

I. CALL TO ORDER

Mayor Cottle called the meeting to order at 7:00 pm in the Valdez City Council Chambers.

II. PLEDGE OF ALLEGIANCE

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

III. ROLL CALL

Present:

Mayor Bert Cottle  
Council member Dave Cobb  
Council member Karen Ables

Council member Dorothy M. Moore  
Council member Joe Prax

Council member Gay Dunham and Council member Mike Wells were absent and excused.

Also Present:

John Hozey, City Manager  
Sheri Pierce, City Clerk  
Joe Levesque, City Attorney

Members of staff and approximately 30 people in the audience.

IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF May 3, 2010, AND THE SPECIAL MEETING OF APRIL 12, 2010

The minutes of the meeting of May 3, 2010 and April 12, 2010 were approved as presented.

V. PUBLIC BUSINESS FROM THE FLOOR

Amy Dunkin – KCHU

Ms. Dunkin called the council's attention to a letter in their information packet requesting sponsorship for the upcoming Richardson Highway Rendezvous event. Mayor Cottle responded that any 2 members of the City Council who wish

to provide sponsorship funds may request that this be placed on a future agenda for action. He suggested that Ms. Dunkin contact individual council members to determine if there was support for her request.

Alan Crume

Mr. Crume asked if the harbor parking lot will be resurfaced this year. Mr. Hozey responded in the affirmative.

Mr. Crume asked if the city would be held liable for any deficit incurred by the Alaska Gasline Port Authority. Mayor Cottle responded that no member municipality could be held responsible for any debt related to the Port Authority. Council member Cobb responded that State statute was very clear regarding the financial separation between member municipalities and a Port Authority.

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

City Manager

*Assisted Care Living Task Force*

Mr. Hozey reported that the task force had issued a request for proposals for project master planning and received six responses. The proposals are currently under review by the task force members. A task force meeting will be held on June 1<sup>st</sup> to narrow down or select a consultant.

*Small Boat Harbor Electrical/High Mast Lighting*

Mr. Hozey said there was an issue with the electrical design contract which will require that it be rebid.

*Corbin Creek Water Sewer Geotechnical Survey*

Mr. Hozey stated a meeting with the residents of Corbin Creek Subdivision has been scheduled for June 16<sup>th</sup> at the Valdez Civic Center. Residents were notified by mail and the meeting will be advertised in the newspaper. Mr. Hozey said that the city will be providing the residents with information on the scope of the project and asking for their input. Council member Prax expressed concern about how administration would manage expectations and said he would be interested in knowing if the residents would be willing to pay for a portion of the project if need be.

*Valdez Cemetery and Columbarium Policies*

Mr. Hozey said that based on direction from the City Council the Parks and Recreation Commission has scheduled public meetings to address public concerns with the cemetery and columbarium polices. The resolution establishing the policies will be brought back to the council along with a recommendation by the Parks and Recreation Commission on June 7<sup>th</sup>.

*School Facility Master Plan*

A joint work session will be scheduled between the city council and the school board in the near future.

*AGPA Development Plan*

Mr. Hozey said that he is actively working with the Alaska Gasline Port Authority on their revised development plan to assure that the City of Valdez is well represented.

*Alaska Shield*

Mr. Hozey stated that following the Alaska Shield exercise he travelled to Anchorage to meet with the State Emergency Coordination Center to discuss the issues identified with the exercise. Mr. Hozey said he will be attending a statewide exercise "hot wash" in Anchorage the first week in June, and therefore may not be available to attend the next council meeting on June 7<sup>th</sup>.

*Wakefield Property*

Mr. Hozey said that previously the council had directed him to obtain an appraisal on property in Robe River Subdivision owned by the Wakefield's which could be used for snow storage and a right of way for future subdivision expansion. Mr. Hozey stated that the property was appraised at \$46,000. The Wakefield's have established a non-negotiable sales price for the property at \$70,000. Mr. Hozey pointed out that if the council wishes to purchase this property it will require an affirmative vote of no less than six members of the council, due to the fact that the city would be purchasing property for an amount over fair market value. He asked if the council wanted this item brought back for consideration.

Direction by council was to bring this item back for consideration at a time when all council members are scheduled to be present. Mayor Cottle asked administration to contact Council member Dunham who is presently out of State to determine when he would be returning to Valdez.

City Clerk

Ms. Pierce introduced Ms. Holly Powers as the new Deputy Clerk.

City Attorney

Mr. Levesque stated that he was standing in for Mr. Walker this evening. He requested that the TAPS valuation be removed from executive session. Council member Prax asked if there had been any word on the pending TAPS valuation litigation. Mr. Levesque replied that there has been no communication regarding when the judge's ruling can be expected.

Mayor Cottle

Mayor Cottle asked Council member Cobb for details regarding the upcoming Military Appreciation Day. Council member Cobb replied that the date of the event is June 5<sup>th</sup> and the honorees will be John Kelsey and Evan Lunt. The event begins at 2:00 pm, with a community fish fry at 3:00 pm. Council member Cobb stated that 88 returning servicemen will be taken halibut fishing by local charter boats.

Mayor Cottle asked if a neighborhood meeting was held prior to paving Blueberry Hill Road. Mr. Jack McCay, Capital Facilities Director, replied that it was done in conjunction with the Homestead projects.

VII. CONSENT AGENDA

1. Proclamation Motorcycle Safety Awareness Month
2. Proclamation National Building Safety Month
3. Approval of Late File for Senior Citizen Tax Exemption
4. Approval to go into Executive Session
  - a. TAPS Valuation
  - b. Sea Hawk Litigation

**MOTION: Council member Cobb moved, seconded by Council member Moore, to approve all items on the Consent Agenda.**

**VOTE ON THE MOTION: 5 yeas, 2 absent (Dunham/Wells). Motion carried.**

VIII. NEW BUSINESS

1. Approval of Donation to the Valdez Food Bank Expansion Project in the amount of \$20,000

**MOTION:** Council member Cobb moved, seconded by Council member Moore, to approve a donation to the Valdez Food Bank Expansion Project in the amount of \$20,000.

**VOTE ON THE MOTION:** 5 yeas, 2 absent (Dunham/Wells). Motion carried.

2. Acceptance of FY 2010/2011 Valdez City Schools Budget

**MOTION:** Council member Cobb moved, seconded by Council member Moore, to accept the FY 2010/2011 Valdez City Schools budget as presented.

Mayor Cottle read into the record that the Valdez City School District budget for the school year July 1, 2010 thru June 30, 2011 requests \$9,194,896.00 in City support. He stated that this amount includes funding "to the cap" and beyond, as defined by State Statute.

Council member Moore asked how much funding the city provided beyond "the cap" and requested information on how many other school districts in Alaska fund in excess of the cap.

Ms. Lori Hull Engles, School Board President, replied that "the cap" was 7.9 million, however 2.4 million of the funds received by the school district from the city were federal pass through funds, lowering the direct city contribution to approximately 6.7 million. Ms. Hull-Engles said that based on this figure, the city did not fund over the cap. Mr. Hozey responded that this was incorrect. Mr. Hozey said that the federal money was a reimbursement for prior year expenditures and there is no guarantee that the city will continue to receive it in the future. Therefore no federal funds are included in the current \$9,194,896; that it was in fact all city money and it did bring the amount to "over the cap". Ms. Hull Engles said she did stand corrected, therefore the city did fund over the cap by approximately 1.2 million dollars. Ms. Hull Engles said that she believed that both the North Slope Borough and the City of Unalaska also fund their school districts "over the cap".

Mayor Cottle asked the amount which the school district allocated for their legal budget. Ms. Hull Engles said she did not know, but could provide that information at a later date.

Ms. Hull Engles stated that the school district has been working hard to reduce their energy costs through conservation. Ms. Hull Engles said that the school district is focusing on technology and the need to prepare students to live in a

global community. Council member Moore asked if the district had a plan to replace their computers. Ms. Hull Engles responded that the district is currently in the mode of "building up" and have not gone into developing a life cycle replacement program. She stated that she believed that their IT Director is working to develop this. Ms. Hull Engles said that the district is in the process of purchasing about 315 computers, the goal is to become "one to one" at the high school and grades 5 thru 6. Ms. Hull Engles said that the district will also be hiring another Network Engineer.

Council member Cobb asked how much the enrollment number had dropped from last year. Ms. Hull Engles said that they are losing approximately 20 students per year. She stated that the Kindergarten classes are becoming smaller. Ms. Hull Engles said that their student numbers have decreased by approximately 150 students over the last five years.

Council member Moore asked if student meals were subsidized by the school district. Ms. Amber Cockerham, Schools Finance Director, responded that the district provided approximately \$350,000 in general fund subsidy for food.

Council member Prax asked if the amount the city pays to make the school buildings available for community education/recreation is included in the amount of \$9,194,896. Mr. Hozey replied in the affirmative. Council member Prax said that he was voting against the budget as a protest for spending \$19,000 per student. He pointed out that five years ago the cost per student was \$10,000. Ms. Hull Engles said that the dollar amount per student increased significantly due to changes in State law and also the increase in TAPS valuation which allowed the school district to ask for more. Council member Prax said that he was recently in a restaurant where he requested that a local student working as the cashier make change in his head instead of using a calculator and he could not do it. He also talked to a parent who has a recent high school graduate that cannot read or write in cursive. Council member Prax said he could not blame the kids if basic building block subjects are not taught properly in our schools.

Council member Cobb asked how many new employees were hired by the school district this year. Ms. Hull Engles replied that there were four new employees hired. Two teachers will be replaced and a new network engineer will be hired. The school district will also be paying the salary for a counselor which was previously funded by a grant. Council member Cobb asked why an upgrade was included to the Jr. High School Roof when the city was in the process of working with the school district to develop a plan for building renovations. Ms. Hull Engles said this was the repair of a roof on a modular building which was determined to be a life safety issue and of immediate need. Ms. Hull Engles said the school board is very positive about working with the city on the plan for the

school facilities; however there are some people in the district who have expressed skepticism.

**VOTE ON THE MOTION: 4 yeas, 1 nay (Prax), 2 absent (Dunham/Wells).  
Motion carried.**

3. Approval of Access Waiver to Wood Way for Ben and Donna Hopper

**MOTION: Council member Prax moved, seconded by Council member Cobb, to approve a waiver of the access restriction onto Wood Way for Ben and Donna Hopper.**

Mr. Hozey stated that at the time the Hopper's built their home in Corbin Creek subdivision last year they seemed to be unaware of an existing access restriction onto Wood Way. So they built their garage in a location facing Wood Way. After the house was built, the Hopper's requested a permit to construct a driveway to the new garage, but this permit was denied by the City. Mr. Hozey stated that since there was already a workable driveway on the property which was in a permitted location, the city would not issue a permit for the new driveway since it would interfere with subdivision snow removal/storage efforts.

Mr. Hozey stated that the denial of the driveway permit should have been appealed to the Planning and Zoning Commission instead of the City Manager, which was an oversight by administration. Mr. Hozey said that this did not change the pertinent facts of the appeal and that in either case the city council would be the ultimate place for the appeal to wind up.

Mayor Cottle said that at the last council meeting when the Hopper's asked to appeal Mr. Hozey's decision the council was told that this was not a Planning and Zoning Commission matter. Mr. Hozey said staff was in error when council was told this and he apologized for the confusion.

Mr. Sheldon Mehlberg stated that he as the contractor had submitted a plot plan to the city which included the driveway drawn on the map. Mr. Mehlberg said that he did not write the word "driveway" on the map; however he felt it was evident to the person in charge of performing the plot plan review. Mr. Mehlberg said that the city inspector was onsite many times during the construction process and it was evident where the garage was located. Mr. Mehlberg said that when Mr. Hopper purchased this property the prior owner did not disclose any restrictions, even though it was the seller's responsibility to do so. Mr. Mehlberg said that at no time during the purchase of the property or the construction of their home was he or the Hopper's aware of this restriction to the property. Mr. Mehlberg stated that this was all an honest mistake.

Ms. Donna Hopper produced a petition signed by property owners in Corbin Creek subdivision expressing no objection to the location of the Hopper's driveway on Wood Way. Council member Moore asked when the lot was purchased. Ms. Hopper replied that the lot was purchased in 2009. Ms. Hopper stated that they believed they had taken all the necessary steps to comply with city regulations during the construction of their home. Ms. Hopper said they had no idea there was an access restriction onto Wood Way. Mayor Cottle asked if the Hopper's would take responsibility for removing snow from the entrance of their driveway after the snowplow clears the roadway. Ms. Hopper said yes, and that they did this all last winter with no problem. Mr. Hozey stated that he was concerned with placing this responsibility on the homeowner. He pointed out that if the property is ever sold the new owner may not agree with this arrangement.

Mr. Mark Czarnecki stated that he and his wife Geraldine live at 3066 Black Rapids Street in Corbin Creek Subdivision. Mr. Czarnecki said that when he bought his property he signed a disclosure statement with the City which restricted him from constructing his driveway onto Wood Way. Mr. Czarnecki acknowledged that there was a mistake made and that the Hopper's obviously did not sign the same disclosure statement. He pointed out that the previous owner of the Hopper property previously obtained a driveway permit and constructed his driveway on the Fairweather Street side of this property. He stated that due to the existing driveway the Hopper's were not required to obtain an additional driveway permit. Mr. Czarnecki said that the Hopper's legal address was Fairweather Street; therefore the entrance to their property should be located on this street so as not to confuse emergency responders. Mr. Czarnecki stated that he had spoken with Mr. Hopper about his situation and that Mr. Hopper was under the impression that the Czarnecki's were the only neighbors in opposition to the location of Mr. Hopper's driveway. Mr. Czarnecki said that he sympathized with the Hopper's and that his opposition was not personal in nature. He stated that in his opinion the rules were not followed and that the City should not make this wrong a right. Mr. Czarnecki stated that if the Hopper's are allowed to keep their driveway onto Wood Way, he will also construct a circular driveway onto Wood Way which will change the snow removal process on this street. Mr. Czarnecki said that he had reviewed the plot plan submitted to the city by the Hopper's and was not able to discern the location of a driveway onto Wood Way. He stated that the City should not be held responsible for the mistake made by the Hopper's or their contractor. Mr. Czarnecki stated that eight property owners have adhered to the rule regarding no access onto Wood Way. Council member Ables pointed out that if access was granted to the Hopper's that Mr. Czarnecki would benefit by being allowed to install a driveway onto Wood Way. Mr. Czarnecki said he would construct a driveway onto Wood Way

because he could, not because he needed it. Mr. Czarnecki stated that he currently has three driveways which access onto Black Rapids Street at this time.

Ms. Jerry Czarnecki said she has lived in her home in Corbin Creek subdivision for ten years. She stated that they were told by the City they could not construct their driveway onto Wood Way and they complied. Ms. Czarnecki said that to change the rules for someone was wrong. Ms. Czarnecki said that they will not benefit by constructing an additional driveway onto Wood Way, however they would build it out of spite to keep the City from parking snow in this area. Ms. Czarnecki said she agreed that snow removal would be difficult for the Hopper's but there are rules and boundaries which must be followed just as was required of everyone else in the subdivision.

Mr. Hopper responded that the Czarnecki's were made aware of the restriction at the time they purchased their property, whereas he and his wife had no idea of any restrictions at the time of purchase. Mr. Hopper stated that they would have designed the location of their garage in a different location if they would have known.

Council member Cobb asked who was responsible for disclosing restrictions on the property at the time of purchase. He asked if the bank or finance company was responsible. Ms. Lisa VonBargen, Community Development Director, responded that the original disclosure statement signed by the previous owner of the property should have been provided to the buyer by the seller. Ms. VonBargen stated that if the City had placed this restriction on the plat or recorded the original disclosure statement signed by the previous owner it would have been easier to discover. Ms. VonBargen stated that over time there have been many city documents that should have been recorded such as variances, exceptions and conditional use permits; however it was not standard practice to do so back then. Ms. VonBargen said that it is now the policy of the Community Development Department to record all of these types of documents.

Ms. Jerry Czarnecki stated that it would not have occurred to the contractor, Mr. Mehlberg, that there were any restrictions on where Mr. Hopper's driveway could be located since this rule only applies to a few properties in the subdivision. Ms. Czarnecki said that she truly believes this was an honest mistake and not intentional. However, she felt it was not the city's job to make this right.

Council member Moore asked the city attorney if the city had an obligation to attach this type of restriction to the subdivision plat. Mr. Levesque responded that the city could bear some responsibility for not recording the disclosure statement or failure to make this notation on the plat; however the seller also had the obligation to provide the buyer with this information.

Council member Prax stated that he believed the city had too many rules. He said that he had no objection to what people wanted to do with their land and should be allowed to construct as many driveways on their property as they wished. He stated that the City of Valdez knows how to remove snow and he had great confidence that the snow removal crews could deal with any perceived problem. Council member Prax said that he was in favor of abolishing this restriction for all the property owners in Corbin Creek subdivision. He stated that no harm will be done by allowing Mr. and Mrs. Hopper to have their driveway.

Ms. Mary Mehlberg stated that there are times that rules need to be flexed for good reason. Ms. Mehlberg said that Mr. and Mrs. Hopper are good people who moved to Valdez to build their home to be close to their children and grandchildren.

Mr. Hozey, City Manager, said that if the council was inclined to grant this waiver, his preference would be to remove the restriction for all affected property owners in the subdivision. Mr. Hozey said that as long as the council understands that there may be some additional cost, the city can deal with resolving any snow storage problem this may cause.

**AMENDMENT: Council member Cobb moved, seconded by Council member Moore, to approve driveway access to Ben and Donna Hopper by eliminating the access restriction for all properties on Wood Way.**

Council member Cobb said he was in favor of supporting Mr. Hozey's request to remove the restriction entirely, granting access to Wood Way for all property owners.

Mayor Cottle said he had a concern with removing the restriction if proper snow storage is not currently available in the subdivision. Mayor Cottle pointed out that there is a city ordinance which prohibits the city from pushing snow more than 1,000 feet inside a residential subdivision. Mayor Cottle said he believed the Hopper's made an honest mistake and that a waiver should be granted, however he did not support the amendment which removes the access restriction in its entirety.

**VOTE ON THE AMENDMENT: 4 yeas, 1 nay, 2 absent (Dunham/Wells). Motion carried.**

**VOTE ON THE MAIN MOTION AS AMENDED: 4 yeas, 1 nay (Ables), 2 absent (Dunham/Wells). Motion carried.**

4. Approval of Contract Award to RSA Engineering for the Container Terminal Electrical Upgrades Design Project in an Amount not to Exceed \$147,570

**MOTION: Council member Cobb moved, seconded by Council member Ables, to approve a contract award to RSA Engineering for the Valdez Container Terminal Electrical Upgrades Design Project in an amount not to exceed \$147,570.**

Council member Moore asked that city administration provide the criteria used to select a professional services contractor. Mr. Hozey responded that a summary sheet could be provided to the council.

**VOTE ON THE MOTION: 5 yeas, 2 absent (Wells/Dunham). Motion carried.**

5. Approval of Contract Award to Wolverine Supply, Inc. for the Senior Center Roofing Replacement Project in an Amount Not to Exceed \$402,600

**MOTION: Council member Cobb moved, seconded by Council member Ables, to award a contract to Wolverine Supply, Inc. for the Senior Center roofing replacement project in an amount not to exceed \$402,600.**

**VOTE ON THE MOTION: 5 yeas, 2 absent (Dunham/Wells). Motion carried.**

6. Approval of Contract Award to Alaska Commercial Construction Company for the Valdez Senior Center Sprinkler Improvements Project in an amount not to exceed \$220,000

**MOTION: Council member Cobb moved, seconded by Council member Moore, to approve a contract award to Alaska Commercial Construction Company for the Senior Center Sprinkler Improvement Project, in an amount not to exceed \$220,000.**

**VOTE ON THE MOTION: 5 yeas, 2 absent (Dunham/Wells). Motion carried.**

7. Approval of Contract Award to Fullford Electric for the High School Sprinkler and Fire Alarm Project in an amount not to exceed \$848,233

**MOTION: Council member Ables moved, seconded by Council member Cobb, to approve a contract award to Fullford Electric for the Valdez High School sprinkler and fire alarm project in an amount not to exceed \$848,233.**

Council member Cobb asked if these funds would be reimbursed by the State of Alaska. Mr. Hozey said no, the city would not be reimbursed for this particular project.

Council member Prax asked when the new swimming pool was constructed and questioned the need to replace the sprinkler systems. Mr. Hozey responded that during the last renovation of the pool the alarm systems installed were found to be incompatible with the alarm system for the majority of the high school building. Council member Prax questioned the need for a sprinkler above the swimming pool.

**VOTE ON THE MOTION: 5 yeas, 2 absent (Dunham/Wells).**

8. Approval of Contract Award to Houston Electric for the Kelsey Dock Uplands Phase II Electrical Upgrade in an Amount not to exceed \$95,227

**MOTION: Council member Cobb moved, seconded by Council member Ables, to approve a contract award to Houston Electric for the Kelsey Dock Uplands Phase II Electrical Upgrade in an amount not to exceed \$95,227.**

Council member Moore asked if there would be further projects associated with the Kelsey Dock uplands. Mr. Hozey replied in the affirmative. He stated that some smaller projects will be done in-house, however those projects which were above his spending authority must be approved by the city council. This is largely to correct some of the design flaws or extend some capability such as adding extra electrical outlets in the plaza area.

Council member Prax asked the total cost of the Kelsey Dock renovation project. Ms. VonBargen replied that the cost of the project was 8 million dollars. Council member Prax stated that the city should have had a mechanism in place to assure that all work on this project was properly completed.

Council member Ables asked how much of the project was paid for by grants. Ms. VonBargen responded that the city paid less than 2 million dollars for the project, that the remainder of the project was funded through grant money.

Council member Cobb stated that the problem with this project was that the Alaska Department of Transportation was in control of the design. Council member Cobb stated that ADOT builds roads. He stated that he believed the City would have done a much better job of managing this project.

**VOTE ON THE MOTION: 4 yeas, 1 nay (Prax), 2 absent (Dunham/Wells).**

**Motion carried.**

9. Approval of Contract Award to Zastrow Enterprises for the Kelsey Dock Uplands Phase II Buildings Upgrade Project in An Amount Not to Exceed \$137,500.

**MOTION: Council member Ables moved, seconded by Council member Cobb, to approve a contract award to Zastrow Enterprises for the Kelsey Dock Uplands Phase II Buildings Upgrade Project in an amount not to exceed \$137,000.**

**VOTE ON THE MOTION: 4 yeas, 1 nay (Prax), 2 absent (Dunham/Wells).**

**Motion carried.**

10. Approval of Tax Write off over \$500 on Abandoned Mobile Homes

**MOTION: Council member Moore moved, seconded by Council member Cobb to approve a write off of outstanding taxes on foreclosed property in the amount of \$3,708.79.**

**VOTE ON THE MOTION: 5 yeas, 2 absent (Dunham/Wells).**

11. Approval of the Sale of City Owned Mobile Home

**MOTION: Council member Moore moved, seconded by Council member Ables, to approve the sale by public auction of foreclosed property described as a mobile home located in Space #2, Aleutians Village Trailer Park.**

**VOTE ON THE MOTION: 5 yeas, 2 absent (Dunham/Wells). Motion carried.**

12. Approval of the Disposition of City Owned Mobile Home

**MOTION: Council member Moore moved, seconded by Council member Ables, to approve the demolition and removal of foreclosed property described as a mobile home located on Lot 6, Block 108, Valdez Townsite.**

Council member Cobb asked how the city would dispose of this property. Mr. Hozey responded that a contractor would be hired to remove it. He stated that the funding would come from the abatement account.

**VOTE ON THE MOTION: 5 yeas, 2 absent (Dunham/Wells). Motion carried.**

IX. RESOLUTIONS

1. #10-22 – Amending the 2010 City Budget by Authorizing the Transfer from the Reserve Fund to the General Fund and Increasing the Appropriation in the Community Service Organizations Budget for the Valdez Food Bank in the Amount of \$20,000.

**MOTION: Council member Cobb moved, seconded by Council member Moore, to approve Resolution No. 10-22.**

**VOTE ON THE MOTION: 5 yeas, 2 absent (Dunham/Wells). Motion carried.**

2. #10-23 – Repealing Resolution No. 03-08 Establishing Policies and Procedures for the Port Vendor Permit at the Valdez Container Terminal.

**MOTION: Council member Cobb moved, seconded by Council member Moore, to approve Resolution No. 10-23.**

Council member Moore suggested that the Ports and Harbor Commission decide if procedures should be established for vendors on the John Kelsey Municipal Dock.

Ms. Diane Kinney stated that currently there is no policy in place for the Kelsey Dock and that two upcoming events have requested permission to allow vendors. Ms. Kinney also asked if a Saturday Market type of event should be considered in the parking area. Mayor Cottle responded that the local merchants that pay taxes have expressed their objection to this in the past. Mayor Cottle suggested that this discussion be held at a later date as it did not have anything to do with this resolution.

**VOTE ON THE MOTION: 5 yeas, 2 absent (Dunham/Wells). Motion carried.**

X. REPORTS

1. 10 Mile Septic Program Report

Mr. Alan Crume stated that the report in the council packet indicated that a few photos were provided to the City Engineer, when in fact over 40 photos were provided to the Engineer and almost an entire day was spent with him discussing the problems depicted in the photos. Mr. Crume said he thought that the ACAT group was waiting for the City Engineer to review the installations and as-builts. He stated that to date the ACAT group has not heard anything back from the

City. Mr. Crume spoke to waivers granted by the city on materials used which do not meet ADEC requirements. He cited various deviations. He stated that this is why ACAT has concerns. He stated that the city needed to address these issues and provide follow-up to their concerns.

Council member Prax stated that the tone of the report was combative. He said that the city needs to respect the concerns of the citizens who live in Alpine Woods subdivision. Council member Prax pointed out that at the last meeting it was determined that some systems do not need to be replaced, which will save the city a considerable amount of money.

Mr Hozey responded that the city does not have a full set of documentation from the ACAT group. Mr. Hozey said that at the previous meeting it was stated many times that all information provided to the city by ACAT must go through the City Clerk who will serve as the collection point for all of this material. Mr. Hozey said that to date, no information has been provided to the City Clerk's office. Mr. Hozey said he was told by the City Engineer that there may have been a few issues with abandonment of the old septic tanks. But to date there is nothing which proves that the city inspections were poor, or that the systems were not installed properly. Mr. Hozey stated that the City has done everything related to the project that has been required and in good faith. Mr. Hozey asked what the city must do to bring closure to this project. He stated that ADEC has confirmed that the project has been a success.

Mr. Crume said that he would be glad to accompany the city council and the city manager on a walk-through of the properties which are the subject of concern by the ACAT group. Mr. Crume said he did not agree with the opinion of ADEC.

Mayor Cottle asked where this controversy will stop. Mayor Cottle said he believed the city has done everything within their power to satisfy the concerns voiced by Mr. Crume.

Council member Cobb said he believed that city administration was perplexed on what to do next. He stated that he was willing to walk the properties with Mr. Crume if there was something which Mr. Crume needs to point out. Council member Cobb stated that he believed that ADEC was responsible and should be forced to do their job.

Council member Moore requested that all communications and information be delivered to the City Clerk. Mr. Crume said he would have to copy everything. Council member Moore said that the pictures she was given this evening were not clear as to what is being depicted. Mr. Crume said he gave copies of the

pictures to the City Engineer because he has the qualifications to recognize problems with the installations.

Mayor Cottle asked Mr. Crume what he wanted the council to do after the walk through. He cautioned the city council that if four council members are present at the same time the event must be publically noticed. Mr. Joe Levesque, City Attorney, cautioned that if four or more council members are present no deliberation on the issues should be conducted. He cautioned that all deliberations should be done in a public forum preferably during a regular meeting of the city council.

Mr. Crume said he believed that this was a health safety issue which was not acceptable. He agreed that the ADEC allowed the installations, however a city contractor performed the work.

Mr. Hozey said that he apologized for his frustration and if that affected the tone of the report. However he has to trust that what ADEC and the engineers are saying about the systems are true; which is that there are no problems with the septic systems. Mr. Hozey pointed out that ADEC reviews and oversees the installation of septic systems all over the State of Alaska. Mr. Hozey stated that Mr. Crume is voicing concerns about the catastrophic failure of the systems. Mr. Hozey agreed that anything was possible, but that this was very unlikely. He stated that the systems installed are designed to discharge directly into surface water safely. Mr. Hozey said that the city designed, installed, and inspected the systems according to approved specifications; tests results on the effluent from these systems were in line with what would be expected for properly operating systems; and the state regulatory agency has certified that the systems okay to operate and that the city program should continue. As long as the systems are operated and maintained properly, the systems should continue to work properly. Mr. Hozey also pointed out that any future systems installed in Alpine Woods will be done by the property owner using Option 2 of the program, which puts the homeowner in complete control over what gets done. In these situations the city's only role will be to reimburse the homeowner for the cost up to a certain amount. Mr. Hozey asked what more could the city be expected to do.

Council member Prax agreed there was a high level of frustration among all parties involved. Council member Prax said he did not support establishing higher standards or rules and regulations than is currently required by the State of Alaska. Council member Prax reminded the council that what led the city down the path of replacing everyone's systems was the fear that one property owner's bad septic system could pollute his neighbors. Council member Prax said this is still the fear expressed by Mr. Crume. Mayor Cottle pointed out that the city has

been told by the experts that there are no problems with the septic systems installed by the city in Alpine Woods.

Mayor Cottle reiterated that any council member who wishes to accompany Mr. Crume on a walk-about should schedule a time. He cautioned that not more than three council members may attend the walk at the same time without notifying the City Clerk for the purpose of posting the event. Council member Prax requested that Alan Minish, City Engineer also be present during any tour.

XI. COUNCIL BUSINESS FROM THE FLOOR

Council member Moore

Council member Moore asked that citizens who provide a letter to the council please sign and date their letters.

Council member Moore requested that the City Clerk provide information on the dates and time of all upcoming Board and Commission meetings and public hearings during her report. She requested that it be advertised that written comments will be accepted as part of the public hearing process for those people who cannot attend in person. She requested that an acceptable duration of time be allowed for submission to the city.

Council member Prax

Council member Prax stated that the annual Fly-In event was a huge success. He thanked the city engineering department for rapidly responding to the electrical needs of the Fly-In organization.

Council member Prax asked how much money the city will spend to collect a bad debt from the owner of the vessel Sarah Nicole. Mr. Hozey stated that the city has spent no money on collection of a debt. The cost to the city has been the required action to remove this boat from the city tidelands. Mr. Hozey stated that when the moorage debt is paid to the city the owner will be allowed to enter the harbor and be eligible to use harbor services. Mr. Hozey said that the harbor restriction is tied to the current owner of the vessel. If the vessel is sold the new owner will not be penalized in any way and will be allowed to bring the vessel into the harbor.

Council member Cobb

Council member Cobb requested that the Ports and Harbor Commission discuss the Kelsey Dock vendor issue and forward their recommendation to the council.

Mayor Cottle suggested that the city council provide the commission with some input prior to their meeting. Mayor Cottle pointed out that this issue has been previously addressed. Council member Cobb stated this was prior to the renovation of the Kelsey Dock area.

Mayor Cottle

Mayor Cottle thanked administration for the appearance of Ruth Pond. Mayor Cottle requested that gravel be provided to the Dock Point area near the barbeque pit area.

Mayor Cottle requested that city administration contact the Alaska Department of Transportation regarding the sidewalk improvement on Hazlet. He was told by the State that they are waiting for contact by the City of Valdez.

- XII. COUNCIL TRAVEL
- XIII. EXECUTIVE SESSION
- XIV. RETURN FROM EXECUTIVE SESSION

On return from executive session Mayor Cottle announced that the City Council had given direction to the City Attorney to proceed on matters related to the Sea Hawk Seafoods litigation.

- XV. ADJOURNMENT

There being no further business, Mayor Cottle adjourned the meeting at 11:15 pm.