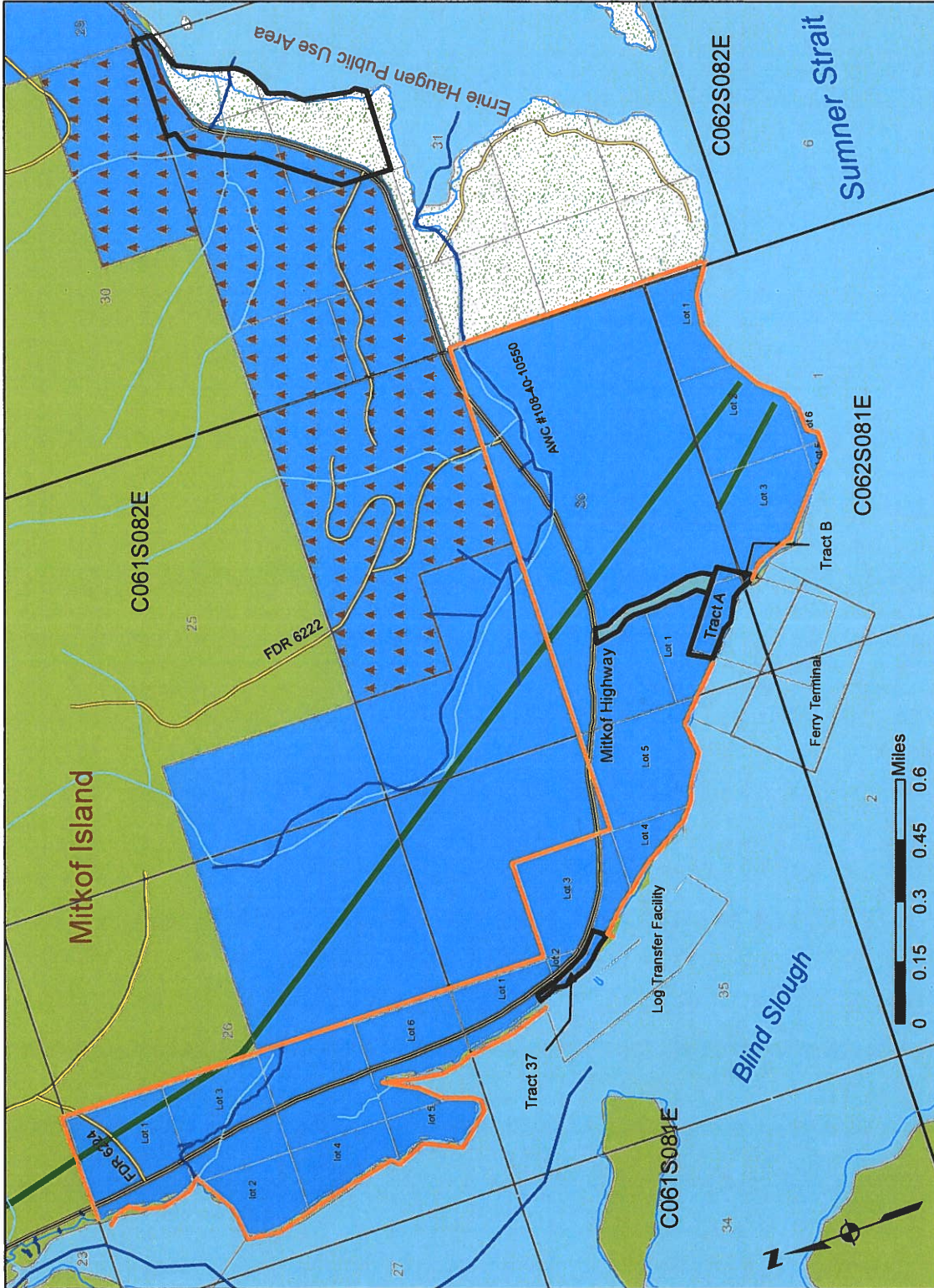
Blind Slough



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July 2021

Item 16E.



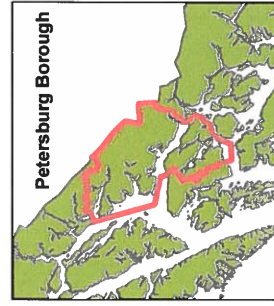
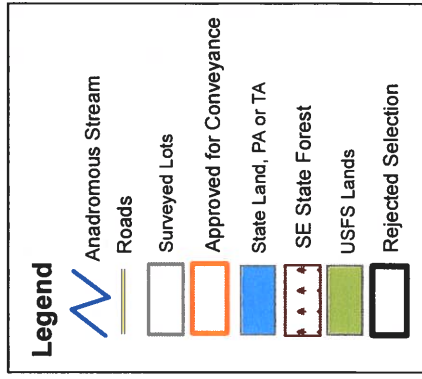
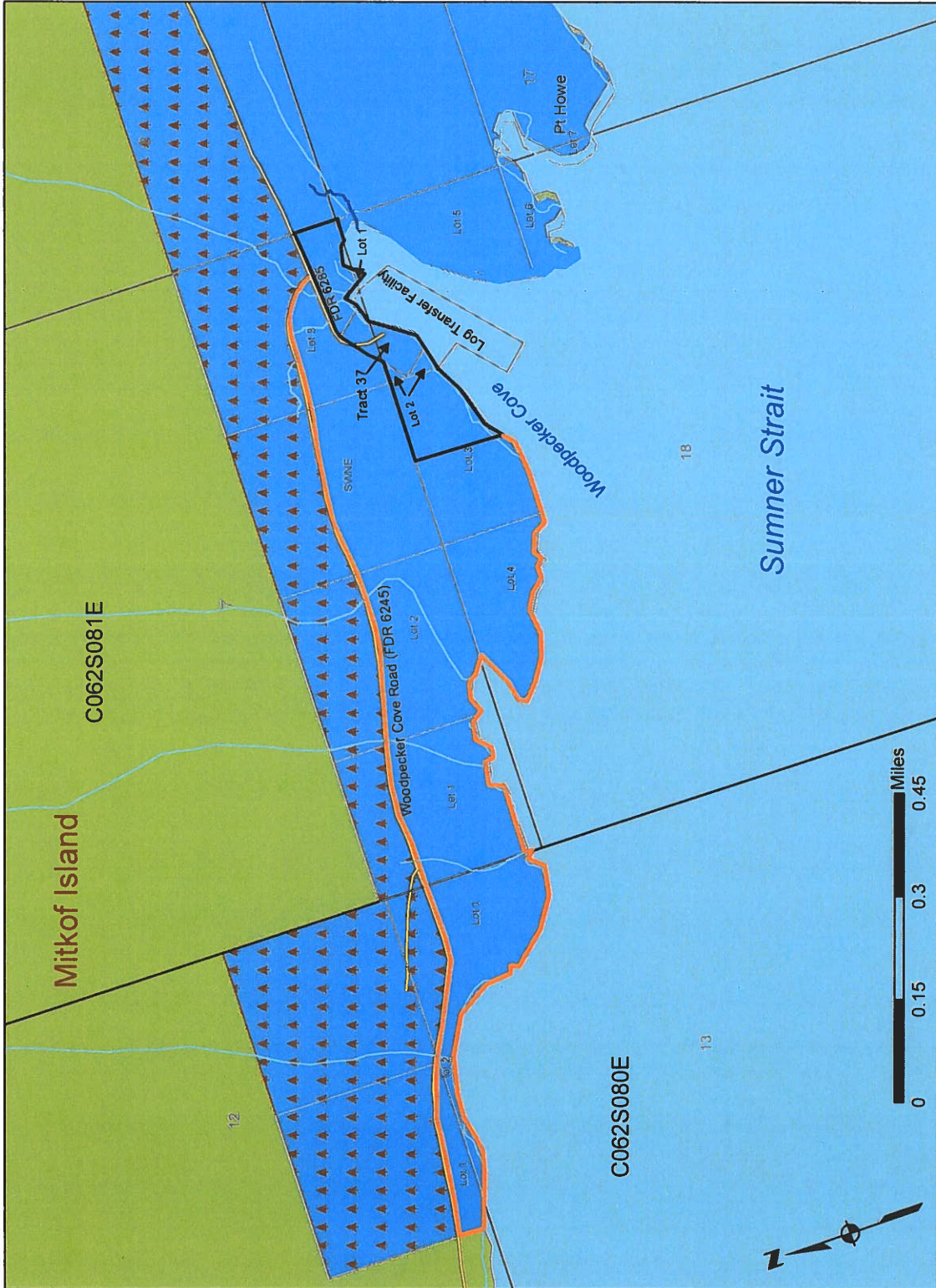
This map is for graphic representation only. It is intended to be used as a guide only and may not show the exact location of existing surveyed parcels or show all easements and reservations. Source documents remain the official record.



ATTACHMENT I  
**Petersburg Borough**  
 Municipal Selections  
 ADL 108579

Final Finding and Decision

**Woodpecker Cove**



Created by: SOA-DNR-DMLW-LCS

July 2021

Item 16E.

This map is for graphic representation only. It is intended to be used as a guide only and may not show the exact location of existing surveyed parcels or show all easements and reservations. Source documents remain the official record.



**Debra Thompson**

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**From:** Karen Schramek <kschramek9@gmail.com>  
**Sent:** Wednesday, July 28, 2021 2:24 PM  
**To:** Assembly  
**Subject:** Affordable housing

Yes more building lots need to be available!!! Once the realtors got going the price of property went sky high. And,,, Young people can't afford the Psg bidding process. I would like to see lower prices on property for kids who went thru our school system. Even if only high school. I know several who want to come back but can't afford property or houses.

I know that in Philomouth, Oregon

Local kids are given Free tuition to Oregon State and I believe they get preferential treatment to housing in the community. A very small town West of Corvallis.

Sent from my iPhone



**Becky Regula**

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**From:** john <perhav@gci.net>  
**Sent:** Sunday, August 1, 2021 7:42 PM  
**To:** Assembly  
**Subject:** 5 & 5

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Assembly Members: I have heard Steve has asked you to give him a new 5 year contract with a 5% raise. Please do not do this. If anyone deserves a long term contract it would be Carl hagerman. Carl has stepped up in directig public works, PP&L and covid. Steve steps aside on most things, especially extra work and has others take on more. As a previous council and assembly member I feel its totally irresponsible to hand out a long term contract to anyone at the borough, especially one who has not taken on more duties to help out in times of crisis. john havrilek

**Becky Regula**

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**From:** Sarah Holmgrain <sholmgrain@pcsd.us>  
**Sent:** Monday, August 2, 2021 9:19 AM  
**To:** Assembly  
**Subject:** Borough Manager Contract

Dear Assembly,

I thought I would share with you what the School Board does each year of Erica's contract, whether it's up for renewal or not. Maybe you already do something similar or are familiar with our process so I apologize if this is information you are already aware of.

The Board administrative assistant sends out an online survey to all staff each year. It is one tool we use when reviewing Erica's performance and goals. We ask the staff to complete the anonymous online survey over the course of a week. That feedback is then shared with us via email, and privately, so that we get a better understanding of what staff is experiencing with Erica at the helm. The survey itself is multiple choice with an area at the bottom to add comments and additional feedback. We only know so much as the Board and you are in a very similar situation. You are not in the Borough offices day to day and often administrators, exempt employees, and staff that work the closest with Erica, or in this case Steve, would be able to really give you some feedback that would be helpful in your review. I believe the hospital board also does a similar anonymous survey with the staff at PMC when reviewing Phil.

We also have a community wide survey each year but that has proven less helpful in reviewing Erica's overall performance. That survey is helpful in other ways.

If you would like a copy of the survey we send to staff to revise to make it align more with Steve's responsibilities we would be happy to share it.

Sincerely,

Sarah Holmgrain, President  
Petersburg School District Board of Education  
[www.pcsd.us](http://www.pcsd.us)

PLEASE NOTE: This communication, including any attachment, contains information that may be confidential or privileged, and is intended solely for the entity or individual to whom it is addressed and contents may be subject to the terms of the federal Family Education Rights and Privacy Act (FERPA) If you are not the intended recipient, you should delete this message and are hereby notified that any disclosure, copying, or distribution of this message is strictly prohibited.

## Debra Thompson

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**From:** Breanna Walker <breanna@salmonstate.org>  
**Sent:** Monday, August 2, 2021 5:29 PM  
**To:** Mark Jensen; Debra Thompson; Chelsea Tremblay; Assembly  
**Subject:** AK-BC Transboundary Salmon Rivers Update  
**Attachments:** 2021 AKBC Resolution of Support.pdf

Hello Distinguished Municipal Leaders,

The [Southeast Alaska Indigenous Transboundary Commission](#) (SEITC) and [Salmon Beyond Borders](#) reach out to you today with a sense of urgency. Canada continues to permit massive mines with toxic tailings dams along shared rivers without the meaningful engagement of those of us downstream. Meanwhile, transboundary salmon runs plummet. [We again](#) call on regional municipalities to join us in the ongoing effort to defend the Taku, Stikine, and Unuk Rivers -- **THE RIVERS THAT FEED US**.

We humbly request that the Petersburg Borough Assembly consider adopting a municipal resolution based on the **attached Resolution of Support** language that has been carefully drafted, considered, and signed by many of our closest transboundary partners who represent multiple sectors and interests of Southeast Alaska.

We also request the opportunity to provide a virtual update to your assembly at its earliest convenience before our potential community visits later this fall, pending Covid-19. *Would you please respond to [Breanna@salmonstate.org](mailto:Breanna@salmonstate.org) to confirm that you've received this request, including your preferences for a virtual update to the assembly, by Friday, August 13th?*

Many thanks for your ongoing support and for your consideration of the next phase of our collective work as Southeast Alaskans to defend and sustain our transboundary salmon rivers. Please don't hesitate to reach out to us with questions, ideas, or concerns at any time.

Sincerely,  
 Breanna Walker, Campaign Coordinator  
 Salmon Beyond Borders

*On behalf of*  
 Frederick Otilius Olsen, Jr., Executive Director  
 Southeast Alaska Indigenous Transboundary Commission  
 and  
 Jill Weitz, Campaign Director  
 Salmon Beyond Borders

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[Southeast Alaska Indigenous Transboundary Commission](#) is a consortium of 15 Tribal governments founded in 2014 working to protect our Tribal lands and waterways for future generations in the Southeast Alaska/Bristol Bay/British Columbia/Yukon Territories region.

[Salmon Beyond Borders](#) is a campaign driven by sport and commercial fishermen, community leaders, tourism and recreation business owners, and concerned citizens, in collaboration with Tribes and First Nations. It is united across the Alaska/British Columbia border to defend and sustain our transboundary rivers, jobs, and way of life.

--  
**Breanna Walker, Campaign Coordinator**  
[Salmon Beyond Borders](#)  
 Juneau, Alaska

Auk Kwáan and Taku Kwáan lands  
[breanna@salmonstate.org](mailto:breanna@salmonstate.org)  
1.218.244.2723



**A RESOLUTION OF SUPPORT  
FOR A PERMANENT BAN ON TAILINGS DAMS AND FOR A TEMPORARY HALT TO THE  
PERMITTING, EXPLORATION, DEVELOPMENT, AND EXPANSION OF CANADIAN MINES  
ALONG ALASKA-BRITISH COLUMBIA TRANSBOUNDARY SALMON RIVERS  
UNTIL THE UNITED STATES-CANADA BOUNDARY WATERS TREATY OF 1909 AND  
THE UNITED NATIONS DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES ARE UPHELD AND AN  
INTERNATIONAL AGREEMENT ON WATERSHED PROTECTIONS IS IMPLEMENTED**

**WHEREAS**, the Boundary Waters Treaty of 1909 was signed to prevent and resolve disputes over the use of shared waters between the United States (U.S.) and Canada, declaring in Article IV that, "it is further agreed that the waters herein defined as boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other;" and

**WHEREAS**, the Alaska-British Columbia (B.C.) Memorandum of Understanding and associated Statement of Cooperation on Protection of Transboundary Waters signed by the State of Alaska and the Province of B.C. in 2015 are important, but cannot provide binding, enforceable protections for the residents, rivers, and watersheds of the Alaska-B.C. transboundary region; and

**WHEREAS**, inadequately regulated Canadian hard rock mines in Northwest B.C., most of which are large-scale and open-pit, are occurring in known acid-generating ore bodies near the transboundary Taku, Stikine, and Unuk Rivers shared with Southeast Alaska, producing massive tailings dams that have to store toxic waste forever, expansive waste rock storage facilities, the need for perpetual water treatment, roads, and other infrastructure, as well as threatening (both in the short term and on geological timescales) the productivity and ecological health of these watersheds through cumulative impacts, contamination, habitat destruction, and/or possible catastrophic failures; and

**WHEREAS**, the Taku, Stikine, and Unuk Rivers are of tremendous and unique cultural, ecological, subsistence, economic, and recreational value as Indigenous people from several Nations have stewarded the Alaska-B.C. transboundary region since time immemorial and this region is now home to nearly 80,000 people in dozens of communities; and

**WHEREAS**, the Southeast Alaska Indigenous Transboundary Commission - a consortium of fifteen federally recognized Tribes in Southeast Alaska - in 2018 submitted a petition to the Inter-American Commission on Human Rights, asserting that Canada has violated their human rights by failing to prevent foreseeable harms from hard rock mines in B.C., and on March 31, 2021 sent a request to B.C. Premier Horgan for a pause in the permitting of B.C. mining projects in Alaska-B.C. transboundary watersheds until an agreement is made regarding Alaska Tribal participation in ongoing permit decisions pursuant to the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP); and

**WHEREAS**, the clean water and intact habitat of Alaska-B.C. transboundary watersheds are historically some of the most productive wild salmon rivers on the entire west coast of North America, with the Taku, Stikine, and Unuk Rivers alone contributing nearly \$50 million in economic activity, \$34 million in direct spending, over 400 jobs and almost \$20 million in labor income towards Southeast Alaska's annual multi-billion dollar fishing and visitor industries; and

**WHEREAS**, the leaching of heavy metals to groundwater and sediment from mining can contaminate freshwater systems for decades, preventing recovery of fish populations many



years after the cessation of mining activity and posing a risk to human health, and B.C.'s Tulsequah Chief mine in the Taku River watershed has been abandoned and leaching acid mine drainage since 1957; and

**WHEREAS**, B.C.'s environmental assessment process does not set legal requirements or standards for assessing cumulative effects of existing and proposed development, and B.C.'s open-pit Red Chris mine has been operating at the headwaters of the Stikine River since 2015, the entire riparian corridor of the Iskut River, the largest tributary of the Stikine River, is staked with B.C. mineral claims, B.C.'s Kerr-Sulphurets-Mitchell project (KSM), if built as proposed in the Unuk-Nass River watersheds, would be the largest open-pit mine in Canada and one of the largest in the world, and more than half of the B.C. portion of the Unuk watershed is staked with mineral claims; and

**WHEREAS**, the Taku, Stikine, and Unuk Rivers are experiencing a decline in wild salmon populations, resulting in the Alaska Department of Fish and Game listing Chinook salmon in the Unuk River as a Stock of Concern in 2017 and will soon list Chinook salmon in the Taku and Stikine Rivers as Stocks of Concern; and

**WHEREAS**, on June 30, 2021, Canada's Department of Fisheries and Oceans eliminated 60% of its commercial salmon fleet in B.C. due to poor returns and declining populations - some near 90% declines - resulting in the largest set of commercial salmon fishery closures in B.C. history, while simultaneously B.C. continues to permit industrialization of the headwaters (spawning and rearing grounds) of some of its largest salmon producing systems; and

**WHEREAS**, the risk of natural forces such as extreme precipitation events and landslides, which are becoming more common due to climate change, add further instability to the mining infrastructure and could trigger catastrophic failure of the tailings waste dams and thereby release contaminants into the Taku, Stikine, and Unuk waterbodies and are inadequately addressed in B.C. mine operations designs; and

**WHEREAS**, following B.C.'s Mount Polley mine disaster in 2014 an expert panel appointed by the B.C. government found that if mining companies continue their business-as-usual operations the province could face an average of two dam failures every ten years and the same expert panel reported there are 123 active tailings dams in B.C.; and

**WHEREAS**, the Auditor General of B.C., in her report issued on May 3, 2016, found that the B.C. Ministry of Energy and Mines and Ministry of the Environment's "compliance and enforcement activities of the mining sector are inadequate to protect the province from significant environmental risks", and according to a 2017 report by the United Nations Environment Programme, Canada has the world's second-worst record for mine tailings spills after China, with seven incidents reported in the previous decade; and

**WHEREAS**, the June 2021 *Audit of Code Requirements for Tailings Storage Facilities* by B.C.'s Mine Audits and Effectiveness Unit, has found provincial mining code changes developed after the Mount Polley disaster lack the definition needed to ensure compliance, verification and enforcement—which means communities and the environment across the province lack full protection against the potentially catastrophic consequences of tailings dam failures that B.C.'s new mining code was meant to provide; and

**WHEREAS**, B.C. touts itself to U.S. officials and potential investors as a world-class marketplace for responsibly-sourced metals and a mining jurisdiction with highly positive ESG (Environment, Social, Governance) outcomes and yet, B.C. is supporting widespread exploration and the



permitting of open pits and tailings dams at mine sites across B.C. just upriver from four U.S. border states (AK, WA, ID, MT) and at the headwaters of some of North America's last remaining productive wild salmon rivers, without the consultation and consent of local Tribes and communities downstream; and

**WHEREAS**, Native Tribes in Alaska, First Nations in B.C., commercial fishermen, local communities, conservation groups, thousands of concerned citizens, and local, state, provincial, and federal lawmakers (including all eight Senators from the four border states) on both sides of the U.S.-Canada border have raised concerns since 1998 about B.C. mining development potentially causing significant harm to water quality, fish and wildlife, cultural practices, and local economies in Alaska-B.C. transboundary watersheds and still do not have a meaningful say in the shared management of our shared rivers; and

**WHEREAS**, the below signed agree to share information and seek all opportunities for collaboration to address these issues, promote methods to protect these vital rivers from harm, and seek to facilitate and promote meaningful dialogue and engagement at the local, state, federal, provincial, and Tribal levels to assure protection of resources on both sides of the border.

**We, the undersigned business owners, organizations, and community members, seek a thriving Salmon Coast (AK-B.C. transboundary region) fed by intact ecosystems, healthy salmon populations and landscapes, robust traditional lifestyles, and sustainable economies.**

**Therefore, BE IT RESOLVED that we call upon President Joe Biden and the United States government and Prime Minister Justin Trudeau and the Canadian government to *immediately*:**

1. **Utilize** their authority under the United States-Canada Boundary Waters Treaty of 1909 to prevent and resolve disputes over the use of shared waters; and
2. **Support** an immediate temporary halt to permitting, exploration, development, and expansion of Canadian mines along shared Alaska-B.C. salmon rivers until a binding international agreement on watershed protections, developed by *all* jurisdictions in these shared transboundary watersheds and consistent with the Boundary Waters Treaty of 1909 and the United Nations Declaration on the Rights of Indigenous Peoples, is implemented; and
3. **Convene** with local communities, stakeholders, and Indigenous leaders of the Taku, Stikine, and Unuk watersheds to develop the aforementioned binding international agreement on watershed protections. This agreement will identify and honor no-go zones and decisions by local residents and Indigenous people on both sides of the international border, ensure mining companies and shareholders are liable for cleaning up their waste and compensating impacted communities for all damages, and enforce requirements for mining best practices, including a permanent ban on the perpetual storage of contaminated water and wet tailings behind earthen dams along these irreplaceable Alaska-B.C. transboundary salmon rivers.

**PERFORMANCE EVALUATION**  
**Borough Manager: Stephen Giesbrecht**  
**2021**

<b>LEADERSHIP</b>		<b>Needs Improvement</b>	<b>Meets Expectations</b>	<b>Exceeds Expectations</b>	<b>Evaluator has No Basis for Judgement</b>
Inspires trust and confidence with:					
	Staff				
	Assembly				
	Public				
Functions as an effective member of the community structure (along with school superintendent, hospital CEO, Chamber of Commerce, USFS District Ranger, etc.)					
Evaluator Comments:					
<b>COMMUNICATION</b>					
Practices timely and effective communication with Assembly and Department Heads regarding subjects important to the Borough					
Evaluator Comments:					
<b>PLANNING</b>					
Anticipates municipal needs; develops and implements strategies for dealing with change and planning for the future					
Evaluator Comments:					
<b>MANAGING RESOURCES</b>					
Ensures programs, services and projects provide cost effective results that are important to Borough residents					
Ensures prudent financial management is maintained (in coordination with the Finance Director) for the continued success of the Borough					



<b>MANAGING RESOURCES, continued</b>	<b>Needs Improvement</b>	<b>Meets Expectations</b>	<b>Exceeds Expectations</b>	<b>Evaluator has No Basis for Judgement</b>
Seeks ways to cooperate, collaborate, or consolidate programs as appropriate				
Evaluator Comments:				

<b>PROBLEM SOLVING AND DECISION MAKING</b>				
Analyzes situations to determine root causes and develops realistic alternative solutions				
Consults with knowledgeable and/or affected parties when making critical decisions				
Evaluator Comments:				

<b>RELATIONS- Community</b>				
Projects a positive public image				
Evaluator Comments:				

<b>RELATIONS- Staff</b>				
Maintains a respectful relationship with Borough employees				
Values Borough employees and recognizes their contributions				
Evaluator Comments:				

<b>RELATIONS- Intergovernmental</b>				
Has the respect of peers in local and state government				
Lobbies effectively with legislators and state agencies regarding Borough programs and projects				
Evaluator Comments:				

S. Giesbrecht Evaluation, page 3

<b>RELATIONS- Assembly</b>	<b>Needs Improvement</b>	<b>Meets Expectations</b>	<b>Exceeds Expectations</b>	<b>Evaluator has No Basis for Judgement</b>
Keeps the Assembly informed of important issues pertaining to the Borough				
Effectively implements and oversees policies and procedures adopted by the Assembly				
Evaluator Comments:				

Reviewed by \_\_\_\_\_

Date \_\_\_\_\_