



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Agenda Borough Assembly Regular Meeting

Monday, January 06, 2025

12:00 PM

Assembly Chambers

You are invited to a Zoom webinar!
When: Jan 6, 2025 12:00 PM Alaska
Topic: 1.6.2025 Assembly Meeting

<https://petersburgak-gov.zoom.us/j/86842192871?pwd=frRNskHcljg5L0TIZAYpTwaParSeZx.1>
Passcode:883154

Join via audio: (253) 215-8782 or (720) 707-2699

Webinar ID: 868 4219 2871
Passcode: 883154

1. **Call To Order/Roll Call**
2. **Voluntary Pledge of Allegiance**
3. **Approval of Minutes**
 - A. December 16, 2024 Assembly Meeting Minutes**
4. **Amendment and Approval of Meeting Agenda**
5. **Public Hearings**
 - A. Ordinance #2024-24: An Ordinance Authorizing the Issuance of General Obligation Bonds of the Borough, in the Principal Amount not to Exceed \$3,500,000, to Pay the Costs of Public School Capital Improvements; Fixing Certain Details of Such Bonds; Authorizing the Sale of Such Bonds; Authorizing the Preparation, Execution, and Delivery of Certain Documents in Connection Therewith; Pledging the Full Faith and Credit of the Borough to the Payment Thereof; and Providing for Related Matters**

Any public testimony regarding Ordinance #2024-24 should be given during this public hearing. A copy of Ordinance #2024-24 may be found under agenda item 14A.

6. **Bid Awards**

A. Pump Station 4 and Force Main Replacement Project Bid Award

Public Works Director Cotta and Assistant Director Marohl request approval to award the Pump Station 4 and Force Main Replacement Project to Rock-N-Road Construction for an amount not to exceed \$2,090,300. The Bid Tabulation Form for the December 20, 2024 bid opening is attached in this meeting packet.

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

11. Report of Other Officers

A. Petersburg Medical Center Update

PMC CEO Hofstetter may not be available to attend the Assembly meeting but has provided a written update included in this meeting packet.

B. US Forest Service Update

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

12. Mayor's Report

A. January 6, 2025 Mayor's Report

13. Manager's Report

There is no Manager's Report for this meeting. Manager Giesbrecht was out of the office over the holidays.

14. Unfinished Business

A. Ordinance #2024-24: An Ordinance Authorizing the Issuance of General Obligation Bonds of the Borough, in the Principal Amount not to Exceed \$3,500,000, to Pay the Costs of Public School Capital Improvements; Fixing Certain Details of Such Bonds; Authorizing the Sale of Such Bonds; Authorizing the Preparation, Execution, and Delivery of Certain Documents in Connection Therewith; Pledging the Full Faith and Credit of the Borough to the Payment Thereof; and Providing for Related Matters - Second Reading

If approved in three readings, Ordinance #2024-24 will authorize the issuance of General Obligation Bonds in the principal amount not to exceed \$3.5 million to fund capital improvements for the Petersburg School District.

15. New Business

A. Resolution #2025-01: A Resolution Approving the Real Property Improvement and Conveyance of Borough Owned Land, Described as Lots 25 and 26, Block 302, Lots 7, 8, 9, and 10, Block 304, and Lots 11, 12, 13, 14, and 15, Block 305, Airport Addition Subdivision, According to Plat 77-2 Recorded on March 1, 1977; Seven (7) of which will be Conveyed to the Tlingit Haida Regional Housing Authority (THRHA) and Four (4) of which will Stay in Borough Ownership, for the Purpose of Expanding the Airport Subdivision; and Authorizing the Borough Manager to Sign Conveyance Documents

If approved, Resolution #2025-01 will authorize Manager Giesbrecht to enter into a Real Property Improvement and Conveyance Agreement with the Tlingit Haida Regional Housing Authority, who will provide improvements (roads, electric, water, sewer and storm drainage utilities) to 11 lots in the Airport Addition Subdivision in return for ownership of 7 of the 11 lots. THRHA plans to construct homes on the lots to expand the subdivision.

B. Resolution #2025-02: A Resolution Supporting Alaska Department of Fish and Game (ADFG) Proposal 243 and Opposing ADFG Proposal 242, both of which will be Considered at the January 28 - February 9, 2025, Alaska Board of Fisheries Meeting

The Alaska Board of Fisheries will hold a meeting in Ketchikan January 28 - February 9, 2025, to consider Southeast and Yakutat Finfish and Shellfish proposals. Petersburg Vessel Owner's Association requests the Assembly adopt Resolution #2025-02 to support ADFG Proposal 243, which will allow for a commercial Red King Crab fishery when scientifically and biologically available, and oppose ADFG Proposal 242, which would reallocate the remaining commercial Red King Crab guideline harvest level in Area 11-A to the personal use fishery, leading to further season closures of the commercial fishery and reducing harvest opportunity for the local commercial fishing fleet.

C. 2025 Capital Projects List

Attached to this meeting packet is a spreadsheet listing the current proposed Capital Projects for Petersburg for 2025. The spreadsheet is comprised from the 2024 Capital Projects List with new projects and updated continuing projects highlighted in yellow. The first page of the spreadsheet is a proposed list of the top projects in priority order, and the rest of the spreadsheet lists all Capital Project requests by borough department.

The Assembly is asked to review the Capital Project requests and edit and/or approve the top projects (page 1 of the spreadsheet) in priority order.

D. 2025 Federal Priority Projects List

The Assembly is requested to edit and/or approve the attached draft 2025 Federal Priority Projects list.

16. Communications

A. Correspondence Received Since December 12, 2024

17. Assembly Discussion Items

A. Assembly Member Comments

B. Recognitions

18. Adjourn



Petersburg Borough

12 South Nordic Drive
Petersburg, AK 99833

Meeting Minutes Borough Assembly Regular Meeting

Monday, December 16, 2024

6:00 PM

Assembly Chambers

1. Call To Order/Roll Call

The meeting was called to order at 6:00 pm.

PRESENT

Mayor Mark Jensen
Vice Mayor Donna Marsh
Assembly Member Bob Lynn
Assembly Member Scott Newman
Assembly Member Rob Schwartz
Assembly Member Jeigh Stanton Gregor
Assembly Member James Valentine

2. Voluntary Pledge of Allegiance

The Pledge was recited.

3. Approval of Minutes

A. December 2, 2024 Assembly Meeting Minutes

The minutes were approved as submitted.

Motion made by Assembly Member Stanton Gregor, Seconded by Vice Mayor Marsh.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

4. Amendment and Approval of Meeting Agenda

The agenda was unanimously approved.

Motion made by Vice Mayor Marsh, Seconded by Assembly Member Valentine.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor,

Assembly Member Valentine

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.

No views were shared.

9. Boards, Commission and Committee Reports

A. Member Lynn updated the Assembly on the December 4, 2024 SEAPA board meeting.

10. Consent Agenda

There were no consent agenda items.

11. Report of Other Officers

No reports were given.

12. Mayor's Report

A. December 16, 2024 Mayor's Report

Mayor Jensen read his report into the record.

13. Manager's Report

A. December 16, 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

There was no unfinished business.

15. New Business

A. Ordinance #2024-24: An Ordinance Authorizing the Issuance of General Obligation Bonds of the Borough, in the Principal Amount not to Exceed \$3,500,000, to Pay the Costs of Public School Capital Improvements; Fixing Certain Details of Such Bonds; Authorizing the Sale of Such Bonds; Authorizing the Preparation, Execution, and Delivery of Certain Documents in Connection Therewith; Pledging the Full Faith and Credit of the Borough to the Payment Thereof; and Providing for Related Matters

If approved in three readings, Ordinance #2024-24 will authorize the issuance of General Obligation Bonds in the principal amount not to exceed \$3.5 million to fund capital improvements for the Petersburg School District.

Ordinance #2023-24 was unanimously approved in its first reading.

Motion made by Assembly Member Lynn, Seconded by Assembly Member Newman. Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

B. Resolution #2024-19: A Resolution Authorizing the Borough Manager to Apply to the State of Alaska, Department of Environmental Conservation (ADEC), for a Loan from the Alaska Clean Water Fund for the Project Entitled Pump Station 3 Replacement

If approved, Resolution #2024-19 will authorize the Borough Manager to execute a loan agreement with ADEC for the Pump Station 3 Replacement Project.

Resolution 2024-19 was approved by unanimous roll call vote.

Motion made by Assembly Member Stanton Gregor, Seconded by Assembly Member Newman. Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

16. Communications

A. Correspondence Received Since November 28, 2024

17. Assembly Discussion Items

A. Assembly Member Comments

Member Lynn reported on the Alaska Municipal League conference that was held in Anchorage last week. The biggest concerns were school funding, housing and childcare.

B. Recognitions

Member Stanton Gregor thanked Rachelle Larson, the Petersburg Indian Association and Chief Kerr for teaming up to bring Chris Herren, a former NBA player, to Petersburg to speak to middle and high school students about drug and alcohol awareness.

Member Marsh thanked the staff of Power and Light and Matt Bryner for decorating the town so festively for Christmas and the holidays.

18. Adjourn

The meeting was adjourned at 6:35 pm.

Motion made by Assembly Member Stanton Gregor, Seconded by Vice Mayor Marsh.
Voting Yea: Mayor Jensen, Vice Mayor Marsh, Assembly Member Lynn, Assembly Member Newman, Assembly Member Schwartz, Assembly Member Stanton Gregor, Assembly Member Valentine

Borough Manager's Report

Assembly Meeting 16 December 2024

- ❖ Parks and Recreation, in conjunction with Police Department, Fire/EMS/SAR, Library, and P&R Advisory Board (and of course, Santa!) hosted the 2024 Jingle & Mingle event with the help of so many volunteers and donations, including Public Works and Harbor Dept.
- ❖ Indoor Winter Sprint Triathlon scheduled for January 4th, chat with Scott Burt at Parks and Rec for more information.
- ❖ Dive In Movie "The Polar Express" will be showing on Thursday, Dec. 19th.
- ❖ Skate nights on Fridays, and Afternoon Game Time on Tues & Thurs (with Fridays coming soon). Come check out all the new programming at Parks and Rec.
- ❖ With authorization from the Borough Manager, the crew assisted the Rod & Gun Club with installation of the Petersburg Shooting Range sign adjacent to the Mitkof Highway ROW.
- ❖ In conjunction with development of the FY26 budget, Assistant Director Marohl has started on a review process to examine the roles of the various vehicles in the Borough's fleet, with a focus on vehicles that serve General Fund departments.
- ❖ Director Cotta, as Chair of the Southeast Alaska Solid Waste Authority (SEASWA), helped draft an RFP for regional solid waste management services. In addition to a couple of SEASWA board members, the working group that put together this RFP included representatives from Southeast Conference; City and Borough of Juneau; City and Borough of Sitka; and Tlingit & Haida Central Council. The intent of the large-scale planning project outlined in the RFP is to develop an overall strategy for solid waste in Southeast Alaska and to include as many communities and other major stakeholders as possible. Funding for this project is being provided by a \$500,000 grant from the Denali Commission.
- ❖ Wastewater Supervisor Haley worked with the Harbor Dept and a local dive service to locate the wastewater plant outfall line on Sandy Beach using an underwater ROV. The cost was less than \$1,000 which was a substantial savings over the initial \$10,000 estimate.
- ❖ We have not yet received our new EPA wastewater discharge permit. Based on what we are hearing, it appears that Petersburg will have to move forward with a capital project to add disinfection to our wastewater treatment process. The disinfection project is estimated to cost in excess of \$10M and the required implementation timeline is 5 years.
- ❖ Glo was invited to present at the Legislative Seafood Industry Joint Task Force representing coastal municipalities. She spoke to Legislative support of full funding of the Municipal Harbor Match Grant program as well as asking for support to inflation proof the \$5 million dollar cap by increasing the cap to \$7.5 million. She also re-introduced an effort to consider changing the 50/50 split of both Fisheries Business Tax and the Fisheries Resource Landing Tax (Raw Fish Taxes) to a 25/75 split with the majority of the 3% going back to the municipality in which the landings took place.
- ❖ PMPL is finishing up on the annual FERC end of year reporting.

- ❖ PMPL and Community Development staff are starting work with a contractor who will help guide the Borough through a conversion from our older autoCAD utility maps to a Geographical Information System (GIS) database. This will update all of our mapping and provide a basis for future integrations with utility billing and other Borough functions.
- ❖ The Meter Reader is training our Groundman to be a backup for reading meters to ensure staffing redundancy for this monthly task.
- ❖ Line crew and Operators did a fantastic job in responding to the broken pole at 9 mile on December 1st. Thanks also to the police department, GCI and AP&T for their assistance during the work.
- ❖ The library's heating system, exterior lighting, and heated sidewalks stopped working on Saturday. Keith has been working with Darby & Brian to bypass our Siemens controller and the building is currently warm. He will work with Siemens to bring the building back online this week.
- ❖ Congratulations to Jim Holder who passed his ICC certification exam for Residential Building Inspector. Jim will be working toward completing the next two examinations after the holidays. The next exams are for the Residential Plans examiner, and Mechanical/Plumbing inspector.
- ❖ Just got the state audit paperwork yesterday for Assisted Living so we can finish the very last of the Medicaid audit.
- ❖ We have a couple of people coming down in Feb. to go over the Osha training for staff at Assisted Living.
- ❖ I have been working with staff and some Assembly members on the proposed Skylark development. Next steps are the preparation of the draft sales contract, the ordinance, and a review with the developers. I am expecting the first reading of the ordinance for the Assembly will be in January.
- ❖ We have received estimates from PND on the potential small cruise ship dock. These are being reviewed by Harbor Staff and American Cruise Lines.
- ❖ The Police Department worked with local tribal members, NOAA and others to dispatch aggressive sealion in the Harbor.
- ❖ I am working with our federal lobbyist and several department heads on the preparation for the Federal Priorities list. I am expecting this to be on the agenda, along with the State Capsis list, for the first meeting in January.



Memorandum

December 31, 2024

To: Steve Giesbrecht, Borough Manager
Mayor Jensen and Members of the Petersburg Borough Assembly

From: Chris Cotta, Public Works Director

Re: Pump Station 4 and Force Main Replacement - Bid Award Recommendation

Petersburg’s Wastewater Pump Station No. 4 is the 2nd largest pump station in the Borough’s wastewater collection system and has been in need of an upgrade for many years. Over the past several years the Borough has been developing a project to replace this aging pump station along with a section of the force main that carries the discharge leaving the pump station. This project is fully funded, with some Borough funds having been allocated although the majority of project funding is being provided through an ADEC low-interest loan. The Borough’s Wastewater Department will pay back this construction loan using revenue collected via wastewater rates.

Engineering for this project was recently completed and the project was put out to bid in November, with bids due on December 20th.

In response to the Borough’s bid solicitation, 2 bidders submitted timely bids: Rock-N-Road Construction Inc., and McG Constructors Inc. Bids received are summarized in the attached bid tabulation form. Rock-N-Road Construction submitted the lowest responsive bid. Their Bid of \$2,090,300 falls below the engineer’s estimate of \$2,559,728 and is well within the amount already budgeted for construction of this project, so no additional funding will be required.

Public Works recommends award of the Pump Station 4 and Force Main Replacement project to Rock-N-Road Construction Inc., of Petersburg, in the amount of \$2,090,300. If you agree with this recommendation, please forward it to the Borough Assembly for consideration at their next regular meeting to be held on January 6th, 2025. I will be present at the meeting to answer any questions that you or the Assembly may have about this proposed award. Thank you for your consideration of this matter.

Attachment: Bid Tabulation (1 page)

BID TABULATION FORM				
JOB		Pump Station 4 and Force Main Replacement		
Bid Opening Date		December 20, 2024, 2:00pm		
	Contractor A	Contractor B	Contractor C	Contractor D
Company Name	<i>Mch Constructors</i>	<i>Rock-N-Road</i>		
Bid Proposal Pages 1-4	✓	✓		
Bid Security	✓	✓		
Non-Collusion Affidavit	✓	✓		
Addendum No. 1 Acknowledged	✓	✓		
Addendum No. 2 Acknowledged	✓	✓		
EEO Statement	✓	✓		
EPA Debarment Certification Form	✓	✓		
Base Bid	<i>2,896,995.50</i>	<i>2,090,300.00</i>		
Modification 1				
Modification 2				
Base Bid, Less Modification/s	<i>2,896,995.50</i>	<i>2,090,300.00</i>		

Notes:

Party opening proposals (print & sign)

Chris Cotta Chris Cotta

Witness (print & sign)

Aaron B. Marohl AARON MAROHL



Petersburg Medical Center

PMC CEO Assembly Report January 2025

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

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

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

- Nov 27th- Thanksgiving Dinner in LTC hosted 68 guests
- Nov 29TH-Participated in The Fourth Annual Turkey Trot
- Dec 2 -Attended and reported at Borough Assembly Meeting- Borough / Hospital work session date is January 27th, 2025, at 6pm.
- Dec 19th-Julebukking for the community 2-4pm in the Dorothy Ingle Conference Room.
- New facility tours for the community changed with the winter season to once a month, Online signup at www.pmcak.org. Next facility site tour will be January 10th at 5:30pm.
- Continued community classes Bingocize & Tai Ji Quan as part of the Falls Prevention through Wellness.



Financial Wellness: Goal: To achieve financial stability and sustainability for the hospital.

FY23 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:** Accounts Receivables (AR) continue to hover around 80-83 days and is unchanged. The revenue cycle team is now working on its transition to bring this process in-house. We are very excited to move on from outsourced billing and the goal is to improve this metric with a target of 55 days and provide a higher level of timely billing.
- We are still seeing very strong financials despite going into the winter months. This is typically a lighter period of time for ER and Inpatient visits but our primary care/ outpatient volumes have been consistent and Inpatient continues have high swingbed days.
- We have secured 6 grants, some of which are multi-year totaling \$423,722 for FY25 and \$585,366 in FY26-27. Other grants still pending.
- Annual audit exit briefing was complete; tentative with no findings.

- Cost Report for FY24 was completed with filing.
- Budget preparation for the next FY26 will begin after the new year.

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

- Arcadis submitted the update on the new facility and we continue to be on track and on budget for the WERC building. Transition planning with the departments that will move will continue monthly until the move date next summer/fall.
- Design completed for MRI contract was signed and Certificate of Need application will be submitted. Foundation to be poured for the MRI addition to be completed.
- Site Preparation: Site preparation is complete for the full 4.9 acres of wetlands permitting. Permitting for the additional area by the northeast corner was submitted for approval which can take 4 months.
- Progress on WERC Building: Painting on the interior walls, working on the MRI addition, electric panel installed.
- Updates: Project updates are available on the PMC website under the “New Facility & Planning” tab. Photos are updated on social media every Friday afternoon.
- Tour of the Sites: As mentioned above guided tours are adjusted to 1x per month, sign up available on PMC website. Next scheduled site tour is January 10th, 2025.

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

- PMC welcomes Jake Clemens, Kinder Skog Mentor, Rebecca Keys, Home Health Billing, Kelsey Leak, Physical Therapist Assistant, Russel Gorres, Diet Aide, and Rae Baker, Healthcare Biller to our team.
- Dec 4th -Provider Luncheon with CEO.
- Dec 6th - PMC Holiday Party at Sons of Norway with a great employee turnout.
- Dec 9th - PMC Branding and Logo refresh in its final design stages. Working closely with local artist Grace Wolf.
- Dec. 11th -Medstaff meeting
- Dec 19th-Manager’s Meeting
- CEO Office Hours each month gives an opportunity for all PMC staff to meet with CEO to share ideas. This month: Thursday December 19th from noon-1pm.
- Employee engagement internal newsletter this month congratulates Wolf and Kelsa Brooks on the birth of their daughter, and Stephanie Barber for graduating from the University of Memphis with a Bachelor of Science in Healthcare Management.

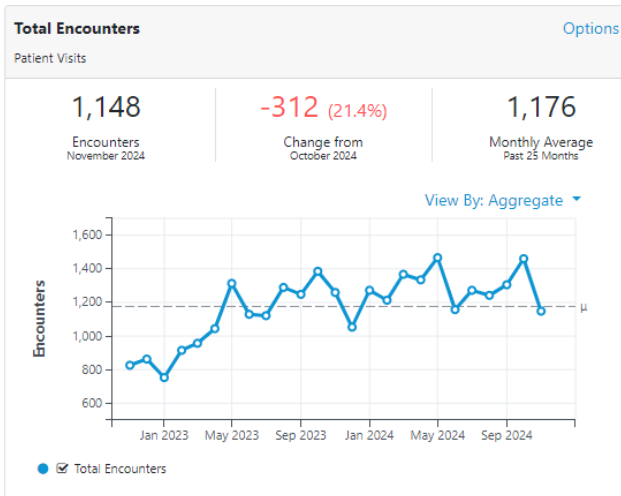
Patient-Centered Care and Wellness: Goal: To provide high-quality, patient-centered care and promote wellness for all patients.

- Nov. 22nd -Tele Stroke Team visited PMC and spoke with providers about services that could be provided. A representative from Airlift Northwest also present. Reviewing contract and exploring ways to work together to provide better, and more immediate care for patients.

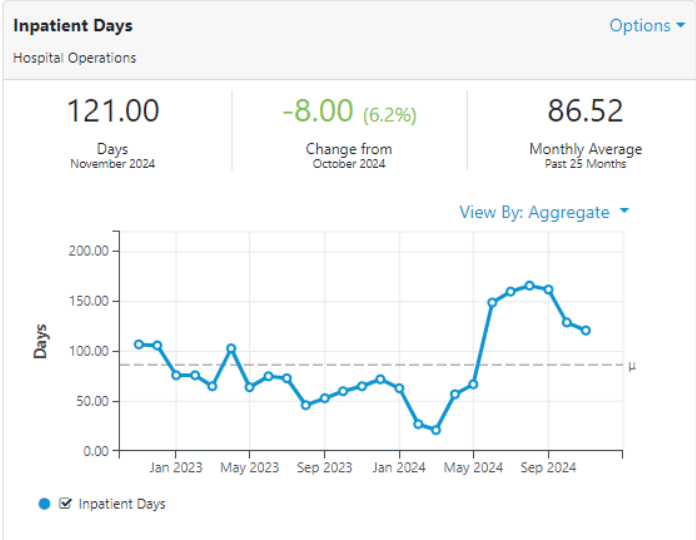


- Access to care:
 - Specialty clinic for scopes continues to be a challenge to schedule. We are uncertain when the next scope clinic date at this time.
 - Psychiatrist Joshua Sonkiss continues to receive referrals and consultations from our local providers. His most recent clinic was December 14th.
 - Dec. 2nd-6th Last Frontier Eye Care Optometry in Specialty Clinic
 - Dec. 14th, Saturday- Audiology Clinic in Specialty Clinic
 - Primary care continues to offer well child exams with sport physicals.
 - Flu and Covid booster shots are available to schedule through clinic, call 907-772-5769
 - Clinic availability: In summary, the clinic remains fully staffed with 4 physicians and 2 mid-level practitioners. The wait time has fallen quite a bit for regular appointments are working to improve even further with high demand providers.

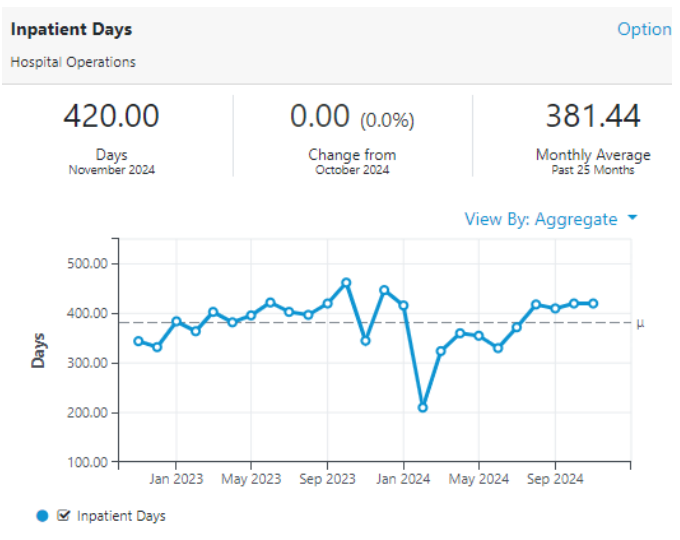
Primary Care



Inpatient Days



LTC Resident Days



Submitted by: Phil Hofstetter, CEO

**Mayor's Report
for
January 6, 2025 Assembly Meeting**

- 1. American Cruise Lines:** The Borough has been discussing the possibility of a new dock in Petersburg for American Cruise Lines to use. It is important for everyone to weigh in on this important topic.
- 2. Seeking Letters of Interest:** The Petersburg Borough is accepting letters of interest from citizens who wish to serve the community by filling one of the vacant seats on the following Borough Boards until the October 2025 Municipal Election:

Parks & Recreation Advisory Board – one vacant seat
Planning Commission – one vacant seat

Letters of interest may 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.

- 3. Assembly Work Session with Hospital Board:** The Assembly and the Hospital Board will hold a work session in the Assembly Chambers on Monday, January 27, 2025, at 6:00 p.m. Borough Charter Section 9.04 states a public work session must be held at least once per year to discuss and coordinate financial planning, capital improvement needs, comprehensive plans for health care and other matters of concern.



Cheers to 2025!

**PETERSBURG BOROUGH
ORDINANCE #2024-24**

AN ORDINANCE OF THE BOROUGH ASSEMBLY OF PETERSBURG, ALASKA, AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE BOROUGH, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$3,500,000, TO PAY THE COSTS OF PUBLIC SCHOOL CAPITAL IMPROVEMENTS; FIXING CERTAIN DETAILS OF SUCH BONDS; AUTHORIZING THE SALE OF SUCH BONDS; AUTHORIZING THE PREPARATION, EXECUTION, AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH; PLEDGING THE FULL FAITH AND CREDIT OF THE BOROUGH TO THE PAYMENT THEREOF; AND PROVIDING FOR RELATED MATTERS

WHEREAS, the Petersburg Borough, Alaska (the "Borough") is a home rule borough and is authorized to take the actions set forth in this ordinance; and

WHEREAS, on July 15, 2024, the Borough Assembly enacted Ordinance No. 2024-12 the ("Ballot Ordinance"), authorizing the issuance of general obligation bonds of the Borough (the "Bonds") in the principal amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000), in one or more series, for purposes of financing public school capital improvements (the "Project"); and

WHEREAS, pursuant to the Ballot Ordinance, the Borough Assembly directed that a proposition ratifying the issuance of the Bonds be submitted to the qualified voters of the Borough for approval or rejection at a regular municipal election to be held on October 1, 2024; and

WHEREAS, at such election, the qualified voters of the Borough ratified the issuance of the Bonds; and

WHEREAS, the Borough Assembly deems it necessary and desirable and in the public interest to authorize the issuance of the Bonds in accordance with the terms and conditions set forth in this ordinance; and

WHEREAS, the Borough Assembly finds it is necessary and appropriate to delegate to each of the Borough Manager and Borough Finance Director the authority to determine the principal installments, interest rates and other details of the Bonds, and to determine other matters pertaining to the Bonds that are not provided for in this ordinance; and

WHEREAS, the Alaska Municipal Bond Bank is expected to purchase the Bonds pursuant to the terms of a loan agreement;

NOW, THEREFORE, BE IT ENACTED BY THE BOROUGH ASSEMBLY OF PETERSBURG BOROUGH, ALASKA, that:

Section 1. Definitions. In addition to the definitions specified elsewhere in this Ordinance, the following terms shall have the following meanings in this Ordinance:

- Ordinance.
- (a) “Authorized Denomination” means, unless otherwise specified in the Loan Agreement, \$5,000 or any integral multiple thereof within a maturity of a series of the Bonds.
 - (b) “Authorized Officer” means each of the Borough Manager, the Borough Finance Director, and the Borough Clerk.
 - (c) “Ballot Ordinance” shall have the meaning set forth in the recitals to this Ordinance.
 - (d) “Beneficial Owner” means, with respect to the Bonds, the owner of any beneficial interest in the Bonds.
 - (e) “Bonds” means each of the bonds of the Borough, the issuance and sale of which are authorized herein as the evidence of the indebtedness referred to in Ballot Ordinance.
 - (f) “Bond Bank” means the Alaska Municipal Bond Bank, a public corporation of the State of Alaska.
 - (g) “Bond Bank Bonds” means the general obligation bonds to be issued by the Bond Bank, a portion of the proceeds of which will be used to purchase each series of Bonds.
 - (h) “Bond Register” means the registration books maintained by the Paying Agent as registrar, which shall include the names and addresses of the owners or nominees of Registered Owners.
 - (i) “Borough” means Petersburg Borough, a home rule borough duly organized and existing under the laws of the State of Alaska.
 - (j) “Code” means the Internal Revenue Code of 1986, as amended from time to time, together with all regulations applicable thereto.
 - (k) “Cost” means the cost of planning, designing, site preparation, construction, acquiring, renovating, installing, and equipping the Project, including interest on the Bonds during the period of planning, designing, site preparation, constructing, acquiring, renovating, installing, and equipping the Project, the cost whether incurred by the Borough or by another of field surveys and advance planning undertaken in connection with the Project properly allocable to the Project, the cost of acquisition of any land or interest therein required as the site or sites of the Project or for use in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance incurred in connection with the Project prior to or during construction thereof, all related direct administrative and inspection expenses whether incurred by the Borough or by another in connection with the Project prior to or during construction thereof and

allocation of portions of direct costs of the Borough, legal fees, costs of issuance of the Bonds by the Borough, including financing charges and fees and expenses of bond counsel, financial advisors, and consultants in connection therewith, the cost of any bond insurance premium, the cost of audits, the cost of all machinery, apparatus, and equipment, the cost of engineering, architectural services, designs, plans, specifications, and surveys, estimates of cost, the reimbursement of all money advanced from whatever source for the payment of any item or items of cost of the Project, and all other expenses necessary or incidental to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incidental to the acquisition and development of the Project, the financing thereof, and the putting of the same in use and operation.

- (l) “Government Obligations” means direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.
- (m) “Loan Agreement” means the loan agreement between the Borough and the Bond Bank relating to the purchase of the Bonds, specifying the matters required to be set forth therein by this ordinance, which offer is authorized to be accepted by the Borough pursuant to this ordinance, if consistent with the provisions of this ordinance.
- (n) “Ordinance” means this ordinance of the Assembly.
- (o) “Owner” means, with respect to the Bonds, the Registered Owner or Beneficial Owner of the Bonds.
- (p) “Paying Agent” means the entity or official of the Borough appointed as such to perform the duties of paying agent, registrar, transfer agent, and authentication agent pursuant to this Ordinance and its successors.
- (q) “Paying Agent Agreement” means the agreement, if any, between the Borough and the Paying Agent specifying the terms and conditions under which the Paying Agent will perform its duties.
- (r) “Project” means public school capital improvements located in the Borough.
- (s) “Record Date” means, (i) with respect to an interest payment date, unless otherwise specified in the Loan Agreement, the close of business of the Paying Agent on the 15th day of the month preceding an interest payment date; and (ii) with respect to a prepayment or redemption date, the close of business of the Paying Agent on the date on which the Paying Agent prepares the notice of prepayment or redemption.
- (t) “Registered Owner,” with respect to Bonds, means the person named as the registered owner of the Bonds in the Bond Register.

- (u) “Rule” means Rule 15c2-12 of the United States Securities and Exchange Commission, promulgated under Section 15(c)(2) of the Securities and Exchange Act of 1934.
- (v) “Term Bonds” means Bonds designated for mandatory sinking fund prepayment or redemption.

Section 2. Authorization of Bonds; Purpose of Issuance. For the purpose of providing the funds required to pay a portion of the Costs of the Project, the Borough hereby authorizes and determines to issue and to sell the Bonds in the aggregate principal amount of not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000). The Bonds shall be designated “Petersburg Borough, Alaska General Obligation Public School Bond,” with such additional series, year, and other designation as the Borough Manager or the Borough Finance Director may fix and determine. The Borough has ascertained and hereby determines that each and every matter and thing as to which provision is made in this ordinance is necessary in order to carry out and effectuate the purpose of the Borough in accordance with the constitution and the statutes of the State of Alaska and the Charter and Code of the Borough to incur the indebtedness and issue the Bonds as referred to in Ballot Ordinance.

Section 3. Obligation of Borough. The Bonds shall be direct and general obligations of the Borough, and the full faith and credit of the Borough are hereby pledged to the payment of the principal of and interest on the Bonds. The Borough hereby irrevocably pledges and covenants that it will levy ad valorem taxes upon all taxable property within the Borough, without limitation of rate or amount, to pay the principal of and interest on the Bonds as the same become due and payable.

Section 4. Dates, Maturities, Interest Rates, and Other Details of the Bonds. Bonds shall be dated the date of its initial delivery to the purchaser, shall be issued in an Authorized Denomination, and shall be numbered separately in such manner and with any additional designation as the Paying Agent deems necessary for purposes of identification.

Interest on the Bonds shall be payable on the dates specified in the Loan Agreement, and principal installments of the Bonds (whether at maturity or upon prior prepayment or redemption) shall be payable in each of the years and in the amounts specified in the Loan Agreement.

Unless otherwise specified in the Loan Agreement, interest on the Bonds shall be computed on the basis of a 360-day year composed of twelve 30-day months. The the Manager and the Finance Director of the Borough are each individually authorized to fix and determine the principal amount, optional and mandatory sinking fund prepayment and redemption provisions, maturity dates, principal amounts per maturity, payment dates, and the rates of interest to be borne by the Bonds, provided that (i) the true interest cost of the Bonds shall not exceed 4.95% unless approved by resolution of the Borough; and (ii) all of the Bonds shall mature on or before December 1, 2044.

Section 5. Place and Medium of Payment. Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. If the Bonds are registered in the name of the Bond Bank, payments of principal and interest thereon shall be made as provided in the Loan Agreement. If the Bonds are not registered in name of the

Bond Bank, payment of principal of and interest on the Bonds shall be made to the Registered Owner at the address appearing on the Bond Register on the Record Date by check or draft mailed by first-class mail on the payment date, or, at the request and sole expense of a Registered Owner made on or prior to the Record Date, by wire transfer to a bank account in the United States on the payment date, and payment of the final principal amount of the Bonds shall be made at the office of the Paying Agent upon presentation and surrender of the Bonds by the Registered Owner to the Paying Agent.

Section 6. Prepayment, Redemption, and Purchase of Bond. The Loan Agreement may provide that principal installments of the Bonds stated to mature in one or more years are not subject to prepayment or redemption at the option of the Borough prior to maturity, and that principal installments of the Bonds stated to mature in one or more years are subject to prepayment or redemption at the option of the Borough prior to their stated maturity dates, at any time on or after the date specified in the Loan Agreement, as a whole or in part, at the price or prices specified in the Loan Agreement, expressed as a percentage of the principal amount thereof, plus accrued interest to the date fixed for prepayment or redemption.

The Loan Agreement may provide that principal installments of the Bonds stated to mature in one or more years are Term Bonds and, if not previously prepaid or redeemed at the option of the Borough, defeased, or purchased by the Borough for cancellation, are to be called for mandatory sinking fund prepayment or redemption prior to their stated maturity dates, on the dates and in the amounts specified in the Loan Agreement, at a prepayment or redemption price equal to 100 percent of the principal amount to be prepaid or redeemed, without premium, plus accrued interest to the date fixed for prepayment or redemption.

All or a portion of the principal amount of the Bonds that are subject to optional or mandatory prepayment or redemption may be prepaid or redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of the Bonds is prepaid or redeemed, then, upon surrender of the Bonds to the Paying Agent, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same interest rate, maturity, and series, in any Authorized Denomination, in the aggregate principal amount to remain outstanding.

Unless otherwise specified in the Loan Agreement, if less than all of the outstanding Bonds are prepaid or redeemed at the option of the Borough, the Borough shall select the maturities to be prepaid or redeemed, and if less than all of the outstanding Bonds of a maturity are to be prepaid or redeemed, the Paying Agent shall select the principal installments of the Bonds to be prepaid or redeemed randomly in such manner as the Paying Agent shall determine.

Notice of prepayment or redemption of the Bonds, unless waived by the Registered Owner of the Bonds to be prepaid or redeemed, or unless otherwise specified in the Loan Agreement, shall be given by the Paying Agent not less than 30 nor more than 60 days prior to the date fixed for prepayment or redemption by first-class mail, postage prepaid, to the Registered Owner of the Bonds to be prepaid or redeemed at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by the Owner of any Bonds. In addition, notice of prepayment or redemption shall be mailed or sent electronically by the Paying Agent and within the same period to the Municipal Securities Rulemaking Board and to such other persons and with such additional information as an Authorized Officer may determine, but such

additional notice shall not be a condition precedent to the prepayment or redemption of any Bonds.

Unless otherwise specified in the Loan Agreement, in the case of an optional prepayment or redemption, the notice of prepayment or redemption may state that the Borough retains the right to rescind the prepayment or redemption notice and the optional prepayment or redemption of those principal installments of the Bonds by giving a notice of rescission to the affected Registered Owners at any time on or prior to the date fixed for prepayment or redemption. Any notice of optional prepayment or redemption that is so rescinded shall be of no effect, and any Bonds for which a notice of optional prepayment or redemption has been so rescinded shall remain outstanding. The Paying Agent shall give prompt notice to the affected Owners that the prepayment or redemption was rescinded and that the principal installments of the Bonds called for prepayment or redemption and not so paid remain outstanding.

If notice of prepayment or redemption is given for any Bonds as provided in this Section and is not rescinded, such Bonds shall become due and payable on the date fixed for prepayment or redemption at the price specified in the notice of prepayment or redemption, and upon the deposit of money with the Paying Agent in the amount necessary to effect the prepayment or redemption, such Bonds shall cease to bear interest on the date fixed for prepayment or redemption.

All principal installments due under the Bonds which are prepaid, redeemed, or purchased by the Borough pursuant to this Section shall be canceled.

Section 7. Failure To Pay Principal Installments Due Under the Bonds. Unless otherwise specified in the Loan Agreement, if a principal installment due under the Bonds is not paid when properly presented at its maturity or date fixed for prepayment or redemption, the Borough shall be obligated to pay interest on the principal installments due under the Bonds at the same rate provided in the Bonds from and after its maturity or date fixed for prepayment or redemption until the Bonds, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit with the Paying Agent and the Bonds have been called for payment by giving notice of that call to the Registered Owner.

Section 8. Paying Agent. The Borough Manager of the Borough is hereby authorized and directed to appoint a Paying Agent, which shall be qualified to perform its duties, and which may be the Finance Director or other officer of the Borough. The Paying Agent shall keep, or cause to be kept, the Bond Register for the registration and transfer of the Bonds, which shall be open to inspection by the Borough at all times. The Paying Agent is authorized, on behalf of the Borough, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this Ordinance, and to serve as the Borough's paying agent for the Bonds. The Paying Agent shall be responsible for its representations contained in the Paying Agent's Certificate of Authentication on each Bond.

Section 9. Registration of Bonds. The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register. The Bond Register shall contain the name and mailing address of the Registered Owner of the Bonds and the principal amount and number of the Bonds held by each Registered Owner. The Borough and the Paying Agent, each in its discretion, may deem and treat the Registered Owner of the Bonds as the absolute owner thereof for all purposes, and neither the Borough nor the Paying Agent shall

be affected by any notice to the contrary. The Bonds may be transferred only upon the Bond Register. Upon surrender for transfer or exchange of any Bonds at the office of the Paying Agent, together with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Paying Agent, duly executed by the Registered Owner or its duly authorized attorney, the Borough shall execute and the Paying Agent shall deliver an equal aggregate principal amount of Bonds of the same interest rate, maturity, and series of any Authorized Denominations, subject to such reasonable regulations as the Paying Agent may prescribe and upon payment sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid in connection with such transfer or exchange. Any Bonds surrendered for transfer or exchange shall be canceled by the Paying Agent. The Borough covenants that, until the Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of the Bonds that comply with the provisions of Section 149 of the Code.

Section 10. Form of Bonds. The Bonds shall be in substantially the following form, subject to the provisions of the Loan Agreement, and with such changes as the Manager of the Borough approves:

No. _____ \$ _____

UNITED STATES OF AMERICA

STATE OF ALASKA

PETERSBURG BOROUGH

GENERAL OBLIGATION PUBLIC SCHOOL BOND, 20XX

Maturity Date: _____ Interest Rate: _____ [CUSIP No.:]

Registered Owner:

Principal Amount:

The Petersburg Borough (the "Borough"), a municipal corporation of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the registered owner set forth above (the "Registered Owner"), or its registered assigns, the principal amount set forth above in accordance with the installment payment schedule set forth below (unless prepaid prior thereto as provided herein) together with interest on such installments from the date hereof or the most recent date to which interest has been paid or duly provided for, on each _____ 1 and _____ 1, commencing _____ 1, 20__, at the interest rate per annum set forth below.

Year of Principal Installment Payment (_____)	Principal Installment <u>Amount</u>	<u>Interest Rate</u>
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Payment of principal hereof and interest hereon shall be made to the Registered Owner at the address appearing on the Bond Register on the Record Date by check or draft mailed by first-class mail on the payment date, or, at the request and sole expense of a Registered Owner

made on or prior to the Record Date, by wire transfer to a bank account in the United States on the payment date, and payment of the final principal amount hereof shall be made at the office of the Paying Agent upon presentation and surrender of this bond by the Registered Owner to the Paying Agent. Notwithstanding the foregoing, so long as the Alaska Municipal Bond Bank (the "Bank") is the Registered Owner of this bond, payments of principal and interest shall be made as provided in the Loan Agreement between the Bank and the Borough (the "Loan Agreement"). Interest on this bond shall be computed on the basis of a 360-day year composed of twelve 30-day months.

This bond is one of the General Obligation Public School Bonds of the Borough (the "Bonds"), together aggregating \$_____ in principal amount and constituting bonds authorized for the purpose of providing the funds required to pay public school capital improvements, and is issued under Ordinance #2024-24 of the Borough titled:

AN ORDINANCE OF THE BOROUGH ASSEMBLY OF PETERSBURG, ALASKA, AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF THE BOROUGH, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$3,500,000, TO PAY THE COSTS OF PUBLIC SCHOOL CAPITAL IMPROVEMENTS; FIXING CERTAIN DETAILS OF SUCH BONDS; AUTHORIZING THE SALE OF SUCH BONDS; AUTHORIZING THE PREPARATION, EXECUTION, AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH; PLEDGING THE FULL FAITH AND CREDIT OF THE BOROUGH TO THE PAYMENT THEREOF; AND PROVIDING FOR RELATED MATTERS.

(the "Ordinance").

This bond is subject to prepayment or redemption prior to the maturity date as provided in the Ordinance.

This bond is transferable as provided in the Ordinance, (i) only upon the Bond Register and (ii) upon surrender of this bond together with a written instrument of transfer duly executed by the Registered Owner or the duly authorized attorney of the Registered Owner. The Borough and the Paying Agent may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or prepayment or redemption price, if any, hereof and interest due hereon and for all other purposes whatsoever.

This bond is a direct and general obligation of the Borough, and the full faith and credit of the Borough are pledged to the payment of the principal hereof and interest hereon. The Borough has irrevocably pledged and covenanted to levy ad valorem taxes upon all taxable property within the Borough, without limitation of rate or amount, to pay the principal hereof and interest hereon as the same become due and payable.

Reference is hereby made to the Ordinance and any ordinance supplemental thereto for a description of the rights of the Registered Owner of this bond and of the rights and obligations of the Borough thereunder, to all of the provisions of which the Registered Owner of this bond, by acceptance hereof, assents and agrees.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, or things required by the constitution or statutes of the State of Alaska or the Borough Charter or the ordinances or resolutions of the Borough to exist, to have happened, or to have been performed precedent to or in the issuance of this bond, exist, have happened, and have been performed, and that the series of Bonds of which this is one, together with all other indebtedness of the Borough, is within every debt and other limit prescribed by such constitution, statutes, charter, ordinances, or resolutions.

IN WITNESS WHEREOF, PETERSBURG BOROUGH, ALASKA, has caused this bond to be signed in its name and on its behalf by its Manager, and its corporate seal to be hereunto impressed or otherwise reproduced and attested by its Clerk, all as of the _____ day of _____, _____.

PETERSBURG BOROUGH, ALASKA

_____/specimen/
Borough Manager

ATTEST:

_____/specimen/
Borough Clerk

Section 11. Execution of Bonds. The Bonds shall be executed in the name of the Borough by the Borough Manager, and the corporate seal of the Borough shall be impressed or otherwise reproduced thereon and attested by the Borough Clerk. The execution of the Bonds on behalf of the Borough by persons who at the time of the execution are duly authorized to hold the proper offices shall be valid and sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the Bonds or shall not have held office on the date of the Bonds. Only Bonds bearing a Certificate of Authentication in substantially the following form, manually signed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Ordinance: "Certificate of Authentication. This bond is one of the fully registered Petersburg Borough, Alaska, General Obligation Public School Bond, 20XX described in the Ordinance." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated has been duly executed, authenticated, and delivered and is entitled to the benefits of this Ordinance.

Section 12. Mutilated, Destroyed, Stolen, or Lost Bonds. Upon surrender for cancellation to the Paying Agent of mutilated Bonds, the Borough shall execute and deliver a new Bond of the same interest rate, principal amount, maturity, and series. Upon filing with the Paying Agent evidence satisfactory to the Borough that a Bond has been destroyed, stolen, or lost and of the ownership thereof and upon furnishing the Borough with indemnification satisfactory to it, the Borough shall execute and deliver a new Bond of the same interest rate, principal amount, maturity, and series. The person requesting the execution and delivery of a new Bond pursuant to this Section shall comply with such other reasonable regulations as the Borough may prescribe and pay such expenses as the Borough may incur in connection therewith.

Section 13. Disposition of Sale Proceeds of the Bonds. The Borough Finance Director is hereby authorized and directed to create a fund designated as the "Public School 2025"

for the Bonds to be used for the payment of Costs of the Project. The proceeds of the Bonds (except for accrued interest, if any, which shall be applied to payment of interest on the Bonds) shall be deposited into the Public School 2025 Fund to be used to pay costs of issuing the Bonds and Costs of the Project; provided however, that any bond premium exceeding the costs of issuing the Bonds shall be deposited into the fund for payment of principal and interest on the Bonds, or for other lawfully authorized purposes.

Section 14. Tax Covenants. The Borough covenants to comply with any and all applicable requirements set forth in the Code in effect from time to time to the extent that such compliance shall be necessary for the interest on the Bonds to be excluded from gross income for federal income tax purposes. The Borough covenants that it will make no use of the proceeds of the Bonds that will cause the Bonds to be “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code. The Borough covenants that it will not take or permit any action what would cause the Bonds to be a “private activity bonds” as defined in Section 141 of the Code.

The Borough covenants to comply with the tax certificate executed upon the issuance of the Bonds unless it receives advice from nationally recognized bond counsel or the Internal Revenue Service that certain provisions have been amended or no longer apply to the Bonds.

Section 15. Sale of the Bond; Loan Agreement. The sale by the Borough to the Bond Bank of not to exceed \$3,500,000 in aggregate principal amount of the Bonds, as specified in the Loan Agreement and this Ordinance, is hereby authorized and approved. The sale proceeds of the Bonds shall be applied to pay Costs of the Project and shall be deposited in the Public School 2025 Fund of the Borough for such purpose.

The Borough authorizes the Borough Manager to negotiate, execute, and deliver a Loan Agreement, in a form consistent with the provisions of this Ordinance. The execution by the Borough Manager any such Loan Agreement or shall be conclusively evidenced by such official's execution and delivery of such document.

The Manager and Finance Director of the Borough are each authorized to execute and deliver a continuing disclosure undertaking if required by the purchaser of the Bonds to comply with Rule 15c2-12.

Section 16. Authority of Officers. Each Authorized Officer is hereby authorized and directed to execute such documents, agreements, and certificates and to do and perform such things and determine such matters necessary and desirable for the Borough to carry out its obligations under the Bonds, the Loan Agreement, and this Ordinance.

Section 17. Amendatory and Supplemental Ordinances.

(a) The Borough Assembly from time to time and at any time may adopt an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall become a part of this Ordinance, for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Borough in this Ordinance other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Borough; or

(ii) to make such provisions for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provision contained in this Ordinance or in regard to matters or questions arising under this Ordinance as the Borough Assembly may deem necessary or desirable and not inconsistent with this Ordinance and which shall not materially adversely affect the interest of the Registered Owners.

Unless otherwise specified in the Loan Agreement, any such supplemental ordinance may be adopted without the consent of any Registered Owner, notwithstanding any of the provisions of subsection (b) of this Section.

(b) With the consent of the Registered Owners of a majority in aggregate principal amount of the affected Bonds at the time outstanding, the Borough Assembly may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

(i) extend the stated maturity date of any of the Bonds, or reduce the amount or change the payment date of any principal installment, or reduce the rate of interest thereon, or extend the stated dates for payments of such interest, or reduce any prepayment or redemption price, without the consent of the Registered Owner of Bonds so affected; or

(ii) reduce the aforesaid percentage of Registered Owners required to approve any such supplemental ordinance, without the consent of all Registered Owners of the Bonds then outstanding.

It shall not be necessary for the consent of the Registered Owners under this subsection to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent approves the substance thereof.

(c) Upon the adoption of any supplemental ordinance under this Section, this Ordinance shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Ordinance of the Borough and all Registered Owners shall thereafter be subject in all respects to such modification and amendment, and all the terms and conditions of the supplemental ordinance shall be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

(d) Bonds executed and delivered after the execution of any supplemental ordinance adopted under this Section may bear a notation as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new Bonds modified so as to conform, in the opinion of the Borough, to any modification of this Ordinance contained in any such supplemental ordinance may be prepared by the Borough and delivered without cost to the Registered Owners, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 18. Defeasance. Payment of any Bonds may be provided for by the irrevocable deposit in trust of cash, noncallable Governmental Obligations, or any combination thereof. The cash and the maturing principal and interest income on such Government Obligations, if any, must be sufficient and available without reinvestment to pay when due the principal, whether at maturity or upon fixed prepayment or redemption dates, of and interest on

such Bonds. The cash and Government Obligations shall be held irrevocably in trust for the Registered Owners of such Bonds solely for the purpose of paying the principal or prepayment or redemption price of and interest on such Bonds as the same shall mature or become payable upon prepayment or redemption, and, if applicable, upon the irrevocable giving of (or irrevocable provision for the giving of) notice of prepayment or redemption and notification of all Registered Owners of affected Bonds that the deposit required by this Section has been made and that such Bonds are deemed to be paid in accordance with this Ordinance. Bonds the payment of which has been provided for in accordance with this Section shall no longer be deemed outstanding hereunder. The obligation of the Borough in respect of such Bonds shall nevertheless continue, but the Registered Owners thereof shall thereafter be entitled to payment only from the cash and Government Obligations deposited in trust to provide for the payment of such Bonds.

Section 19. No Recourse. No recourse shall be had for the payment of the principal of or the interest on the Bonds or for any claim based thereon or on this Ordinance against any member of the Borough Assembly or officer of the Borough or any person executing the Bonds. The Bonds are not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the Borough, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral, or otherwise, of the State of Alaska or of any political subdivision thereof, except the Borough.

Section 20. Severability. If any one or more of the provisions of this Ordinance shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance or of the Bonds.

Section 21. Effective Date. This Ordinance shall take effect immediately from and after its passage and approval by the Borough Assembly.

PASSED AND APPROVED BY THE PETERSBURG BOROUGH ASSEMBLY,
PETERSBURG, ALASKA, THIS ____ day of _____, 2025.

PETERSBURG, ALASKA

Mark Jensen, Mayor

ATTEST:

Debra K. Thompson, Borough Clerk

Adopted:
Published:
Effective:

**PETERSBURG BOROUGH
RESOLUTION #2025-01**

A RESOLUTION APPROVING THE REAL PROPERTY IMPROVEMENT AND CONVEYANCE OF BOROUGH OWNED LAND, DESCRIBED AS LOTS 25 AND 26, BLOCK 302, LOTS 7, 8, 9, AND 10, BLOCK 304, AND LOTS 11, 12, 13, 14, AND 15, BLOCK 305, AIRPORT ADDITION SUBDIVISION, ACCORDING TO PLAT 77-2 RECORDED ON MARCH 1, 1977; SEVEN (7) OF WHICH WILL BE CONVEYED TO THE TLINGIT HAIDA REGIONAL HOUSING AUTHORITY (THRHA) AND FOUR (4) OF WHICH WILL STAY IN BOROUGH OWNERSHIP, FOR THE PURPOSE OF EXPANDING THE AIRPORT SUBDIVISION; AND AUTHORIZING THE BOROUGH MANAGER TO SIGN CONVEYANCE DOCUMENTS

WHEREAS, the Petersburg Borough owns the following described eleven (11) parcels located within the Airport Addition Subdivision according to Plat 77-2 recorded on March 1, 1977 in the Petersburg Recording District, First Judicial District, State of Alaska:

Lots 25 and 26, Block 302 (Parcel ID #01.005.703 and #01.005.701)

Lots 7, 8, 9, and 10, Block 304 (Parcel ID #01.005.512, #01.005.514, #01.005.516, and #01.005.518)

Lots 11, 12, 13, 14, and 15, Block 305 (Parcel ID #01.005.420, #01.005.421, #01.005.423, #01.005.425, and #01.005.426)

; and

WHEREAS, THRHA requests to enter into a Real Property Improvement and Conveyance Agreement, attached to this Resolution as Exhibit A, to help address the extreme housing shortage in Petersburg and proposes that Lots 7, 8, 9, 11, 15, 25 and 26 of the Airport Addition Subdivision would be conveyed to them upon completion of the infrastructure improvements and acceptance of such improvements by the Borough as outlined in the Agreement; and Lots 10, 12, 13 and 14 would remain in Borough ownership; and

WHEREAS, Petersburg Municipal Code (PMC), Section 16.12.030(A), provides that the Borough may dispose of borough real property for less than the assessed value to a state or federal agency, federally recognized tribe, or nonprofit entity, for considerations determined by the Borough Assembly to be in the best interest of the Borough; and

WHEREAS, the Assembly has determined the parcels named above are not needed for municipal purposes; and

WHEREAS, the parcels to be conveyed to the Tlingit Haida Regional Housing Authority (THRHA) after installation of improvements have a total land assessed value of \$196,000, and PMC Section 16.12.160(C) provides that the disposal of borough property with an assessed value of \$250,000 or less be done by resolution; and

WHEREAS, the Assembly wishes to authorize the Borough Manager to finalize and sign the Real Property Improvement and Conveyance Agreement and any other conveyance documents on behalf of the Petersburg Borough.

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

Section 1. The Petersburg Borough Assembly hereby authorizes the conveyance of the following parcels by quitclaim deed to the Tlingit Haida Regional Housing Authority (THRHA), subject to all terms and conditions set forth in this Resolution and in the Real Property Improvement and Conveyance Agreement, attached hereto as Exhibit A and incorporated herein by reference.

Lots 25 and 26, Block 302 (Parcel ID #01.005.703 and #01.005.701);
Lots 7, 8, and 9, Block 304 (Parcel ID #01.005.512, #01.005.514, and #01.005.516); and Lots 11 and 15, Block 305 (Parcel ID #01.005.420 and #01.005.426), Airport Addition Subdivision, Plat #77-2, Petersburg Recording District, First Judicial District, State of Alaska

Section 2. The Assembly determines that the sale of the parcels is in the best interest of the Borough, and that the parcels are not needed for municipal purposes.

Section 3. Conveyance of the parcels listed above is subject to property improvements, to include road construction and installation of electric, water, sewer and storm drainage utilities, completed by THRHA to Borough standards and accepted by the Borough upon completion of the work as set out in the attached Real Property Improvement and Conveyance Agreement.

Section 4. The Borough Manager is hereby authorized to execute all deeds, agreements or other documents necessary to complete the conveyance transaction authorized under this Resolution.

PASSED and APPROVED by the Assembly of the Petersburg Borough, Alaska this 6th day of January, 2025.

Mark Jensen, Mayor

ATTEST:

Rebecca Regula, Deputy Clerk

REAL PROPERTY IMPROVEMENT AND CONVEYANCE AGREEMENT

This Real Property Improvement and Conveyance Agreement (the "Agreement") is made by and between the Petersburg Borough, PO Box 329, Petersburg, Alaska 99833 (the "Borough") and Tlingit-Haida Regional Housing Authority, 5446 Jenkins Drive, Juneau, Alaska 99801 ("THRHA"), collectively referenced herein as "the Parties". This Agreement shall be effective upon the date of the last signature below ("the Effective Date").

Recitals

- A. The Borough, as successor-in-interest to the City of Petersburg, is the owner of the following described eleven (11) parcels (collectively, "the Lots"), located within the Airport Addition Subdivision (the "Subdivision"), according to Plat 77-2, recorded on March 1, 1977 in the Petersburg Recording District, First Judicial District, State of Alaska:
- Lots 25 and 26, Block 302
- Lots 7, 8, 9, and 10, Block 304; and
- Lots 11, 12, 13, 14, and 15, Block 305
- B. On August 19, 1996, the Parties entered into a Land Sale and Conveyance Agreement, whereby THRHA constructed and installed certain improvements, including roads and utilities, for a portion of the Subdivision, in exchange for conveyance of a number of parcels of real property located in the Subdivision.
- C. THRHA would now like to construct and install improvements to an additional area of the Subdivision, providing those improvements to the Lots.
- D. The improvements would consist of road construction of 14th Street, from the corner of 14th Street and Goja Street north to Fram Street, and then construction of Fram Street to the west, through and including Lot 7, Block 304 to the south and Lot 15, Block 305 to the north, and installation of electric, water, sewer and storm drainage utilities along the same route, as more specifically described in paragraph 2 below (cumulatively, the "Improvements" or the "Lot Improvements").
- E. The Improvements shall be constructed and installed in accordance with Borough standards, as set out further in paragraph 2(b) below. The construction/installation plans shall be reviewed and accepted by the Borough prior to commencement of work by THRHA at the Subdivision, and

said construction/installation shall be inspected and accepted by the Borough upon completion of the work.

- F. The cost of design, engineering, construction and installation of the Improvements to the Lots (including all required inspections) is estimated to be Two Million Seven Hundred Thousand Dollars (\$2,700,000), or approximately Two Hundred Forty Five Thousand, Four Hundred and Fifty Four Dollars (\$245,454) per Lot, and THRHA would bear One Hundred Percent (100%) of that cost, including the cost of any necessary permitting or regulatory approval.
- G. The design and engineering of the Improvements is anticipated to commence immediately upon the Effective Date, and construction and installation is estimated to be completed on or before March 31, 2026.
- H. In return for constructing and installing the Improvements, and bearing the entirety of the cost of that construction and installation of the Improvements, and only upon completion of the Improvements, THRHA would receive title to the following seven (7) lots:

Lots 25 and 26, Block 302

Lots 7, 8 and 9, Block 304; and

Lots 11 and 15, Block 305 ("the THRHA Lots").

The Assembly has determined that none of the THRHA Lots are required for municipal purposes.

- I. The remaining four (4) lots (Lot 10, Block 304; and Lots 12, 13, and 14, Block 305) will be retained by the Borough ("the Borough Lots").
- J. The 2024 assessed value of each of the THRHA Lots is Twenty Eight Thousand Dollars (\$28,000), for a total assessed value of the THRHA Lots of One Hundred Ninety Six Thousand Dollars (\$196,000).
- K. The construction and installation of Improvements to the Lots would be of substantial benefit to the community of Petersburg, which is currently experiencing a severe shortage of available housing, including available parcels of land with established available access to borough utilities. The cost of the road and utility installation to the Borough Lots, being paid in full by THRHA, would equal Nine Hundred Eighty One Thousand Eight Hundred Sixteen Dollars (\$981,816 (\$245,454 x 4))

- L. Accordingly, the Parties wish to enter into an agreement, whereby THRHA constructs and installs the Improvements to the Lots, including both the THRHA Lots and the Borough Lots, and receives in return ownership of the THRHA Lots, under the terms and conditions set forth herein.

Agreement

NOW THEREFORE, in consideration of the above and the mutual covenants and agreements herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Recitals Incorporated. The Recitals above are incorporated here as though fully restated.
2. Installation of the Improvements. THRHA agrees to design, construct and install the Improvements to the Lots, at its sole expense, in accordance with the terms and conditions of this Agreement, including the following:

- a. Prior to commencement of construction and installation of the Improvements at the Subdivision, THRHA shall present the design plans to the Borough for review and approval. The plans shall be prepared, stamped, and signed by a professional engineer holding a registered professional civil engineer license issued by the State of Alaska. The plans should include and address any required permitting or other mandatory review and approval by governmental or regulatory agencies, including without limitation any Army Corps of Engineers permit or Alaska Department of Environmental Conservation approval. THRHA cannot commence construction and installation work at the Subdivision unless and until all plans have been accepted and approved, in writing, by the Borough (the "Plans") and any required regulatory permitting and approvals have been obtained.

- b. The Plans shall comply and conform with the Petersburg Borough 2012 Standard Specifications for Streets, Drainage, Utilities and Parks ("2012 Standard Specifications"), Petersburg Municipal Code (PMC) Chapters 14.04 (Water Utility), 14.08 (Sewer Utility), 14.16 (Electric Utility) and Section 18.24.070 (Major Subdivision - Streets), Rural Utility Service (RUS) standards, all other applicable laws, regulations, and ordinances, and including the following (cumulatively, the "Standards and Requirements"):
 - i. Roads: The extension of 14th and Fram Streets shall be designed to meet Local Access Street standard criteria set out in PMC 18.24.070F(7) and the 2012 Standard Specifications, Division 20 Earthwork, Standard Detail 20-1. Driveway culverts shall be included in the Plans and installed as appropriate to maintain free drainage throughout the Subdivision.
 - ii. Water and sewer mains: Must be approved for construction by the Alaska Department of Conservation (ADEC). Upon successful completion of water and sewer mains, Approvals to Operate the systems shall be secured from ADEC prior to dedication of these utilities to the

Borough. Sewer laterals shall be installed to each of the Lots and cleanouts installed at the property line. Water service lines shall be extended to each of the Lots with curb stop valves located at the property line.

iii. Extension of the primary electrical distribution system shall be designed, stamped and constructed to RUS standards. The electrical distribution system shall be capable of providing electrical service drops to each of the Lots. Electrical service drops and/or service transformers are not part of this build and will be arranged between the subsequent property owners of each of the Lots and Petersburg Municipal Power and Light when service is desired to structures built.

c. Promptly upon Borough approval of the Plans, THRHA shall commence to construct and install the Lot Improvements in conformance with the Plans. Any proposed amendments or revisions to the Plans require the written approval of the Borough.

d. THRHA's work at the Subdivision, and the work of any contractor or subcontractor of THRHA, shall be performed in conformance with all federal, state and local laws and regulations applicable to and governing that work.

e. Daily onsite inspection and monitoring of the construction and installation of the water, sewer and road improvements shall be performed, at THRHA's expense, by a third party inspector acceptable to both THRHA and the Borough. Written inspection reports shall be provided daily to the Borough Public Works Director, with photographs of the progress of the work and documentation as to the work accomplished and crew/equipment present.

Additionally, THRHA's engineer, at THRHA's expense, shall perform periodic inspections and testing, including acceptance and startup testing, as needed to ensure that the work is being performed properly and in accordance with the Plans and any approved amendments or revisions thereto. The engineer's inspection reports, including photographs, shall be promptly provided to the Borough Public Works Director following each inspection. At any time and at its own expense, the Borough may, but is not required to, conduct inspections of the work, or otherwise determine the progress of the work, with its own personnel or contractor.

The Borough has the further right to attend and witness any acceptance testing of the water lines (including without limitation pressure testing, chlorinating, flushing, bacterial testing, and final flushing) and sewer lines (pressure/leakage testing), and any pump station startup testing. THRHA shall provide written notice to the Borough Public Works Director at least three (3) business days in advance of any acceptance or startup testing.

f. THRHA shall notify the Borough, in writing, upon completion of the Improvements, and the Borough or the Borough's contractor may review and inspect the Improvements to ensure conformance with the Plans and the Standards and Requirements.

g. In the event that the Borough determines that the completed Improvements do not fully conform with the Plans, including any approved amendments or revisions, or the Standards and Requirements, written notice of the deficiencies shall be provided to THRHA, containing the modifications, repairs or corrections required to bring the Improvements into compliance. THRHA shall thereafter promptly take whatever action is necessary to modify, repair, or otherwise correct the deficiencies; upon completion of that work, THRHA shall notify the Borough that the corrections have been completed, and the Borough may re-inspect the Improvements for compliance. Upon acceptance of the Improvements, the Borough shall formally notify THRHA in writing that the Lot Improvements have been accepted hereunder.

h. The Lot Improvements shall be completed by THRHA, and accepted by the Borough, by no later than March 31, 2026. The parties may mutually agree, in writing, to extend this deadline.

i. Within six (6) months of completion of construction and installation, one (1) complete hard copy and one (1) complete electronic copy of record drawings of the completed Improvements, prepared and certified by THRHA's contractor and engineer, shall be delivered to the Borough Public Works Director. The engineer must certify that the work has been constructed and installed in accordance with the Plans, including any approved amendments or revisions, and meets the Specifications and Requirements.

3. Warranty of Improvements. Pursuant to PMC 18.26.085, THRHA shall warrant and guarantee for a period of one (1) year after acceptance by the Borough that the Improvements constructed and installed hereunder will remain in good condition and will meet operating specifications. Such warranty includes defects in design, workmanship, and materials. No bond or cash deposit is required to secure the warranty.

4. Access. The Borough shall provide to THRHA access to the Lots and the Subdivision rights-of-way as reasonably necessary for THRHA to construct and install the Improvements in accordance with the Plans.

5. No liens. If any person or entity asserts a lien against any of the Lots for labor performed upon, or materials supplied to, the Lot(s) as a result of the work to be performed hereunder by THRHA, or any contractor or subcontractor of THRHA, THRHA shall promptly pay the claim or take action necessary to remove any such claim as a lien or encumbrance against the property. This obligation survives termination of this Agreement.

6. Insurance. During any period of construction or installation of improvements by THRHA, the Borough, and its employees, officials, agents and representatives, shall be named as an additional insured on any liability policy held by THRHA which is applicable to the work at the Subdivision, including any liability policy held by a contractor or subcontractor of THRHA performing work at the Subdivision; this includes without limitation any commercial general or automobile liability policy. Further, there shall be a waiver of subrogation in favor of the Borough, and its employees, officials, agents and representatives, on any workers' compensation or employer's liability policy held by THRHA, or any contractor or subcontractor of THRHA, applicable to the work at the Subdivision. Proof of compliance with this paragraph shall be delivered to the Borough prior to commencement of any construction or installation work at the Subdivision, and prior to any renewal of the policies required under this provision.

7. Payment/Indemnification. The Parties agree that THRHA is to pay all costs and expenses incurred in connection with preparation of the Plans and construction and installation of the Lot Improvements, including all costs and expenses of obtaining required regulatory permitting and approvals. THRHA agrees to indemnify, defend, and hold harmless the Borough, and its employees, officials, agents, representatives, insurers from and against any claims, liability, damages and costs (including reimbursement of reasonable attorney fees), arising out of, as a result of, or in any way relating to, the preparation of the Plans and construction and installation of the Lot Improvements.

8. Conveyance.

a. Upon final completion and acceptance of the Lot Improvements, the Borough shall, upon the request of THRHA, convey to THRHA, via standard form Alaska Quitclaim Deed, the THRHA Lots, subject to all easements, rights-of-way and reservations, of record or not of record, including but not limited to matters which would have been disclosed by a survey or physical inspection of the Lots.

b. The Borough is not providing title insurance for the THRHA Lots. If THRHA desires to obtain title insurance, THRHA may do so at its own expense.

9. Disclaimers regarding the THRHA Lots. Conveyance of the THRHA Lots is on an "as-is, where-is" basis, in their condition as of the Effective Date and as of the date of conveyance, with all faults. The Borough is not making, and has not at any time made, any representations, guarantees or warranties of any kind or character, express or implied, with respect to, and disclaims any liability for, the Subdivision and the THRHA Lots, including without limitations, (a) habitability, quality, merchantability, or utilization or fitness for a particular purpose or use; (b) any latent or patent physical or environmental conditions; (c) the existence of soil instability, the sufficiency of any drainage, or any other matter affecting stability or structural integrity; (d) the exact location or size of any Lot, the existence of markers on the Lot, or the ability or cost of surveying the Lots; and (e) any other matter, condition or circumstance regarding

the Subdivision or the Lots. THRHA is relying solely upon its own independent investigation and study of the Subdivision and the Lots, and has not relied upon any statements, representations or warranties of the Borough, or any employee, official, agent or representative of the Borough, as to any aspect, circumstance or condition of the Subdivision or the Lots.

10. Failure to Complete Improvements; Default. If THRHA fails to timely and properly construct and install the Improvements in compliance with the Plans and the Standards and Requirements, or otherwise fails to comply with the terms and conditions of this Agreement, the Borough may, upon thirty (30) days written notice to THRHA, terminate this Agreement provided that the default has not been cured during this notice period. Upon termination, THRHA shall have no further right or interest in the THRHA Lots, and the Borough has the right, at its discretion, to sell all or some of the Lots, free of any claim or lien of THRHA, and use the proceeds derived therefrom for any purpose, including to complete construction and installation of the Improvements.

11. Representations, Warranties and Disclaimers of the Parties. Each party represents and warrants as follows:

a. All actions necessary for it to enter into and perform this Agreement and make this Agreement legally binding upon it have been obtained;

b. The execution and delivery of this Agreement, and the consummation by it of the transactions contemplated by this Agreement, will not violate any contract, agreement, order or judgment of any nature by which it is bound; and

c. There is no action, suit or proceeding pending or threatened against it which would prohibit it from completing the transaction contemplated by this Agreement.

12. Entire Agreement and Modification. This Agreement sets forth the entire understanding and agreement of the Parties with respect to the transactions contemplated hereunder. This Agreement supersedes any and all prior negotiations, discussions, agreements, and understandings between the Parties with respect to the subject matter hereof. This Agreement may not be modified or amended except by written agreement executed by the Parties.

13. Construction. Each party to this Agreement has had an opportunity for independent counsel to review and modify the Agreement. The rule of construction to the effect that any ambiguities are to be strictly construed against the drafter shall not apply to any interpretation of any provision of this Agreement.

14. Successors and Assignment. THRHA may not assign its rights, obligations or interest in this Agreement to any other person or entity without first obtaining the prior written consent of the Borough,

which consent may be given or withheld in the Borough’s sole discretion. This Agreement is binding on THRHA and its successors and approved assignees.

15. Counterparts. This Agreement may be executed and delivered in counterparts, delivered by facsimile or in electronic format by email. Each such counterpart hereof shall be deemed an original instrument, but all such counterparts together shall constitute one agreement.

16. Notices. Any notices or communications required or permitted to be given under this Agreement, including any written notice of termination of this Agreement, shall be given in writing and shall be delivered (i) in person, (ii) by certified mail, postage prepaid, return receipt requested, (iii) by a commercial overnight courier that guarantees next day delivery and provides a receipt, or (iv) by electronic mail. Such notices shall be addressed as follows:

To the Borough:

c/o Borough Manager
PO Box 329
Petersburg, Alaska 99833
Email:

To THRHA:

c/o President & Chief Executive Officer
5446 Jenkins Drive
Juneau, Alaska 99801
Email:

Any such notice or communication shall be considered given or delivered, as the case may be, on the date of personal delivery, three (3) days upon deposit in the United States mail or with an overnight courier as provided above, or in the case of email transmission, upon the date sent, provided the party has proof of such sending. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice or communication. Either Party may at any time change its contact information by giving notice hereunder.

17. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect so long as the intent of the parties can be reasonably accomplished thereby.

18. Captions. The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions of this Agreement.

19. Governing Law/Waiver of Jury Trial. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Alaska. The Borough and THRHA hereby waive any and all right to a trial by jury in any action or proceeding brought in connection with this Agreement. The parties consent to the jurisdiction of the courts of the State of Alaska, located in Petersburg, Alaska.

20. No Joint Venture; No Third Party Beneficiaries. This Agreement shall not be construed or interpreted to create a partnership or joint venture between the Borough and THRHA. The provisions of this Agreement and of the documents to be executed and delivered under this Agreement, are and will be for the benefit of the Borough and THRHA only and are not for the benefit of any third party. Accordingly, no third party shall have the right to enforce any provision of this Agreement.

21. Attorney Fees. If either party shall commence a legal proceeding for any relief against the other, declaratory or otherwise, arising out of this Agreement, the prevailing party shall be awarded, in addition to any other relief, a reasonable sum as attorney fees.

22. Authority. Each person executing this Agreement represents and warrants that he or she has the authority to sign on behalf of the party for whom they are signing. Each Party further represents and warrants that the execution and delivery of this Agreement has been duly authorized by all necessary action and does not and will not require any consent or approval of any other person or entity.

IN WITNESS WHEREOF the parties have hereunto executed this Agreement.

Petersburg Borough:

Tlingit-Haida Regional Housing Authority:

By: Stephen Giesbrecht
Its: Borough Manager
Dated: January _____, 2025

By: Jacqueline Pata
Its: President & CEO
Dated: January _____, 2025

**PETERSBURG BOROUGH
RESOLUTION #2025-02**

**A RESOLUTION OF THE BOROUGH ASSEMBLY OF PETERSBURG,
ALASKA, SUPPORTING ALASKA DEPARTMENT OF FISH AND GAME (ADFG)
PROPOSAL 243 AND OPPOSING ADFG PROPOSAL 242, BOTH OF WHICH WILL
BE CONSIDERED AT THE JANUARY 28 - FEBRUARY 9, 2025, ALASKA BOARD
OF FISHERIES MEETING**

WHEREAS, the commercial Southeast Alaska Red King Crab fishery is almost exclusively an Alaskan resident fishery; and

WHEREAS, the Petersburg Borough has the largest commercial Red King Crab fleet in the State of Alaska and the largest crab processor in the region; and

WHEREAS, the current ADFG Red King Crab management plan does not allow for annual commercial Red King Crab harvest even when there is a harvestable surplus; and

WHEREAS, ADFG has proposed a new management plan in Proposal 243 that will allow for a commercial fishery when scientifically and biologically available; and

WHEREAS, the Borough supports the scientific analysis of the State of Alaska and ADFG, which protects and allows a sustainable harvest of the Red King Crab resource on which coastal communities like Petersburg depend; and

WHEREAS, when open, the commercial Red King Crab fishery supports 100 local fishing and processing jobs, and provides \$2 million in additional fishing income; and

WHEREAS, Proposal 243 was generated in collaboration with ADFG, the fishing community and processing community; and

WHEREAS, Proposal 243 will not hurt other user groups of Red King Crab, it will only allow access to Red King Crab already allocated to the commercial fishery; and

WHEREAS, Proposal 242 would reallocate the remaining commercial Red King Crab Guideline Harvest Level (GHL) in area 11-A to the personal use fishery; and

WHEREAS, personal use fishermen already receive 60% of the Red King Crab GHL in 11-A; and

WHEREAS, Area 11-A's biomass is important to the area wide stock assessment for the commercial fishery; and

WHEREAS, reallocating 11-A Red King Crab from the commercial GHL to personal use would lead to further season closures of the commercial fishery and would reduce harvest opportunity for the local commercial fishing fleet.

**THEREFORE, BE IT RESOLVED BY THE PETERSBURG BOROUGH ASSEMBLY,
THAT:**

Section 1. The Petersburg Borough Assembly strongly supports Proposal 243 and opposes Proposal 242, both of which are scheduled for consideration at the January 28 - February 9, 2025, Alaska Board of Fisheries meeting. The Assembly urges the Board to support Proposal 243 and oppose Proposal 242 to prevent detrimental economic and social impacts on Alaska’s coastal fishing industry and communities.

Section 2. The Petersburg Borough reaffirms its support for ADFG and the commercial Red King Crab fleet, acknowledging their essential contributions to Petersburg’s economy, community well-being, and sustainable fishery practices.

Section 3. The Petersburg Borough calls upon the Alaska Board of Fisheries to commit to science-based, objective assessments for Red King Crab management, working in collaboration with the Alaska Department of Fish and Game, the processing industry, and the fishing community to ensure that management decisions reflect the value and benefits Alaska’s fishing industry brings to all residents.

PASSED AND APPROVED by the Petersburg Borough Assembly this 6th day of January, 2025.

Mark Jensen, Mayor

ATTEST:

Rebecca Regula, Deputy Clerk

**Petersburg Borough
Priority Community Projects**

Project Title	Est. Project Cost	Funding Already Secured	Funding Required	Priority
Petersburg Medical Center Replacement - Phase 4 and Phase 5 , Main Hospital Construction	\$ 67,000,000		\$ 67,000,000	1
Scow Bay Haul out & Wash down Pad	\$ 9,630,791	\$ 8,100,000	\$ 1,530,791	2
Wastewater disinfectant Study and Engineering for plant infrastructure	\$ 2,000,000		\$ 2,000,000	3
Papke's (parking lot, dock, floats and ramp) Estimate.	\$ 9,221,000		\$ 9,221,000	4
Aquatic Center Refurbishment - (mechanical, control systems, sewer, etc)	\$ 4,000,000		\$ 4,000,000	5
Petersburg Airport Bypass Road - Design	\$ 2,000,000		\$ 2,000,000	6
Banana Point facilities, including launch ramp, breakwater, parking lot and access road	\$ 2,000,000		\$ 2,000,000	7
South Harbor Ramp Replacement (ADA ramps)	\$ 2,000,000	\$ 200,000	\$ 1,800,000	8
SCBA packs and bottles for Fire Department	\$ 350,000		\$ 350,000	9
Larger Parking lot for employees and residents of Assisted Living*	\$ 50,000		\$ 50,000	10
	\$ 98,251,791	\$ 8,300,000	\$ 89,951,791	

Petersburg Borough Capital Project Requests

Project Title	Est. Project Cost	Funding Secured	Funding shortfall	Capsis Y/N	Needs List	Congressionally Directed Spending	Priority	Dept Head	Maint.
Harbor Department, Borough launch ramps and remote docks (in priority order)									
Scow Bay Haul out & Wash down Pad	\$ 9,630,791	\$ 8,100,000	\$ 1,530,791	Y	Y	Y	2	Liz	N
Papke's (parking lot, dock, floats and ramp) Estimate.	\$ 9,221,000		\$ 9,221,000	Y	Y	Y	4	Steve	N
North Harbor - sheet pile and parking	\$ 2,530,000	\$ -	\$ 2,530,000	Y				Glo	N
Scow Bay Boat Harbor	\$ 62,000,000		\$ 62,000,000	Y	Y			Glo	N
Harbor Maintenance Shop upgrade	\$ 300,000		\$ 300,000	Y				Glo	?
Middle Harbor Trestle Replace and parking upgrade	\$ 950,000		\$ 950,000	Y				Glo	N
South Harbor Utility Float Reconstruction	\$ 400,000	\$ -	\$ 400,000	Y				Glo	Y
Harbor Office/Shower/Restroom facility redesign and reconstruction	\$ 500,000		\$ 500,000	Y				Glo	Y
Banana Point facilities, including launch ramp, boarding float, parking lot and access road	\$ 2,000,000		\$ 2,000,000	Y	Y	Y	7	Chris	Y
Drive Down Approach Asphalt	\$ 450,000		\$ 450,000	N				Glo	?
South Harbor Ramp Replacement (ADA ramps)	\$ 2,000,000	\$ 200,000	\$ 1,800,000	Y	Y	Y	8	Glo	N
Alaska Seaplane Float in Petersburg	\$ 500,000		\$ 500,000	Y				Glo	Y
Small Cruise Ship dock and Berthing Dolphin to help with Cruise Ship docking	\$ 8,000,000	\$ -	\$ 8,000,000	Y				Glo	N
Parks and Recreation Department (in priority order)									
Aquatic Center Refurbishment - (mechanical, control systems, sewer, etc)	\$ 4,000,000		\$ 4,000,000	Y			5	Steph	Y
Eagles Roost Stair Replacement (or ADA option would be about \$500K)	\$ 45,000		\$ 45,000	Y				Steph	N
Playground equipment for IRA II	\$ 80,000		\$ 80,000	Y				Steph	Y
Expansion of Weight Room Facility	\$ 150,000		\$ 150,000	Y				Steph	N
Climate Controlled storage building near the Community Center	\$ 150,000		\$ 150,000	Y				Steph	N
ADA Doors at Parks and Rec. main entrance				N				Steph	N
Public Address System for Community Center	\$ 35,000		\$ 35,000	Y				Steph	N
Conceptual Drawings and cost estimate for Bowling alley/skating rink	\$ 100,000								
Conceptual Drawings and cost estimate for Turf Baseball & Softball Field	\$ 100,000								
Public Works Department (in priority order)									
Petersburg Airport Bypass Road - Design	\$ 2,000,000		\$ 2,000,000	Y		Y	6	Chris	N
Fram Street infrastructure repairs	\$ 750,000		\$ 750,000	Y				Chris	Y

Project Title	Est. Project Cost	Funding Secured	Funding shortfall	Capsis Y/N	Needs List	Congressionally Directed Spending	Priority	Dept Head	Maint.
Frederick Road resurfacing, extension to East, and widening - Design	\$ 500,000		\$ 500,000	N	Y			Chris	Y
Rasmus Enge Bridge Replacement (on needs list as Sing Lee Alley bridge)	\$ 2,500,000		\$ 2,500,000	N	Y			Chris	Y
Paving Borough Residential Streets (Excel, Fram, Gjoa, Harbor Wy, 2nd Street)	\$ 2,000,000		\$ 2,000,000	Y	Y			Chris	Y
Sandy Beach cycling and pedestrian trail	\$ 2,500,000		\$ 2,500,000	N	Y			Chris	N
Paving Dump Hill	\$ 500,000		\$ 500,000	N				Chris	N
Greens Camp Road, loop and driveway			\$ -	N	Y			Chris	Y
Petersburg School District (in priority order)									
Middle School/High School Electrical Upgrades	\$ 2,000,000	\$ -	\$ 2,000,000	Y				Robin	Y
Middle School/High School Digital HVAC Controls	\$ 250,000	\$ -	\$ 250,000	Y				Robin	N
Elementary School parking load/unload improvements	\$ 750,000	\$ -	\$ 750,000					Robin	
Water Department (in priority order)									
Storage Tank Piping Improvements	\$ 60,000	\$ 25,000	\$ 35,000	N				Chris	?
Fram Street - Transite Water Main Replacement	\$ 200,000	\$ 200,000	\$ -	N				Chris	Y
Rasmus Enge Bridge Water Main Replacement	\$ 325,000		\$ 325,000	N				Chris	Y
Hammer Slough Water Main Replacement	\$ 300,000		\$ 300,000	N				Chris	Y
Sandy Beach Road Water Main Replacement	\$ 8,000,000		\$ 8,000,000	Y		Y		Chris	Y
Lake Street Water Main	\$ 450,000		\$ 450,000	N				Chris	Y
Wastewater Department (in priority order)									
Wastewater disinfectant Study and Engineering for plant infrastructure	\$ 2,000,000		\$ 2,000,000				3	Chris	
Wastewater SCADA system	\$ 542,500	\$ 42,500	\$ 500,000	Y				Chris	?
Pump station 3 Upgrade	\$ 750,000		\$ 750,000	N				Chris	?
Lake Street Sewer Main	\$ 300,000		\$ 300,000	N				Chris	Y
Skylark Pump station Rehabilitation	\$ 550,000		\$ 550,000	N				Chris	Y
Rasmus Enge Bridge Sewer Main project	\$ 250,000		\$ 250,000	N				Chris	?
Power and Light Department (in priority order)									
Scow Bay Generator 3	\$ 5,000,000	\$ -	\$ 5,000,000	N				Karl	
Replacement of vintage 1955 Penstock for Hydro Facility	\$ 4,000,000		\$ 4,000,000	N				Karl	
Superior Building Roof	\$ 500,000	\$ 40,000	\$ 460,000	N				Karl	
AMI Infrastructure Project	\$ 360,000	\$ 50,000	\$ 310,000	N				Karl	
24.9 Rebuild - Airport 2400 Conversion (in-house)	\$ 162,000	\$ -	\$ 162,000	N				Karl	
Downtown Streetlights (in-house)	\$ 250,000	\$ 195,000	\$ 55,000	N				Karl	
Storage Yard Relocation - Storage Sheds (2)	\$ 150,000	\$ 118,316	\$ 31,684	N				Karl	
Petersburg Medical Center (in priority order)									

Project Title	Est. Project Cost	Funding Secured	Funding shortfall	Capsis Y/N	Needs List	Congressionally Directed Spending	Priority	Dept Head	Maint.
Petersburg Medical Center Replacement -Phase 4 and Phase 5, Main Hospital Construction	\$ 67,000,000		\$ 67,000,000	Y		Y	1	Phil	N
Public Safety and Support (not in priority order)									
Shooting Range Structure Rehabilitation	\$ 50,000	\$ -	\$ 50,000	Y				Chris/Steph	
SCBA Packs and Bottles for Fire Department	\$ 350,000		\$ 350,000	Y			9	Aaron	
Shooting Range Trap & Skeet Equipment Upgrades	\$ 150,000	\$ -	\$ 150,000	Y				Chris/Steph	
Sanitation (in priority order)									
Fire Sprinkler System Replacment - Baler	\$ 200,000		\$ 200,000	N				Chris	
Baler Roof Replacement	\$ 250,000		\$ 250,000	N				Chris	
Recycling drop off Center	\$ 50,000		\$ 50,000	N				Chris	
Enviorack Car Disposal System	\$ 50,000		\$ 50,000	N				Chris	
Waste Oil Storage System Upgrades	\$ 25,000		\$ 25,000	N				Chris	
Landfill Fencing repairs/replacement	\$ 100,000		\$ 100,000	N				Chris	
Storage Quonset Hut Replacement	\$ 150,000		\$ 150,000	N				Chris	
Community Development (in priority order)									
Children's Center expansion	\$ 1,715,730		\$ 1,715,730	Y				Bob Lynn	
Subdivision Build out for workforce housing - Airport Subdivision	\$ 4,000,000		\$ 4,000,000	N				Steve	
Lake Street lots	\$ 100,000	\$ 100,000	\$ -	N				Steve	
Assisted Living and Elderly Housing (in priority order)									
Expansion of the Assisted Living Kitchen	\$ 300,000		\$ 300,000	Y				Derrick	
Repairs for the back deck at Assisted Living				N				Derrick	
Larger Parking lot for employees and residents of Assisted Living*	\$ 50,000		\$ 50,000	N				Derrick/Chris	



Top Petersburg Borough Projects FY 2026

Approved, and prioritized in a public meeting January 6, 2025, by the Petersburg Assembly

Projects awaiting future funding or funding in place awaiting distribution of funds.

1. New Petersburg Medical Center Project – Awaiting future funding

Phase 4 &5 - Main Hospital Building and Interior/Furniture/Fixtures **\$67M**
Main hospital and long-term care center construction with interior/furniture/fixtures. Due to failing systems and infrastructure within the community owned Critical Access Hospital's aging building, construction of a new health campus to serve Petersburg Borough and nearby remote communities is underway. The Petersburg Wellness, Education & Resource Center will open in 2025 providing access to the community's first local MRI. Petersburg Medical Center is actively seeking funding to build the new hospital and Long-term care buildings completing the project.

2. Scow Bay Boat Haul-out and Work Yard – Awaiting future funding.

Development of a small vessel haul out and work yard for use by commercial fishing, sport/tour/charter, and private recreational vessels. Improvements include replacement of a deteriorated and inadequate ramp for hauling boats in and out of the water, vessel washdown pad with pre-treatment system, and water, sewer and electrical service-related improvements are also needed. The borough needs **\$1.2M** to complete the project.

- a. **Boarding Float:** Construct timber boarding float along ramp for safety during launches and haul outs. - \$1,200,000

3. Banana Point Boat facilities – Awaiting distribution of funding from 2024.

Expansion and improvements for the Banana Point Boat facilities that improve transportation of goods and passengers between Petersburg and other communities in Southeast Alaska. **\$2.0M** to finish off the current project.

New Projects

1. **Engineering and disinfectant study for Wastewater Plant Improvements:** After 14 years of administrative extensions of the Petersburg NPDES discharge permit, and 19 years since the last permit renewal, the EPA commenced the permit renewal process in 2022. The new permit, with updated State of Alaska water quality certification, will be complete by the end of 2024. To comply with updated

regulations borne out of the discharge permit renewal process, the Borough must significantly upgrade its wastewater treatment plant.

Engineering for the new Wastewater Plant system and the Disinfectant Study - **\$2M**

2. **Papke's Landing Facility** – As an island community, transportation for people, goods and services is heavily reliant on water transportation. The Petersburg Borough Assembly has prioritized improvements to Papke's Landing to improve various components of the facility, including the Dock, launch ramp, floats, equipment storage and long-term parking, for Papke's Landing Facility. This will help to improve transportation for off island residents and hunting and fishing lodges in the area. **\$9.4M**
3. **Addition of ADA ramps for the South Harbor** – ADA ramps will help facilitate easier access to the main Petersburg commercial district for visitors and residents who require less of a slope to access the Community and Harbor. **\$3.0M.**
4. **Aquatic Center and Community Gym Refurbishment** – This is a major renovation project for several the community facilities. This will include updates to the mechanical control systems and HVAC systems in the aquatic center and community gym facilities to improve energy efficiency and reliability. Leaking sewer lines in the Aquatic Center will be replaced, peeling paint in the pool area will be removed and redone, and the pools resurfaced. The approximate cost for these repairs is **\$4M.**
5. **Replacement for expiring SCBA packs and bottles for the Petersburg Volunteer Fire Department, \$300,000.**



December 20, 2024

Subject: **Early notification** of wastewater discharge permit for AKR060000

Dear Local and Tribal Government Leaders

The Alaska Department of Environmental Conservation (DEC) proposes to reissue a statewide Alaska Pollutant Discharge Elimination System (APDES) general permit AKR060000 for the Mult-Sector General Permit for Storm Water Discharges Associated with Industrial Activity (MSGP).

Background information

This will be the third reissuance of the MSGP APDES general permit. The current permit was issued February 20, 2020, and expires March 31, 2025. The permit authorizes and sets conditions on the discharge of pollutants from authorized discharges to surface waters of the United States (U.S.). To ensure protection of water quality and human health, the permit establishes control measures and best management practices that must be used to control the types and amounts of pollutants that can be discharged from certain industrial activities.

The APDES Program (18 AAC 83) regulates point source discharges to waters of the U.S.; whereas discharges to surface water of the State are regulated under the authority of 18 AAC 72 – Wastewater Disposal. The Department's statutory authority for issuing permits under 18 AAC 83 and 18 AAC 72 comes from AS 46.03.100. To meet the requirements of 18 AAC 83 to appropriately regulate surface water discharges as well as 18 AAC 72, both discharges to waters of the U.S. and waters of the State will be covered under this general permit.

Description of discharge

The MSGP requires industrial facilities to implement and maintain site-specific storm water control measures and to develop a site-specific storm water pollution prevention plan (SWPPP). The MSGP regulates the discharge of storm water from an estimated 330 industrial facilities in 29 industrial sectors. These sectors include mineral mining, coal mining, sand and gravel mining, boat harbors, and larger airports. The MSGP includes direction on the types of storm water control measures to install to limit the extent of storm water runoff.

Opportunities for tribal and local government participation in this permitting decision

DEC recognizes rural Alaska has unique needs and considerations regarding wastewater discharges and strives to issue permits that reflect a full understanding of local conditions. This letter is intended as an **early notice** to assist you in determining whether your community may be affected and inform you of the opportunity to provide traditional, cultural, or other local information that DEC should consider as part of this permit reissuance. DEC would like to know how your area and resources may be affected by this permitting action.

Next steps

After the permit is drafted, there will be a **10-day applicant review period** of the preliminary draft permit. Following the applicant review period, there will be a minimum of a **30-day public review and comment period**. I will provide a copy of the public notice for the permit by mail or e-mail at the start of the public comment period. After the public review and comment period, there will be a **5-day applicant review period** of the final draft permit before the permit is issued.

If requested, I can also provide notice of the preliminary draft and proposed final applicant review periods. Due to the short timeframes for those reviews, notices are sent by email or fax. Please provide an email address or fax number if you would like to receive notices for the preliminary draft and proposed final applicant review periods.

If you would like more information or would like to provide DEC with information about this permit, please do not hesitate to contact me at 907-465-5272 or via email: Gina.Shirey@alaska.gov; for technical questions about the permit, you may also directly contact the permit writer, Sam Kito at (907) 907-269-7542 or via email Sam.Kito@alaska.gov.

Sincerely,

Gina Shirey
Local and Tribal Government Coordinator

Enclosure: Tribal Involvement in the Permitting Process postcard

cc: Potentially Affected Local Governments
Potentially Affected Federally -recognized Indian Tribes

Tribal Involvement in the Permitting Process postcard

