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

10. Citizens Comments (Limited to Five (5) minutes per Citizen)
11. Old Business

12. New Business
   a. Request from North Pole Community Chamber of Commerce for 2\textsuperscript{nd} Quarter Bed Tax
   
   b. Approval To Purchase An Undercover Vehicle For The NPPD With ABADE Funds In The Amount of $24,403
   
   c. Approval of iPad Policy For The Mayor And City Council
   
   d. Authorization Of A Utility Extension Permit For Flint Hills Resources North Pole Refinery Industrial Force Sewer Main Project

   e. Resolution 12-19, A Resolution To Place An Initiative On The October 2, 2012 City Of North Pole Ballot Authorizing The City To Incur $302,500 Of Debt In The Form Of A Low-Interest Alaska Department Of Environmental Conservation Loan For The Purchase Of Emergency Generators For The Waste Water Treatment System

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, July 16, 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, July 16, 2012 to order at 7:00 p.m.

There were present: 
Absent/Excused
Mr. Holm
Ms. Hunter
Mr. Jones
Mr. McGhee
Mr. Nelson
Mr. Ward
Mayor Isaacson

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG
Led by Mayor Isaacson

INVOCATION
Invocation was given by Ms. Hunter

APPROVAL OF AGENDA
Mr. McGhee moved to Approve the Agenda of July 16, 2012

Seconded by Mr. Ward

Discussion
None

Mr. McGhee moved to consent the following items on the agenda:

OLD BUSINESS
a) Ordinance 12-17, An Ordinance Of The City Of North Pole, Alaska Amending Title 4, Chapter 4.10.010, User Fees

NEW BUSINESS
a) Request from Christmas In Ice for 2nd quarter 2012 bed tax
c) Resolution 12-18, A Resolution of the City of North Pole Establishing the Waste Water Treatment Plant Rehabilitation Project, Phase 1 as the City of North Pole’s Utility Department Priority Capital Project for calendar year 2013
Seconded by Mr. Ward

On the amendment

PASSED
YES – 5 - Ward, Holm, Hunter, McGhee, Isaacson
NO – 0 -
Absent- 2 – Jones, Nelson

On the main motion as amended

PASSED
YES – 5 - Ward, Holm, Hunter, McGhee, Isaacson
NO – 0 -
Absent- 2 – Jones, Nelson

APPROVAL OF MINUTES
Mr. Holm moved to Approve the minutes of July 2, 2012

Seconded by Mr. McGhee

Discussion
None

PASSED
YES – 5 - Ward, Holm, Hunter, McGhee, Isaacson
NO – 0 -
Absent- 2 – Nelson, Jones

COMMUNICATIONS FROM THE MAYOR
Communication Highlights from the Mayor for the period ending July 16, 2012

GENERAL:

• The Status of Energy Relief and Projects: The Senate Resources committee met last week in Anchorage. There is some talk about increasing a one-time subsidy but they believe if one person got relief, then every person must receive the same help. That hasn’t held true for natural gas distribution to Anchorage, nor for Power Cost Equalization payments to the Rural communities. Tomorrow at 8 a.m., at FEDC, I will be presenting the Pros and Cons of using Royalty Oil to provide an Immediate Relief to our Energy crisis. Alaska Statutes already give the Administration the ability to change prices for in-state refining of products based upon social and economic reasons.
If you, or someone you know, wants to make a trip to Glennallen this Friday, the Governor will be meeting with the Alaska Natural Gas Pipeline Coalition (ANGPC), the organization that made a presentation to Council a month or so back. Call Alan LeMaster, Director, at 907-822-3664 for more information. Pre-meeting begins at 2 pm, meeting with the Governor is at 3 pm. There may be people who can carpool from the area to reduce the travel expense; let me know if you want to carpool.

I am on the FNSB Natural Gas Distribution Study Advisory Group and attended the rollout of the FNSB’s Natural Gas Distribution Study Analysis this past week. Several legislators were also in attendance. The target price delivered to the customer is $15 mmbtu, which is about half of what we’re currently paying, i.e., approximately $31 mmbtu equivalent, and will still be higher than what the Anchorage area pays for natural gas. The estimated cost to the consumer, once the community build-out is complete, is estimated at approximately $16 mmbtu at today’s prices. The report can be found at: [http://www.investfairbanks.com/about/news/jul/fnsb-gas-distribution-system-analysis-final-report](http://www.investfairbanks.com/about/news/jul/fnsb-gas-distribution-system-analysis-final-report).

The other two mayors and I met with Lt. Governor Mead Treadwell regarding energy issues and the possibility of an Energy Authority. Details will have to be developed and so will the pros and cons, but the primary idea is to have a public/private relationship for the lowest possible cost to the consumer for the distribution of natural gas and propane. The idea is to have the Energy Authority oversee a competitive bid process for the operation of the distribution system. The Lt. Governor reiterated the Governor’s desire to back the project once the community agreed on an operator and has encouraged us to form a partnership with FNG, GVEA and Flint Hills, or some other entity.

- **Summer Festival Committee:** The North Pole Summer Festival, “Santa’s Polar Party: Christmas in July” was a great success! We did get rained out between 3-4 pm, but most vendors and all the participants I spoke with were enthusiastic. We had a couple of glitches that need to be ironed out for next year, but those will be passed along in the Procedures Manual for next year’s organizers to use. Thank you to all our hard working volunteers and to all our contributing sponsors, and all the participants, who made this event happen! The premier sponsor was Flint Hills, followed by the Santa Claus House, North Haven Homes, the Alaska Railroad, Chevrolet of Fairbanks, Birchwood Homes, Seekins Ford, Mt. McKinley Bank, Leaf and Bean, Wells Fargo Bank, Cold Spot Feeds, Tammy Randolph State Farm, NPHS Football Booster Club, Sani Cans, Clear Channel Radio, the Uptgraft family, and many others. The complete list will be out and published in the News Miner in the coming weeks.

- **The Jingle Bell Run:** Jingle in July, a fundraiser for the Arthritis Foundation, had a record turnout with over 450 participants, some coming from overseas and the lower 48 to participate. Thank you to the many volunteers, City staff, and others who make this event happen, and
especially to the participants and team leaders. Thank you, too, to the Santa Claus House for
donating their parking area for the event! As of race time, almost $40,000 had been collected,
also setting a new record.

• The Status of Eielson: Our Congressional delegation continue to work on saving Eielson through the
budget process. But after early August, there will be a lag as Congress recesses for a summer break.
Meanwhile, both consultants hired by the borough, PPSG, and by the State, Hijax and Fix, continue to
work on developing strategies that will BRAC proof Alaskan based military facilities, and actually
increase the mission at Eielson. This week, the three local mayors will be meeting with the new base
commander, BGen Mark “Grace” Kelly and his staff at Eielson.

Also, KeepTheF16s.com is a joint outreach effort by the Fairbanks North Star Borough and the cities of
North Pole and Fairbanks to inform concerned residents about the Air Force’s plans to move the F-16
squadron and support staff from Eielson AFB to the Joint Base Elmendorf-Richardson in Anchorage. The
website (http://www.keepthef16s.com) and related Facebook page (www.facebook.com/KeepTheF16s/)
are also places where the public can share their comments, photos, and videos to help make the case that
moving the F-16s from Eielson is the wrong solution for Fairbanks and the country.

• Of Interest—the Boats are on their way to the Beaufort Sea! The last of 8 boats being moved
by Alaska West Express for Shell Oil, travelled through North Pole on Friday, July 13. It was 23’
wide, 80’ long, 18’ high, and weighed over 328,000 pounds! While the other seven boats were
lighter and able to travel over the overpasses, this ship had to be diverted by DOT through the far
roundabout by Tesoro. NPPD was on-site and no incidents were reported while traffic was
diverted for 30-45 min. Although the street signs had to be removed, no flowers were disturbed
during the transit.

• Fence Down: expect to see the fence along NPHS Blvd disappear during the next month. Bill
Butler is seeking feedback from affected land owners. The fence is in bad condition and restricts
street clearing efforts in the winter.

• Visits with the City Attorney: Chief Lane and I met with City Attorney Zane Wilson and
discussed an on-going case that due to the appeals process may be with the City for another 2-3
years. While the court has released all individuals from the case, unless the City can get out
during the appeals process, NPFD may be involved in a protracted process. The cost for this case
is being paid by the insurance company.

• Alaska Coastal Zone Management Plan (ACMP): will be the topic of State Ballot Initiative 2
on August 28. The Greater Fairbanks Chamber of Commerce Board overwhelmingly approved a
resolution AGAINST the initiative. On July 11, the Lt. Governor held a public hearing that gave
both sides of the argument a chance to deliberate. For more information, see:
MEDIA:

**July 7 & 14:** 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.

- **July 17, 8 a.m.:** Mayor Isaacson will present the Pros and Cons of using Royalty Oil for Immediate Energy Relief @ FEDC 301 Cushman St, Suite 301
- **July 18, 10 a.m.:** FMATS Policy Committee meets at ADOT&PF Conference room on Peger Road.

- **July 9:** JPARC EIS Comments are due, [www.jparceis.com](http://www.jparceis.com).

- **July 13, 9:30 am:** 354th Fighter Wing Change of Command from B.Gen James “Bull” Post to Col (B.Gen Select) Mark “Grace” Kelly @ Eielson AFB.

**COUNCIL MEMBER QUESTIONS OF THE MAYOR**
None

**COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH REPRESENTATIVE AND THE CITY CLERK**

**Police Department, Chief Dutra**
- None

**Fire Department**
- State Fire Marshall, Dave Tyler, is retiring this year. The mayor will be doing a proclamation in his honor as Mr. Tyler was a former chief at the City of North Pole.
- Working on Homeland Security grants with Police, Utility, and Fire. All NIMS must be done by the end of the month.
- Finished hydrant testing.

Mr. McGhee asked who would be the new State Fire Marshall. Chief Lane stated that it would probably be filled nationally.
**Accountant, Lisa Vaughn**
- None

**FNSB Representative:**
**FNSB ASSEMBLY MEETING:**
The Assembly met on July 12. Of importance, slipping past both Cities, Ordinance 2012-32 was considered “housekeeping” but the word swap may be construed as an unnecessary diminishing of the Cities authority within our boundaries. Borough code, title 17, currently reads that the minimum standards “for design, materials, and construction of the required improvements for subdivisions approved under this title, located outside the City of Fairbanks and the City of North Pole. Minimum standards for subdivision developed within the City of Fairbanks or North Pole SHALL BE DETERMINED by the appropriate municipal authority.” The requested change is, “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.”

I am conferring with our legal and with the City of Fairbanks regarding the appropriate response.

- The next regularly scheduled Assembly meeting is scheduled for July 26. 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](http://co.fairbanks.ak.us/meetings/Assembly).

**Director of City Services, Bill Butler**
**Informational Newsletter**
- Mailing a newsletter of Building, Public Works and Utility Department summer activities
- Goal is to inform residents of City Services activities taking place in the City

**Building Department**
- In process of plan review and approving a building permit for a residential home
  - Habitat for Humanity project

**Public Works**
- Public works is continuing with beautification efforts on Santa Claus Lane
  - Hydro-seeding has contributed to greening up Santa Claus Lane
  - First bench installed
  - Working with North Pole Economic Development to install a bench at their installation
- Grant manager for Economic Stimulus grant for energy saving project has submitted design and cut sheets for heating system improvements at City Hall
  - Installation should begin before end of July
DOT has delayed sidewalk extension project to 2013
  ▪ Includes Santa Claus Lane, Park Way shoulder widening, and other connections

LED street light project phase 2 bid opening scheduled for this week
  ▪ DOT confirmed project will not be completed before summer 2013

Had meeting with DOT to expedite construction of new bus stop at North Pole Plaza Mall
  ▪ If City performs snow removal on Santa Claus Lane sidewalk, DOT can authorize FNSB to proceed with construction bus stop shelter

Community Development Block Grant for Santa’s Senior Center Kitchen Upgrade Project
  ▪ Begun design of kitchen upgrades and expect to release request for bids at end of July or beginning of August

Investigated background of a proposed park on land in Morning Star Subdivision adjacent to Beaver Springs Creek—expect to receive some materials this week

Utility Department
  ● Utility Garage Project
    ▪ Slab poured and contractor is waiting for delivery of steel to begin erecting building
  ● Utility’s waste water discharge to the Tanana River
    ▪ River flow continues in the discharge channel for the waste water treatment plant
  ● Met with staff from Flint Hills Resources concerning construction of dedicated industrial sewer force main
    ▪ FHR is committed to constructing the sewer main this year
    ▪ Working with FHR, their engineer and our third party engineer to expedite the project
    ▪ Hope to bring a recommendation to City Council at the August 6 meeting for a utility extension permit or a conditional permit so construction can begin

City Clerk
City Clerk/HR Manager Report to Council– July 16, 2012

  ● So far so good with the transition to AW Rehn and Lincoln National Life Insurance. Their customer service has been excellent with them contacting me weekly to do updates and make sure that things are going smoothly.

City Clerk’s Office

The Municipal Election for the City of North Pole will be held October 2, 2012. Declaration of Candidacy may be filed with the North Pole Clerk’s Office at 125 Snowman Lane, from July 30, 2012 at 8:00 a.m. through August 10, 2012 at 5:00 p.m. for the following:

CITY OF NORTH POLE MAYOR
(Serves at-large)

3-year term
CITY OF NORTH POLE COUNCIL SEATS
(All offices serve at-large)

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

QUALIFICATIONS
A candidate for city mayor or city council must be a qualified voter of the State of Alaska who has resided within the city for a period of one (1) year preceding the period for filing a declaration of candidacy. An elected person may hold only one (1) elective seat at a time.

DECLARATION OF CANDIDACY
A candidate for municipal office is nominated by executing a declaration of candidacy under oath and a properly and fully completed public financial disclosure statement that complies with the requirements of state law.

REQUIRED WHEN FILING FOR ALL ELECTED CITY OFFICES
- Completed Declaration of Candidacy obtained from the clerk’s office
- Completed Public Financial Disclosure Statement that complies with state law. For more information contact APOC at http://doa.alaska.gov/apoc/ or 800-478-4176
- A twenty five dollar ($25) non-refundable filing fee shall accompany the declaration of candidacy and PFDS

CANDIDATE FILING INFORMATION
Location: City Clerk’s Office, 125 Snowman Lane
Filing Opens: 8:00 a.m., July 30, 2012
Filing Closes: 5:00 p.m., August 10, 2012
Withdrawal Deadline: 5:00 p.m., August 17, 2012

*Note: A candidate desiring to withdraw may do so by filing a written request with the clerk by August 17, 2012 at 5:00 p.m.

Please go to our website at www.northpolealaska.com for more information and forms.

ONGOING PROJECTS
None

CITIZENS COMMENTS – 5 Minutes
Brendon Macalbre – Boy Scouts
Mr. Macalbre asked if there was anything that the Boy Scouts could do to help save EAFB. He asked the mayor what else the closing of the base could affect in the area.
Mr. Macalbre is advancing to Eagle Scout before next summer and almost has his life badge. He stated that he will be consulting with Mr. Slater about projects around EAFB.
NEW BUSINESS

APPROVAL OF DISPATCH CONTRACT BETWEEN CITY OF FAIRBANKS AND CITY OF NORTH POLE

Pat Cole - Fairbanks Chief of Staff, Stephanie Johnson – Fairbanks Dispatch Supervisor, Chief Lane-NPFD, and Chief Dutra-NPPD updated council on the Dispatch Contract between the City of Fairbanks and the City of North Pole. Mayor Isaacson gave an overview of the contract along with the costs of inflation through the next 3 years.

Pat Cole gave the history of the Dispatch Center since it took over from North Pole. He explained that there was a work study that had been done and that was how they came up with the costs and that the City of North Pole was getting a good deal on the service. The contract will become effective retroactively from January 1, 2012.

Chief Lane said they were very happy with the services they receive from the City of Fairbanks. They meet monthly with dispatch and talk over things that need to be improved on and any problems they are having. He would like to see the relationship continue.

Ms. Hunter asked if we had been using their services for free over the years.

Chief Lane stated that it has cost the City approximately &75,000 per year since the City of North Pole discontinued their dispatch center.

Public Comment

None

Mr. McGhee moved to Approve the Dispatch Contract Between the City of Fairbanks and the City of North Pole

Seconded by Mr. Ward

Discussion

Mr. McGhee asked how the calls get broken down from other agencies.

Ms. Johnson said the FNSB collects the 911 surcharge. They do not dispatch for the University, State Troopers or either of the bases.

Mr. Holm said that our budget is set at $75,000 for the first 6 months and that the contract is for $85,000 leaving $6,000 for the City to make up.

The mayor said that the City can absorb that since they have saved money on insurance.
Mr. Ward asked what the duration of the contract was.

Mr. Cole said that they can renegotiate in 2 years.

Mr. Holm said that the rates are higher than the CPI and asked if it was because of the study and the costs that were expected.

Mr. Cole said that this was a compromise between the two mayors and that the City of Fairbanks is picking up the majority of the cost.

Mr. Holm was curious about what some of the problems that might crop up.

Chief Lane said there have been no big problems. They discussed radio channels, terminology, and procedures.

Ms. Johnson said they have come up with ways to use the ALMR systems and fall back plans and used the forum for projects that all the different agencies can use, and that alone, individual agencies wouldn’t qualify for and that as a group they can.

Chief Lane said that he has always had the opportunity to go in and talk with dispatch.

Chief Dutra said that usually the Police Department doesn’t have the problems that EMS has.

Ms. Johnson explained about the length of the calls for EMS vs police.

Mr. McGhee said that for historical purposes, this is definitely much cheaper than what we had when dispatch was at North Pole.

Mayor Isaacson said that the City of Fairbanks has been professional and easy to work with. He thanked them for attending the meeting tonight.

**YES – 5 - Ward, Holm, Hunter, McGhee, Isaacson**
**NO – 0 -**
**Abstained- 0**

**COUNCIL COMMENTS**

**Mr. Ward** – Finance Committee meeting needed to be canceled and is rescheduled for July 23rd.

**Mr. Holm** – No Coment

**Ms. Hunter** – Thanked Brendon Macalbre for attending tonight and was happy to see the Boy Scouts get involved. She liked the newsletter that Mr. Butler sent out and would like to see the other departments do something like that.

Mr. McGhee – encouraged the Mayor and Mr. Butler to look at all the properties the City owns
and to get all the parks done and use land that has been dedicated as such. He is glad we had a safe 4th of July.

**Mayor Isaacson** – candidate forums are coming up.

**ADJOURNMENT**

Mr. Holm adjourned the meeting at 8:14 p.m.

Seconded by Mr. McGhee

The regular meeting of July 16, 2012 adjourned at 8:14 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, August 6, 2012.

____________________________________
Douglas W. Isaacson, Mayor

**ATTEST:**

________________________________________
Kathryn M. Weber, MMC
North Pole City Clerk
11 July 2012

The Honorable Doug Isaacson
Mayor
125 Snowman Lane
North Pole, AK 99705

Dear Mayor Isaacson

Please accept my sincere appreciation for your outstanding efforts and support in helping make the COMPACAF Executive Observer Program the Air Force's premier international relations venue in the Pacific. I thoroughly enjoyed chatting with you at the Pike's Landing dinner which gave our distinguished guests an example of how strong our civil-military relationships are in Alaska.

Your time and resources are valuable which is why I echo General North's praise for your steadfast devotion to our military and I am honored to have you as a cornerstone of support in our community. It is because of you and others like you that our men and women in uniform call Alaska their second home. Thank you very much for all you do. Well done!

Sincerely

[Signature]

STEPHEN L. HOOG
Lieutenant General, USAF
Commander, Eleventh Air Force
North Slope LNG exports require Energy Department, presidential approvals

Before the first cargo load of liquefied natural gas could set sail from Alaska for Asia, the project’s export paperwork must be in order.

That paperwork would include a federal agency’s finding that exporting the gas would not harm the nation’s public interest. The Department of Energy already is pondering that question for Lower 48 projects as companies there push to export U.S. LNG.

The paperwork also would involve a step that applies only to exporting Alaska North Slope production as LNG: The president must declare that shipping the gas out of the United States won’t hurt U.S. gas supplies or the price U.S. consumers pay for energy.

Other federal and state authorizations would be required, of course. A biggie would certify the location, safety and environmental soundness of the liquefaction plant. The pipeline to move North Slope gas to the liquefaction plant also could fall under federal regulation. Other approvals likely would involve any dredging of shipping channels, pipeline crossings of streams and wetlands, air emissions, use of government land and the novel design of a pipeline that would be buried in permafrost and carry chilled gas, among other issues.

If ExxonMobil, ConocoPhillips, BP and TransCanada decide to move ahead with the multibillion-dollar Alaska LNG project they’ve begun considering, they will have to hurdle some specific laws about physically exporting U.S. gas production as LNG — laws that until recently seldom attracted much attention.

U.S. imports, exports natural gas daily

Significant amounts of natural gas get imported and exported daily within the United States.

Last year the U.S. received an average of 9.5 billion cubic feet a day of foreign gas — at least twice the volume a major Alaska gas pipeline would carry — and exported 4.1 bcf a day.

U.S. natural gas imports

Source: U.S. Energy Information Administration

Almost every molecule of that gas entered or exited via pipeline between the United States and Canada or Mexico — mostly Canada. This gas flows easily and abundantly across the borders because of free-trade pacts the United States has with Canada and Mexico. Those pacts mean that requests to import or export gas among the three nations get automatically and quickly approved.
Approvals to export LNG are automatic, too, but only if the destination is one of 16 nations, including Canada and Mexico, with which the U.S. has a free-trade agreement involving natural gas. In the past 20 months, the Energy Department approved eight applications for long-term export of up to 11 billion cubic feet a day of LNG to those nations. The average waiting time from when an application was filed to when the department's Office of Fossil Energy approved it was just 53 days.

But all those approvals for all of that gas are mostly just an academic exercise.

That's because few of those 16 countries actually import LNG. Just one of those nations — South Korea — consumes a significant amount of LNG, none from the U.S. South Korea achieved free-trade status only in March 2012. In 2011, South Korea imported an average of 4.4 bcf a day of LNG from exporters around the world. All the other countries with U.S. free-trade agreements together imported just 444 million cubic feet a day, not counting Canada and Mexico, which don't want U.S. LNG because U.S. pipeline gas is much cheaper.

The prime target market for U.S. LNG exports is non-free-trade destinations, such as Japan, China, Taiwan, India and Europe. Getting U.S. approval to ship LNG to those destinations can be much more difficult, time consuming and political.

Much stricter laws apply to exports to non-free-trade countries.

Export of U.S.-made LNG rarely arises

As it stands now, just a smattering of the U.S. gas trade involves LNG leaving the country.

Last year, only nine loads of home-grown U.S. LNG arrived in foreign ports — eight sent to Japan and one to China. The total volume was 16.4 bcf, or an average of just 45 million cubic feet of gas a day. All of those shipments originated from the ConocoPhillips LNG plant in Nikiski, Alaska, that processes nearby Cook Inlet gas, not North Slope gas.

The Nikiski plant is the nation's only operating LNG maker sanctioned for commercial exports. It was first authorized to send LNG to Japan in 1967 and has been doing so since the plant opened in 1969.

With Nikiski historically the only player, sanctioning commercial export of U.S.-made LNG to non-free-trade countries like Japan and China is about as rare as finding an elephant oil field. Those giant fields do get discovered, but not very often. The same goes for permission to export U.S.-made LNG to such countries — it does happen, just not very often.

In fact, in the past 45 years, the Department of Energy has issued just 11 orders allowing such LNG exports. Nine of them involved the Nikiski plant. One, last year, involves a plant Cheniere Energy Corp. wants to build at its Sabine Pass, La., LNG-import terminal. Cheniere hopes to start the plant in 2015.

The 11th came in 1989. It covered exports from a plant that a now-defunct company called Yukon Pacific Corp. wanted to build in Valdez, Alaska. It would have
## 2011 U.S. LNG exports

<table>
<thead>
<tr>
<th>Date</th>
<th>Volume (bcf)</th>
<th>From</th>
<th>To</th>
<th>Buyer</th>
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<tbody>
<tr>
<td>Jan. 22</td>
<td>1.86</td>
<td>Nikiski</td>
<td>Japan</td>
<td>Tokyo Gas &amp; Tokyo Electric</td>
</tr>
<tr>
<td>Feb. 16</td>
<td>1.91</td>
<td>Nikiski</td>
<td>Japan</td>
<td>Tokyo Gas &amp; Tokyo Electric</td>
</tr>
<tr>
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<td>Nikiski</td>
<td>Japan</td>
<td>Tokyo Gas &amp; Tokyo Electric</td>
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<td>1.91</td>
<td>Nikiski</td>
<td>Japan</td>
<td>Kansai Electric</td>
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<tr>
<td>May 12</td>
<td>1.13</td>
<td>Nikiski</td>
<td>China</td>
<td>Shanghai LNG Co.</td>
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<tr>
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<td>Nikiski</td>
<td>Japan</td>
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<tr>
<td>Nov. 24</td>
<td>1.94</td>
<td>Nikiski</td>
<td>Japan</td>
<td>Tokyo Electric</td>
</tr>
</tbody>
</table>

*Source: U.S. Office of Fossil Energy*

This potential for bruising opposition is a key reason why getting Office of Fossil Energy approval can take so long. The case of LNG exports from Alaska's Nikiski plant illustrates.

### No objection to Alaska’s early LNG exports

Two federal laws govern gas exports in general. The Natural Gas Act of 1938 says no gas exports may occur without federal permission, but that permission will be granted unless, after a hearing, the government "finds that the proposed exportation ... will not be consistent with the public interest."

The Energy Policy and Conservation Act says the president can restrict natural gas exports — as well as export of other fossil fuels — unless he determines the exports are "consistent with the national interest." Congress wrote this law in 1975 when a quadrupling of oil prices in three years triggered an energy crisis that staggered U.S. consumers and the economy.

Via some handoffs, the Office of Fossil Energy today rules on the national interest.

An important facet of the decision is that the export permission will be given unless opposition makes the case that exports would be bad for the United States.

In the case of the Nikiski LNG exports, no one contested them for the first couple of decades and they sailed through to easy approval.

It’s important to understand that this absence of opposition occurred because there was no other demand for the exported gas in the Nikiski plant’s early years.

The plant was born after significant oil discoveries in southern Alaska’s Cook Inlet basin during the 1960s. The oil drilling also found a bounty of methane. But there was no local market for the gas.

So entrepreneurs stepped up to create markets.

Locally, power plants converted to natural gas as a fuel, and a local gas company built a network of pipes to supply gas to home and commercial-building furnaces.

But local demand was not enough to sop up all the gas bounty.
### U.S. LNG export authorizations

For shipments to non-free-trade-agreement countries

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Who received permission</th>
<th>Duration</th>
<th>From</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1967</td>
<td>50 bcf a year</td>
<td>Phillips/ Marathon</td>
<td>15 years ending May 31, 1984</td>
<td>Nikiski, Alaska</td>
<td>Japan</td>
</tr>
<tr>
<td>1982</td>
<td>50 bcf a year</td>
<td>Phillips/ Marathon</td>
<td>5 years ending May 31, 1989</td>
<td>Nikiski, Alaska</td>
<td>Japan</td>
</tr>
<tr>
<td>1988</td>
<td>52 bcf a year</td>
<td>Phillips/ Marathon</td>
<td>15 years ending March 31, 2004</td>
<td>Nikiski, Alaska</td>
<td>Japan</td>
</tr>
<tr>
<td>1989</td>
<td>660 bcf a year</td>
<td>Yukon Pacific</td>
<td>25 years from first shipment</td>
<td>Valdez, Alaska</td>
<td>Japan, South Korea and Taiwan</td>
</tr>
<tr>
<td>1992</td>
<td>64.4 bcf a year</td>
<td>Phillips/ Marathon</td>
<td>Through March 31, 2004 (amended 1988 order)</td>
<td>Nikiski, Alaska</td>
<td>Japan</td>
</tr>
<tr>
<td>1993</td>
<td>Up to 10 bcf total</td>
<td>Phillips/ Marathon</td>
<td>2 years from first shipment</td>
<td>Nikiski, Alaska</td>
<td>Anywhere (spot market) - 1 shipment to Japan occurred</td>
</tr>
<tr>
<td>1999</td>
<td>64.4 bcf a year</td>
<td>Phillips/ Marathon</td>
<td>5 years ending March 31, 2009</td>
<td>Nikiski, Alaska</td>
<td>Japan</td>
</tr>
<tr>
<td>2000</td>
<td>Up to 10 bcf total</td>
<td>Phillips/ Marathon</td>
<td>2 years from first shipment</td>
<td>Nikiski, Alaska</td>
<td>Anywhere (spot market) - 1 shipment to Russia occurred</td>
</tr>
<tr>
<td>2008</td>
<td>98.1 bcf total</td>
<td>ConocoPhillips/ Marathon</td>
<td>2 years ending March 31, 2011</td>
<td>Nikiski, Alaska</td>
<td>Pacific Rim countries</td>
</tr>
<tr>
<td>2010</td>
<td>Rest of 98.1 bcf authorized in 2008</td>
<td>ConocoPhillips/ Marathon</td>
<td>2 years ending March 31, 2013</td>
<td>Nikiski, Alaska</td>
<td>Anywhere</td>
</tr>
<tr>
<td>2011</td>
<td>803 bcf a year</td>
<td>Cheniere Energy</td>
<td>20 years from first shipment</td>
<td>Sabine Pass, La.</td>
<td>Anywhere</td>
</tr>
</tbody>
</table>

That gave rise to two export projects. In 1969, Union Oil Co. of California, a Cook Inlet producer, opened a fertilizer plant that used natural gas as a feedstock. That same year, two other producers — Phillips and Marathon — christened their LNG plant at Nikiski.

The initial approval allowed the Nikiski plant to export LNG to utilities in Japan for 15 years.

Back then, exporting gas as LNG was a novel, breakthrough idea. The world's first commercial shipment, from Algeria to England, occurred only a few years earlier.

Through Nikiski, the United States pioneered LNG shipments to Asia, the destination last year of about 65 percent of the world's LNG production. Producers
in Malaysia, Indonesia, Brunei, Qatar, Australia and Russia now dominate the Japan trade. The Nikiski plant is a bit player today.

The U.S. government extended the Nikiski plant's export authority three times between the early 1980s and the early 1990s. Each time the export application sailed through uncontested.

But the Phillips/Marathon application on Dec. 31, 1996, seeking to continue exports through 2009 sparked a maelstrom of opposition.

A late-1990s donnybrook on Alaska exports

The battle raged for 27 months before the Office of Fossil Energy on April 2, 1999, concluded, in double-negative legalese, that the exports have "not been shown to be inconsistent with the public interest."

The fight over this authorization reflected two factors converging by the late 1990s in Cook Inlet. First, demand for gas had grown to where it consumed all production. Second, the 1960s-era gas fields were old and production was on the brink of fizzling away.

Worries of a local natural gas shortage surfaced.

Exports of Nikiski LNG through 2009? Terrible idea, opponents argued.

Unocal said exports would jeopardize the gas flow to its fertilizer plant. ENSTAR Natural Gas Co., the local gas utility, argued it would need the exported gas to feed local furnaces. Aurora Gas Inc., a marketer of Cook Inlet gas, worried it couldn't supply customers if LNG exports occur. They wanted a trial-type hearing. They wanted a public airing of the topic in Anchorage.

Continued exports "would be inconsistent with the public interest," they argued in fat filings.

The Office of Fossil Energy also heard from Alaska U.S. Sens. Ted Stevens and Frank Murkowski, 17 state legislators, the cities of Anchorage and Kenai, and 21 other interested parties, most supporting the exports for creating Alaska jobs, paying local taxes and royalties, stimulating local gas production and helping the U.S. trade imbalance.

Phillips and Marathon, the LNG plant owners, argued Cook Inlet had plenty of gas to supply all users through 2009. If the gas wasn't exported, the local market

## Pending applications for U.S. LNG exports

Long-term exports to non-free-trade nations

<table>
<thead>
<tr>
<th>LNG Expansion and FLNG Liquefaction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
</tr>
<tr>
<td><strong>Duration</strong></td>
</tr>
<tr>
<td><strong>Export site</strong></td>
</tr>
<tr>
<td><strong>Date applied</strong></td>
</tr>
<tr>
<td><strong>Companies involved</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lake Charles Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
</tr>
<tr>
<td><strong>Duration</strong></td>
</tr>
<tr>
<td><strong>Export site</strong></td>
</tr>
<tr>
<td><strong>Date applied</strong></td>
</tr>
<tr>
<td><strong>Companies involved</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dominion Cove Point LNG</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
</tr>
<tr>
<td><strong>Duration</strong></td>
</tr>
<tr>
<td><strong>Export site</strong></td>
</tr>
<tr>
<td><strong>Date applied</strong></td>
</tr>
<tr>
<td><strong>Companies involved</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Carib Energy (USA)*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
</tr>
<tr>
<td><strong>Duration</strong></td>
</tr>
<tr>
<td><strong>Export site</strong></td>
</tr>
<tr>
<td><strong>Date applied</strong></td>
</tr>
<tr>
<td><strong>Companies involved</strong></td>
</tr>
</tbody>
</table>

* Carib would send truckload-sized volumes to small Latin America users

(continued on page 6)
Pending applications for U.S. LNG exports (continued)

<table>
<thead>
<tr>
<th>Freeport LNG Expansion and FLNG Liquefaction*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
</tr>
<tr>
<td>Duration</td>
</tr>
<tr>
<td>Export site</td>
</tr>
<tr>
<td>Date applied</td>
</tr>
<tr>
<td>Companies involved include ...</td>
</tr>
</tbody>
</table>

* This request is in addition to the applicant's 2010 filing

<table>
<thead>
<tr>
<th>Cameron LNG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
</tr>
<tr>
<td>Duration</td>
</tr>
<tr>
<td>Export site</td>
</tr>
<tr>
<td>Date applied</td>
</tr>
<tr>
<td>Companies involved include ...</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gulf Coast LNG Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
</tr>
<tr>
<td>Duration</td>
</tr>
<tr>
<td>Export site</td>
</tr>
<tr>
<td>Date applied</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jordan Cove Energy Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
</tr>
<tr>
<td>Duration</td>
</tr>
<tr>
<td>Export site</td>
</tr>
<tr>
<td>Date applied</td>
</tr>
<tr>
<td>Companies involved include ...</td>
</tr>
</tbody>
</table>

In its decision, the Office of Fossil Energy blasted opponents of Nikiski exports between the eyes. They simply didn't make a case that invalidated the evidence Phillips and Marathon presented that Cook Inlet had plenty of gas for all.

The Natural Gas Act "creates a statutory presumption in favor of approval of an export application, and the Department must grant the requested export extension unless it determines the presumption is overcome by evidence in the record of the proceeding that the proposed export will not be consistent with the public interest," the decision said. "Opponents of an application bear the burden of overcoming this presumption."

LNG exports mean Alaska's energy resources will be developed efficiently to the benefit of producers and consumers, the decision said.

Besides whittling the trade deficit, the department said it "believes that the public interest in free trade generally supports approval of proposed exports. ... Competition in world energy markets promotes the efficient development and consumption of energy resources, as well as lower prices, whereas economic distortions can arise from artificial barriers to the free flow of energy resources."

U.S. grows cautious on LNG exports

In January 2007, ConocoPhillips and Marathon applied for a two-year extension of exports — to 2011.

That same month, the Nikiski plant briefly stopped taking gas delivery so that the gas could be diverted to meet local demand during a cold snap.

Also by this time, the fertilizer plant had shut down; its owner, Agrium U.S. Inc., had bought the plant from Unocal in 2000 but started curtailing production three years later for lack of reliable gas supplies. Agrium closed the plant in 2006.

Agrium opposed the export application, arguing its factory should get the gas because it could provide more jobs than the LNG plant.

A local power utility, Anchorage-based Chugach Electric Association, told the Office of Fossil Energy it wanted assurances that local gas needs would be met before any LNG exports happened.

would be glutted, they said. The two companies packed the file with studies backing their predictions.

Domestic need for gas, reliability of supply, impact on price, job creation and U.S. energy security are key decision points on where the public interest lies.
ENSTAR, the gas utility, initially opposed the application but withdrew after ConocoPhillips and Marathon ensured ENSTAR an adequate supply.

In June 2008, 17 months after the application, the Office of Fossil Energy approved the exports. Again, the office said, the opponents failed to show that allowing the exports would be "inconsistent with the public interest."

Among other points, the office said keeping the LNG plant open helps ensure local needs are met by allowing the plant's gas supply to be diverted to meet local needs during winter's harshest spells.

In 2010, the Office of Fossil Energy extended the Nikiski plant's export authority through March 31, 2013.

As for Cheniere Energy's bid to export LNG from its Sabine Pass, La., site, the office similarly dismissed opponents when it authorized exports last year.

But since then, the Office of Fossil Energy has become cautious on the eight pending applications to export LNG from Lower 48 sites.

As a Fossil Energy official told Congress last November during a hearing on the wisdom of gas exports, "Mindful of the growing interest in exporting domestically produced LNG, DOE recognized in the Sabine Pass order that the cumulative impact of Sabine Pass and additional future LNG export authorizations could pose a threat to the public interest. DOE stated that it would monitor the cumulative impact and take such action as necessary in future orders."

As for future export of North Slope gas as LNG, Alaska U.S. Sen. Lisa Murkowski has tried to create a separation between Alaska exports and any controversy aswirl about Lower 48 exports.

Alaska is unconnected to the vast North American gas pipeline grid and shouldn't get sucked into the Lower 48 debate, she reminded the Obama administration in an April 27 letter. Think instead of Alaska gas as a potential source of cleaner, sustainable and reliable energy "to our friends in Japan," she wrote the president.

The president must sign off

The president plays a specific role in allowing or disallowing export of North Slope gas to somewhere other than Canada or Mexico.

In 1976, Congress passed the Alaska Natural Gas Transportation Act to help spur development of a pipeline system that would flow North Slope gas through Canada down into Lower 48 markets. To date, the northern two-thirds of the system — from Alaska into Canada — hasn't been constructed. But the law remains active.

Section 719j of that law says that if North Slope gas exports exceed 1 million cubic feet a day to somewhere other than Canada or Mexico, "the President must make and publish an express finding that such exports will not diminish the total quantity or quality nor increase the total price of energy available to the United States."

How much is 1 million cubic feet per day? Not much — the furnaces of roughly 1,600 Anchorage homes burn through that amount on a typical January day. A pretty low threshold to trigger the presidential finding.

On Jan. 12, 1988, LNG exports of North Slope gas got such a presidential finding. The Yukon Pacific project was pending then, but President Ronald Reagan's finding doesn't specifically mention that project. It simply declares generically that it's OK to export the gas.

"There exist adequate, secure, reasonably priced supplies of natural gas to meet the demand of American consumers for the foreseeable future," Reagan decreed. "This demand can be met by lower-48 production and already-approved Canadian imports. If necessary, this demand also can be met at lower delivered energy cost by coal, oil, imported liquified natural gas (LNG), natural gas from Mexico, and other energy sources."

"Given these facts, exports of Alaska natural gas would represent a judgment by the market that the energy demands of American consumers can be met adequately from other sources at comparable or lower prices. Exports of Alaska natural gas would not diminish the total quantity or quality of energy available to U.S. consumers because world energy resources would be increased and other more efficient
supplies would thus be available. Finally, exports would not increase the price of energy available to consumers since increased availability of secure energy sources tends to stabilize or lower energy prices."

It's unclear whether this 1988 finding could still apply to an export project circa 30 or 40 years later. U.S. natural gas markets have evolved considerably since the 1980s. Yet the language echoes eerily of today's market: Adequate supplies, reasonable prices, demand that can be met using other energy sources.

The 1976 Alaska gas law also bars federal authorizations that could hobble construction of the Alaska gas pipeline project through Canada — called the Alaska Natural Gas Transportation System, or ANGTS. Only the southern one-third of that project got built — from Alberta to the Lower 48.

Would allowing LNG exports of North Slope gas impair construction of the northern two-thirds?

The federal government didn't think so in the late 1980s.

"I do not believe this finding should hinder completion of the Alaska Natural Gas Transportation System," Reagan's finding said.

The Office of Fossil Energy also considered the topic when authorizing the Yukon Pacific LNG exports in 1989. Sponsors of the shelved pipeline project to Canada objected to the exports, saying exports will leave too little gas to make its project viable. Canadian officials, through diplomatic channels, expressed angst about the LNG exports.

The office brushed away the objection and authorized the exports anyway, saying:

"The approval neither commits any natural gas supplies to Yukon Pacific nor creates any regulatory impediments to other North Slope natural gas projects, including ANGTS. Rather, the approval is intended to spur competition to develop North Slope natural gas efficiently, with the marketplace determining the course of development. The public interest lies in bringing this immense energy resource to market in an efficient and timely manner."

The office tossed opponents a bone, though. It said the opponents had valid concerns that the Yukon Pacific project could make the Canadian pipeline more costly or harder to build: "(T)he proximity of the (Yukon Pacific) pipeline to ANGTS in many locations creates the potential that ANGTS may become significantly more expensive, or even impossible to construct and operate."

But that possibility can be managed, the office said. It barred the Yukon Pacific project from "taking any action that would compel a change in the basic nature and general route of ANGTS or otherwise prevent or impair in any significant respect is expeditious construction and initial operation."

For more information, please visit our website: www.arcticgas.gov

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1101 Pennsylvania Ave. NW, 7th Floor
Washington, DC 20004
(202) 756-0179

OFC Alaska
188 W. Northern Lights Blvd., Suite 600
Anchorage, AK 99503
(907) 271-5209
## Contracted Capacity at SPL
Sale and Purchase Agreements (SPAs)

### Long-term, “take-or-pay” style commercial contracts equating to ~2.2 Bcf/d

<table>
<thead>
<tr>
<th></th>
<th>BG GROUP</th>
<th>gasNatural fenosa</th>
<th>GAIL (India) Limited</th>
<th>Korea Gas Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Contract Quantity (MMBtu)</strong></td>
<td>286,500,000</td>
<td>182,500,000</td>
<td>182,500,000</td>
<td>182,500,000</td>
</tr>
<tr>
<td><strong>Markets Served</strong></td>
<td>Global</td>
<td>Spain, Italy, Americas</td>
<td>India</td>
<td>South Korea</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>Global LNG marketer</td>
<td>Spain’s largest gas and power utility</td>
<td>India’s major vertical gas utility</td>
<td>World’s largest buyer of LNG</td>
</tr>
<tr>
<td><strong>Annual Revenue</strong></td>
<td>~$723 MM</td>
<td>~$454 MM</td>
<td>~$548 MM</td>
<td>~$548 MM</td>
</tr>
<tr>
<td><strong>Revenue $/MMBtu (2)</strong></td>
<td>$2.25 - $3.00</td>
<td>$2.49</td>
<td>$3.00</td>
<td>$3.00</td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>20 + 10 years</td>
<td>20 years</td>
<td>20 years</td>
<td>20 years</td>
</tr>
<tr>
<td><strong>Contract Start Date</strong></td>
<td>Train 1 + additional Volumes for trains 2, 3, 4</td>
<td>Train 2</td>
<td>Train 4</td>
<td>Train 3</td>
</tr>
</tbody>
</table>

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(1) Conditions precedent must be satisfied by December 31, 2012 for BG Group and Gas Natural Fenosa and by June 30, 2013 for KOGAS and GAIL (India) Ltd. or either party can terminate. CPs include financing, regulatory approvals, positive final investment decision, issuance of notice to proceed and entering into common facilities agreements (other than KOGAS and GAIL (India) Limited).

(2) A portion of the fee is subject to inflation, approximately 13.5% for BG Group, 13.0% for Gas Natural Fenosa, 11.5% for KOGAS and 15% for GAIL (India) Ltd.


(4) [http://www.kogas.or.kr/kogas_eng/html/who/who_01.jsp](http://www.kogas.or.kr/kogas_eng/html/who/who_01.jsp)
# Applications for LNG Export Authority

<table>
<thead>
<tr>
<th>Company</th>
<th>Quantity (a)</th>
<th>FTA Applications (b) (Docket Number)</th>
<th>Non-FTA Applications (g) (Docket Number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabine Pass Liquefaction, LLC</td>
<td>2.2 billion cubic feet per day (Bcf/d) (d)</td>
<td>Approved (10-85-LNG)</td>
<td>Approved (10-111-LNG)</td>
</tr>
<tr>
<td>Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC</td>
<td>1.4 Bcf/d (e)</td>
<td>Approved (10-160-LNG)</td>
<td>Under DOE Review (10-161-LNG)</td>
</tr>
<tr>
<td>Lake Charles Exports, LLC (f)</td>
<td>2.0 Bcf/d (g)</td>
<td>Approved (11-59-LNG)</td>
<td>Under DOE Review (11-59-LNG)</td>
</tr>
<tr>
<td>Carib Energy (USA) LLC</td>
<td>0.03 Bcf/d: FTA 0.01 Bcf/d: non-FTA (e)</td>
<td>Approved (11-71-LNG)</td>
<td>Under DOE Review (11-141-LNG)</td>
</tr>
<tr>
<td>Dominion Cove Point LNG, LP</td>
<td>1.0 Bcf/d (f)</td>
<td>Approved (11-115-LNG)</td>
<td>Under DOE Review (11-128-LNG)</td>
</tr>
<tr>
<td>Cameron LNG, LLC</td>
<td>1.7 Bcf/d (f)</td>
<td>Approved (11-145-LNG)</td>
<td>Under DOE Review (11-162-LNG)</td>
</tr>
<tr>
<td>Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC</td>
<td>1.4 Bcf/d (g)</td>
<td>Approved (12-06-LNG)</td>
<td>Under DOE Review (11-161-LNG)</td>
</tr>
<tr>
<td>Gulf Coast LNG Export, LLC (a)</td>
<td>2.8 Bcf/d</td>
<td>Under DOE Review (12-05-LNG)</td>
<td></td>
</tr>
<tr>
<td>Cambridge Energy, LLC</td>
<td>0.27 Bcf/d (b)</td>
<td>Pending Approval (12-18-LNG)</td>
<td>n/a</td>
</tr>
<tr>
<td>Gulf LNG Liquefaction Company, LLC</td>
<td>1.5 Bcf/d</td>
<td>Approved (12-47-LNG)</td>
<td>n/a</td>
</tr>
<tr>
<td>LNG Development Company, LLC (d/b/a Oregon LNG)</td>
<td>1.25 Bcf/d: FTA 1.3 Bcf / d: non-FTA (a)</td>
<td>Approved (12-48-LNG)</td>
<td>Under DOE Review (12-77-LNG)</td>
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<tr>
<td>SB Power Solutions Inc.</td>
<td>0.07 Bcf/d</td>
<td>Approved (12-50-LNG)</td>
<td>n/a</td>
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<tr>
<td>Southern LNG Company, L.L.C.</td>
<td>0.5 Bcf/d</td>
<td>Approved (12-54-LNG)</td>
<td>n/a</td>
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<tr>
<td>Excelerate Liquefaction Solutions I, LLC</td>
<td>1.38 Bcf/d</td>
<td>Pending Approval (12-61-LNG)</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total of all Applications Received</strong></td>
<td><strong>18.70 Bcf/d</strong></td>
<td></td>
<td><strong>14.61 Bcf/d</strong></td>
</tr>
</tbody>
</table>

Applications for LNG Export Authority - Footnotes

(a) Actual applications were in the equivalent annual quantities.
(b) FTA – Applications to export to free trade agreement (FTA) countries. The Natural Gas Act, as amended, has deemed FTA exports to be in the public interest and applications shall be authorized without modification or delay.
(c) Non-FTA applications require DOE to post a notice of application in the Federal Register for comments, protests and motions to intervene, and to evaluate the application to make a public interest consistency determination.
(d) Requested approval of this quantity in both the FTA and non-FTA export applications. Total facility is limited to this quantity (i.e., FTA and non-FTA volumes are not additive at a facility).
(e) DOE/FE received a new application (11-161-LNG) by FLEX to export an additional 1.4 Bcf/d of LNG from new trains to be located at the Freeport LNG Terminal, to non-FTA countries, and a separate application (12-06-LNG) to export this same 1.4 Bcf/d of LNG to FTA countries (received January 12, 2012). This 1.4 Bcf/d is in addition to the 1.4 Bcf/d FLEX requested in dockets (10-160-LNG and 10-161-LNG).
(f) Carib Energy (USA) LLC requested authority to export the equivalent of 11.53 Bcf per year of natural gas to FTA countries and 3.44 Bcf per year to non-FTA countries.
(g) Jordan Cove Energy Project, L.P. requested authority to export the equivalent of 1.2 Bcf/d of natural gas to FTA countries and 0.8 Bcf/d to non-FTA countries.
(h) DOE/FE received a new application (11-161-LNG) by FLEX to export an additional 1.4 Bcf/d of LNG from new trains to be located at the Freeport LNG Terminal, to non-FTA countries, and a separate application (12-06-LNG) to export this same 1.4 Bcf/d of LNG to FTA countries (received January 12, 2012). This 1.4 Bcf/d is in addition to the 1.4 Bcf/d FLEX requested in dockets (10-160-LNG and 10-161-LNG).
(i) An application was submitted by Gulf Coast on January 10, 2012, seeking one authorization to export LNG to any country not prohibited by U.S. law or policy.
(j) Cambridge Energy, LLC requested authority to export up to 2 million metric tons of LNG annually, equivalent to an average of 0.27 Bcf/d of natural gas to FTA countries in Central and South America, the Caribbean, and the Asia/Pacific region.

July 26, 2012

The Honorable Mayor Doug Isaacson
City of North Pole
125 Snowman Lane
North Pole, AK 99705

Dear Mayor Isaacson,

The Alaska Railroad Corporation (ARRC) invites you to come take a look at how far we've come in building the Tanana River levee as part of Phase One of the Northern Rail Extension (NRE). As the project nears completion on this first major milestone, we would like to share our progress with you and your neighbors during an informal gathering and site visit:

Sunday, August 26, 2012
1:00 – 3:00 p.m.
Salcha Fair Grounds

Please join the project team for a light picnic and narrated 20-minute guided tours of the levee construction area. Tours will begin and end at the fair grounds. If you would like to participate, please contact Sue Signor at 907-328-2233 x 7 to confirm the number of people in your party.

The Phase One construction crew is currently completing work on the levee structure, and we anticipate starting construction on the bridge crossing later this summer. As bridge-building efforts begin, we thank you in advance for your patience. If you have any comments regarding the proposed construction, please contact me by phone at 907-644-4731 or by e-mail at Peterbursm@akrr.com.

Thank you for your ongoing interest and support of the Northern Rail Extension.

Sincerely,

[Signature]

Mark Peterburs
Project Manager and Community Liaison
Phase One, Northern Rail Extension Project
NRE Work Hours Extended

In order to meet critical construction deadlines, Northern Rail Extension (NRE) Phase One (Tanana River Bridge/Levee) will be extended starting August 6, 2012. Work will begin 7:00 AM and continue through 4:00 AM daily, through early December, 2012. The construction crew will also be working Sundays as needed. For more information, please contact Mark Peterburs at Peterbursm@akrr.com or 907-644-4731.
PLEASE JOIN US
AS WE PAUSE TO CELEBRATE OUR PARTNERSHIPS

TANANA CHIEFS CONFERENCE
WILL FORMALLY ACCEPT OWNERSHIP OF
THE NEW CHIEF ANDREW ISAAC HEALTH CENTER

THURSDAY, SEPTEMBER 6TH, 2012
5:00PM-6:30PM
1717 WEST COWLES STREET
FAIRBANKS, ALASKA

HORS D’OEUVRES
PROGRAM
TOURS

RSVP IS APPRECIATED
EMAIL: RSVP@TANANACHIEFS.ORG
CALL JOYCE ANDERSEN
(907) 276-8095

THE GRAND CELEBRATION FOR THE NEW CAIHC
WILL BE HELD ON MARCH 14, 2013
DURING THE TCC CONVENTION
Communications Highlights from the Mayor for the period ending August 6, 2012

GENERAL:

• **The Status of Energy Relief and Projects:** Since 2010, I’ve kept the Council informed every time I publicly pushed for an adjustment to royalty oil pricing. Attached to this report is the Power Point presentation I gave to the Interior Issues Energy workgroup on July 17, “Con v. Pro: Using Royalty Oil for Immediate Energy Cost Relief.” Also attached are excerpts from AS 38.05 and 38.06. If you are interested in other supporting documentation, I will be glad to provide it to you. We don’t have to wait for expensive infrastructure to be built to provide relief to our citizens, we just need the decision to use what we have to provide “maximum benefit” to our people.

• **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](http://www.youtube.com/watch?v=LSzRsWckp08&list=UUKsZm_mQ3TrK6wgYpFcue_Q&index=1&feature=plcp).

• **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 is 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
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.

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 City Clerk Kathy Weber, 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.
Con v. Pro: Using Royalty Oil for Immediate Energy Cost Relief

"Why not explore the option?"

Presentation to the Interior Issues Energy Council
July 17, 2012
Mayor Doug Isaacson, City of North Pole

Where There's a Will...

Start with a "Can't" ... End with a "Won't"

Start with a "Can" ... End with a "Will"
Topics to Cover

- Pro v. Con: Using Royalty Oil for Immediate Energy Cost Relief
- Plan Overview
- Plan Goal
- Review of Compton
- Discussion of "Maximum Benefit"
- Con versus Pro
- Long Term Goal
- Recommendations

Plan Overview

- State authorizes sale of royalty oil at reduced rate for two refined products:
  - Heating oil
  - Fuels for electricity generation
- Make the discount available to ANY in-state refinery willing to:
  - Accept fixed ROI
  - Ensure discount transfers to consumer
Plan Goal

- Reduce current heating oil and electricity costs by half
- Be temporary "path to the bridge"; ends when affordable, sustainable energy solution begins
- Stabilize Interior and Rural (PCE) Regions
- Able to do immediately
- Reduce growth of State Budget
- No taxing event burden on residents

Review of Compton

- The landmark case discussing royalty oil
- But it was answering a different question than "Can maximum benefit be measured by the economic good of the people or must it be measured by the positive impact to the State's treasury?" (see pp 4-5)
Compton, 2

- "The State may not take royalty 'in kind' unless, after said deductions, it will be in the best interests of the State to do so, which presumably means that it will be receiving an amount at least as great as it would if the royalty was taken 'in value'."

(p 19, lines 21-25, emphasis added)

Maximum Benefit

- AG Dan Sullivan, Dec 2010 @ FEDC: maximum benefit can be interpreted as more than maximum revenues, there is an economic factor.
- AS 38.06.070: consider impacts to:
  - Revenues
  - Economy, local and regional
  - Social
Maximum Benefit Possibilities

- AS 38.06.070 (b): "When it is economically feasible and in the public interest...AS A CONDITION OF THE SALE OF OIL OR GAS OBTAINED BY THE STATE AS ROYALTY..."
  - The OIL OR GAS be refined in-state
  - PRICE BENEFIT to state citizens

Con versus Pro

**CON:** The plan is "unconstitutional"

**PRO:** Much of the mechanics are already in State statutes
Con versus Pro

CON: The plan does not give each person the same benefit

PRO: AK Constitution, Article 8: "Public Interest" and "People" not "person"

Con versus Pro

CON: The plan reduces State revenues

PRO: The plan invigorates the economy and reduces the size of State budget
Con versus Pro

CON: The plan does not incentivize moving to natural gas

PRO: The plan should be crafted to be time-certain and have price thresholds

Con versus Pro

CON: The plan restricts Free Market

PRO: The plan is:
- voluntary
- provides certainty
- expands market share
- creates economies of scale
Con versus Pro

CON: There's no way to regulate compliance

PRO: □ The industry uses algorithms
□ "Easy" test: is the customer paying within the established parameters?

Con versus Pro

CON: The process will take too long

PRO: □ May be separate from existing contracts
□ May be within the complete authority of the DNR Commissioner
□ May be done before winter
Long-term goal

- Stabilize oil dependant regions in Alaska
- Encourage commercial and industrial investments in the affected regions
- Increase household disposable incomes
- Use only as a "path" to the "bridge" project(s)

Recommendations

- The Governor immediately initiate an analysis, as required by AS 38.06.070
- The Governor hold a high level "summit" with potential stakeholders to work out details
- As necessary, the Governor call a special session of the Legislature
- THIS BE DONE IMMEDIATELY
Scc. 38.06.070. Criteria.

(a) In the exercise of its powers under AS 38.06.040(a) and 38.06.050 the board shall consider

1. the revenue needs and projected fiscal condition of the state;

2. the existence and extent of present and projected local and regional needs for oil and gas products and by-products, the effect of state or federal commodity allocation requirements which might be applicable to those products and by-products, and the priorities among competing needs;

3. the desirability of localized capital investment, increased payroll, secondary development and other possible effects of the sale, exchange, or other disposition of oil and gas or both;

4. the projected social impacts of the transaction;

5. the projected additional costs and responsibilities which could be imposed upon the state and affected political subdivisions by development related to the transaction;

6. the existence of specific local or regional labor or consumption markets or both which should be met by the transaction;

7. the projected positive and negative environmental effects related to the transaction; and

8. the projected effects of the proposed transaction upon existing private commercial enterprise and patterns of investments.

(b) When it is economically feasible and in the public interest, the board may recommend to the commissioner of natural resources, as a condition of the sale of oil or gas obtained by the state as royalty, that

1. the oil or gas be refined or processed in the state;

2. the purchaser be a refiner who supplies products to the Alaska market with price or supply benefits to state citizens; or

3. the purchaser construct a processing or refining facility in the state.

(c) The board shall make a full report to the legislature on each criterion specified in (a) or (b) of this section for any disposition of royalty oil or gas that requires legislative approval. The board's report shall be submitted for legislative review at the time a bill for legislative approval of a proposed disposition of royalty oil or gas is introduced in the legislature.
Sec. 38.05.183. Sale of royalty.

(a) The sale, exchange, or other disposal of a mineral obtained by the state as a royalty under AS 38.05.182, or the sale, exchange, or other disposal in whole or in part of a right to receive future mineral production under a state lease under this chapter, shall be by competitive bid and the sale, exchange, or other disposal made to the highest responsible bidder, except that competitive bidding is not required when the commissioner, after prior written notice to the Alaska Royalty Oil and Gas Development Advisory Board under AS 38.05.090, determines that the best interest of the state does not require it or that no competition exists.

(b) When competitive bids are required, the commissioner, after prior written notice to the Alaska Royalty Oil and Gas Development Advisory Board, may reject all bids on a determination that because of the amount of the bids, the lack of responsibility on the part of the bidders, or for reasons consistent with the criteria set out in AS 38.05.090, the acceptance of the bids would not be in the best interest of the state.

(c) If the commissioner determines that a sale, exchange, or other disposal of a mineral obtained by the state as a royalty under AS 38.05.182 or of a right to receive future mineral production under a state lease under this chapter shall be made otherwise than by competitive bid, and the Alaska Royalty Oil and Gas Development Advisory Board has been notified in writing of that determination, the commissioner shall make public in writing the specific findings and conclusions upon which that determination is based.

(d) Oil or gas taken in kind by the state as its royalty share may not be sold or otherwise disposed of for export from the state until the commissioner determines that the royalty-in-kind oil or gas is surplus to the present and projected intrastate domestic and industrial needs. The commissioner shall make public, in writing, the specific findings and reasons on which the determination is based.

(e) When a sale, exchange, or other disposal of oil or gas taken in kind by the state as its royalty share, or a sale, exchange, or other disposal in whole or in part of a right to receive future royalty oil or gas, under a state lease under this chapter is made other than by competitive bid, that sale, exchange, or other disposal shall be awarded by the commissioner to the prospective buyer whose proposal offers the maximum benefits to citizens of the state. The commissioner shall consider

1. the cash value offered;
2. the projected effects of the sale, exchange, or other disposal on the economy of the state;
3. the projected benefits of refining or processing the oil or gas in the state;
4. the ability of the prospective buyer to provide refined products or by-products for distribution and sale in the state with price or supply benefits to the citizens of the state; and
5. the criteria listed in AS 38.06.070(a).
Office of the Mayor  
City of North Pole

Proclamation

WHEREAS, under his leadership, David L. Tyler has, with enthusiasm and effectiveness, made an excellent and constructive contribution to our community and the State, as the Director of the Division of Fire & Life Safety, or better known as the State Fire Marshal; and

WHEREAS, David started his career as an Emergency Radio Dispatcher for the University of Alaska Fire Department in June of 1983 and moved on to dispatch for the Fairbanks International Airport until 1986 when he went to work as a firefighter/Engineer for the Nome Area Fire Department; and

WHEREAS, in 1990 David became the Fire Chief for the Chena-Goldstream Fire & Rescue and then moved to Homer, Alaska where he served as the Assistant Fire Chief until November of 1999 when he was hired as the Fire Chief for the City of North Pole where he served until August of 2000. After leaving the City of North Pole he took the position as the Fire Chief for the North Star Fire Service Area and served in that capacity until June of 2004. David then became the Director of Emergency Operations for the Fairbanks North Star Borough where he served until March of 2007; and

WHEREAS, in 2007 David was appointed the Director of the Division of Fire & Life Safety (State Fire Marshal) and brought back The Fire Flyer, a newsletter for Alaska’s Fire Service and Building Professionals along with his dedication and vision for better efficiency within the department; and

WHEREAS, David visualized, drafted and coordinated the Deputy Fire Marshal Field Training Program that moves Deputy Fire Marshals from Peace Officers to Certified Police officers with the Alaska Police Standards Council resulting in Deputy Fire Marshals being able to investigate and manage cases for the property crime of Arson from beginning to end; and

WHEREAS, David instituted an Annual Fire and Building Officials Forum which brings Fire and Building Officials from across the state to share views, problems and create networking opportunities. He spearheaded the legislative creation of the Fire Standards Council and implemented its operation to become a self-supporting fire response oriented standards development process for the State of Alaska; and

WHEREAS, David reorganized the Training and Education Bureau to be much more customer oriented to meet fire department training needs. He also supported and lead fire prevention education efforts that introduced Fire Safety games and education across the internet written for and by rural children throughout Alaska regarding Fire Safety, Prevention efforts specifically related to Alaska and

WHEREAS, David instituted the Office of Oil & Gas Systems and Facilities to provide one stop shopping for all and gas building permits and service which resulted in dedicated service and reduced complexity for obtaining building permits for this industry.

Now, therefore, the City of North Pole expresses appreciation to David L. Tyler for his outstanding leadership and dedication for his services, locally and within our great state of Alaska, and extends to him sincere best wishes for a long and happy retirement.

Douglas W. Isaacson, Mayor

ATTEST:

Kathryn M. Weber, MMC
North Pole City Clerk
The following statistics were compiled by the Chena Flood Control Contract Law Enforcement Officer for July 2012

MILES: 2,040

GAS: 153.275 gallons

HOURS: 168

OVERTIME: 8 hours

TRAFFIC STOPS: 10

CITATIONS: 7

WARNINGS: 3

ATV CONTACTS: 7

SERVICE REQUESTS: 9

REPORTS: 1

ARRESTS: 1

ASSIST TO NPPD: 11

ASSIST BY NPPD: 1

ASSIST TO AST: 2

ASSIST TO COE: 1

ASSIST BY COE: 0

ASSIST TO FNSB: 0

ASSIST BY FNSB: 0

TOTAL PEOPLE CONTACTED: 122

Community Oriented Policing......an attitude
July 30, 2012

City of North Pole
125 Snowman Lane
North Pole, AK 99705

RE: Request for Bed Tax Funds

Dear Mayor Isaacson and City Council:

The North Pole Chamber of Commerce would like to formally request the designated 30% portion of the first and second quarter 2012 bed tax as set forth in North Pole Municipal Code 4.09.020C. These funds are key to the continued operation of the North Pole Visitor’s Cabin and other related Chamber activities.

Since the receipt of the last bed tax many things have successfully occurred. In April we hosted the Taste of North Pole in conjunction with UAF days at the North Pole Plaza. This event featured local North Pole restaurants and the great menus they offer. In June our North Pole Visitors Guide came hot off the press featuring approximately 40 businesses from the community along with lists of activities and happenings in the area.

The Chamber hosted a Town Hall meeting with Senator John Coghill offering member’s direct access to get information mostly regarding the issue of removing the F-16’s from Eielson AFB but also any questions that affect our local community. In addition a representative from Senator Begich’s office participated in a recent Board meeting.

The Visitors cabin has been open since Memorial Day after many challenges including broken water pipes and telephone lines. The problems have not stopped the visitors from coming. The Cabin is seeing on average 47 visitors daily.

We are beginning to plan our fall upcoming events including a candidate forum for the upcoming elections and Winterfest and Holiday Bazaar in December.

Thank you very much for your continued support of the North Pole Chamber of Community of Commerce. Your continued support is vital to our operations and very much appreciated. Please feel free to contact me with any additional questions.

Sincerely,

North Pole Community Chamber of Commerce
## North Pole Community Chamber of Commerce
### Profit & Loss Prev Year Comparison
#### January through July 2012

<table>
<thead>
<tr>
<th></th>
<th>Jan - Jul 12</th>
<th>Jan - Jul 11</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ordinary Income/Expense</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>Income</strong></td>
<td></td>
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<tr>
<td>Bed Tax Income</td>
<td>4,009.29</td>
<td>18,132.44</td>
<td>-14,123.15</td>
<td>-77.89%</td>
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<tr>
<td>Cabin Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>sales</td>
<td>16.23</td>
<td>0.00</td>
<td>16.23</td>
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<tr>
<td>Cabin Sales - Other</td>
<td>7,555.33</td>
<td>7,627.70</td>
<td>-92.37</td>
<td>-1.21%</td>
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<tr>
<td><strong>Total Cabin Sales</strong></td>
<td>7,551.56</td>
<td>7,627.70</td>
<td>-76.14</td>
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<tr>
<td><strong>Other Types of Income</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Miscellaneous Revenue</td>
<td>30.00</td>
<td>0.00</td>
<td>30.00</td>
<td>100.0%</td>
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<tr>
<td><strong>Total Other Types of Income</strong></td>
<td>30.00</td>
<td>0.00</td>
<td>30.00</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Program Income</strong></td>
<td></td>
<td></td>
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<tr>
<td>Membership Dues</td>
<td>8,780.00</td>
<td>6,740.00</td>
<td>2,040.00</td>
<td>30.27%</td>
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<tr>
<td><strong>Total Program Income</strong></td>
<td>8,780.00</td>
<td>6,740.00</td>
<td>2,040.00</td>
<td>30.27%</td>
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<tr>
<td><strong>Taste of NP</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Admission</td>
<td>986.00</td>
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<tr>
<td>Taste of North Pole Sponsorship</td>
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<td>0.00</td>
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<td><strong>Total Taste of NP</strong></td>
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<td><strong>Visitor Guide Ad Sales</strong></td>
<td>2,875.00</td>
<td>2,830.00</td>
<td>45.00</td>
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<td>Winter Festival Booths</td>
<td>120.00</td>
<td>250.00</td>
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<td><strong>Total Income</strong></td>
<td>30,851.85</td>
<td>35,380.14</td>
<td>-4,528.29</td>
<td>-12.8%</td>
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<tr>
<td><strong>Gross Profit</strong></td>
<td>30,851.85</td>
<td>35,380.14</td>
<td>-4,528.29</td>
<td>-12.8%</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
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<tr>
<td><strong>Advertising</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Webpage</td>
<td>0.00</td>
<td>468.95</td>
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<tr>
<td>Advertising - Other</td>
<td>11,497.73</td>
<td>1,902.00</td>
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<td><strong>Total Advertising</strong></td>
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<td><strong>bank card fee</strong></td>
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<td><strong>Business Expenses</strong></td>
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<td>Business Registration Fees</td>
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<td><strong>Total Business Expenses</strong></td>
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<tr>
<td><strong>Contract Services</strong></td>
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<td></td>
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<tr>
<td>Accounting Fees</td>
<td>490.00</td>
<td>3,121.06</td>
<td>-2,631.06</td>
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<tr>
<td><strong>Total Contract Services</strong></td>
<td>490.00</td>
<td>3,121.06</td>
<td>-2,631.06</td>
<td>-84.3%</td>
</tr>
</tbody>
</table>
North Pole Community Chamber of Commerce  
Profit & Loss Prev Year Comparison  
January through July 2012

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<th>Jan - Jul 11</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
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<tbody>
<tr>
<td>Electric</td>
<td>173.87</td>
<td>162.00</td>
<td>11.87</td>
<td>7.33%</td>
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<tr>
<td>Facilities and Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Equip Rental and Maintenance</td>
<td>275.64</td>
<td>384.39</td>
<td>-108.75</td>
<td>-28.29%</td>
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<td>Total Facilities and Equipment</td>
<td>275.64</td>
<td>384.39</td>
<td>-108.75</td>
<td>-28.29%</td>
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<tr>
<td>Ground Maintenance</td>
<td>175.00</td>
<td>275.00</td>
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<td>-36.36%</td>
</tr>
<tr>
<td>Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Books, Subscriptions, Reference</td>
<td>0.00</td>
<td>50.44</td>
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<td>-100.0%</td>
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<td>Cabin Inventory</td>
<td>351.00</td>
<td>4,067.31</td>
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<td>-91.37%</td>
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<tr>
<td>Postage, Mailing Service</td>
<td>743.51</td>
<td>385.27</td>
<td>358.24</td>
<td>92.98%</td>
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<td>Printing and Copying</td>
<td>30.81</td>
<td>6,270.76</td>
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<td>Supplies</td>
<td>663.33</td>
<td>237.88</td>
<td>425.45</td>
<td>178.85%</td>
</tr>
<tr>
<td>Telephone, Telecommunications</td>
<td>529.03</td>
<td>751.39</td>
<td>-222.36</td>
<td>-29.59%</td>
</tr>
<tr>
<td>Operations - Other</td>
<td>0.00</td>
<td>250.00</td>
<td>-250.00</td>
<td>-100.0%</td>
</tr>
<tr>
<td><strong>Total Operations</strong></td>
<td><strong>2,317.68</strong></td>
<td><strong>12,013.05</strong></td>
<td><strong>-9,695.37</strong></td>
<td><strong>-80.71%</strong></td>
</tr>
<tr>
<td>Other Types of Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Costs</td>
<td>35.00</td>
<td>0.00</td>
<td>35.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>reimburse expenses</td>
<td>0.00</td>
<td>54.95</td>
<td>-54.95</td>
<td>-100.0%</td>
</tr>
<tr>
<td>Other Types of Expenses - Other</td>
<td>50.00</td>
<td>632.54</td>
<td>-582.54</td>
<td>-92.1%</td>
</tr>
<tr>
<td><strong>Total Other Types of Expenses</strong></td>
<td><strong>85.00</strong></td>
<td><strong>687.49</strong></td>
<td><strong>-602.49</strong></td>
<td><strong>-87.64%</strong></td>
</tr>
<tr>
<td>Payroll Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers Comp</td>
<td>264.00</td>
<td>0.00</td>
<td>264.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Payroll Expenses - Other</td>
<td>19,208.10</td>
<td>18,860.83</td>
<td>347.27</td>
<td>1.84%</td>
</tr>
<tr>
<td><strong>Total Payroll Expenses</strong></td>
<td><strong>19,472.10</strong></td>
<td><strong>18,860.83</strong></td>
<td><strong>611.27</strong></td>
<td><strong>3.24%</strong></td>
</tr>
<tr>
<td>Taste of North Pole</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>donation</td>
<td>450.00</td>
<td>0.00</td>
<td>450.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Taste of North Pole - Other</td>
<td>81.59</td>
<td>0.00</td>
<td>81.59</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Total Taste of North Pole</strong></td>
<td><strong>531.59</strong></td>
<td><strong>0.00</strong></td>
<td><strong>531.59</strong></td>
<td><strong>100.0%</strong></td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>35,740.01</strong></td>
<td><strong>38,640.26</strong></td>
<td><strong>-2,900.25</strong></td>
<td><strong>-7.51%</strong></td>
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<tr>
<td>Net Ordinary Income</td>
<td>-4,888.16</td>
<td>-3,260.12</td>
<td>-1,628.04</td>
<td>49.94%</td>
</tr>
<tr>
<td>Net Income</td>
<td>-4,888.16</td>
<td>-3,260.12</td>
<td>-1,628.04</td>
<td>49.94%</td>
</tr>
</tbody>
</table>
# North Pole Community Chamber of Commerce
## Balance Sheet Prev Year Comparison
### As of July 31, 2012

### ASSETS
#### Current Assets
- **Checking/Savings**
  - Mt. McKinley Bank
    - Jul 31, 12: 9,798.04
    - Jul 31, 11: 12,424.64
    - $ Change: -2,626.60
    - % Change: -21.14%
  - Total Checking/Savings
    - Jul 31, 12: 9,798.04
    - Jul 31, 11: 12,424.64
    - $ Change: -2,626.60
    - % Change: -21.14%

- **Accounts Receivable**
  - Accounts Receivable
    - Jul 31, 12: 2,565.00
    - Jul 31, 11: 3,060.00
    - $ Change: -495.00
    - % Change: -16.18%
  - Total Accounts Receivable
    - Jul 31, 12: 2,565.00
    - Jul 31, 11: 3,060.00
    - $ Change: -495.00
    - % Change: -16.18%

- **Other Current Assets**
  - Inventory Asset
    - Jul 31, 12: 5,022.00
    - Jul 31, 11: 5,022.00
    - $ Change: 0.00
    - % Change: 0.0%
  - Undeposited Funds
    - Jul 31, 12: 578.50
    - Jul 31, 11: 615.00
    - $ Change: -36.50
    - % Change: -5.94%
  - Total Other Current Assets
    - Jul 31, 12: 5,600.50
    - Jul 31, 11: 5,637.00
    - $ Change: -36.50
    - % Change: -0.65%

- **Total Current Assets**
  - Jul 31, 12: 17,963.54
  - Jul 31, 11: 21,121.64
  - $ Change: -3,158.10
  - % Change: -14.95%

#### Fixed Assets
- **Accumulated Depreciation**
  - Jul 31, 12: -201.00
  - Jul 31, 11: -201.00
  - $ Change: 0.00
  - % Change: 0.0%
- **Buildings**
  - Jul 31, 12: 7,894.00
  - Jul 31, 11: 0.00
  - $ Change: 7,894.00
  - % Change: 100.0%
- **Furniture and Equipment**
  - Jul 31, 12: 1,401.00
  - Jul 31, 11: 1,401.00
  - $ Change: 0.00
  - % Change: 0.0%
- **Land**
  - Jul 31, 12: 15,232.00
  - Jul 31, 11: 0.00
  - $ Change: 15,232.00
  - % Change: 100.0%

- **Total Fixed Assets**
  - Jul 31, 12: 24,326.00
  - Jul 31, 11: 23,126.00
  - $ Change: 1,200.00
  - % Change: 5.27%

**TOTAL ASSETS**
- Jul 31, 12: 42,289.54
- Jul 31, 11: 22,321.64
- $ Change: 19,967.90
- % Change: 89.46%

### LIABILITIES & EQUITY
#### Liabilities
- **Current Liabilities**
  - **Accounts Payable**
    - Accounts Payable
      - Jul 31, 12: 8,335.19
      - Jul 31, 11: 5,771.28
      - $ Change: 2,563.91
      - % Change: 44.43%
    - Total Accounts Payable
      - Jul 31, 12: 8,335.19
      - Jul 31, 11: 5,771.28
      - $ Change: 2,563.91
      - % Change: 44.43%

- **Other Current Liabilities**
  - Payroll Liabilities
    - Jul 31, 12: 1,079.56
    - Jul 31, 11: 563.91
    - $ Change: 515.65
    - % Change: 91.44%
  - Total Other Current Liabilities
    - Jul 31, 12: 1,079.56
    - Jul 31, 11: 563.91
    - $ Change: 515.65
    - % Change: 91.44%

- **Total Current Liabilities**
  - Jul 31, 12: 9,414.75
  - Jul 31, 11: 6,335.19
  - $ Change: 3,079.56
  - % Change: 48.81%

- **Total Liabilities**
  - Jul 31, 12: 9,414.75
  - Jul 31, 11: 6,335.19
  - $ Change: 3,079.56
  - % Change: 48.81%

---

Page 1 of 2
North Pole Community Chamber of Commerce
Balance Sheet Prev Year Comparison
As of July 31, 2012

<table>
<thead>
<tr>
<th></th>
<th>Jul 31, 12</th>
<th>Jul 31, 11</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Bal Equity</td>
<td>3,146.58</td>
<td>3,146.58</td>
<td>0.00</td>
<td>0.0%</td>
</tr>
<tr>
<td>Unrestricted Net Assets</td>
<td>34,616.37</td>
<td>16,099.99</td>
<td>18,516.38</td>
<td>115.01%</td>
</tr>
<tr>
<td>Net Income</td>
<td>-4,888.16</td>
<td>-3,260.12</td>
<td>-1,628.04</td>
<td>49.94%</td>
</tr>
<tr>
<td>Total Equity</td>
<td>32,874.79</td>
<td>15,980.45</td>
<td>16,888.34</td>
<td>105.64%</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; EQUITY</strong></td>
<td><strong>42,289.54</strong></td>
<td><strong>22,321.64</strong></td>
<td><strong>19,967.90</strong></td>
<td><strong>89.46%</strong></td>
</tr>
</tbody>
</table>
July 17, 2012

Mr. Mayor and Council:

I would like to purchase an undercover vehicle for use by the Detective. Currently the Detective is in a used 2000 Crown Victoria with 132,000 miles on it. The vehicle will need to be replaced soon.

Our previous logic has been to replace this vehicle with another older surplused patrol car. I have decided to replace this vehicle with a new vehicle that is not covered with remnants of a police vehicle. I would also like to purchase this vehicle using asset forfeiture funds.

I have already sought permission from the US Government and they have ruled that this purchase is an acceptable expenditure under Section VIII.A.I.c of the equitable sharing guidelines.

I would also like to ask for permission to purchase the vehicle through the State of Alaska competitive bid contract. This bidding process meets or exceeds the City of North Pole’s purchasing standards and the price for the vehicle is well below what we could purchase one locally.

The cost of the car is approximately $24,403.00. This includes shipping to North Pole from Anchorage.

Thank you for your time.

Chief Steve Dutra
STATE OF ALASKA
HQ, STATE EQUIPMENT FLEET (Contracting Authority)
2200 E. 42nd Avenue
Anchorage, Alaska 99508

ORDERING AWARD
HEADQUARTERS, STATE EQUIPMENT FLEET
2200 E. 42ND AVENUE
ANCHORAGE, ALASKA 99508
(907) 269-0793 PHONE / (907) 269-0801 FAX

DATE OF CONTRACT: NOVEMBER 21, 2011
DATE INITIAL CONTRACT BEGINS: NOVEMBER 21, 2011
DATE INITIAL CONTRACT ENDS: NOVEMBER 20, 2014

CONTRACTOR: KENDALL FORD
ADDRESS: 2701 E. MOUNTAIN VILLAGE DRIVE
WASILLA, ALASKA 99664

NUMBER & PERIOD OF RENEWAL OPTIONS: NONE

CONTACT NAME: DAVE LUKE
PHONE NUMBER: (907) 376-5656
E-MAIL: DAVIDLUKE@KENDALLAUTO.COM

RENEWALS EXPIRE
ISSUED IN ACCORDANCE WITH BID # SEF- 1655 DATED: OCTOBER 19, 2011
ESTIMATED VALUE OF INITIAL TERM: $2,000,000.00

SEND INVOICIES IN DUPLICATE TO: STATE EQUIPMENT FLEET, 2200 E. 42ND AVENUE, ANCHORAGE AK 99508

THIS ORDER CONSTITUTES A BINDING COMMITMENT BETWEEN THE STATE AND THE CONTRACTOR LISTED HEREON. UNAUTHORIZED MODIFICATION WITHOUT THE EXPRESSED PRIOR APPROVAL OF THE CONTRACTING AUTHORITY WILL RESULT IN A FINANCIAL OBLIGATION ON THE CONTRACTOR AND/OR UNAUTHORIZED STATE PERSONNEL MAKING THE CHANGE.

DESCRIPTION

THREE YEAR CONTRACT FOR POLICE VEHICLES

CONTRACTING OFFICER
KRISTI FUTREL
PHONE: (907) 269-0793
FAX: (907) 269-

TABLE OF CONTENTS

SECTION

I. SPECIAL TERMS & CONDITIONS

II. STANDARD TERMS & CONDITIONS

III. SPECIFICATIONS

IV. PRICE SCHEDULE


| CONTRACTING AUTHORITY NAME & SIGNATURE |
| KRISTI FUTREL, CONTRACTING OFFICER |

| CONTRACTOR AUTHORITY NAME & SIGNATURE |

IMPORTANT 1. Contract award number and ordering department name must appear on all invoices and documents relating to this order.
2. The State is registered for tax free transactions under Chapter 31, IRS Code Registration No. 52-601195. Items are for the exclusive use of the State and not for resale.
4.0 F.O.B. POINT:

4.1 The F.O.B. point is as listed in Section IV, Bid Schedule. Ownership of and title will remain with the contractor until delivery is complete to final destination and accepted by the State. Equipment is not to be driven on the Alcan Highway without prior written approval from the contracting officer.

5.0 DAMAGES FOR LATE DELIVERY AND NON-CONFORMING GOODS:

5.1 Time is of the essence in this contract. The Bidder is expected to deliver goods that conform in all material respects to the contract specifications on or before the date provided therein, as may be amended by written agreement of the parties.

5.2 In the event that the equipment is delivered late or does not conform to the contract specifications, the State shall be entitled to offset against the Contract Price, as liquidated damages and not as a penalty, an amount equal to the cost of renting like equipment, multiplied by the number of calendar days elapsing between the delivery date provided in the bid schedule and the delivery date to the State. In the case of a truck of this class, that daily rental fee is determined to be $50.00. The number of days for which liquidated damages shall apply shall include, in the case of non-conforming goods, the time reasonably necessary for the State to perform inspection.

5.3 These liquidated damages represent a reasonable estimate of amounts necessary to compensate the State for loss of use of the goods during the period in which the goods would have been available to the State if conforming goods had been timely delivered.

6.0 WARRANTY:

6.1 Standard Warranty Package: Unless otherwise stipulated by this ITB, the successful bidder will provide a three-year (36-month) warranty.

6.1.1 Full (100%) Parts and Labor Warranty Coverage of all components for 36 months (year one), from the date the unit is placed in service at the assigned location.

6.1.2 Full (100%) Warranty Coverage includes all cost of labor, parts, freight, lubricants, miscellaneous cost, etc., to place the unit in like-new condition.

6.1.2 Should the manufacturer’s standard warranty exceed the minimum State warranty requirements, the manufacturer’s warranty will run in conjunction with and enhance the State’s warranty, then continue for the remainder of its term.

6.1.3 For clarification, warranty does not apply to normal wear and tear or maintenance items, accident damages, misuse of equipment or failure to operate or maintain equipment as prescribed by vendor/manufacturer.

6.1.4 Warranty on Attachments: Same as Standard Warranty Package.

6.1.5 In-Service Date: Warranty on vehicles not placed in service immediately upon receipt because of time lag to construct body components and/or installation of special equipment, or due to seasonal usage or other delay, shall be warranted from the date the vehicle is placed in service. The receiving agency shall notify the vendor/manufacturer in writing of the actual “in service” date. Notification of the requirement for delayed warranty will be provided on delivery orders whenever possible.

6.2 Warranty Claims:

6.2.1 Warranty will be provided at the unit’s assigned (in-service) location. Because of the remote location of some equipment it is not always practical to deliver equipment to authorized warranty repair facilities. In these cases, the vendor may perform warranty work at the state’s location or, the State of Alaska, at its discretion, reserves the right to perform the warranty work and be reimbursed by the vendor. If travel is required by State personnel to perform the work, actual costs will be used for reimbursement.

6.2.2 The State of Alaska has established a warranty procedure whereby the vendor is to be notified via letter, email, or fax, that warranty work needs to be performed. If time is of the essence, a telephone call confirmed by one of the above written procedures may be utilized.

6.2.3 The vendor must notify the state within 24 hours of verbal or written notification that it will begin to perform the warranty work at the equipment location.
7.0 REPAIR ORDERS AND DOCUMENTATION:

7.1 Any work performed by the contractor or approved subcontractor, whether warranty or any other work on a piece of equipment purchased under this ITB, will require a copy of the repair order, any invoices showing parts and commodities including oils and types used.

8.0 PUBLICATIONS:

8.1 Paper publications are to be received by the State of Alaska no later than 10 days after receipt of the unit. Custom manuals may be delivered no later than 90 days after receipt of the unit. Delivery will not be considered complete until the publications for each unit have been received by the State of Alaska. Note: Publications, when required, will be ordered on the same Purchase Order as the unit itself.

8.1.1 All paper manuals are to be pre-assembled in factory binders prior to delivery.

8.2 Service Manuals:

8.2.1 Complete set(s) to include applicable information covering prime unit and attachments:

8.2.2 Body, chassis, and electrical

8.2.3 Engine, transmission, and differential(s) (service and rebuild)

8.2.4 Electrical and vacuum troubleshooting

8.2.5 Wiring diagrams

8.2.6 Service specifications

8.2.7 Engine/emission diagnosis

8.3 Parts Manuals:

8.3.1 Complete set(s) including all updates. If updates are not provided during the warranty period, the State may order them from the manufacturer and bill the contractor for the full cost, including shipping.

8.3.2 Parts manuals are to be customized by serial number.

8.4 Operator's Manuals: Complete set(s) to include prime unit and attachments.

8.5 Quantities: As per Section IV – Bid Price Schedule.

8.6 Manuals: To be delivered to, and receipt signed by person(s) as noted on the Purchase Order.

8.7 Service Bulletins, Etc.: The successful bidder must provide appropriate service bulletins, technical support bulletins, service letters, product support bulletins, and/or any other information type notifications that are sent out to the vendor or used by the manufacturer in the maintenance and report of the vehicle, equipment or attachments being provided. The intent of this clause is that the State of Alaska be provided notification of any and all changes or improvement(s) that may affect the maintenance, reliability, longevity, and safety of our equipment. This information will be provided as soon as possible to person(s) as noted on the Purchase Order.

9.0 STATEMENT OF ORIGIN: The bidder will be required to furnish a Manufacturer's Statement of Origin for Automotive or Non-Automotive rolling stock for each unit. All such documents shall be forwarded within 2 business days of delivery to:

DOT&PF, HQ State Equipment Fleet
2200 E. 42nd Avenue Room #316
Anchorage, Alaska 99508

10.0 INSPECTIONS:

10.1 The State's inspection of all materials and equipment upon delivery is for the sole purpose of identification. Such inspection shall not be construed as final or as acceptance of the materials or equipment if materials or equipment do not conform to Contract requirements. If there are any apparent defects in the materials or equipment at the time of delivery, the State will promptly notify the Contractor thereof. Without limiting any other rights of the State, The State at its option, may require the Contractor to:

10.1.1 Repair or replace at Contractor's expense, any or all of the damaged goods,
within 12 months of purchase. The cost of any defective product and the labor required to replace the defective product shall be the obligation of the contractor.

13.5.1 If the manufacturer's warranty exceeds the stated warranty then manufacturer's warranty supersedes.

13.6 Invoicing: Full description of item is required on all invoices, packing lists and billings.
12.0 CONTINUING OBLIGATION OF CONTRACTOR: Notwithstanding the expiration date of a contract resulting from this ITB, the contractor is obligated to fulfill its responsibilities until warranty, guarantee, maintenance and parts availability requirements have completely expired.

13.0 CONTRACT ADMINISTRATION: The administration of this contract, including any/all changes, is the responsibility of the Contracting Officer, HQ State Equipment Fleet.

14.0 CONTRACT EXTENSION: Unless otherwise provided in this ITB, the State and the successful bidder/contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least thirty (30) days before the desired date of cancellation.

15.0 CONTRACT FUNDING: Bidders are advised that funds are available for the initial purchase and/or the first term of the contract. Payment and performance obligations for succeeding purchases and/or additional terms of the contract are subject to the availability and appropriation of funds.

16.0 DEFAULT: In case of bidder default, the State may procure the goods or services from another source and hold the bidder responsible for any resulting excess costs and may seek other remedies under law or equity. Alaska Statutes and Regulations provide for suspension and disbarment of non-responsible bidders.

17.0 DELIVERY: All deliveries shall be F.O.B. final destination point with all transportation and handling charges paid by bidder. Responsibility and liability for loss or damage shall remain with bidder until final inspection and acceptance when responsibility shall pass to the State except as to latent defects, fraud and bidder’s warranty obligations.

18.0 DISCONTINUED ITEMS: In the event an item is discontinued by the manufacturer during the life of the contract, another item may be substituted, provided that the contracting officer makes a written determination that it is equal or better than the discontinued item and provided that it is sold at the same price or less than the discontinued item.

19.0 DISPUTES: Any dispute arising out of this agreement shall be resolved under the laws of Alaska. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain any relief from or remedy in connection with this agreement may be brought only in the superior court for the State of Alaska.

20.0 FORCE MAJEURE (Impossibility to perform): Neither party to this contract shall be held responsible for delay or default caused by acts of God and/or war, which is beyond that party’s reasonable control. The State may terminate this contract upon written notice after determining such delay or default will reasonably prevent successful performance of the contract.

21.0 HUMAN TRAFFICKING:

21.1 By signature on this contract, the offeror certifies that:

21.1.1 the offeror is not established and headquartered or incorporated and headquartered, in a country recognized as Tier 3 in the most recent United States Department of State’s Trafficking in Persons Report; or

21.2 The most recent United States Department of State’s Trafficking in Persons Report can be found at the following website: www.state.gov/t/tp/.

21.3 Failure to comply with this requirement will cause the state to reject the bid or proposal as non-responsive, or cancel the contract.

21.4 This pertains to goods and services above $50,000.00.

22.0 INDEMNIFICATION: The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term “independent negligence” is negligence other than in the Contracting agency’s selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor’s work.
29.0 PROPRIETARY INFORMATION AND STATEMENTS OF CONFIDENTIALITY:

29.1 Except as set forth in this provision, all information in all bids will be made public under AS 36.30.530 not later than the time of issuance of a notice of intent to award.

29.2 If the offeror submits information considered by it to constitute a trade secret or proprietary data, such information may be expressly designated as such, and must be accompanied by the offeror's certification that (1) the information has consistently been maintained by its owner as a trade secret or as proprietary information, (2) the owner of the information has taken due care to protect it from release to non-privileged persons, and (3) to the best knowledge of the offeror, the information has not lost its status as trade secret or proprietary information, whether by lack of diligent protection, release to any non-privileged person or otherwise.

29.3 Absence of such certification, any claim of confidentiality will be ignored, and the bidder may not hold any reasonable expectation of confidentiality.

29.4 Any information so certified will be held confidential so long as the contracting officer concurs that it constitutes a trade secret or proprietary data, and deems it not critical to determination of the price, quantity, or delivery terms bid, or the responsiveness of the bid.

29.5 By submission of a bid, the offeror consents to the contracting officer's exercise of reasonable judgment as to concurrence with any assertion of confidentiality, and waives any and all claims for release of information that the contracting officer reasonably deems not confidential notwithstanding a certified assertion of confidentiality.

29.6 A certified assertion of confidentiality in which the contracting officer concurs, with respect to information the contracting officer deems critical to determination of the price, quantity, or delivery terms bid, or the responsiveness of the bid, will cause the bid to be rejected as a non-responsive bid.

30.0 QUANTITIES: The State reserves the right to reduce or increase the quantity of items ordered under any contract resulting from this Invitation to Bid.

31.0 SEVERABILITY: If any provision of the contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

32.0 SHIPPING DAMAGE: The State will not accept or pay for damaged goods. The contractor must file all claims against the carrier(s) for damages incurred to items in transit from the point of origin to the ultimate destination. The State will provide the contractor with written notice when damaged goods are received.

33.0 STANDARD AND SPECIAL TERMS AND CONDITIONS: The terms and conditions of this section are standard to State of Alaska, Department of Transportation and Public Facilities, Statewide Equipment Fleet contracts for the purchase of goods. There may also be other special terms and conditions in an Invitation to Bid or Request for Proposal which apply only to this contract. In the event of a conflict between the standard and special terms and conditions, the Special Terms and Conditions take precedence.

34.0 SUCCESSORS IN INTEREST: This contract shall be binding upon successors and assigns.

35.0 SUITABLE MATERIALS: All materials, supplies or equipment offered by a bidder shall be new, unused, of recent manufacture, and suitable for the manufacturer's intended purpose unless the specifications allow for used, rebuilt or remanufactured equipment.

36.0 TAXES: Prices quoted in bids must be exclusive of federal, state, and local taxes. If the bidder believes that certain taxes are payable by the State, the bidder may list such taxes separately, directly below the bid price for the affected item. The State is exempt from Federal Excise Tax because articles purchased are for the exclusive use of the State of Alaska.

37.0 WARRANTY: Unless otherwise stated, all equipment shall be new and current model and shall carry full factory warranties. Bidder warrants all goods delivered to be free from defects in labor, material and manufacture and to be in compliance with bid specifications. All implied or expressed warranty provisions of the Uniform Commercial Code apply. All warranties shall be for and benefit the State
6.11 Trunk:
   6.11.1 To have a minimum 16.6 cubic feet of space.
   6.11.2 To include a deck lid release switch, ignition controlled.

6.12 All ashtrays in rear compartment are to be made inoperable.

7.0 Electrical:

7.1 All interior lights and factory warning buzzers, such as: HEADLAMPS ON, SEAT BELT NOT FASTENED, KEY IN IGNITION, DOOR OPEN, DOOR AJAR, etc. to be deactivated OEM.

7.2 Lighting:
    7.2.1 Headlights to have shatterproof type lens or have protective shatterproof covers.
    7.2.2 Spotlight: to be mounted in left-hand pillar post. To be independent of ignition on separate 20 amp fused circuit. OEM Package 21D
    7.2.3 OEM Dome Lights
    7.2.4 OEM Trunk Light
    7.2.5 Daytime running lights OEM Package 942

8.0 Miscellaneous:

8.1 Publications to include factory service bulletins to all regional SEF Managers, and one (1) each operator's manual to be delivered with each vehicle.

8.2 Tool Kit: To be equipped with wheel wrench and jack.

8.3 Delivery Inspection: All final inspections for compliance to specifications on all patrol vehicles are conducted at FOB point.

8.4 Road Ready Package OEM Package 856 (Priced as option)

8.5 Ballistic Door Panels, Driver Only OEM Package 65 (Priced as option)

8.6 Ballistic Door Panels, Driver and Front Passenger OEM Package 65C (Priced as option)

8.7 Ford SYNC with Reverse Sensing System, OEM Package 53M/76R (Priced as option)

8.8 Rearview Camera OEM Package 77B (Priced as option)
Mayor and City Council
iPad Policy

1. **Purpose.** The City of North Pole recognizes the benefits of utilizing digital communication and information, and supports the utilization of the iPad by the Mayor and City Council. Users of the iPad acknowledge, understand, and respect the underlying iPad, Internet, and usage philosophy that forms the basis of this policy.

2. **Receipt of iPad.** The City Information Technology (IT) Department/City Clerk will issue iPads that include appropriate applications for use relating to City business. The iPads will serve as the sole source of meeting packets, and paper packets will not be provided.

3. **Care of iPad.** Users are responsible for the general care of the iPad that they have been issued by the City. iPads must remain free of any writing, drawing, stickers, or labels that are not the property of the City. Only a clean, soft cloth should be used to clean the screen.

4. **Software on iPad.** The software and applications installed by the City must remain on the iPad in usable condition and be readily accessible at all times. From time to time, the City may add or upgrade software applications such that users may be required to check in their iPads with the IT Department or the City Clerk for periodic updates and syncing. In the event it becomes necessary to restore an iPad to its original condition, the City will not be held responsible for the loss of any software or documents deleted due to a re-format and re-image. Any software, email messages, or files downloaded via the Internet into the City systems become the property of the City and may only be used in ways that are consistent with applicable licenses, trademarks, or copyrights.

Files from sources that a user may have any reason to believe may be untrustworthy shall not be downloaded, nor shall files attached to email transmissions be opened and read unless the user has knowledge that they originate from a trustworthy source. Downloaded files and attachments may contain viruses or hostile applications that could damage the City’s information systems. Users will be held accountable for any breaches of security caused by files obtained for non-City business purposes.

5. **Life of the iPad.** The technological life of the iPads might not exceed three years; therefore, the iPads will be assessed every three years and, if necessary, the City will purchase upgraded devices through the budgeting process.

6. **WARNING – NO PRIVACY.** Communications made via City-issued devices are subject to disclosure under the Open Records Act or for litigation purposes unless a privilege or exception exists that justifies withholding the information.

7. **Audits.** All iPads are subject to audit by the Information Technology Department/City Clerk. If contacted by IT/City Clerk, users have three days to provide their iPad to the IT Director/City Clerk. They will be provided a “loaner” to use in the interim. Typically, the IT Department/City Clerk will return the iPad to the user within five business days.
8. **Representations.** In advocating, advancing, or expressing any individual religious, political, or personal views of opinions, users must not misrepresent their statements as official City policy unless authorized to do so.

9. **Email Usage for City Business.** For the purposes of activity related to City business, the user shall conduct all email communication through their assigned City email account. All emails on the City email account are archived and retained by the City. This account shall be synced to the user’s individual iPad. Personal email boxes are allowed to be synced to the iPad as well, but all City-related business must be conducted through the City email address or copied to the City email address if the user’s personal email box is used.

10. **Acceptable Use.** The iPad, Internet and email access provided are tools for conducting City business. Thus, City use of such tools will be primarily for City business related purposes; i.e., to review City Council agenda materials, obtain useful information for City-related business communications as appropriate. All of the City’s computer systems, including the iPad, are considered to be public property. iPad, Internet, and email activities will be traceable to the City and will impact the reputation of the City. City-issued iPads shall not be used to send or knowingly download any vulgar, discriminatory, or pornographic content. Users shall refrain from making any false or defamatory statements in any Internet forum or from committing any other acts that could expose the City to liability.

City-issued iPads are not to be used for operation of a business for personal gain, sending chain letters, or any other purpose that interferes with normal City business activities. Users shall not use City-issued iPads for any illegal activity.

Except in an emergency, users shall not use email, instant messaging, text messaging, or similar forms of electronic communications at any time during a meeting of the City Council. Users shall not use the iPad in any way as to violate the Open Meetings Act requirements of the State of Alaska.

iPad users are allowed to have music and install apps on their iPad; however, the items downloaded and synced to the iPad must be in compliance with Federal copyright laws and shall be acquired at the expense of the user. All applications used in the course of business-related activities shall be secured in conjunction with the IT Department/City Clerk.

11. **Use of 4G Network.** Any download usage for iPads that are activated on the City’s account for 4G access shall not exceed the allowable monthly limits provided under the City’s plan. Any overage shall be paid by the individual user. Should a user activate the 4G coverage under their own personal account, the user shall be responsible for all costs incurred.

12. **User Responsibility.** It is the responsibility of the user to ensure the City-provided iPad is kept in a reasonable and safe condition. iPads must remain free of any writing, drawing, stickers, or labels that are not the property of the City. Should an iPad be accidentally lost, damaged, or stolen, responsibility for replacement shall be as follows:
a. First time: City shall repair or replace at no cost to the user.
b. Second time: The City shall pay half the cost of repair or replacement and the user shall pay half the cost.
c. Third time: The user shall be entirely responsible for repair or replacement costs and shall replace the unit within two weeks of the equipment loss.

iPads that are damaged or destroyed through intentional misuse must be repaired or replaced at the user’s expense.

13. **Return of the iPad.** Users shall return their iPad to the City Clerk when the individual’s term and service as Mayor or Councilmember has ended. Upon return of the iPad to the City and following the preparation of any appropriate backup files, the iPad will be wiped clean of any and all information.

14. **Compliance with Policy.** The City reserves the right to inspect any and all files stored on iPads that are the property of the City in order to ensure compliance with this policy. Users do not have any personal privacy right in any matter created, received, stored in, or sent from any City-issued iPad, and the IT Director/City Clerk is hereby authorized to institute appropriate practices and procedures to ensure compliance with this policy. Any violation of this policy may result in discipline as deemed appropriate by the balance of the City Council.

I hereby certify that I have received a written copy of the Mayor and City Council iPad Policy form. I have read and fully understand the terms of this policy and agree to abide by it.

Dated: ___________________________ By: ___________________________
(Elected Official’s Signature)

____________________________________
(Printed Name)
Good Morning Kathy:

First let me confess that computer policy is not one of my strengths. Having said that I looked this over and it looks to me like it covers the required points and I do not have any concerns with it.

Zane

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From: Kathy Weber [mailto:kathy@northpolealaska.com]
Sent: Monday, July 23, 2012 5:06 PM
To: zane@ALASKALAW.COM
Subject: iPad policy
Importance: High

Zane,

Can you take a quick look at this and let me know if it's OK. I'd like to put it on the agenda for August 6th.

Thanks,

Kathy Weber, MMC
City Clerk/HR Manager
125 Snowman Lane
North Pole, AK 99705
Ph: 907-488-8583
Fax: 907-488-3002
email: kathy@northpolealaska.com
Memo

To: North Pole City Council  
From: Bill Butler, Director of City Services  
Date: August 2, 2012  
Subject: Utility Extension Permit

**Recommendation:** Approve a utility extension permit for Flint Hills Resources, LLC to construct a 6,650 foot epoxy lined ductile iron sewer main encased in a 12 inch HDPE pipe and 16 manholes with a leak detection system.

**Condition 1:** Do not authorize connection of the newly constructed sewer main to the City’s H&H lift station or waste water treatment plant until Flint Hills Resources satisfactorily addresses the plan review comments provided by the City’s third party engineering firm.

**Condition 2:** Do not authorize connection of the newly constructed sewer main to the City’s H&H lift station or waste water treatment plant until Flint Hills Resources receives an Authorization to Construct from the Alaska Department of Environmental Conservation.

**Project Summary**

On August 1, 2012 Flint Hills Resources, LLC, submitted a permit application for the installation of an industrial wastewater force main with a leak detection system. The project consists of 6,650 feet of ductile iron sewer force main with an HDPE containment pipe to replace an existing force main. The purpose of the project is to isolate industrial wastewater from the Flint Hills Refinery and other industrial users until it reaches the City's existing sewer system near the North Pole Wastewater Treatment Plant. The force main will run north from the H&H Lift Station along H&H Lane, parallel the refinery fence along the Old Richardson Highway, and then run west along the north side of the North Pole transfer station access road to the lagoons. The sewer main will include:

- 6,650 ft of 6-inch of epoxy lined ductile iron pipe
- 6,650 ft of 12-inch HDPE pipe
- 16 Manholes/Vaults
The new 6" force main will tie into an existing 6" sewer line downstream of a 10" line that flows directly into the treatment plant. The existing pumps at the H&H lift station will remain in place. The maximum waste water flows occur when all the lift stations pumping into the treatment plant are operating simultaneously and minimum flow occurs when only the pumps at H&H lift station are running. The new force main was designed such that the existing pumps, that the City recently upgraded, will handle the waste water flows as anticipated during the design for rehabilitation of the H&H lift station in 2009. There is no anticipated an increase in the volume of wastewater passing through the H&H lift station as a result of this project. The existing force main from H&H lift station connects to the Black Bear lift station and future residential development of the area surrounding Black Bear lift station is anticipated. The proposed force main will bypass the Black Bear lift station and the projected residential growth will not affect flow in the new sewer main.

The force main will consist of ductile iron pipe and fittings lined with a ceramic-epoxy coating, which will provide chemical resistance to the contaminants in the wastewater. The ductile iron force main will be sealed within an HDPE containment pipe sloped in a saw-tooth pattern. Vaults with a leak detection system are located at low points along the sewer main’s path. If a leak occurs between vaults, it will flow to the leak detection system located at the low point. The leak detection fittings will be attached to the HDPE containment pipe where it extends into the vault. A mechanical link seal will be installed between the ductile iron pipe and HDPE casing. The fittings will be 2” HDPE and will consist of a 2” saddle fused to the bottom of the HDPE containment pipe, with a 90 degree bend and a tee. The liquid sensor will rest on the bottom of the tee. A 2” riser will be installed vertically to contain the sensor wire. On the other side of the tee are fittings to facilitate emptying the containment pipe if a leak occurs. An HDPE ball valve will allow the city to take a sample of the leak to determine whether the liquid is groundwater or wastewater and a camlock fitting makes it possible to attach a hose and pump directly into a pump truck. When utilized, this piping and hose arrangement will contain the potentially contaminated wastewater and prevent it from draining directly into the vault. If wastewater inadvertently ends up in the vault, a polyurea coating on the interior of the vault will prevent possible groundwater contamination through the concrete. A sensor wire will be connected to sensor installed in the control panel at the H&H lift station, which will in turn report data to the utility’s SCADA system.

The force main elevations have been set to minimize excavation in the groundwater. In most areas, a berm will be constructed to maintain 5’ minimum cover. The berm follows the grade of the force main, so in some areas it’s very small or nonexistent, while in other areas it’s higher. Culverts have been placed where there are low points in the existing ground or where the berms may negatively impact existing drainage patterns. Railroad, road and driveway crossings will be insulated to account for the decreased cover.

The complete utility extension permit application package, including design drawings and technical specifications, is available for review at City Hall. The permit application package is also available upon request as PDF files. The size of some of these files exceed 3 MG.
CITY OF NORTH POLE
RESOLUTION 12-19

RESOLUTION TO PLACE AN INITIATIVE ON THE OCTOBER 2, 2012 CITY OF NORTH POLE BALLOT AUTHORIZING THE CITY TO INCUR $302,500 OF DEBT IN THE FORM OF A LOW-INTEREST ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION LOAN FOR THE PURCHASE OF EMERGENCY GENERATORS FOR THE WASTE WATER TREATMENT SYSTEM

WHEREAS, the City of North Pole created its utility system to provide residents with the sanitation, protection and convenience afforded by a municipal utility system and to promote an improved community environment; and

WHEREAS, the waste water treatment plant facilities have not been rehabilitated since the facility was constructed 27 years ago in 1985 and the original equipment is aging, inefficient, prone to breakdowns, and difficult to repair due to difficulty to obtain replacement parts; and

WHEREAS, the City received grants from the US Department of Agriculture and the Alaska Department of Environmental Conservation to conduct an engineering analysis and design project of the waste water treatment facility; and

WHEREAS, the engineering analysis and design project has recommended a multi-phase, multi-year plan for the rehabilitation of the waste water treatment facility; and

WHEREAS, the recommendations of the engineering analysis and design project for phase one focus on rehabilitating the waste water treatment plant as outlined in the attached phased rehabilitation plan generated by the City’s consulting engineering firm; and

WHEREAS, one consideration of the engineering analysis and design project is the electrical demands of the rehabilitated waste water treatment facility and treatment process and emergency electrical power needs at the facility; and

WHEREAS, the engineering analysis and design project determined the existing emergency generator intended to provide power for the treatment facility during power outages is inefficient, polluting, prone to failure, difficult to repair due to lack of spare parts and will generate insufficient power to run the waste water treatment facility when the facility is rehabilitated; and

WHEREAS, the City applied to the Alaska Department of Environmental Conservation for and was offered a low-interest Alaska Clean Water Fund loan to replace the generator at the waste water treatment facility and to purchase two portable emergency generators to operate sewer lift stations during power outages; and

WHEREAS, the Utility has existing capital charges levied on all utility rate payers that generate sufficient revenue to repay the loan over its 20-year life and no General Fund revenues of the City of North Pole will be used to repay the loan.
NOW, THEREFORE, BE IT RESOLVED by the North Pole City Council that the following question shall be placed on the October 2, 2012 ballot as follows:

The North Pole Utility is requesting authority to accept a $302,500 loan offer from the Alaska Department of Environmental Conservation for the purpose of replacing the generator at the waste water treatment facility that is inefficient, polluting, prone to failure, difficult to repair due to lack of spare parts and will not generate enough power to run the rehabilitated waste water treatment facility and to purchase two portable emergency generators to operate sewer lift stations during power outages. The terms of the loan are one and one-half (1 ½) percent interest for a twenty (20) year term. No General Fund revenues of the City of North Pole will be used to repay the loan. The Utility’s annual loan payment will be approximately $17,700.

Yes ☐ No ☐

PASSED AND APPROVED by a duly constituted quorum of the North Pole City Council this 6th day of August 2012.

_________________________________
Douglas W. Isaacson, Mayor

ATTEST:

____________________________
Kathryn M. Weber, MMC
North Pole City Clerk