

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Kodiak Regional Aquaculture Association****Federal Tax ID: 92-0115279****Project Title:****Project Type: Maintenance and Repairs**

Kodiak Regional Aquaculture Association - Pillar Creek Hatchery Upgrades

State Funding Requested: \$1,328,000**House District: 35 / R**

One-Time Need

Brief Project Description:

Major deferred maintenance and upgrades to a state-owned salmon hatchery contractually operated by Kodiak Regional Aquaculture Association

Funding Plan:

Total Project Cost:	\$3,004,000
Funding Already Secured:	(\$1,676,000)
FY2015 State Funding Request:	<u>(\$1,328,000)</u>
Project Deficit:	\$0

Funding Details:

2011 (FY 12) \$767,000

2012 (FY 13) \$909,000

Detailed Project Description and Justification:

Project will complete Deferred Maintenance and Capital Improvements of State of Alaska-owned Pillar Creek Hatchery, near the City of Kodiak.

Deferred Maintenance and Upgrade projects began in FY2011. ADF&G Inspection Report (March 2012) estimated Corrective Work needed to bring aging structures and systems up to current codes and standards. Estimated total cost has increased (\$3.004 million; higher replacement costs). FY11-13 funding (\$1.671 million) is significantly short; hence, this request for an additional \$1.328 million for repairs/upgrades of the Pillar Creek Hatchery.

Project funding will provide:

- Planning, management, engineering and architectural plans, permitting, contracting, and site preparation.
- Major repairs/upgrades of hatchery buildings, raceways and pens to increase salmon production, to fix structural deficiencies and power/heating systems, and increase energy efficiency and employee safety.
- Replace failing piping and equipment and reconfigure/upgrade hatchery water systems for efficiency and increased supply.
- Replace structurally deficient storage structures with a single, multi-purpose building for visitor services/educational center, maintenance/mechanics shop, storage, administrative offices and housing. This achieves greater efficiency and better long-term cost control and sustainability.

Project Timeline:

Construction seasons 2014 to 2016.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Kodiak Regional Aquaculture Association

Grant Recipient Contact Information:

Name: Tina Fairbanks
Title: Acting Executive Director
Address: 104 Center Ave. Suite 205
Kodiak, Alaska 99615
Phone Number: (907)486-6555
Email: kraa@gci.net

Has this project been through a public review process at the local level and is it a community priority? Yes No

PILLAR CREEK HATCHERY INSPECTION REPORT

Alaska Department of Fish and Game



March 2012

Jensen
Yorba
Lott
Inc



PILLAR CREEK HATCHERY



Operator: Kodiak Regional Aquaculture Association (KRAA)

Location: Pillar Creek on Kodiak road system

	<u>Permitted Capacity</u>
Sockeye:	20 million eggs
Coho:	500,000 eggs
Chinook:	450,000 eggs
Rainbow Trout:	92,000 eggs

Year Built: 1990

Land Ownership: Kodiak Island Borough

PNP Permit #: 41

Permit Issue Date: 5/1/1998

Contract Expiration: 6/30/2013

	<u>Release Sites</u>
Sockeye:	Spiridon Lake Hidden Lake Ruth Lake Crescent Lake Jennifer Lake Waterfall Lakes
Coho:	10 Kodiak road system lakes
Chinook:	Monashka Creek Olds River American River
Rainbow Trout:	18 Kodiak road system lakes

Pillar Creek Hatchery was built in 1990 as a cooperative project between ADF&G and KRAA. After construction, the hatchery buildings were conveyed to the state. The hatchery is operated as a central incubation rearing facility and used to produce sockeye, coho, and Chinook salmon for release at numerous locations in the Kodiak region. Many of the hatchery's programs are operated cooperatively with ADF&G Sport Fish Division to provide enhanced sport fishing opportunities in the Kodiak Area. A separate rearing complex is located at Monashka Creek, consisting of two raceways within a fenced area. Pillar Creek Hatchery produces returns of about 200,000 sockeye salmon, 1,600 coho salmon, and 2000 Chinook salmon each year.

2011 PILLAR CREEK HATCHERY

FACILITY DESCRIPTION/MAINTENANCE NEEDS

Architectural:

The Hatchery facilities are located in a relatively flat area braided by several arms of Pillar Creek. It is also upstream of a culvert assembly installed under the adjacent highway, which becomes a natural dam when blocked with debris during heavy rain events. The most recent flood was two years ago and caused significant damage to the main hatchery building and the oxygen generation equipment. The property should be evaluated for potential flood risk and make recommendations for protective measures established. A proposal to mitigate the effects of such an occurrence should then be undertaken.

The existing sloping driveway and parking area directs runoff water into the main entry areas of the hatchery building. This requires resources to be expended to prevent damage and potential contamination of hatchery operations. The driveway to the site and the parking areas should be re-graded, and permanent drainage structures installed to redirect sheet flow.

A septic tank is located about 6 feet from the main entry to the hatchery, partially under the 6 foot overhand on the north side of the building. Capacity of the tank is not known. Location of the tank relative to the building should be verified with DEC.

Water Supply (pipelines/wells/pump house):

Single 12 inch HDPE gravity flow pipeline from city reservoir to the hatchery (reservoir intake vault/dam structure modified in 2008); Two well heads in individual wells with pipelines to the hatchery head box. At Monashka Creek Rearing Complex the raceways are fed from Monashka reservoir by a pipeline that tees off the city supply line.

Fuel Storage:

One 300 gallon above-ground fuel tank, next to the hatchery building, piped to supply the Toyo stove in the hatchery office.

Power Distribution System

The power distribution system consists of an aerial utility service, utility meter, main fused disconnect, transfer switch, and three branch circuit panels. The system is supported through the transfer switch with a standby power generator. Each component is described as follows:

Service mast and aerial cables: Two 2 inch rigid steel conduits with four no. 3/0 conductors each provide the service from the aerial cable above the roof to the meter equipment mounted on the exterior of the building. The masts, conductors, and aerial cable appear to be in good condition and adequately sized for the loads, although the conduits are corroded.

The utility metering equipment consists of an enclosure with three current transformers (CT's) inside wired to a separate enclosure with meter socket and meter. The CT's are configured with a 100:5 ratio, yielding a multiplier of 20. The meter indicated a peak demand in August of 1.246, resulting in a peak load of 24.9 KW. This equipment is in good condition with some corrosion on the conduits.

The corrosion on the conduits is caused by the nearby exhaust from the Toyo stove inside the office. This exhaust should be further directed away from the side of the building to reduce further corrosion.

A single 3 inch rigid steel conduit with 8 no. 3/0 conductors extends from the metering equipment to a fused disconnect (it appears to be rated for 400 amperes) in a NEMA 3R enclosure, also mounted on the exterior of the building. This equipment is also in moderately good condition with some corrosion on the load-side conduits.

A new 400 ampere, three pole transfer switch (manufactured by ONAN) allowing standby support from the generator is mounted on a stand outside the building, near to the main entrance. The power from the main disconnect is fed to this switch with a 4 inch flexible, outdoor rated, conduit with 8 no. 3/0 conductors. This transfer switch is in very good condition.

The service ground is bonded to the grounded leg (neutral) of the power system at the main utility disconnect. It appears to provide an earth ground reference to facilitate an appropriate fault path for circuit protection. Additionally, with limited surveillance of the system, it appears that the building and its components are properly bonded to the system.

The “emergency” side of the transfer switch is fed with a jacketed, metal clad (Type MC) cable from the generator. The cable is protected with a 150 ampere rated circuit breaker positioned on the generator. The circuit appears to be rated for 43 KVA. The real load is anticipated to be affected by a power factor of approximately 0.85, yielding a capacity of 36.7 KW. This appears adequate for the present loads. This cable is routed across the ground, and appears to be in good condition. Two circuits exit from the transfer switch; one to Panel A, and the other to Panel B via a separately enclosed circuit breaker. The circuit to Panel A is comprised of conduit with conductors mounted on the exterior of the building, entering the panel from the back. The feeder to Panel B consists of a MC cable buried to the Compressor/Oxygen Building. This feeder is in good condition, but its service life is limited to 15 years due to the installation conditions. A more permanent cable or conduit with single conductors will have to be installed in the future.

Panel A is located inside the office. It is rated at 400 amperes. It is full with two spare circuit breakers. This panel was installed with the original facility and is in fair condition. The circuit breakers should be replaced in the next five years and an additional panel installed to provide more circuit capacity. The panels need to be positioned to allow working space clearances in compliance with the National Electrical Code (NEC).

Panel B is located inside the Compressor/Oxygen Building. It is a load center type appliance with a service life of approximately 15 years. It is currently in good condition yielding most of its service life.

Panel C is fed from Panel A with a 100 ampere circuit. It is fed with underground conduit and conductors (2 inch conduit with four no. 2 conductors). It is located in the warehouse. This panel is also a load center with a service life of approximately 15 years. But, it is in good condition allowing most of its life remaining.



Service equipment and generator



Service meter and main disconnect



Panel A



Compressor/Oxygen Building Panel B and Well Pump Controls

Standby Generator

The generator is a recently installed unit located on a pad outside the hatchery building, near to the service equipment. It is self-contained with integral cooling radiator, fuel tank, heater, lights, battery charger, and weatherproof enclosure. The unit appears to be rated to provide 60 KW. The unit is in good condition and will yield a service life of approximately 20 years. (Note that the same unit inside a building will yield a serviceable life of nearly 30 years).

Power Appliances

The appliances at this facility primarily include oxygen generators, pumps, heaters, portable equipment, and convenience receptacles. Following is a description of the primary components:

Two well pumps (7.5 HP) are fed from Panel B with 50 ampere circuit breakers and no. 6 conductors to the controls. The controls consist of double pole switches on the “line” and “load” side of the controls with a variable frequency drive (VFD) and a motor starter in between. The motor starter on each provides redundancy to the VFD in the event of a component failure. These controls are a few years old and are in moderately good condition. It appears that they have approximately ten years of service life remaining. The circuits are in good condition.

The two oxygen generators are fed from Panel B with no. 10 conductors on 50 ampere circuit breakers. The no. 10 conductors are rated for 30 amperes, only. The units are rated to demand a 21 ampere load. Thus, the circuit breakers need to be replaced with 30 ampere rated type, or the conductors replaced with no. 8 AWG copper.

It appears that all of the convenience receptacles located in wet, damp, or exterior areas are “ground fault” protected. Most, if not all of the receptacles are common residential, or light commercial type with limited life expectancy. They all appear to be in fair condition, and should be replaced within two years with a marine type suitable for a more corrosive environment. The branch and small feeder circuits include a variety of configurations. There is some electrical metallic tubing (EMT), galvanized rigid steel, polyvinyl chloride (PVC), and jacketed flexible conduit with single conductors. With the exception of the conduits in the service equipment area (exposed to corrosive fumes), the rigid steel conduit is in good condition. The EMT is in moderately good condition where it is located in dry areas. In some locations, it needs additional supports. The PVC is used mostly in the wet and exterior conditions. Where on the exterior and above grade, it has deteriorated and is in fair to poor condition due to solar exposure and freezing. The flexible conduit appears to be used primarily to connect equipment, although some is utilized for what appears to be temporary branch circuits. These are in fair condition. The circuits using PVC conduit will need replacement in approximately two years. The remaining conduits need maintenance to ensure adequate support.

The chemical storage building is circuited with rigid steel conduit and devices in compliance with the NEC requirements for hazardous areas. The system within this building is in good condition.

Lighting

The illumination of much of the interior spaces of the buildings is accomplished using primarily fixtures with fluorescent lamps. The exterior illumination is accomplished with incandescent floodlights with motion sensors.

Exterior: Wall mounted incandescent floods with motion/daylight sensors. These luminaires are relatively new and in good condition. As lamps fail, they may be replaced with LED type for improved energy consumption and illumination.



BUILDINGS:

Main Hatchery Building: Single-story 40'x48' Wedgcor prefabricated steel structure with steel roofing and fiberglass bat insulation, built 1990. The foundation is a concrete slab on grade with thickened perimeter and foundation pads under columns. The hatchery building contains 4 incubation rooms, an office and restroom. Interior spaces are finished with FRP wall panels or sheet rock. A small Toyo stove provides heat to the office.

Roofing: Existing metal roofing appears to be 24 gage, exposed fastener panels installed over conventional 8 or 10 inch roof purlins. Fiberglass insulation is installed in the conventional metal building method draped over the purlins. The original drawings note the insulation as R-30 but we could not confirm that thickness. The roofing leaks and has caused water damage inside the

building. The conventional metal building techniques used in the original construction do not appear sufficient to prevent condensation from occurring in the cool wet hatchery environment, causing further damage. The existing exposed roof fasteners were each touched up with sealant in the recent past, but that is a merely stopgap measure. The finish is past its useful life. The metal could be painted to gain a few years of additional usefulness, but replacement must still be scheduled. It is recommended that replacement roofing be installed in a thermal break configuration to reduce the potential for condensation within the building interior.



Metal roof deck.



Sealant at metal fasteners.

Metal Siding: metal siding is exposed fastener, 26 gage siding installed to conventional horizontal metal building siding girts. Vertical metal studs are installed on the inside face of the siding to 8' high as backing for interior finishes, with fiberglass insulation (approximately R19) in the stud space. Above the 8 foot high level the conventional metal building insulation and white vapor barrier is exposed. The metal siding is in fair condition. The drip flash at the base of the walls is completely deteriorated away in spots. Metal siding edges and fasteners are corroding. The siding should not be assumed to have a useful life beyond an additional 5 years. It should be budgeted for replacement, which could be done in association with roof and door replacement. New siding should be installed in a thermal break configuration to reduce potential for condensation.



Above: Deteriorated sill flashing



Right: Deteriorated wall panels.

Doors: Doors are painted steel, insulated, in metal and wood jambs. Doors are rusting out, hardware is worn out, and frames are beginning to rust badly. Doors frames and hardware should be replaced.



Door



Door frame

Interior:

General: Large amounts of process water are used of necessity in hatchery operations. The conventional metal building configuration creates a potential for condensation in the building. Corrosion and water damage has occurred to a number of interior building systems. These systems should be repaired with materials appropriate for the wet environment. Once steps are taken to prevent condensation the incidence of such damage should be greatly reduced.

Structural Steel: structural steel, including the red iron rigid frames, wall girts and roof purlins are corroded due to condensation. Rust should be treated and the structural steel painted to contain corrosion.



Typical interior wall to roof connection.

Ceilings: Most of the ceilings are conventional suspended grid ceilings. Grid members, clips, light fixtures, and hanger wires exhibit heavy corrosion in many locations. The original panels, where they exist, are often saturated with water. The ceiling suspension system does not meet current seismic requirements. They should be removed with consideration given to eliminating them entirely, resulting in high bay spaces which increase air movement and reduce condensation. If suspended ceilings are replaced they should be specifically designed for wet environments and be seismically braced.



Water damaged ceiling tiles.

Walls: Interior walls consist of fiberglass reinforced panels (FRP) glued to conventional gypsum drywall over metal studs. The walls appear to be saturated with water in places or to have been saturated in the past. No mold was observed but it may exist in concealed locations. Consideration should be given to replacing interior partitions with full height walls made of mold resistant drywall with FRP adhered as a finish installed over galvanized metal studs. As an option, a factory laminated FRP panel could be selected. All walls should be installed over concrete curbs.



Interior walls

Doors: Interior doors are deteriorated due to moisture, age and heavy use, and should be replaced.

Floor Finishes: Concrete floors have been heavily used with evidence of various toppings and finishes used by staff in an effort to maintain a cleanable surface. Most of these materials appear to have failed. It is suggested that a new concrete topping be installed over the existing structural slab, sloped as required, with provisions built in for boot washing troughs for sterilizing foot traffic from one area to another. The topping could be painted with an epoxy finish or a clear sealer to maintain a smooth, non-porous finish.

Restroom: Restroom finishes and fixtures are past their useful life and should be replaced with finishes requiring minimal maintenance.

Office: The office finishes and equipment are past their useful life and should be replaced. In addition, staff must walk through the office area in order to access incubator module 4 so finishes and conditions in the office must match the same level of moisture resistance as the incubator area.

Structural: The structure is a pre-engineered steel building. The original roof had several leaks in the past, but the leaks have been sealed. The roof purlins have corroded slightly, but it appears to just be surface corrosion and not a significant structural concern.

The lateral load resisting system in the transverse direction consists of two rigid frames. The lateral load resisting system in the longitudinal direction consists of one set of rod cross bracing between the frame columns in one of the longitudinal walls, and one set of rod cross bracing between the intermediate columns in one of the longitudinal walls. The wall rod bracing between intermediate columns is not a typical arrangement. The braces may have been moved after initial construction to accommodate new door openings. A lateral load analysis should be performed on the structure by a professional engineer licensed in the State of Alaska. The original structural drawings, if available would be useful for analysis.

There is a freestanding elevated water tank on the side of the structure. The tank is laterally supported by braces between the legs of the tank, which appears adequate.

Lighting:

Hatchery Office: 2 ft x 4 ft troffers with four T12 lamps, manually switched. These luminaires are in poor condition. These should be replaced with similar troffers using T5 or T8 lamps. The controls can be replaced with wall switch type occupancy sensors to conserve energy consumption.

Hatchery: Suspended linear fluorescent with T12 lamps and wraparound acrylic lenses, and some incandescent. These luminaires are also in poor condition. These should be replaced with new strips utilizing T5 or T8 lamps, or with pendant type with LEDs. The controls for these fixtures should also be replaced with new wall switches.



Lighting in corridor

Oxygen building:

Single story 12' x 16' wood structure with wood siding, metal roofing, sheet rock wall coverings and diamond plate aluminum flooring, built 1993. Foundation is wood atop a steel beam sled.

Code and other concerns with the oxygen building appear to have been resolved. However, the oxygen producing equipment was damaged in a 2009 flood, requires constant maintenance and should be replaced.

Structural: The structural framing was covered by sheet rock, siding, and roofing and could not be visually inspected, but the structure did not show any signs of deterioration or instability. Holddowns were recently added to each corner of the structure to prevent the structure from overturning in a severe wind or seismic event.

Chemical Storage Building:

Single story 8' x 14' wood structure with wood siding, metal roofing, sheet rock wall coverings, built in 1993. Foundation is treated wood on gravel.

Code and other concerns with the Formalin building appear to have been resolved.

Structural: The structural framing was covered by sheet rock and could not be visually inspected, but structure did not show signs of deterioration or instability. Holddowns were recently added to each corner of the structure to prevent the structure from overturning in a severe wind or seismic event.

Work Shop and Maintenance Buildings:

Single story structure, approximately 24' x 56' comprised of three metal container vans arranged in a U shape enclosed with a wood frame and siding front wall and metal roofing. Foundation is containers, wood on gravel, 120 v feeds from hatchery building, no heat.

A storage structure is located across the driveway from the hatchery. It consists of 3 steel shipping containers arranged in a "U" shape, with a wood framed roof structure enclosing the middle of the 'U'. The roof structure is unconventional in nature, and likely does not meet structural and seismic code requirements. It provides storage for equipment and supplies critical to the function of the hatchery such as fish camp equipment, fish food etc. The existing storage structure was a temporary

solution and will not serve as a long term storage solution for the hatchery program. It should be replaced with a more conventional code compliant structure so that the interior environment can be maintained at a level that will conserve stored material.

Structural: The structure consists of three containers and a timber-framed roof structure between them. The roof structure is of questionable construction and doesn't appear to be engineered. The roof joists do not appear to be adequate to support the required snow load for the location. The roof joists are spliced in many locations, including near midspan, with truss plate connectors. The roof framing should be analyzed further by a professional engineer licensed in the State of Alaska to ensure the framing can support the required snow load.

The hillside behind the structure is sloughing off towards the structure, and may require a retaining wall to be constructed.

Lighting: Surface mounted industrial strips with reflectors and T12 lamps in the containers and surface mounted linear type with wraparound lenses and T12 lamps in the main area. These luminaires are in poor condition. Replace with similar fixtures using T5 or T8 lamps. Position the fixtures to primarily illuminate work areas with the spill light illuminating the storage and passage areas. Provide occupancy sensor type control for most of the luminaires with some controlled by a manual wall switch. Provide emergency battery packs with select fixtures.



Light fixtures

Communication System:

Local company telephone system with dial-up internet connections (very poor). Limited cell phone connectivity. Automated alarm/pager system (fair/poor condition).

Communications is accomplished with a cell/broadband modem connected to provide limited internet service. The system is slow with little capacity. Landline service is provided in this location for telephone, but does not include the capability for internet service. The network inside the office is facilitated with a wireless router.

Given the nature of the topography at this site, access to satellite internet communications might be difficult, but it should be further explored. Otherwise, when the demand for better communications becomes desirable, more investigation should be made toward upgrading the cell/broadband system with differently positioned antennas and more robust equipment.



Cellular Signal reader



Cellular antenna

Alarms

The alarm system consists of a conventional, zoned type fire alarm panel monitoring numerous discrete contact closures for alarm conditions. Primarily small float switches are positioned to indicate Hi or Lo water conditions in the active raceways. Each switch is connected as an identifiable zone. There appear to be 32 zones in use at this time with a general alarm signaled to the staff via pagers, using the communication system.

The alarm panel appears to have been installed with the original facility and has exceeded its service life. Considering the importance of the alarms, it is appropriate to consider a system replacement in the near future. An addressable system using discrete devices should be considered. Such a system may be single loops of circuits to address modules located near the devices, or individual circuits from the panel to each device as currently configured.



Alarm panel



Raceway level switches

HATCHERY CONDITIONS SURVEYS

Budget Estimate for Corrective Work

Pillar Creek Hatchery



3 22 12

Element	Item	Quantity	Unit	Unit Cost	Subtotal	Total	Total
General							
	Improve driveway with new gravel paving and reconfigure drainage to slope to catchment structures to prevent runoff into fish rearing areas	1	ls	\$50,000.00	\$50,000		
	Subtotal					\$50,000	
	Subtotal						\$50,000
Main Hatchery Buidling							
Exterior Closure:							
Siding:							
	install air infiltration barrier, metal furring, vertical metal siding and flashing.	2,000	sf	\$16.00	\$32,000		
Roofing							
	Install metal roof panels, furring and 1.5" insul over existing metal roof and replace all flashing and roof trim	2,000	sf	\$15.00	\$30,000		
Exterior doors:							
	Replace doors, frames and hardware at	4	ea	\$1,200.00	\$4,800		
Windows							
	Replace existing windows with high performance thermal windows.	1	ea	\$1,000.00	\$1,000		
Interior							
General Interior Improvements							
	Replace acoustic suspended ceilings	2,000	sf	\$5.00	\$10,000		
	replace doors, frames and hardware	4	ea	\$1,200.00	\$4,800		
	Remove wall finishes, replace with moisture resistant painted drywall, and FRP panels	5,400	sf	\$10.00	\$54,000		
	Sealed concete topping slab	2,000	sf	\$10.00	\$20,000		
Toilet Rooms							
	Replace toilet room fixtures, equipment and finishes	1	ls	\$10,000.00	\$10,000		
	Subtotal					\$166,600	
Structural							
	Lateral Analysis and Improvements	1	LS	\$10,000	\$10,000		
	Subtotal					\$10,000	
Electrical							
Power Distribution							
	Replace panel A	1	ea	\$8,000.00	\$8,000		
Circuits							
	Upgrade circuits to Oxygen generators	2	ea	\$500.00	\$1,000		
	Replace PVC conduits	1	ls	\$7,000.00	\$7,000		
Devices							
	Replace exterior receptacles	1	ls	\$3,000.00	\$3,000		
Lighting							
	Replace Hatchery, Office, & Warehouse fixtures	1	ls	\$12,000.00	\$12,000		
Communications							
	Upgrade cell/broadband service	1	ls	\$25,000.00	\$25,000		
Alarms							
	Replace alarm panel	1	ls	\$15,000.00	\$15,000		
	Subtotal					\$71,000	
	Subtotal						\$247,600
Element	Item	Quantity	Unit	Unit Cost	Subtotal	Total	Total

Oxygen Building							
Replace Existing Buidling and Equipment							
	New Building	500	sf	\$200.00	\$100,000		
	New Oxygen Generating Equipment	1	ls	\$30,000.00	\$30,000		
	Subtotal					\$130,000	
	Subtotal						\$130,000
Workshop and Maintenance Building							
Structural							
	Reinforce Roof Joists	700	SF	\$10	\$7,000		
	Construct Retaining Wall	1	LS	\$10,000	\$10,000		
	Subtotal					\$17,000	
	Subtotal						\$17,000
General Conditions							
	Mobilization/demobilization	1	ls	\$5,000	\$5,000		
	Freight	1	ls	\$10,000	\$10,000		
	Supervision	2	mos	\$12,000	\$24,000		
	Clerical/Expediting/Admin	2	mos	\$2,000	\$4,000		
	Temporary Facilities (tenting, etc)	2	mos	\$5,000	\$10,000		
	Miscellaneous motorized equipment	2	mos	\$2,500	\$5,000		
	Tools	2	mos	\$1,700	\$3,400		
	Consumables, fuel etc	2	mos	\$1,000	\$2,000		
	Disposal	2	mos	\$2,000	\$4,000		
	Home Office Expenses	2	mos	\$2,500	\$5,000		
	Subtotal					\$72,400	
Total Materials, Labor and General Conditions							\$517,000
Mark Ups							
	Contractors Overhead/Profit			10.00%	\$51,700		
	Bonding			1.50%	\$7,755		
	Remote Site Conditions			10.00%	\$138,500		
	Insurance			1.50%	\$7,755		
	Estimating Contingency			10%	\$51,700		
	Subtotal					\$257,410	
Total Construction Costs							\$774,410
Project Cost							
	Design			10%	\$77,441		
	Administration			20%	\$154,882		
	Subtotal					\$232,323	
Total Project Cost							\$1,006,733



Kodiak Island Borough

Office of the Borough Mayor

710 Mill Bay Road

Kodiak, Alaska 99615

Phone (907) 486-9310 Fax (907) 486-9391

February 3, 2014

The Honorable Sean Parnell

Governor of Alaska

P.O. Box 110001

Juneau, AK 99811-0001

Re: Kodiak Regional Aquaculture Association Request for Deferred Maintenance and Upgrades Funding

Dear Governor Parnell,

The Kodiak Island Borough would like to express support for the funding of deferred maintenance and facility upgrades at the Kodiak Regional Aquaculture Association's (KRAA) two hatcheries. Though state owned, KRAA provides a certain level of maintenance and repairs to these facilities. The Kitoi Bay Hatchery is one of the oldest operating hatcheries in the state, begun in the 1950s, and is the largest state-owned hatchery. Many of its structures are 30 to 50 years old and have long surpassed their intended lives. Pillar Creek Hatchery, while newer, does have a number of deferred maintenance projects and upgrades that have made it unable to fulfill its full potential.

In 2013, these two facilities were responsible for producing almost 30% of all the salmon harvested in the Kodiak area with ex-vessel revenues of over \$20 million. In past years this contribution was as high as 58%. By species the numbers of fish harvested has been as high as 14% of sockeye, 39% of coho, 34% of pink, and 21% of chum salmon harvested in Kodiak waters.

KRAA projects also benefit subsistence and sport harvesters. The Port Lions/Crescent Lake project produced a reported subsistence harvest of over 11,000 sockeye in 2011. Sport coho and chinook projects returned up to 3,000 chinook and 10,000 coho annually to Kodiak waters. KRAA is also expanding such programs to other villages and road-system locations; for example, the village of Ouzinkie and Anton Larsen Bay on the Kodiak Road System will begin to see returns in 2015.

KRAA pays for operations, maintenance, repairs and replacement of equipment. This important work is funded by a tax on all Kodiak salmon landings (the 2% Salmon Enhancement Tax) and revenues from a cost recovery fishery. Unfortunately, the revenue from these taxes does not meet the anticipated cost of major repairs, deferred maintenance and upgrades. Therefore, KRAA is asking the Legislature to include additional funding for these larger deferred maintenance projects and facility upgrades at these two state-owned hatchery facilities.

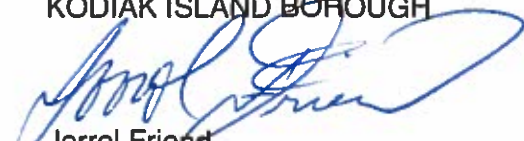
Governor Sean Parnell
February 3, 2014
Page 2

KRAA is seeking to maximize production, generate more efficient systems, pursue new projects and expanded production and comply with otolith marking requirements. We think these projects will be a direct benefit to the local community. The upgrade at the Pillar Creek Hatchery may include a new multi-purpose building that could include an area for tours and school children to learn about Alaska salmon and the benefits it provides to our community and State.

The Kodiak Island Borough supports KRAA's request for **\$6.716** million from the Alaska state legislature for facility maintenance and upgrades. These projects are identified in KRAA's CAPSIS submissions.

Sincerely,

KODIAK ISLAND BOROUGH



Jerrol Friend
Borough Mayor

CC: Senator Gary Stevens
Representative Alan Austerman



KODIAK CHAMBER of COMMERCE

100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiakchamber.org • Email: chamber@kodiak.org

January 31, 2014

The Honorable Sean Parnell
Governor of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell,

Re: Kodiak Regional Aquaculture Association request for Deferred Maintenance and Upgrades Funding.

The Kodiak Chamber of Commerce represents approximately 325 businesses and 6,000 employees and promotes development of a strong and diverse economy for the region. The Port of Kodiak consistently ranks as the third largest fishing port in the United States, by value. The Kodiak Regional Aquaculture Association (KRAA) operates the Kitoi Bay Hatchery and the Pillar Creek hatchery, both State-owned. The Governor and Alaska Legislature have been supportive of the Alaska salmon hatchery system, and have committed to spending State funds to bring aging and worn State facilities up to modern standards.

The Kitoi Bay Hatchery is one of the oldest operating hatcheries in the State, begun in the 1950s, and is the largest State-owned hatchery. Many of its structures are 30 to 50 years old and have long surpassed their intended lives. Pillar Creek, while newer, has been unable to fulfill its potential. In 2013, these two facilities were responsible for producing almost 30% of all the salmon harvested in the Kodiak area and ex-vessel revenues of over \$20 million for the commercial harvest.

Combined, KRAA salmon enhancement projects contribute approximately \$17 million to the state each year, first wholesale value based on the 2000-2010 averages. This includes up to 58% of the entire commercial salmon harvest in some years, and averages of 14% of sockeye, 39% of coho, 34% of pink, and 21% of chum salmon commercial harvests for the area. KRAA also has projects specifically targeting subsistence and sport harvesters. The Port Lions/Crescent Lake project produced a reported subsistence harvest of over 11,000 sockeye in 2011 and the sport coho and Chinook projects return up to 3,000 Chinook and 10,000 coho annually. And KRAA is expanding such programs to other villages and road-system locations. The Village of Ouzinkie and Anton Larsen Bay on the Kodiak Road System will begin to see returns in 2015.

KRAA pays for all operations and for maintenance, repairs and replacement of equipment. They are funded by a tax on all Kodiak salmon landings (the 2% Salmon Enhancement Tax) and Cost Recovery fisheries. Over the last 20 years (1994-2013), KRAA has contributed over \$110 million

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in commercial salmon value at a cost to fishermen of approximately \$12.5 million in Salmon Enhancement Tax revenues. KRAA's efforts to continue to produce this kind of benefit to the local fisheries and economy and plans to maintain and improve existing facilities and increase production depend on being able to complete the deferred maintenance projects at its two state-owned hatchery facilities. While KRAA is grateful for the support received to date, the amount granted to KRAA does not meet the anticipated cost of major repairs, deferred maintenance and upgrades. KRAA is once again asking the Legislature to include a funding increment for KRAA to complete the identified needs for deferred maintenance of these facilities.

These projects will directly increase the benefits that accrue to the Kodiak community from the continued presence of these hatcheries. Furthermore, as KRAA seeks to maximize production at these two facilities, generate more efficient systems, expand production to directly benefit other communities in the Kodiak Archipelago and comply with otolith marking requirements, the benefit to the local communities and economy will continue to grow. Furthermore, an additional benefit of funding these projects would be to create a new multi-purpose building at Pillar Creek Hatchery on the Kodiak Road System which would include an area for tours and school children to learn about Alaska salmon and the benefits to our community and State.

The Kodiak Chamber of Commerce supports Kodiak Regional Aquaculture Association's request for an additional \$6.716 million in the Governor's Budget for standard deferred maintenance and additional upgrades.

Yours in Economic Prosperity,



Trevor Brown
Executive Director

CC: Senator Gary Stevens
Representative Alan Austerman