

**Gary Paxton Industrial Park - Board of Directors Meeting  
May 16, 2016 - 3:00 PM  
Minutes**

**A. CALL TO ORDER:** The Chair called the meeting to order at 3:06 pm.

**B. ROLL CALL**

**Members Present:** Dan Jones, Ptarmica McConnell, Charles Horan, Scott Wagner (teleconference)

**Members Absent:** Grant Miller

**City Representatives:** Mark Gorman, Michael Harmon, Steve Eisenbeisz, Dan Tadic

**Others Present:** Garry White, Bella Mead, Linda Wilson  
Tom Hesse (Sitka Sentinel), Fred Paley (Arctic Blue  
Waters via teleconference), Terry Trapp (ABWI via teleconference), Sean Kehoe  
(Global via teleconference), Srini Subramaniam (via teleconference), Ric  
Davidge (via teleconference)

**C. REVIEW OF MINUTES – April 7, 2016**

**MOTION:** M/S Horan/McConnell moved to accept the minutes of April 7, 2016

**ACTION:** Motion PASSED 4/0 on a voice vote

**D. CORRESPONDENCE AND OTHER INFORMATION**

- A financial report was not obtained at this time

**E. CHANGES/ADDITIONS/DELETIONS TO THE AGENDA – None**

**F. REPORTS**

**GPIP Management Report**

Mr. White reported:

- Mr. White included a brief outline of the GPIP Dock D/B RFP sent by Dan Tadic of CBS and is working with RFP consultants and Public Works on the design build RFP to get the project moving forward. Estimate is about a month, June 15<sup>th</sup>, for the final RFP to be released and written.
- It was also mentioned that prior to the City Attorney leaving, a waiver language was developed for the tenants of the Admin building but the remainder of the property can be at status quo until the hazard risk assessment has been completed.

**G. PERSONS TO BE HEARD – None**

**H. UNFINISHED BUSINESS**

- ABWI Water Purchase Agreement/Bulk Water RFP

### **A) ABWI water purchase Agreement**

Mr. White provided a summary of ABWI's Counterproposal and Direct Proposal for clarification.

- Referring to the counterproposal of April 26<sup>th</sup>, the request is to keep/review the past contract with 1B gal. of water annually vs. the 1B gal. for a three year period to make good on exporting the 50M gal. and use the remainder as water credits.
- ABWI requests to keep the loading infrastructure in place and allow others to use it for a per gallon loading fee of \$0.002.
- Mr. Gorman stated that as far as the City was concerned the contract with ABWI expired and therefore the water credits have no legacy at this point in time.

**MOTION:** M/S Horan/McConnell moved to table to an indefinite time the Counterproposal discussion.

**ACTION:** Motion PASSED 3/0 on a voice vote

### **B) Bulk Water RFP**

Scoring:

- CBS received a four RFP proposals from Arctic, ABWI, Global and Amel. Mr. White sent out an evaluation spreadsheet for scoring criteria prior to the Board Meeting (attached is a sample of the Evaluation).
- Arctic received the highest score with ABWI coming in second as they were considered the most responsive to the RFP with great perspectives in the water industry and their proposal catered to the best interest of CBS.
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Discussions:

- Arctic and ABWI shall get two separate contracts with an additional 1M gal to ABWI
- Arctic has an additional \$1M available to market the water
- A Bulk Water Agreement between CBS and Arctic with 6.8B gal of water with a prepayment of \$871,795 and to have a similar contract to the revised purchase agreement
- A Bulk Water agreement between CBS and ABWI with 1B gal of water with a deposit of \$128,205k up to \$1M and to mimic the terms of the revised purchase agreement and provided a Letter of Permission is resolved for the usage of Tidelands and is at the current lease of \$5k annually
- ABWI and Arctic are of two separate companies, however, Arctic is willing to work with ABWI for the use of their existing loading infrastructure. This is in conjunction with the Letter of Permission ABWI needs to provide before a purchase agreement is awarded

Public Comments:

- Mr. Trapp (via teleconference) his concern is to not be able to use the water credits set forth by CBS; he is seeking continuum on the water credits and would consider it to be a fair deal

**MOTION:** M/S Horan/McConnell moved to recommend the CBS Assembly enter into a 20-year bulk water purchase agreement with Artic Blue Waters for the purchase of 6.8B gallons of raw water with similar terms set forth in the revised purchase agreement developed in the fall of 2015 and the following specific terms:

1. Artic Blue Waters make a non-refundable payment of \$871,795 dollars to the City and Borough of Sitka(CBS).

**ACTION:**        **Motion PASSED** 4/0 on a roll call vote

Yeas: Dan Jones, Ptarmica McConnell, Charles Horan, Scott Wagner (teleconference)

Nays: None    Absent: Grant Miller

**MOTION:**        **M/S Horan/McConnell** moved to recommend the CBS Assembly enter into a 20-year bulk water purchase agreement with ABWI for the purchase of 1B gallons of raw water with similar terms set forth in the revised purchase agreement developed in the fall of 2015 and the following specific terms:

1. ABWI shall make a non-refundable payment of \$128,205 dollars to the City and Borough of Sitka (CBS);
2. The CBS shall provide a letter of permission granting ABWI the right to keep and maintain currently installed water loading infrastructure within CBS owned tidelands under the condition that such infrastructure be made available for use by any other bulk water export company for a loading fee of not greater than \$0.002 per gallon loaded and that the CBS has the right to require that said infrastructure be moved or removed at its discretion.
3. ABWI shall pay the CBS \$5k annually for the right to use the tidelands under the letter of permission.
4. Letter of permission is to be reviewed every 5 years.

**ACTION:**        **Motion PASSED** 4/0 on a roll call vote

Yeas: Dan Jones, Ptarmica McConnell, Charles Horan, Scott Wagner (teleconference)

Nays: None    Absent: Grant Miller

Recess:            4:15 – 4:20pm

### **C) ABWI Counter Proposal**

Mr. Horan requested that the tabled ABWI Counterproposal be brought back for discussion.

Discussion:

- Discussion on whether to combined the two ABWI contracts or whether a separate 10-year contract is better option.
- Discussion on water price adjustments.

**MOTION:**        **M/S Horan/McConnell** moved to recommend the CBS Assembly enter into a 10-year bulk water purchase agreement with ABWI for the purchase of 1B gallons of raw water with similar terms set forth in the revised purchase agreement developed in the fall of 2015 and following specific terms:

1. ABWI shall make a non-refundable payment of \$100,000 dollars to the City and Borough of Sitka (CBS);
2. That the \$1,350,000 dollars paid to the City under previous agreements be carried forward as pre-purchased water credits on this agreement only.

**ACTION:**        **Motion PASSED** 3/1 on a roll call vote

Yeas: Dan Jones, Ptarmica McConnell, Charles Horan,

Nays: Scott Wagner (teleconference)    Absent: Grant Miller

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## 2) Strategic Planning

Mr. White requested input from the Board on the strategic plan and management of the park.

Board discussion on increasing cell phone reception for the park.

Board question on providing the Assembly as required by Sitka General Code 2.38. Mr. White stated that he provides the Management Report to the City Administrator and is then presented to the Assembly on a regular basis. Steve Eisenbeisz mentioned that there has been no concern for the Assembly not receiving enough information about Board Meetings.

### I. NEW BUSINESS

#### 1. I Water Lease Extension Request

I Water is seeking renewal of its original 24-month lease on Lots 4, 6 and 7, totaling 107,810SF for an additional 5 years

Discussion:

- No development of lease area has occurred to date.
- Board recollection was that I Water originally stated that it needed property immediately as they were in a hurry to construct plant. Board made arrangements for I Water during Blue Lake Dam expansion project.
- Lots 3 & 6 were sublet to S&S Construction during lease period.
- Board requested additional details of I Waters plans to develop a water bottling facility at the site.

I Water Lease Extension Request has come to a halt by virtue of a lack of a motion.

**J. ADJOURNMENT: MOTION: M/S McConnell/Horan** moved to adjourn the meeting at 5:04pm