



# Petersburg Borough

12 South Nordic Drive  
Petersburg, AK 99833

## Meeting Agenda Borough Assembly Regular Meeting

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Monday, July 15, 2024

6:00 PM

Assembly Chambers

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You are invited to a Zoom webinar.  
When: July 15, 2024 06:00 PM Alaska  
Topic: July 15, 2024 Borough Assembly Meeting

Please click the link below to join the webinar:

<https://petersburgak.gov.zoom.us/j/87066734748?pwd=00Lj0N7b7AbTxw9RVM8RW1kbvIkskT.1>

Passcode: 216026

Or Telephone:

(253) 215-8782 or (720) 707-2699

Webinar ID: 870 6673 4748

Passcode: 216026

1. **Call To Order/Roll Call**
2. **Selection of Mayor Pro Tem**

If Mayor Jensen is unable to attend this meeting, and with Vice Mayor Marsh traveling and attending via Zoom if at all, the body may need to appoint a member who is physically present in the Assembly Chambers to Chair this meeting.

3. **Voluntary Pledge of Allegiance**
4. **Approval of Minutes**
  - A. **July 1, 2024 Assembly Meeting Minutes**
5. **Amendment and Approval of Meeting Agenda**
6. **Public Hearings**

**A. Public Hearing for Ordinance #2024-12: An Ordinance Providing for the Submission to the Qualified Voters of Petersburg Borough the Question of the Issuance of Not-to-Exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) of General Obligation Bonds, to Pay Costs of Public School Capital Improvements in the Borough at the Regular Election Held on October 1, 2024**

Any public testimony regarding Ordinance #2024-12 should be given during this public hearing. A copy of Ordinance #2024-12 may be found under agenda item 15A.

**B. Public Hearing for Ordinance #2024-13: An Ordinance Authorizing Long Term Indebtedness in an Amount not to Exceed \$19.3 Million for the Design and Construction of Water and Wastewater Infrastructure in the Borough and Directing that this Matter be Submitted to the Voters for Consideration at the Next Regular Election to be Held on October 1, 2024**

Any public testimony regarding Ordinance #2024-13 should be given during this public hearing. A copy of Ordinance #2024-13 may be found under agenda item 15B.

**7. Bid Awards**

**8. 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.*

**9. Persons to be Heard Unrelated to Agenda**

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

**10. Boards, Commission and Committee Reports**

**A. SEAPA Report**

Assembly Member Lynn and Electric Utility Director Hagerman, Petersburg's SEAPA Board Members, have provided a written report (which is attached in this packet) of the SEAPA meeting held on June 26 & 27, 2024.

**11. Consent Agenda**

**A. Beachcomber Lodge LLC Seasonal Alcoholic Beverage Dispensary License Renewal**

The Beachcomber Lodge has applied with the Alcohol Marijuana Control Office (AMCO) to renew their seasonal beverage dispensary license. AMCO has determined the application to be complete. A local governing body may protest the renewal within 60 days of the notice of filing the application.

**12. Report of Other Officers**

**13. Mayor's Report**

**A. July 15, 2024 Mayor's Report**

**14. Manager's Report**

**A. July 15, 2024 Manager's Report**

**15. Unfinished Business**

**A. Ordinance #2024-12: An Ordinance Providing for the Submission to the Qualified Voters of Petersburg Borough the Question of the Issuance of Not-to-**

**Exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) of General Obligation Bonds, to Pay Costs of Public School Capital Improvements in the Borough at the Regular Election Held on October 1, 2024 - Second Reading**

If approved in three readings, Ordinance #2024-12 will bring Ballot Proposition #1, issuance of up to three million five hundred thousand dollars (\$3,500,000) of General Obligation Bonds for Petersburg School District capital improvements, before the voters at the October 1, 2024 Municipal Election. In its first reading, the Assembly amended the not-to-exceed dollar amount of the general obligation bonds from \$4,500,000 to \$3,500,000 by unanimous roll call vote. The ordinance was then unanimously approved, as amended, in its first reading.

**B. Ordinance #2024-13: An Ordinance Authorizing Long Term Indebtedness in an Amount Not to Exceed \$19.3 Million for the Design and Construction of Water and Wastewater Infrastructure in the Borough and Directing that this Matter be Submitted to the Voters for Consideration at the Next Regular Election to be Held on October 1, 2024 - Second Reading**

Ordinance #2024-13, if approved in three readings, will bring the question of indebtedness to the Alaska Department of Environmental Conservation's municipal loan program, in an amount not to exceed \$19.3 million, for design and construction of water and wastewater new and upgraded infrastructure in the Borough, to Borough voters at the October 1, 2024 Municipal Election. The ADEC loan program offers interest rates of approximately 1.5% over a 20 year period. If approved by the voters, projects design and construction will be authorized to commence until December 31, 2030. The Assembly unanimously approved Ordinance #2024-13 in its first reading.

**16. New Business**

**A. Ordinance #2024-14: An Ordinance Amending Provisions of Chapters 3.38, 3.40, and 3.76 of the Petersburg Municipal Code to Establish the Public Works Director as the Head of the Borough Water and Sewer Utilities and Create an Assistant Public Works Director as an Administrative Officer of the Borough**

Approval of Ordinance #2024-14 in three readings will move operation responsibility of the water and sewer utilities to the Public Works Director and will create an Assistant Public Works Director position as an administrative officer of the Borough.

**B. Ordinance #2024-15: An Ordinance Amending Section 14.20.280 of the Petersburg Municipal Code to Clarify Recoverable Expenses from Vessels Impounded and Disposed of from Borough Harbors**

Ordinance #2024-15, if approved in three readings, will clarify in Municipal Code that the owner of any vessel disposed of shall be liable for all costs incurred by the Borough during the process of disposal.

**C. Ordinance #2024-16: An Ordinance Adjusting the FY 2025 Budget for Known Changes**

If adopted in three readings, Ordinance #2024-16 will: 1) authorize \$240,000 to be transferred from the Harbor Department reserves to a Derelict Boat Disposal budget item, increasing the total amount budgeted to \$250,000; 2) transfer \$4,000 from the General Fund Contingency to a Ballot Proposition Information budget item to disseminate information on the ballot propositions regarding the maximum sales tax exemption and transient room tax rate; and 3) adding the revenue (\$232,965) and expenses (\$153,418) for two electrical line extension jobs into the budget.

**D. Reappointment of Petersburg's Representatives to the Southeast Alaska Solid Waste Authority**

The Mayor or Mayor Pro Tem may, without objection, reappoint Chris Cotta as Petersburg's Representative and Aaron Marohl as Petersburg's Alternate Representative to SEASWA. The appointments will expire January 31, 2027.

**E. Public Safety Advisory Board Appointment**

The Mayor or Mayor Pro Tem may, without objection, appoint an interested Borough citizen to the vacant seat on the Public Safety Advisory Board until the October 1, 2024 Municipal Election. A letter of interest was submitted by John R. Havrilek, a copy of which is attached in this packet.

**17. Communications**

**18. Assembly Discussion Items**

**A. Assembly Member Comments**

**B. Recognitions**

**19. Adjourn**



# Petersburg Borough

12 South Nordic Drive  
Petersburg, AK 99833

## Meeting Minutes Borough Assembly Regular Meeting

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Monday, July 01, 2024

12:00 PM

Assembly Chambers

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### 1. Call To Order/Roll Call

Vice Mayor Marsh called the meeting to order at 12:06 p.m.

#### PRESENT

Vice Mayor Donna Marsh  
Assembly Member Thomas Fine-Walsh  
Assembly Member Bob Lynn  
Assembly Member Jeigh Stanton Gregor

#### EXCUSED

Mayor Mark Jensen  
Assembly Member Scott Newman  
Assembly Member Rob Schwartz

### 2. Voluntary Pledge of Allegiance

The Pledge was recited.

### 3. Approval of Minutes

#### A. June 17, 2024 Assembly Meeting Minutes

The June 17, 2024 Assembly meeting minutes were unanimously approved.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Fine-Walsh.

Voting Yea: Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

### 4. Amendment and Approval of Meeting Agenda

The agenda was approved as submitted.

Motion made by Assembly Member Fine-Walsh, Seconded by Assembly Member Lynn.

Voting Yea: Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn,

Assembly Member Stanton Gregor

**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.*

No views were shared.

**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.*

Heather Conn, Principal of the Rae C. Stedman Elementary School, thanked the Assembly for approving to fund the school district to the maximum amount allowed by state statute.

**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 Update**

PMC CEO Hofstetter updated the Assembly on Medical Center activities.

**B. US Forest Service Update**

Petersburg District Ranger Born updated the Assembly on USFS activities.

**12. Mayor's Report**

**A. July 1, 2024 Mayor's Report**

Vice Mayor Marsh read the Mayor's Report into the record.

**13. Manager's Report**

**A. July 1, 2024 Manager's Report**

Manager Giesbrecht read his report into the record, a copy of which is attached and made a permanent part of these minutes.

**14. Unfinished Business**

- A. Ordinance #2024-11: An Ordinance Proposing an Amendment to the Home Rule Charter of the Petersburg Borough to Remove the Requirement of Voter Ratification of Changes to Sales Tax Exemptions, and Directing that the Proposed Amendment be Submitted to the Qualified Voters of the Borough**

Ordinance #2024-11 failed in its third and final reading by a vote of 1-3.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Fine-Walsh.

Voting Yea: Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

Voting Nay: Vice Mayor Marsh

**15. New Business**

- A. Ordinance #2024-12: An Ordinance Providing for the Submission to the Qualified Voters of Petersburg Borough the Question of the Issuance of Not-to-Exceed Four Million Five Hundred Thousand Dollars (\$4,500,000) of General Obligation Bonds, to Pay Costs of Public School Capital Improvements in the Borough at the Regular Election Held on October 1, 2024**

Ordinance #2024-12 was amended to change the bond amount from \$4,500,000 to \$3,500,000.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Stanton Gregor.

Voting Yea: Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

The Assembly unanimously approved Ordinance #2024-12, as amended, in its first reading.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Fine-Walsh.

Voting Yea: Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

- B. Ordinance #2024-13: An Ordinance Authorizing Long Term Indebtedness in an Amount not to Exceed \$19.3 Million for the Design and Construction of Water and Wastewater Infrastructure in the Borough and Directing that this Matter be Submitted to the Voters for Consideration at the Next Regular Election to be Held on October 1, 2024**

By unanimous roll call vote, the Assembly approved Ordinance #2024-13 in its first reading.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Fine-Walsh.

Voting Yea: Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor

**16. Communications**

**A. Correspondence Received Since June 13, 2024**

**17. Assembly Discussion Items**

**A. Assembly Member Comments**

No comments were shared.

**B. Recognitions**

There were no recognitions.

**18. Adjourn**

The meeting was adjourned at 12:33 p.m.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Fine-Walsh.

Voting Yea: Vice Mayor Marsh, Assembly Member Fine-Walsh, Assembly Member Lynn, Assembly Member Stanton Gregor



**Borough Manager's Report  
Assembly Meeting 01 July 2024**

- ❖ Ken Birch has been making progress in replacing the Elderly Housing greenhouse entrance.
- ❖ The Streets Dept installed some storm drain piping to eliminate standing water near the Elementary School.
- ❖ Recent warm weather has allowed us to get dust control treatment down on our dirt streets. We have some dust control solution left but may need to order more before the season is over.
- ❖ Grading and pothole repair continue. Most streets were graded recently, there are a couple in Severson's Subdivision that still need to get done.
- ❖ The crew dug some ditches at the ballfield to facilitate new lighting and other electrical improvements. We are also assisting Petersburg Little League with installation of new fencing. This project is ongoing.
- ❖ Chris is working with the Streets crew to identify a better model of street sweeper for spring sand pickup. The current unit has proven inadequate for this task, and we are unable to increase its performance to satisfactory levels. Once we have a suitable unit identified, we will be approaching the Assembly about budgeting for an early replacement of the current street sweeper.
- ❖ Sanitation is coordinating with the Chamber for garbage service over the 4th of July holiday.
- ❖ The Sanitation Dept is very busy right now with lots of local construction projects ongoing, cruise ships/harbor garbage, and fish processors ramping up for the summer season.
- ❖ As of July 1st, the Water and Wastewater Depts will be incorporated back into Public Works. We are working with Utility Director Hagerman and Departmental staff on the details of the transition, which will likely take several months to fully implement.
- ❖ Chris is working with Borough Administration to finalize an interview schedule for the Assistant Public Works Director position. To date, we have 3 in-house applicants for this position.
- ❖ Harbor Parking is being enforced along Harbor Way and Middle, South Harbor and long term at Drive Down and remind people the parking is very tight so might be wise to have a backup plan for leaving vehicles for long periods of time.
- ❖ Remind boaters of the no wake zone outside all 3 harbors and responsibility for wake is on the owner/operator.
- ❖ Harbor Staff met with ADOT representatives to talk about Scow Bay project and clarify design and ADOT boundaries that was included with an updated application for additional tideland conveyance and submitted to DNR this week.
- ❖ USCG is back with their (2) fast boat response team for the next month or so. They will be on patrol in Fredrick Sound, Wrangell Narrows and on the south end in the Stikine/Wrangell area.

- ❖ The library's summer reading programs are in full swing with over 250 local children, teens and adults participating. Thank you to the many local businesses and individuals whose donations make these programs possible.
- ❖ The Lead Service Line Inventory surveys should be coming to water customers with this month's mailing of utility bills. The utility requests that our customers take the time to complete the survey and submit the information as soon as possible. Thanks to all customers of the water utility!
- ❖ The wastewater dept is still waiting for release of our draft discharge permit from the EPA so that we can make comments on any portion of the permit that doesn't make sense to us.
- ❖ The PS4 project continues to move toward bidding, with a target of this fall to time the bidding period with the seasonality of the construction industry. We should see more bids and better bids as contractors look to fill their schedules for the next construction season.
- ❖ PMPL staff continues to deploy AMI meters in the community. The meters communicate their readings back to the municipal building via a low-power radio frequency and will improve billing accuracy and customer service for electric customers. Questions can be directed to PMPL at 907-772-4203.
- ❖ Thank you to our customers that were able to conserve power during the last billing cycle. The annual SEAPA shutdown went smoothly from the utility's perspective and all power saved by our customers has helped to minimize the diesel fuel adjustment charge included in the utility billing at the end of July.
- ❖ EPS is almost complete with 30% plans and specifications for a design-build bid package for the next Scow Bay generator.
- ❖ The line crew has been cleaning out materials and supplies from the 14th Street pole yard to make room for the Harbor Department's storage needs.
- ❖ Nurse call system is up and running at Assisted Living. Working out a couple kinks in the paging system.
- ❖ Wrapping up the contract with Home Health for the Bingo program.
- ❖ I have talked with the state and have received a TB paper that the staff can fill out and if they answer the questions right then they do not have to get a TB shot and that will save us money on TB Shots every year.
- ❖ Nils from AML will be in Petersburg for the AMLIP (Investment Pool) meeting July 15-17. While here, Nils will host a conversation with community stakeholders about potential projects that line up with some federal grant programs. "Stakeholders" in this case would be both boroughs' staff, school districts, tribes, utilities, ports and harbors. Wrangell has been invited.

## Notes from June 26-27 SEAPA Meeting

--Federal Energy Regulatory Commission (FERC) 5 year inspection of the Swan Lake dam took place on May 14, 2024. The report from the inspection has not been received.

--A contract was signed and design work has begun on a new Ketchikan substation. Scope of the work is for a 115/34.5KV substation to be located adjacent to SEAPA's 115 KV line. This work is needed to accommodate future load growth in Ketchikan.

--Kleinschmidt is now under contract for the Tyee 3<sup>rd</sup> turbine capacity license amendment. Estimated completion date is the end of 2024.

--McMillen Inc. has been contracted to provide a shovel ready design to include maximum horsepower criteria and construction cost estimates for the Tyee third turbine. A kick-off meeting was held on May 28<sup>th</sup>.

--A reminder that SEAPA applied in October 2023 for a \$5 million grant which would be used to help offset costs of a third turbine at Tyee. More requests for funding were received than money available, which invoked a detailed ranking process. Hopefully, selections will be done later this summer.

--In 2023, the Board approved a contract to look at grid stability and potential capacity of adding solar to the SEAPA grid. A detailed presentation was made to the board at this meeting. Some details of that presentation:

--SEAPA grid system frequency is the critical variable, which is the limiting factor to solar integration into the system.

--System frequency issues limit integration of solar to 650 kW total between the three SEAPA member communities.

--Adding a battery system as a buffer, that would span frequency disturbances when solar panel output drops, would allow a larger 1.6 MW AC solar bank to be added to the grid.

--More discussion is needed.

--The Board did authorize the CEO to pursue funding for an application under EPA's Solar for All Grant Program.



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

June 27, 2024

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

Licensee: Beachcomber Lodge LLC DBA: Beachcomber Lodge LLC VIA email: beachcomberlodgellc@gmail.com CC: Local Government 1: Petersburg Borough Local Government 2: Via Email: dthompson@petersburgak.gov; bregula@petersburgak.gov Community Council: Via Email:

Re : Beverage Dispensary License – Seasonal #100 Combined Renewal Notice

Table with 2 columns: Field Name and Value. Fields include License Number (#100), License Type (Beverage Dispensary License – Seasonal), Licensee (Beachcomber Lodge LLC), Doing Business As (Beachcomber Lodge LLC), Physical Address (384 Mitkof Highway), and Phone Number (907-723-7514).

[X] License Renewal Application [ ] Endorsement Renewal Application

Dear Licensee:

Our staff has reviewed your application after receiving your application and 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(ies), your community council if your proposed premises is 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(ies) will have 60 days to protest the renewal of your license.

Your application will be scheduled for the **June, 25<sup>th</sup> 2024** 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).

Please feel free to contact us through the [Alcohol.licensing@alaska.gov](mailto: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 endorsement, 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 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](mailto:amco.localgovernmentonly@alaska.gov).

**Dear Community Council (Municipality of Anchorage and Mat-Su Borough only)**

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This letter serves to provide written notice to the above referenced entities regarding the above application, as required under AS 04.11.310(b) and AS 04.11.525.

Please contact the local governing body with jurisdiction over the proposed premises for information regarding review of this application. Comments or objections you may have about the application should first be presented to the local governing body.

If you have any questions, please email [Alcohol.licensing@alaska.gov](mailto:Alcohol.licensing@alaska.gov)

Sincerely,



Joan M. Wilson, Director  
907-269-0350

**Mayor's Report  
For  
July 15, 2024 Assembly Meeting**

- 1. Seeking Letters of Interest:** The Petersburg Borough is accepting letters of interest from citizens who wish to serve the community by filling a vacant seat on the Public Safety Advisory Board until the October 2024 Municipal Election. Letters of interest should be submitted to Clerk Thompson at the Borough offices located at 12 S. Nordic Drive; by sending to PO Box 329, Petersburg, AK 99833; or by emailing to [dthompson@petersburgak.gov](mailto:dthompson@petersburgak.gov).





**Borough Manager's Report  
Assembly Meeting 15 July 2024**

- ❖ There are no applicants for the open EMS coordinator position as of 7/9/24. Aaron continues to fill in for this position as he can.
- ❖ Recently a meeting was held with the USCG and community stakeholders addressing USCG's capabilities to help run Mass Casualty response exercises. The USCG sent port security specialist Tom Pauser and Mike Pierson from Juneau to provide a brief on what these exercises could look like for Petersburg, Funding opportunities for these exercises, and methods to gauge community involvement.
- ❖ Aaron is working with Katmai Solutions, to provide a third-party report on changes that need to be made to the 2010 disaster response plan. This report will serve the purpose of advising the LEPC and Borough administration of changes that either should be made, updated or added in the new update.
- ❖ PVFD volunteers are trying to raise awareness about the importance of having good signage for residences, so responders know where to when 911 is called. The PVFD Association sells reflective address signs for the community. The volunteers will also help install the sign upon request. If interested, please contact the Fire Dept. at 772-3355.
- ❖ Sanitation volume continues to be high with tour ships and fish processors generating a lot of refuse.
- ❖ Water production is ramping up due to increased demand from processors. At a little over 1M gallons per day we are roughly double our off-season production levels, with peak production expected later in the summer. The water plant is designed to produce up to 4 million gallons per day. We normally won't see daily water production exceed about 2.5 MGD in the summer.
- ❖ The Alaska Rural Water Association is in town conducting a sanitary survey of the Water dept, as required by ADEC. A sanitary survey is an inspection of the water treatment plant. It must be performed by a qualified consultant per ADEC. The inspection looks at the condition and safety of our treatment system and standard operations to identify any equipment or processes that could be unsafe for our customers.
- ❖ The Wastewater crew assisted processor EC Phillips with some pump station issues they were having at their bunkhouse. The Borough's vactor truck was used to clear the pump station to allow a contractor access to do some diagnostic and repair work.
- ❖ Admin staff working on transition activities related to bringing Water and Wastewater back into Public Works.
- ❖ Derrick is working on the annual adjustments for the service rates at Assisted Living.

- ❖ Finishing up with the final parts of the OSHA inspection at Assisted Living. OSHA asked for some clarification on what had been sent to them. This will include adding some additional training for the staff on OSHA requirements.
- ❖ Sprint Triathlon happening on Saturday, July 20<sup>th</sup> with a 9a transition time and a 10a start time! Contact Parks and Rec and/or Scott Burt for more details and to get registered!
- ❖ Another round of swim lessons will begin on the 22<sup>nd</sup> for the continuation of swim levels. Keep an eye out around Parks and Rec and Facebook for more information.
- ❖ Registration is open now for Parks and Rec Youth Volleyball Camp beginning on Aug. 5<sup>th</sup> for 6<sup>th</sup> - 8<sup>th</sup> grade, and Aug 12<sup>th</sup> for 3<sup>rd</sup> -5<sup>th</sup> grade. Stop in for more information and to get your player registered!
- ❖ Property tax invoices were mailed out on July 1<sup>st</sup>. The due date is October 15<sup>th</sup>. Please contact the finance department if you have questions at 907-772-5409.
- ❖ Harbor staff appreciates all the players at the Drive Down working together. Busy place and most are very considerate of each other.
- ❖ Tuesday, harbor staff participated in a tabletop mass casualty drill led by EMS Director Hankins and USCG SE Sector emergency preparedness team. Was informative and good practice for a potential incident.
- ❖ Harbor staff has been working with Attorney Heideman to develop language to better the Boroughs code structure for dealing with abandoned/derelict vessel situations.
- ❖ The annual SEAPA shutdown went smoothly, and the diesel fuel adjustment charge has been calculated to be **1.3 cents per KWH** for usage in the June billing period. This adjustment will show up on the utility bills at the end of July. The higher output from the Blind Slough Hydro, a shorter shutdown period and our customer's energy conservation efforts saved a substantial amount of fuel over the previous year. A lower fuel price in general also helped dramatically. For reference, last year's adjustment was 2.7 cents per KWH.
- ❖ The annual Dam Safety Inspection with FERC engineers and our contracted Chief Dam Safety Engineer will be on July 18<sup>th</sup>. Various maintenance activities have been accomplished in the last month so that we are ready for the inspection.
- ❖ Staff is reviewing the draft 30% design-build plans and specs from EPS for the Scow Bay Generator project.
- ❖ The line crew has been working on various projects and services, including a line extension at Libby Lane, the WERC building power and other new customers.
- ❖ A reminder for water system customers to fill out the Lead Service Line Inventory survey that went out in the June utility bills. If customers have any questions, please contact the water department at 907-772-4760.
- ❖ Karl is still working on Pumpstation 4, WW discharge permitting and closeout of older WW projects with ADEC.



**PETERSBURG BOROUGH  
ORDINANCE #2024-12**

**AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF PETERSBURG BOROUGH THE QUESTION OF THE ISSUANCE OF NOT-TO-EXCEED THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000) OF GENERAL OBLIGATION BONDS, TO PAY COSTS OF PUBLIC SCHOOL CAPITAL IMPROVEMENTS IN THE BOROUGH AT THE REGULAR ELECTION HELD ON OCTOBER 1, 2024.**

**WHEREAS**, the Petersburg Borough School District (the “District”) developed a list of critical major maintenance and safety capital improvements for public school facilities owned by the Petersburg Borough, Alaska (the “Borough”); and

**WHEREAS**, in collaboration, the Borough and District determined that it is in the best interest of the Borough, and its residents, to finance costs of the School Improvements identified in Section 1 of this ordinance, with proceeds derived from the issuance of general obligation debt; and

**WHEREAS**, the estimated cost of the School Improvements is not anticipated to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000); and

**WHEREAS**, the Borough is authorized to issue general obligation debt, pursuant to Article 13, Section 1 of the Borough Charter, subject to authorization by the Borough Assembly and ratification by a majority of qualified voters of the Borough voting on the questions; and

**WHEREAS**, the Borough Assembly seeks to authorize the issuance of not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) principal amount of general obligation debt to pay all or a portion of the cost of the School Improvements; and

**WHEREAS**, the Borough Assembly finds that it is in the best interests of the Borough, and its residents, to incur long-term general obligation debt in order to undertake the School Improvements, and, pursuant to the provisions of Article 13 of the Borough Charter, it wishes to submit this matter to the qualified voters of the Borough for their consideration.

**THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE PETERSBURG BOROUGH, ALASKA**, as follows:

**SECTION 1. Purpose:**

A. It is hereby determined to be for a public purpose and in the public interest of Petersburg Borough, Alaska (the “Borough”) to incur general obligation bond indebtedness in the principal amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) (the “Bonds”) for the purpose of financing costs of major maintenance to areawide public school facilities to include costs of planning, designing, site preparation, constructions, installing and equipping public school capital improvement projects, including roof replacement/repair at the Mitkof Middle School and Petersburg High School, security and safety features and upgrades at the Borough’s public schools, and related public school capital improvements (the “School Improvements”).

B. An election is to be held on October 1, 2024, in and for the Borough. It is hereby authorized that the Borough submit the question to qualified voters of the Borough, at this election, to authorize long-term general obligation indebtedness, through issuance of bonds, to finance: (i) capital costs of School Improvements, including incidental costs incurred in connection with carrying out such improvements; and (ii) to pay the costs incident to financing the School Improvements and issuing the bonds.

**SECTION 2. Substantive Provisions:**

A. The Borough Assembly hereby (i) determines that it is in the best interests of the Borough to undertake the School Improvements, consisting of the capital improvements described in Section 1 of this ordinance, and (ii) authorizes long-term general obligation indebtedness for the purpose of financing the School Improvements, in the form of issuance of Bonds that shall be a general obligation of the Borough, payable from taxes and other money of the Borough legally available for such purpose, in an amount not to exceed the total principal sum of Three Million Five Hundred Thousand Dollars (\$3,500,000), subject to voter ratification.

School Improvements include the cost of all necessary architectural, engineering, legal and other consulting services; site acquisition or improvement (e.g., clearing and demolition); on and off-site utilities and related improvements; printing, advertising, establishing and funding accounts; necessary and related planning, consulting, inspection and testing costs; administrative expenses; and other similar activities or purposes incurred in connection with the School Improvements shall be deemed a part of the costs of such capital improvements. The Borough may modify details of the School Improvements as it may find necessary or advisable.

The Borough shall determine the application of available money between the various portions of the School Improvements so as to accomplish, as near as may be, all of the School Improvements. If available money from the proceeds of the bonds is more than sufficient to pay the costs of the School Improvements, or if state or local circumstances require any alteration in the School Improvements, the Borough may acquire, construct, equip and make other capital improvements to the District's public school facilities or may retire and/or defease a portion of the Bonds, all as the Borough may determine and as permitted by law. If the proceeds of the sale of the Bonds and other available money are insufficient to make all of the capital improvements herein provided for, or if it has become impractical to accomplish the School Improvements or portions of the School Improvements, the Borough may use the proceeds of the Bonds and other available money for paying the costs of those portions of the School Improvements deemed by the Borough to be most necessary and in the best interest of the Borough.

B. The Bonds will be issued and sold in the amounts and at the time or times as they Assembly finds necessary and advisable and as permitted by law. The Bonds may be issued in one or more series and shall mature in the amounts and at the times as authorized by the Assembly and as provided by law. The date, form, interest rates, terms, redemption provisions, maturities, covenants and manner of sale of the Bonds shall be as hereafter provided by the Assembly.

C. The question of whether to authorize this indebtedness shall be submitted to the qualified voters of the Borough at the regular municipal election to be held on October 1, 2024. The proposition must receive an areawide majority vote of those in the Borough voting on the question. The ballot proposition to be submitted to the voters shall read substantially as follows:

PROPOSITION NO. 1  
GENERAL OBLIGATION BONDS  
Public School Capital Improvements  
(Assembly Ordinance #2024-12)

Shall the Petersburg Borough incur long-term indebtedness, and issue up to the principal amount not to exceed Three Million Five Hundred Thousand dollars (\$3,500,000) of general obligation bonds?

Proceeds of the general obligation bonds will be used to finance costs of major maintenance to areawide public school facilities including roof replacement/repair at both the Mitkof Middle School and Petersburg High School, security and safety features and upgrades to the Borough’s public schools and related capital improvements, and also includes paying incidental costs incurred in connection with carrying out and financing such improvements and costs incidental to the issuance of the bonds.

The indebtedness would be in the form of general obligation bonds, payable from ad valorem taxes levied on all taxable property located within the Borough. The Borough will pledge its full faith and credit for repayment of the indebtedness.

Voter approval of this bond proposition authorizes for each \$100,000 of assessed taxable real and personal property value in the Borough (based on the estimated FY 2025 areawide assessed valuation) an annual increase in taxes of approximately \$62.00 to retire the proposed bonds.

PROPOSITION NO. 1 YES \_\_\_\_ NO \_\_\_\_

This proposition shall be printed on a ballot which may set forth other general obligation bond propositions.

D. The Borough Manager (or such official’s designee) is authorized to take all actions required in accordance with Article 5 of the Borough Charter to provide notice of the election and to provide informational documents to the voters regarding this proposition. Specifically, the Borough Manager and other proper Borough officials are directed to cause notice of the election to be published once a week for three weeks, beginning at least 20 days prior to the election date, in accordance with Article 13, Section 2, of the Borough Charter, which notice shall include the following information:

1. The maximum principal amount of the bonds, which shall not exceed \$3.5 million.
2. The amount of the estimated annual debt service on the proposed bonds, based on an estimate of the anticipated interest rate, which shall be determined closer to the date of publication of the election information.
3. The amount of current total general obligation indebtedness of the Borough (including authorized but unsold bonds).
4. The amount of current year debt service payable with respect to outstanding bonds of the Borough.

5. The current total assessed valuation within the Borough.

**SECTION 3. General Authorization; Ratification:** The proper Borough officials are authorized to perform such duties as are necessary or required by law to the end that the question of whether or not the Bonds shall be issued as provided in this ordinance, shall be submitted to the voters of the Borough at the October 1, 2024 regular election. Any action taken consistent with the authority and prior to the effective date of this ordinance is hereby ratified, approved and confirmed.

**SECTION 4. Intent to Reimburse:** The Borough Assembly declares that to the extent that the Borough makes capital expenditures for School Improvements prior to the date the Bonds or other short term obligations are issued to finance the School Improvements from funds that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis or otherwise set aside by the Borough under its existing and reasonably foreseeable budgetary and financial circumstances to finance the School Improvements, those capital expenditures are intended to be reimbursed out of proceeds of the Bonds or other short term obligations issued in an amount not to exceed the principal amount of the Bonds provided by this ordinance.

**SECTION 5. 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 6. Classification:** This ordinance shall not be codified in the Petersburg Borough Municipal Code.

**SECTION 7. Effective Date:** This ordinance is effective upon passage. The indebtedness contemplated by this ordinance shall be considered approved by the voters upon certification of the October 1, 2024 election results reflecting approval of the proposition, subject to Article 13, Section 10 of the Borough Charter. If such proposition is approved by the requisite number of voters, the Borough shall be authorized to issue the Bonds in the manner described in this ordinance, to spend the proceeds thereof to pay the costs of the School Improvements and the costs of issuance and sale of such Bonds within ten years as provided by Article 13, Section 8 of the Borough Charter.

**Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska, this 5<sup>th</sup> day of August, 2024.**

\_\_\_\_\_  
Mark Jensen, Mayor

ATTEST:

\_\_\_\_\_  
Debra K. Thompson, Borough Clerk

Adopted:  
Published:  
Effective:

**Resolution 2024-01 revised**  
**Petersburg School District in Support of Borough Bonding**  
**Major Maintenance Projects**

**Whereas** the school board supports several major maintenance projects being bonded by the borough; and

**Whereas** the middle/high school was constructed in 1951 and was subsequently renovated, added to and repaired many times, resulting in a patchwork roof assembly; and

**Whereas** the roof has been actively leaking for several years despite careful maintenance; and

**Whereas** during the winter of 2022 the borough received a record breaking amount of snow and then rain which caused membrane roof damage from ice falling off the metal roofs, which caused leaks in the listed classrooms (137, 138, Band and Library) and damages totaling \$323,400. This added to the ongoing leaks we have been dealing with from the failing hardware on the metal roofs; and

**Whereas** the district commissioned a Roof Condition Survey and cost estimate from LCG Lantech Architects in 2023 to fully evaluate the roof assembly and provide recommendations; and

**Whereas** the roof has been on the capital improvement plan for 4 years: and

**Whereas** based on the Condition Survey, the roof replacement project was submitted to the State of Alaska for a CIP grant and is #12 on the major maintenance list; and

**Whereas** the Department of Education's major maintenance grant list shows the eligible amount for the roof replacement project as being \$4,272,898 and the district's participating share for the-CIP grant is 35%, or \$1,495,514; and

**Whereas** 21st century schools need 21st century school security; and

**Whereas** in light of an increasing number of school threats, the school district is in need of security and safety upgrades; and

**Whereas** exterior door locks need to be upgraded to electrified key fob locking systems for security purposes, ADA compliance, and the HS office needs to be remodeled for student safety, security and visitor control; and

**Whereas** the combined HS office remodel and exterior door/ADA security upgrades is estimated to cost approximately \$1.4 million; and

**Whereas** the current school deferred maintenance bonds will mature in September of 2024;

**Therefore** be it resolved that the Petersburg School Board supports the Borough bonding major maintenance projects for the borough owned school buildings.

**Adopted** by the Board of Education of the Petersburg School District, Petersburg, Alaska, at the Regular open public meeting thereof, held this 14th day of May, 2024

  
\_\_\_\_\_  
School Board President, Sarah Holmgrain

  
\_\_\_\_\_  
Superintendent, Erica Kludt-Painter

  
\_\_\_\_\_  
Witness, Mara Lutomski

**PETERSBURG BOROUGH, ALASKA  
ORDINANCE 2024-13**

**AN ORDINANCE AUTHORIZING LONG TERM INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED \$19.3 MILLION FOR THE DESIGN AND CONSTRUCTION OF WATER AND WASTEWATER INFRASTRUCTURE IN THE BOROUGH AND DIRECTING THAT THIS MATTER BE SUBMITTED TO THE VOTERS FOR CONSIDERATION AT THE NEXT REGULAR ELECTION TO BE HELD ON OCTOBER 1, 2024**

**WHEREAS**, the Borough Water and Wastewater Enterprise Funds provide potable water treatment and distribution and wastewater collection and treatment to the residents and visitors of Petersburg; and

**WHEREAS**, the current water and wastewater systems require ongoing refurbishment to retain the safety of Petersburg's drinking water and the protection of sanitary sewer collection and treatment; and

**WHEREAS**, new water and wastewater line extensions are required for new, upcoming borough projects; and

**WHEREAS**, the State of Alaska Department of Environmental Conservation (ADEC) currently offers a municipal loan program for water and wastewater infrastructure projects for up to 100% of eligible projects at terms of approximately 1.5% interest over 20 years; and

**WHEREAS**, the Borough Water Enterprise has developed a 6-year capital improvement plan to address various water infrastructure projects such as ADEC- mandated improvements at the treatment plant, water main replacements, and new line extensions, at a projected cost of approximately \$2.5 million; and

**WHEREAS**, the Borough Wastewater Enterprise has developed a 6-year capital improvement plan to address various projects such as pump station refurbishments, sewer main replacements, wastewater treatment mandates, and new line extensions and lift station, at a projected cost of \$16.8 million; and

**WHEREAS**, for these projects, it is anticipated that any indebtedness shall be incurred such as to commence design and construction no later than six years from the date of voter approval, and thus any voter authorization to incur long-term debt associated with these departmental capital improvement projects shall be valid only until December 31, 2030; and

**WHEREAS**, the Assembly finds that it is in the best interests of the Petersburg Borough to incur such long-term debt in order to maintain and expand public water and wastewater infrastructure in a safe and sanitary manner protective of the public health, and wishes to submit this matter to the qualified voters of the Borough, for their consideration.

**THEREFORE, THE PETERSBURG BOROUGH ORDAINS**, as follows:

**SECTION 1. Classification:** This ordinance shall not be codified in the Petersburg Municipal

Code.

**SECTION 2. Purpose:** The purpose of this ordinance is to authorize long-term indebtedness for Borough water and wastewater projects and to submit the question to the Borough voters at the next regular election.

**SECTION 3. Substantive Provisions:**

A. The Borough Assembly hereby determines that it is beneficial to the Borough to authorize long-term indebtedness (evidenced by loans, with terms not to exceed 20 years), which shall be a revenue obligation of the water and wastewater enterprises only, in an amount not to exceed the total principal sum of \$19.3 million, for the purposes of permitting, design and construction of capital improvements for the water and wastewater enterprise funds.

B. The question of whether to authorize this indebtedness shall be submitted to the qualified voters of the Petersburg Borough at the next regular municipal election, to be held on October 1, 2024. The ballot proposition to be submitted to the voters shall read substantially as follows:

Proposition No. \_\_\_\_

Shall the Petersburg Borough be authorized to incur long-term indebtedness, in a total principal amount not to exceed Nineteen Million Three Hundred Thousand Dollars (\$19,300,000), for the purposes of permitting, designing and constructing capital projects of the water and wastewater enterprises? This indebtedness would be a revenue obligation of the water and wastewater enterprises only. The indebtedness would be in the form of loans from the Alaska Department of Environmental Conservation (ADEC), with a term not to exceed 20 years, and with an anticipated annual interest rate of 1.5% or as otherwise established under the ADEC Municipal Loan Program. Any authorization approved hereunder by the voters shall expire on December 31, 2030 as to any indebtedness not incurred on or before that date.

- YES
- NO

C. The Borough Manager, Public Works Director, Community & Economic Development Director and Utility Director are authorized to provide informational documents to the voters regarding this proposition.

**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, if approved by the voters, shall become effective immediately upon certification of the October 1, 2024 election results.



**Passed and approved by the Petersburg Borough Assembly, Petersburg, Alaska this 5<sup>th</sup> day of August, 2024.**

\_\_\_\_\_  
**Mark Jensen, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Debra K. Thompson, Borough Clerk**

Adopted:  
Published:  
Effective: Upon Voter Approval  
And certification of  
October 1, 2024  
Election Results

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**MEMORANDUM**

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**TO:** STEVE GIESBRECHT, BOROUGH MANAGER

**FROM:** KARL HAGERMAN, UTILITY DIRECTOR *KH*

**SUBJECT:** WATER AND WASTEWATER DEBT AUTHORIZATION ORDINANCE

**DATE:** 7/10/2024

**CC:** DEBBIE THOMPSON, BOROUGH CLERK

An ordinance that authorizes new debt in the water and wastewater departments has been drafted for the July 1<sup>st</sup> Assembly agenda. Please accept this backup information for your benefit and the benefit of the Assembly and public.

In 2019, the water and wastewater departments went through a process to seek authorization from the Assembly and our local voters, to incur debt by way of low-interest loans from the Alaska Department of Environmental Conservation. That authorization will expire on December 31, 2024 and there is a need for the departments to continue to plan and complete capital projects for the benefit of our residents and customers.

As stated, the debt to be incurred is proposed to be funded from the ADEC revolving loan fund. Terms on these loans are very favorable at 20-year repayment at 1.5%. Additionally, the ADEC grant program often includes “principal forgiveness” provisions that are made at the discretion of ADEC and depending on funds available for this purpose. As there is no exact formula for forgiveness, we must apply for a loan before we can find out if any of the loan’s principal will be forgiven.

The projects in both departments to be funded follow trends of imposed regulation and a nationwide trend toward needed replacements and refurbishments of water and wastewater infrastructure. Below is a rundown of each project on the CIP list that could be funded and completed if the debt authorization is approved by the Assembly and voters. Many of these projects were on the list in 2019 and unfortunately were not completed within the 5-year debt authorization due in main part to the pandemic and other related issues.

The total debt authorization requested comes to \$19.3 million, with \$2.5 million going toward water department projects and \$16.8 million for wastewater projects. See below for project details.

Water Department:

- A project to build out the Scow Bay Haulout and washdown pad received some federal funding in FY24 but the entire funding picture of the project is incomplete. A loan to extend a water main to the site will help to achieve the funding stack required and this debt is proposed to ultimately be repaid from the Economic Development Fund on an annual basis. This project cost is estimated to be \$100,000.
- The water main under the Rasmus Enge Bridge was installed on the beach many years ago. The Borough needs to move this main to be supported under the bridge and out of influences of salt water. Additionally, the main will be extended to the South Harbor crane dock entrance to provide another loop in the water distribution system – a feature that provides supply redundancy for customers in this area and improves water quality. The estimated cost of this project is \$575,000.

- Water main replacements of aging transite (asbestos cement) pipe are planned for Lake Street, Aaslaug Street, Valkyrie Street and Fram Street. Estimated cost is \$1.32 million.
- The department has a 6” transite (asbestos cement) water main that crosses Hammer Slough at the end of Kisenon Street. This older pipe material is a worry for the department and any leaks would be hard to detect and repair. The goal of this work would be to replace the line with an HDPE pipe and abandon the existing main in place. Estimated cost to replace is \$480,000.
- Cabin Creek Dam requires some rehabilitation to the two large diameter Low Level Outlet pipes. Corrosion and pitting of these corrugated metal culverts can eventually lead to failure and needs to be addressed. Estimated cost is \$350,000.

#### Wastewater Department

- Pump station 3 is a major pump station that is tucked in between OBI Seafoods and Nordic Drive. It accepts all wastewater flow from Main Street and points south and pumps it to the top of PFI Hill. The station requires the same upgrades as completed on Pump Station 5 a few years ago – a full replacement with a submersible style pump station to improve efficiency and reliability. Estimated cost of this project is \$1,000,000.
- Scow Bay Waterfront Pre-treatment project is part of the build out of the Scow Bay Haulout and Washdown Pad work. The larger project received federal funding in FY24 but an ADEC loan will help to complete the funding stack. This project seeks to extend sewer mains into the Scow Bay Turnaround property and install a pump station and pre-treatment system to collect, treat and pump all water from the washdown pad. This debt is proposed to ultimately be repaid from the Economic Development Fund on an annual basis. Estimated cost for the wastewater portion of the overall project is \$3.2 million.
- With additional sampling and testing of our WWTP effluent and the receiving waters in Frederick Sound, the wastewater treatment plant’s laboratory will be inadequate when our new discharge permit is in place. The department is planning to add an additional small building at the site on 14<sup>th</sup> Street to act as a standalone laboratory that is capable of handling the increased in-house testing that will be required of the department. The estimated cost is \$300,000.
- Various streets across the community require improvements to their wastewater collection mains to ensure efficient collection, reduce maintenance issues and maintain uninterrupted service to our customers. Valkyrie St, Lake St, Fram St, Excel St, Gjoa St and 3<sup>rd</sup> Streets will all be part of a larger project to replace aging sewer mains and manholes. Estimated cost is \$1,080,000.
- Skylark Pump Station is about ½ mile south of the ferry terminal and accepts flow from the Scow Bay area and is approaching the end of its service life. Replacement with more efficient, higher capacity pumps will be the goal once we start on this project. Estimated cost of this project is \$575,000.
- In the small neighborhoods off of Lumber Street, there are three smaller pump stations that service a limited amount of homes. While the department has replaced major components of these stations over the years, there are concerns over the galvanized steel wetwells that accept the wastewater and contain the submersible pumps. This project would seek to replace the wetwells with HDPE basins that would resist corrosion indefinitely. Estimated cost of this project is \$350,000.

- By far the largest project in site for Petersburg’s wastewater utility is the Effluent Disinfection project. This project is being mandated by requirements of the 2024 NPDES discharge permit and State of Alaska receiving water quality regulations. The project will disinfect the treatment plant’s discharge to reduce pathogens to compliant levels. Despite the best efforts of Borough management, at present there are no grant funds available to meet this mandate. Therefore, the best option is to plan to borrow the money from the State of Alaska within their revolving loan program. This project is estimated to cost \$10.3 million and will likely be required to be in place in FY2030.
- The WWTP Headworks Refurbishment project will address an update to the front line piping and equipment at the treatment plant. This infrastructure has been in place since 1976 and has been maintained as best as possible for 50 years. New piping and valving will be replaced at an estimated cost of \$250,000.

I recommend passage of the ordinance and will be requesting voter approval of the ballot measure this fall. This is one of the only ways that these departments can fund large capital projects and repaying the State for the work over 20 years spreads out the impact to rate payers. It is important to note that although this ordinance and ballot measure will provide authority to incur debt, the decision to move forward with a project is always contingent upon Assembly approval of a proposed loan as well as the Assembly’s approval of a contract award.

Lastly, the utilities will be commissioning a rate study in this fiscal year to provide information regarding any impacts to rates if the CIP is followed. Presently, revenues produced by the utilities are not sufficient to keep up with inflation and build reserves for capital needs. Rate increases are sure to be recommended by the studies, but it will be an Assembly decision to move forward with the CIP for each department as the projects move forward in the queue. Holding off on projects however will likely lead to increasing O&M budgets to cover increased maintenance and emergency repair costs associated with aging infrastructure.

Please let me know if there are any questions. Thank you.

**PETERSBURG BOROUGH, ALASKA  
ORDINANCE 2024-14**

**AN ORDINANCE AMENDING PROVISIONS OF CHAPTERS 3.38, 3.40, AND 3.76  
OF THE PETERSBURG MUNICIPAL CODE TO ESTABLISH THE PUBLIC WORKS  
DIRECTOR AS THE HEAD OF THE BOROUGH WATER AND SEWER UTILITIES  
AND CREATE AN ASSISTANT PUBLIC WORKS DIRECTOR AS AN  
ADMINISTRATIVE OFFICER OF THE BOROUGH**

**WHEREAS**, in 2018, the Borough Assembly approved moving supervision of the water and sewer utilities to be the operation responsibility of the Utility Director; and

**WHEREAS**, due to the difficulty in finding a qualified replacement Utility Director, on May 6, 2024, the Assembly approved moving supervision of the water and sewer utilities back under the responsibility of the Public Works Director, and hiring an Assistant Public Works Director due to the additional Public Work responsibilities; and

**WHEREAS**, an Assistant Public Works Director will help manage the work load of the five divisions (water, sewer, roads, sanitation and motor pool) managed by the department.

**THEREFORE, THE PETERSBURG BOROUGH ORDAINS**, Chapters 3.38, 3.40 and 3.76 of the Petersburg Municipal Code are amended to provide for the water and sewer utility divisions to be the operational responsibility of the Public Works Director, and to provide for an Assistant Public Works Director position for the department.

**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 provide for the water and sewer utility divisions to be managed by the Public Works Director, and to provide for an Assistant Public Works Director position for the department.

**Section 3. Substantive Provisions:** Chapters 3.38, 3.40 and 3.76 of the Petersburg Municipal Code are amended as follows (language proposed for deletion is struck through, and language proposed for addition is in colored text and underlined):

A. Amendment: Chapter 3.38

**Chapter 3.38 PUBLIC WORKS DEPARTMENT**

**3.38.010 Department established.**

There is established a public works department which shall be responsible for the operation of the streets and roads division, the sanitation division and the motor pool division. The public works department shall provide assistance to other departments

and organizational units of the borough so that the most effective degree of unified action may be attained in the achievement of borough government objectives.

### **3.38.020 Public works director.**

A. The public works director shall be the head of the public works department. The public works director is an administrative officer of the borough appointed by the borough manager, with the approval of the assembly. An employment contract with an administrative officer may be terminated only for just cause.

B. The public works director shall carry out the duties and responsibilities of the public works department under the supervision and control of the borough manager.

C. The public works director may select personnel to serve as employees of the department but all such appointments and the number thereof shall require prior approval of the borough manager.

D. The public works director may approve departmental expenditures in accordance with section 4.04.020A. of the Borough Code. Expenditures exceeding that amount shall require prior approval of the borough manager.

E. The borough manager may appoint an assistant public works director, with the approval of the assembly, to assist the director in carrying out the duties and responsibilities of the director. The assistant public works director shall work under the supervision and control of the director. The assistant public works director is an administrative officer of the borough. An employment contract with an administrative officer may be terminated only for just cause.

### **3.38.030 Duties and responsibilities.**

The public works department, through the public works director, shall be responsible for the operation of the streets and road division, the sanitation division and the motor pool division.

A. The operation of the streets and roads division includes, but is not limited to:

1. Street maintenance;
2. Sewer and water line maintenance, ~~working in conjunction with the utility director;~~
3. Fire hydrant maintenance;
4. Development and maintenance of division safety programs and procedures; and
5. Preparation and administration of the annual budget for the division and preparation of recommendations for capital improvements.

B. The operation of the sanitation utility division includes:

1. Operation of the solid waste collection and disposal system as provided by federal, state and local laws and as set out in Chapter 14.12 of the borough code;
2. Scheduling and performing maintenance as required for proper operation;
3. Development and maintenance of division safety programs and procedures; and

- 4. Preparation and administration of the annual budget for the division and preparation of recommendations for capital improvements.
- C. The operation of the motor pool division includes:
  - 1. Operation of the motor pool division as provided by local policies and generally accepted principles of an internal service fund operation;
  - 2. Scheduling and performing maintenance as required for proper operation;
  - 3. Development and maintenance of division safety programs and procedures; and
  - 4. Preparation and administration of the annual budget for the division and preparation of recommendations for operation of the motor pool and capital improvements.

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B. Amendment: Chapter 3.40

**Chapter 3.40 ELECTRIC UTILITY, WATER UTILITY, AND SEWER UTILITY DEPARTMENTS**

**3.40.010 Departments established.**

There are established within the borough an electric utility department, a water utility department, and a sewer utility department, which are responsible for the proper operation of the utilities as required by state and federal law. The departments are to manage and control the operations, maintenance and expenditures of the utilities, the utility funds, rate analysis, safety programs, consultant coordination and the construction, maintenance, repair and operation of utility facilities of the borough.

**3.40.020 Electric Utility director.**

A. The electric utility director shall be the head of the electric, water and sewer utility departments, and carry out the duties and responsibilities of the department under the supervision and control of the borough manager. The utility director is an administrative officer of the borough appointed by the borough manager with the approval of the borough assembly. An employment contract with an administrative officer may be terminated only for just cause.

B. The director shall be responsible for the proper operation of the borough's electric utility, and its generation and distribution facilities, as provided by federal and state law and as set out in chapter 14.16 of the Borough Code; ~~The utility director shall carry out the duties and responsibilities of the departments under the supervision and control of the borough manager.~~

C. The utility director may select personnel to serve as employees of the departments, but all such appointments and the number thereof shall require prior approval of the borough manager.

D. The utility director may approve departmental expenditures in accordance with section 4.04.020A. of the Borough Code. Expenditures exceeding that amount shall require prior approval of the borough manager.

**3.40.025 Water and sewer utility.**

A. The Public Works director shall serve as the head of the water utility and the sewer utility.

B. The director is responsible for the proper operation of the borough's water utility and its facilities, as provided by federal and state law and as set out in chapter 14.04 of the Borough Code;

C. The director is responsible for the proper operation of the borough's sewer utility and its facilities, as provided by federal and state law and as set out in chapter 14.08 of the Borough Code.

**3.40.030 Additional duties and responsibilities of utility directors.**

The electric, water, and sewer utility department, through the utility directors shall also:

~~A. Be responsible for the proper operation of the borough's electric utility, and its generation and distribution facilities, as provided by federal and state law and as set out in chapter 14.16 of the Borough Code;~~

~~B. Be responsible for the proper operation of the borough's water utility and its facilities, as provided by federal and state law and as set out in chapter 14.04 of the Borough Code;~~

~~C. Be responsible for the proper operation of the borough's sewer utility and its facilities, as provided by federal and state law and as set out in chapter 14.08 of the Borough Code;~~

A~~D.~~ Prepare and administer the annual departmental budgets ~~for the departments~~, and prepare recommendations for capital improvements;

B~~E.~~ Budget and control the spending in the utility funds, and make recommendations regarding rates;

C~~F.~~ Schedule and perform maintenance of the utility ~~electric, water and sewer~~ facilities as required for proper maintenance and operation.

D~~G.~~ Develop and maintain departmental safety programs and procedures ~~for the departments~~; and

E~~H.~~ Provide support to consultants and contractors for facility construction projects.

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C. Amendment: Section 3.76.020

**Chapter 3.76 ADMINISTRATIVE OFFICERS AND APPEALS PROCESS**

**3.76.020 Applicability.**

- A. These provisions shall apply to administrative officers of the borough.
- B. The following positions are administrative officers for the borough: chief of police, borough clerk, deputy borough clerk, finance director, fire/EMS director, library director, parks and recreation director, electric utility director, harbormaster, public works director, assistant public works director, Mountain View Manor elderly housing director, Mountain View Manor assisted living facility director, assisted living registered nurse, and community and economic development director. The borough assembly, by ordinance, may change, add or delete administrative positions.

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**Section 4. Severability:** If any provisions 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 and be retroactive to July 1, 2024.

**PASSED AND APPROVED** by the Petersburg Borough Assembly, Petersburg, Alaska, this \_\_\_\_\_ day of August, 2024.

\_\_\_\_\_  
Mark Jensen, Mayor

**ATTEST:**

\_\_\_\_\_  
Debra K. Thompson, Borough Clerk

Adopted:  
Noticed:  
Effective:

PETERSBURG BOROUGH  
ORDINANCE #2024-15

AN ORDINANCE AMENDING SECTION 14.20.280 OF THE PETERSBURG  
MUNICIPAL CODE TO CLARIFY RECOVERABLE EXPENSES FROM  
VESSELS IMPOUNDED AND DISPOSED OF FROM BOROUGH HARBORS

Therefore, the Petersburg Borough Ordains, Section 14.20.280, *Impounded vessel; disposition procedure*, of the Petersburg Municipal Code, is hereby amended 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 amend the language of the section to address collection of disposal costs and expenses where an impounded vessel is not sold at a public sale.

**Section 3 Substantive Provisions:** Paragraph (I) of section 14.20.280 of the Petersburg Municipal Code, entitled *Impounded vessel; disposition procedure*, is hereby amended as follows. The language proposed for addition is **underlined and bolded**.

14.20.280 - Impounded vessel; disposition procedure.

[There are no changes to paragraphs A through H]

I. *Other disposition.* If there are no bidders for the vessel at public sale, the borough may destroy, sell at private sale or otherwise dispose of the vessel. The disposition is to be made without borough liability to the owner, master, agent or lien holder of the vessel. **The owner of any vessel disposed of hereunder shall be liable to the borough for all costs incurred by the borough by reason of other disposition, including costs of destruction and disposal of the vessel.**

**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 19<sup>th</sup> day of August, 2024.

\_\_\_\_\_  
Mark Jensen, Mayor

ATTEST:

\_\_\_\_\_  
Debra K. Thompson, BoroughClerk

Adopted:  
Noticed:  
Effective:

**PETERSBURG BOROUGH  
ORDINANCE #2024-16**

**AN ORDINANCE OF THE PETERSBURG BOROUGH ADJUSTING  
THE FY 2025 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 2025 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, 2024 and ending June 30, 2025 is adjusted as follows:

**Explanation:** Necessary revisions in the FY 2025 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>
<b><u>FISCAL YEAR 2025 REVENUE / EXPENSE BUDGET ADJUSTMENTS</u></b>				
<b>Harbor/Port – Derelict Boat Disposal</b>				
450.000.501503	Derelict Boat Disposal Expense	\$10,000.	\$240,000.	\$250,000.
To increase the budgeted amount in FY2025 to \$250,000 to take care of removing two derelict boats in the harbor.				
<b>General Fund – Account Change</b>				
110.000.500300	General Fund Contingency	\$15,000.	(\$4,000)	\$11,000.
110.511.501420	Ballot Proposition – Maximum Sales Tax Exemption & Transient Room Tax Rate Information	\$0	\$4,000.	\$4,000.
Alaska Statute 15.13.145 requires that any funds to be used to potentially influence the outcome of a public election be appropriated specifically for that purpose. It is being proposed to use up to \$4,000 on the dissemination of information on the ballot propositions regarding the maximum sales tax exemption and transient room tax rate. Information may be posted by newspaper advertising, flyers, or by other means of advertising.				

<b>Electric Fund</b>				
410.000.407175	Utility Contract Work Revenue	\$15,000	\$217,965.	\$232,965.
410.000.506528	Libby Lane Line Extension Materials	\$0	(\$19,874.)	(\$19,874.)
410.000.506529	Petersburg Medical Center WERC Building Line Extension Materials	\$0	(\$133,544.)	(\$133,544.)
Payment was collected from both parties for the line extensions in FY24 (\$164,895 from PMC and \$53,070 from the Libby Lane customer). Work will be completed in FY25. The Electric Department did not anticipate this revenue or expense when creating the FY25 budget.				

**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 \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
**Mark Jensen, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Debra K. Thompson, Borough Clerk**

Adopted:  
 Published:  
 Effective:

JOHN R. HAVRILEK  
POB 1093/1204 S. Nordic  
Petersburg, Alaska 99833

907-772-3677 Education: BA in Education-Bowling Green State  
University- Major in Elementary  
and Special Education  
MA in Education-Portland State University- Major in Special  
Education and Counseling  
Certification as Principal and Superintendent- University of Alaska  
Professional Experience: Workshop Specialist- Woodlane Sheltered Workshop  
Special Education Teacher and trained students in employment/ on the job trainer

Assistant Professor in Education and Business Department  
Oregon State University  
Director- Lower Kuskokwim School, Director of Special Education  
Lower Kuskokwim School District, Elementary Principal  
Fairbanks North Star Borough School District, Elementary Principal  
Assistant Superintendent- Fairbanks North Star Borough School District  
North Slope Borough School District- Elementary Principal  
Specialist/Reviewing Mental Health and Disability Programs-State of Alaska  
Tribal Administrator/Grants/Roads/Housing Administrator for the Petersburg  
Indian Association  
Assembly Person for Petersburg Borough  
Job Developer for REACH  
Administrator for Petersburg Chamber of Commerce

D. Thompson,

I would like to be considered for the  
public safety committee

John R. Havrilek