

**Agency: Commerce, Community and Economic Development****Grants to Municipalities (AS 37.05.315)****Grant Recipient: Pelican****Federal Tax ID: 92-6000158****Project Title:****Project Type: Remodel, Reconstruction and Upgrades**

# Pelican - Ice Machine

**State Funding Requested: \$300,000****House District: 34 / Q**

One-Time Need

**Brief Project Description:**

Refurbish a second ice bin. Acquire and install a new rake and auger system.

**Funding Plan:**

Total Project Cost:	\$300,000
Funding Already Secured:	(\$0)
FY2015 State Funding Request:	<u>(\$300,000)</u>
Project Deficit:	\$0

*Funding Details:**Salmon Mitigation funds***Detailed Project Description and Justification:**

Northern southeast Alaska region experiences ice shortages - a fully functional ice machine in Pelican helps to fill this need. The positive economic impact to our community is immediately noticeable with a fully functioning ice machine. Good ice is crucial to quality seafood. The second ice bin will help maintain a lower temperature for ice storage, allowing for the sale and delivery of good quality ice. The existing rake and auger system is antiquated and in need of constant repair. A new rake and auger system will provide the reliability the fleet needs for quick turnaround service.

**Project Timeline:**

Fall 2014, after Legislative award is received.

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

City of Pelican

**Grant Recipient Contact Information:**

Name: Patricia Phillip  
 Title: Mayor  
 Address: PO Box 737  
 Pelican, Alaska 99832  
 Phone Number: (907)735-2202  
 Email: patricia@pelicancity.org

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

## Progress Report for Grant 11-CSMI-001

The City of Pelican received a grant for \$800,000 to construct an ice making facility in Pelican. The project was supported by individuals and businesses in Southeast Alaska and will be a help to the commercial salmon fishing industry in this area when complete.

The project is to replace machinery and equipment that is no longer functional in an existing ice making facility that operated for decades in Pelican. Funding available for the project was limited and the scope of work was somewhat undefined since it was impossible to know which parts of the old system could be made to work and which could not. All grant funds have been expended, but not all invoices have been received or paid. The City is completing the work on this project with its own funds.

We contracted Wyatt Refrigeration for work that can only be done by specialists. This includes ammonia removal, purchase and installation of new ice making equipment and refrigeration equipment. Using its own staff, the City has removed old insulation and reinsulated one of the two existing ice storage bins and has refurbished the ice delivery system. This turned out to cost much more than expected.

Currently the system is making, storing and delivering ice. Commercial fishing vessels and tenders have received ice from Pelican's facility. The contractor portion is virtually complete with the exception of relatively minor punch list items. Challenges still exist due to a lack of sufficient water supply to cool the compressors properly. We are using a salt water cooling system and the potable water system until a fresh water supply can be utilized at the end of July. This fresh water system is linked to the City's potable water plant and the hydro generation plant. These plants will have to be temporarily shut down to hook up the fresh water cooling supply needed at the ice making facility and the shutdown cannot occur until the end of the month. Southeast Alaska has been experiencing warmer than normal temperatures which has also contributed to the problem of maintaining sufficiently low bin temperature for highest quality ice. We are installing a second bin chiller in the operational bin to help with this issue. We believe the additional chiller, additional salt water flow and insulation of some piping will result in low enough bin temperature to make, store and sell quality ice. These modifications are to be done by mid-July.

If it is justified by demand, the City intends to refurbish the insulation and delivery equipment in the second bin in the future. This would bring the system back to the original design and would most likely make it easier to maintain bin temperatures at typical levels for high quality ice.

Although not part of the grant as written, the City realized that a working hoist is necessary to make the ice facility truly functional. So the City is spending \$8,000 to refurbish a hoist adjacent to the ice making facility.

Although the project has been hampered by the lack of a consistent labor supply, both at management and skilled labor levels, and by increases in the scope of work due to the need to replace nonfunctional delivery system equipment, the project is coming to completion. We expect to be able to deliver quality ice during this commercial fishing season to facilitate production of best quality fish in this part of Southeast Alaska.

Report Produced by Larry Semmens, City administrator

2013 Pelican Ice Sales	Customer	Tons Sold	Revenue	4% Sales Tax	Balance Due to City
	Hoonah Cold Storage: floor ice & ice to boats	308.10	30,810.00	1,232.40	\$ 32,042.40
	SPC	86.85	8,685.00	347.40	\$ 9,032.40
	Alaska Glacier Sfds	13.00	1,300.00	52.00	\$ 1,352.00
	Cash Sales	15.90	1,590.00	63.60	\$ 1,653.60
	<b>TOTALS:</b>	423.85	42,385.00	1,695.40	\$ 44,080.40
	<u>Plant Operation Fee pd to HCS</u>	\$ Amount			
	First 100 tons @ 30%	3,000.00	(44,080.40 - 3,000 = )		\$ 41,080.40
	Remaining 323.85 tons @ 40%	12,954.00	(41,080.40 - 12,954.00 = )		\$ 28,126.40
	<u>Payments</u>				
	Pymts Remitted to City	\$ 2,207.30	(28,126.40 - 2,207.30 = )		\$ 25,919.10
	Cash Sales Remitted to City	\$ 1,653.60	(25,919.10 - 1,653.60 = )		\$ 24,265.50
	HCS Pymt	\$ 13,881.10	(24,265.50 - 13,881.10 = )		\$ 10,384.40 pd in full
	Lease amount for buying station	(negotiated amt)			
		\$7,500	\$5,000		
	<b>Total Revenue to City:</b>		\$ 28,126.40		
			\$ 33,126.40		
	Electricity: \$17.00 per ton to make ice				
	423.85 tons x \$17.00 = \$7,205.45				
	Hydroelectricity is surplus power				
	257 gallons water to make 1 ton of ice				
	257 gals. X 424 tons = 108,968 gallons water				