

City  
LO

**City of Saxman**  
Route 2 Box 1 - Saxman  
Ketchikan, Alaska 99901

January 29, 2016

Governor Bill Walker  
PO Box 110001  
Juneau, AK, 99811-0001

OFFICE OF THE GOVERNOR  
MAIL ROOM  
FEB -3 2016

Dear Governor Walker;

The City of Saxman understands that the State's revenue crisis means hard work lies ahead for the governor and legislative representatives from around the state. To formally recognize the state's budget challenges, the City of Saxman passed a municipal resolution encouraging the legislature to enact a comprehensive package of initiatives that will provide a sustainable, predictable, and balanced state budget for the foreseeable future.

Because of the overwhelming shortfall of state revenue, the city of Saxman has attached only its most critical and essential infrastructure projects for your consideration. The Saxman harbor project, the city's #1 priority, would fill the strong demand for additional harbor space in Ketchikan area, while promising significant economic and environmental benefits to Saxman's local community. Saxman is the most natural and economically sensible location for a harbor, the project is financially sustainable, and Saxman has committed its most valuable oceanfront property to make this important project a reality. The harbor's planning documents, feasibility studies, and cost estimates are up-to-date and ready to go. Our #2 project addresses shortages in local drinking water by increasing the capacity of our raw water source. Saxman operates a state of the art water treatment system but our water supply capacity is inadequate, resulting in water shortages and boil-water alerts several times per year. The project is comprised of a new water impoundment, transmission line, and access road. The project has largely been designed by ANTHC and state funding would be matched with federal dollars on a 1/1 basis.

Saxman has been the grateful recipient of direct legislative appropriation in the past few years. In 2013 Saxman was awarded emergency funding to replace the roof on the main warehouse at Saxman Seaport's industrial park. The improvements were completed on-time and within budget; the funded improvements at the seaport resulted in the industrial park becoming financially self-sustaining, with all suites being occupied by business tenants. Also, your assistance made it possible for Saxman to acquire its first ever bond loan, signaling the beginning of an era of self-sufficiency for the Seaport. In 2012, Saxman was awarded planning and design funding for the Saxman Harbor. Fully updated design documents, cost estimates, feasibility studies, and other documents have been completed as promised, demonstrating our

commitment to being a responsible and efficient steward of state funds. We are proud of these accomplishments and grateful for the state's support.

Please know that the past legislative allocations have been instrumental in improving our community and for that we're very grateful and thank you! As for the future, we would greatly appreciate your help in identifying potential funding avenues for the projects included in this packet. Thank you very much for your time and consideration concerning our legislative request.

Respectfully Submitted,  
CITY OF SAXMAN



Richard Shields, Sr.  
Mayor

City of Saxman  
Resolution #01-2016-16

A RESOLUTION OF THE CITY OF SAXMAN, EXPRESSING A DEEP SENSE OF URGENCY FOR THE ALASKA STATE LEGISLATURE TO TAKE IMMEDIATE AND DECISIVE ACTION DURING THE 2016 LEGISLATIVE SESSION TO ENACT A COMPLETE PACKAGE OF INITIATIVES TO PROVIDE FOR A BALANCED, SUSTAINABLE, AND PREDICABLE STATE BUDGET FOR THE FORESEEABLE FUTURE.

WHEREAS, Alaska is an 'owner state' who has developed its natural resources as the primary means to fund essential/desired public services offered by the state; and

WHEREAS, Alaska has relied predominately on the development of its vast oil reserves to fund the majority of state government expenditures over the past 35 years; and

WHEREAS, production of Alaskan North Slope crude oil has steadily decreased over the past 25 years; and

WHEREAS, global oil prices have remained highly volatile over recent decades, but until recently, have trended higher over time, masking the effect of decreasing oil production; and

WHEREAS, global oil prices have dropped significantly over the past two years and are projected to remain relatively low for the foreseeable future; and

WHEREAS, the combination of reduced oil production, reduced oil prices, and an overreliance on oil as the primary source of funding for state government has resulted in a massive state fiscal deficit; and

WHEREAS, cash reserves currently being used to cover the existing deficit will be depleted in just a few years, threatening the state's annual dividend program and potentially the state's Permanent Fund itself; and

WHEREAS, the State of Alaska has been duly warned by Standard & Poors that due to the current fiscal imbalance, its credit rating will continue to be downgraded if the Legislature fails to take appropriate action in 2016; and

WHEREAS, major business leaders in the state have warned that they would be unlikely to continue making significant commercial investments in Alaska if the Legislature fails to address the fiscal deficit during the 2016 legislative session; and

WHEREAS, Governor Walker has introduced a complete fiscal plan to provide a sustainable and predicable balanced budget, using the strength of our existing financial assets, and a balanced blend of spending reductions and additional new revenues; and

WHEREAS, while spending reductions must be a part of any balanced fiscal solution, extreme care must be exercised to not inadvertently cut our way into an economic recession as was done in the 1980's; and

WHEREAS, every dollar of cash reserves spent now to fund one-time budget shortfalls, is then unavailable to continue working for the state as an ongoing income producing asset into the future; and

WHEREAS, continuing to spend down cash reserves in the short-term, will reduce the amount of sustainable revenue we can plan to generate from our current financial assets in the future, resulting in the necessity to increase other sources of revenue (taxes) in the future to compensate; and

WHEREAS, now more than ever is the time for statesmanship, not provincial politics or electioneering rhetoric. Politically difficult decisions are required this year.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SAXMAN, that:

Section 1. The Council of the City of Saxman calls upon the Alaska State Legislature to take affirmative and immediate action this year to enact a comprehensive package of initiatives that will provide for a sustainable and predictable balanced state budget for the foreseeable future.

Section 2. The Council of the City of Saxman appreciates the difficult work of the Administration to put forth one possible comprehensive fiscal solution; and while Saxman may not support every aspect of this plan, does recognize it as an appropriate starting point for legislative deliberation.

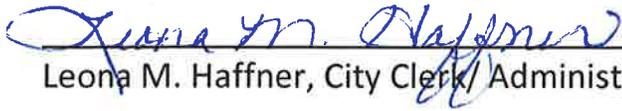
Section 3. The Council of Saxman insists that the Alaska State Legislature engage in meaningful discussions of all fiscal options without regard to perceived negative political fallout.

Section 4. The City of Saxman Clerk is instructed to transmit a copy of this resolution to every member of the Alaska State Legislature, the Governor, and all local and statewide media outlets.

PASSED AND APPROVED BY THE CITY OF SAXMAN, this 20<sup>th</sup> day of January, 2016.

A handwritten signature in blue ink that reads "Richard Shields Sr." written in a cursive style.

Richard Shields, Sr., Mayor

A handwritten signature in blue ink that reads "Leona M. Haffner" written in a cursive style.

Leona M. Haffner, City Clerk/ Administrator

## City of Saxman SFY 17 Legislative Priorities



Project Title	Request	Match	Saxman Priority	CEDS Priority
<b>Saxman Harbor: Phase I Construction</b>	\$6,717,400	\$300,000 Saxman In-Kind	1	Saxman

State funding is requested for Phase I Construction (rock breakwater construction) of Saxman Harbor. \$6,717,400 in State funds will be added to Saxman's \$300,000 value in rock. Existing planning/design funding is being used to bring the project to construction-ready status by CY2016

<b>New Raw Water Source</b>	\$714,493	\$714,493 (Prospective Federal), ANTHC Admin	2	Saxman
-----------------------------	-----------	--	---	--------

Funding requested for 50% of the cost of creation of a new raw water impoundment, which will assure sufficient levels of drinking water for the City of Saxman. Funds will be used as the 1:1 match required to leverage \$714,493 in Indian Health Services funding, or other federal funds. The Alaska Native Tribal Health Consortium (ANTHC) has agreed to provide project management and administration services, and has already completed significant engineering/design work (75% complete).

<b>Saxman Public Works/ Safety Upgrades</b>	\$ 326,020	KPU In-Kind	3	Saxman
---	------------	-------------	---	--------

Funding requested for municipal public works / public safety equipment and improvements:

- Emergency shelter upgrades for Saxman Community Center
- LED streetlight retrofits
- Public Works equipment (towable water/sewer jetter, wood chipper, and backhoe loader tools)
- Deferred maintenance and light repairs to Saxman public safety building
- VPSO vehicle improvements / equipment

City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Harbor Construction: Phase I**  
**#1 Priority Overall**

---

# #1 Saxman: Saxman Harbor: Construction Phase 1

---

## Applicant:

City of Saxman, Alaska, Tax ID 92-0041226

## Contact:

Leona Haffner – City Administrator – cityclerksaxman@kpunet.net

Phone: 907-225-4166

Fax: 907-225-6450

Municipal Tax Exempt #: 3008E

## Project Summary:

---

- **Title: Saxman Harbor: Construction Phase I**
- **Description: The City of Saxman is submitting a \$ 6,717,400 request for State funding in 2017 which when added to a \$300,000 Saxman Match will be used to as leverage to fund subsequent phases of the project. The total request will be adequate to complete phase 1: Rock Breakwaters of the proposed Saxman Harbor.**
- **Project Status: The City of Saxman applied for and received \$350,000 in planning and design funds from the state legislature in 2013. We are currently working with an engineering and design team, utilizing a “not-to-exceed” contract, and will have the project to construction-ready status by this time next year. A third party consulting firm (McDowell Group, 2014) has re-confirmed that there is strong demand/market and feasibility for the Saxman harbor and that project revenue should be sufficient to meet operating and maintenance expenses. The project engineering team and city officials have selected a preferred design (attached) and environmental permit applications are currently being prepared. Preliminary cost estimates for each phase of the project (attached) have also been assembled.**
- We continue to work with USACE as they assess their commitment to the project and are exploring other financing options at this time.

City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Harbor Construction: Phase I**  
**#1 Priority Overall**

---

- **Completion Date: Phase I Construction estimated for completion in December of 2017. Harbor estimated to be complete and operational in 2020.**

## Project Attributes:

---

Funding Requested: \$6,717,400

### Project Cost by Phase:

Phase	Cost	Source	Status	Timeline
A. Planning / Design	\$350,000	\$350,000 State FY13 Capital Appropriation	Nearing Completion	Complete Summer 2016
B. Construction: Phase I (Rock Breakwater)	\$7,017,400	Capital Appropriation of \$6,717,400 \$300,000 Saxman Match	<b>\$6,717,400 Requested</b>	2017-2018
C. Construction Phase II: Upland Parking Lot, Water Main, etc.	\$4,915,380	TBD		2018-2019
D. Construction Phase III: Floating Attenuators	\$5,343,750	TBD		2019-2020
E. Construction: Phase IV: (Slips, Remaining Infrastructure)	\$12,000,000	TBD		2019-2020

**Total Project Cost (Inclusive of planning/design): ~\$29.5 Million**

### Ongoing Operation and Maintenance:

City of Saxman, Alaska

### Project Description:

The City of Saxman requests **\$6,717,400** in State funding to be applied to Phase I Construction (Rock breakwaters) of Saxman Harbor in 2017. State funds will be matched by Saxman

City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Harbor Construction: Phase I**  
**#1 Priority Overall**

---

(\$300,000) in the form of contributed rock and gravel. Together, this \$7.1 million will suffice for completion of Phase 1 breakwater construction activities.

#### Project Status:

Since 2014, the City of Saxman has utilized \$350,000 in Legislative Grants to progress significantly with the engineering, design, and permit work to bring the project to construction ready status in the next 12 months, by June 2016.

There is strong need for additional harbor space in the Ketchikan area. Long waiting lists at local harbors for recreational boaters and commercial fishermen, lack of space for marine based businesses, lack of access for subsistence users, and expansion of the maritime sector demonstrate need for this project. A feasibility assessment performed by the McDowell Group (2014) shows need for at least a 125 slip harbor with a mix of slip sizes. The study also concludes that revenue from the Harbor can cover operations and maintenance costs. The strongest user segment will be medium commercial/tourism vessels, summer charter boats, and a variety of recreational boaters, according to McDowell's assessment. Long-term demand by commercial fishing support vessels and vessels associated mining and the oil and gas industry are also a strong possibility. Saxman harbor will offer ice-free, protected moorage in a location just 2.5 miles from downtown Ketchikan by road, and 5 miles from Ketchikan international airport. R&M and Coast and Harbor Engineering estimate the total cost of the project to be \$29.5 Million.

#### Community and Agency Support:

- #3 on Overall Ketchikan Community Priority List
- #1 Priority on the City of Saxman / Organized Village of Saxman CEDS list, #1 Priority Overall
- Joint resolution supporting the project, adopted by the Ketchikan Gateway Borough, City of Ketchikan, and City of Saxman
- Resolution of support from the Ketchikan Chamber of Commerce
- Letters of support from US Senators Lisa Murkowski, Mark Begich, US Representative Don Young, and Alaska Ship and Drydock
- \$350,000 SFY2013 Capital Appropriations funding for planning/design provided by State of Alaska

#### Project Background:

Saxman community members have used the proposed Saxman Harbor build site for marine access since the village's founding in the 1890s. In the early 20<sup>th</sup> century, the site was the location

City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Harbor Construction: Phase I**  
**#1 Priority Overall**

---

of diverse maritime activity, including marine vessel construction and repair, mooring of subsistence fishing vessels, and log storage. Floats, small boathouses, and marine vessels are abundantly evident in early historic photos. In recent decades, safety and environmental concerns have forced the City to restrict access to the harbor area until safe infrastructure can be built. The City of Saxman has consistently supported construction of a new public harbor, as evidenced in planning documents dating back as far as the 1970s.

A USACE study conducted in the 1980s identified Saxman Harbor as the Ketchikan region's most technically feasible and economically affordable opportunity for new harbor development in the Ketchikan Borough area. The merit of the Saxman Harbor site was reconfirmed this year by a McDowell Report (2014) which states there is sufficient demand to warrant the development of a Harbor in Saxman. The current design team states that a harbor with 125 + slips is warranted both technically and economically.

Saxman Harbor will ensure that Saxman's residents have the safe waterfront access they desire for subsistence and recreation, while supporting growth of Alaska's maritime industry, and creating new economic opportunities (tourism, marine supply sector, etc.) in Saxman.

Demand for moorage in the Ketchikan area far exceeds what is currently available. Over 100 vessels are waitlisted for annual moorage in Ketchikan's Ports and Harbors. Most of these vessels are 39+ feet in length. Many vessel owners choose not to pay waitlist fees as they wait for years for new annual moorage to become available. Federal agencies have estimated that as many as 2,000 vessels operating in Alaska waters must home-port in the Puget Sound, three days south of Saxman by water, due to insufficient opportunities for ice-free, protected moorage in Alaska.<sup>1</sup> Construction of new Alaskan harbors will allow these vessels to homeport in-State, resulting in fuel and time savings, and increased spending in Alaska by vessel owners and crews.

R&M Engineering of Ketchikan along with Coast and Harbor Engineers (see attached) estimate total project costs to be \$29.5 million. The desired design includes moorage for 3-5 vessels over 100 feet, 27 slips for vessels 50-100 feet in length and 100+ stalls for a mix of smaller vessel sizes. The mix of slips has been carefully calibrated with the most recent demand study completed by McDowell and Associates (2014).

Current Project Status:

---

<sup>1</sup> November 2010 USACE / Alaska DOT Ports and Harbor Conference, Anchorage

City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Harbor Construction: Phase I**  
**#1 Priority Overall**

The City of Saxman is efficiently using \$350,000 in state planning and design funding to bring the project to "construction ready" status by Spring 2015.

**Project Timeline**

Year	Activity
2010	Section 107 Project Request (June)
2011	Awaiting Federal Authorization and Funding
2012	Authorization Given, Project Start Funding Approved (March) USACE Review of prior work / predevelopment activity (April) Reconnaissance Study / Fact Sheet Update Completion (June)
2013	Planning/Design Phase Authorization Planning / Design Ongoing
2014	Planning and Design Phase Ongoing
2015	Project at CONSTRUCTION READY STATUS along with BID READY documents
2017	Phase I Construction: Rubble Mound Breakwater
2018	Phase II Construction: Upland Infrastructure (Parking, Etc)
2019	Phase III Construction: Floating Wave Attenuators
2020	Phase IV Construction: Slips and Remaining Infrastructure

**Community Priority:**

- **CEDS priority for the Ketchikan Gateway Borough**
- **#1 Economic Development priority for the City of Saxman, #1 Overall**
- **Number of jobs created after implementation: 100-200**
- **State the number of jobs retained: 100-200**
- **Amount of private sector investment: Saxman Harbor will create enduring opportunities for private sector investment and growth.**

**Project Benefits**

City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Harbor Construction: Phase I**  
**#1 Priority Overall**

---

- Transportation:

Demand for moorage in the Ketchikan area far exceeds what is currently available. Over 100 vessels are waitlisted for annual moorage in Ketchikan's Ports and Harbors. Most of these vessels are 39+ feet in length. Many vessel owners choose not to pay waitlist fees as they wait for years for new annual moorage to become available. Federal agencies have estimated that as many as 2,000 vessels operating in Alaska waters must home-port in the Puget Sound, three days south of Saxman by water, due to insufficient opportunities for ice-free, protected moorage in Alaska.<sup>2</sup> Construction of new Alaskan harbors will allow these vessels to homeport in-State, resulting in fuel and time savings, and increased spending in Alaska by vessel owners and crews.

Increased development and resource exploration activities in the Arctic will create tremendous new demand for marine infrastructure throughout Alaska. At present, many vessel operators are assuming that they will need to homeport in the Puget Sound, three days south of Ketchikan. By homeporting in Saxman, vessels will be able to significantly reduce travel time, resulting in shorter, safer trips, fewer emissions, and less congestion in key waterways.

Current overcrowding at harbors throughout the Ketchikan area results in higher facility maintenance costs, time delays, vessel damage from collisions, and other inefficiencies, all of which contribute to higher costs and lower profit margins for private sector businesses. A new harbor in Saxman will help address these problems.

- Infrastructure, and Private Sector Tools:

This project will create critical, public marine infrastructure supporting economic growth and expansion throughout the region, and the State.

- Public Safety:

Saxman community members have used the proposed Saxman Harbor build site for marine access since the village's founding in the 1890s. In recent decades, safety and environmental concerns have forced the City to restrict access to the harbor area until safe infrastructure can be built. Saxman Harbor will help ensure that residents and businesses have the safe maritime access which they require.

---

<sup>2</sup> November 2010 USACE / Alaska DOT Ports and Harbor Conference, Anchorage

City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Harbor Construction: Phase I**  
**#1 Priority Overall**

---

- Culture and Recreation: Historically, Saxman's mostly Tlingit population was a maritime culture reliant upon the ocean for transportation, recreation, and subsistence food. Marine access remains important to Saxman residents today, for all of the same reasons.

During summer months of peak recreational activity, Ketchikan area residents endure long waits and compete for limited uplands parking opportunities at area boat launches. An estimated 500 vessels in the area are trailered, in part due to insufficient mooring opportunities in area harbors. Saxman Harbor will help mitigate these concerns.

- Investment in Future:

Continued growth of Ketchikan's maritime industry cluster, which comprises 50% of the region's economy, is impeded by limited availability of ports and harbors. Saxman Harbor is the premier undeveloped "natural harbor" located on Ketchikan's road system, and would provide year-round, ice-free, protected moorage, helping to ensure adequate infrastructure for Alaska's continued growth and development. The natural harbor's location just outside of the Pennock Island Reduced Speed Zone will help streamline transportation and mitigate congestion in Ketchikan's key waterways.

It is anticipated that the Saxman Harbor will be the only harbor in the greater Ketchikan area addressing the significant demand for a harbor with slips, docks, storage, nearby warehousing (at the Saxman Seaport), space for businesses, and other support facilities, all centralized in a single location. Business such as laundromats, grocery stores, supply shops, and restaurants, which typically flourish around harbors, will also serve Saxman residents, creating new opportunities for local spending.

The harbor will help Saxman establish a more robust, sustainable economy. At present, Saxman is an area of concentrated poverty and limited economic opportunity. Creation of public harbor infrastructure in Saxman will help the community participate equitably in Alaska's economic future, while providing state- and region-wide benefits.

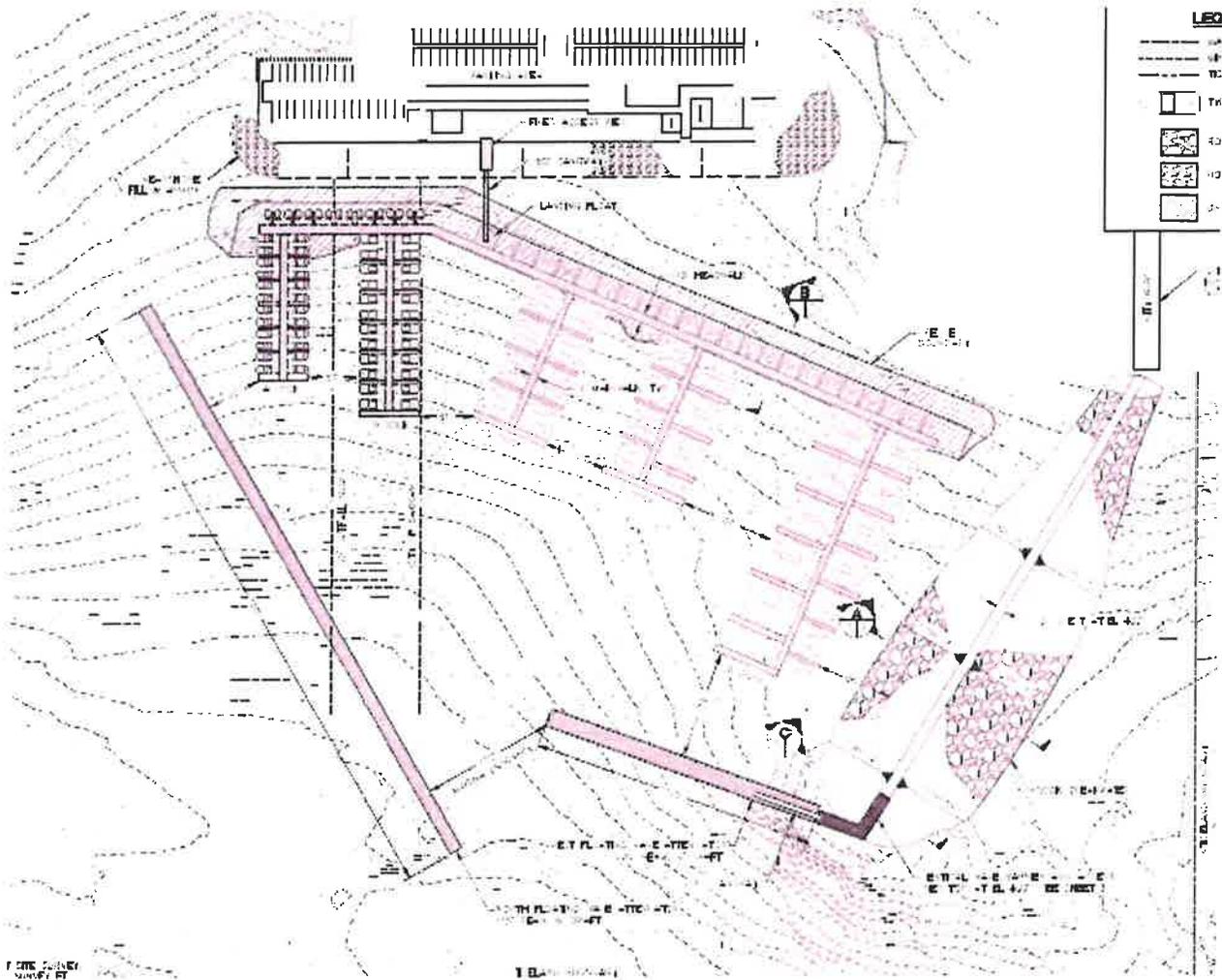
City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Harbor Construction: Phase I**  
**#1 Priority Overall**



City of Saxman: Mayor Richard Shields  
 Request for SFY 2017 State Funding for  
**Saxman Harbor Construction: Phase I**  
**#1 Priority Overall**

<b>Rock Breakwater</b>	<b>\$7,017,400</b>	
<b>Vertical Wave Barrier</b>	<b>\$840,000</b>	
<b>In-Water Construction Subtotal</b>		<b>\$17,585,170</b>
<b>Upland Improvements: Parking Lot asphalt, shot-rock fill, water main, electrical and lighting (land only).</b>	<b>\$4,915,380</b>	<b>\$4,915,380</b>
<b>Mobilization/De-mobilization</b>	<b>\$2,250,055</b>	<b>\$2,250,055</b>
<b>Construction Inspection and Testing</b>	<b>\$1,350,033</b>	<b>\$1,350,033</b>
<b>Contingency @ 15%</b>	<b>\$3,375,082</b>	<b>\$3,375,082</b>
<b>TOTAL PROJECT COST</b>		<b>\$29,475,721</b>

City of Saxman: Mayor Richard Shields  
 Request for SFY 2017 State Funding for  
**Saxman Harbor Construction: Phase I**  
**#1 Priority Overall**



**PRELIMINARY CONSTRUCTION COST ESTIMATES: SAXMAN HARBOR**

(Coast and Harbor Engineering, R&M Engineering)

Item	Cost	Total Cost
Dredging & Excavation	\$207,000	
Marina Access	\$146,000	
Headwalk	\$894,400	
Moorage Docks	\$3,136,620	
Floating Wave Attenuator (FWA)	\$5,343,750	

## #2 Saxman: New Raw Water Intake – Match Funding

---

**Applicant:**

City of Saxman, Alaska

**Contact:**

Leona Haffner – City Administrator – cityclerksaxman@kpunet.net

Phone: 907-225-4166

Fax: 907-225-6450

Municipal Tax Exempt #: 3008E

### Project Summary:

---

- **Request Amount: \$714,493 (1:1 Match Required to Leverage Indian Health Services funding) – One Time Request**
- **Description:** The City of Saxman requests a direct appropriation of \$714,493 in State funding for creation of a new raw water impoundment, which will assure sufficient levels of water for the City of Saxman. Funds will be used as the 1:1 match required to leverage \$714,493 in Indian Health Services funding, or other federal funds. The Alaska Native Tribal Health Consortium (ANTHC) has agreed to provide project management and administration services.

Source	Amount
Indian Health Services (2016-2017)	\$714,493
SFY2017 Capital Appropriation	\$714,493
Alaska Native Tribal Health Consortium	Admin / Project Management

- **Completion Date: June 30<sup>th</sup>, 2017**

City of Saxman: Mayor Richard Shields  
 Request for SFY 2017 State Funding for  
**#2 Saxman: New Raw Water Intake – Match Funding**

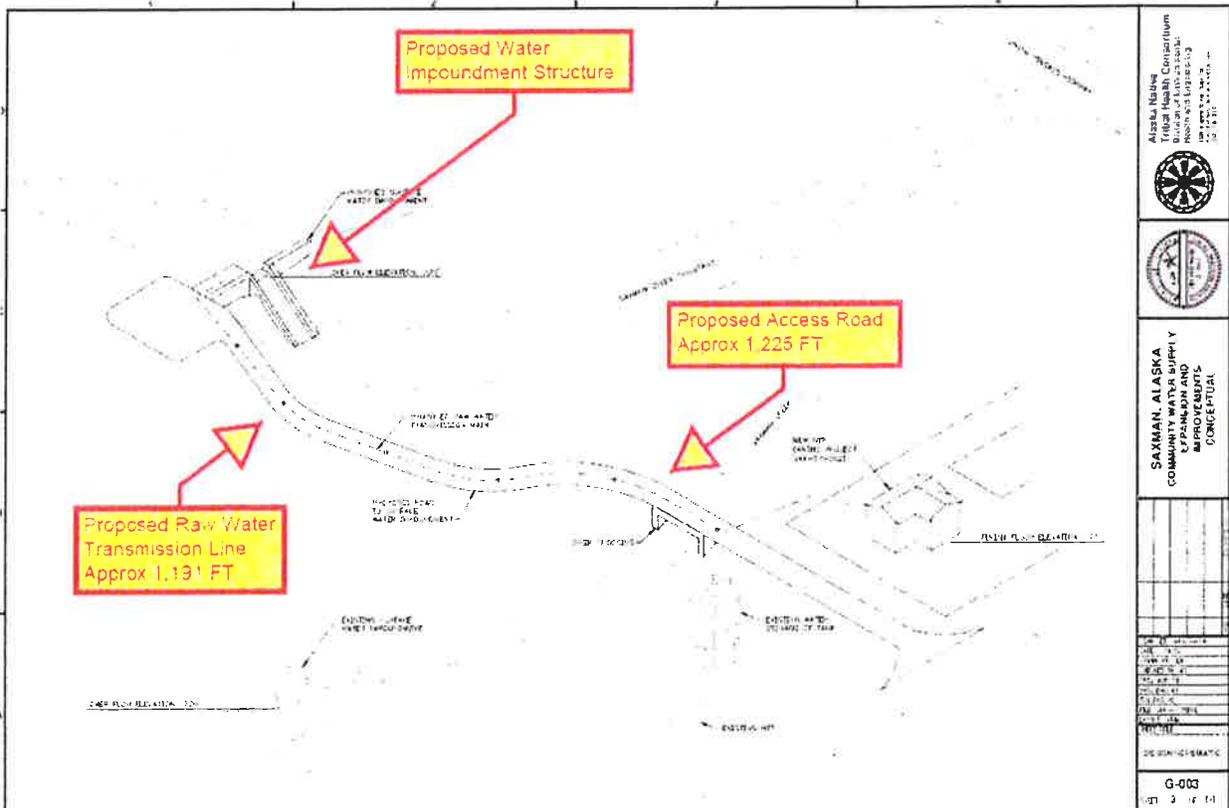
Project Attributes:

Project Description:

Saxman’s current raw water source consists of a small impoundment created by a concrete dam. This dam captures only about one third of the available water in Saxman’s watershed. Periods of low precipitation, though infrequent, create water shortages in the community. Summer 2016 brought several such instances and water conservation and boiled water alerts were issues to all residents. An adjacent creek located approximately 800 feet from the existing impoundment captures the remaining two-thirds of Saxman’s available watershed.

A new impoundment on the adjacent creek will significantly increase Saxman’s water capacity, assuring sufficient water for consumption, firefighting, and emergency storage. The project will provide a surplus which can provide for the community’s continued growth and be used by neighboring communities such as the Mountain Point and Forest Park Service Areas. Engineers predict that the water impounded by the new, larger dam would be of higher quality than water impounded by the existing dam, reducing operating costs of Saxman’s water treatment system.

This project will be implemented by the Alaska Native Tribal Health Consortium (ANTHC), through partnership with the City of Saxman. The City of Saxman will own, operate, and maintain the impoundment.



## #2 Saxman: New Raw Water Intake – Match Funding

### Project Status:

Engineering/design activities are 75% complete. An intake pipe for the second impoundment has already been constructed at Saxman's new water treatment plant, which opened in 2012. In an emergency water shortage in summer 2016, 1000 feet of intake line was "temped" in, and began tapping the tributary. The project has been raised to the highest priority status with ANTHC and IHS.

### Community Priority:

This project is identified as a priority within:

- Saxman's Comprehensive Water and Wastewater Facility Master Plan
- Indian Health Services STARS Sanitation Deficiency System (SDS)
- Saxman's Comprehensive Economic Development Strategy (CEDS) list.

The Alaska Native Tribal Health Consortium (ANTHC) partners with Saxman in planning and developing improvements to meet the community's water and sewer needs. ANTHC identified this project as a community infrastructure priority, and developed cost estimates and conceptual engineering plans (attached).

### Cost Estimate (Provided by ANTHC, October 2015)

<i>Item</i>	<i>Unit</i>	<i>Quantity</i>	<i>Unit Price</i>	<i>Total</i>
Impoundment Structure	Each	1	\$619,500	\$619,500
Access Road	Lfeet	1250	\$318,500	\$318,500
Water Transmission Line	Lfeet	1200	\$262,020	\$262,020
<b>Total Construction</b>				<b>\$1,080,520</b>
Contingencies				\$162,078
<b>Subtotal</b>				<b>\$1,242,598</b>
15% Overhead and Design				\$186,398
<b>Total Cost</b>				<b>\$1,428,987</b>

### Summary of Project Technical Details:

In May of 1999, Golder Associates completed a Hydrologic and Water Supply Reliability Assessment for Saxman. The assessment concluded that Saxman's water source could be expanded to increase the community's water catchment area by a factor of two or more. The present catchment area that serves Saxman's existing water impoundment structure includes approximately 0.3 square miles. An adjacent stream located within Saxman's watershed is served by a catchment area of approximately 0.6 square miles. Water from approximately 2/3rds of this 0.6 square mile

## #2 Saxman: New Raw Water Intake – Match Funding

catchment area could be diverted by gravity into Saxman’s existing water impoundment. Thirty day flow projections based on a 10-year interval for the two catchment areas (0.3 square miles plus 2/3 x 0.6 square miles) is approximately 250 gpm. Presently 100 gpm is reserved to maintain fish habitat. This would leave approximately 150 gpm available for the community during the 30 day low stream flow events. This quantity of water could meet the demands of Saxman’s design population. The excess water from the source could be used to supplement other nearby service areas during periods of low stream flows, system maintenance, or emergency events. Much greater amounts of water would normally be available to the community throughout the year.

### Infrastructure Supporting Continued Population and Economic Growth

Saxman’s existing raw water source was designed for a community of 500 residents. The Alaska Department of Labor estimates the community’s population at 411 (2015). City of Saxman officials believe the population to be higher, due to families doubling-up due to housing shortages. Saxman opened a new Senior Housing project in 2012, and recently constructed public housing for Teachers, Health Professionals and Public Safety officials. In addition to residents, Saxman welcomes over 120,000 tourists per year who put additional stress on our water infrastructure and supplies.

### City of Saxman: Current & Anticipated Community Development

Year	Project	Status
2012	Saxman Senior Housing Unit	Completed
2012	Totem Row Park Public Restrooms	Completed
2012	Private Triplex Development	Committed
2013	Completion of Saxman Seaport Warehouse Revitalization	Committed
2013	New Alaska Housing Finance Corporation THHP Housing	Completed
2016-2019	Saxman Harbor	In Progress
2016-2019	Development of Supporting Businesses Associated with Harbor	Future Development

## #2 Saxman: New Raw Water Intake – Match Funding

---

In 2013, State and Federal funding was approved for planning and design of a new public harbor in Saxman. Planners estimate that Saxman Harbor will be able to serve as many as 170 vessels of varying length. It is anticipated that construction of Saxman Harbor will significantly increase demand for water within the community. Similarly, State reinvestment in redevelopment of the Saxman Seaport is anticipated to result in increased business activity, and increased demand for water within the community.

### Project Benefits:

---

#### Infrastructure / Essential Services:

This project will create essential public infrastructure which will provide Saxman and adjoining communities with the volumes of water needed for community growth, economic growth, consumption, emergency storage, and fire fighting. Saxman's population has grown steadily over the last 40 years, and is anticipated to continue growing. The new water source will assure that the growing community and its neighbors have adequate water supplies. Business activity associated with Saxman's future harbor (currently in planning/design phases) is anticipated to increase water consumption substantially.

#### Public Safety:

Saxman's Comprehensive Water and Wastewater Facility Master Plan states that Saxman is not adequately protected in the event of a fire, and recommends that Saxman improve its fire suppression capabilities by increasing water storage capacity.

#### Health and Welfare

This project is listed as Saxman's highest priority within the Indian Health Services STARS Sanitation Deficiency System.

#### Investment in Future:

This project is included on Saxman's Comprehensive Economic Development Strategy (CEDS) list as a community priority which must be addressed to ensure a future of continued growth and adequate water. Business activity associated with Saxman's future harbor (currently in planning/design phases) is anticipated to increase water consumption substantially.

City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Public Safety / Public Works Upgrades**  
**#3 Priority Overall**

---

## #3 Saxman Public Safety / Public Works Upgrades

---

**Applicant:**

City of Saxman, Alaska

**Contact:**

Leona Haffner – City Administrator – [cityclerksaxman@kpu.net](mailto:cityclerksaxman@kpu.net)

Maxwell Mercer, Grant Consultant – [maxwellmercerc@hotmail.com](mailto:maxwellmercerc@hotmail.com)

Phone: 907-225-4166

Fax: 907-225-6450

Municipal Tax Exempt #: 3008E

## Project Summary:

---

**\$326,020 in Capital Appropriation funding is requested for essential municipal public works / public safety equipment for the City of Saxman:**

<b>Public Safety / Public Works Upgrades</b>	<b>Cost</b>
Saxman Community Center (Emergency Shelter Capacity Enhancement)	\$75,000
LED Streetlight Upgrades	\$28,520
VPSO Equipment and Vehicle Improvements	\$2,500
Public Works Equipment (Water/Sewer Line Jetter, Wood Chipper, Backhoe Tools)	\$55,000
Public Safety Building Maintenance and Improvements	\$15,000
Saxman Seaport Warehouse/Industrial Park upgrades	\$150,000
<b>Total:</b>	<b>\$326,020</b>

The City of Saxman collaborated with Ketchikan Public Utilities staff to determine LED streetlight types required to meet community needs. KPU staff agreed to install upgraded LED streetlights free of cost.

City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Public Safety / Public Works Upgrades**  
**#3 Priority Overall**

---

**Completion Date: June 30<sup>th</sup>, 2017**

**Funding Requested: \$326,020 – One Time Request**

## Project Attributes:

---

### Community Support:

- Saxman #4 Economic priority for SFY2017 Capital Appropriations funding, #4 Overall Saxman Priority
- Community Development CEDS priority for the City of Saxman
- LED retrofit and emergency generator projects concepts developed with substantial support from Ketchikan Public Utility staff
- Resolution of support from Ketchikan Indian Community

### Saxman Community Center Emergency Generator

The Saxman Community Center (SCC) is designated in the Saxman Small Community Emergency Response Plan (2015) as the emergency shelter for the City of Saxman. The catchment area for the SCC shelter includes a population of 416 in the City of Saxman, 2,268 residents in the Saxman/Mountain Point census tract, as well as up to 1000 tourists per day during the summer season. The SCC also serves as the City Hall and Village Public Safety Office.

The City of Saxman Disaster Planning Group (SDPG) having evaluated its ability to support local response to acts of terrorism and natural or manmade disasters has determined that enhancements to current sheltering are needed. Additionally, the SDPG identified ensuring continuity of government capabilities as a high priority need. Saxman and KGB emergency preparedness planners have identified Saxman's Community Center location as ideal for providing necessary sheltering when responding to and recovering from natural or manmade disasters affecting Census Tract 4.

Saxman is requesting \$75,000 for sheltering facility upgrades including washer/dryer facilities, cots, accessibility upgrades, and other non-perishable items necessary for triaging hundreds of people in disaster situations.

### LED Streetlight Upgrades

The City of Saxman seeks to retrofit existing HID streetlights with energy-efficient LED fixtures – an “energy efficiency / demand-side management” (EE/DSM) practice which is consistent with recommendations of the Southeast Alaska Integrated Resource Plan (SEIRP) commissioned by the State legislature for the region.

Ketchikan Public Utility (KPU), which owns and maintains Saxman's existing streetlights, has agreed to perform installation of LED retrofits at no cost. Saxman utilized standardized Alaska

City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Public Safety / Public Works Upgrades**  
**#3 Priority Overall**

---

Energy Authority formulas to analyze project economics. Energy cost savings are estimated at \$3,666 per year. Maintenance savings (to KPU) are estimated at \$15,500 per year. CO2 emissions would be reduced by 52%. The project's cost-savings payback period (cost of fixture purchase divided by [energy plus maintenance savings]) is 1.48 years. If this "pilot project" proves successful, similar streetlight retrofits could be performed elsewhere within southeast Alaska, lowering the cost of streetlight upkeep/maintenance to taxpayers, freeing-up electricity for use by other consumers in the region, and reducing environmental impacts.

QTY	MFG	Description	Unit Cost	EXT Cost
60	Betaled Fisher	STR LWY 3M HT 03 D UL SV 525	\$410	\$24,600
60	Pierce	#TRS-2 20 TR photocell, 3 prong twistlock	\$32	\$1,920
NA		Barge Line Transportation		\$2,000
		<b>Total</b>		<b>\$28,520</b>

**Public Works Equipment (Water/Sewer Jetter, Wood Chipper, Backhoe Tools)**

Saxman requests \$55,000 funding for equipment which will help Saxman's Public Works department better maintain the community and its infrastructure, at lower cost, and with increased safety. A towable water jetter will allow Public Works employees to service and maintain water/sewer lines at lower cost to the City, and with less risk of damage. A wood chipper will allow City of Saxman Public Works employees to better clear and maintain public property and right of way, while producing wood chips which can be used for landscaping tasks in Totem Row Park, and at community facilities such as the Saxman Community Center. Remaining funds will be used to purchase additional tools for Saxman's Volvo BL70 backhoe loader -- such as a street sweeper, auger, hammer, and pallet forks - which will be used to perform the community's essential public works and community maintenance tasks at lower cost.

**Public Safety Building Maintenance and Improvements** - Saxman's Public Safety Building is a small structure which serves as a home to some of the South Tongass Volunteer Fire Department's equipment. \$15,000 funding is requested to perform essential maintenance to the building, including light repairs to the building's siding and roof, and weatherization improvements.

**Saxman Seaport Warehouse/Industrial Park Upgrades** - Since the recent repairs to the Saxman Seaport Warehouse/Industrial Park roof, occupancy of the industrial suites has dramatically increased. As a result, the warehouse is generating more revenue than ever and has attracted long-term business tenants. The future of the Seaport Warehouse looks bright and it's well on its way to being financially self-sufficient. Once these last few upgrades are complete, the Warehouse will generate enough revenue to be fully sel-sustaining asset to the city. We are requesting \$150,000 to make necessary capital improvements to the building/grounds and install a security system. These improvements will bring the building to code and assist in maximizing rental income.

City of Saxman: Mayor Richard Shields  
Request for SFY 2017 State Funding for  
**Saxman Public Safety / Public Works Upgrades**  
**#3 Priority Overall**

---

## Project Benefits

---

### Support for Essential Infrastructure:

Requested funding helps improve and maintain Saxman's most vital community infrastructure (water/sewer infrastructure, stormwater infrastructure, street lights, and community facilities) at a lower overall cost to the public.

### Public Safety:

Requested funds will help increase Saxman's emergency preparedness by providing the community with a greatly needed back-up generator at the Saxman Community Center – the community's emergency shelter.

### Culture and Recreation:

Saxman's Totem Row Park and related facilities are regional heritage tourism resources attracting an estimated 100,000 visitors per year. Proposed investment in public works / public safety equipment will help City employees provide a safer, more attractive community for residents, and visitors from around the world.

### Economic Development:

A safe, well-maintained community provides the foundation needed to attract and retain new private sector investment, catalyzing job creation and business growth. Improvements created by public works and public safety staff will significantly improve Saxman's visitor industry business climate.