



CITY OF NORTH POLE *Alaska*

REGULAR CITY COUNCIL MEETING Tuesday, September 4, 2012

**Committee of the Whole – 6:30 p.m.
Regular City Council Meeting – 7:00 p.m.**

COUNCIL MEMBERS

Richard Holm	488-1776
Sharron Hunter- <i>Alt Dep Mayor Pro Tem</i>	488-4282
Ronald Jones- <i>Mayor Pro Tem</i>	488-3579
Thomas McGhee	455-0010
Derrick Nelson	490-2446
Bryce Ward- <i>Deputy Mayor Pro Tem</i>	488-7314

MAYOR

Douglas Isaacson 488-8584

CITY CLERK

Kathy Weber, MMC 488-8583

1. Call to Order/Roll Call
2. Pledge of Allegiance to the US Flag –
3. Invocation
4. Approval of the Agenda
5. Approval of the Minutes
6. Communications from the Mayor
7. Council Member Questions of the Mayor
8. Communications from Department Heads, Borough Representative and the City Clerk
9. Ongoing Projects Report
 - a. North Pole Economic Development Corp Radius Study Presentation
10. Citizens Comments (Limited to Five (5) minutes per Citizen)

11. Old Business

- a. Ordinance 12-18, An Ordinance Approving the Transfer of Natural Gas Utility Power to the Fairbanks North Star Borough, Second Reading

12. New Business

- a. Approval of North Pole City Council for 10 Year Lease Extension with Santa's Senior Center Association, Inc.
- b. Approval of Grant Amendment #1 for Community Development Block Grant for Santa's Senior Kitchen Modification Project
- c. Approval of Contractor to Construct Kitchen Modifications at the Santa's Senior Center as Part of the Community Development Block Grant Funded Kitchen Modification Project
- d. Authorization of the North Pole City Council to Donate to North Pole High School, a 2010 Business Partner, Damaged Lengths of Chain Link Fence Salvaged from along NPHS Blvd
- e. Authorization of the North Pole City Council to Approve Change Order #2 for the Lift Station Rehabilitation Project, Phase 2, to Upgrade Phase 1, Electronic Control Panels to Phase 2 Standards

13. Council Comments

14. Adjournment

The City of North Pole will provide an interpreter at City Council meetings for hearing impaired individuals. The City does require at least 48 hours notice to arrange for this service. All such requests are subject to the availability of an interpreter. All City Council meetings are recorded on CD. These CD's are available for listening or duplication at the City Clerk's Office during regular business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m. or can be purchased for \$5.00 per CD. The City Clerk's Office is located in City Hall, 125 Snowman Lane, North Pole, Alaska.

**Committee of the Whole – 6:30 P.M.
Regular City Council Meeting – 7:00 P.M.**

A regular meeting of the North Pole City Council was held on Monday, August 20, 2012 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

CALL TO ORDER/ROLL CALL

Mayor Isaacson called the regular City Council meeting of Monday, August 20, 2012 to order at 7:00 p.m.

There were present:

**Mr. Holm
Ms. Hunter
Mr. Jones
Mr. McGhee
Mr. Nelson
Mr. Ward
Mayor Isaacson**

Absent/Excused

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Isaacson

INVOCATION

Invocation was given by Mr. Jones

APPROVAL OF AGENDA

Mr. Jones *moved to* Approve the Agenda of August 20, 2012

Seconded by Mr. McGhee

Discussion

None

Mr. Jones *moved to* Remove item e.) Approval Of Contractor to Construct Kitchen Modifications at the Santa's Senior Center as Part of the Community Development Block Grant Funded Kitchen Modification Project from the agenda

Seconded by Mr. McGhee

Discussion

None

Mr. Jones *moved to* consent the following items on the agenda under New Business:

- a. *Liquor License renewal for The Refinery Lounge, 2 Go Mart #112, and Pagoda Restaurant***

- b. *Request from North Pole Economic Development Corporation for 2nd Quarter 2012 Bed Tax*
- c. *Approval of RFP NP-12-01 for Vehicle Towing Services for the North Pole Police Department*
- d. *Approval of Items from City of North Pole Departments for Surplus Sale*

Seconded by Mr. Ward

Discussion

None

On the amendment

PASSED

YES –7- Ward, Holm, Hunter, Jones, Nelson, McGhee, Isaacson

NO – 0

Absent- 0

On the main motion as amended

PASSED

YES –7- Ward, Holm, Hunter, Jones, Nelson, McGhee, Isaacson

NO – 0

Absent- 0

APPROVAL OF MINUTES

Mr. Jones moved to Approve the minutes of August 6, 2012

Seconded by Mr. Holm

Discussion

None

PASSED

YES –7- Ward, Holm, Hunter, Jones, Nelson, McGhee, Isaacson

NO – 0

Absent- 0

COMMUNICATIONS FROM THE MAYOR

GENERAL:

Communication Highlights from the Mayor for the period ending August 20, 2012

GENERAL:

- Report on AML / ACoM: Councilman Dick Holm and I attended the Alaska Municipal League (AML) meetings in Bethel, Clerk Kathy Weber was unable to attend. The Conference of Mayors (ACoM) met on Wednesday, August 15. One of the valuable reasons why the North Pole mayor needs to continue to go was expressed by one of the first time rural mayors who said that he had been opposed to spending the money to attend but now realized that it was very educational. Mayors have the ability to address issues they are facing and hearing from other mayors how they handle the issue, raise the funds, get regional or state support and gain new ideas to bring back to our communities which, hopefully, improves the administration, services, and quality of life in the city. The same argument can be made why it's important to keep sending Council members to AML.

Among the topics discussed in the two meetings were Offshore federal revenue sharing that is provided for other states and how they can be extended to Alaska and the options facing communities most-to-least effected; the economic impacts to communities with the building of the Knik Arm bridge, which may save the Interior \$300 million over ten years by reduced freight costs; the value of ACMP (Ballot Measure 2) to coastal communities and a reminder that if it does pass the Legislature can immediately amend (State Constitution, Article 11, Section 6); the need for the North Star Borough to receive property tax parity with other boroughs, and a lot of infrastructure projects being completed or pursued by communities.

The main topics in AML were drafting the priorities for 2013 and creating the Draft Policy Statements for the November meeting. What I was able to get into the Draft Statement under Part 1, Revenue & Finance, was a new #2: "The League supports a requirement for regional energy cost stabilization and equalization in order to decrease pressure on State budget expenses." The reason being, when a region has too high of energy costs, the people run to the State for assistance in paying their bills, in the amount of an additional one half billion dollars this past year alone. At this rate, by the time we get trucked gas to the Interior, perhaps in three years, the Health and Social Services budget (HSS) which is already almost 40% of the operating budget, will have grown another \$1.5 billion—which is unsustainable. Therefore, it is necessary to find immediate ways to reduce the cost of energy to Interior and Rural Alaska and bring us in line with costs for those communities on hydro or natural gas.

I have been asked to bring a presentation to the AML November meetings and will bring forward a resolution to Council for consideration in the near future.

(not provided to council...)

- North Pole Housing Market: I was with Bert Perkins, Stars & Stripes Realty, and Wes Madden, Madden Realty, on KTVF's Fairbanks Focus program on Sunday, August 5, at 6:30 a.m. The program was pre-recorded on Friday. The show is hosted by FEDC's Sean O'Shea. It is informative quoting from multiple sources and several perspectives. Here is the link to watch the video on youtube:

http://www.youtube.com/watch?v=LSzRsWckp08&list=UUKsZm_mQ3TrK6wgYpFcue_Q&index=1&feature=plcp The roundtable is the second segment on the show. The video can also be found on the [FEDC Facebook Page](#).

- The Status of Eielson: At the invitation of Sen Begich, the mayors were hosted by Eielson for a dinner with the Department of Defense (DOD) Assistant Secretary for Energy Sharon Burke. At the dinner we were able to speak frankly about many topics concerning the status of Eielson and the ability of the local communities/State to enhance the mission, press for new associated missions, defray some of the operational energy costs, the DOD's position on Eielson ability to provide energy security to the Pacific rim, the status of alternative fuel projects, including coal/gas/biomass to liquids and small mobility nuclear reactors / batteries, etc. Ass't Sec. Burke also addressed these and other broader issues in a luncheon today at the Westmark. While the community and State can play some positive roles, she felt that some of the alternative energy proposals were too expensive or not ready for deployment. Her primary concern was for energy security in the battlefield environment and was very intrigued by what she saw being done in the village of Tanana, which she said had direct application to military application in Afghanistan. There are several environmental impact statements being prepared by consultants who will be in the area during the next month or two. One of the reports concerns the expanded JPARC proposals, and it represents a positive impact for Eielson; the other concerns moving the F16s to JBER, which would have a negative impact on Eielson.

Eielson's new leadership, BG Mark Kelly, Commander, and Col Jay Aanrud, Deputy Commander, were quick to invite the mayors out to Eielson and have had several follow-up meetings as they seek to keep the local communities engaged with the process.

- FEMA Floods North Pole and Eielson! Late last week, the Borough received drafts of FEMA's new flood maps that has put much of North Pole, including the High School, Refineries, GVEA electric plant, and many residents, and much of Eielson AFB, in new flood zones which will require, if adopted, the purchase of expensive flood insurance by people who currently don't have it. The mapping decision is curious and apparently arbitrary as it ignores the presence of a certified dyke protecting the City and arbitrarily uses the Richardson Highway as a barrier against flooding in some areas (Moose Creek) but not in other areas. I will be working with Borough and State officials to prepare a response and have asked Mayor Hopkins to provide staff to give Council a briefing, possibly as early as the next council meeting.

- WEIO Games: The World Eskimo Indian Olympics were held July 18-21. I was honored to address the attendees once again, along with the other mayors. NPHS student Gavin DeWyld was one of the torch bearers. Our own NPPD Officer Stan Swetsof took home TWO silvers: 1) the Eskimo Stick Pull and 2) the Arm Pull – both are very strenuous events and Stan was up against much younger competitors! Good Job, Stan!

MEDIA:

July 28 & Aug 4: Mayor Isaacson was on KJNP (1170 AM, 100.3 FM) 8 – 9 a.m. “Over the Coffee Cup.”

UPCOMING (*This is NOT conclusive, see above for other events, dates, and times, or call the Clerk or Mayor for other possible upcoming events*) As a reminder, the Mayor will be taking leave time, as able, through August 29.

- **August 9, 11:30 a.m:** City Employee Appreciation luncheon @ City Hall
- **August 10- 19: ALASKA SENIOR GAMES** will be held in various locations, see Poster at City Hall bulletin board for specific times, events, and locations.
- **August 19, 9 a.m – 5 p.m.:** Alaska Senior Games, Horseshoe competition, @ Terry Miller Memorial Park
- **August 13-16:** Alaska Municipal League meetings in Bethel. Attending from the City are Councilman Dick Holm, and the Mayor (on the 14-16)
DAYS kick off event @ Pioneer Park, free hotdogs (donation proceeds go to benefit Arctic Winter Games 2014 Host Society). The event continues through Saturday, July 21.
- **August 17, 5 - 8 p.m.:** Third Friday Art Show @ the North Pole Grange. Also on Saturday, August 18 from Noon – 4 pm.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

None

COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK

Police Department, Chief Dutra

- We officially launched our Facebook page. We will use this site to engaged our citizens and make posts about activities.
- New carpet, flooring is installed in the old side of the PD. We have also painted.
- I am starting to sift through 25+ years of stuff accumulated through 4-5 Chiefs
- We should have new carpet and paint completed in Sgt's office within 2-3 weeks.
- I will be coming to council with new work station designs and bid next council meeting.
- Since August 1st we have had 19 arrests – disturbing 10 of those DUI's – 183 arrests year to date.

- We are experiencing high fuel costs so I chose to pull a take home vehicle from an officer in order to offset costs. This employee was very understanding. The costs we were incurring was not offset by employee reimbursement.

Fire Department, Buddy Lane

- Organizing for Sept 29th “Preparedness Fair. The Earthquake house will also be there.
- Mr. Ward has been asked to be at the meeting as a member of the Finance Committee. The meeting will take place at 10 am at the NPFDA Annex to discuss the Fair and other things.

Accountant, Lisa Vaughn

- On the July financials, while the bank rec’s are not finished, most of the account reconciliations have been done as of the end of July. Please note, in our Central Treasury, that amount includes a little over \$161,000 that was transferred from the bank accounts that were set up for the various pieces of debt. We have since rounded that amount up to \$162,000 and purchased a one-year CD, at .0035. When our property tax comes in this fall, I will look at buying a 3 month and a 6 month CD.
- On the financial statements, under administration, you will see negative amounts for the council pay. I have done a journal entry to move those amounts up to line 01 01 00 6060 (Council Salaries,) in keeping with the budget.
- I finished up a general liability audit, earlier this month, for our insurance company. On Thursday, an auditor from DEC will be here to audit two grants, Lift Station II and WWTP Sludge Removal. I do not expect any problems. A work comp auditor will be here on September 10.
- Chief Dutra and I have been finishing up two months of grant requests for our ASTEP DUI grant. I have also started working on a reimbursement request for the IRS work that one of our officers is doing. Next month, I will start working on mid-year budget adjustments and the beginning of our 2013 budget.

FNSB Representative:

FNSB ASSEMBLY MEETING:

The Assembly met on July 26, Mayor Pro Tem Ron Jones represented the City. Of importance to North Pole was the further discussion on Ordinance 2012-32 which was dealing with language change, considered “housekeeping” by the borough to Borough code, title 17. I had several discussions with the borough, our city attorney, with Bill Butler and Ron Jones. A summary of the result is provided by a Platting Officer:

“...the FNSB Assembly passed an ordinance changing the subdivision code (Title 17). The subdivision code previously stipulated that the minimum standards for subdivisions developed within the City of

Fairbanks or North Pole shall be determined by the appropriate municipal authority. That sentence was eliminated from Title 17.60.110 and a new section was inserted (17.10.040.C) that reads:

At a minimum, improvements shall be designed and constructed to the standards set forth in this title except that the Platting Board may accept alternate standards approved or adopted by the City in which the property is located. Municipalities shall be notified and may provide written comments per 17.030.020.B.

In order to comply with the ordinance change, the Platting Board would either need to approve the City of N.P.'s standards on a case by case basis as new N.P. subdivisions come before the Board, or vote to accept and apply the City of N.P. standards to all subdivisions within the City of North Pole.”

Bill has provided the Board with the City of North Pole Construction Standards found in NPMC Title 12, 13, and 15, which can be accessed online at:

<http://www.codepublishing.com/ak/northpole/>

We will notify Council members and interested members of the public via email as soon as we know when the Board has placed this question on their Agenda.

The next regularly scheduled Assembly meeting is scheduled for August 9. There does not appear to be anything on the agenda that directly affects the City. I will be requesting a Pro Tem to attend as the City Rep. For a list of meeting times and agendas, go to <http://co.fairbanks.ak.us/meetings/Assembly>.

Director of City Services, Bill Butler

Building Department

- Issued a building permit for a building addition

Public Works

- Public works is continuing with beautification efforts on Santa Claus Lane
 - Installed last of benches and plantings for season
 - Weber Construction has donated all of the hydro-seeding for the turf work on Santa Claus Lane
- City Hall heating control system upgrade completed
- Community Development Block Grant for Santa’s Senior Center Kitchen Upgrade Project received a single bid for the project

Utility Department

- Utility Garage Project
 - Side panels in place and roof is being installed
- Flint Hills Resources has proceeded quickly with construction of sewer force main

- Project completion estimated to be early October 2012
- Utility department will begin preparations for fast approaching winter season—lift station cleaning

City Clerk

The Municipal Election for the City of North Pole will be held October 2, 2012. Declaration of Candidacy's have been filed with the North Pole Clerk's Office. The filing ended on Friday, August 10, 2012 at 5:00 p.m. Below is a list of candidates for mayor and city council;

CITY OF NORTH POLE MAYOR

(Serves at-large)

3-year term

MAYORAL CANDIDATES

Dick Holm
167 Santa Claus Lane
North Pole, AK 99705
488-1776 Home
488-8555 Work
Email: nprxlab@hotmail.com

Bryce Ward
606 E 5th Ave
North Pole, AK 99705
488-7314 Home
388-4830 Cell
Email: BryceWard@WardAlaska.com

Michael W. Welch
934 Les Rogers Turnaround
North Pole, AK 99705
P: 488-5834
Email: statedeputyak@gmail.com

Preston Smith
PO Box 60882
Fairbanks, AK 99706
2746 Parkway
North Pole, AK 99705
488-8824 Home

CITY OF NORTH POLE COUNCIL SEATS

(All offices serve at-large)

City Council Seat.....3-year term
City Council Seat.....3-year term

COUNCIL CANDIDATES

Michelle Sikma
307 W 5th, #5
North Pole, AK 99705
378-5778 Cell
Email: msikma2009@gmail.com

Sharron Hunter
322 Cross Way
North Pole, AK 99705
488-4282 Home
978-5591 Cell
shunter@northpolealaska.com

Linda Ross
2441 Tanana Dr.
North Pole, AK 99705
322-4944 Cell
vagabondLJR@yahoo.com

Reminder:

I have received registration forms for the 2012 Annual Local Government Conference which will be held in Anchorage November 12-16, 2012. Registration forms must be returned by October 12 to receive the best rates. After October 12th a \$50 late fee will be added per person. Please let me know if you are interested in attending and for those newly elected officials I will tentatively register them. I have also left an application form for the 17th annual "Awards of Excellence" on the dais. There are several categories of awards; People awards to recognize local government officials who have demonstrated a commitment to excellence in local government both within their own communities and on a statewide level; and Community Awards to showcase your area and let others know how you have solved a problem or improved local government. If you have any questions regarding the upcoming conference, please call me at 488-8583 or come in to City Hall.

ONGOING PROJECTS

NPEDC, Buzz Otis & Raven Riddle

- A report from NPEDC is in the council packet. Get letter from Eagle scout.
- Working on landscaping on other side of overpass by Tesoro.
- NPEDC will present the Radius Study at the meeting of September 4, 2012.

Mr. Otis read a letter into the minutes from Thomas White, Boy Scout Troop 42:

I wish to inform you that I have completed an Eagle Scout project in which you have

played a tremendous role. The project was a flowerbed that helped beautify and enhance the memorial plaque at Morning Star Park. I thank you for your very generous donation of the bricks and capstones for the completion of my project on Saturday, May 12, 2012. I sincerely appreciated all of your help and guidance for this project and your kindness that removed a very large obstacle in my path towards the Eagle Scout rank.

Mr. Otis, thank you for the delivery of the bricks and leveling the ground the night before. I hope that this project will help promote North Pole Economic Development Corporation's objectives in making North Pole a better place to live. Your cooperation and mentoring in the project was of a rare kind and you have my utmost gratitude.

Thank you for all of your help.

Sincerely,

Thomas White
BSA Troop 42
Tanana Valley District
Midnight Sun Council

Arctic Winter Games, Karen Lane

- AWG had a booth at the fair
- They will need up to 620 volunteers
- The International committee will be in Fairbanks in October
- They will be looking at North Pole venues and specifications for the sports

Finance/Audit Committee, Ron Jones

- Good presentation from NPFD for 3-5-10 year outlook for the department
- Encouraged all council members to attend the meetings
- Next meeting is August 27th, Bill Butler, Director of City Services will present.

CITIZENS COMMENTS – 5 Minutes

Mayor Hopkins, FNSB

Mayor Hopkins gave an invitation to the North Pole Council to attend a joint work session on Sept 6, 2012. The FNSB has been engaged with Federal Emergency Management Agency (FEMA) in efforts to update their Flood Insurance Rate Maps (FIRMs) since 2007. They are now at a critical point in the map revision and adoption process. Prior to engaging the general public and the specifically affected areas, a joint work session of the FNSB assembly, City Council of Fairbanks and North Pole and Interior Delegation Legislative members is scheduled for September 6, 2012 from 5:30 p.m. to 6:30 p.m. in the Borough Assembly Chambers. Mayor Hopkins stated that their attendance and participation will greatly assist the community in addressing concerns with the proposed map revisions and adoption. He asked that council confirm their attendance by calling his office at 459-1300 to assist with seating configuration.

OLD BUSINESS

None

NEW BUSINESS

ORDINANCE 12-18, AN ORDINANCE APPROVING THE TRANSFER OF NATURAL GAS UTILITY POWER TO THE FAIRBANKS NORTH STAR BOROUGH

Mayor Hopkins said there was before the council a “transfer of power for the Natural Gas Utility Power. He stated that Home Rule cities within a 2nd class borough can transfer power to an areawide power. The purpose is to its citizens affordable access to natural gas and/or propane. He said there is a need as we have high energy costs within the Interior. The borough can save over a ¼ of a billion dollars a year to have Natural Gas and will provide economic growth and incentive.

The FNSB provided an Ordinance in advance outlining how the transition of power will take place should the North Pole City Council approve Ordinance 12-18.

Assemblywoman Nadine Winters stated that we all know the need for natural gas and with all the ideas that have come about there is a public need and benefit to put money towards it. The cities can transfer their powers to the borough and create an areawide entity. It is not the boroughs intent to compete with private industry. She went through the ordinance the FNSB had drafted with the council.

Ms Hunter asked what would happen if City of Fairbanks rejects it and the City of North Pole approves it.

Mayor Isaacson said that it would not be an areawide power and therefore would not happen.

Mr. Nelson asked if there had been any dialogue on any price fluctuation once the utility has been established.

Mayor Hopkins said that as crude fluctuates so does LNG. It depends on contracts on the North Slope, on shipping costs, etc. It is also regulated by the RCA.

Mr. Ward asked how this limits free enterprise.

Mr. Hopkins said they would need a certificated area which is regulated by RCA. He said they could partnership with a private entity.

Mr. Jones asked for clarification on the term “doughnut hole” that they referred to.

Mr. McGhee asked where FNG gets their gas and where the FNSB entity would get their gas.

Mayor Hopkins said it comes from the south and that this entity would come from the North

Slope and trucked down.

Ms. Winters said that Flint Hills and GVEA are working on a plant but it is hugely expensive so part of it is we are on someone else's business plan.

Mr. Ward asked where the funding would come from for the gas utility.

Mayor Hopkins said AIDA will provide for finance utility structure and business models and also revenue bonds would pay for this.

Council had more discussion on this topic.

Public Comment

Michael Welch, 934 Les Rogers Turnaround, North Pole, AK

Mr. Welch said he has lived here 13 years and has come to realize that he has a short patience level. He wondered how long it would take for this community to bring affordable energy to its citizens. He asked the council to go back and look at a study that was done when Cook Inlet gas was \$860 for the same BTU's to heat a house here in 2008 for \$4,200 and what happened when the people in the Cook Inlet area that were receiving that gas found out they were getting such a great bargain, the price of the gas went up. He said there is no guarantee as to what will happen. He spoke in favor of the ordinance.

Jeff Jacobson, 391 Finnel, North Pole, AK

Mr. Jacobson said he was pleased to see the council considering this ordinance. As a resident of North Pole for many years he finds it increasingly difficult to financially meet the obligations of heating his home in spite of taking advantage of the energy retrofit program and reducing consumption in his home. He encouraged the council to introduce and add to cosponsors of this ordinance and help explore energy costs.

Mr. McGhee *moved to* Introduce and Advance Ordinance 12-18, An Ordinance Approving The Transfer Of Natural Gas Utility Power To The Fairbanks North Star Borough

Seconded by Mr. Ward

Discussion

Mr. McGhee *moved to* remove section 2 in the ordinance

Seconded by Mr. Jones

Discussion

Mr. Jones didn't want to delete section 2 and that it was a safety net for the city.

Mr. McGhee said it was redundant and that the attorney suggested it. He said we already have our power and we can revoke it at any time.

Mr. Ward agreed with Mr. McGhee and that our charter says we can revoke.

Mr. Holm said it would be good to keep section 2 and we may find a reason to keep it.

Mayor Isaacson said that if we delete section 2 there is nothing prohibiting us from reinserting a condition. To keep it for one more meeting makes it that much easier for discussion on the second reading.

Mr. Nelson said that he is with Councilman McGhee and said it was redundant.

Ms. Hunter said that at this time she didn't believe there are any conditions that we should add. However she would like to see section 2 remain in case we needed to add something during the next meeting.

On the Amendment

YES –3- Ward, , Nelson, McGhee

NO – 4 - Holm, Hunter, Jones, Isaacson

Absent – 0

Amendment Failed

On the main motion

Discussion

Mr. Jones said that he like the ordinance overall. He appreciated everyone coming out and clarifying what we have here. It puts a lot of faith in what we're doing for our citizens to get power and energy costs lowered. That's what they've been trying to do in Juneau for the past 3 years on the council. His concern is the cost of getting the pipes to the homes.

Ms. Hunter thanked the borough for putting this together and coming out and presenting it. They did the study and there was a presentation from the FEDC. She thanked them for making the telephone calls and spending their personal time in working on this.

Mr. Ward thanked everyone for coming down and had a lot more time to work on it. It's a good process and he was happy they were able to ask some tough questions and he does have concerns and is glad that they still have another reading. He stated that it is promising and would move it forward tonight. He encouraged the council to talk with everyone to gather more information.

Mr. Holm spoke in favor of the ordinance and that we need to do everything as quickly as we can and without the unification the governor won't help us.

Mayor Isaacson thanked everyone for coming down and that this is a large issue to take in and would like to take extra time to take it all in.

PASSED

YES –7- Ward, , Nelson, McGhee, Holm, Hunter, Jones, Isaacson

NO – 0 -

Absent – 0

COUNCIL COMMENTS

Mr. Jones – thanked everyone for coming out tonight. He said the sound of freedom has not ended and jets are still here and providing coverage and learning for the pilots and another exercise is scheduled in October. He said there are citizen concerns about the roundabouts and that there won't be blocks of ice on the grass.

Ms. Hunter – was excited to see the stealth bomber this last week. She said she saw flocks of geese out and we need to prepare for winter. Tomorrow school starts and the freshman will be greeted by their mentors.

Mr. Nelson – have a safe trip home and god bless.

Mr. McGhee – thanked Mayor Hopkins for coming out and wished him a safe trip home.

Mr. Ward – encouraged all council members to learn about the ordinance and talk with constituents and to make good educated decisions. He said there is history behind it and stand behind our decisions and a lot of possibility. The next meeting is on Monday, August 27th. Bill Butler will be presenting at that meeting from 6 – 7 p.m.

Mr. Holm – thanked Mayor Hopkins and his staff for coming out tonight. He had mixed emotions about beautification but it is being noticed by citizens of North Pole and he has had lots of positive comments on it. The Mayor and himself were in Bethel last week and Bethel is an interesting place. They have a priority list and this is the main thing to focus on and he tried to get something on there to support the emergency of the high cost of energy in the Interior. AML chose not to add to priority list and looking for a resolution from Interior for the November session.

Mayor Isaacson – congratulated NPHS for being undefeated and may take state this year. Last mayors bowl is against Lathrop. Joyce Miller turned 85 and he was able to give her a coin from the city. Senior games were held in North Pole and horse shoes were played here and had 40 athletes that attended.

ADJOURNMENT

Mr. McGhee adjourned the meeting at 9:36 p.m.

Seconded by Mr. Jones

The regular meeting of August 20, 2012 adjourned at 9:36 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Tuesday, September 4, 2012.

Douglas W. Isaacson, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

CITY OF NORTH POLE

ORDINANCE 12-18

**AN ORDINANCE APPROVING THE TRANSFER OF NATURAL GAS UTILITY
POWER TO THE FAIRBANKS NORTH STAR BOROUGH**

WHEREAS, Article X, Section 13, of the Alaska Constitution and Alaska Statute 29.35.310 authorize a home rule city in a second class borough to transfer to the borough any of its powers or functions; and

WHEREAS, the Fairbanks North Star Borough desires to create an area-wide natural gas utility, the purpose of which is to provide affordable natural and/or manufactured gas to the largest number of people in the borough in the shortest amount of time; and

WHEREAS, the Council believes that there is an urgent need for affordable natural gas in the Fairbanks area; and

WHEREAS, the Council has reviewed the Borough's proposed ordinance that would create this utility and provide for its management and supports the provisions, conditions and safeguards contained in that ordinance,

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF NORTH POLE, ALASKA, as follows:

Section 1. The City of North Pole transfers to the Fairbanks North Star Borough its power to own and operate a natural gas utility.

Section 2. Transfer of this power is conditioned upon (INSERT ANY CONDITIONS ESTABLISHED BY COUNCIL).

Section 3. Effective Date. This ordinance shall be effective at 5:00 p.m. on the first City business day following its adoption.

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 20th day of August, 2012.

Douglas W. Isaacson, **Mayor**

ATTEST:

APPROVED AS TO FORM:

Kathryn M Weber, MMC
North Pole City Clerk

Zane Wilson, City Attorney

By: Nadine Winters
Luke Hopkins
Diane Hutchison

Introduced:

FAIRBANKS NORTH STAR BOROUGH

ORDINANCE NO. 2012 -

AN ORDINANCE ACQUIRING AN AREAWIDE NATURAL GAS UTILITY POWER BY
TRANSFER FROM THE CITIES OF FAIRBANKS AND NORTH POLE,
ESTABLISHING THE INTERIOR ALASKA NATURAL GAS UTILITY AND PROVIDING
FOR ITS MANAGEMENT

WHEREAS, Article X § 13 of Alaska's Constitution authorizes a city
located in a borough to transfer to the borough any of its powers or functions unless
prohibited by law or charter; and

WHEREAS, both the City of North Pole and the City of Fairbanks are
home rule cities authorized to acquire, own and operate public utilities and to exercise
all powers and functions necessarily or fairly implied in or incident to that purpose; and

WHEREAS, Alaska statutes (AS 29.35.210(d), AS 29.35.300, and AS
29.35.310) expressly authorize a second class borough, like the Fairbanks North Star
Borough, to exercise on an areawide basis a power acquired by transfer from a city; and

WHEREAS, it is in the best interest of the citizens of the Fairbanks North
Star Borough to create an areawide natural gas utility empowered to ensure its citizens
affordable access to natural gas and/or propane; and

WHEREAS, an areawide natural gas utility will allow for tax exempt
financing, access to governmental funding, and provide transparency of operations; and

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

Text to be added is underlined

Text to be deleted is [BRACKETED AND CAPITALIZED]

34
35 WHEREAS, the areawide natural gas utility, once established, can explore
36 available public-private partnership options in order to operate in a businesslike, cost-
37 effective manner.

38
39 NOW, THEREFORE, BE IT ORDAINED by the Assembly of the Fairbanks
40 North Star Borough:

41
42 Section 1. This ordinance is of a general and permanent nature and shall,
43 except for sections 2 and 3, be codified.

44
45 Section 2. Approval of Transfer by Cities. The Fairbanks North Star
46 Borough hereby accepts the transfer to the Borough by the City of Fairbanks and the
47 City of North Pole of the power to acquire, own, and operate a natural gas utility. For
48 purposes of this ordinance, the power to acquire, own, and operate a natural gas utility
49 includes, without limitation, the power to acquire, own and operate distribution,
50 transmission, and transportation-related facilities and pipelines and conditioning
51 facilities as well as all powers necessarily or fairly implied in or incident to that purpose.
52 Such powers are intended to be broadly construed. The Fairbanks North Star Borough,
53 however, recognizes and agrees to the conditions imposed by the Cities in the
54 transferring ordinances.

55
56 Section 3. Orderly Transition. The Fairbanks North Star Borough, in
57 consultation with the Cities of Fairbanks and North Pole, shall arrange for an orderly
58 and equitable transfer of rights and other matters related to acquisition of the areawide
59 powers.

60

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Section 4. FNSB 1.02.050, acquired areawide powers, shall be amended to add the following (the Clerk shall provide the appropriate date):

9. Natural Gas Utility by transfer _____, 2012.

Section 5. FNSB Code of Ordinances is hereby amended to add a new Title as follows:

Title 11. Natural Gas Utility

Chapter 11.01 Establishment of Utility and Management

11.01.010 Establishment. There is established the Interior Alaska Natural Gas Utility, the purpose of which is to facilitate if possible or provide, if necessary, affordable natural and/or manufactured gas to the largest number of people in the Fairbanks North Star Borough in the shortest amount of time. The Interior Alaska Natural Gas Utility shall be a public corporation and an instrumentality of the Fairbanks North Star Borough. It shall be wholly owned by the Fairbanks North Star Borough but shall have a legal existence independent of and separate from the Borough.

11.01.020 Application of Laws. The Utility shall, as a public corporation, comply with the Open Meetings Act and other applicable state laws. Borough ordinances not of general public application shall apply only as specified herein or as specifically made applicable in any adopted ordinance.

11.01.030 Management.

A. There is hereby created a seven member independent and non-partisan Interior Alaska Natural Gas Utility Board of Directors who shall oversee the work necessary to achieve the purpose of the Utility which specifically may include management and operation of a natural gas utility. The Board shall annually elect a chair and may elect other officers from among its members. The Board shall have the authority to adopt and amend bylaws subject to assembly approval. The Board shall

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88 report to the Assembly at least quarterly and shall provide an annual report which must
89 include financial statements audited by independent outside auditors.

90 B. The initial appointments to the Board shall be made as follows: three by
91 the Borough Mayor, one by the assembly presiding officer, one by the City of North Pole
92 and two by the City of Fairbanks, each confirmed by the respective governing body.
93 Appointments shall be made for staggered terms (as determined by lottery) with two
94 members serving for two years, two serving for three years and three serving for four
95 years with their terms ending when their successors are elected or appointed. Upon
96 the expiration of the first four initial appointed terms of office, their successors shall be
97 elected at large by the voters of the Fairbanks North Star Borough. Upon expiration of
98 the last three initial appointed terms, their successors shall be appointed, one by the
99 Borough Mayor, one by the City of North Pole Mayor and one by the City of Fairbanks
100 Mayor, each subject to confirmation by the respective governing body. After the
101 expiration of their initial terms all shall thereafter serve a term of three years.

102 C. The Utility shall be independently managed and operated by the Board of
103 Directors in accordance with prevailing industry practices and general standards
104 common to utilities providing the same utility service. The Board, not the Fairbanks
105 North Star Borough, shall oversee the management of the Utility and shall have the
106 powers necessary or convenient to the management and operation of the Utility. The
107 Borough intends that the Board shall have full authority respecting the Utility unless that
108 authority is specifically withheld by law or ordinance. During its first year of operation
109 the Board may request and use, at the discretion of the Mayor, available Borough
110 resources such as staff and equipment. Thereafter, the Board may not utilize the
111 resources of the Borough except as authorized by the Assembly. The Board may
112 contract or act only on behalf of the Utility and not on behalf of the Fairbanks North Star
113 Borough. The Fairbanks North Star Borough shall not be liable for the debts or liabilities
114 of the Utility without specific authorization by the Fairbanks North Star Borough
115 Assembly. No general obligation bonds may be issued without voter approval. The

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Board shall maintain a separate account for the Utility which shall be kept and classified in accordance with uniform accounting standards generally prescribed for public utilities providing the same utility service. The Board may acquire and dispose of capital assets.

D. Manager. The Board of Directors may enter into contracts or other agreements to provide for the management and operation or any aspect thereof of the natural gas utility and shall have the authority to appoint a Manager which may be an individual or a private entity.

E. The Board shall have a separate capital and operating budget. The Borough Assembly shall have approval only over the total budget amount and may not raise or lower any other line item. Earnings shall be retained by the Utility to enable the Utility to meet its purpose of providing affordable natural and/or manufactured gas to the largest number of people in the borough in the shortest amount of time.

Section 6. Effective Date. This ordinance shall be effective at 5:00 p.m. of the first Borough business day following its adoption.

PASSED AND APPROVED THIS ____ DAY OF _____, 2012.

Diane Hutchison
Presiding Officer

ATTEST:

APPROVED:

Mona Lisa Drexler, MMC
Borough Municipal Clerk

A. René Broker
Borough Attorney

CODE AMENDMENTS ARE SHOWN IN LEGISLATIVE FORMAT

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**LEASE AGREEMENT BETWEEN THE CITY OF NORTH POLE AND
SANTA'S SENIOR CENTER ASSOCIATION, INC.
FROM JANUARY 1, 2013 TO DECEMBER 31, 2022**

This Lease agreement made this 1st day of January, 2013 by and between the City of North Pole (Landlord), and Santa's Senior Center Association, Inc. (Tenant), and each onto the other does hereby unequivocally covenant and agree as follows:

(1) LEASE PREMISES:

The Landlord hereby leases to the Tenant Lot 20 Block 31 B.V. Davis Subdivision and appurtenant building which consists of approximately 3,040 square feet as more clearly defined in Exhibit A.

(2) CONDITION OF PROPERTY:

The Tenant accepts the building, improvements, and personalty on the Leased Premises in their present state and without any representation or warranty by the Landlord as to the condition of such property or as to the use which may be made thereof. The Landlord shall not be responsible for any latent defects or change of condition in such building, improvements, personalty, and the rent hereunder shall in no case be withheld or diminished on account of any defect in such property, any change in the condition thereof, any damage occurring thereto, or the existence with respects thereto of any violation of the laws or any regulations of any governmental authority.

(3) TERM OF LEASE:

The term of this Lease shall be ten (10) years. Successive ten-year renewals may be made upon approval of both parties. This Lease may be cancelled only by mutual consent of the North Pole City Council and the Santa's Senior Center Board of Directors.

(4) RENT:

The Tenant shall pay to the Landlord the annual rent of \$10.00 (Ten dollars) in lawful money of the United States. The rent shall be payable at the office of the Landlord or at

such other place as the Landlord may designate in writing. Rent is due on or prior to the 5th of January of each year this Lease is effective. Rent shall be paid in advance.

(5) TAXES:

The parties acknowledge that the property is presently tax exempt as municipal government property. The Tenant shall make no use of the property which will change the tax status. If for any reason, any tax should be imposed on the Tenant's use of the Premises, the Tenant shall be responsible for the payment of such tax in total, and the failure to pay same when due constitutes a material breach of the terms of this Lease.

(6) LEGAL FEES AND EXPENSES ON TENANT'S DEFAULT

The Tenants shall pay and indemnify the Landlord against all legal costs and charges, including counsel fees lawfully and reasonably incurred, in obtaining possession of the leased premises after a default of the Tenant or after the Tenant's default in surrendering possession upon the expiration or earlier termination of the Lease or enforcing any covenant of the Tenant herein contained.

(7) RESTRICTIONS ON USE:

The Tenant may use and occupy the leased property only for use as a Senior Citizens Center. Such activity shall comply with all requirements of law associated with a non-profit association or corporation. At no time shall property be used for business or commercial use or for any unlawful purpose or shall any activity be carried on which would violate any certificate of occupancy, void or make voidable any insurance coverage, or raise the risk of insurability, cause structural damage to the building or any part thereof, or constitute a public or private nuisance or violate any present or future laws or regulations of any government authority.

(8) REPAIR AND MAINTENANCE:

The Tenant shall, at its own expense, make all necessary repairs and replacements to the leased property. Such repairs and replacements shall be made promptly, as and when necessary. All repairs and replacements shall be in quality and class at least equal to the

original work. On default of the Tenant in making such repairs or replacements, the Landlord may, but shall not be required to, make such repairs and replacements for the Tenant's account, and the expense thereof shall constitute and be collectible as additional rent.

(9) COMPLIANCE WITH LAW:

The Tenant at its sole expense shall comply with all laws, orders, regulations of Federal, State, and Municipal authorities, and with any direction of any public officer, pursuant to law, which shall impose any duty upon the Landlord or the Tenant with respect to the leased property. The Tenant, at its sole expense, shall obtain all licenses or permits which may be required for the conduct of its intended use of the property within the terms of this Lease, or for the making of repairs, alterations, improvements, or additions, and the Landlord, where necessary, will join with the Tenant in applying for all such permits or licenses.

(10) SURRENDER UPON TERMINATION:

At the expiration of the Lease term the Tenant shall surrender the leased property in as good a condition as it was in at the beginning of the term, reasonable use and wear and damages by the elements excepted.

(11) TENANT'S RIGHT TO ALTER AND IMPROVE:

No alteration, addition, or improvement to the Lease property shall be made by the Tenant without the written consent of the Landlord. Any alteration, addition or improvement made by the Tenant after such consent shall have been given and any fixtures installed as part thereof, shall at the Landlords option become the property of the Landlord upon the expiration or other sooner termination of this Lease. Provided, however that the Landlord shall have the right to require the Tenant to remove such fixtures at the Tenant's cost upon such termination of this Lease.

(12) UTILITIES AND OTHER SERVICES:

The Landlord shall not be required to furnish the tenant any utilities or services of any kind. The Tenant shall pay to the Landlord for any utilities which may be provided by the Landlord. The Landlord shall apportion common utilities which benefit the entire building premises proportionally between users on a square footage basis. The Landlord shall have no requirement to proportion utilities if the Tenant is the sole occupant of the building premises. The Landlord shall facilitate the removal of snow in Tenant's parking areas when such removal is done in the regular course of Landlord's removal from City streets.

(13) LANDLORD'S RIGHT TO TERMINATE:

Regardless of any other provision of this lease If the leased property shall be deserted or vacated, or if proceedings are commenced against the Tenant in any court under a bankruptcy act or for the appointment of a trustee or receiver of the Tenant's property either before or after commencement of the Lease term, or if there shall be a default in the payment of rent or any part thereof for more than five (5) days after written notice of such default by the Landlord, or if there shall be default on the performance of any other covenant, agreement, condition, rule or regulation herein contained or hereafter established on the part of the Tenant for more than ten (10) days after written notice of such default by the Landlord, this Lease (if the Landlord so elects) shall thereupon become null and void, and the Landlord shall have the right to re-enter or repossess the Lease property.

The Landlord shall be entitled to enjoin any breach by the Tenant of any of the terms and conditions contained in this Lease, and in the event of such breach, shall have all rights and remedies allowed by law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not herein provided for in this Lease. Tenant shall not be responsible for an amount exceeding total assets of Santa's Senior Association, Inc., as determined by an independent accountant obtained by the Landlord.

No failure by the Landlord to insist upon the strict performance of any term or condition of the Lease or to exercise any right or remedy available on a breach thereof, and no acceptance of the rent or partial rent during the continuance of any such breach shall constitute a waiver of any such breach or of any such term or condition. No term or condition of the Lease required to be performed by the Tenant, and no breach thereof, shall be waived, altered, or modified, except by a written instrument executed by the Landlord. No waiver of any breach shall affect or alter any term or condition of this Lease, and each such term or condition shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. The failure of the Landlord to seek redress or violation, of, or to insist upon this strict performance of, any covenant or condition of the Lease shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation.

(14) LANDLORD'S RIGHT TO PERFORM:

That if the Tenant shall be in default hereunder, the Landlord may cure such default on behalf of the Tenant, in which event the Tenant shall reimburse the Landlord for all sums paid to affect such cure, together with interest at the rate of 10.5 percent per annum, and reasonable attorney's fees. In order to collect such reimbursement, the Landlord shall have all the remedies available under this Lease or default in payment of rent.

(15) LANDLORD'S RIGHT OF ACCESS:

The Landlord and its representatives may enter the Lease property, at any reasonable time, for the purpose of inspecting the Lease property.

(16) INSURANCE:

Throughout the term of this Lease, the Tenant shall pay all premiums for bodily injury and Public Liability insurance, and furnish Landlord with evidence of this insurance and name Landlord as additional insured.

(17) CONDEMNATION:

If the Lease property or any thereof, is taken by eminent domain, this Lease shall expire on the date when the lease property shall be taken.

(18) RIGHTS TO ASSIGN AND SUB-LEASE:

This Lease is neither assignable nor subject to subletting.

(19) SECURITY INTEREST IN LEASEHOLD:

The tenant has no right to create any security interest in the Leasehold.

(20) EXCULPATORY CLAUSE:

The Landlord shall not be liable for any personal injury to the Tenant or to its officers, agents, and employees, or to any other occupant to any part of the Lease property, or for any damage to any property of the Tenant or any other occupant of part of the Lease property.

(21) INDEMNIFICATION OF LANDLORD:

The Tenant shall, upon demand, indemnify, and defend the Landlord against any liability or loss arising out of injury to any person, or damage to any property belonging to the Tenant or to any other person, occurring in or about the Lease property.

(22) NOTICE:

Any notice under this Lease must be in writing and must be sent by certified mail to the last address of the party to whom the notice is to be given, as designated by such party in writing. The Landlord hereby designates its address as; City of North Pole 125 Snowman Lane, North Pole, Alaska, 99705. The Tenant hereby designates its address as; Santa's Senior Center P.O. Box 55916 North Pole, Alaska 99705

(23) GOVERNING LAW:

This Lease shall be governed by, construed, and enforced in accordance with the laws of the State of Alaska. Any cause of action commenced relative to the terms of this Lease shall be commenced in the Fourth Judicial District, at Fairbanks, Alaska.

(24) GRAMMER:

In construing this Lease, feminine or neutral pronouns shall be substituted for those masculine in form and vise-versa, and plural terms shall be substituted for singular and singular for plural in any place in which the context so requires.

(25) CUMULATIVE REMEDIES:

The specified remedies to which the landlord may resort under the terms of this Lease are cumulative, are not intended to be exclusive if any other remedies or means of redress to which the landlord may be lawfully entitled in case of any breach or threatened breach by the Tenant of any provision or provisions of this Lease.

(26) NO PARTNERSHIP RELATIONSHIP:

The parties hereto state that they have not created and do not intend to create by this lease a joint venture or partnership relationship between them.

(27) ENTIRE AGREEMENT:

This Lease, together with any written agreements which shall have been executed simultaneously herewith, contains the entire agreement and understanding between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representations, express or implied, not contained in this Lease or this simultaneous writings heretofore referred to. All prior understandings, terms or conditions are deemed merged in this Lease.

This Lease cannot be changed or supplemented orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(28) SEVERABILITY:

If any provision of this Lease shall be declared invalid or unenforceable, the remainder of the Lease shall continue in full force and effect.

Date

Joe Geese, President
Santa's Senior Center Association, Inc.

Date

Douglas W. Isaacson, Mayor
City of North Pole

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk

125 Snowman Lane
North Pole, Alaska 99705
(907) 488-2281
(907) 488-3002 (fax)
bill@northpolealaska.com

City of North Pole
Director of City Services

Memo

To: North Pole City Council
From: Bill Butler
Date: August 29, 2012
Subject: Approval of grant amendment #1 for Community Development Block Grant for Santa's Senior Kitchen Modification project

Recommendation: Accept grant amendment #1 to Community Development Block Grant in the amount of \$29,752 for a total award of \$103,013 and to extend the completion date to June 30, 2013.

Background

The City of North Pole received a Community Development Block Grant (CDBG) from the State of Alaska Department of Commerce, Community and Economic Development (DCCED) for kitchen modifications at the Santa's Senior Center. The City has been working with the Senior Center since at least 2005 to acquire funding to install a kitchen ventilation system at the Senior Center, a City-owned building rented to the Santa's Seniors. The City submitted a CDBG application in November 2011 to fund installation of a kitchen ventilation system. In February 2012, the Senior Center was inspected by the State Fire Marshal and cited that they must have a plan to install a ventilation system in the kitchen if they wished to continue cooking meals at the facility. The City received notification in March 2012 that the state was prepared to award the City's CDBG application.

It took three additional months to complete, submit and receive approval for all of the additional state requirements before the City received the grant award. Upon official notification of the grant award, the City solicited cost proposals from local firms for professional services to design the kitchen modifications; to assist the City with bid preparation and evaluation; and construction inspection services. The City Council approved Jantz Associates as the professional services contractor.

The City released a request for construction bids at the start of August 2012 with bids due August 15. The City received a single bid from Armstrong Construction. The grant application budget was prepared based upon a previous cost estimate prepared by Design Alaska in 2005. Accounting for inflation and a modified project the grant budget included a construction cost estimate of \$77,681. Armstrong's construction cost bid was \$117,433. With approximately \$10,000 in cost savings from the grant estimated cost for professional services the City needed

an additional \$29,752 to fund the kitchen renovations. The City requested a supplemental grant award to fully fund the construction of the kitchen modifications. DCCED worked with the City and has approved a grant amendment totaling \$29,752. DCCED also approved an extension of the project completion date to June 30, 2013 in case the funding delays extend the time necessary to complete the project.

Grant Agreement - Amendment

State of Alaska

Department of Commerce, Community, and Economic Development Division of Community and Regional Affairs Community Development Block Grant (CDBG) Program

Project Title Kitchen Renovation – Ventilation Range and Boiler Upgrades	Grant Agreement Number 11-CDBG-004	CFDA # 14.228																
Grantee Name City of North Pole	Effective Date of Amendment August 27, 2012																	
Amendment #01 to the Grant Agreement																		
<p>Effective the date shown above, this grant is hereby amended as follows:</p> <ol style="list-style-type: none">1. The total allocation of this grant is increased by <u>\$29,752.00</u>. The new total allocation of this grant is <u>\$103,013.00</u> as reflected below.2. The termination date of the grant agreement is extended to <u>June 30, 2013</u>. <table border="1"><thead><tr><th>CDBG FUNDS</th><th>CURRENT</th><th>MODIFICATION</th><th>REVISED BUDGET</th></tr></thead><tbody><tr><td>Contractual</td><td>\$73,261.00</td><td>\$29,752.00</td><td>\$103,013.00</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td>TOTALS</td><td>\$73,261.00</td><td>\$29,752.00</td><td>\$103,013.00</td></tr></tbody></table> <p>ALL OTHER TERMS AND CONDITIONS OF THE GRANT AGREEMENT REMAIN IN FULL FORCE AND EFFECT.</p>			CDBG FUNDS	CURRENT	MODIFICATION	REVISED BUDGET	Contractual	\$73,261.00	\$29,752.00	\$103,013.00					TOTALS	\$73,261.00	\$29,752.00	\$103,013.00
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Grantee	DCCED																	
Signature	Signature																	
Printed Name and Title Douglas W. Isaacson, Mayor	Printed Name and Title Janet Davis, Grants Administrator III																	
Date	Date																	

125 Snowman Lane
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bill@northpolealaska.com

City of North Pole
Director of City Services

Memo

To: North Pole City Council
From: Bill Butler
Date: August 29, 2012
Subject: Approval of construction bid for Santa's Senior Kitchen Modification project

Recommendation: Approve the bid in the amount of \$117,433.00 submitted by Armstrong Construction, Inc. to construct the kitchen modifications at the Santa's Senior Center.

Background

The City of North Pole received a Community Development Block Grant (CDBG) from the State of Alaska Department of Commerce, Community and Economic Development for kitchen modifications at the Santa's Senior Center. The City has been working with the Senior Center since at least 2005 to acquire funding to install a kitchen ventilation system at the Senior Center, a City-owned building rented to the Santa's Seniors. The City submitted a CDBG application in November 2011 to fund installation of a kitchen ventilation system. In February 2012, the Senior Center was inspected by the State Fire Marshal and cited that they must have a plan to install a ventilation system in the kitchen if they wished to continue cooking meals at the facility. The City received notification in March 2012 that the state was prepared to award the City's CDBG application.

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fund the construction bid. DCCED worked with the City to provide a supplemental award of \$29,752 to fully fund the construction. To accommodate the increase in the grant award, the City will need to increase its non-cash in-kind match by \$3,375.

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City of North Pole
Director of City Services

Memo

To: North Pole City Council
From: Bill Butler
Date: August 29, 2012
Subject: City Council authorization to donate to the North Pole High School damaged lengths of chain link fence salvaged from along North Pole High School Boulevard.

The Public Works Department received a request from the North Pole High School for a donation of chain link fencing being removed along North Pole High School Boulevard. I recommend that the Public Works Department be permitted to deliver to the North Pole High School those damaged lengths of chain link fencing that are not useable by the Public Works Department for City projects.

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North Pole, Alaska 99705
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(907) 488-3002 (fax)
bill@northpolealaska.com

City of North Pole
Director of City Services

Memo

To: North Pole City Council
From: Bill Butler
Date: August 29, 2012
Subject: Approval of Change Order #2 Lift Station Rehabilitation Project Phase 2

Recommendation: Approve Change Order #2 in the amount of \$213,727.16 to install modifications in the four electronic control panels from the Phase 1 lift station project to the standards installed in the Phase 2 lift station project.

Background

The change order is related to electronic and software upgrades for the sewer lift station control panels installed as part Sewer Lift Station Rehabilitation Phase 1 funded by MMG #63317. The control panels installed in Phase 2 incorporated improvements based upon experience learned from Phase 1. The City's goal is to have as much standardization as possible in our lift stations to reduce the stockpile of spare parts and to standardize our operating procedures. Updating the Phase 1 control panels will help achieve this standardization.

The change order supports project activities that were approved as part of the original request for bids (RFB) and the contractor's bid for the Sewer Lift Station Rehabilitation Phase 2. The Phase 2 RFB requested contractors to submit quotes for "Additive Alternate 4: Miscellaneous Improvements" which included "Modification of Existing Control Panels". The contractor's quote included a quote and ADEC approved the comprehensive quote. Due to budget concerns, I did not recommend funding any of the added alternates when the bid was awarded in November 2010. I made this recommendation out of concern that there would be insufficient grant funds if there were cost overruns. The Phase 2 project proceeded smoothly and there was only a single change order. This change order was for \$3,692 to relocate a power pole.

The contractor's quote to construct the panel modifications contained in Change Order #2 is \$198,787.16 for four control panels. (See contractor's attached price quote.) The engineer's quote to provide construction management services is \$14,940. The total request for Change Order #2 equals \$213,727.16. At a 70/30 matching requirement, the state's contribution to the change order would be \$149,623 and the City's match would be \$64,118. With all major construction completed on Phase 2 there remains \$194,757 of unspent grant funds in MMG #63317, sufficient funds to finance the state share of the change order. As of July 31, 2012, the Utility had \$1.19 million in capital reserves, adequate reserves to satisfy its matching requirement.



August 16, 2012

Mr. Dean Syta
USKH Engineers
2515 A Street
Anchorage, Alaska 99503
(907) 276-4245

Subject: RFP 11 – Lift Station Control Panel Modifications
Project: City of North Pole Sewer Lift Station Rehabilitation Project – Phase I

Dear Mr. Syta,

Below is a price summary to provide the necessary materials and labor to update the Phase 1 controls to the Phase 2 configuration as described in RFP 11. Attached is the work proposal from Miranda Electric along with their price breakdown for the related work.

	Sub	Profit	Bond	Unit Price
Firmware Upgrades (ea)	\$6,803.60	\$680.36	\$74.84	\$7,558.80
Level Detector Mods (ea)	\$17,008.99	\$1,700.90	\$187.10	\$18,896.99
VFD Comm Mods (ea)	\$10,205.39	\$1,020.54	\$112.26	\$11,338.19
UPS Modifications (ea)	\$8,963.60	\$896.36	\$98.60	\$9,958.56
Spare Parts (ls)	\$7,000.00	\$700.00	\$77.00	<u>\$7,777.00</u>
Total				\$55,529.54

Total price for (4) locations would be \$198,787.16.
Please feel free to call me with any questions or concerns.

Sincerely,
Great Northwest, Inc.

A handwritten signature in blue ink, appearing to read "J. Grovhoug", is written over a light blue horizontal line.

Jennifer Grovhoug
Project Engineer

cc: Bill Butler, City of North Pole Director of City Services

Miranda Electric, Inc.

Electrical General Contractor

P.O. Box 56031 North Pole, Alaska 99705

Phone (907) 455-8080 Fax (907) 455-8083

www.mirandaelectric.com

August 15, 2012

Great Northwest
2975 Van Horn Road
Fairbanks, Alaska 99709

Re: North Pole Phase I Lift Stations – Change Order

Dear Miss Grovhoug,

We are pleased to submit an estimated cost for material and labor efforts based on the Specification Section 02532A, North Pole Lift Station Control Panel Modifications. Our labor efforts and material cover the design, installation and commissioning Firmware Upgrades, Level Detector Modifications, VFD Communication Modifications, UPS Modifications and Spare Parts.

Inclusions:

1. Design services for flow calculation, Modbus Master reconfiguration, and Level Probe integration.
2. Upgrade Firmware in MultiSmart units.
3. Installation of Level Probes, Intrinsically Safe Barriers, VFD Communication Interface Modules and UPS.
4. Modification of SCADA system to incorporate Lift Station Control Panel Modifications.
5. Commissioning upgrades with MultiTrode Engineer.
6. Temporary controls as necessary to maintain lift station functionality.

Exclusions

1. All civil work.
2. Construction waste facilities and removal, restroom facilities, temporary heat, temporary lighting, and temporary power.
3. Excessive delays caused by inaccessible work areas or other trades
4. Acts of God, delays caused by weather and transportation issues.

Clarifications

1. Miranda Electric will work in conjunction with MultiTrode to execute the items in the proposal.
2. Efforts will be maintained to minimize downtime while running lift stations in manual. Extended temporary controls is not anticipated.
3. All engineering stamps to be provided by USKH or others.
4. Micro1000XL, 120Vi/o, 48VDC, SNMP Extended Warranty Option – 3 year extended warranty on Power System – Combines for 5 years total / battery Warranty Separate from vendor.
5. Battery, Alpha Cell 85GXL-HP, 12V, 50Ah Gel Top Terminal, 5 year warranty from vendor.
6. Multitrode assumptions, support, exclusions, copyright & references and quotation terms and conditions of sale, see attached four (4) pages.
7. Lead time from vendors sixty (60) days.

Miranda Electric, Inc.

Electrical General Contractor

P.O. Box 56031 North Pole, Alaska 99705

Phone (907) 455-8080 Fax (907) 455-8083

www.mirandaelectric.com

The estimated price for the above inclusions and exclusions is **\$183,409.00.**

Per Lift Station costs for RFP line items are as follows:

PER LOCATION

Controller Firmware Upgrades	\$6,803.60
Level Detector Modifications	\$17,008.99
VFD Communication Modifications	\$10,205.39
UPS Modifications	\$8,963.60
Spare Parts	\$7,000.00

The estimated price is valid for 30 (thirty) days from date of receipt. This document and estimated price applies only to whom it is addressed above.

Thank you for the opportunity to work with you on this project; if there is more information you require please don't hesitate to call.

Sincerely,



Lucas C. Hulien

Attachment: Multitrode assumptions, support, exclusions, copyright & references and quotation terms and conditions of sale, see attached four (4) pages.

CC: Marcia K. Miranda

QUOTATION TERMS AND CONDITIONS OF SALE

ACCEPTANCE

These terms and conditions govern the sale of Products and the provision of services by MULTITRODE and its divisions, subsidiaries, and affiliates as well as by third party vendors and/or service providers of Seller. MULTITRODE objects to any additional or different terms contained in any purchase order or other communication previously or hereafter provided by Buyer to MULTITRODE. No additional or different terms or conditions will be binding upon MULTITRODE unless specifically agreed to in writing. No order may be cancelled or altered by Buyer except upon terms and conditions acceptable to MULTITRODE, as evidenced by MULTITRODE's written consent. In the event of such an approved cancellation by Buyer, MULTITRODE shall be entitled to payment of the full price, less the amount of any expenses saved by MULTITRODE by reason of the cancellation.

DELIVERY AND SHIPMENT OF MATERIAL

Freight, unless otherwise specified, is CPT; Shipper's Dock for Domestic and International orders (Incoterms 2010). Title transfers at shipper's dock. Delivery of such material to the common carrier shall constitute delivery thereof to Buyer and thereafter loss of and/or damage to material shall be at Buyer's risk. Claims for damage to or loss of material in transit shall be filed by Buyer direct with carrier. Delivery dates are estimated as closely as possible. MULTITRODE will use its best efforts to make delivery within the time specified but, in any event, unless otherwise agreed in writing, MULTITRODE will not be liable for damages of any kind, liquidated or unliquidated, on account of failure to meet delivery dates. All errors, clerical or otherwise, are subject to correction.

APPROVAL OF ORDERS

All orders shall be subject to rejection or acceptance by MULTITRODE.

CANCELLATIONS/RESTOCKING CHARGE

Buyer may not return any material delivered by MULTITRODE without first obtaining MULTITRODE's written consent; a Return Merchandise Authorization (RMA). All items to be returned must be from the same purchase order and must have a minimum net value of \$100 per purchase order. A restocking fee of 30% of the net price will be imposed on all standard product. Special or non-standard product is subject to a 100% restocking fee once the order is placed or is in progress. All requests to return product must occur within 45 days of shipment from MULTITRODE, arrive at MULTITRODE within 60 days of the original ship date, be in 'like new condition', and not be obsolete. Goods not returned in 'like new' condition will have the cost of reconditioning such goods deducted from any credit. Return transportation charges must be prepaid by Buyer or will be deducted from any credit for returned goods.

PRICES

All previous prices are withdrawn. Prices quoted by MULTITRODE are valid for 60 days. All prices are quoted and payable in U.S. Dollars and do not include shipping and handling charges. Items marked 'Net' have no discount applicable. MULTITRODE reserves the right to change prices with 30 days' notice.

MINIMUM INVOICE

An order where items ordered total less than \$100.00 net, will be charged a \$25.00 processing fee. This includes both MultiSmart and part orders.

TAXES

In addition to the stated prices, the Buyer shall be solely responsible for all sales, value added, use, excise, import and retailers occupational taxes, customs duties, performance bonds (if performance bonds are required, the direct cost will be added to the contract) and other such taxes, duties and fees arising from or measured by the transactions contemplated hereunder. Buyer shall reimburse MULTITRODE for all such taxes, duties and fees that MULTITRODE must, at any time, either pay or collect in connection with the material sold hereunder. Buyer agrees to indemnify and hold MULTITRODE harmless for any liability for tax in connection with the sale, as well as the collection or withholding thereof, including penalties and interest thereon.

DELAYS

MULTITRODE shall not be liable for any damage, fault or delay caused by or imposed by strikes, fires, major disasters, acts of god, governmental action (including, without limitation, embargoes, boycotts and the like), shortage of labor, fuel, power, materials or supplies or any other cause or condition beyond MULTITRODE's control.

CLAIMS

All claims for shortages, or inaccurate filling of orders, must be reported to MULTITRODE in writing within two (2) business days of delivery in order for MULTITRODE to consider sending replacements at no charge. MULTITRODE inventory and package weight will be researched to determine if product will be sent.

TERMS

The net amount of invoices shall be due and payable at the MULTITRODE office designated by the invoice. In the event of default in payment when due of any indebtedness created by acceptance of invoice material, MULTITRODE shall be entitled to interest on any such indebtedness from the date due at the highest legal rate plus reasonable attorney's fees should an attorney be employed to collect any such indebtedness after default. Material is subject to shipment in whole or in part at the option of MULTITRODE and each such shipment is subject to immediate invoicing. In the event of Buyer's bankruptcy or insolvency or in the event any proceeding is brought against Buyer, voluntarily or involuntarily, under the bankruptcy or any insolvency laws, MULTITRODE shall be entitled to cancel any order then outstanding at any time during the period allowed for filing claims against the estate of Buyer and shall receive reimbursement for its proper cancellation charges. MULTITRODE'S rights under this provision are in addition to any other rights available to it at law or in equity.

Buyer agrees to pay all collection costs incurred, not to exceed 50% of the balance due. In addition, if a lawsuit is required to collect any portion of the indebtedness, the Buyer will pay all attorney fees and court cost incurred. The Buyer also acknowledges and understands that this agreement shall be governed by and construed in accordance

with the Laws of the State of Florida. Further the Buyer acknowledges that MULTITRODE, maintains jurisdiction in Palm Beach County in the city of Boca Raton, the State of Florida.

MULTITRODE reserves the right to hold-off their final inspection/commissioning and any warranty work until payment in full has been made and the account has been satisfied in full.

EFFECT OF TERMS AND CONDITIONS

The terms and conditions herein contained shall apply to any order or direction received from Buyer and no provision in any such order or direction from Buyer in any way modifying or changing said terms and conditions shall be binding upon MULTITRODE. No modification shall be binding upon MULTITRODE's shipment of goods following receipt of Buyer's order or request for shipment which may contain provisions contrary to the terms and conditions here contained.

LANGUAGE

The English-language version of this form and all related documents shall govern any translation thereof, or any portion thereof, into any other language. All support, technical, descriptive or other information or literature provided by MULTITRODE to Buyer shall be in English.

PATENT INDEMNITY

MULTITRODE will, at its own expense, defend any suit that may be instituted against the Buyer for alleged infringement of U.S. patents containing claims covering any product of MULTITRODE's design and manufacture and purchased by the Buyer from MULTITRODE; provided such alleged infringement shall be based solely upon the construction of any such product and not because of its addition to any combination or systems with other products and/or parts; and provided Buyer gives MULTITRODE immediate notice in writing of any such suit together with all needed information and authority to permit MULTITRODE, through its counsel, to assume responsibility for defense of the suit.

In the event any such product, or any part thereof, is held to be an infringement of any valid U.S. patent in any such suit, MULTITRODE shall at its option and expense, either procure for Buyer the right to continue using such product or part; or replace the same with a non-infringing product of comparable quality, performance and cost; or remove the product and refund the purchase price less reasonable depreciation.

In the event any product or part is manufactured by MULTITRODE in accordance with the Buyer's designs, blueprints, samples, directions or specifications, MULTITRODE shall not be held liable for infringement on any U.S. patent because of such manufacture, and Buyer shall save harmless and indemnify MULTITRODE from any and all claim of any nature, legal or otherwise, asserted against MULTITRODE solely by reason of such manufacture in accordance with Buyers orders.

The forgoing states MULTITRODE's liability for alleged patent infringement of any of its products, and any alteration, addition or interpretation thereof shall not be binding on MULTITRODE unless agreed to in writing and signed by an officer of MULTITRODE.

ITEM PERFORMANCE

The performance and description of any item quoted and sold herewith are in accordance with descriptive literature, catalog or specification sheets, as provided by MULTITRODE. Dimensions so provided do not necessarily represent every feature or detail. Weights shown in catalogs, price schedule, quotations, or acknowledgements or orders are approximate and in no sense are guaranteed.

WAIVER

Waiver by MULTITRODE of any breach of these provisions shall not be construed as a waiver of any other breach.

ASSIGNMENT

None of the Buyer's rights under any order shall be assigned or otherwise transferred by the Buyer to any other person, whether by operation or law or otherwise, without the seller's prior written approval.

SPECIAL CONDITIONS

Any additional cost incurred in packaging or in making any special test or inspection which is requested by Buyer and is in addition to those regularly supplied by MULTITRODE, will be charged to the Buyer. Such tests and inspections will be made only at the factory before date of shipment.

LIMITED EXPRESS WARRANTY

Subject to the provisions below, Multitrode, Inc. ("MULTITRODE") offers a limited warranty that guarantees its product to be free from defects in material and factory workmanship for a specific period (see Warranty Table below) from the date of shipment, provided the Product is properly installed, serviced and operated under normal conditions according to MULTITRODE's instructions. Repair or parts replacements required as a result of such defect will be made free of charge during this period upon return of the defective parts or equipment to MULTITRODE or its nearest authorized service center.

WARRANTY TABLE

MultiSmart Pump Station Manager & Operating System	5 Years
MultiTrode Probes, Excluding the DuoProbe	10 Years
All Other MultiTrode Products	2 Years

Control Panel Warranty	1 Year (Extended warranties available)
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MULTITRODE warrants the original purchaser its MultiSmart panels, liquid level sensing probes, and related products against defects in workmanship and materials that may appear under normal and proper use.

MULTITRODE's sole obligation is to repair, replace or grant credit at its discretion for defective parts or equipment when returned prepaid to MULTITRODE or its nearest authorized service center. Parts or equipment repaired or replaced under warranty will be returned freight prepaid. Any modification of this warranty must be pre-approved by the President of MULTITRODE. See conditions and limitations.

CONDITIONS AND LIMITATIONS OF WARRANTY

Other condition and limitations of warranty are as follows:

- Returns must have prior authorization.
- Repair or replacement of any part or equipment shall not extend the warranty period.
- All warranty claims are subject to approval by MULTITRODE.
- MULTITRODE assumes no liability for any direct, indirect or consequential loss or damages of any kind in respect to the supply, use, or operation of MULTITRODE MultiSmart panels, liquid level sensing probes, and related products.
- Damage or defects resulting from misuse, misapplication, improper operation, neglect, accident, alternative or faulty installation, are not within the scope of the warranty.
- Warranty does not apply to any unit that has been repaired by anyone other than an MULTITRODE authorised service center, or has been altered.
- MULTITRODE will assume no responsibility, make no promise, nor provide any warranty as to the effectiveness, performance, or reliability of any components, such as radios, modems, and antennas, purchased from MULTITRODE for use in or as part of a SCADA or any type of telemetry system unless MULTITRODE was responsible for the design of the SCADA/telemetry system, as any such system requires radio path studies and signal strength studies be performed to insure proper communications/performance.

The MULTITRODE Limited Warranty does not apply to:

- Acts of God or other external causes of damage;
- Deficient installation or damage caused by deficient installation;
- Loss of service or flooding due to power outages or power being turned off;
- Property damage or bodily or personal injury of any kind;
- Damage because of a defective power supply or improper electrical connection or protection;
- Improper or inadequate maintenance by the customer;
- Unauthorized modification or misuse;
- Operation outside of the environmental specifications for the product, including but not limited to prolonged and excessive exposure to sulphur dioxide gas;
- Lightning, or other power overload;
- Connection to an incorrect power supply, including but not limited to incorrect voltage to signal inputs;
- Contact with water or other extraneous material (with the exception of MULTITRODE probes and other level sensing devices);
- Installation by an unqualified or inadequately trained person;
- Use in an unapproved application;
- Damage or malfunction caused by animals or insects;
- Dead pixels or screen damage is covered by the warranty only if it affects the functionality of the product;

ANY EXPRESSED OR IMPLIED WARRANTY NOT PROVIDED HEREIN, INCLUDING WITHOUT IMPLIED LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY REMEDY FOR BREACH OF CONTRACT, WHICH BUT FOR THIS PROVISION MIGHT ARISE BY IMPLICATION OF OPERATION LAW, ARE HEREBY EXCLUDED AND DISCLAIMED. IF THEY CANNOT BE DISCLAIMED, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR ANY PARTICULAR PURPOSE ARE EXPRESSLY LIMITED TO A TERM OF ONE (1) YEAR. SOME STATES DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU. UNDER NO CIRCUMSTANCES SHALL MULTITRODE BE LIABLE TO PURCHASER OR ANY OTHER PERSON FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER ARISING OUT OF BREACH OF WARRANTY, BREACH OF CONTRACT, TORT OR OTHERWISE. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATION MAY NOT APPLY TO YOU. THIS WARRANTY GIVES YOU SPECIFIC LEGAL RIGHTS AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM STATE TO STATE.

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS LIMITED WARRANTY IS LIMITED TO REPAIR OR REPLACEMENT AND IF SUCH WARRANTY FAILS BECAUSE ATTEMPTS AT REPAIR ARE NOT COMPLETED WITHIN A REASONABLE TIME, OR IT FAILS FOR ANY OTHER REASON, ANY DAMAGES ARE LIMITED TO THE LESSER OF EITHER THE COST OF NEEDED REPAIRS OR REDUCTION IN THE MARKET VALUE OF THE PRODUCT CAUSED BY LACK OF REPAIRS, IN ANY CASE. UNDER NO CIRCUMSTANCES WILL THE PURCHASE OR OTHER USER BE ENTITLED TO ANY CONSEQUENTIAL, INCIDENTAL OR CONTINGENT DAMAGES OR LOST PROFITS.

MULTITRODE reserves the right to hold-off their final inspection/commissioning and any warranty work until payment in full has been made and the account has been satisfied in full.



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261 EAST 56TH • ANCHORAGE, ALASKA 99518 • PHONE: (907) 563-3424 • FAX: (907) 562-5449

STANDARD TERMS & CONDITIONS OF SALE

Price: The prices quoted are in U.S. currency. Prorated payment shall be made for partial shipments.

Terms of Payment: Payment is due thirty (30) days after the date of the invoice. Interest on the unpaid balance will be charged on all overdue monies at the rate of 18% per annum or the highest rate allowable by law, whichever is less. Customer agrees to pay all collection costs, including actual reasonable attorney's fees incurred in collecting monies due hereunder. Seller reserves the right to require payment in advance or provide other credit terms if Buyer's credit is not acceptable to Seller.

Delivery/Shipment: Delivery and shipping times are Seller's best estimate at the time of quotation/proposal and do not include time to transfer the products, goods and/or equipment on order and to accept the order. Seller is not liable for any delay in the performance of any orders or contracts or the delivery or shipment of products, goods and/or equipment or for any damages sustained by Buyer by reason of such delay, if such delay is directly or indirectly caused by or in any manner arises from fires, floods, accidents, civil unrest, acts of God, war, governmental interference or embargos, strikes, labor difficulties or disputes, non-delivery by suppliers, shortages of labor, fuel, power, materials or supplies, transportation delays or any other cause or causes beyond Seller's control.

Identification and Risk of Loss: The products, goods and/or equipment shall be identified to the contract and risk of loss shall pass to Buyer when the products, goods and/or equipment are placed in the hands of the carrier.

Freight: All prices are FOB point of manufacture and do not include freight unless specifically listed as included. Seller shall not be responsible for actions, inactions or delays by the carrier.

Conditions: All orders are accepted with the understanding that they are subject to Seller's ability to obtain the necessary products, goods and/or equipment.

Not Included: Unless specifically provided herein, the products, goods, equipment, and/or services listed do not include freight, haulage, unloading, freight claims, installation, erection, concrete, grout, water, utilities, lubricating grease and oil, power, tools, labor, controls, conduit, wiring, meters, main disconnects, piping, valves, fittings, gaskets, hardware, taxes, covers, field painting, insurance, testing, royalties, maintenance, operation, erection supervision, start-up services, personnel transportation, anchor bolts, welding rod, or asset.

Inspection: Buyer shall inspect Seller's products, goods and/or equipment upon receipt and if Buyer's inspection reveals any defects, Buyer shall notify the Seller within three (3) days after receipt of the products, goods and/or equipment of any claim Buyer might have concerning such defects or of any claim discovered by Buyer. Buyer's failure to notify Seller within such three day period shall constitute a waiver by Buyer of all claims covering such defects.

Errors: Seller reserves the right to correct any clerical and/or stenographic error or omission.

Cancellation: Buyer may cancel this order only upon written notice and payment to Seller of reasonable cancellation charges.

Returns: Seller will not accept returns of chemicals, electrical items or special orders. Seller will not accept returns of any products, goods and/or equipment after ninety (90) days from the date of the invoice. Buyer will be assessed a reasonable restocking fee on any accepted returns.

Approvals: Buyer is responsible for obtaining any required engineers', owners', and/or governmental agencies' approval of the products, goods, equipment and/or services. Seller does not warrant that the products, goods, equipment and/or services will meet any such approvals or specifications.

Limitation of Liability: In no event shall Seller be liable for any lost profits, down time, lost sales, operating or maintenance costs, or for any other special, indirect, incidental or consequential damages of Buyer.

Warranties: SELLER MAKES NO EXPRESS WARRANTIES WITH RESPECT TO ANY PRODUCT, GOODS AND/OR EQUIPMENT SOLD OR SERVICES PERFORMED AND SELLER SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Seller does not authorize anyone to make a warranty of any kind on its behalf and Buyer should not rely on any statement to that effect. Seller is not the manufacturer of the products, goods and/or equipment. If the manufacturer of the products, goods and/or equipment warrants the products, goods and/or equipment that Buyer has purchased, Buyer shall have whatever manufacturer's warranty there is subject to the terms and conditions of the warranty. The Buyer's sole and exclusive remedy, if any, shall be against the manufacturer and not Seller.

Integration: These Terms and Conditions constitute the entire agreement between Buyer and Seller with respect to this transaction and supercede and replace all prior negotiations agreements, and representation, oral or written. These Terms and Conditions may not be amended or modified except pursuant to a written document signed by both parties.

Governing Law: The terms of this agreement and all rights and obligations of the parties hereunder shall be governed by the laws of the State of Alaska.

Binding Effect: These Terms and Conditions shall be binding on the parties hereto and their heirs, personal representatives, successors, and assigns.

The undersigned acknowledges and agrees to Alaska Pump & Supply terms and Conditions of sale/quote as referenced in our quote #AKP21-0761 and is subject to Alaska Pump & Supply, Inc.'s Standard Terms and Conditions of Sale which are outlined above and agrees to be bound by said Terms and Conditions. No other conditions previous or after date below apply.

Letters and Quotes: Notwithstanding any language to the contrary, nothing contained in our letters or quotes constitutes or is intended to constitute engineering work requiring a stamp or engineering seal by Alaska Pump & Supply, Inc. We neither convey nor imply that the company or persons are practicing engineering herein.

Customer Name Printed

Company Name Printed

X
Customer Signature

Date