



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Agenda Borough Assembly Regular Meeting

Monday, May 04, 2026

12:00 PM

Assembly Chambers

Zoom Information

When: May 4, 2026 12:00 PM Alaska

<https://petersburgak-gov.zoom.us/j/83478685277?pwd=Tjc2Y2iXFcININPogmEhxCOCTbkA80.1>

Webinar ID: 834 7868 5277

Passcode: 543578

Call-in (Audio Only) (253) 215-8782

1. Call To Order/Roll Call

2. Voluntary Pledge of Allegiance

3. Approval of Minutes

A. Regular Assembly Meeting Minutes April 13, 2026

Note: The April 20, 2026 minutes will be presented for approval at the May 18, 2026 meeting.

4. Amendment and Approval of Meeting Agenda

5. Public Hearings

6. Bid Awards

7. Persons to be Heard Related to Agenda

Persons wishing to share their views on any item on today's agenda may do so at this time.

8. Persons to be Heard Unrelated to Agenda

Persons with views on subjects not on today's agenda may share those views at this time.

9. Boards, Commission and Committee Reports

10. Consent Agenda

A. Moose Lodge Club Alcohol License Renewal

The Moose Lodge has applied with the Alcohol & Marijuana Control Office (AMCO) to renew their Club Alcohol license. AMCO has determined the application to be complete. A local governing body may support or protest the renewal within 60 days of the notice of filing the application.

B. El Zarape LLC License Renewal

El Zarape has applied with the Alcohol & Marijuana Control Office (AMCO) to renew their Restaurant Eating Place license. AMCO has determined the application to be complete. A local governing body may support or protest the renewal within 60 days of the notice of filing the application.

C. Engagement of Outside Counsel Providing Bond Counsel Services

Finance Director Tow requests approval of Kutak Rock LLP for bond counsel services to provide legal support and ensure compliance with applicable laws for the Borough's bond financing activities. A letter from Kutak Rock is attached.

11. Report of Other Officers

A. Petersburg Medical Center

PMC CEO Hofstetter has provided a report on Medical Center activities.

B. US Forest Service

District Ranger Case will provide an update on Forest Service activities.

C. Petersburg School District

Petersburg School Superintendent Taylor will provide a report on school district activities.

D. Waterworth Presentation on FY 2027 Electric and Wastewater Rates

Waterworth, the Borough's utility rate study consultant, will provide a presentation outlining recommended electric and wastewater rates for FY 2027.

E. Data Centers: Informational Presentation

Utility Director Hagerman will provide additional information on data centers based on questions submitted by the public. These Frequently Asked Questions (FAQ's) will also be posted on the Borough website.

F. SEAPA Special Meeting report from April 28, 2026

Utility Director Hagerman will provide a report on SEAPA's recent special meeting of April 28, 2026, including information on a Wrangell solar project and other SEAPA business.

12. Mayor's Report

A. May 4, 2026 Mayor's Report

13. Manager's Report

A. May 4, 2026 Manager's Report

14. Unfinished Business

A. Ordinance #2026-05: An Ordinance of the Petersburg Borough Adjusting the FY 2026 Budget for Known Changes - Third Reading

If approved in three readings, this ordinance would make changes to the following funds:

Secure Rural Schools Revenue: The federal government approved the Secure Rural Schools Reauthorization Act of 2025 on December 18, 2025. The Borough received its FY24 payment on March 23, 2026, in the amount of \$722,484 for Title I Schools and Roads. A letter from the State of Alaska is attached.

Elderly Housing – Fund 470: Funds are proposed for replacement of Elderly Housing's 44- year- old dry sprinkler system valve and air compressor, which have exceeded their useful life. Details are included in the attached memorandum.

Fire Department: To complete the funding of new SCBA tanks and masks to replace expiring equipment. This expenditure was authorized by Resolution 2026- 05, approved March 16, 2026. The resolution is attached.

Waste Water Outfall Repair Project – Fund 764: This adds \$275,000 in loan funding from the Alaska Department of Environmental Conservation (ADEC) as well as a \$275,000 expense for the project. Ordinance #2026-05 was unanimously approved in its first and second readings.

15. New Business

A. Ordinance #2026-06: An Ordinance Amending Petersburg Municipal Code Title 20, Entitled “Watershed Management”, To Update Language and to Account for Borough Incorporation - First Reading

If approved, this ordinance will update and codify existing watershed management regulations into the borough code, reflect borough formation, and continue protections for the City Creek and Cabin Creek water supply watersheds to safeguard water quality and quantity for Service Area 1.

B. Ordinance #2026-07: An Ordinance Amending Petersburg Municipal Code Chapter 4.80 To Adjust the Marine Passenger Fee to Address Increased Borough Costs Associated with Services to and Infrastructure for Marine Passenger Vessels and Their Passengers - First Reading

If approved, this ordinance will amend the Marine Passenger Fee by increasing the per- passenger charge to address rising costs for public safety, harbor operations, sanitation, emergency response, and other Borough services and infrastructure impacted by marine passenger vessels, while codifying the change in the municipal code with the increase effective January 1, 2027.

C. Ordinance #2026-08: An Ordinance Updating Chapter 14.16 of the Municipal Code, Entitled “Electric Utility” - First Reading

If approved, this ordinance will update electric utility rates and charges for FY 2027 to ensure Petersburg Municipal Power & Light can fully cover operating expenses, inflation, capital needs, reserve requirements, and debt coverage obligations, while maintaining reliable electric service and codifying the revised rates and fees in the municipal code. A memo from Director Hagerman is attached.

D. Ordinance #2026-09: An Ordinance of the Petersburg Borough Adopting the Budget for the Fiscal Year July 1, 2026 Through June 30, 2027 - First Reading

If approved, this ordinance will adopt the Fiscal Year 2027 operating budget for the Petersburg Borough.

16. Communications

A. Correspondence Received Since April 16, 2026

17. Assembly Discussion Items

A. Scow Bay Fire Station and Training Facilities

This agenda item requested by Member Meucci

Discussion regarding current and proposed plans for the Scow Bay Fire Station, including the fire training tower and associated fire department vehicles and equipment.

B. Petro Marine Property – Harbor Department Use

This agenda item requested by Member Meucci

Discussion on the status of efforts to acquire or lease the Petro Marine property across from Petersburg Cold Storage for use by the Harbor Department, including equipment storage.

C. Use of Electric Vehicles for Borough Fleet

This agenda item requested by Member Meucci

Discussion on whether the Borough has investigated the use of electric vehicles (EVs) for municipal operations.

D. Maritime Prosperity Zone Discussions

This agenda item requested by Member Meucci

Discussion on Borough participation in discussions with the communities of Ketchikan and Wrangell regarding the proposed “Maritime Prosperity Zone.”

E. Tidal Network Contract Update

This agenda item requested by Member Meucci

Update and discussion regarding the status of the Borough’s contract with Tidal Network, including performance, scope, and next steps.

F. Assembly Member Comments

G. Recognitions

18. Adjourn



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Borough Assembly Regular Meeting

Monday, April 13, 2026

12:00 PM

Assembly Chambers

1. Call To Order/Roll Call

The meeting was called to order by Mayor Lynn at 12:00 noon.

PRESENT

Assembly Member Rob Schwartz
Vice Mayor Jeigh Stanton Gregor
Assembly Member James Valentine
Assembly Member Jeff Meucci
Assembly Member Bob Martin
Assembly Member Scott Newman

EXCUSED

Mayor Bob Lynn

2. Voluntary Pledge of Allegiance

The Pledge was recited.

3. Approval of Minutes

A. Regular Assembly Meeting Minutes March 16, 2026

The minutes of the March 16, 2026 meeting were unanimously approved as submitted.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Valentine.

Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

4. Amendment and Approval of Meeting Agenda

A motion was made by Member Meucci to add to Report of Other Officers a Clerk's report on the Human Resources conference.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Valentine.
Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

The agenda was approved as amended.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Newman.
Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

5. Public Hearings

There were no public hearings

6. Bid Awards

There were no bid awards.

7. Persons to be Heard Related to Agenda

Persons wishing to share their views on any item on today's agenda may do so at this time.

Molly Taiber, representing herself, spoke in support of the resolution for HB78, to return to a defined benefit plan for retirement.

Tom Kowalske, speaking for 300 people who signed a statement of concern regarding towers, recommended hiring someone to come to town to measure radio frequencies. He also wants the assembly to consider power needs before allowing data centers to come to town.

Joshua Adams, speaking for himself, said the planning commission is developing a communications tower overlay for state and federal lands. With the overlay they can work with the communication tower companies to help find better locations for towers.

Dana Thynes, representing herself, asked the Assembly to educate themselves about communications towers and their health impacts.

Tim Shumway, speaking for himself and the Associated Teachers of Petersburg, asked the Assembly to support House Bill 78 in its original form to restore a defined benefit program for public employees.

Eric Wolf, representing himself, spoke in support of HB78 and asked the Assembly to support it as written prior to the amendment.

Tara Lucas, speaking for herself, opposed the communications towers and data centers, citing health concerns.

Chad Carvey, speaking for himself, urged the Assembly to consider alternative sites for communications towers away from populated areas.

John Murgas, speaking for himself, addressed the cancellation of leases at the Scow Bay turnaround. He thanked the borough for leasing the spaces to him for the past 15 years and asked the Assembly to work with Taylor Pullar to let him keep his lease space.

Judy Ohmer, speaking for herself, commented on GCI’s proposal to install four communications towers in Petersburg and expressed a desire to see local ordinances updated to better protect the community from tower impacts.

Mike Corl, representing himself, requested that the Assembly consider allowing Taylor Pullar to keep his lease space because of the value of his business for boat haul-outs.

Luke Short, representing himself, spoke against communication towers citing health concerns.

Carolyn Carvey, representing herself, spoke about living at Papke’s and her concerns about potential health effects for people living near communications towers.

Heather O’Neil, representing herself, shared health concerns about living near a communications tower and the associated risks. She encouraged the Assembly to find alternative locations for the communications tower away from residences.

Mika Cline, representing herself, expressed support for ordinance language regulating the placement of communication towers. She urged the Assembly to move forward with new ordinance language to protect property values and preserve the aesthetics of Petersburg.

Jackie Tyson, representing herself, discussed alternatives to communication towers, including the use of underground and underwater cables to provide connectivity.

8. Persons to be Heard Unrelated to Agenda

Persons with views on subjects not on today's agenda may share those views at this time.

Thomas Kowalske, representing himself, spoke about the comprehensive plan that was written in 2016 and urged the Assembly to hire a grant writer to help apply for grants to pay to update the plan.

Mike Corl, representing himself, spoke about the Scow Bay turnaround and his support for the project but that he also has questions about how the borough will manage the water filtration system and the businesses providing services.

9. Boards, Commission and Committee Reports

There were no reports.

10. Consent Agenda

There were no consent agenda items.

11. Report of Other Officers

A. Petersburg Medical Center

PMC CEO Hofstetter updated the Assembly on Medical Center activities.

B. US Forest Service

District Ranger Case provided an update on Forest Service activities.

C. Petersburg School District

Superintendent Taylor provided an update on School District activities.

D. SEAPA Report

Utility Director and SEAPA Board Member Hagerman, provided a report on the March 26, 2026 SEAPA Board Meeting.

E. Clerk Update Clerk Regula thanked the Assembly for rescheduling the meeting to today to allow her and Deputy Clerk Glass to attend the SHRM Conference in Anchorage.

12. Mayor's Report

A. April 13, 2026 Mayor's Report

Vice Mayor Stanton Gregor read the Mayor's Report into the record.

13. Manager's Report

A. April 13, 2026 Manager's Report

Manager Giesbrecht read his report into the record.

14. Unfinished Business

There was no unfinished business.

15. New Business

A. Ordinance #2026-05: An Ordinance of the Petersburg Borough Adjusting the FY 2026 Budget for Known Changes - First Reading

If approved in three readings, this ordinance would make changes to the following funds:

Secure Rural Schools Revenue: The federal government approved the Secure Rural Schools Reauthorization Act of 2025 on December 18, 2025. The Borough received its FY24 payment on March 23, 2026, in the amount of \$722,484 for Title I Schools and Roads. A letter from the State of Alaska is attached.

Elderly Housing – Fund 470: Funds are proposed for replacement of Elderly Housing's 44- year- old dry sprinkler system valve and air compressor, which have exceeded their useful life. Details are included in the attached memorandum.

Fire Department: To complete the funding of new SCBA tanks and masks to replace expiring equipment. This expenditure was authorized by Resolution 2026- 05, approved March 16, 2026. The resolution is attached.

Waste Water Outfall Repair Project – Fund 764: This adds \$275,000 in loan funding from the Alaska Department of Environmental Conservation (ADEC) as well as a \$275,000 expense for the project.

By unanimous roll call vote, the Assembly approved Ordinance #2026-05 in its third and final reading.

Motion made by Assembly Member Newman, Seconded by Assembly Member Meucci.

Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

B. Resolution #2026-07: A Resolution of the Petersburg Borough Assembly Approving the Sale of Two Borough- Owned Parcels To 13 Rentals LLC

If approved, Resolution #2026- 07 will authorize the sale of two Borough- owned parcels at 805 and 807 Haugen Drive to 13 Rentals LLC, a sole member LLC owned by Dave Ohmer, under the negotiated Contract of Sale, for the purposes of construction of two residential duplexes.

The Planning Commission recommended approval after a July 8, 2025, public hearing, and the Assembly later authorized direct negotiations. The parcels are not needed for municipal use, and PMC 16.12.160(C) requires Assembly approval by resolution for their disposal.

The Contract of Sale is attached to this agenda item.

Resolution #2026-07 was approved by unanimous roll call vote.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Valentine.

Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

C. Resolution #2026-08: A Resolution Authorizing the Application for, and Execution of, a State Revolving Fund Loan

If approved, Resolution #2026-08 will authorize the Borough Manager to apply for and execute a State Revolving Fund loan from the Alaska Clean Water Fund in an amount up to \$275,000 to finance the Frederick Sound wastewater outfall repair project. Loan repayment would occur over a term not to exceed 20 years and is within the voter- approved wastewater enterprise fund debt authorization.

Resolution #2026-08 was approved by unanimous roll call vote.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Martin.

Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

D. Resolution #2026-09: A Resolution Declaring That Four Leases at Scow Bay May Be Terminated as the Properties Are Needed to Allow Construction of the New Haulout and Boatyard Project

If approved, this resolution will determine that certain Borough-owned leased premises at the Scow Bay project site are needed for a public purpose and authorize termination of four existing leases to allow construction of a fully funded boat haulout and work yard project.

Resolution #2026-09 was approved by unanimous roll call vote.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Martin. Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

E. Resolution #2026-10: A Resolution in Support of a Return to a Defined Benefit Retirement System for Public Employees, Including House Bill 78

If passed, this resolution will formally express the Petersburg Borough Assembly’s support for House Bill 78, which would allow eligible public employees to return to a defined benefit retirement system.

An amendment was adopted to insert the phrase “prior to the adoption of Amendment 1” in the final section of Resolution #2026- 10.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Newman.

Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

Resolution #2026-10 was unanimously approved as amended.

Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

F. Land Purchase Application

The Borough has received an application from Taylor Jensen to purchase Borough- owned property at 505 Mill Street. The Planning Commission held a public hearing on March 10, 2026, as required by PMC § 16.12.080, and recommends approval of the sale subject to the applicant either consolidating the parcel with an adjacent lot they own or granting a utility easement. The assessed value of the property is \$7,500.

The Assembly unanimously approved Taylor Jensen’s application to purchase Borough- owned property located at 505 Mill Street and approved the sale of the property by direct sale.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Valentine.

Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

G. Communications Tower Site Alternatives

Requested by Assembly Member Meucci

The Assembly discussed directing the Borough Manager to work with Tidal Network to identify alternative locations for the communications tower currently proposed adjacent to the Fire Station. The motion failed by a vote of 0–6.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Valentine.

Voting Nay: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

H. Bicycle and Pedestrian Path Maintenance and DOT Coordination

Requested by Assembly Member Meucci

The Assembly discussed directing the Borough Manager to work with the State of Alaska Department of Transportation to create a memorandum of understanding to coordinate snow removal from the bike and pedestrian path between the cemetery and the 2.5-mile marker during the winter months. The motion failed by a vote of 0–6.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Valentine.

Voting Nay: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

I. Research and Evaluation of a Fish Box Fee

Requested by Assembly Member Meucci

The Assembly discussed a motion directing the Borough Manager to research implementing a \$10.00 fish box fee similar to the one in Sitka. The motion failed by a vote of 1–5.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Valentine.

Voting Yea: Assembly Member Meucci
Voting Nay: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Martin, Assembly Member Newman

J. Letter of Support for Tidal Network Extension Request

Requested by Assembly Member Meucci

The Assembly unanimously approved a letter of support for Tidal Network related to its request for an extension of its Tribal Broadband Connectivity Program award.

Motion made by Assembly Member Meucci, Seconded by Assembly Member Valentine.

Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman

16. Communications

A. Correspondence Received Since 3.11.2026

17. Assembly Discussion Items

A. Board of Equalization Summary

Vice Mayor Stanton Gregor requested this discussion item.

Vice Mayor Stanton Gregor reminded the Assembly of its duties and responsibilities when acting as the Board of Equalization. The hearing will be held on April 14th.

B. Assembly Member Comments

Member Valentine asked if Public Works could add two trash cans on Libby Straits where the DOT and Borough lines meet.

C. Recognitions

Emergency Services Director Hankins recognized four members of the volunteer fire department who attended the Southeast EMS Regional Conference, where they earned first place in the Pediatric CPR competition. Those recognized included EMS Coordinator Ryan Gilkey, Lieutenant Sarah Wright, Michael Burnett, and Katie Pearson.

18. Adjourn

The meeting was adjourned at 2:48 p.m.

Motion made by Assembly Member Valentine, Seconded by Assembly Member Schwartz. Voting Yea: Assembly Member Schwartz, Vice Mayor Stanton Gregor, Assembly Member Valentine, Assembly Member Meucci, Assembly Member Martin, Assembly Member Newman



THE STATE of ALASKA GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE 550 West 7th Avenue, Suite 1600 Anchorage, AK 99501 Main: 907.269.0350

April 16, 2026

From: Alcohol.licensing@alaska.gov; amco.localgovernmentonly@alaska.gov;

Licensee: Petersburg Lodge No. 1092 Loyal Order Of Moose DBA: Loyal Order of Moose #1092 Via email: lodge1092@mooseunits.org Local Government 1: Petersburg Borough Via email: tiffany.glass@petersburgak.gov; bregula@petersburgak.gov

Re: Club License #745 Combined Renewal Notice for 2026-2027 Renewal Cycle

Table with 2 columns: Field Name and Value. Fields include License Number (#745), License Type (Club License), Licensee (Petersburg Lodge No. 1092 Loyal Order Of Moose), Doing Business As (Loyal Order of Moose #1092), Physical Address (15 Fram Street, Petersburg, AK 99833), Designated Licensee (Duane Bell), Phone Number (907-772-4616), and Email Address (lodge1092@mooseunits.org).

[X] License Renewal Application [] Endorsement Renewal Application

Dear Licensee:

Our staff has reviewed your application after receiving your application and the required fees. Your renewal documents appear to be in order, and I have determined that your application is complete for purposes of AS 04.11.510, and AS 04.11.520.

Your application is now considered complete and will be sent electronically to the local governing body(s), your community council if your proposed premises are in Anchorage or certain locations in the Matanuska-Susitna Borough, and to any non-profit agencies who have requested notification of applications. The local governing body(s) will have 60 days to protest the renewal of your license.

Your application will be scheduled for the June 23rd, 2026 board meeting for Alcoholic Beverage Control Board consideration. The address and call-in number for the meeting will be posted on our home page. The board will not grant or deny your application at the meeting unless your local government waives its right to

protest per AS 04.11.480(a). Information about this board meeting can be found on our website closer to the date of the board meeting. [Home, Alcohol & Marijuana Control Office](#)

Please feel free to contact us through the Alcohol.licensing@alaska.gov email address if you have any questions.

Dear Local Government:

We have received completed renewal applications for the above-listed licenses within your jurisdiction. This is the notice required under AS 04.11.480. A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license with one or more endorsements, or issuance of an endorsement by sending the director and the applicant a protest and the reasons for the protest in a clear and concise statement within 60 days of the date of the notice of filing of the application. A protest received after the 60-day period may not be accepted by the board, and no event may a protest cause the board to reconsider an approved renewal, relocation, or transfer.

To protest any application(s) referenced above, please submit your written protest for each within 60 days to AMCO and provide proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before the meeting of the local governing body. If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Sincerely,
Reece Parks, Licensing Examiner II
For
Kevin Richard, Director



THE STATE of ALASKA GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE 550 West 7th Avenue, Suite 1600 Anchorage, AK 99501 Main: 907.269.0350

April 20, 2026

From: Alcohol.licensing@alaska.gov; amco.localgovernmentonly@alaska.gov;

Licensee: El Zarape LLC

DBA: El Zarape

Via email: marcif@ymail.com

Local Government 1: Petersburg Borough

Via email: tiffany.glass@petersburgak.gov; bregula@petersburgak.gov

Re: Restaurant Eating Place License #6055 Combined Renewal Notice for 2026-2027 Renewal Cycle

Table with 2 columns: Field Name and Value. Fields include License Number (#6055), License Type (Restaurant Eating Place License), Licensee (El Zarape LLC), Doing Business As (El Zarape), Physical Address (114 N Nordic Drive, Petersburg, AK 99833), Designated Licensee (Marci Figueroa), Phone Number (907-330-4330), and Email Address (marcif@ymail.com).

[X] License Renewal Application

[] Endorsement Renewal Application

Dear Licensee:

Our staff has reviewed your application after receiving your application and the required fees. Your renewal documents appear to be in order, and I have determined that your application is complete for purposes of AS 04.11.510, and AS 04.11.520.

Your application is now considered complete and will be sent electronically to the local governing body(s), your community council if your proposed premises are in Anchorage or certain locations in the Matanuska-Susitna Borough, and to any non-profit agencies who have requested notification of applications. The local governing body(s) will have 60 days to protest the renewal of your license.

Your application will be scheduled for the June 16th, 2026 board meeting for Alcoholic Beverage Control Board consideration. The address and call-in number for the meeting will be posted on our home page. The board will not grant or deny your application at the meeting unless your local government waives its right to

protest per AS 04.11.480(a). Information about this board meeting can be found on our website closer to the date of the board meeting. [Home, Alcohol & Marijuana Control Office](#)

Please feel free to contact us through the Alcohol.licensing@alaska.gov email address if you have any questions.

Dear Local Government:

We have received completed renewal applications for the above-listed licenses within your jurisdiction. This is the notice required under AS 04.11.480. A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license with one or more endorsements, or issuance of an endorsement by sending the director and the applicant a protest and the reasons for the protest in a clear and concise statement within 60 days of the date of the notice of filing of the application. A protest received after the 60-day period may not be accepted by the board, and no event may a protest cause the board to reconsider an approved renewal, relocation, or transfer.

To protest any application(s) referenced above, please submit your written protest for each within 60 days to AMCO and provide proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before the meeting of the local governing body. If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Sincerely,
Reece Parks, Licensing Examiner II
For
Kevin Richard, Director

April 17, 2026

VIA EMAIL

Ms. Jody Tow, Finance Director
Petersburg Borough
P.O. Box 329
Petersburg, AK 99833

Re: Engagement as Outside Counsel Providing Bond Counsel Services

Dear Ms. Tow,

Kutak Rock LLP (the “**Firm**”) appreciates the opportunity to provide legal advice and support as outside bond counsel to Petersburg Borough, Alaska (the “**Borough**”). Our desire is to provide you with quality legal services to meet your immediate needs in a cost-effective manner. This letter (the “**Letter**”) should provide a mutual understanding of expectations regarding services to be performed.

The client, for purposes of the representation described herein, is the Borough. The scope of the engagement undertaken by the Firm is to provide legal advice as outside bond counsel with respect to such matters referred by the Borough to me at your discretion. The rendering of legal opinions, tax advice, or legal advice in connection with any structured financings (such as long-term fixed-rate governmental obligations) for the Borough (collectively, the “**Borough Financings**”) will be provided by the Firm as separate matters for each Borough Financing.

Our fee to act as Bond Counsel for the Borough in connection with Borough Financings will be set according to the size, structure and complexity of the proposed Borough Financing, and our estimate of the amount and nature of the legal work necessary to achieve a closing on the proposed Borough Financing. The fee will include routine out-of-pocket disbursements (such as photocopying charges, delivery expenses, and postage). Any extraordinary disbursements or expenses authorized by the Borough will be billed directly to the Borough. The partners who will be principally involved in this representation are Tanya Lawless and Matthias Edrich. Other Firm attorneys and paralegals may be added to the team as our work progresses. Unless other payment arrangements are made, our fees are contingent upon the closing or completion of each Borough Financing and will be due at closing or completion of such Borough Financing.

Throughout our representation, we want you to be satisfied with our fees as well as the professional services we perform on your behalf. Accordingly, we invite your inquiry if you have any questions concerning any aspect of our representation.

KUTAKROCK

Petersburg Borough, Alaska
April 17, 2026
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We will process through the Firm's conflict system the parties to all matters referred by you to me and the Firm for review. In the event that we identify a conflict, we will attempt to resolve it or obtain a conflicts waiver, but if we are unable to resolve the conflict, the Firm and I will not provide legal advice on such matter.

All of the Borough's communications with us are legally protected by the attorney-client privilege which only the Borough can waive. Because this privilege could be inadvertently waived by the Borough if it provides privileged material or communications to third parties, we recommend that you retain all letters, invoices and other communications from and to us in a separate file marked "Attorney-Client Privileged Materials" and keep the file in a secure place. In addition, we will treat your matter as confidential, and we will not (unless you specifically grant us the authority to do so) discuss or otherwise make available to anyone, including other clients, any information about the Borough, its business or our work on your behalf.

The Borough may terminate our services at any time by notifying us thereof in writing. Similarly, we may withdraw as legal counsel to the Borough and terminate this engagement at any time by notifying the Borough thereof in writing. In either event, you will be required to pay all of our fees for services rendered and expenses incurred through the date of termination. All fees and expenses shall be due and payable on the date of termination.

If, upon termination or completion of a matter, you wish to have your documents in our possession delivered to you, please advise us. Otherwise, all such documents will be stored for a reasonable amount of time and will thereafter be destroyed in accordance with our established document retention policy.

We will perform our professional services on your behalf to the best of our ability, but we cannot make and have not made any guarantees regarding the outcome of our work on your matters. Any expressions by us about the outcome of your matters are our best professional views only and are limited by our factual knowledge at the time they are expressed.

This Letter is an agreement between the Borough and Kutak Rock, and neither this Letter nor the performance of the terms hereof shall create any rights in any other person. There are no third-party beneficiaries to this Letter. This Letter shall be construed, interpreted and governed by the laws of the State of Alaska without regard to the principles of conflicts of law.

If the above sets forth our understanding to your satisfaction, please confirm the terms of our engagement by signing, dating and returning the enclosed copy of this letter. If the foregoing does not reflect your understanding or if you wish to discuss additional projects with us, please contact me.

This letter may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be an original, but all of which shall constitute one and the same instrument.

KUTAKROCK

Petersburg Borough, Alaska
April 17, 2026
Page 3

We look forward to working with you.

Sincerely yours,

KUTAK ROCK LLP



Tanya L. Lawless, Partner

The agreements in the foregoing Letter have been read and approved as of the date set forth below.

PETERSBURG BOROUGH, ALASKA

By: _____

Name: Jody Tow

Title: Finance Director

Date: _____, 2026



PMC Executive Summary May 2026

Mission Statement: Excellence in healthcare services and the promotion of wellness in our community.

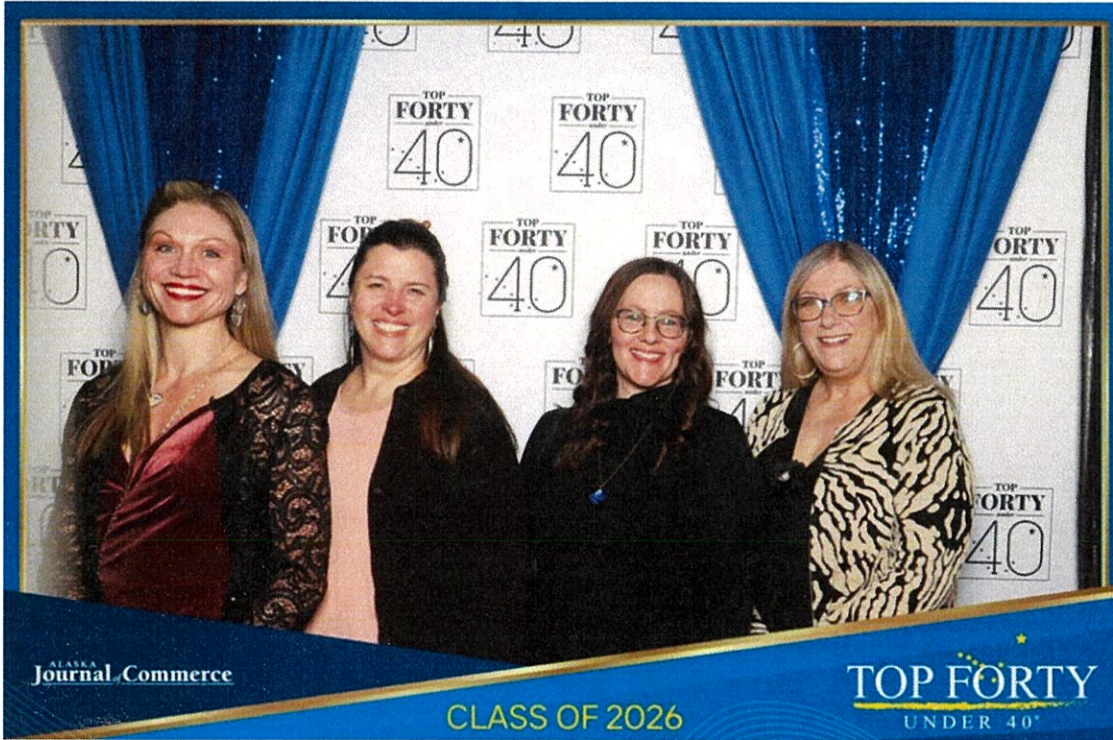
Guiding Values: Dignity, Integrity, Professionalism, Teamwork, and Quality

Summary: I attended the annual American Hospital Association meeting in Washington, D.C. alongside members of the Alaska Hospital & Healthcare Association executive board and CEO. The meeting focused on key federal healthcare issues from the past year and priorities moving forward. Speakers included policymakers such as Sen's Chuck Schumer, Josh Hawley, and Susan Collins, Representatives Greg Landsman, Richard Neal, and Blake Moore, as well as CMS's Mehmet Oz, Chris Klomp, FBI deputy Director Andrew Bailey, and presidential historian Jon Meacham. Key themes included federal health policy discussions around Medicaid (including potential cuts and work requirements), rural health transformation funding, and the growing role of technology and AI in healthcare delivery. There was also significant focus on challenges with commercial insurers—particularly prior authorizations and claim denials—and the need for greater accountability. Notably, healthcare experienced more cyberattacks than any other sector over the past year. Overall, the conference emphasized ongoing efforts to align policy, funding, and operations to better “right-size” healthcare systems nationwide. In addition, we met directly with Alaska’s federal delegation, including Dan Sullivan, Lisa Murkowski, and Nick Begich III. They were generous with their time and engaged in meaningful discussion, particularly around how the Rural Health Transformation Program (RHTP) is being viewed and ultimately allocated to hospitals. These conversations were valuable in reinforcing the importance of ensuring rural providers like PMC are positioned to effectively access and utilize these funds.



Workforce Wellness: Goal: To create a supportive work environment and promote the physical and mental well-being of hospital staff to improve retention and overall productivity.

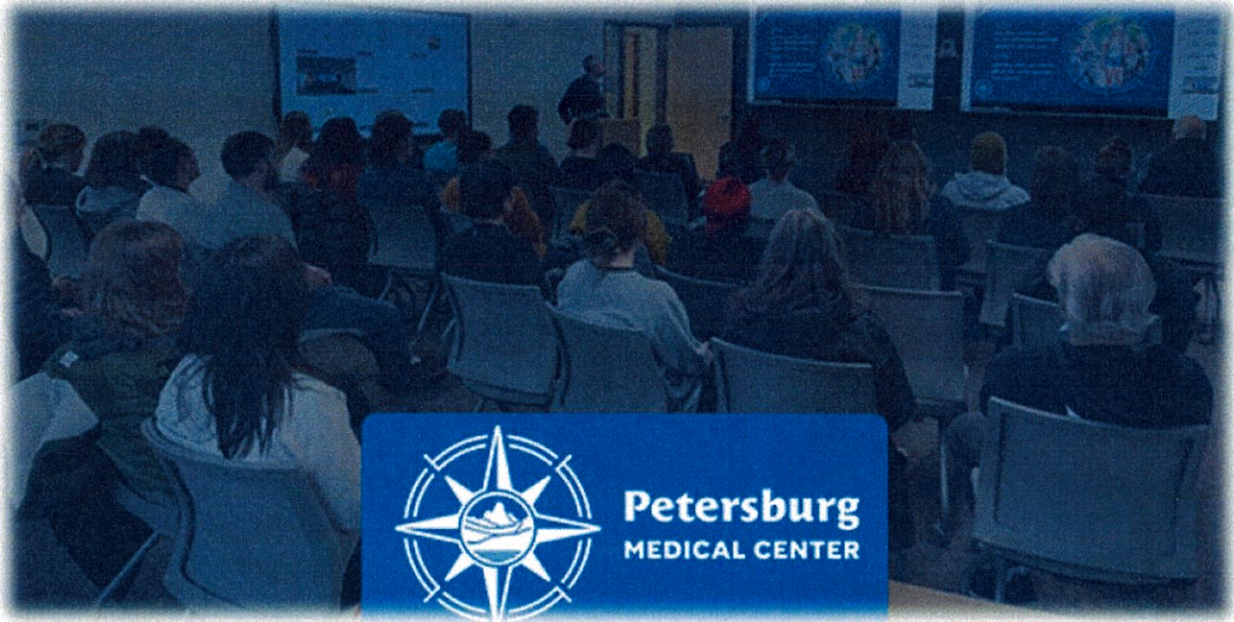
- **April 1:** Provider Lunch/Discussion
- **April 10:** Employee Satisfaction Survey window closes
- **April 10:** Katie Holmlund recognized in Anchorage at the Top Forty Under 40 Gala Event.



- **April 17:** Manager Meeting
- **Ongoing:** Employee Meals
- **Ongoing:** Employee Recognition and Rewards



- **Upcoming:** Employee Forum is on May 5th and May 8th at 10am, open to Board Members as well.



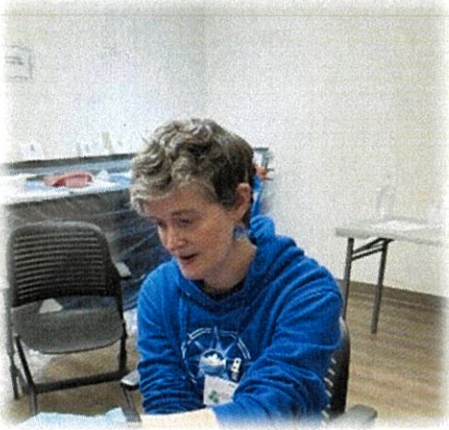
Community Engagement: *Goal: To strengthen the hospital's relationship with the local community and promote health and wellness within the community.*

- **April 1:** Met with School Superintendent to discuss future school nursing needs
- **April 4:** The PMC Foundation is proud to be a recipient of the Federal Home Loan Bank of Des Moines Member Impact Fund Award through partnership with First Bank. Community support like this makes a real difference and helps us continue to invest in the future of healthcare in Petersburg. This award assists with continuing education for PMC staff and scholarships for PHS seniors entering the healthcare



field, as well as medivac assistance for community members during stressful emergency travel.

- **April 10:** Training in Wrangell was attended by our nursing and medical staff. This is the second year Petersburg Medical Center has been invited, and we're grateful for the continued collaboration with our regional partners.



- **April 13:** Submitted written report and attended/reported out at Borough Noon Assembly Meeting.
- **April 18:** Beat the Odds Foundation Race Against Cancer
- **April:** Quarterly Newsletter published [PMC Newsletter Archive - PETERSBURG MEDICAL CENTER](#) .
- **April 25:** PMC Youth Programs Summer Camp Info Session
- **April 30:** Hospital Board Meeting open to the public, and broadcast live on KFSK
- **Ongoing:** Kinder Skog Program -Newly added is the opportunity for any community member to sponsor a Skoggy and open the door to camp for a child. If you have any questions or would like more information, please call Katie at 907-531-5913 or email kholmlund@pmc-health.org
- **Ongoing:** Bingocize and Tai Chi Programs- Tai Chi will be moving to the WERC building starting May 13th.
- **Ongoing:** CNA training course has started and is ongoing.
- **Ongoing:** UAA nursing program, we currently have two employees enrolled in this course, with an upcoming pinning ceremony in early May. We are very proud of their dedication and commitment to completing this program and earning their Associate of Applied Science in Nursing through the University of Alaska Anchorage. This pinning ceremony symbolizes the transition from student to professional nurse.



- **Ongoing:** PMC is currently in the process of developing a new website designed to enhance usability and improve access to information for our patients and the community we serve.

Patient Centered Care: *Goal: To provide high-quality, patient-centered care, and promote wellness for patients.*

- **April 8:** Medstaff Meeting
- **April 15:** Quality Meetings (IP)
- **April 16:** LTC High Country Radio Show-music picked by and for our residents
- **April 23:** MRI Certificate of Need approved!



- **Joy Janssen Clinic** Access to Primary Care: We are currently staffed with 3 Physicians and 3 mid-level practitioners. Locums staffed as needed.
 - We are actively looking for a provider to fill the 4th position available.

- As of April 12th, 2026, average patient access across all providers reflects a 11-day wait for the next available appointment and 14 days for the third next available, indicating relatively consistent scheduling availability.
 - Same day acute care appointments remain consistently available.
 - Clinic is open and available M-F 8AM-5PM, and Saturday 8AM-12, 1PM-4:30PM. Same day appointments for urgent or acute care are readily available.
 - Flu shots available at clinic, call for appointment.
- **Audiology**: Phil Hofstetter continues to see patients in the Specialty Clinic. Call 772-5792 to schedule.
 - **Psychiatry**: services are ongoing via telehealth with Dr. Sonkiss by referral.
 - **Integrative Medicine**: Integrated Medicine with Dr. Hyer is offered via telehealth, email Dr. Hyer directly at jhyer@pmc-health.org to schedule.
 - **Optometry Clinic**: Dr. Kamey Kapp, Optometrist with Last Frontier Eye Care, regularly visiting Petersburg in the Specialty Clinic with her next visit scheduled for May. Please call 907-434-1554 to schedule appointments.
 - **Scopes Clinic**: Dr. Taggart and CRNA Jenilyn Lo were here in Petersburg in April seeing referred patients. This was their second visit, doing scopes for Petersburg residents.
 - **Dermatology**: Cameron French held a dermatology clinic this month.
 - **Orthopedic Clinic**: Discussions are ongoing to explore options for bringing ortho clinic specialty to Petersburg.
 - **Cardiology**- Exploring options for cardiac testing locally

New Facility: *Goal: To expand the capacity and capabilities of the community borough-owned rural hospital through the construction of a new facility, while considering the needs and priorities of the local community.*

- WERC's open house will be scheduled once MRI services are fully operational. We are now ready to get a technician for the MRI since our Certificate of Need has been approved by the State. With the snow mostly cleared from the grounds and warmer weather approaching, we plan to complete some general site clean-up and preparations in advance of the event.
- Seeking Art Proposals: PMC is seeking inviting, contemporary art representative of the people of Petersburg, the area's nature-based environment, and Petersburg's unique history to decorate the walls of the WERC building. Proposals are due May 31, 2026. Eligibility: Alaskan Artists. Maximum 3 proposals.

Financial Wellness: *Goal: To achieve financial stability and sustainability for the hospital. FY25 Benchmarks for Key Performance Indicators (KPIs): Gross A/R days to be less than 55, DNFB < then 5 days, and 90 Days Cash on Hand*

- Accounts Receivables (AR) Update: This number was at 96 in March of last year, and as of April 17th, 2026, we are at 52.

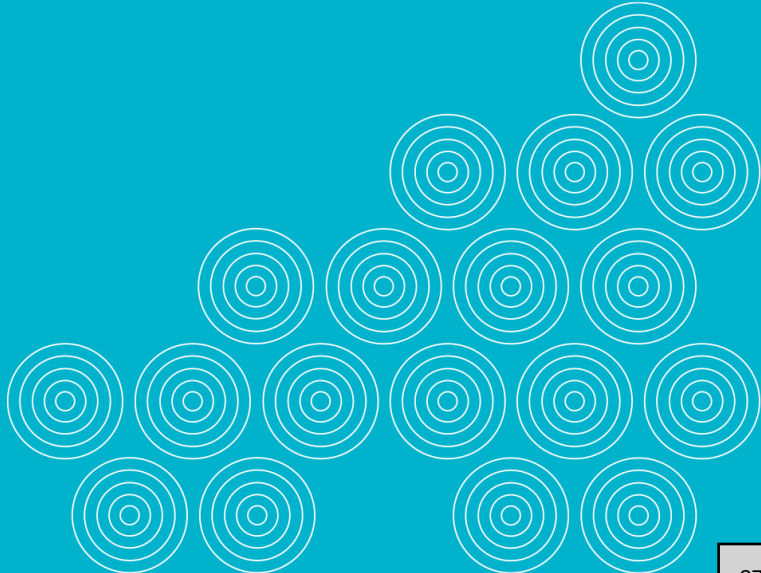
- There are still many unknowns with the Rural Health Transformation Program. PMC submitted our requests and we are waiting to hear back to see if we will be able to move forward with next steps in that process, which may be a more detailed, line-item request.



Submitted by: Phil Hofstetter, CEO





W A T E R W O R T H™



Waterworth

A financial forecasting and revenue calibration solution adopted by hundreds of organizations across North America. Our job is to help utilities like yours plan financially — so you can avoid surprises, avoid emergency rate hikes, and make smart choices about how to invest in your infrastructure.

Our Tool

- Continuous Process 
- Full Cost Recovery 
- Communication 

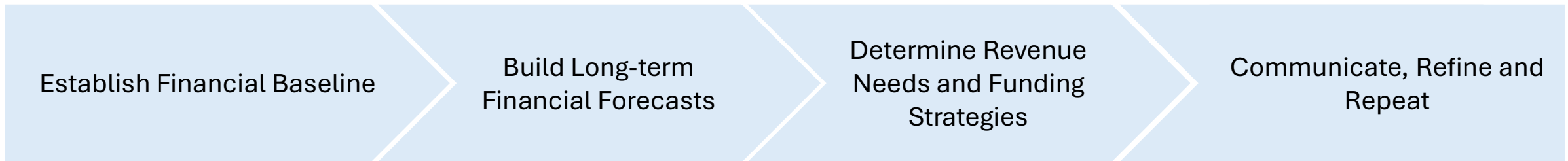
Presentation Outcomes



- To have a clear picture on current/forecasted financials
- To know what the revenue requirements are
- To have an actionable plan

- Understanding of our tool/process
- To know how we have produced the information
- Have confidence in the results

Our Process

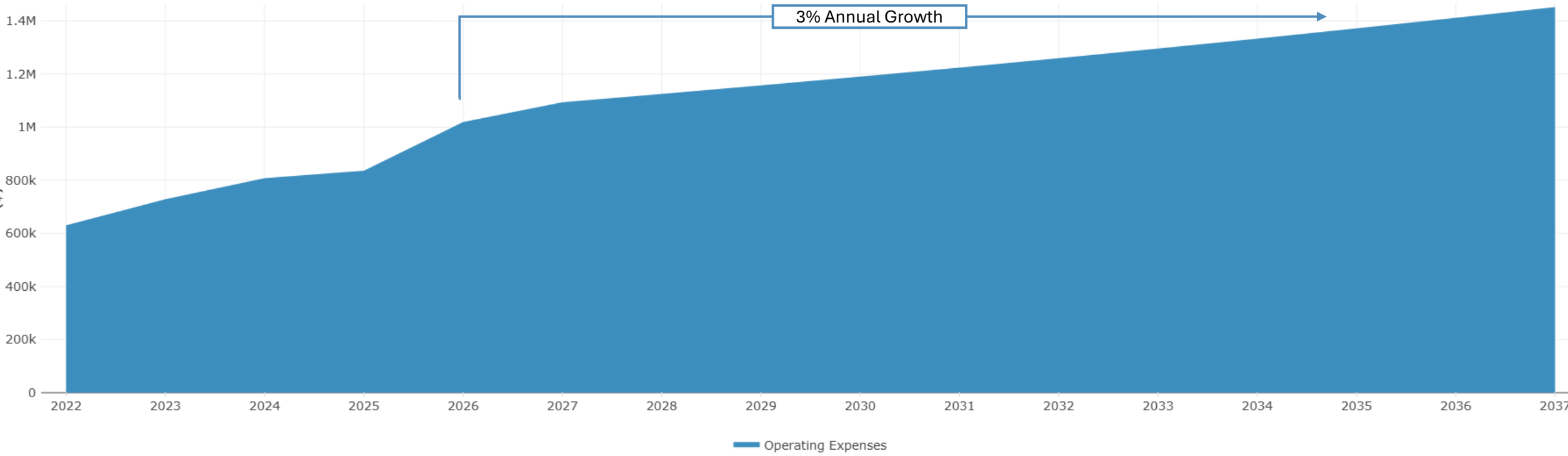


Wastewater

Revenue Requirements

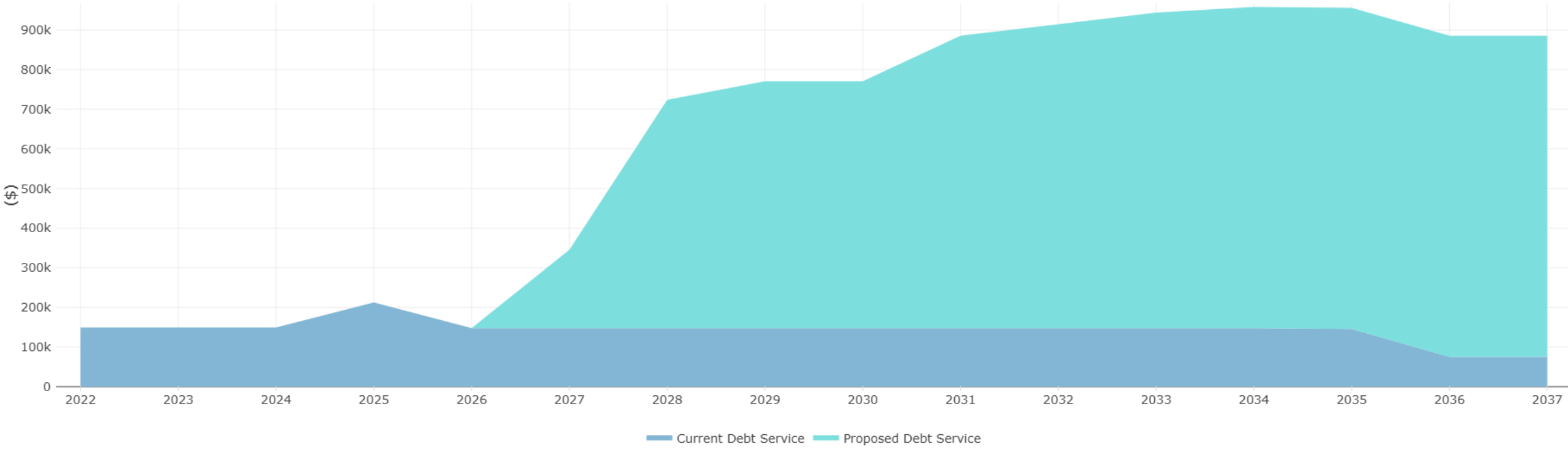
Operating Expenses

This chart illustrates the operating & maintenance expenses - the routine costs required to provide safe and reliable wastewater service. These include but are not limited to salaries & benefits, contracted services, system maintenance, utilities, treatment chemicals, insurance and other operating and administrative costs.



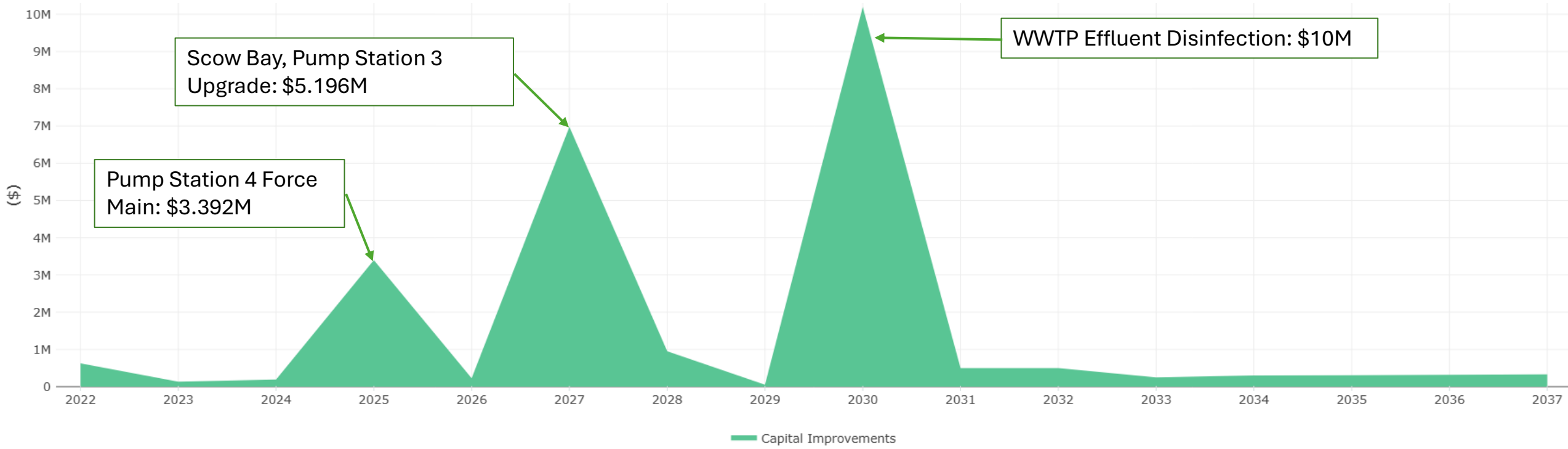
Debt Expense

This chart represents the utility's use of debt to fund capital investments and manage cash flow needs. Debt financing allows the utility to spread the cost of large infrastructure projects over time, aligning repayment with the useful life of the assets and the benefits received by future ratepayers. Historic figures reflect actual debt service payments, while future projections are based on existing debt schedules and anticipated borrowing tied to planned capital improvements.



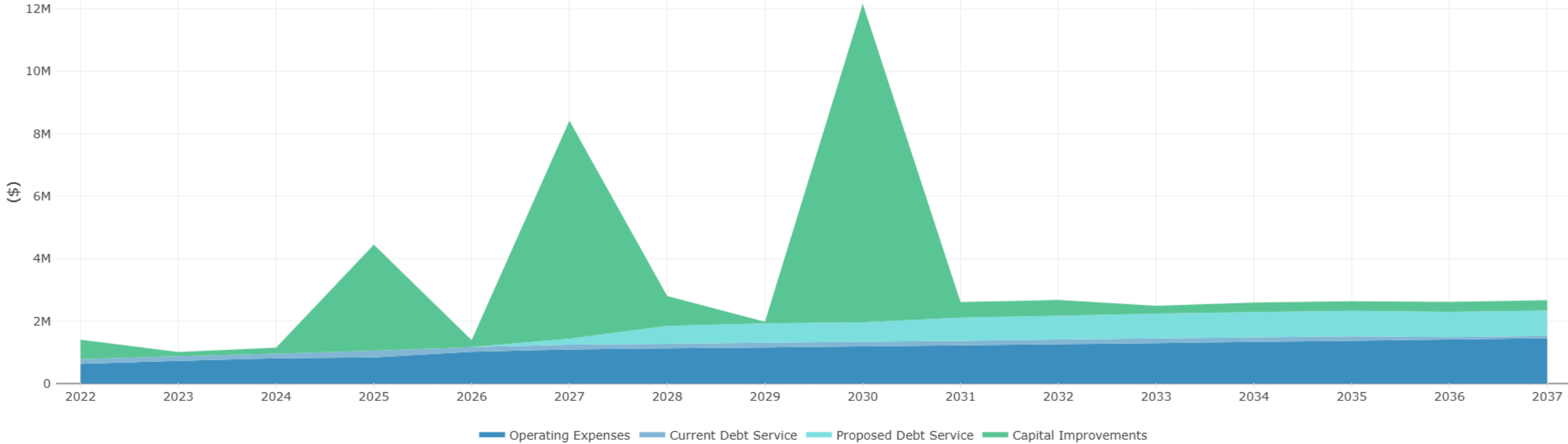
Capital Expenses

In addition to meeting ongoing operating costs, the utility must continue to invest in capital improvements for system renewal and capacity improvements to ensure long-term service reliability. Historic years are based on audited actuals, the current year on the approved budget, and future years on projections from a Capital Improvement Plan.



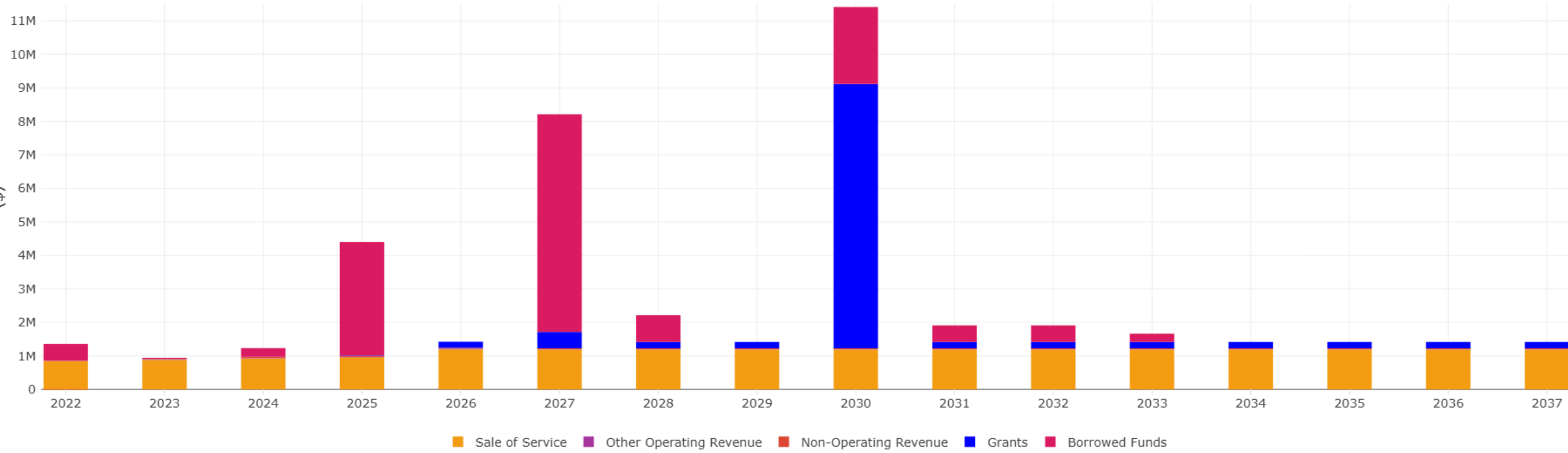
Revenue Requirements

Revenue requirements are the total annual funds needed to operate, maintain, and reinvest in infrastructure sustainably. This includes operating costs, debt service, and capital replacement needs. Understanding these requirements helps ensure long-term financial planning, supports rate setting, and highlights funding gaps to guide informed decisions.



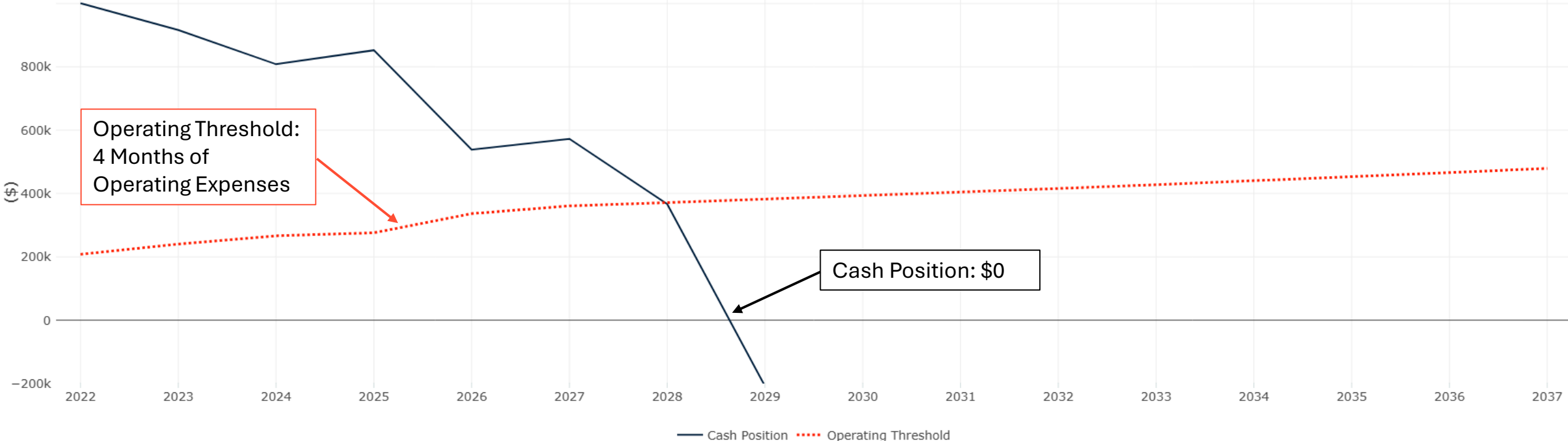
Projected Revenues – Status Quo

Status quo revenues refer to the funding expected under current rates, policies, and practices without any changes. This projection helps determine whether existing revenue streams are sufficient to cover future operating costs, debt obligations, and capital needs. Comparing status quo revenues to revenue requirements reveals any gaps that may need to be addressed through rate adjustments or new funding sources.



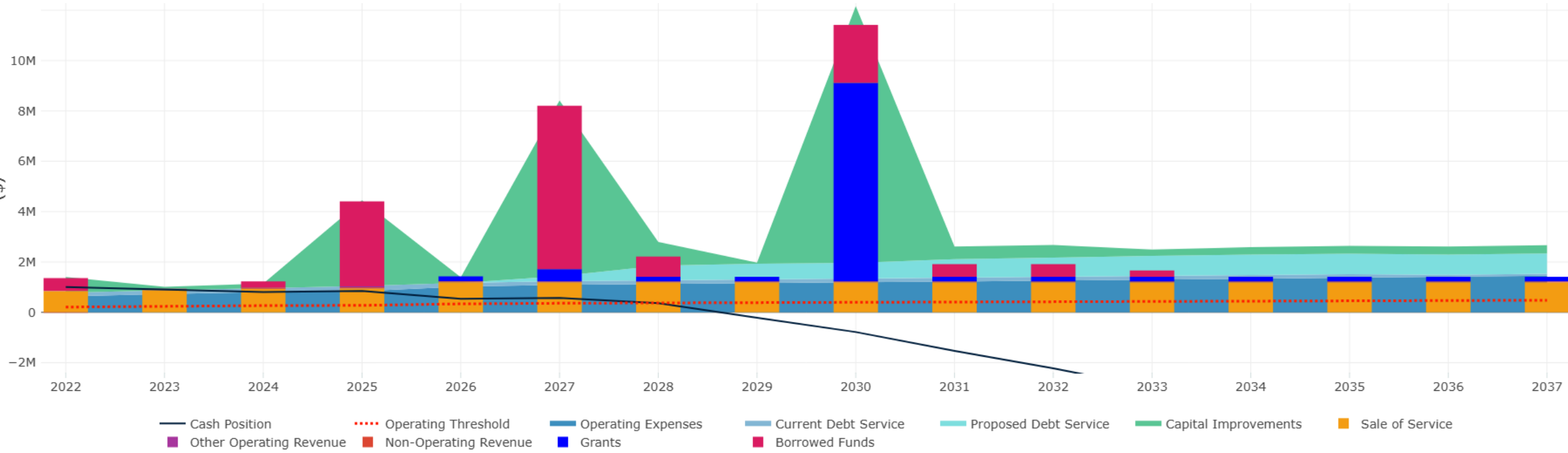
Cash Position

The cash position reflects the available funds a utility has on hand to cover operations, emergencies, and financial obligations. Maintaining adequate cash reserves—guided by targets or thresholds—ensures stability, supports long-term planning, and helps manage unexpected costs. Regularly tracking the cash position is key to maintaining financial resilience.



Status Quo - Long Term Financial Model

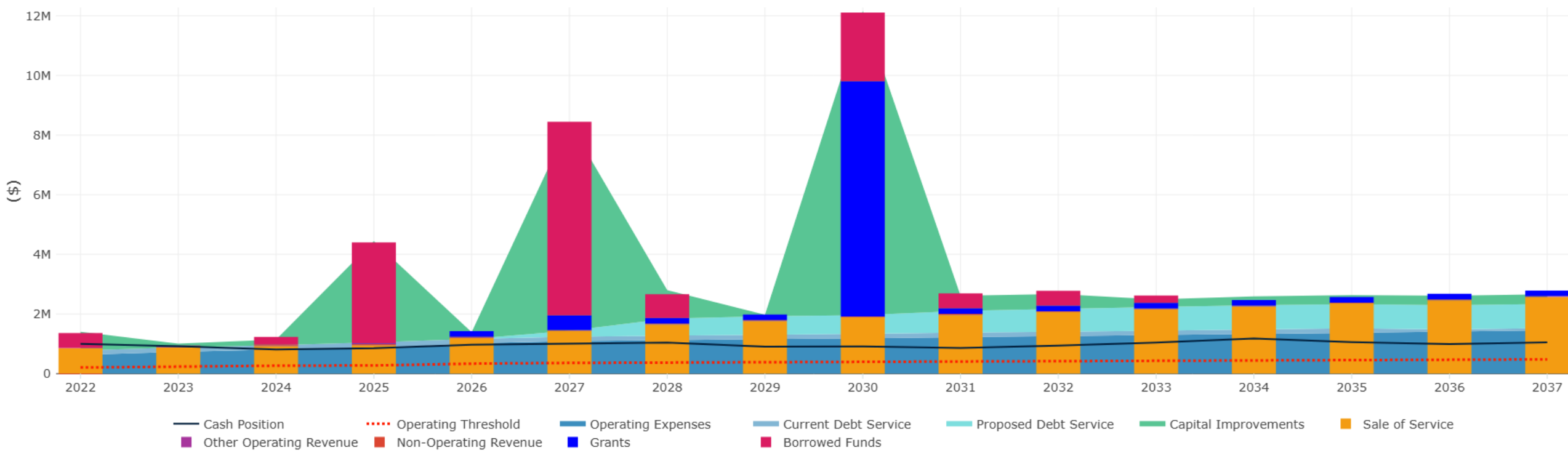
The status quo long-term financial model reflects the utility’s projected financial performance under current rates and policies, before any revenue increases are considered. It shows how existing revenues align with future expenses, capital needs, and cash reserve targets. This model helps identify potential funding gaps, assess long-term sustainability, and determine whether adjustments are needed to maintain financial stability.



Proposed Solution

Proposed Solution A - Long Term Financial Model

The long-term financial model with proposed revenue increases shows the utility’s projected financial performance after implementing changes to rates or funding strategies. It illustrates how the additional revenue impacts the ability to cover operating costs, fund capital reinvestment, and maintain target cash reserves. This version of the model helps assess whether the proposed increases are sufficient to achieve long-term financial sustainability and meet established financial goals.



Details	2027	2028	2029	2030	2031→
Sale of Service	20%	15%	7%	7%	4.5%

Proposed Solution – Rate Adjustment in FY27

The long-term financial model with proposed revenue increases shows the utility’s projected financial performance after implementing changes to rates or funding strategies. It illustrates how the additional revenue impacts the ability to cover operating costs, fund capital reinvestment, and maintain target cash reserves. This version of the model helps assess whether the proposed increases are sufficient to achieve long-term financial sustainability and meet established financial goals.

Current Rates		
Meter Size	Base Charge [\$]	Variable Charge [\$/kUSG]
3/4" (Senior Discount)	28.41	0.72
3/4"	56.79	1.44
1"	127.24	1.44
1 1/2"	306.16	1.44
2"	612.38	1.44
3"	1179.60	1.44
6"	3080.80	1.44

Proposed Rates		
Meter Size	Base Charge [\$]	Variable Charge [\$/kUSG]
3/4" (Senior Discount)	34.10	0.86
3/4"	68.15	1.73
1"	152.69	1.73
1 1/2"	367.40	1.73
2"	734.85	1.73
3"	1415.52	1.73
6"	3696.96	1.73

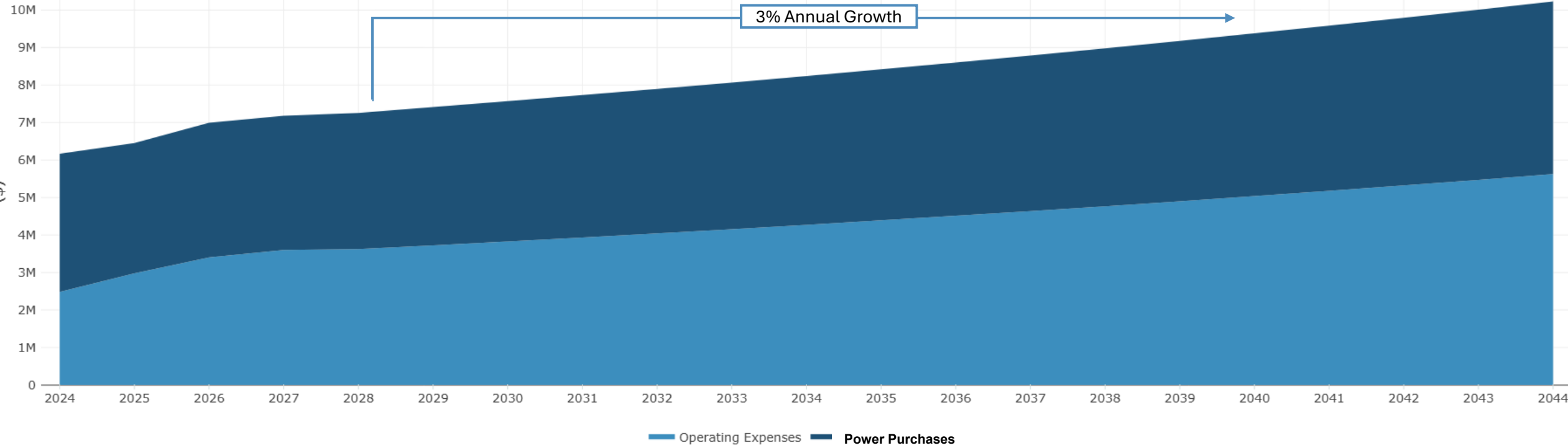
Average User
 3/4" Meter
 4000 USG

	Current	Proposed	Change
Fixed	56.79	68.15	11.36
Variable	5.75	6.90	1.15
Total	62.54	75.05	12.51

Electric

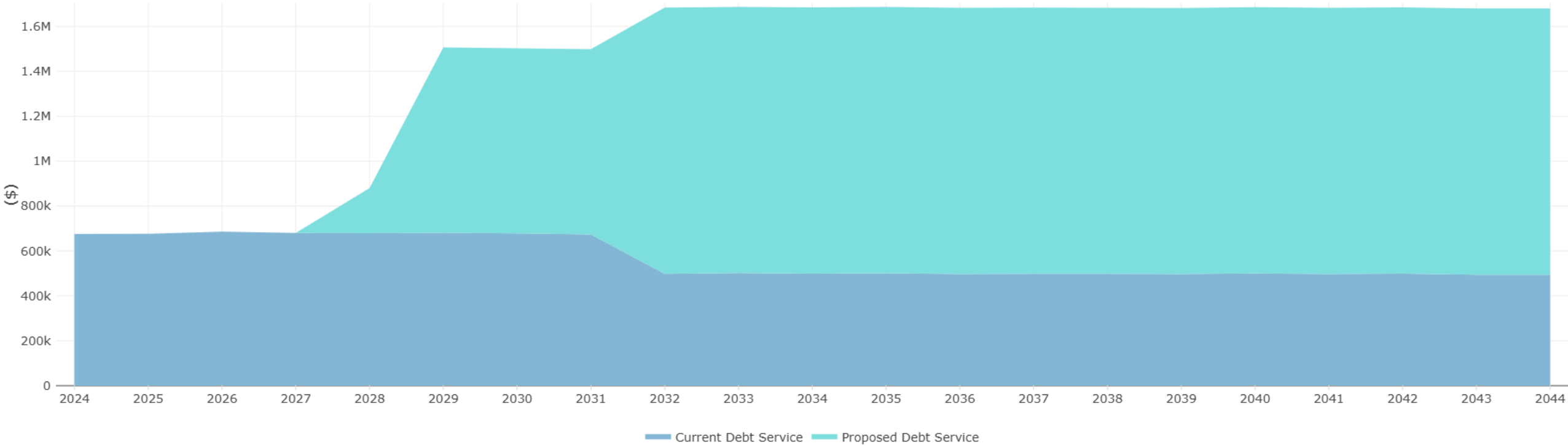
Operating Expenses

This chart illustrates the operating & maintenance expenses - the routine costs required to provide safe and reliable electric service. These include but are not limited to salaries & benefits, power purchases, system maintenance, utilities, insurance and other operating and administrative costs.



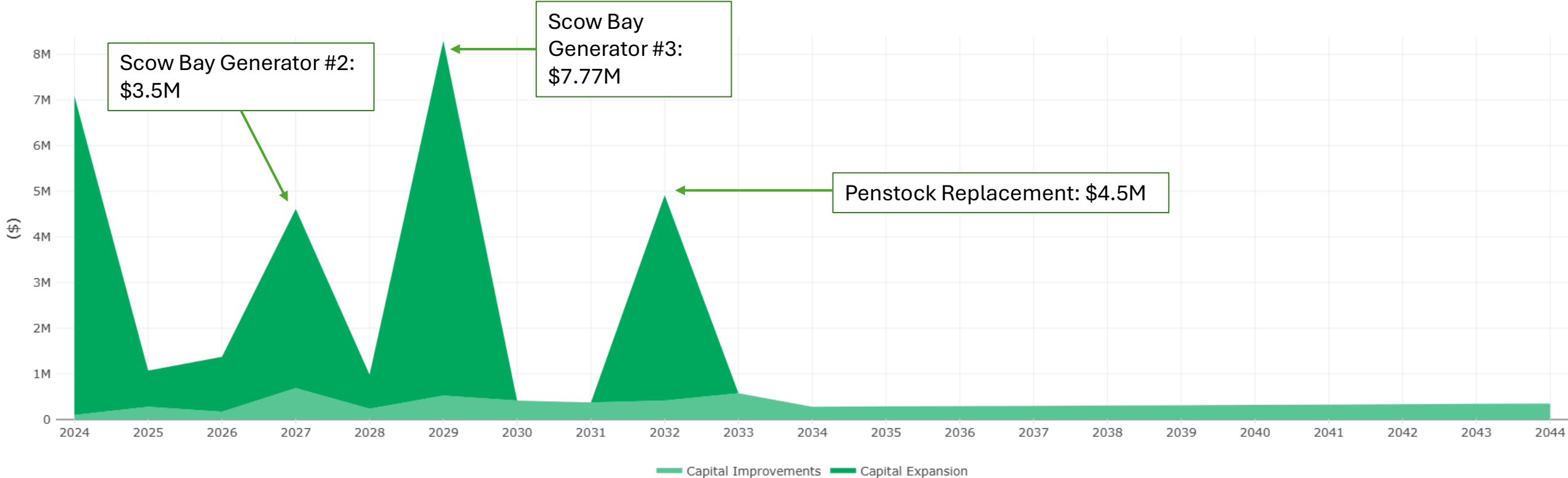
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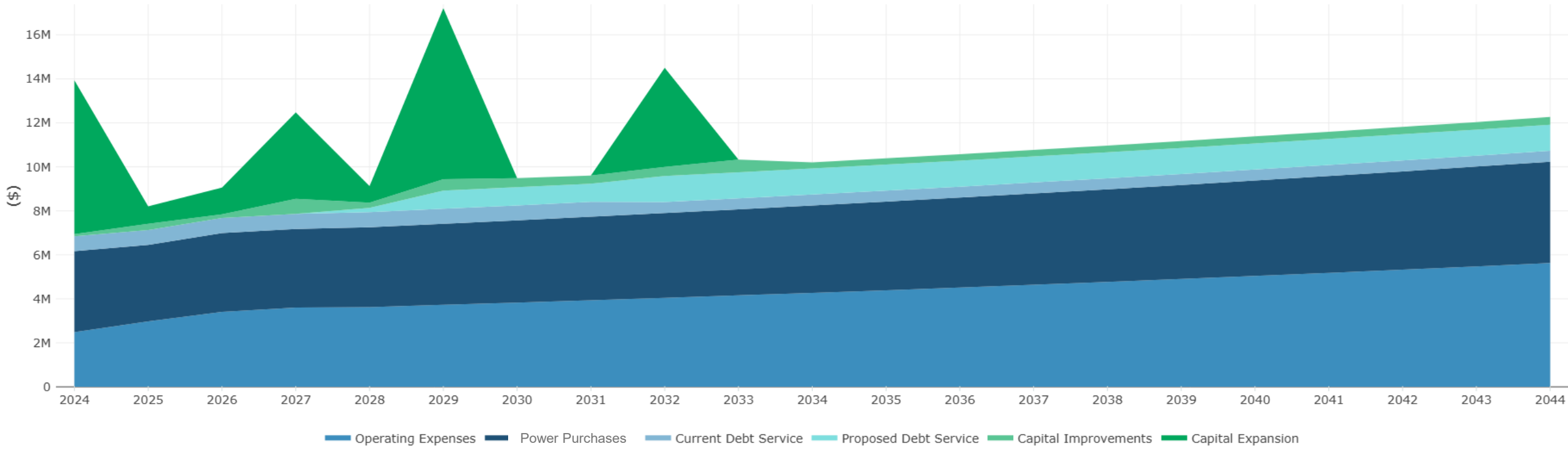
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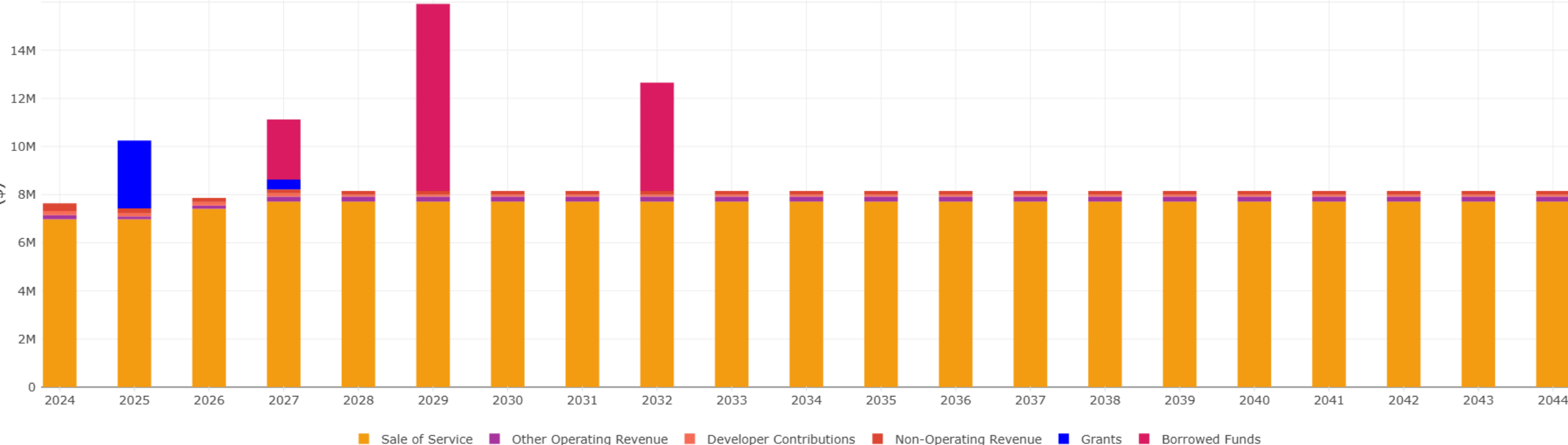
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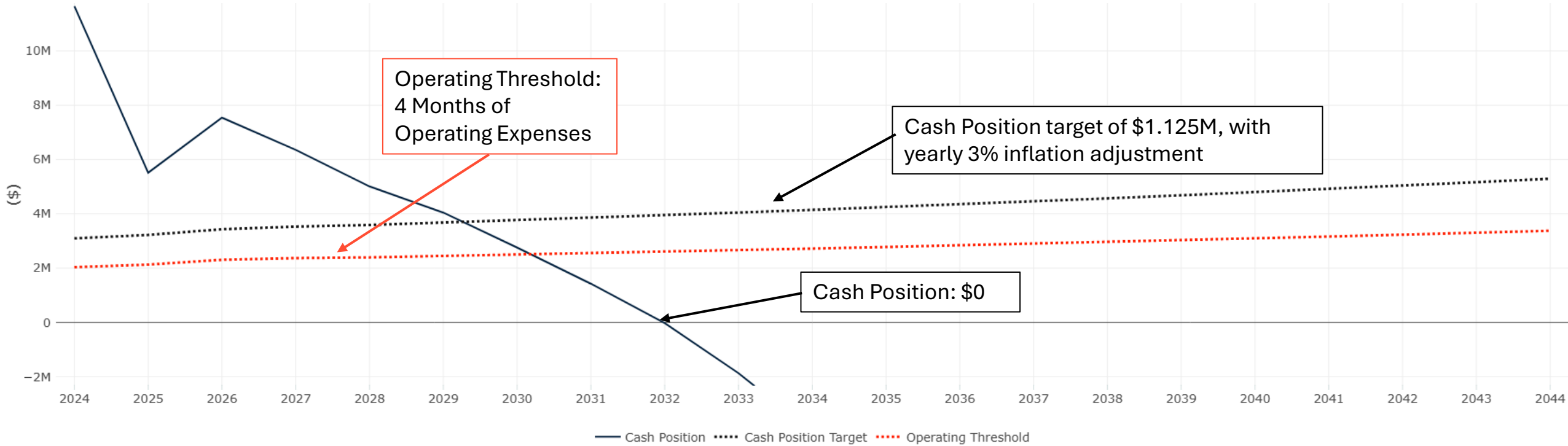
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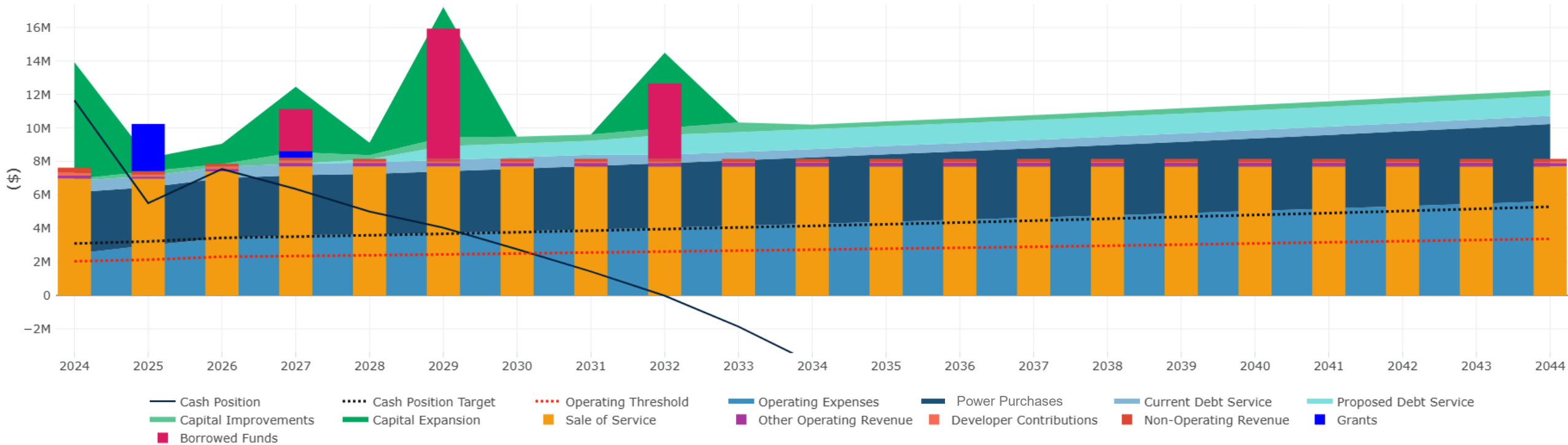
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Status Quo - Long Term Financial Model

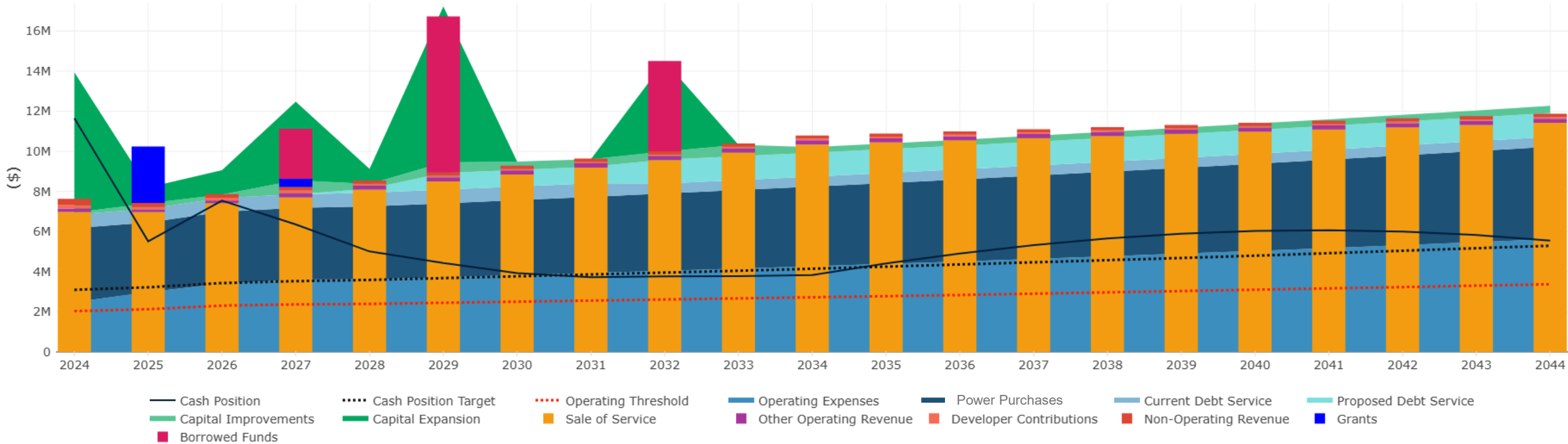
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Proposed Solution

Proposed Solution A - Long Term Financial Model

The long-term financial model with proposed revenue increases shows the utility’s projected financial performance after implementing changes to rates or funding strategies. It illustrates how the additional revenue impacts the ability to cover operating costs, fund capital reinvestment, and maintain target cash reserves. This version of the model helps assess whether the proposed increases are sufficient to achieve long-term financial sustainability and meet established financial goals.



Details	2027	2028	2029	2030	2031→2034	2035→
Sale of Service	4%	5%	4%	4%	4%	1%

Proposed Solution – 4% Rate Adjustment in FY27

The long-term financial model with proposed revenue increases shows the utility’s projected financial performance after implementing changes to rates or funding strategies. It illustrates how the additional revenue impacts the ability to cover operating costs, fund capital reinvestment, and maintain target cash reserves. This version of the model helps assess whether the proposed increases are sufficient to achieve long-term financial sustainability and meet established financial goals.

Current Rates

Customer Charges	
Residential	\$16.00
General Service	\$20.00
Large Commercial	\$40.00
Harbor	\$20.00
Municipality	\$34.00
Residential Energy Charges [\$/kWh]	
	\$0.122
General Service Energy Charges [\$/kWh]	
	\$0.119
Large Commercial Energy Charges [\$/kWh]	
	\$0.119
Harbor Energy Charges [\$/kWh]	
	\$0.124
MUNI Energy Charges [\$/kWh]	
	\$0.112
Large Commercial Demand Charge [\$/kW]	
	\$3.700

Proposed Rates

Customer Charges	
Residential	\$16.64
General Service	\$20.80
Large Commercial	\$41.60
Harbor	\$20.80
Municipality	\$35.36
Residential Energy Charges [\$/kWh]	
	\$0.127
General Service Energy Charges [\$/kWh]	
	\$0.124
Large Commercial Energy Charges [\$/kWh]	
	\$0.124
Harbor Energy Charges [\$/kWh]	
	\$0.129
MUNI Energy Charges [\$/kWh]	
	\$0.116
Large Commercial Demand Charge [\$/kW]	
	\$3.848

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Petersburg Data Center Frequently Asked Questions

1. **Where will the private sector data center be located?**
 - a. The data center will be located at the former Ocean Beauty cannery property. The property owner has not determined the final location within his expansive property, but potential locations include within the cannery on the pier and on new fill at the start of the wooden trestle.

2. **How big will the building be?**
 - a. The Borough has not received a building permit application or plans, but initial estimates are that they will need a 1500-2000 square foot single-story building.

3. **Other than electricity what else will the borough be providing the private sector data center?**
 - a. The building may need normal sanitary amenities afforded to employees, such as a bathroom (water and sewer service) and garbage collection. All of these utilities will be provided per the rates in the municipal code and will be similar to a small retail shop in Petersburg. There is no need for constant water supply for cooling due to the closed loop water cooling systems employed (like the radiator in your car). Once the system is charged with water, there is no further draw on the water system.

4. **Will the community or tourists know a data center is in the building or is the building pretty non-descript?**
 - a. PMPL is not aware of any business signs or plaques that Greensparc may want to place on their business. The building is anticipated to blend architecturally with the property and surrounding so that an outside observer would not know what was inside. The design will be in keeping with other industrial zoned properties in Petersburg.

5. **How loud will the private sector data center be?**
 - a. The servers and their air-cooling fans will be inside of a building. Sound levels inside the building may be up to 80 dB, but outside the building the cooling fan sound will not be noticeable to surrounding areas. If the water-cooling system is needed, the radiators will be outside and the intermittent sound from the single radiator will be approximately 60 dB, when standing at the edge of the property. This unit may operate only on the warmest days of the year. Of note, this will be much less impactful than the row of freezer vans that were previously staged at the loading dock for Ocean Beauty seafoods. ***See the infographic at the bottom of this FAQ list for a comparison of sound levels.***

6. **How loud are the local processing plants downtown?**
 - a. This is highly variable and dependent on what operations are ongoing and

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where you are standing. Many mechanical operations at a processing plant are sited in open air, such as refrigeration compressors and condensers, dock cranes, forklift traffic, steam releases from retorts, freezer vans, etc. It is reasonable to believe that a small data center inside of an insulated structure will be much quieter than a cannery within the neighborhood.

7. Are there health concerns with data centers and surrounding areas?

- a. The most worrying health concerns in relation to a data center are tied to the hyperscale (extremely large) data centers that must generate their own power, or backup power, via diesel generators. Petersburg's proposed private sector data center does not rely on diesel generators at the site and only employs a battery system to manage controlled shutdowns of the servers in the event of a community power outage.
- b. Noise can have a detrimental effect on people and large data centers do have impacts to surrounding areas in this regard. However, the small size and acoustically contained data center being proposed will not be a noise hazard.
- c. Radio frequency hazards are not an issue at data centers that are connected to the internet via fiber optic cables, which is the plan for the proposed data center in Petersburg.
- d. No other potential health concerns exist for the proposed data center.

8. Will the private sector data center be able to increase power consumption if they want to exceed their 2 MW capacity?

- a. The customer will not be able to increase their electrical service without requesting an increase from the Borough's electric utility. At the present time, the utility is confident that no other customers will be negatively impacted by the project, but PMPL wants to verify that the proposed data center will not cause unforeseen issues with the local generation and distribution systems. While additional capacity requests will be considered, the utility must perform due diligence upon the receipt of service applications to ensure that additional loads for this purpose do not have a detrimental effect on other PMPL customers.

9. Are there any other data centers in Alaska and how do they compare in size?

- a. Yes, Alaska does have other data centers. Although the website "datacentermap.com" shows Alaskan locations, there is little information about the sizing of data centers in Anchorage and Fairbanks, owned and operated by companies such as Alasconnect and GCI. Greensparc has a data center in Cordova that is 170 kilowatts and has plans to expand with a new facility up to 1.5 megawatts. Anchorage recently passed a local data center ordinance that regulates data centers above 20 megawatts.

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10. Wrangell was trying to put it in a data center. What became of that project? How does Wrangell's effort compare with the private sector data center here in Petersburg?

- a. PMPL is not aware of the final outcome of the Wrangell data center project. However, the main differences between the two projects include the following points:
 - i. Petersburg's project is 100% private in nature; Wrangell's project is part of the greater deepwater port development which was to be partially funded by the City and Borough of Wrangell and federal grants and is part of an improvement plan focused on supporting several tenants and businesses.
 - ii. PMPL has no expenses involved in providing service to the data center; Wrangell's project would require an investment in establishing adequate power to the project site, building renovations and electrical service metering.
 - iii. Mazzella Alaska, a private company, owns the 2 MW transformer at the Ocean Beauty site and bought the property expecting to be able to utilize the full capacity of the electrical service for his future business; Wrangell's project has no properly sized transformers at the project site and not enough local power to serve the data center without adding significant infrastructure, which includes adding capacity to the Wrangell substation, providing a service transformer at the site and potentially building new distribution line to the site.

11. Can a borough ordinance be written to limit the private sector data center's future growth?

- a. An ordinance can be drafted to control growth on any data centers that may be considered in the future. While the obvious limiting factor in such an endeavor is the availability of regional and local power generation, there could be agreements made with data center companies that would assist the Borough or our regional power provider to develop new generation resources. The Utility, Assembly and Planning Commission need to carefully consider what provisions are included in such an ordinance so as to maintain control over local power distribution but allow consideration of larger, beneficial projects that could be proposed in the future.

12. Storage batteries will be used in this private sector project. Who regulates the batteries being used and who ensures any battery issues relate to fire prevention?

- a. The owner of the facility will be responsible for securing a permit from the State Fire Marshal and ensuring safety of the battery energy storage

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system. Greensparc will carry insurance to cover any related fire risks. It is important to note that the batteries to be used are Lithium Iron Phosphate (LiFePO₄), which are magnitudes safer than Lithium Ion batteries which is the type most commonly associated with thermal runaway events.

13. Does the Petersburg Borough have fire protection equipment to fight such a fire?

- a. Unlike Lithium Ion batteries, LiFePO₄ batteries do not create their own oxygen if they do catch fire, therefore traditional firefighting practices, with copious amounts of water to cool the battery cells, can defeat a fire related to these batteries. The important part of using such a battery system is to plan for comprehensive monitoring of the state of charge and temperatures so that a fire is primarily prevented through engineering controls. In addition, each of the self-contained battery components includes a state-of-the-art (best available control technology – with federal certifications) fire suppression system.

14. Why would a data center come to Petersburg? Don't we have high electric rates that make this type of business less attractive here?

- a. At a residential energy rate of 12.2 cents per kWh, Petersburg's residential rates are among the lowest in the State of Alaska. Petersburg's large commercial rate is 11.9 cents per kWh. The average residential rate in the US in 2026 is 17.45 cents per kWh and the average Alaskan rate is close to 30 cents per kWh, making Petersburg very attractive and affordable when comparing electricity costs.

15. Can the Borough guarantee that local electric rates won't go up because of the data center?

- a. The Borough can state that electric rates won't go up because of the data center, but electric rates are still expected to increase in the future. The high inflation impacts that all Petersburg residents are experiencing also applies to the electric utility. This means that costs for fuel, equipment, supplies and materials are all increasing. The data center will help to suppress those costs for our customers but it doesn't completely eliminate the need for rate increases as long as inflation remains high. The utility can confidently state that the addition of a local data center will lessen planned rate increases over the next several years and that any rate increases that are needed are not tied to the data center operation itself. Lastly, if rates do go up, they will obviously affect the energy costs of the data center just like all other customers.

April 28, 2026

16. How can one customer make a difference to everyone else's rates?

- a. Petersburg utilities operate as enterprise funds, meaning that they must operate by charging rates to cover each utility's expenses and capital project plans (NO taxes are funneled to utilities). The revenue requirements of the utility are shared by a finite amount of customers, which has been fairly stagnant since the local population decline in the 1990's. The amount of power that the data center will utilize through an existing service and privately owned transformer has the effect of adding several hundred residential customers, but without all of the other strains to local infrastructure or housing shortfalls. This quantity of power sales is what helps to spread out the utility's costs and lower the burden for all customers. And since for the vast majority of the year Petersburg has ample power to serve this customer with hydro power, the benefit translates to our wholesale power provider as well, helping to keep the wholesale rate for Petersburg, Wrangell and Ketchikan stable over time.

17. How will the large commercial sales agreement be structured to eliminate/reduce rate increases and diesel surcharge fees for Petersburg community members?

- a. Diesel Generation Adjustments: The goals of a large commercial sales agreement with Greensparc, as allowed by our current municipal code, would be to negotiate with the customer and either have the company pay for all diesel fuel surcharges that are experienced while they are operating, or simply curtail their service to remove the additional load from the local grid.
- b. Electrical rate suppression: It is the quantity of electric sales to Greensparc that will provide the rate stabilization and suppression for other PMPL customers. A revenue stream of over \$2,000,000 per year covers more fixed costs of the utility so that existing rates, or modest rate increases to counteract inflation, can cover the utilities expenses. This revenue is achieved simply by charging Greensparc what is required of any large commercial customer, insofar as energy charges, service charges and demand charges.

18. Why isn't the Borough moving this to an area that is closer to the SEAPA transmission line and not in the middle of the downtown waterfront?

- a. This project is not a Borough project. Information has been shared by the municipal electric utility to transparently inform the community about the local opportunity, but the Borough is not involved in the actual project other than providing power as it would for any other commercial or industrial customer that has a desire to start a business in Petersburg. Decisions on location and proximity to high voltage power

April 28, 2026

are not the Borough's to make.

19. Why isn't the subject property being used for seafood processing like it used to be?

- a. For many years, the property was for sale and available for a processor to buy and utilize it for that service to Petersburg and the region. The current owner is reportedly exploring many different uses of the property, which may include seafood processing within the constraints of a legally binding, 10 year non-compete clause in the property sales agreement, but it is up to the owner to make those decisions and move forward with their business plan as they desire. These are not Borough or community decisions to make.

20. When the processing plant was operational what was their electrical consumption during the year compared to what the private sector data center will use? 2016 was the last year OBI operated the 64,000 sq. ft. facility.

- a. Ocean Beauty used 1,060,800 kwh when in full operation in 2014; 1,064,400 kWh in 2015; and 739,200 kWh in 2016. In comparison, Greensparc plans a 1MW initial build out that will use 8,500,000 kWh in 12 months. After completing full build out to a 2MW facility, the use will be 17,000,000 kWh per year. Although the cannery used a maximum of 381,000 kWh in July 2015, this load was not used all year long.

21. Doesn't the Borough have an ordinance that requires waterfront property to be marine services related?

- a. Yes, there is a marine overlay on zoning for all **Borough-owned** waterfront property. This overlay does not apply to private property, like the Mazzella Alaska property. The property owner does desire to develop marine/ship based businesses at the property, which is highly likely since the data center footprint would only consume 2-3% of the available property.

April 28, 2026

HOW LOUD IS 60 dB?

COMMON SOUNDS COMPARED



Decibel (dB) is a logarithmic scale used to measure sound intensity. Every 10 dB increase is perceived as about twice as loud.

DECIBEL LEVEL (dB)	COMPARABLE SOUND SOURCES		
120		Jet takeoff (100 ft. away)	Extremely loud Pain threshold
110		Rock concert (near speakers)	Very loud
100		Jackhammer (30 ft. away)	Very loud
80		Busy city street (at the curb)	Loud
70		Vacuum cleaner (10 ft. away)	Moderately loud
60		EDGE DATA CENTER (typical at 5 ft. away)	Moderate (typical operating level)
50		Normal conversation (3 ft. away)	Moderate to soft
40		Refrigerator (at kitchen)	Quiet
30		Library (quiet room)	Very quiet
20		Rustling leaves	Very, very quiet
10		Breathing	Barely audible
0		Hearing threshold	Threshold of human hearing

WHERE DOES AN EDGE DATA CENTER AT 60 dB FIT IN?



60 dB

An edge data center at 60 dB is comparable to everyday sounds like a normal conversation.

WHAT THIS MEANS


- Similar to the noise level in many homes and offices.
- Manageable in commercial and industrial settings.
- Properly designed data centers help minimize noise impact.



SOUND PERCEPTION IS SUBJECTIVE.
Factors like distance, surroundings, and individual sensitivity can affect how loud a sound seems.

Note: Levels are approximate and can vary based on equipment, enclosure design, and site conditions.

MEMORANDUM

TO: MAYOR LYNN AND BOROUGH ASSEMBLY
FROM: KARL HAGERMAN, UTILITY DIRECTOR 
SUBJECT: SEAPA MEETING NOTES – APRIL 28, 2026 SPECIAL MEETING
DATE: 4/28/2026
CC: STEPHAN HARBOUR, UTILITY DIRECTOR (INCOMING)

SEAPA held a special meeting on April 28, 2026. Action items are as follows:

- The Board approved a land lease agreement between SEAPA and the City and Borough of Wrangell (CBW). The lease is a critical milestone in a process that included an alternative energy study, project site selection, land procurement by the Wrangell municipality and approval of the agencies first project outside of hydropower. This project will be built by SEAPA on CBW land and it will contain a 5 MW Battery Energy Storage System (BESS) and a solar farm. The solar panels will initially be built to a capacity of 1.5 MW but will be fully built out to a 5 MW facility in the future. This project also provides Wrangell with its first power generation facility outside of its diesel generation fleet and will have positive impacts to the north end of SEAPA's system by injecting battery power during system faults or other disturbances, thereby reducing occurrences of outages.
- The Board also approved a contract with Commonwealth Associates Inc. to advance design on the Wrangell Solar/BESS project to construction ready documents for a summer 2026 start.
- The Board approved a new 5+ year contract with current SEAPA CEO Robert Siedman. Mr. Siedman's knowledge, experience, initiative and personal energy have made him an outstanding asset to the agency and the Board is pleased to approve this longer-term contract. The CEO is now secured to lead the agency through FERC relicensing for both Swan and Tyee Lakes, the Tyee Third Turbine project, and the Ketchikan Substation project.
- The Board approved a change order with McMillen, design engineer on the Tyee Lake Third Turbine project, to cover a larger than anticipated effort to coordinate and manage the equipment supply contract. The additional work performed by the engineering firm was made necessary by the project's split into an equipment procurement phase and a construction phase, but is critical to ensuring that the construction phase proceeds smoothly once the equipment is delivered to the remote site. The project is still on schedule to be completed in calendar year 2027.

Mayor's Report May 4, 2026 Assembly Meeting

1. **Little Norway Festival 2026:** Beginning next week, Petersburg will be celebrating our Norwegian heritage with many community events. A schedule can be found on the Chamber of Commerce website at www.petersburg.org. Wishing everyone a safe and enjoyable celebration!

2. **EMS Week Proclamation:** Governor Mike Dunleavy has proclaimed May 17 - 23 as Emergency Medical Services (EMS) Week in Alaska. EMS Week highlights the critical role these responders play in protecting public health and safety, often serving on the front lines of emergencies in our communities. The proclamation is attached.

3. **Federal Legislation – H.R. 8401:** This legislation, introduced by Congressman Begich, would amend the Marine Mammal Protection Act of 1972 to allow the transport and sale of pelts and related products made from northern sea otters taken for lawful subsistence purposes in Southcentral and Southeast Alaska. If enacted, the bill would support Alaska Native cultural practices, provide new economic opportunities through the sale of unaltered and minimally altered pelts, and help address sea otter population impacts on commercial and subsistence harvests.

4. **Retirement Announcement – Sergeant Derek Thorsen:**

The Petersburg Police Department would like to recognize and congratulate Sergeant Derek Thorsen on his retirement after 25 years of dedicated service to the Petersburg community.

Throughout his career, Sgt. Thorsen has served Petersburg with professionalism, commitment, and a steady dedication to public safety. His years of service reflect a deep commitment to the people of this community, his fellow officers, and the mission of the Petersburg Police Department.

Over the past 25 years, Sgt. Thorsen has been part of countless calls, investigations, community events, and moments where Petersburg residents needed help. His experience, leadership, and service have made a lasting impact on the department and the community he served.

On behalf of the Petersburg Police Department, we thank Sgt. Thorsen for his many years of service, sacrifice, and dedication. We wish him the very best in retirement and in this next chapter of life. Congratulations, Sgt. Thorsen, and thank you for 25 years of service to Petersburg.

5. **Retirement Announcement – Chris Weiss – Library:**

Thank you to Chris Weiss who is retiring after 38 years of service to the Borough at the public library. Throughout her career, she helped guide the library through major technological changes, from the earliest days of dial-up internet to today's high-speed connectivity.

She served in many roles, including clerk, tech support specialist, and passport acceptance agent, helping connect our community to information and to the wider world. We thank Chris for her dedication, innovation, and lasting contributions, and wish her all the best in her retirement.

STATE OF ALASKA



Executive Proclamation by *Governor Mike Dunleavy*

WHEREAS, Emergency Medical Services (EMS) are a vital component of public health and safety, and reliable access to fast, quality emergency medical care dramatically improves survival and recovery for individuals experiencing sudden, life-threatening illness or injury; and

WHEREAS, as the safety net of our health care system, the dedicated members of our EMS teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

WHEREAS, the Alaska emergency medical services system is composed of first responders, emergency medical technicians, paramedics, emergency medical dispatchers, firefighters, police officers, physicians, pre-hospital nurses, emergency nurses and trauma technicians, educators, and administrators; and

WHEREAS, we are grateful for the career and volunteer EMS personnel who educate the public about injury prevention and commit countless hours to specialized training and continuing education to strengthen their skills; and

WHEREAS, the EMS clinicians of Alaska deliver critical lifesaving and equitable healthcare to those in need, and we must help facilitate time for them to take care of themselves as well as their fellow EMS professionals.

NOW THEREFORE, I, Mike Dunleavy, GOVERNOR OF THE STATE OF ALASKA, do hereby proclaim May 17 – 23, 2026 as:

Emergency Medical Services Week

in Alaska and encourage all Alaskans to observe this week with appropriate programs, ceremonies, and activities, to learn lifesaving first aid and CPR skills, and to practice techniques for illness and injury prevention.

Dated: May 17, 2026



Mike Dunleavy
Mike Dunleavy, Governor
who has also authorized the
seal of the State of Alaska to
be affixed to this proclamation.



- ❖ Finalizing details of upcoming sewer repair at Aquatic Center. More information about Aquatic Center availability to the public will come as we move through the project.
- ❖ Contractor with GRPS, Inc will be at the Aquatic Center May 4-8 to conduct a ground penetrating radar investigation to determine where underground utilities are located under concrete slab in preparation for project.
- ❖ Stephanie Payne helped Tyler Thain get elementary school students into the pool for one more round of water safety before summer begins.
- ❖ Parks and Rec staff will be closing the facility at 3p on Friday, May 15 to host events downtown for Little Norway Festival.
- ❖ We have had a surprising surge of requests for permanent moorage, and the waiting list continues to grow as harbor is full.
- ❖ The first tour ship arrived on Sunday; the numbers will pick up as we move into May. Thank you to public works and water & waste departments for setting up the portable bathrooms in the City Hall parking lot.
- ❖ Harbor seasonal cleanup has begun, treating wood floats, fire hosing the parking lots and cleaning up the winter sand is taking extra effort this year. Crew has started painting and touching up parking and loading zones as the dry weather allows.
- ❖ Streets crew installed a disabled parking space at the Rec/Aquatic Center.
- ❖ Preventative maintenance is ongoing in the motor pool. The street sweeper and boom truck remain out of service pending arrival of repair parts.
- ❖ Building Maintenance completed installation of carport support beams for the Police Department. Addressed plumbing issues at the Police Department and initiated cleaning and restoration of the water fountain at the museum.
- ❖ PS4 project is advancing, with increased activity expected over the next two weeks and potential traffic impacts.

- ❖ Installed a Remote Telemetry Unit at the baler pump station to enhance SCADA monitoring.
- ❖ Water Dept. is working with RMC Engineering to resolve programming issues affecting plant startups.
- ❖ The library received a grant from the Petersburg Community Foundation to assist with the purchase of a new self-check kiosk.
- ❖ The Scow Bay Generator #2 project design is progressing with 95% plans due to the Borough by May 1st. PMPL will be requesting consideration of a bond ordinance and ballot question to fully fund the construction.
- ❖ Steelhead Enterprises have begun working on the storage building addition at the Scow Bay pole yard. Work will be completed in May.
- ❖ PMPL has been working with Parks and Recs to develop and then implement a plan for the Ball Field Area Lighting Grant.
- ❖ PMPL is working with McMillen to develop a scope of work for a feasibility study of a Battery Energy Storage System (BESS) at the Blind Slough Hydro Project. A BESS would help reduce “brownout” occurrences.
- ❖ PMPL is exploring a project to provide the public with electrical outage status updates through SMS text messages and email notifications. The system would be opt-in only.
- ❖ Preparations are underway by the mechanic for the June SEAPA shutdown to ensure smooth, reliable operations. EPS will also be onsite the week of the 11th to tune the Scow Bay 1 generator controls following emergency repairs completed this winter.
- ❖ I continue to work with Tidal on the sales contract. We had some concerns regarding contract language that sounds like may be resolved in the next week or so.
- ❖ Tlingit & Haida Housing has begun work on the Airport Addition expansion. Borough staff are working with their engineering firm and construction teams on getting the infrastructure completed.
- ❖ Aaron and Thomas will start working with Harai & Associates on the revisions to the Borough’s Standard Specifications.
- ❖ The Borough’s negotiating team has been meeting with members of PMEAs to work on the new labor contract for the next three years.

**PETERSBURG BOROUGH
ORDINANCE #2026-05**

**AN ORDINANCE OF THE PETERSBURG BOROUGH ADJUSTING
THE FY 2026 BUDGET FOR KNOWN CHANGES**

Section 1. Classification: This ordinance is not of a permanent nature and shall not be codified in the Petersburg Municipal Code.

Section 2. Purpose: The purpose of this ordinance is to adjust the FY 2026 budget for known changes.

Section 3. Substantive Provisions: In accordance with Section 11.09(a) of the Charter of the Petersburg Borough, the budget for the fiscal period beginning July 1, 2025 and ending June 30, 2026 is adjusted as follows:

Explanation: Necessary revisions in the FY 2026 budget identified after adoption of the Budget.

<u>Account Number</u>	<u>Account</u>	<u>Original Budget</u>	<u>Increase (Decrease)</u>	<u>Amended Budget</u>
<u>FISCAL YEAR 2026 REVENUE / EXPENSE BUDGET ADJUSTMENTS</u>				
Secure Rural Schools (SR) Revenue				
240.000.410290	Title I Revenue - Schools	\$0	\$614,111.	\$614,111.
250.000.410290	Title I Revenue - Roads	\$0	\$108,373.	\$108,373.
The federal government approved the Secure Rural School Reauthorization Act of 2025 on December 18, 2025. The Borough's portion for FY24 that was received by the Borough on March 23, 2026 was \$722,484 for Title I Schools and Roads. 85% is being allocated to the School Special Revenue Fund and 15% to the Road Special Revenue Fund. (Letter from the State of Alaska is attached.)				
Elderly Housing – Fund 470				
470.000.506532	Sprinkler System	\$0	\$25,000.	\$25,000.
Replacement of the 44 year old dry sprinkler system valve and air compressor. (See attached memo.)				
Fire Department – Self Contained Breathing Apparatus Replacement				
110.525.506519	Machine & Equipment Expense	\$28,850.	\$76,328.	\$105,178.
To complete funding of the new SCBA tanks and masks that will replace the expiring equipment on hand. Resolution 2026-05 approved this expenditure on March 16, 2026. (Resolution Attached)				
Waste Water Outfall Repair Project – Fund 764				
764.000.402271	ADEC Loan Proceeds	\$0	\$275,000.	\$275,000.
764.000.501450	Outfall Repair Expenses	\$0	(\$275,000.)	(\$275,000.)

**PETERSBURG BOROUGH
ORDINANCE #2026-05**

The Outfall repair project would include the following work; replacing the broken section of discharge pipe with approximately 64.5 linear feet of high density polyethylene pipe, concrete anchors and flapper gate. Reserves will be used for initial expense and reimbursed with loan proceeds.

Section 4. Severability: If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person and circumstance shall not be affected.

Section 5. Effective Date: This ordinance shall become effective immediately after the date of its passage.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this 4th day of May, 2026.

Robert Lynn, Mayor

ATTEST:

Rebecca Regula, Borough Clerk

Adopted:
Published:
Effective:



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS
Anchorage Office

550 West Seventh Avenue, Suite 1640
Anchorage, Alaska 99501
Main: 907.269.4581
Fax: 907.269.4539

March 26, 2026

Petersburg Borough
Jody Tow, Finance Director
PO Box 329
Petersburg, AK 99833

Dear Ms. Tow:

We are pleased to inform you that the Retroactive Secure Rural Schools (SRS) payment for Federal FY2024 has been awarded following enactment of the Secure Rural Schools Reauthorization Act of 2025 (Public Law 119-58) on December 18, 2025.

The municipality's payment of \$722,483.96 is for Title I Schools and Roads. This payment must be used for schools and/or roads at the discretion of the borough. A report will be required for next fiscal year documenting the expenditure on the funds received.

If you have questions regarding your SFY25 NFR/SRS payment, please feel free to contact me at 907-269-0376 or by email at amy.marshall@alaska.gov.

Sincerely,

Signed by:

Amy Marshall

0E45688290A7452...

Amy Marshall

Grants Administrator 3



Mountain View Manor – Elderly Housing

PO Box 1530, 16 N 12th St, Petersburg, AK 99833

Phone: (907) 772-3445 opt 1 Fax: (907) 772-4217

Memorandum

To: MAYOR LYNN AND BOROUGH ASSEMBLY

From: MICHELLE LOPEZ, ASSISTED LIVING AND ELDERLY HOUSING DIRECTOR

Date: 03/02/2026

Cc: STEPHEN GIESBRECHT, BOROUGH MANAGER

Subject: ELDERLY HOUSING SPRINKLER SYSTEM REPAIR AND REPLACEMENT

On December 31, 2025 the Elderly Housing sprinkler system went into alarm status. It was discovered that a air leak in the dry system had developed, significant enough to warrant shutting down the system until a technician could come to Petersburg to troubleshoot the issue. After multiple phone calls, Ketchikan Mechanical had the earliest availability to travel to Petersburg and address the issue.

After working extensively on the problem, it was determined that the practical solution was to replace the aging sprinkler system valve as well as the compressor that is currently working overtime to keep the system from losing too much air pressure.

This new expense is to fix the air leak in the Elderly Housing dry sprinkler system. Emergency repairs to leaking sections of corroded pipe, including travel and per diem costs for Ketchikan Mechanical, have been incurred in the amount of \$10,615.01 to date. Additional parts and labor are estimated to be \$13,121.67 for replacement of the entire 44+ year old dry sprinkler system valve and corresponding air compressor. \$25,000.00 will give an approximately 5% buffer of known and estimated costs.

Petersburg Elderly Housing

470.000.506532

Repair and Replacement costs for the 44+ year old sprinkler system valve and air compressor

Original budget: \$0.00

Increase to budget: \$25,000.00

Amended budget: \$25,000.00

Requested funding: Elderly Housing Reserves Account

**PETERSBURG BOROUGH
RESOLUTION # 2026-05**

**A RESOLUTION APPROVING THE SOLE-SOURCE PROCUREMENT OF
SELF-CONTAINED BREATHING APPARATUS (SCBA) AIR TANKS AND FACE
MASKS IN THE AMOUNT OF \$301,327 FROM MUNICIPAL EMERGENCY
SERVICES (MES), AND AUTHORIZING THE BOROUGH MANAGER TO EXECUTE
ALL NECESSARY PURCHASE DOCUMENTS**

WHEREAS, the Petersburg Volunteer Fire Department relies on Self-Contained Breathing Apparatus (SCBA) equipment to ensure firefighter safety during emergency and hazardous operations; and

WHEREAS, the total amount of the quote from Municipal Emergency Services (MES) is \$301,327 for 30 SCBA packs 70 tanks, and 46 masks; and

WHEREAS, \$225,000 of the expense will be paid for by Congressionally Directed Spending (CDS) grant funds and \$76,327 are currently unbudgeted for; and

WHEREAS, the Department's existing SCBA tanks reach their end-of-service life and expire in February 2027; and

WHEREAS, the Department's existing SCBA system, including air packs, air cylinders, and compatible face masks is distributed exclusively through Municipal Emergency Services (MES), the authorized regional provider; and

WHEREAS, MES is an approved supplier under Sourcewell cooperative purchasing contracts, including Contract #011824 MES for SCBA systems, which allows Petersburg Borough to use these competitively bid agreements; and

WHEREAS, compatibility with the existing SCBA system is essential for firefighter safety, operational continuity, and compliance with NFPA standards governing respiratory protection; and

WHEREAS, procuring SCBA air tanks and masks from alternative vendors would lead to equipment incompatibility, require full system replacement, and significantly increase total costs; and

WHEREAS, Section 4.04.040 (Exceptions to Bidding), Section G of the Petersburg Borough Code states:

"When it is advantageous to the borough to enter into a contract with a bidder for the same supplies or services such bidder is providing another Alaskan local government,

**PETERSBURG BOROUGH
RESOLUTION # 2026-05**

the state of Alaska, a cooperative purchasing association composed of government agencies, or the United States, where such supplies, equipment or services are being provided to the other governmental unit or association on the basis of competitive bids submitted; and where the borough contract is on substantially the same terms as those bid; or to contract with or through such other governmental unit or association so that the benefit of the responsible bid accrues to the borough;"

WHEREAS, MES's competitively awarded Sourcewell contracts meet the requirements of Section 4.04.040(G), making it advantageous and compliant for the Borough to procure SCBA equipment through Sourcewell's competitively bid purchasing program;

WHEREAS, if the Assembly so chooses, there are funds available in General Fund reserves to cover the remaining purchase of \$76,327; and

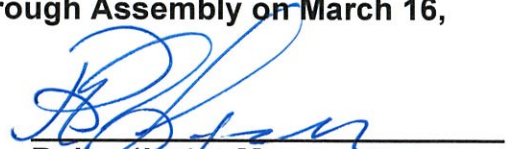
NOW, THEREFORE, BE IT RESOLVED by the Petersburg Borough Assembly as follows:

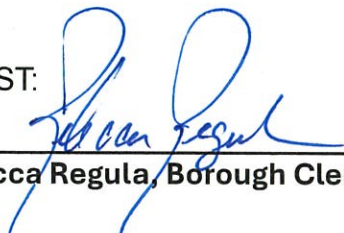
Section 1. The Assembly hereby approves the sole-source procurement of SCBA air tanks and face masks from Municipal Emergency Services (MES) in the amount of \$301,327 being paid for by a CDS grant and general fund reserves.

Section 2. The Borough Manager is authorized to execute all contracts, purchase agreements, and associated documents required to complete this procurement.

Section 3. Funding for this purchase shall be drawn from the appropriate Fire/EMS equipment budget or grant source, subject to supplemental appropriation through the Borough's budgeting process.

PASSED AND APPROVED by the Petersburg Borough Assembly on March 16, 2026.


Robert Lynn, Mayor

ATTEST: 
Rebecca Regula, Borough Clerk

**PETERSBURG BOROUGH
ORDINANCE #2026-06**

**AN ORDINANCE AMENDING PETERSBURG MUNICIPAL CODE TITLE 20,
ENTITLED “WATERSHED MANAGEMENT”, TO UPDATE LANGUAGE AND TO
ACCOUNT FOR BOROUGH INCORPORATION**

Whereas, on January 3, 2013 the Election Division for the State of Alaska certified the election results of the December 18, 2012 incorporation election for the Petersburg Borough; and

Whereas, the certified election confirmed the incorporation of the Petersburg Borough and dissolved the City of Petersburg; and

Whereas, Petersburg Borough Charter, Section 19.06 requires all ordinances, resolutions, regulations, orders and rules in effect for the former City of Petersburg to continue in full force and effect within the Petersburg Borough, Service Area 1, until expressly reaffirmed, revised or repealed by the Assembly; and

Whereas, Title 20 of the former City of Petersburg Code, entitled *Watershed Management*, requires amendments in order to move it into the current municipal code and to account for necessary changes since the Title was adopted in 1995.

THEREFORE, THE PETERSBURG BOROUGH ORDAINS, as follows:

Section 1. Classification: This ordinance is of a general and permanent nature and shall be codified in the Petersburg Municipal Code.

Section 2. Purpose: The purpose of this ordinance is to update the language of the municipal code regarding watershed management, to move it into the borough code and to account for borough formation.

Section 3. Substantive Provisions: Title 20, *Watershed Management*, of the Petersburg Municipal Code is hereby amended as follows. The language proposed for addition is **underlined and bold**, and the language proposed for deletion is in [brackets] and struck through:

Title 20 WATERSHED MANAGEMENT

Chapter 20.10 DEFINITIONS

20.10.010 Applicability of definitions.

For the purpose of this title, the terms contained in this chapter shall have the following meanings stated and rights defined unless the context requires otherwise.

20.10.020 Cabin Creek watershed.

"Cabin Creek water supply watershed" means those lands above the Cabin Creek water supply reservoir dam and that drain into the water supply reservoir, **specifically including without limitation Sections 7, 8, 9, 16, 17, 18, 19, and 20 of T59S, R80E, CM and Sections 13, 23, and 24 of T59S, R79E, CM.**

20.10.030 City Creek watershed.

"City Creek water supply watershed" means those lands above the City Creek water supply reservoir dam and that drain into the water supply reservoir, **specifically including without limitation Sections 1, 2, 11, 12, 13, and 14 of T59S, R79E, CM.**

20.10.040 Wastes.

"Wastes" means unwanted or discarded materials, liquid or solid, resulting from manufacturing processes or human habitation or activity.

Chapter 20.20 AUTHORITY AND APPLICABILITY

20.20.010 Applicability.

~~[The ordinance codified in t]~~ This title shall apply to all lands within the [e]City **Creek** and Cabin Creek municipal water supply watersheds and in the immediate vicinity of the existing or planned locations of the impoundment structures or reservoirs.

20.20.020 Authority.

Alaska Statutes 29.35.180(b) provides that a home rule municipality shall provide for planning, platting and land use regulation.

Chapter 20.30 FINDINGS AND PURPOSE

20.30.010 - Water supplies.

The **borough**[city] finds that the City Creek **and Cabin Creek** reservoirs and watersheds currently serve[s] as the [city's sole] source of potable water **for service area #1**, ~~and that a new water supply reservoir is being developed in the Cabin Creek watershed].~~

20.30.020 - Use of watershed lands.

The **borough** [city] further finds that water supplies of sufficient quantity and quality are essential to the health and welfare of its residents, visitors and industries; that serving as a public water supply is the highest and best use of water supply watershed lands; that uses of and activities on water supply watershed lands must be consistent with their use and value as public water supplies; and that uses of, and activities on water supply watershed lands that could threaten the quality or quantity of the water supplies are to be prohibited.

Chapter 20.40 WATERSHED MANAGEMENT PROGRAM

20.40.010 - Watershed management program.

The [city] watershed management program [is] **previously** adopted **by the City of Petersburg is hereby adopted by the borough and incorporated herein** as part of ~~[the ordinance codified in]~~ this title. Management policies and measures set out in the watershed management program are enforceable provisions of this **borough** code.

~~***Chapter 20.50 COMPREHENSIVE PLAN AMENDMENT***~~

~~**20.50.010 - Comprehensive plan amendment.**~~

~~The land use plan specified by the Petersburg comprehensive plan is amended to designate all City Creek and Cabin Creek water supply watershed lands as "open space" classification as defined in the comprehensive plan.]~~

~~***Chapter 20.60 ZONING ORDINANCE AMENDMENT***~~

20.60.010 – Zoning ordinance amendment.

Title 19 of this code, known as the zoning ordinance, is amended to designate all City Creek and Cabin Creek water supply watershed lands as "open space" district as defined in Title 19.]

Chapter 20.50[70] PROHIBITIONS**20.50[70].010 - Defacing property.**

No person in the Cabin Creek and City Creek water supply watersheds shall willfully mar, deface, disfigure, injure, tamper with, or displace or remove, any **borough[city]**-owned building, equipment, structure, supplies, sign, notice or placard, monument, stake, post or other boundary marker.

20.50[70].020 - Discharge and disposal.

No person in the Cabin Creek and City Creek water supply watersheds shall discharge or dispose of pesticides, chemical fire suppressants, road chemicals, refuse, litter, sewage, oils, solvents, or other wastes, liquid or solid, into City Creek or Cabin Creek, into their tributaries, into the reservoirs, or onto the lands. This prohibition does not apply to the Ravens Roost Cabin outhouse.

20.50[70].030 - Gravel, sand and mineral extraction.

No person in the Cabin Creek and City Creek water supply watersheds shall explore for, or extract rock, gravel, sand, peat or minerals.

20.50[70].040 - Structures.

No person in the Cabin Creek and City Creek water supply watersheds shall place, construct or install any structure without the specific approval of the **borough[city]** after finding that the structure will not threaten water quality or quantity, or cause or encourage activities that could threaten water quality or quantity. This prohibition does not apply to the maintenance or reconstruction of existing structures such as those associated with the Ravens Roost Cabin and Trail.

20.50[70].050 - Surface disturbance.

No person in the Cabin Creek and City Creek water supply watershed shall undertake construction or other activity that disturbs the vegetative cover or solids, except that minor disturbances associated with allowable uses or maintenance of trails or recreational facilities is permitted.

20.50[70].060 - Timber harvesting.

No person in the Cabin Creek and City Creek water supply watersheds shall harvest timber for commercial, personal or other uses[~~except as required for the initial project~~].

Chapter 20.60[80] ALLOWABLE ACTIVITIES**20.60[80].010 - Recreation.**

Allowable uses of Cabin Creek and City Creek water supply watershed lands are camping, hiking, berry picking, skiing and other personal use or recreational activities provided that such activities, exclusive of ingress and egress, are conducted at a minimum distance of **fifty (50) feet** [~~one-quarter mile~~] from the **shorelines of the** reservoirs and comply with the other provisions of [~~the ordinance codified in~~] this title. **Hunting within the watersheds is permitted per applicable State of Alaska or U.S. Forest Service regulation, but game shall not be harvested within fifty (50) feet of the shorelines of the reservoirs, and the entire animal must be moved to downstream of the reservoir dams prior to cleaning, skinning or butchering.**

20.60[80].020 - Water supply activities.

Not[-]withstanding other provisions of [~~the ordinance codified in~~] this title, allowable uses of Cabin Creek and City Creek water supply watershed lands include activities authorized by or conducted by the **borough**[~~city~~] and specifically intended to maintain or improve either the quantity or quality of the water supplies; or deemed necessary to construct, maintain, safeguard, or improve impoundment, intake or other water supply structures or functions.

Section 4. Severability: If any provision of this Ordinance or any application to any person or circumstance is held invalid, the remainder of this Ordinance and the application to other persons or circumstances shall not be affected.

Section 5. Effective Date: This Ordinance shall become effective upon adoption.

PASSED AND APPROVED by the Petersburg Borough Assembly, Petersburg, Alaska this 4th day of May, 2026.

Robert Lynn, Mayor

ATTEST:

Rebecca Regula, Borough Clerk

Adopted:
Noticed:
Effective:

**PETERSBURG BOROUGH
ORDINANCE #2026-07**

**AN ORDINANCE AMENDING PETERSBURG MUNICIPAL CODE CHAPTER 4.80 TO
ADJUST THE MARINE PASSENGER FEE TO ADDRESS INCREASED BOROUGH
COSTS ASSOCIATED WITH SERVICES TO AND INFRASTRUCTURE FOR MARINE
PASSENGER VESSELS AND THEIR PASSENGERS**

WHEREAS, the Petersburg Borough Assembly finds that costs associated with public safety, harbor facilities, sanitation, emergency response, and other Borough services have substantially increased since the marine passenger fee was adopted on March 5, 2018; and

WHEREAS, an increase to the marine passenger fee is necessary to ensure the Borough can continue to provide adequate services and maintain infrastructure impacted by marine passenger vessels.

THEREFORE, THE PETERSBURG BOROUGH ORDAINS as follows:

Section 1. Classification:

This ordinance is of a permanent nature and shall be codified in the Petersburg Municipal Code.

Section 2. Purpose:

The purpose of this ordinance is to amend Chapter 4.80, Marine Passenger Fee, to increase the per-passenger fee by \$3.00 in order to address the Borough's rising costs for services and infrastructure rendered to or for the benefit of marine passenger vessels visiting the Borough.

Section 3. Substantive Provisions:

Petersburg Municipal Code 4.80.030, *Imposition of Fee*, is hereby amended to read as follows (the language proposed for deletion is struck through, and the new language is **bold and underlined**):

4.80 Marine Passenger Fee

4.80.030 Imposition of fee.

A. A fee of **\$8.00** ~~5.00~~ per passenger shall be assessed for every marine passenger ship not otherwise exempted upon entry into any port within the Borough.

B. The per passenger fee imposed under this Chapter shall be assessed only once per cruise, at the time of first entry by a ship into any port within the Borough.

Section 4. Severability:

If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and the application of other persons or circumstances shall not be affected.

**PETERSBURG BOROUGH
ORDINANCE #2026-07**

Section 5. Effective Date: This Ordinance shall be effective upon adoption, however the fee increase established in Section 3 shall not go into effect until January 1, 2027.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this 1st day of June, 2026

Robert Lynn Mayor

Attest:

Rebecca Regula , Borough Clerk

Adopted:
Published:
Effective:

PETERSBURG BOROUGH
ORDINANCE #2026-08

AN ORDINANCE UPDATING CHAPTER 14.16 OF THE MUNICIPAL
CODE, ENTITLED "ELECTRIC UTILITY"

WHEREAS, in this year’s budget preparations and through the use of the new Waterworth rate review software, Petersburg Municipal Power & Light identified that overall department revenues need to increase by an average of approximately 4% in FY27 in order to fully cover expenses and inflation, fund capital projects, meet reserve policies, and achieve the required debt coverage ration required by our revenue bond.

THEREFORE, THE PETERSBURG BOROUGH ORDAINS, the following service rates and charges set out in Chapter 14.16, Electric Utility, are hereby amended:

Section 1. Classification: This ordinance is of a general and permanent nature and shall be codified in the Petersburg Municipal Code.

Section 2. Purpose: The purpose of this ordinance is to update service rates and charges for FY 2027 for electric service, as set out in Chapter 14.16.

Section 3. Substantive Provisions: Sections 14.16.670 *Rates-Residential service*, 14.16.680 *Rates—General service class*, 14.16.690 *Rates—Large commercial service*, 14.16.700 *Rates—Boat harbor service*, 14.16.715 *Rates—Security lighting service*, 14.16.716 *Economic development power rate*, 14.16.717 *Rates—Municipal buildings*, 14.16.720 *Rates—Fuel and purchased power adjustment charge*, 14.16.725 *Rates—Diesel generation adjustment charge*, and 14.16.730 *Service charges*, of Chapter 14.16, Electric Utility, of the Petersburg Borough Municipal Code are hereby amended as follows. The language proposed for addition is in bold and underlined, and the language proposed for deletion is in brackets and struck through:

14.16.670 - Rates—Residential service.

A. *Applicability.* The rates in this section apply to domestic usage in private residences and apartments, measured through a single meter; provided, that single-phase motors shall not exceed seven and one-half horsepower.

B. *Character of service.* Residential service will be 60-hertz, alternating current. The utility reserves the right to specify the voltage and phase of service supplied under this schedule.

C. *Monthly rate.*

		Effective 7/2026 [5] Billing
Customer charge:		\$16. 64 [00]
Energy charge:	All kwh	12. 7 [2] cents/kwh

D. *Fuel and purchased power adjustment charge.* Subject to section 14.16.720.

14.16.680 - Rates—General service class.

**PETERSBURG BOROUGH
ORDINANCE #2026-08**

A. *Applicability.* The rates in this section may apply to all requirements for lighting, heating and power **service, typically for commercial entities**, measured through a single meter ~~[that is below]~~ **up to a** 50 kilovolt-ampere transformer rating or 50 kilowatt demand, **or having any motor loads greater than seven and one-half horsepower.**

B. *Character of service.* General service will be 60-hertz, alternating current. The utility reserves the right to specify the voltage and phase of service supplied under this schedule.

C. *Monthly rate.*

		Effective 7/202 6 ^[5] Billing
Customer charge:		\$20. 80 ^[00]
Energy charge:	All kwh	<u>12.4</u> ^[44.9] cents/kwh

D. *Fuel and purchased power adjustment charge:* Subject to section 14.16.720.

14.16.690 - Rates—Large commercial service.

A. *Applicability.* The rates in this section apply to lighting, heating and power service for commercial or industrial **customers served by one or more transformer(s) installed solely to provide that service, where the service has a measured demand greater than 50 kilovolt-amperes, or any service for commercial or industrial customers that have greater than 50 kilowatts of demand from any transformer.** ~~[service having measured demands equal to or greater than 50 kilovolt-ampere transformer rating or 50 kilowatt demand.]~~

B. *Character of service.* Large commercial service will be 60-hertz, alternating current. The utility reserves the right to specify the voltage or phase of service supplied under this schedule.

C. *Monthly rate.*

		Effective 7/202 6 ^[5] Billing
Customer charge:		\$ <u>41.60</u> ^[40.00]
Demand charge:		\$3. 85 ^[70] per KW of billing demand
Energy charge:	All kwh	<u>12.4</u> ^[44.9] cents/kwh

D. *Fuel and purchased power adjustment charge.* Subject to section 14.16.720.

**PETERSBURG BOROUGH
ORDINANCE #2026-08**

E. *Minimum charge.* The minimum demand charge shall not be less than 75 percent of the highest demand billed during the preceding 11 months, **but** in any case no less than **\$200.00 after July 1, 2026.** [~~\$170.00 after January 2, 2022; and \$185.00 after July 1, 2022.~~]

F. *Billing demand.* The billing demand shall be the maximum 15-minute measured demand during the billing period, adjusted for power factor.

G. *Adjustment of demand for power factor.* Demands will be adjusted to correct for average power factors lower than 90 percent. Such adjustments will be made by increasing the measured demand one percent for each one percent or portion thereof by which the average power factor is less than 90 percent lagging.

H. *Agreement of service.* The borough may require an agreement to be entered into for service under this schedule.

14.16.700 - Rates—Boat harbor service.

A. *Applicability.* The rates in this section apply to usage in moored [~~private~~] boats, measured through a single meter, at the boat harbors; provided, that single-phase motors shall not exceed seven and one-half horsepower.

B. *Character of service.* Boat harbor service will be 60-hertz, alternating current. The utility reserves the right to specify the voltage and phase of service supplied under this schedule.

C. *Monthly rate.*

		Effective 7/202 6 ⁵ Billing
Customer charge:		\$20. 80 ⁸⁰
Energy charge:	All kwh	12. 9 ⁹ cents/kwh

D. *Fuel and purchased power adjustment charge.* Subject to section 14.16.720.

14.16.715 - Rates—Security lighting service.

A. *Installation policy.* Residential or commercial customers may **select light-emitting diode (LED) security lighting fixtures using the wattage ranges identified in paragraph C below. High pressure sodium (HPS) fixtures shall not be available for new installations or replacements under this schedule after July 1, 2026.** [~~choose 70-watt, 100-watt, 200-watt or 400-watt high pressure sodium (H.P.S.) lamps, or LED wattage equivalent fixtures, for security lighting purposes.~~] The municipal electric utility shall install and maintain the fixtures on existing poles, **and at its discretion may replace HPS security lights for equivalent LED lights. In the case of HPS replacement with an LED light, the monthly rates in section C below shall apply to the wattage of the new LED light.**

B. *Character of service.* Security lighting shall be served from an existing source of 60-hertz, alternating current. The utility reserves the right to specify the voltage of service supplied under this schedule.

**PETERSBURG BOROUGH
ORDINANCE #2026-08**

C. *Rates.* Monthly rates for the fixtures shall be:

Wattage	Rate per lamp
20—30 watt LED	\$8.50
31—50 watt LED	\$10.00
51—100 watt LED	\$12.50
101—150 watt LED	\$15.00
70 watt HPS	\$8.50
100 watt HPS	\$10.00
200 watt HPS	\$15.00
400 watt HPS	\$20.00

D. *Special provisions.* Where suitable poles and/or existing services do not exist, the customer may be required to participate in or bear the cost of installation of poles and conductors. Such installations are at the sole discretion of the utility director.

14.16.716 - Economic development power rate.

A. The purpose of this rate schedule is to encourage economic development by encouraging capital investments, adding jobs, improving the efficient utilization of existing municipal power and light facilities and diversifying customer base.

B. Applicant eligibility requirements are as follows:

1. New commercial or industrial customers at one location having peak demand equal to, or greater than, 50 kilowatts. A new customer's electric service represents demand not previously serviced by the electric utility at any location.

2. Existing commercial or industrial customers who increase their peak demand at one location by no less than 50 kilowatts. The rate shall apply only to the expanded demand and shall be measurable by installation of a separate electric meter or other device approved by the utility director.

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ORDINANCE #2026-08**

3. The applicant is required to be located where there is no significant additional investment in utility facilities by the borough or pay for the line extension and/or transformer costs under terms of the existing code.

4. Upon connection of the new or increased load addressing sections B.1 or B.2 of this section, a customer will be charged established normal rates per the applicable customer class until they prove that they have met sections B.1 and B.2. The customer has up to 12 months from the month service is energized or new load is added to demonstrate eligibility under provisions B.1. or B.2. of this section. The customer must provide a written request for application of the economic development rate to the utility director, with information provided that clearly shows that the load threshold has been met.

5. All written requests for service under this section will be considered by the borough assembly, after review and recommendation by the utility director; however, requests which do not conform to purpose and applicability provisions as determined by the director, shall not be approved.

C. *Character of service.* Service will be 60-hertz, alternating current. The borough reserves the right to specify the voltage or phase of service supplied under this schedule.

D. *Monthly rate.*

		Billing Period
Customer charge:		\$31.20 [30.00]
Demand charge:		-0-
Energy charge:	All KWH	10. 9 [5] cents/KWH

E. *Term of rate.*

1. The term of this rate shall not exceed a period of three years from the month that increased or added loads have been proven by the customer and approval of the rate is approved.

2. Continuation of service beyond the three year limit will be at the appropriate standard rate.

3. This rate will not go into effect until applicant is approved by the borough assembly, and no refund or consideration for past power consumption will be considered.

F. *Special provisions.* This rate may be curtailed by the borough assembly upon 30 days' notice in the event that sufficient hydro power is no longer available. Should this occur, the customer would have the option of switching to the appropriate standard rate schedule or having the service discontinued.

G. *Agreement of service.* The borough assembly may require an agreement to be entered into for service under this schedule.

**PETERSBURG BOROUGH
ORDINANCE #2026-08**

14.16.717 - Rates—Municipal buildings.

A. *Applicability.* The rates of this section apply only to the following municipal buildings, of the Petersburg Borough who receive a large commercial rate: 1) the Aquatic Center Boiler Room, 2) the Aquatic Center, 3) the High School/Middle School/High School Gym, and 4) the Elementary School.

B. *Character of service.* The service voltage shall be three-phase, 60-hertz. The utility reserves the right to specify the voltage supplied under this service.

C. *Monthly rate.* The energy charge and monthly customer charges shall be as presented in the table below. There are no demand or power factor penalty charges. In addition to the energy charge and monthly customer charge, the fuel and purchased power adjustment charge described in section 14.15.720 will apply.

		Effective 7/2026 [5] Billing Period
Customer charge:		\$35.36 [34.00]
Demand charge:		-0-
Energy charge:	All kwh	11. 6 [2] cents/kwh

D. *Special provisions.* During the annual budget process, the electric utility shall report to the assembly the dollar amount difference by offering the municipal rate instead of the large commercial rate.

14.16.720 - Rates—Fuel and purchased power adjustment charge.

A. *Applicability.* An adjustment shall be applied to each kilowatt-hour billed under all schedules to reflect increases in purchased wholesale power above a rate of 7.3 cents/kwh for SEAPA wholesale power. **Upon the Electric Utility Director’s recommendation, and the Borough Manager’s approval**~~[At the assembly’s discretion]~~, an adjustment may be applied to each kilowatt-hour billed under all schedules for diesel fuel purchased, for purposes of generation, above **the budgeted per gallon cost established in the current fiscal year**~~[a cost of two hundred forty cents/gallon]~~. The adjustment **rate will be applied to kWh usage during a billing period that includes diesel generation (the “billing period” in the formula below), and the adjustment charge will be billed the month following.**~~[s will be based on the previous month’s usage.]~~

B. *Method of calculation.* The adjustment A (in cents/kilowatt-hour) ~~[applied to prior month’s usage]~~ shall be calculated as follows:

A = (Fuel adjustment formula) + (Purchased Power adjustment formula)

A = ((F-**FB**~~[240]~~)/13.5 × D/G) + ((S-7.3) × P/G)

Where:

F = Cost in cents/gallon of most recent purchase of diesel fuel.

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FB = Cost in cents/gallon of current fiscal year’s budgeted fuel purchase expense.

D = Kilowatt-hours generated during **the billing period.** [~~prior month by diesel plant.~~]

G = Total generation during **the billing period** [~~prior month~~] **(Blind Slough Hydro + Diesel Plant + SEAPA)**, [~~including purchased power,~~] in kilowatt-hours.

S = SEAPA wholesale power rate, in cents/kilowatt-hour.

P = Energy purchased from SEAPA during [~~month prior to billing period~~] **the billing period,** in kilowatt-hours.

[~~G = Total generation during prior month (Blind Slough Hydro + Diesel Plant + Tyee), in kilowatt-hours.~~]

14.16.725 - Rates—Diesel generation adjustment charge.

A. *Applicability.* **Upon the Electric Utility Director’s recommendation, and the Borough Manager’s approval**[~~At the Assembly’s discretion~~], an adjustment may be applied to each kilowatt-hour billed under all schedules for fuel, engine oil and staff overtime expenses incurred when unplanned and unbudgeted diesel generation is required in support of insufficient supply of purchased power, or to supplant purchased power due to an emergency situation. This shall not apply to diesel generation required during scheduled maintenance periods of the wholesale power supplier, which are covered under section 14.16.720.

B. *Method of calculation.* The adjustment (in cents/kilowatt-hour applied to prior month's usage) shall be calculated as follows:

$$\text{Diesel Generation Adjustment} = ((B+O+OT)/D) \times (D/G) \times 100$$

Where:

B = Total prior month's cost of fuel burned during diesel generation event in dollars.

O = Total prior month's cost of oil consumed during diesel generation event in dollars.

OT = Total prior month's cost of staff operations overtime during diesel generation event in dollars.

D = Kilowatt-hours generated during prior month by diesel plant.

G = Total generation during prior month, including purchased power, in kilowatt-hours.

14.16.730 - Service charges.

A. *Connect/reconnect fee:* **\$50**[~~25~~].00 during normal business hours for each premises served. Actual labor costs, plus 15 percent after business hours.

B. *Transfer fee:* **\$40**[~~25~~].00. The transfer fee covers the cost of name change and meter reading at two service locations and is billed to the new account.

C. *Shut-off due to unauthorized turn-on, fraud or abuse:* Actual costs to the borough, plus 15 percent.

D. *Meter testing fee:* **\$100**[~~75~~].00 (if test initiated by customer). See section 14.16.290 B.

E. *New service fees:* Fees are per single point of attachment (one meter) and customers will be charged the actual cost for any additional meters.

1. Residential connection (overhead or underground):

**PETERSBURG BOROUGH
ORDINANCE #2026-08**

100 amp service: overhead ~~\$800[350]~~.00; underground ~~\$1,100[650]~~.00.

150 amp service: overhead ~~\$900[400]~~.00; underground ~~\$1,200[700]~~.00.

200 amp service: overhead ~~\$1,000[450]~~.00; underground ~~\$1,500[750]~~.00.

400 amp service (Class 320): overhead ~~\$1,200[550]~~.00; underground ~~\$2,000[850]~~.00.

2. Residential temporary connection fee: ~~\$250[100]~~.00.

3. Commercial connection (overhead or underground—single phase):

100 amp service: overhead ~~\$1,200[650]~~.00, underground ~~\$1,400[850]~~.00, plus transformer costs;

150 amp service: overhead ~~\$1,300[700]~~.00, underground ~~\$1,500[900]~~.00, plus transformer costs;

200 amp service: overhead ~~\$1,500[850]~~.00, underground ~~\$2,000[1,050]~~.00, plus transformer costs.

Above 200 amp service: overhead ~~\$1,750[900]~~.00, underground ~~\$2,400[1,100]~~.00, plus ~~\$15[40]~~.00 per KVA requirement, plus transformer costs.

4. Commercial connections (overhead—three phase):

100 amp service: ~~\$2,000[950]~~.00, plus transformer costs;

150 amp service: ~~\$2,200[1,050]~~.00, plus transformer costs;

200 amp service and larger: ~~\$2,500[1,200]~~.00, plus ~~\$15[40]~~.00 per KVA requirement, plus transformer costs.

5. Commercial connection (underground—three phase):

100 amp service: ~~\$2,200[1,000]~~.00, plus transformer costs;

150 amp service: ~~\$2,400[1,200]~~.00, plus transformer costs;

200 amp service: ~~\$2,600[1,300]~~.00, plus transformer costs.

Above 200 amp service: ~~\$2,750[1,300]~~.00, plus ~~\$15[40]~~.00 per KVA requirement, plus transformer costs.

Owner must provide trenching, backfilling, concrete or fiberglass pad, and PVC conduit, as specified by the utility, from secondary spades to metering enclosure.

6. Commercial temporary connection:

Single phase: ~~\$250[100]~~.00;

Three phase: ~~\$850[450]~~.00.

7. Service upgrade fee. Customers who request to upgrade service shall pay the difference between their current service connection fee and the requested service connection fee.

F. *Permit fees:*

1. Residential up to six sockets or outlets: heat pump installations: \$50.00;

2. Residential over six sockets or outlets: \$75.00;

3. Temporary meter setting and other miscellaneous works: \$50.00;

**PETERSBURG BOROUGH
ORDINANCE #2026-08**

- 4. Commercial buildings: \$75.00, plus twenty-five cents per socket or outlet;
- 5. The above fees include two inspections: one rough and one final inspection;
- 6. For each additional inspection: \$50.00;
- 7. For inspection of any electrical equipment for which no fee is specifically prescribed: \$50.00;
- 8. Upon failure to make application and secure permit by the second workday after commencing work: add \$50.00 to permit fee. Permits will be issued by the electrical inspector within 72 hours from time of application, Saturdays, Sundays and holidays excluded.
- 9. Permit fees for borough-owned projects or work may be waived by the utility director, **however connection fees shall still apply.**

G. *Secondary service work:* If secondary service work is required, the customer will be charged actual costs. Customers requesting such service outside of normal working hours shall pay actual labor costs, **including overtime and double time pay rates that apply** [~~plus fifteen percent~~].

H. Electric rates and fees shall be reviewed **annually** [~~periodically~~] by the electric utility and a recommendation made to the borough manager for the increase or decrease of rates as needed for the sound financial management of the electric utility. The borough manager shall review the findings and present the recommendations to the borough assembly.

Section 4. Severability: If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected.

Section 5. Effective Date: This Ordinance shall become effective immediately upon final passage.

PASSED AND APPROVED by the Petersburg Borough Assembly, Petersburg, Alaska this 1st day of June 2026.


Robert Lynn, Mayor

ATTEST:

Rebecca Regula, Borough Clerk

Adopted:
Noticed:
Effective:

MEMORANDUM

TO: MAYOR LYNN AND BOROUGH ASSEMBLY
FROM: KARL HAGERMAN, UTILITY DIRECTOR 
SUBJECT: RECOMMENDATION FOR ELECTRIC UTILITY RATE INCREASE
DATE: 4/28/2026
CC: STEVE GIESBRECHT, BOROUGH MANAGER
STEPHAN HARBOUR, UTILITY DIRECTOR (INCOMING)
JODY TOW, FINANCE DIRECTOR

In this year's budget preparations and through the use of the new Waterworth rate review software, Petersburg Municipal Power & Light identified that overall department revenues need to increase by 4% in FY27 in order to fully cover expenses and inflation, fund capital projects, meet reserve policies, and achieve the required debt coverage ratio required by our revenue bond.

The new singular energy rate for each customer class established last year has worked well, with revenues meeting projections in FY26. However, as capital improvement plans solidify and inflation continues to impact department expenses, the rate setting software shows that a 4% across the board increase is needed to fund the needs of the department in FY27.

Additionally, the utility is recommending an increase to various connection fees in this ordinance. PMPL has been providing connections at reasonable rates for many years, but cost increases have gotten to the point where it has become difficult to justify. On average, PMPL spends approximately \$5,000 to connect a standard residential customer. This includes a service pole, wire, hardware, terminations, equipment time and line crew labor. The utility is not seeking to recover 100% of those costs to make service requests accessible for new home owners or business startups, but to increase the fee to cover more of the materials needed to establish service.

As was provided last year, an attachment to this memo shows comparisons of various customer billings using the current rates and the proposed rates. The recommended 4% across the board increase is noted.

Also, the utility is providing information on how the proposed rates compare to other communities in our region. As you'll see, Petersburg's rates remain extremely competitive even with the proposed increases.

It is PMPL's recommendation that the Assembly approve the proposed rate ordinance. Thank you for your consideration.

**PMPL Proposed Rate Increase
Customer Comparisons**

	<i>Charges with Current Rates</i>	<i>Charges with Proposed Rates</i>
Residential Customer #1	\$16.00	\$16.64
1203 kWh	\$147.03	\$152.91
TOTAL	\$163.03	\$169.55
<i>Percentage increase</i>		4.00%
Residential Customer #2	\$16.00	\$16.64
3590 kWh	\$438.77	\$456.32
TOTAL	\$454.77	\$472.96
<i>Percentage increase</i>		4.00%
General Service Customer #1	\$20.00	\$20.80
1279 kWh	\$152.60	\$158.70
TOTAL	\$172.60	\$179.50
<i>Percentage increase</i>		4.00%
General Service Customer #2	\$20.00	\$20.80
7428 kWh	\$886.23	\$921.68
TOTAL	\$906.23	\$942.48
<i>Percentage increase</i>		4.00%
Harbor Customer #1	\$20.00	\$20.80
629 kWh	\$78.10	\$81.22
TOTAL	\$98.10	\$102.02
<i>Percentage increase</i>		4.00%
Harbor Customer # 2	\$20.00	\$20.80
1,322 kWh	\$164.14	\$170.71
TOTAL	\$184.14	\$191.51
<i>Percentage increase</i>		4.00%
Lg Commercial #1	\$40.00	\$41.60
56,400 kWh	\$6,729.08	\$6,998.24
742.5 KW	\$2,747.25	\$2,857.14
TOTAL	\$9,516.33	\$9,896.98
<i>Percentage increase</i>		4.00%
Lg Commercial Customer #2	\$40.00	\$41.60
144,960 kWh	\$17,295.17	\$17,986.98
591.36 KW	\$2,188.03	\$2,275.55
TOTAL	\$19,523.20	\$20,304.13
<i>Percentage increase</i>		4.00%
MUNI Customer #1	\$34.00	\$35.36
15,840 kWh	1774.08	1845.0432
TOTAL	\$1,808.08	\$1,880.40
<i>Percentage increase</i>		4.00%
MUNI Customer #2	\$34.00	\$35.36
33,480 kWh	3749.76	3899.7504
TOTAL	\$3,783.76	\$3,935.11
<i>Percentage increase</i>		4.00%

ELECTRIC RATES 2026

SOUTHEAST ALASKA

Location	Residential Rate		
	Rate	Demand	Monthly
Petersburg Current	\$0.1222	all kWh	\$16.00

Petersburg PROPOSED	\$0.1271	all kWh	\$16.64
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JUNEAU 1/1/2026			
AEL&P	Rate	Demand	Monthly
Nov - May	\$0.1229		\$10.08
Jun - Oct	\$0.1010		\$10.08
Nov - May w/ demand	\$0.0596	\$11.4300	\$12.01
Jun - Oct w/ demand	\$0.0521	\$6.9100	\$12.01

	Rate	Demand	Monthly
Ketchikan 04/2025	\$0.1346		\$8.95
KPU			

	Rate	Demand	Monthly
Wrangell 7/2023	\$0.1548	0-300KWH	\$8.00
WMLP	\$0.1291	300-1200kWH	\$8.00
Rate study in progress	\$0.1056	1200KWH+	\$8.00

	Rate	Demand	Monthly
Sitka 07/1/2025	\$0.1371	Nov - April	\$21.90
Rate increase as of 7/1/25	\$0.2193	May - October	

	Rate	Demand	Monthly
100-200 AMP			
Kodiak 2025	\$0.1823	all kWh	\$7.50
400 AMP			
	\$0.1823	all kWh	\$12.50

	Rate		
Seattle (2024)	0.4103	Base Charge per day	
Time of use rate coming in 2025	0.1375	kWh	

**PETERSBURG BOROUGH
ORDINANCE #2026-09**

**AN ORDINANCE OF THE PETERSBURG BOROUGH ADOPTING THE BUDGET FOR THE FISCAL YEAR JULY 1,
2026 THROUGH JUNE 30, 2027**

Section 1. Classification: This ordinance is not of a permanent nature and shall not be codified in the Petersburg Municipal Code.

Section 2. Purpose: The purpose of this ordinance is to set forth budgetary requirements for the operation of the various divisions, departments and organizations of the Petersburg Borough for Fiscal Year 2027. Support to the Petersburg School District has been included in the General Fund Expenditures.

Section 3. Substantive Provisions: In accordance with Section 11.07 of the Charter of the Petersburg Borough, the budget for the fiscal period beginning July 1, 2026 and ending June 30, 2027 is hereby approved in the amounts and for the purposes as stated below. The supporting line item budget detail, as reviewed by the Assembly, is incorporated as part of this ordinance.

A. Fiscal Year 2027 Revenue and Expenditure Budget

FUND	REVENUES	EXPENDITURES BUDGET
GENERAL FUND		
General Fund	\$ 14,176,368	\$ 14,171,706
ENTERPRISE FUNDS		
Electric Fund	\$ 7,946,389	\$ 8,950,397
Water Fund	\$ 1,247,220	\$ 2,056,871
Wastewater Fund	\$ 1,593,290	\$ 1,935,836
Sanitation Fund	\$ 1,703,393	\$ 2,107,133
Harbor Fund	\$ 2,221,545	\$ 6,320,035
Elderly Housing Fund	\$ 559,756	\$ 505,287
Assisted Living Fund	\$ 2,265,889	\$ 2,185,200
INTERNAL SERVICE FUNDS		
Motor Pool Fund	\$ 1,607,389	\$ 1,805,200
DEBT SERVICE FUND		
	\$ 447,375	\$ 447,375
SPECIAL REVENUE FUNDS		
Miscellaneous Grants	\$ 77,886	\$ 77,886
Economic Development Fund	\$ 100,000	\$ 815,895
Secure Rural Schools Fund	\$ 560,000	\$ 650,000
Secure Rural Roads Fund	\$ 105,000	\$ 624,223
Property Development Fund	\$ 85,692	\$ 85,692
Transient Room Tax Fund	\$ 139,842	\$ 121,500
E911 Surcharge Fund	\$ 80,000	\$ 79,600
Marine Passenger Fee	\$ 52,000	\$ 145,000
Borough Organizational Fund	\$ -	\$ 50,000
Local Assistance & Tribal Consistency Fund	\$ -	\$ -
CAPITAL PROJECTS FUNDS		
	\$ 20,817,744	\$ 24,306,061

**PETERSBURG BOROUGH
ORDINANCE #2026-09**

Section 4. Severability: If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person and circumstance shall not be affected.

Section 5. Effective Date: This ordinance shall become effective July 1, 2026.

Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this 1st day of June, 2026.

Robert Lynn, Mayor

ATTEST:

Rebecca Regula, Borough Clerk

Adopted:
Published:
Effective:



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Transportation and Public Facilities

SOUTHCOAST REGION
Design & Engineering Services
Preconstruction

P.O. Box 112506
Juneau, Alaska 99811-2506
Main: (907) 465-1799
Fax: (907) 465-2030
TTY-TDD: (800) 770-8973
dot.state.ak.us

In Reply Refer To:
SKG-HNH-PSG Roadways & Culverts – DEC 20 SE PR Geotechnical Investigation
Project No. SFHWY00447
Finding of No Historic Properties Affected

ATTENTION: This finding contains no DOEs

April 27, 2026

Petersburg Borough
PO Box 329
Petersburg, AK 99833
bregula@petersburgak.gov
sgiesbrecht@petersburgak.gov

To whom it may concern:

The Alaska Department of Transportation and Public Facilities (DOT&PF) has assumed the responsibilities of the Federal Highway Administration (FHWA) under 23 U.S.C. 327, and is proposing to make repairs to drainage infrastructure damaged by the 2020 winter storm event at numerous locations as described in the project description below. The environmental review, consultation, and other actions required by applicable Federal environmental laws for this project are being, or have been, carried out by DOT&PF pursuant to 23 U.S.C. 327 and a Memorandum of Understanding dated April 13, 2023, and executed by FHWA and DOT&PF.

Consultation for this project is being conducted in accordance with the 2017 *First Amended Programmatic Agreement... for the Federal-Aid Highway Program in Alaska* (PA). The DOT&PF, acting as a Federal agency, finds that no historic properties would be affected by the proposed project pursuant to 36 CFR 800.4(d)(1), implementing regulations of Section 106 of the National Historic Preservation Act. This submission provides documentation in support of this finding, as required at 36 CFR 800.11(d).

The proposed project activities as described below meet FHWA criteria for proceeding directly-to-findings for compliance with Section 106 of the National Historic Preservation Act. Accordingly, this letter is to provide notice and seek comments on a finding of no historic properties affected by the proposed actions.

Project Description

"Keep Alaska Moving through service and infrastructure."

The project proposes to conduct the following repairs at facilities listed below that were damaged during the 2020 Storm within the areas of Hoonah, Petersburg, and Skagway.

Hoonah Front Street

Work at this site includes:

- Drainage structure repairs
- Roadway excavation/resurfacing
- Roadside hardware repair/replacement
- Rockfall mitigation
- Incidental utility work

Petersburg:

Mitkof Highway MP 2.57

- Drainage structure repair
- Roadway excavation/resurfacing
- Ditch lining
- Incidental utility work

Mitkof Highway MP 15.46

- Drainage structure repair/replacement
- Riprap culvert aprons
- Roadway excavation/resurfacing
- Incidental utility work

Skagway Klondike Highway MP 4.085

Work at this site includes:

- Drainage structure repairs
- Embankment repair/stabilization
- Riprap culvert aprons

Area of Potential Effect

The area of potential effect (APE) for this project extends to the right-of-way (ROW) boundary and encompasses the proposed physical disturbance footprint of construction at each respective location. The attached figures illustrate the individual APEs which also include areas for contractor staging.

Historic Properties Identification

A query of the Alaska Heritage Resources Survey revealed that the APE for the Klondike Highway MP 4.085 location lies within the Skagway & White Pass National Historic Landmark (NHL) (SKG-00013). No other AHRS resources were identified to be present within this, or the other project locations', APE.

The Skagway and White Pass NHL (SKG-00013) is a historic district that follows the White Pass transportation corridor from Skagway Bay to the boundary of Alaska and British Columbia at the White Pass summit. Its boundaries include the old Skagway townsite, Skagway Historic District, and much of the Skagway River Valley.

The Secretary of the Interior designated the district an NHL in 1962. It is eligible for the National Register of Historic Places (NRHP) under Criterion A for its association with the Klondike Gold Rush, with a period of significance of 1897-1910.

Close to town the NHL spans 23 residential blocks within the town of Skagway, the Skagway Historic District (SKG-00214), and portions of the Klondike National Historic Park (SKG-00086). As it moves up the river valley the NHL encompasses four of the main travel routes up the White Pass: the Trail of 1897 (Dead Horse Trail)/White Pass Trail (SKG-00094), the Brackett Wagon Road (SKG-00131), the Skagway River and the White Pass and Yukon Railway (SKG-00106). The White Pass Trail (SKG-00094) stretches 40 miles from Skagway to Lakes Bennett and Tutshi.

A portion of the project area is along the Klondike Highway, a separate travel corridor in the Skagway River Valley (constructed in 1978) which is not a contributing property of the NHL. This project site is located in the Porcupine Hill area between highway mileposts 5 and 6; at a distance of about 800 feet from the White Pass Trail (SKG-00094) and Porcupine Hill (SKG-00095) sites. The Skagway and White Pass NHL (SKG-00013) is the only historic property overlapping the APE, and no sites contributing to the NHL are present within the APE.

Finding of Effect

The activities for this project will have no impact outside the existing roadway embankment and are limited to the repair of existing facilities and will result in minimal changes from existing conditions. The Klondike Highway is not a contributing feature of the Skagway & White Pass NHL (SKG-00013), therefore DOT&PF determined a finding of No Historic Properties Affected because these activities would have no effect on the NHL.

Consultation

The following parties are being consulted regarding these findings:

- Chilkoot Indian Association
- Chilkat Indian Village
- Hoonah Indian Association
- Huna Totem Corporation
- Petersburg Indian Association
- Central Council Tlingit and Haida Indian Tribes of Alaska
- Sealaska Corporation
- Sealaska Heritage Institute
- National Park Service
- National Forest Service
- State Historic Preservation Office
- City of Skagway
- City of Hoonah
- Petersburg Borough

Please direct your concurrence or comments to me at the address above, by telephone at #####

Sincerely,



Benjamin Storey
Southcoast Regional Environmental Manager, and PQI Archaeology

Enclosures:
APE Figures

Electronic cc w/ enclosures:
Joel Osburn, P.E., DOT&PF Southcoast Region, Project Manager
Nina Keller, DOT&PF Statewide, NEPA Manager
Holly McKinney, DOT&PF Statewide, Acting Cultural Resource Manager