

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 Karen Ables
Council member Joe Prax	Council member Dave Cobb
Council member Gay Dunham	Council member Mike Wells

Council member Dorothy M. Moore was absent and excused.

Also Present:

Eric Phillips, Acting City Manager
Sheri L. Pierce, MMC, City Clerk
Craig Richards, Acting City Attorney

Members of staff and approximately 40 people in the audience.

IV. APPROVAL OF MINUTES OF THE REGULAR MEETING OF March 1, 2010
(Postponed to April 5)

Clerk's Note: Due to unforeseen circumstances the approval of the minutes of March 1, 2010 will be moved to the April 5th city council agenda.

V. PUBLIC APPEARANCES

1. Sean McCallister, Providence Valdez Medical Center Annual Report

Mr. McCallister presented the annual financial report for Providence Valdez Medical Center. Mr. McCallister said that Providence Valdez Medical Center's vision is to become the best employer in Valdez. Mr. McCallister stated that a recent survey of Providence employees indicated that Valdez Medical Center had the highest overall rating for employee job satisfaction. Valdez Medical

Center employees produced an "employee engagement" video which was shown to the city council.

VI. PUBLIC BUSINESS FROM THE FLOOR

Lt. Commander Matt York, US Coast Guard

Lt. York stated that he was present to give his quarterly report on Coast Guard activities in the Port of Valdez and in Prince William Sound.

Lt. York reported that the Coast Guard has responded to thirteen pollution responses and investigations to far this year. Most recently the vessel Arctic Mist sank in the boat harbor resulting in a 150 gallon diesel spill. The Coast Guard has conducted 30 vessel inspections to date which included tanker vessels and smaller recreational boats. Twenty-six fishing vessel examinations have been conducted. Three search and rescue missions have been conducted.

Lt. York said that the Coast Guard opened up the oil spill liability trust fund, spending over \$500,000 on a derelict vessel which is currently sitting on the bottom of the Cordova harbor. The vessel has been declared a hazard to navigation which hopefully will enable the Army Corps of Engineers to assist the Coast Guard to raise this vessel. The vessel is currently boomed off as it produces a daily oil sheen in the surrounding waters.

The Coast Guard Cutter Long Island recently returned to Alaska from Canada where they provided water borne security during the US Winter Olympics.

Lt. York stated that Coast Guard members have assisted our senior citizens in the community by shoveling snow when needed, have participated in the Boy Scout Blue and Gold banquet and currently serve on the Fourth of July celebration committee. Lt. York said that Commander Verfie was successful in convincing US Coast Guard headquarters to allow the sponsorship of an Iditarod musher this year.

Mayor Cottle asked how many active members of the Coast Guard were currently stationed in Valdez. Lt. York replied approximately five hundred, not including family members.

Ruthie Knight

Ms. Knight stated that she is a resident of 10 Mile and a current member of the ACAT Board. Ms. Knight said that ACAT recently held a meeting with

approximately 30 residents in attendance. Mr. Jeff Garness, an environmental engineer from Anchorage attended by teleconference.

Ms. Knight stated that residents in attendance at the meeting were not pleased with the recent septic system testing results. She said that the testing revealed that 11 systems were found to be over the limit. Ms. Knight said the residents believed that the project was managed too quickly by the City. Ms. Knight requested that the city establish regulations for septic systems. She stated that currently the City of Anchorage was the only municipality in Alaska with established regulations for septic systems. Ms. Knight said that currently the Alaska Department of Environmental Conservation (ADEC) was holding the last round of as-built drawings because there are no regulations.

Council member Prax asked what testing Ms. Knight was referring to. Ms. Knight replied that she was referring to testing which took place last November. Council member Prax asked for clarification regarding what type of regulations she was suggesting. Lisa VonBargen, Community Development Director, stated that only the Municipality of Anchorage has adopted standard minimum requirements for any septic package treatment plant installed. Ms. VonBargen said that ADEC evaluates each individual alternative treatment system on its individual merits. The decision to approve the system is based on the submittal of plans by a qualified engineer. Ms. VonBargen stated that there are no benchmarks established to compare test results. Mayor Cottle asked if ADEC was currently holding up the approval of a number of systems as stated by Ms. Knight. Ms. VonBargen said there was a delay on some systems but not because of a lack of regulations. Ms. VonBargen stated that Mr. Dave Lanning, Project Engineer, submitted nine as-built drawings which have been approved and certificates of operation have been issued to residents. Ms. VonBargen said the remainder of the system as-built drawings will be submitted to ADEC within the next two weeks by Mr. Lanning. Ms. VonBargen said that ADEC is not holding up any approvals and in fact are reviewing the as-built drawings as soon as they are submitted by the project engineer. Ms. VonBargen said that all plans will be submitted and approvals are expected no later than April 15th.

Council member Prax asked if there had been any discussion by the ACAT group regarding non-payment of the maintenance fee by some residents. Ms. Knight said that she personally believed that payment of maintenance fees should not begin until the owner of the system receives a certificate of operation from the City. Council member Prax requested that the ACAT group bring up this problem at their next meeting. Ms. Knight agreed that if the homeowner entered into a maintenance agreement they should honor that agreement. Council member Prax said that he was concerned that the integrity of neighboring septic systems

and water wells could be compromised if residents refused to pay the maintenance agreement. Ms. Knight said they would make this a topic of discussion at their next ACAT meeting. Mayor Cottle stated that any resident who did not pay the maintenance fee would be "red tagged" by the city.

Ms. VonBargen stated that there has been a breakdown in the timing for the project engineer to provide information to ADEC, and that must be dealt with by the city. But Ms. VonBargen stated that this being said, residents are not waiting for final certification to use their systems, therefore for the safety of the subdivision, monitoring must take place on all systems now. That can only happen if the maintenance fee is paid.

Rick Wade

Mr. Wade stated that ACAT had previously supplied the city with recommendations and have asked for help from the city to resolve issues which are important to Alpine Woods/10 Mile residents. Mr. Wade said that a sub-group of 10 mile residents called AWOG was established to serve as a spokes group for ACAT on specific issues. However to date members of the ACAT group have not received any form of communication from the AWOG members. Mr. Wade said that AWOG was not generated by the ACAT group. Mr. Wade said that a letter was given to the city council back in December which requested that a meeting between ACAT members and the City Council be scheduled to further discuss ACAT concerns. Mr. Wade said that there are problems with the recent decision by the City Council to only offer "option two" to residents for installation of future septic systems. Mr. Wade said that the current septic treatment plants which have been installed to date have major operational problems. He said that ADEC is not standing behind the recent testing methods and results. Mr. Wade said he disagreed with the sampling methods used. Mr. Wade said that he is aware of one resident who has not paid his maintenance fee because he believes his system is not working properly.

Mr. Wade stated that ACAT has hired Mr. Jeff Garness who is an expert on the installation and operation of septic treatment plants in Alaska, along with another engineer from the City of Anchorage. Mr. Wade said that these experts have advised ACAT to stop any further installations and properly address the problems with the project. Mr. Wade distributed a copy of the recent test results to the council along with recommendations from the ACAT group which need to be discussed with the city council in a joint meeting. Mr. Wade stated that the council has been receiving information which is incorrect.

Council member Prax stated that he was confused as to what test results Mr. Wade was referring. Mr. Wade responded that inferior samples were submitted to the lab by the independent contractor hired by the City. Mr. Wade stated that the City of Valdez should adopt the same regulations and testing program as the Municipality of Anchorage.

Mayor Cottle requested that a work session be scheduled on April 12th at 6:00 pm to further address these concerns. Mayor Cottle requested that administration contact ADEC to assure that they are present for the work session. Mayor Cottle offered to assist administration with scheduling a representative of ADEC to be present at the meeting if needed.

Alan Sorum

Mr. Sorum said that he has had concerns about the package treatment systems for a long time. He asked that the council slow down the project until these concerns can be properly addressed. Mr. Sorum said that he has concerns with a letter he recently received from the city regarding how the "option 2" program will be administered by the City. Mayor Cottle encouraged Mr. Sorum to meet with the proper city officials regarding questions he has about what is proposed for future septic system installations.

Rick Wade

Mr. Wade stated that he had questions regarding the design of the dike in Alpine Woods. Mr. Wade said that there has been disagreement with the proposed placement of this dike. Mr. Wade said that he had talked with homeowners in Alpine Woods who also signed a petition opposing the placement of the dike in the "green belt" next to the airstrip. Mayor Cottle directed Mr. Wade to contact city administration regarding this issue.

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

Mayor Report

Mayor Cottle reported that he attended a meeting on March 10th which addressed concerns by fishermen who are on contract with SERVS for oil spill response. Mayor Cottle said he will be drafting a letter to SERVS expressing concern regarding the low number of local fishing vessels currently on the oil spill response call out list. Mayor Cottle stated that during the meeting he asked the Alaska Department of Environmental Conservation if the current number of vessels on contract to SERVS for oil spill response was sufficient to meet the

response criteria. Mayor Cottle said that ADEC responded that it was not. Council member Dunham suggested that the letter be sent to ADEC, US Coast Guard and the TAPS owners.

Mayor Cottle asked the status of providing citizens with the ability to pay all city bills at one central location at city hall.

VIII. CONSENT AGENDA

1. Approval of Appointment to Regional Citizens' Advisory Council (RCAC)
2. Approval of Late File Community Purpose Exemption
3. Approval to go into Executive Session
 - a. TAPS 2010

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

VOTE ON THE MOTION: 6 yeas, 1 absent (Moore). Motion carried.

IX. UNFINISHED BUSINESS

1. Approval of Change in Scope to the Providence Valdez Medical Center 2010 Capital Budget. **POSTPONED FEBRUARY 1, 2010.**

At the meeting of February 21st, a motion was made by Council member Moore and seconded by Council member Wells, to postpone action on this item until the Hospital Advisory Board reviewed the proposed scope of work, and a detailed cost breakdown on the project could be provided to the council.

The motion to approve the change of scope to the Providence Valdez Medical Center 2010 Capital Budget was brought back to the floor for approval.

VOTE ON THE MOTION: 6 yeas, 1 absent (Moore). Motion carried.

X. NEW BUSINESS

1. Approval of Amendment #1 to the Providence Valdez Medical Center Operating Agreement

MOTION: Council member Cobb moved, seconded by Council member Ables, to approve Amendment #1 to the Providence Valdez Medical Center Operating Agreement.

VOTE ON THE MOTION: 6 yeas, 1 absent (Moore). Motion carried.

2. Appointments to the Providence Valdez Health Advisory Council

MOTION: Council member Cobb moved, seconded by Council member Wells, to appoint Nancy Lethcoe and Sister Marie Brent, to the Providence Valdez Health Advisory Council.

VOTE ON THE MOTION: 6 yeas, 1 absent (Moore). Motion carried.

3. Approval of the Valdez Coordinated Transportation Plan

MOTION: Council member Cobb moved, seconded by Council member Dunham, to approve the Valdez Coordinated Transportation Plan.

VOTE ON THE MOTION: 5 yeas, 1 nay (Prax), 1 absent (Moore). Motion carried.

4. Approval of Contract Award for the Maintenance of Turf and Landscape Areas to S & G Contracting Inc. in an Amount Not to Exceed \$117,950

MOTION: Council member Cobb moved, seconded by Council member Ables, to approve a contract award to S&G Contracting Inc, for maintenance of turf and landscape areas in an amount not to exceed \$117,950.

Council member Wells stated that for the record this contract would be awarded for an amount less than was allocated in the 2010 budget.

VOTE ON THE MOTION: 6 yeas, 1 absent (Moore). Motion carried.

5. Approval of Health Insurance Broker Services Agreement with Alaska USA Brokers in the Amount of \$26,170.00

MOTION: Council member Wells moved, seconded by Council member Dunham, to approve health insurance broker services agreement with Alaska USA Brokers in an amount not to exceed \$26,170.00.

VOTE ON THE MOTION: 6 yeas, 1 absent (Moore). Motion carried.

6. Approval of Life and Health Insurance Plan Renewal

MOTION: Council member Cobb moved, seconded by Council member Dunham, to approve the life and health insurance plan renewal.

VOTE ON THE MOTION: 6 yeas, 1 absent (Moore).

7. Approval of Contract Award to Harris Sand and Gravel for Ruth Pond 2010 Improvements in an Amount Not to Exceed \$171,948.81

MOTION: Council member Cobb moved, seconded by Council member Ables, to approve a contract award to Harris Sand & Gravel for Ruth Pond 2010 improvements in an amount not to exceed \$171,948.81.

Council member Wells asked when this project would be completed. Alan Minish, City Engineer, responded that the project would be completed by June 24th. Mr. Minish stated that the improvements included the installation of a storm drain and laying grass sod on the upland area. Council member Prax asked what the cost difference was for grass sod verses hydro-seeding. Mr. Minish replied that the cost for sod was approximately \$45,000 to \$50,000. The cost to hydro-seed the uplands would have amounted to 1/10 of this cost. Mr. Minish stated that applying hydro-seeding would have made the area unusable for this summer season.

VOTE ON THE MOTION: 5 yeas, 1 nay (Prax), 1 absent (Moore). Motion carried.

8. Approval of Contract Award to CRW Engineering for Corbin Creek/Robe River Water & Sewer Design Services in an Amount Not to Exceed \$200,000

MOTION: Council member Cobb moved, seconded by Council member Dunham, to approve a contract award to CRW Engineering for Corbin Creek/Robe River water and sewer design services in an amount not to exceed \$200,000.

Council member Wells declared that he has a cousin who is employed by CRW Engineering. The consensus of Council was that Council member Wells did not have a conflict of interest.

Council member Prax stated that the residents of Corbin Creek have not been contacted by the City to inform them of this project. Mr. Minish, Project Engineer, said that it is his intention to go forward with scheduling a meeting of the

residents after the award of this contract. Mayor Cottle stated that until the design work is finished there is very little information which can be shared with the residents. Council member Prax responded that the residents should be made aware of the possible costs the property owner may incur associated with the city providing water and sewer services. He stated that a discussion should be had regarding the probability of the project coming to fruition. Council member Prax said that he wanted it to be clear that the Council had given direction to administration to move forward with this project and that any concerns he may voice were not directed at Mr. Minish.

VOTE ON THE MOTION: 5 yeas, 1 nay (Prax), 1 absent (Moore). Motion carried.

XI. RESOLUTIONS

1. #10-11 – Adopting an Investment Policy Statement to Include the Allocation of the Valdez Permanent Fund Assets and Statement of Inflation-Proofing and Rescinding Resolution No. 09-47

MOTION: Council member Cobb moved, seconded by Council member Dunham, to approve Resolution #10-11.

Council member Prax stated that he is a member of the Permanent Fund Committee and agreed with the policy statement except for the decision to invest in real estate.

Council member Cobb said that he is also a member of the committee and that there had been strong support by the city council to invest in commercial real estate. Council member Wells stated that the Valdez Municipal Code restricts the amount of funds which can be invested in commercial real estate to 15% of the market value.

VOTE ON THE MOTION: 5 yeas, 1 nay (Prax), 1 absent (Moore). Motion carried.

2. #10-12- Supporting House Bill 12 Regarding Formation of A Statewide Invasive Species Advisory Council

MOTION: Council member Cobb moved, seconded by Council member Ables, to approve Resolution No. 10-12.

Ms. Ruthie Knight stated that there are a number of invasive species which pose a threat to our aquatic environment introduced through the discharge of ballast water. Ms. Knight said that in addition to aquatic species there are also invasive plants which are causing harm. Ms. Knight said that currently there is no central council formed to address the problem collectively.

VOTE ON THE MOTION: 6 yeas, 1 absent (Moore). Motion carried.

XII. REPORTS

1. Building Permit Report
2. Fishing Pier Report
3. Moore Consulting Report

Council member Cobb asked that a work session be scheduled to discuss the fishing pier. Council member Wells asked that the Ports and Harbor Commission be invited to the work session.

XIII. COUNCIL BUSINESS FROM THE FLOOR

Council member Prax

Council member Prax thanked the business community for their participation in the recent "Frosty Fever" event.

Council member Dunham

Council member Dunham stated that he attend a meeting of the Alaska Seismic Awareness Commission on March 3rd through March 5th. Council member Dunham said that an earthquake similar to what just occurred in Chile can happen in Alaska along the Aleutian Fault or the Yakataga Fault which lies north and south, reaching from Valdez to Juneau. An earthquake of equal magnitude is believed to be overdue in Alaska. Council member Dunham said that there is a concern that schools built within the last few years have not been built to withstand a large seismic event. Council member Dunham said that he would provide a written report for the next regular council meeting.

Council member Ables

Council member Ables thanked the city council for allowing her to visit Washington D.C. and meet with our Federal delegation.

Mayor Cottle

Mayor Cottle thanked the Valdez Snow Machine Club volunteers for organizing and operating many winter events which bring business into our community.

- XIV. COUNCIL TRAVEL
- XV. EXECUTIVE SESSION
- XVI. RETURN FROM EXECUTIVE SESSION

Council member Cobb stated that the council had given direction to the City Attorney to move forward with the appeal of the 2010 TAPS valuation.

- XVII. ADJOURNMENT

There being no further business, Mayor Cottle adjourned the meeting at 9:30 pm.