

## AGENDA

FOR THE REGULAR MEETING  
OF THE CITY COUNCIL FOR THE  
CITY OF THORNE BAY, ALASKA  
TUESDAY, MARCH 17, 2026

TIME: 6:30 p.m.

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**THERE WILL BE A WORKSHOP BEGINNING AT 6:00PM**

LOCATION: IN PERSON AT CITY HALL or TELECONFERENCE/VIDEO CONFERENCING LINE

Phone Number: **1-650-479-3208**

Meeting link:

<https://cityofthornebay.my.webex.com/cityofthornebay.my/j.php?MTID=m99f71eee7f975b71d7ee0f9f7c5e44a1>

Meeting number: **182 229 9375** Password D4gxVSXpz84 (34498797 when dialing from a video system) (when dialing from a phone or video system)

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- 1) **CALL TO ORDER:**
- 2) **PLEDGE TO FLAG:**
- 3) **ROLL CALL:**
- 4) **APPROVAL OF AGENDA:**
- 5) **MAYOR'S REPORT:**
- 6) **ADMINISTRATIVE REPORTS:**
  - a) **City Clerk:**
- 7) **DEPARTMENT REPORTS:**
  - a) **Water:**
  - b) **Street and Roads:**
  - c) **Harbor:**
- 8) **PUBLIC COMMENTS:**
- 9) **COUNCIL COMMENTS:**
- 10) **CONSENT AGENDA:**
  - a) **Minutes** of the March 3, 2026, Regular City Council Meeting, action item:
- 11) **UNFINISHED BUSINESS: None**
- 12) **NEW BUSINESS:**
  - a) **Discussion item:** Island Air request for letter of support, discussion and possible action item; *Agenda Item requested by Island Air, sponsor: Timber Pesterfield*
  - b) **Discussion, possible action item:** Letter of Support for Whale Tale Pharmacy, discussion possible action item; *Agenda Item requested by Julie Lynch McDonald, Whale Tale pharmacy*
  - c) **Discussion item:** Renewal of SEARCH Lease, exp 4/20/2026, discussion item,
  - d) **Discussion item:** Adventure Alaska proposal of Resolution amendments, discussion item; *Agenda Item requested by Luther Jenson, Adventure Alaska*
  - e) **Resolution 26-03-17-01:** Approving the request from Adventure Alaska to rent 12 additional boat stalls, discussion and action item; *Agenda item requested by Luther Jenson, Adventure Alaska*
- 13) **CONTINUATION OF PUBLIC COMMENT:**
- 14) **CONTINUATION OF COUNCIL COMMENT:**
- 15) **ADJOURNMENT:**

**POSTED:** March 13, 2026

## MINUTES

FOR THE REGULAR MEETING  
OF THE CITY COUNCIL FOR THE  
CITY OF THORNE BAY, ALASKA  
TUESDAY, FEBRUARY 3, 2026

TIME: 6 : 30 p.m.

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**THERE WAS A WORKSHOP BEGINNING AT 6:00PM**

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1) **CALL TO ORDER:**

Mayor called the meeting to order at 6:30pm

2) **PLEDGE TO FLAG:**

The audience and council stood for the pledge to the flag.

3) **ROLL CALL:**

**Those present were:** Pesterfield, Lovell, Cunningham, Anderson, Kaer

**Those absent were:** Killian, Nyquest

4) **APPROVAL OF AGENDA:**

Mayor Pro-Tem moved to approve the Agenda, Seconded, no discussion

**MOTION: Move to approve Agenda.**

F/S: Pesterfield/ Lovell

YEAS: Pesterfield, Lovell, Cunningham, Anderson, Kaer

NAYS:

ABSENT: Killian, Nyquest

STATUS: Motion Passed

5) **MAYOR'S REPORT:**

- Restrooms at the Harbor are having flushing issues
- Hired a Solid Waste Operator, Josh Peavey, starts tomorrow.
- Boat in the Harbor sunk a week ago, contained with oil booms, owner is currently trying to float boat to remove.
- Special Meeting to address check fraud at the bank. Gave brief overview of check fraud. Credit Union has been monitoring account and recommended new accounts. Resolution was passed at that meeting. Also spoke on Administrator job posting.

6) **ADMINISTRATIVE REPORTS:**

a) **City Clerk: Clerk's office Projects:**

- Creating templates for Budget
- FY25 Financial Report to be certified by Council in April
- Special Election preparations will be underway once authorized to do so
- Tongass Federal Credit Union has the approved Resolution and is working on creating the signer's card.
- June Clerk's training for CMC training June 14th
- Council POFD's are due March 16<sup>th</sup>
- Looking into renewing the agreement with USFS to use their radio frequencies for EMS radios

7) **PUBLIC COMMENTS:**

a) **None**

8) **COUNCIL COMMENTS:**

a) **Sean Kaer: congratulations to Josh on job.**

9) **CONSENT AGENDA:**

- a) **Minutes** of the February 3, 2026, Regular City Council Meeting, action item:
- b) **Minutes** of the February 23, 2026, Special City Council Meeting, action item:

**Mayor Pro-Tem moved to approve the Consent Agenda, Seconded,**

**MOTION: Move to approve Consent Agenda.**

F/S: Pesterfield/ Anderson

YEAS: Pesterfield, Lovell, Cunningham, Anderson, Kaer

NAYS:

ABSENT: Killian, Nyquest

STATUS: Motion Passed

**10) UNFINISHED BUSINESS:**

- a) **Discussion item:** Flat rate for Seniors and previous Rates Resolution;
  - **Cunningham:** cited local rates for city services \$45.10/mo, 3<sup>rd</sup> can is an additional \$20 charge. Commented 3<sup>rd</sup> can charge is excessive, suggested \$10. Proposal is all seniors 2-35gal cans flat rate of \$7. Seniors without tax card show proof of age, tax applied. Non-seniors shouldn't have to pay anymore per month that Northside rates. (2-35gal cans plus tax at \$45.10). Suggested town side pickup only be charged for cans picked up. Would like to hear Council and Public feedback.
  - **Anderson** commented that the rate in town is \$5.00 so the difference is \$0.63.
  - **Lovell** commented we need to consider all parties involved. Stated it is hard to talk one demographic without talking any other. Considered if Council should be considering opt-out options for services offered in town.
  - **Kaer** commented would be nice to have a senior rate, would be a larger discussion. Clean community is important, suggested offset of community members rates by increasing out of town garbage rates.
  - **David Shilts** cautioned rates discussions before looking at budget. Solid Waste is running at a deficit and should be considered during discussion of rates.
  - **Tim Lindseth** commented that opt out is a bad idea because many will opt out and throw garbage wherever. Rates based on number of cans can be a nightmare for garbage men. Council should be considering family rates. If Solid waste isn't paying for itself, it will come from somewhere else.
  - **Lisa Roseland** explained senior tax exemption cards. Used to have senior rates on utilities that was 50%, those who had it were grandfathered, but everyone else is paying full price. Utilities are paid on this side regardless of use, \$6.36 for 50lbs of garbage.
  - **Cunningham** took 2 cans to the dump and didn't get weighed, paid \$5. clarified his intent of discussion. Would like to see equality between both sides of the bay.
  - **Pesterfield** 2 cans are flat rate for utilities once a week, lives on Southside and goes to the dump once a month. Southside doesn't have to pay utility rates. Dump tickets make dumping cheap. If modifying rates tables, and qualifying seniors for discounts, then it needs to be across the board. Seniors have limited income, but so do families. Budget runs the narrative.
  
- b) **Discussion and possible action item:** City Administrator Job Announcement.  
**Council discussed changes presented at last meeting for degree and experience requirements.**

- **Kaer** suggested a paid Mayor in replacement of an Administrator.
- **Pesterfield POI:** City employees interviewed and consensus is that employees requested more of a supervisory role and willingness to step into employee jobs when necessary. City is operating with a shortfall of employees or skeleton crew. More supervision and direction with more goal-oriented supervision.

**Council discussion continues.**

**Pesterfield directed City Clerk to post City Administrator job posting.**

**11) NEW BUSINESS:**

- a) **Resolution 26-03-03-01:** Approving the MOA with OVK, discussion and action item;

**Mayor Pro-Tem motioned to approve Resolution 26-03-03-01, Seconded, discussion:**

- **Lovell** opened discussion on Resolution 26-03-03-01.
- **Kaer** questioned if we came to an agreement with OCK for road maintenance?
- **POI Pesterfield** read the changes made to the Resolution and clarified the amendment with intent to add Council’s review for subsequent documents and agreements.
- **Continued discussion on Resolution with public participation.**
- **POI Pesterfield** this is not a modification of the MOA, just an amendment to the previous resolution.

**MOTION: Move to approve Resolution 26-03-03-01.**

F/S: Pesterfield/ Lovell

YEAS: Pesterfield, Lovell, Cunningham, Anderson, Kaer

NAYS:

ABSENT: Killian, Nyquest

STATUS: Motion Passed

- b) **Resolution 26-03-03-02:** Authorizing a Special Election for the purpose of filling the vacancy of the mayor seat, discussion and action item;

**Mayor Pro-Tem motioned to approve Resolution 26-03-03-02, Seconded, discussion:**

- **Pesterfield** read Resolution into record.

**MOTION: Move to approve Resolution 26-03-03-02.**

F/S: Pesterfield/ Lovell

YEAS: Pesterfield, Lovell, Cunningham, Anderson, Kaer

NAYS:

ABSENT: Killian, Nyquest

STATUS: Motion Passed

**12) ORDINANCE FOR PUBLIC HEARING:**

- a) **Ordinance 26-03-03-01:** Ordinance to change TBMC 2.04.180 (L) Meetings – Order of Business, Public Hearing and Public Participation on agenda items, Discussion and action item,

**Mayor Pro-tem opened Ordinance 26-03-03-01 for public hearing;**

**Pesterfield read the Ordinance 26-03-03-01 into the record;**

**Discussion:**

- **Linda Shilts** in support of change and appreciates opportunity to weigh in on discussions.

**Anderson moved to approve Ordinance 26-03-03-01, Seconded, discussion:**

- **Cunningham** in agreement with changes.
- **Kaer** commented in agreement with Ordinance

**MOTION: Move to approve Ordinance 26-03-03-01.**

F/S: Anderson/ Lovell

YEAS: Pesterfield, Lovell, Cunningham, Anderson, Kaer

NAYS:

ABSENT: Killian, Nyquest

STATUS: Motion Passed

- b) **Ordinance 26-03-03-02:** Ordinance to amend TBMC 3.12.040-3.12.170, Purchasing Sections, discussion and action item;

Mayor Pro-tem opened Ordinance 26-03-03-02, Anderson read Ordinance into record, rolling back all non-discretionary spending to amounts from 2022 levels.

- **Linda Shilts** in support of changes

**Lovell moved to approve Ordinance 26-03-03-02, Seconded, discussion:**

- **Cunningham** questioned bid timeline in 03.12.100(b)
- **Lovell** appreciated Council direction

**MOTION: Move to approve Ordinance 26-03-03-02.**

F/S: Lovell/Kaer

YEAS: Pesterfield, Lovell, Cunningham, Anderson, Kaer

NAYS:

ABSENT: Killian, Nyquest

STATUS: Motion Passed

13) CONTINUATION OF PUBLIC COMMENT:

- a) **Lisa Roseland** thanked Council for time put into changes.

14) CONTINUATION OF COUNCIL COMMENT:

- Kaer** proud of Council direction
- Lovell** commented that we will need to form a committee for Southside Firehall
- Anderson** commented that cemetery is still in minds and will sort that out.
- Cunningham** read an anonymous letter.
- Pesterfield** commented all concerns in the anonymous letter were already being addressed or have been addressed.
- Lovell** agreed that items of concern that are being worked on and Council is learning and progressing in an attempt to be process minded.
- Pesterfield** commented that Council now wishes to bring as much out to the public as possible for the sake of transparency. He encouraged the public to come forward with questions as the sitting Council is here for the citizens of Thorne Bay.

15) ADJOURNMENT: Mayor Pro-tempore adjourned meeting at 8:13 pm.



## DEPARTMENT REPORT

**Subject:** Monthly Department Report

**Department:** Water & Sewer Utility

**Supervisor:** Sam Sawyer, Level II Water

**Employees:** Sam Sawyer, Supervisor  
Willy Jennings, Employee

**Date:** March 2026

### ***A Departmental Overview***

The Water/Sewer Department is administered by Sam Sawyer, Level II Water Operator. The Supervisor(s) and staff are responsible for the operation and maintenance of the City's four core sanitation services: Water Treatment, Water Distribution, Sewage Collection, and Sewer Treatment. Duties include maintenance, minor and major schedule and unscheduled repairs throughout all four systems, monthly reporting to the Alaska Department of Environmental Conservation as required, direct sampling as scheduled for water quality and wastewater effluent quality compliance, implementation of a preventative maintenance schedule, construction of new water distribution mains and residential /commercial service connections and wastewater collection mains and residential/commercial service connections.

### **Current Department Activities:**

#### *Water and Sewer Plant Operations Report*

The water treatment plant is currently operating, but we are experiencing issues with the existing pre-filters that operate ahead of the nanofiltration unit. These filters are older and are not performing as efficiently as they should. Recently, anthracite media was added to one of the filters, and we have already observed an improvement in its performance. Because of this we plan to add anthracite to the remaining two filters to determine if their performance and filter run times also improve. If the improvements do not continue after the remaining filters are modified, it will likely be necessary to consider replacing the filter media in all of the filters. This replacement would be a significant expense, but a necessary one in order to ensure the water treatment plant operates properly. These filters are critical because they operate upstream of the nanofiltration unit, and proper function is required for the plant

to run effectively and reliably.

We are also currently waiting on parts from PureAqua, the manufacturer of the nanofiltration unit, in order to replace the nanofiltration filters. While the new filters themselves are already on hand, we are waiting for several small spare parts that are recommended to have available in case components break or require replacement while removing the existing filters. Once these parts arrive, we will be able to proceed with the replacement work.

In addition, the main water truck is currently unavailable. A belt that drives both the alternator and the water pump has broken, and we are working on getting this repaired so the truck can return to service as soon as possible. It has also come to my attention that the newer 590 backhoe is experiencing mechanical/electrical issues. While attempting to repair a water leak last week, I tried to use the 590 and was informed that it has been shutting down during operation. This makes it unreliable and potentially unsafe to operate until the issue is diagnosed and repaired.

The sewer treatment plant is currently running; however, it continues to have significant operational issues that require major attention. Prior to my departure in September, there were discussions about conducting a formal study on the sewer plant to evaluate whether it should be upgraded or entirely replaced. At this time, I do not have any updated information regarding that study, but I plan to follow up with Village Safe Water to determine the current status because an upgrade is far overdue. The condition of the sewer treatment plant is critical to the overall reliability of the sewer system. Even if improvements are made to lift stations or leaks in manholes are repaired, those upgrades will have limited impact if the treatment plant itself continues to break down. The plant is essentially the heart of the entire sewer system. If it continues to experience frequent failures, costly repairs, or must be shut down during extreme cold weather to prevent mechanical damage, it could lead to failed sewer samples and potential permit violations. Addressing the condition and long-term future of the sewer treatment plant will be essential to maintaining a reliable and compliant sewer system for the community. I met with engineers last week who conducted signal testing from the sewer plant to the 5 lift stations throughout town. Their goal was to find out what type of communication system would best work for the lift stations to communicate with a main computer at the sewer facility. If accomplished, this would give operators the ability to have alarms sent to them in case of pump failures, etc, and they believe this should not be an issue. Furthermore, In the very near future, we will be meeting with Dowl Engineering to discuss the 35% drawings and Draft design analysis report regarding the upcoming sewer treatment lift station/manhole upgrades.

Finally, I am currently working on updating the sewer treatment plant discharge permit. Specifically, I am in the process of having the former city administrator's name removed and replacing it with my name. This change will remain in place until the city establishes more continuity in the city administrator position or until the council determines a different administrative arrangement for permit responsibility. In addition, my coworker Willy recently took his Water treatment level 2 exam. Although he did not pass the exam on this attempt, he plans to retake the test again very soon.



## City of Thorne Bay

Thorne Bay, AK 999109

PHONE: (907) 828-3380; FAX: (907) 828-3374

E-MAIL: [cityclerk@thornebay-ak.gov](mailto:cityclerk@thornebay-ak.gov)

# DEPARTMENT REPORT

**Subject:** Monthly Department Report

**Department:** Harbor

**Supervisor:** Owen jennings

**Employees:** \_\_\_\_\_

**Date:** 3/11/26

## ***A Departmental Overview***

On February 18, a boat sank in the harbor. The vessel was successfully removed on March 8. Throughout the month, I have also been focused on ongoing snow removal. Aside from these activities, businesses as usual.

## **Current Department Activities:**

I am currently looking into options for a new beacon light for the town side harbor..

I plan on replacing damaged dock boards once the snow has melted, along with other necessary dock repairs. The harbor water is planned to be turned back on in early to mid-April, assuming winter conditions have ended.

There are several pieces of equipment that require repair or replacement, including a 2-inch trash pump, one of the motors on the EMS boat, the pressure washer, and our Honda generator.



## DEPARTMENT REPORT

Subject: Monthly Department Report  
Department: S/R  
Supervisor: \_\_\_\_\_  
Employees: JAMES TAYLOR  
Date: \_\_\_\_\_

**A Departmental Overview** Case 590, throttle response issues,

Case 590 backhoe: back tires keep getting flat.

Meyers snow plow: the blade swings to the left and swings to the right with no control.

Wausau snow plow digs to the ground too much, creates washboards everywhere.

### Current Department Activities:

- Snow removal and sanding plus sidewalks

- Helped a harbor master to remove booms around a sanken boat  
Booms

- Baling trash at the dump

- Fixing tires chains on the plow truck



CITY OF THORNE BAY  
RESOLUTION 25-04-01-03

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, APPROVING THE RENEWAL OF A SHORT-TERM 12-MONTH LEASE WITH SEARHC FOR LEASE OF CITY OWNED FACILITY IDENTIFIED AS UNIT "B" OF THE CITY HALL BUILDING LOCATED AT 120 FREEMAN DRIVE, FOR THE PURPOSES OF OPERATING A HEALTH CLINIC

WHEREAS, the City Council is the governing body of the City of Thorne Bay; and

WHEREAS, the current lease between SEARHC and the City is set to expire April 30, 2023; and

WHEREAS, the Thorne Bay Municipal Code 2.56.240-provides that negotiated leasing may be conducted with a single prospective lessee or renter through the use of resolution; and

WHEREAS, SEARHC has been in good standing with the City as a yearlong tenant; and

WHEREAS, it is in the City's best interest to retain SEARHC as a year-round, tenant until April 30, 2026.

NOW THEREFORE, BE IT RESOLVED that the City Council for the City of Thorne Bay hereby approves a noncompetitive 12-month short term lease, effective May 1, 2025 through April 30, 2026, for the rental of city owned facilities identified as unit "B" of the Thorne Bay City Hall building located at 120 freeman drive, for the purposes of operating a Health Clinic

PASSED AND APPROVED this 1<sup>ST</sup> day of April 2025, by a duly constituted quorum of the City Council with a vote of 6 yeas and 0 nays.

ATTEST:

  
\_\_\_\_\_  
Caitlyn Sawyer, City Clerk/Treasurer

  
\_\_\_\_\_  
Shane Nyquest, Mayor

# RENTAL AGREEMENT

This Rental Agreement is entered into by and between the City of Thorne Bay, Alaska, P.O. Box 110, Thorne Bay, Alaska 99919 (hereinafter called the "CITY" and, SEARHC, (hereinafter called the "RENTER").

1. **Rented Premises.** The City does hereby Rent to the Renter Unit "B" of the Thorne Bay City Hall. See Attached Exhibit A on municipally owned property within the corporate boundaries of the City of Thorne Bay.

**Municipal Code, Title 2, Article III, Incorporated.** The provisions of "Title 2, Article III of the Thorne Bay Municipal Code shall apply to the terms of this Rental Agreement unless otherwise amended in this Rental Agreement.

2. **Term.** The term of this Rental Agreement shall be One (1) year(s) beginning May 1, 2025 and ending April 30, 2026. Monthly rental payments due the City shall commence prior to use of Rented Premises and continue throughout the term of this Rental Agreement. Renter shall have the option to renew this Rent for an additional period of time subject to renegotiations of Rent terms and payments acceptable to both the City and Renter. The option to renew and Rent for the additional period can only be effective upon approval by the Thorne Bay City Council. This option to renew shall be exercised by the Renter in writing sixty (60) days prior to the expiration of the original Rent term. The option to renew is specifically waived if not exercised in full compliance with this provision.

This Rental Agreement expires automatically on the last day of the One (1) year period absent the approval of a new Rental Agreement by the Thorne Bay City Council. Absent an approved Rental Agreement, the Renter shall vacate the premise on or before the ending date of this Rental Agreement.

In addition to any rights of the City to terminate this Rental Agreement as specified in this Rental Agreement, or as specified in the Thorne Bay Municipal Code, the City shall have all rights to terminate this Rental Agreement in accordance with any provision of applicable law.

3. **Monthly Rent Payment.** Renter covenants and agrees to pay City monthly Rent payments in the sum of Ten dollars per month rent plus utility fees of \$221.11 based on FY 24 average fees payable in advance on the first day of each month of the Rent term. (Utility fees to be adjusted if facility used as clinic more than one day per week). In the event any payment required to be made pursuant to this Rental Agreement is more than ten (10) days past due, late payments shall be assessed a 0.87% finance charge (10.5% ARP) per annum on such past due amount will be assessed and charged to Renter by City. At the expiration of the two-year

## RENTAL AGREEMENT

term the monthly Rent payment shall be reviewed and adjusted in accordance with the provisions of Section 2.56.210 of Title 2, Article III of the Thorne Bay Municipal Code.

4. **Deposits.** Renter shall deposit with the City an amount equal to     N/A    . Upon termination of the Rental Agreement the Renter shall vacate the premise leaving it in the same clean condition as presented at the time said Rental Agreement was initiated. If the premise is in need of cleaning, repairs or the Renter is in default in payments said deposit shall be used to offset such costs. In the event the Rented Premise is clean and in need of no repairs the deposit will be refunded in full. First and last month may be waived in lieu of improvements to the Rented Premises or other City Facilities as provided by Renter per "Exhibit A", Unit "B".
5. **Use.** Renter shall use the Rented Premises for the purposed of maintaining and operating there on, Medical Services/Human Health Services. The Rented Premises shall be used for no other purposes without the prior written consent of City.
6. **Utilities and Fees.** The City will provide Water, Sewer, Garbage, Heat, Electrical, snow removal service, except for walkways accessing the entrances for Unit "B". Renter shall pay the monthly utility fees as stated in Section 3. Renter shall be responsible for phone and internet service installation and monthly fees. Renter may contract with the City for minimal janitorial service.
7. **Repairs, Maintenance and Compliance with Laws.** Renter shall maintain the Rented Premises at Renter's sole cost and expense and at all times keep the Rented Premises neat, clean and in a sanitary condition. Renter shall keep and use the Rented Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of all governmental authorities. Renter shall permit no waste, damage or injury to the Rented Premises. Renter's use of the Rented Premises in violation of any law or regulation of any governmental entity related to public health or safety or environmental pollution shall be a material breach of the Rental Agreement and grounds for City's termination of the Rental Agreement. Renter is required to obtain authorization from the City for construction of any and all structures placed on or in the Rented Premises.
8. **Signs, Alterations and Improvements.** All signs or symbols placed on or about the Rented Premises shall be subject to City's prior written approval. After prior written consent of City, Renter may make alterations and improvements to the Rented Premises, at Renter's sole cost and expense. City may elect to require Renter to remove any such alterations and improvements upon termination of this

# RENTAL AGREEMENT

Rental Agreement at Renter's sole cost and expense. Any of Renter's improvements remaining on the Rented Premises longer than thirty (30) days after Renter's possessors rights to the Rented Premises have expired shall become Rented Premises of City.

9. **Insolvency.** In the event Renter becomes insolvent, bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Renter, City, in City's sole discretion may immediately terminate this Rental Agreement and require that Renter vacate the Rental Premises.
10. **Subletting or Assignment.** Renter shall not sublet the whole or any part of the Rented Premises nor assign this Rental Agreement without the prior written consent of City. This Rental Agreement shall not be assignable by operation of law. All terms and conditions of the Rental Agreement shall be binding upon any sub Renter or assignee of this Rental Agreement and Renter shall remain fully responsible to City for performance of this Rental Agreement.
11. **Permits and Compliance with Law.** Renter shall obtain all necessary local, state and federal permits necessary for the operation of Renter's business and shall comply with all local, state and federal laws, rules and regulations.

Failure to comply with any requirements of this section shall constitute a material breach of the Rental Agreement. Failure to remedy the violation within 30 days will result in the City's termination of the Rental Agreement. Absent an approved Rental Agreement, the Renter shall vacate the premise immediately.

12. **Insurance. General Liability Insurance:** The Renter shall procure and maintain during the life of this agreement, General Liability Insurance on an "occurrence basis" with limits of liability not less than \$1,000,000 per occurrence and /or aggregate combined single limit, personal injury, bodily injury and property damage.

Proof of Insurance shall be provided to City within thirty (30) days after the parties have executed this agreement and prior to public use of said premises. City shall be notified at least thirty (30) days before the cancellation or termination of any policy.

City shall be named as additional insured.

13. **Accidents and Liability.** City or its agent shall not be liable for any injury or damage to the persons or property sustained by Renter or others, in and about the Rented Premises.

## RENTAL AGREEMENT

14. **Indemnification and Waiver of Subrogation.** To the fullest extent permitted by law, the Renter agrees to defend, indemnify and hold harmless the City, its elected and appointed officials, employees and volunteers against any and all liabilities, claims, demands, lawsuits, or losses, including costs and attorney fees incurred in defense thereof, arising out of or in any way connected or associated with this agreement.

To the extent permitted by law, the Renter hereby re-Rents the City, its elected and appointed officials, employees and volunteers from any and all liability or responsibility to the Renter or anyone claiming through or under the Renter by way of subrogation or otherwise, for any loss or damage to the property caused by fire or any other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of the City, its elected or appointed officials, employees or volunteers. This provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the time of the Renter's occupancy or use.

Renter understands that the City accepts no responsibility whatsoever for loss of, or damage to Renter's property.

15. **Removal of Renter's Property and Repair of Rented Property.** All fixtures and equipment of whatsoever nature, that Renter shall have acquired and installed upon Rented premises, whether permanently affixed or otherwise, shall continue to be the property of the Renter and must be removed by the Renter at the expiration or termination of this Rental Agreement; and at its own expense, Renter shall repair any injury to Rented Premises resulting from such removal. Renter shall remove all fixtures and equipment, and make all repairs, within thirty days of the date the Renter vacates Rented Premises. If the Renter fails to remove its, fixtures, and equipment, and fails to make the necessary repairs, the City may do so, and seek reimbursement from the Renter for the full amount of the repairs, without any deduction for the value of any, fixtures, or equipment left on the premises by the Renter. If City determines that it is in City's best interest to acquire the improvements, it may negotiate to purchase Renter's fixtures, and equipment at a price equal to or less than fair market value.

16. **Taxes.** Renter shall be solely and fully responsible for the payment of all taxes due to the Federal, State or Local Government (if applicable).

17. **Liens.** Renter shall maintain Rented Premises free of any and all liens. Renter will not permit any mechanics', laborers' or materialmen's liens to stand against the Rented Property or improvements for any labor or materials furnished to Renter or claimed to have been furnished to Renter, or to Renter's agents, contractors, or sub-Renters, in connection with work of any character performed or claimed to

## RENTAL AGREEMENT

have been performed on Rented premises or improvements by or at the direction or sufferance of Renter; provided, however, Renter shall have the right to contest the validity or amount of any such lien or claimed lien, In the event of such contest, Renter shall give to the City such reasonable security as may be demanded by the City to insure payment of such lien or such claim of lien. Renter will immediately pay any judgment rendered with all proper costs and charges and shall have such lien re-Rented or judgment satisfied at Renter's own expense. Renter agrees to indemnify, hold harmless and to defend the City and Rented premises from such liens. Renter consents to the City's recording of and posting of a statutory notice of non-responsibility in accordance with Alaska Statute 34.35.065

18. **Default by Renter.** Each of the following shall be deemed a default by the Renter and a breach of the Rental Agreement:
- (a) A failure to make payment of any installment, of rent or of any other sum herein specified to be paid by Renter, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to make payment;
  - (b) Upon shut off of utilities;
  - (c) A default in the performance of any other covenant or condition on the part of the Renter to be performed for a period of thirty (30) days after receipt by Renter of a notice specifying the particular default or defaults;
  - (d) The filing of a petition by or against Renter for adjudication as a bankrupt, or for reorganization or arrangement within the meaning of the Bankruptcy Act;
  - (e) The dissolution or the commencement of any action or proceeding for the dissolution or liquidation of the Renter or for the appointment of a receiver or trustee of Rented Premises of the Renter;
  - (f) The taking possession of Rented Premises of the Renter by any governmental officer of agency pursuant to statutory authority for the dissolution of liquidation of the Renter;
  - (g) The making by the Renter of an assignment for the benefit of creditors;
  - (h) Renter vacates or abandons the Rented Premises; and
  - (i) A failure that continues for five (5) days or more to have the City named as an additional insured as required under paragraph 18, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to name the City as an additional insured.

The specification of events constituting default by the Renter in this Section, are in addition to any defaults specified in the Thorne Bay Municipal Code.

## RENTAL AGREEMENT

19. **City's Remedies for Default.** In the event of any default of the Renter, the City shall have the following rights and remedies – all in addition to any rights or remedies that may be given to the City by statute, common law, or under Thorne Bay Municipal Code.
- (a) Distraint for rent due and subsequent sale of chattels so distrained. The sale of any such chattels shall be in accordance with the procedure set forth in Alaska Statutes.
  - (b) Re-enter Rented Premises and take possession thereof, remove all persons therefrom, and remove Renter's property therefrom and store it in a public warehouse or elsewhere at the cost of Renter, all without service of notice or resort to legal process (all of which Renter expressly waives) and without becoming liable for trespass, forcible entry, detainer, or other tort or for any loss or damage which may be occasioned thereby;
  - (c) Declare the Term ended;
  - (d) Re-let Rented premises in whole or in part for any period equal to or greater, or less, than the remainder of the Term for any sum which is commercially reasonable;
  - (e) Cure any such default, if possible, and demand immediate payment until all costs incurred in curing the default have been reimbursed fully, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska;
  - (f) Collect all reasonable damages, costs and expenses that the City may incur by reason of default by Renter, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska.
  - (g) The City shall use reasonable diligence to re-let Rented Premises in or to mitigate the City's damages, consistent with the uses of Rented Premises, and all applicable Thorne Bay code provisions related to this Rent and Rented Premises.
20. **Rights and Remedies.** Except insofar as this is inconsistent with or contrary to any provision of this Rent, no right or remedy herein conferred upon reserved to the City or Renter is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.
21. **Waiver.** Except to the extent that a party may have otherwise agreed in writing, no waiver by a party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation.

## RENTAL AGREEMENT

Nor shall any forbearance by a party to seek a remedy for any breach of the other party be deemed a waiver of its rights or remedies with respect to such breach.

22. **Changes.** No modifications, amendments, deletions, additions or alterations of the Rent Agreement shall be effective unless in writing and signed by all of the parties hereto and such representatives of the parties as have been duly authorized to make such changes.
23. **Joint Product.** The language set out in this Rental Agreement represents the joint product of the parties and shall not be construed against one party in favor of the other. Each party hereto has had the option of seeking the advice of legal counsel in the drafting of this Rental Agreement, and the rule of construction favoring construction against the drafter shall not apply. Renter acknowledges and agrees that Renter has not received any legal advice from the City's attorney or from anyone associated with the City.
24. **Authority.** The parties and their undersigned representatives warrant that they have full authority to enter into this Rental Agreement and to execute this Rental Agreement.
25. **Hazardous Materials.** The Renter shall not permit, store, manufacture or dispose on Rented Premises any hazardous material or controlled substance as determined by federal, state, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to, the Comprehensive Environmental Response, Compensation and liability Act (42 U.S.C. 9601 et seq.), the Hazardous materials Transportation Act (42 U.S.C. 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C.7401 et seq.), the Toxic Substance Control Act, as amended (15 U.S.C. 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. 651et seq.), and Title 46 of the Alaska Statutes as these laws have been and may hereafter be amended or supplemented. "Hazardous Substance" means any pollutant, contaminant, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, PCB's or any other substance the removal of which is required, or the manufacture, preparation production, generation, use maintenance, treatment, storage, transfer, handling or ownership of which is restricted , prohibited, regulated or penalized by any and all federal, state, or municipal statutes or laws now or at any time hereafter in effect. Hazardous material shall not include cleaning supplies used in the routine daily cleaning and operation of a restaurant.
26. **Acceptance of the Rented Property by Renter.** Renter acknowledges that it has thoroughly examined Rented Premises. Renter accepts Rented Premises in their

## RENTAL AGREEMENT

“AS IS” condition, and the City shall not be required to perform any work to prepare Rented Premises for the Renter. Renter’s taking possession of Rented Premises shall be conclusive evidence against it that, at the time possession was taken, Rented Premises were in good and satisfactory condition. Renter acknowledges that, except for those representations and statements regarding the condition of Rented Premises expressly stated herein, Renter has not relied upon any representations or statements of the City or its representatives or agents regarding the condition of Rented premises or their suitability for Renter’s uses under this Rent.

27. **Attorneys’ Fees and Costs.** Should any dispute and/or legal action arise by reason of any default or breach on the part of Renter in the performance of any of the provisions of the Rental Agreement, Renter agrees to pay all reasonable attorneys’ fees and costs incurred by City in connection therewith including City’s attorneys’ fees and costs incurred on appeal. It is agreed that the venue of any legal action brought under the terms of this Rental Agreement will be the First Judicial District, at Ketchikan, Alaska. Renter specifically agrees that venue for trial in any action related to this Rent shall be in Craig, Alaska.
28. **No Waiver of Covenants.** Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future or similar breach. This Rental Agreement contains all the agreements between the parties, and there shall be no modification of the agreements contained herein except by written instrument signed by both parties.
29. **Surrender of Rented Premises.** Upon termination of this Rental Agreement, Renter agrees to peacefully quit and surrender the Rented premises without notice, remove all of Renter’s personal property and leave the Rented premises neat and clean. If City elects to require Renter to remove any alterations or improvements made by Renter, then Renter shall restore the Rented Premises to their previous condition, at Renter’s sole expense.
30. **Binding on Heirs, Successors and Assigns.** The covenants and agreements of this Rental Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of both parties thereto, except as hereinabove provided, and as allowable by law.
31. **Notice.** Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to City at P.O. Box 19110, Thorne Bay, Alaska 99919, or the Renter at, \_\_\_\_\_, or at such other address as either party may designate in writing to the other.

# RENTAL AGREEMENT

32. City's Right of Entry. The City shall have the right to enter Rented premises at all reasonable times to examine the condition of same.

IN WITNESS WHEREOF, the parties hereto have executed this Rental Agreement as of the date first set above written.

CITY:

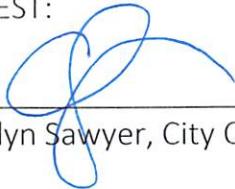
RENTER:

THE CITY OF THORNE BAY

By   
Shane Nyquest, Mayor "City"

By Daniel Harris 4/8/2025  
SEARCHC

ATTEST:

  
Caitlyn Sawyer, City Clerk



**Adventure Alaska Southeast LLC**  
P.O. Box 19561, Thorne Bay, AK 99919

**fishorhunt.com**

**info@fishorhunt.com**  
907-828-3907

Dear Mayor and City Council Members of Thorne Bay,

I, Luther Jenson, kindly request on behalf of Adventure Alaska Southeast (A.A.S.E.), a resolution, such that A.A.S.E. is authorized to rent an additional 12 boat stalls, as is required for the operation of our business, such that;

Adventure Alaska rents the additional harbor stalls on a monthly basis, and is able to continue renting those stalls year round, as Ordinance 18.20.070 does not name an end date;

I am also asking the council to open discussion about renting the additional harbor stalls on an annual basis, and to consider long term solutions regarding demand at the harbor, as it pertains to our business as well as to the community and other harbor users.

While perhaps not being the best long term solution, this resolution would be an appreciated improvement and provide security for our business, at an increased cost to us. A.A.S.E. intends to pay for the additional moorage on a monthly basis, year around, until other solutions become available. Approving this resolution would allow AASE to immediately secure the necessary harbor stalls, on a monthly basis, as permitted by the city code:

**18.20.070 PRIORITY IN SPACE ASSIGNMENT-PRESENT RENTERS GET LOWEST.**

Those persons already assigned a stall shall be given at all times the lowest priority in seeking additional stalls. Only two boat stalls shall be permitted without prior approval of the harbor commission or City Council. Those paying annual moorage and those paying annual moorage that operate licensed Thorne Bay businesses and demonstrate a need for more than two stalls may request approval of the Harbor Commission or City Council for additional stalls subject to availability on a monthly basis. ((Ordinance 18- 09-18-03, § A (part), Prior Ord. 90-28 § 4(part): Ord. 89-30 § 5(part), 1989)(Ord. 16-04- 19-01)

The council has commonly and cooperatively voted to implement a resolution for A.A.S.E., with the understanding that those stalls may be relinquished due to “high demand from other users who are not yet already paying for a stall”.

While that is appreciated and has worked without many issues, there are concerns with prior resolutions. The greatest concern is that losing even a single stall could be detrimental to our business, not merely an inconvenience. We collect deposits years in advance which guarantee our customers access to a boat with our packages. Our boats sell our packages, and are not an “optional” feature.

Admittedly, there are potential temporary “emergency” solutions if a stall was lost, though those would not be without cost and disruption to our business, to our employees, as well as to the community. For example, if we had to launch and pull our boats daily, this would create disturbance and inconvenience at the boat launch, and would be extremely challenging for our business. Such an inconvenience and even the appearance of lack of professionalism may result in some loss of business (sales).

This has been a growing concern in recent years, as “summer only” demand is growing at the harbor. This demand is not only created by year-round locals in our community, but also by other short term seasonal visitors. It is my understanding that the city intends to open up the inside of the float plane dock for moorage, which will provide additional relief and space to meet the spike in summer demand for moorage.

Approving this resolution would provide the needed security and function for A.A.S.E. while allowing other long term solutions to be explored. A.A.S.E. intends to work with the city council to develop long term solutions, of which there may be a few options.

Renting the additional 12 stalls on a monthly basis, year round would be a 128% increase in harbor fees for A.A.S.E., for the same amount of use. We would prefer to rent the additional stalls on an annual basis, which we would like to discuss. The immediate available action that the city ordinance permits, is to rent the additional stalls on a monthly basis, should the council approve this resolution. A.A.S.E. intends to continue renting the additional stalls year round, as the code does not specify the term end date of the monthly stall rental.

I understand and appreciate the spirit of the city code, which aims to provide fair and equitable opportunity for the public to access the harbor. It appears to me that such fairness does exist and is underutilized since there are currently unrented stalls beyond the additional stalls that AASE seeks to rent year round.

We hope the city will agree to work in good faith with AASE in exploring an alternative long term solution. A.A.S.E will also work in good faith with the city, in the case that some conflict or need should arise at the harbor, such that we are able to cooperate and help with sudden or temporary need for space, as much as we are reasonably able.

## **Financial Impact Summary:**

(See Attachments: **Annual Moorage Fees Monthly Basis EST & Annual Moorage Fees Annual Basis EST**)

### **Moorage Paid in 2025**

- Actual moorage paid to city by A.A.S.E. in 2025 : **\$5,467.51**

### **Monthly Basis (This Resolution)**

- Total annual moorage that WOULD be paid to the city for all 14 boat slips (2 annual and 12 monthly): **\$12,496.38**
- Increase in harbor fees from 2025: **\$7,028.87 (128.56% increase)**

### **Annual Basis (For Discussion)**

- Annual moorage that would be paid for an annual basis (14 annual boat slips): **\$8,681.40**
- Increase in Harbor fees from 2025: **\$3,213.89 (58.78% increase)**

### **Sales Tax**

- Sales tax generated in 2025 from ONLY the 7 North River boat rental stalls: **\$11,190.00**  
\*Does not include sales tax from packages, skiff rentals/stalls, charters, etc...\*

Once again, thank you on behalf of myself and the entire Adventure Alaska staff, for taking the time to discuss this important matter and consider this resolution.

Sincerely,

Luther Jenson, GM  
*Adventure Alaska Southeast*

fishorhunt.com  
[info@fishorhunt.com](mailto:info@fishorhunt.com)  
Office: 907-828-3907

Attachment: **Adventure Alaska “Community Considerations”**, as it was brought up at last a council meeting last April regarding a harbor stall resolution. This, in addition to a great deal of other material, is provided to all AASE guests upon check in:

## **Community Considerations**

Hi there!

Our team appreciates you taking the time to read this and consider these couple topics during your stay here in Thorne Bay! We're all currently here in a community that is the truest form of a small town. We know our neighbors well, and we live and go about our day closely amongst each other. Because of that, we all get along better if we take a few measures to consider the others. Please note the following as you move about the community, highways, and waterways on your Alaskan Adventure.

### **Wake**

- Please remember you are responsible for your wake.
- Drive at idle (as slowly as possible) in and out of the harbor, and be sure to “kill” your wake well before you come into the harbor.
- The Port fuel dock is easy to accidentally wake out, as is located on your beam as you might naturally approach it. Be sure to make a wide corner and drop off steps well in advance, so that your wake doesn't cause damage or disturbance. Our mail planes come into this dock frequently. Wake is noticed!
- Please be mindful of the float houses as you leave the bay, and don't drive unnecessarily close to the houses, as you come and go. (some of them are a bit tucked away and hard to see until the last second) The center of the channel is all yours.

### **Parking**

- Parking at the harbor is fairly limited right now, and the spaces are tight. Please be sure to **pull all the way off of the road**. Backing into the parking space helps considerably, as there is more clearance for the hill on the rear bumper.
- Also be sure not to hang in the 4 hour parking for the day.
- You'll likely get a sticker on the window if you don't mind these couple items
- **Seriously...**

### **Please drive slowly!**

- Thorne Bay is pretty tightly tucked into the hillside, and the winding roads have small shoulders and lots of blind spots. All the kids run around and have fun like the good ol' days. **Please be very careful!!!**
- Nothing is far away in town, so please drive under 15 mph always, and under the posted speed limit where less than 15 mph. The entire community notices!







**RESOLUTION *PROPOSED***  
**CITY OF THORNE BAY**

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, AUTHORIZING ADVENTURE ALASKA SOUTHEAST LLC TO RENT TWELVE (12) BOAT STALLS, IN ADDITION TO 2 ANNUAL BOAT STALLS, WITHIN THE MAIN THORNE BAY HARBOR

WHEREAS, the City Council is the governing body for the City of Thorne Bay, Alaska; and

WHEREAS, the Thorne Bay Municipal Code 18.20.070-Priority in Space Assignment, states that a person may rent more than 2 harbor stalls pending availability and approval from the Harbor Commission or City Council; and

WHEREAS, Adventure Alaska rents the additional harbor stalls on a monthly basis, and is able to continue renting those stalls, as Thorne Bay Municipal Code 18.20.070-Priority in Space Assignment does not name an end date; and

NOW, THEREFORE BE IT RESOLVED, the City Council for the City of Thorne Bay, Alaska, hereby approves Adventure Alaska's request for renting 12 additional harbor stalls within the main Thorne Bay Harbor Facilities.

**PASSED AND APPROVED** by the City Council of the City of Thorne Bay, Alaska this 17<sup>th</sup> day of March 2026, with a vote of \_\_\_ Yeah and \_\_\_\_ Nay.

\_\_\_\_\_  
Timber Pesterfield, Mayor Pro-Tempore

ATTEST:

\_\_\_\_\_  
Caitlyn Sawyer, City Clerk/Treasurer



**RESOLUTION 26-03-17-01  
CITY OF THORNE BAY**

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA,  
AUTHORIZING ADVENTURE ALASKA TO RENT TWELVE (12) ADDITIONAL BOAT STALLS  
WITHIN THE MAIN THORNE BAY HARBOR

**WHEREAS**, the City Council is the governing body for the City of Thorne Bay, Alaska; and

**WHEREAS**, the Thorne Bay Municipal Code 18.20.070-Priority in Space Assignment, states that a person may rent more than 2 harbor stalls pending availability and approval from the Harbor Master and City Council; and

**WHEREAS**, Adventure Alaska understands that they may need to move their vessels if there is high demand from those who do not already pay for harbor stalls; and

**WHEREAS**, the Harbormaster has no objections to the City Council granting the request for additional harbor stalls as requested by Adventure Alaska.

**NOW, THEREFORE BE IT RESOLVED**, the City Council for the City of Thorne Bay, Alaska, hereby approves Adventure Alaska's request for renting 12 additional harbor stalls within the main Thorne Bay Harbor Facilities.

**PASSED AND APPROVED** by the City Council of the City of Thorne Bay, Alaska this 17<sup>th</sup> day of March 2026, with a vote of \_\_\_ Yeah and \_\_\_\_ Nay.

\_\_\_\_\_  
Timber Pesterfield, Mayor Pro-Tempore

ATTEST:

\_\_\_\_\_  
Caitlyn Sawyer, City Clerk/Treasurer