



City and Borough of Wrangell
08/27/2019 Borough Assembly Meeting
AGENDA

Tuesday, August 27, 2019
7:00 PM

Location: Borough Assembly Chambers
City Hall

WORK SESSION@ 6:00 p.m.

a. Work Session: Old Power House Status Update

1. CALL TO ORDER

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Mya DeLong
- b. CEREMONIAL MATTERS

i. PROCLAMATION - National Payroll Week

2. ROLL CALL

4. AMENDMENTS TO THE AGENDA

5. CONFLICT OF INTEREST

3. PERSONS TO BE HEARD

6. CONSENT AGENDA

- a. Consent Agenda MOTION
- b. Assembly Minutes - Regular from July 23, 2019
- c. Assembly Minutes - Special from August 21, 2019
- d. Approval of Marijuana Renewal License #10200 - Happy Cannabis (Store)
- e. Approval of Marijuana Renewal License #10201 - Happy Cannabis (Cultivation Facility)
- f. CORRESPONDENCE: School Board Action - August 19, 2019

7. BOROUGH MANAGER'S REPORT

- a. Borough Manager's Report (KYP's)
- b. Capital Facilities Department Report
- c. Public Works Report
- d. Travel Report
- e. Water Report
- f. Marina Management Software Upgrade Report

8. BOROUGH CLERK'S FILE

a. Borough Clerk's File

9. MAYOR AND ASSEMBLY BUSINESS

MAYOR AND ASSEMBLY APPOINTMENTS

11. PUBLIC HEARING

- a. **ORDINANCE No. 966** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 3.05.020, ORDER OF BUSINESS, OF THE WRANGELL MUNICIPAL CODE
- b. **ORDINANCE No. 967** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTIONS OF CHAPTER 1.20 OF THE WRANGELL MUNICIPAL CODE, IN THEIR ENTIRETY, AND ESTABLISHING A NEW PROCESS FOR INTRODUCING AND ADOPTING ORDINANCES, AND AMENDING SECTION 1.12.070, RESOLUTIONS, OF THE WRANGELL MUNICIPAL CODE
- c. **ORDINANCE No. 968** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTION 15.18.070, COLLECTION OR DISPOSAL FEES, IN ITS ENTIRETY AND ESTABLISHING A NEW PROCESS FOR FEES IN CHAPTER 15.18 GARBAGE OF THE WRANGELL MUNICIPAL CODE

12. UNFINISHED BUSINESS

13. NEW BUSINESS

- a. Approval to Refund Overpaid Property Taxes to Arnold and Alice Bakke
- b. **RESOLUTION No 08-19-1476** OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA SUPPORTING THE SMALL COUNTY PILT PARITY ACT.
- c. **RESOLUTION No 08-19-1477** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ESTABLISHING THE FEE SCHEDULE FOR COLLECTION OR DISPOSAL FEES
- d. **RESOLUTION No 08-19-1478** OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2020 BUDGET IN THE WATER FUND BY TRANSFERRING \$119,000 FROM WATER FUND RESERVES TO THE WATER FUND CIP EXPENDITURES FOR THE WATER TREATMENT PLANT IMPROVEMENTS PROJECT AND AUTHORIZING ITS EXPENDITURE
- e. **RESOLUTION No 08-19-1479** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY20 BUDGET IN THE RESIDENTIAL CONSTRUCTION FUND BY ACCEPTING REVENUE FROM THE SALE OF CITY OWNED LAND TO JOB AND MARY MONTOY, AS AUTHORIZED IN RESOLUTION NO. 07-19-1474, IN THE AMOUNT OF \$9,325 AND AUTHORIZING ITS EXPENDITURE
- f. **RESOLUTION No 08-19-1480** OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2020 BUDGET IN THE GENERAL FUND BY TRANSFERRING \$25,000 FROM THE GENERAL FUND RESERVES TO CAPITAL FACILITIES CAPITAL EQUIPMENT EXPENDITURES FOR THE PURCHASE OF A USED VEHICLE, AND AUTHORIZING ITS EXPENDITURE
- g. Approval to Authorize the Borough Manager to Dispose of any City Surplus Items that were not bid on for the Surplus Sale
- h. **RESOLUTION No 08-19-1481** OF THE CITY AND BOROUGH OF WRANGELL, ALASKA ADOPTING THE ENVIRONMENTAL MITIGATION MEASURES OUTLINED IN THE MARCH 2017 ENVIRONMENTAL REVIEW BY SOLSTICE ALASKA CONSULTING FOR THE WATER TREATMENT PLANT IMPROVEMENTS DESIGN AND CONSTRUCTION PROJECT
- i. **RESOLUTION No 08-19-1482** OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2020 BUDGET IN THE GENERAL FUND

TRANSFERRING UP TO \$50,000 FROM GENERAL FUND RESERVES TO THE POLICE DEPARTMENT CAPITAL EQUIPMENT EXPENDITURES FOR THE PURCHASE OF TWO USED USFS POLICE VEHICLES

[j.](#) Discussion Item: Proposed Staff Changes in the Electric Department

14. ATTORNEY'S FILE – Available for Assembly review in the Borough Clerk's office

15. EXECUTIVE SESSION

16. ADJOURNMENT

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda Section</u>	<u>W/S</u>

Work Session: Old Power House Status Update

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

Expenditure Required: \$XXX Total

FY 19: \$	FY 20: \$	FY21: \$
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Amount Budgeted:

	FY19 \$XXX
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Account Number(s):

	XXXXXX XXX XXXX
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Account Name(s):

	Enter Text Here
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Unencumbered Balance(s) (prior to expenditure):

	\$XXX
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Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Memo from Capital Facilities Director

RECOMMENDATION MOTION:

Work session only. No action.

SUMMARY STATEMENT:

Two weeks ago Administration sent a KYP message to the Assembly providing information about the status of the Old Power House Building and the new protocols being put in place to ensure safety of the Borough employees. Administration has moved forward making arrangements PND

Engineers out of Juneau to conduct some additional inspection work, begin addressing demolition of the building and consider options for replacement. This is a HUGE unexpected change in priorities within the Electric Department and Capital Facilities Department.

The attached memo from the Capital Facilities Director provides considerable insight to the situation at hand. Administration looks forward a substantive discussion with the Assembly about this facility.

MEMORANDUM

TO: LISA VON BARGEN, BOROUGH MANAGER

FROM: AMBER AL-HADDAD, CAPITAL FACILITIES DIRECTOR and
ROD RHOADES, MUNICIPAL LIGHT & POWER DIRECTOR

SUBJECT: POWER PLANT'S 2007 STRUCTURAL ANALYSIS / PURSUIT OF POWER
PLANT REHABILITATION PROJECT

DATE: August 22, 2019

SUMMARY:

Following is a status report on Municipal Light & Power's Power Plant building and the recent findings and follow-up discussions regarding the hazardous building conditions.

Following approval of \$20,000 of funding in Municipal Light & Power's FY20 budget for engineering services for the purpose of a structural analysis of the Diesel Power Generation Plant's (Power Plant) concrete section of that building, we contacted PND Engineers to discuss their performing that structural analysis. Through that initial discussion, we learned that PND Engineers performed a structural analysis of the same building in the year 2007. PND was able to locate the report that was generated for Wrangell, and they sent their Condition Assessment Report to us for review.

According to PND Engineer's report, the building exhibits poor resistance to lateral loads at roof to wall connections where there is a lack of mechanical connections, a roof membrane system that has exceeded its useful life, efflorescence forming on the concrete walls from the movement of lime and water through the walls, spalling at concrete walls, pilasters and the crane beam corbel, cracks in the walls at window locations, 80%-100% moisture content in the exterior walls, rusting steel reinforcement in the concrete walls, and concrete wall core samples that exhibited voids and others which resulted in strength tests as low as 1,000 psi.

Structural calculations show that portions of the building are overstressed with the steel roof trusses being inadequate to support roof dead weight and snow loads, walls and pilasters that are under-reinforced, and walls that may fail to withstand local wind forces. Seismic evaluations show that the building would likely not withstand a large earthquake and would likely also result in damage to the connected steel-framed section of the building, which houses the community's diesel power generators.

Due to the deterioration of the concrete building, PND Engineer's recommendation in 2007 was that the concrete building be demolished and replaced.

Following a review of the engineering report and a site visit with you, immediate safety protocols were implemented to protect worker safety, which includes both limited and restricted access to various portions of the concrete building structure.

Furthering our review and discussion of the 2007 engineering report, Rod Rhoades and I met with PND Engineers and have requested a proposal for pre-design engineering services for the Wrangell Power Plant Rehabilitation – Task 1 Project Scoping and Design Development. We have identified the project scope to include demolishing the existing concrete section of the building and replacing it with a steel-framed building with a footprint in-kind of the existing structure and with a roof profile and height to match the existing steel-framed section, in order to create one continuous roof that spans the entire structure, as the metal roof on the existing steel-framed section is in need of replacement.

The site visit under Task 1 Project Scoping includes those professional services that would best serve the project by visiting the site, i.e. structural, electrical, mechanical and environmental. The CBW's lack of having as-built drawings and survey data for this building and site will necessitate the need for a well-defined scoping outcome. We will postpone bringing the other project-related professionals until a later date, i.e. architectural (include them to help with build-out design cost) and surveying (bring in for design phase, CBW will explore any survey information available to date). PND agreed that this is a reasonable approach to the site visit and project scoping in order to develop an engineering design proposal for a final design and bid-phase engineering services.

We discussed WML&P's work space and storage needs while considering City-wide departments' space needs. WML&P has made clear the requirement for an on-site work shop for their power generation demands; therefore, some form of reconstruction at the existing site is required for that purpose. We discussed the option of constructing a separate and second building for the line crew's materials supply requirements. This option would likely require new site development in addition to building construction since the CBW has little to no existing developed land, ready for new construction. WML&P maintain that the space they currently have is sufficient for both Power Generation and Power Distribution crews' long-term needs. They have suggested that a new space could also better accommodate them with a good design put toward additional storage, by taking advantage of open space due to building height. By reconstructing to the existing footprint, WML&P would be utilizing all the real estate they currently own, without encroaching into Public Works' limited yard space.

On August 22nd we received PND Engineer's proposal for the Task 1 engineering project in the amount of **\$18,239**. Funds for this work would come from the FY20 scheduled \$20,000 engineering services, primarily budgeted for the concrete building's structural analysis. We seek your approval to move forward with this work and provide PND a Notice to Proceed, allowing them to schedule their site visit during the week of August 26th (next week). Attached is a copy of PND Engineer's proposal for Task 1 scoping and design proposal development.

Other budget considerations:

- WML&P has \$18,000 budgeted in FY20 for Power House Exhaust System (ventilation). In light of the new development, we expect to cancel this project and reallocate this budget amount to a reconstruction project since the idea is to end up with one open space, incorporating both the existing steel frame section and the proposed new steel-frame section.
- WML&P has \$40,000 budgeted in FY20 for the Power House Roof Repairs. You may recall that we stated in our CIP workshop discussion of that item, that implementation of the roof repair project would be pending further structural analysis of the building. In light of the new development related to that building, we expect to cancel this project, as well, and reallocate this budget amount to a reconstruction project.

In lieu of identifying another funding source for a design and construction project, funds would be provided by the Wrangell Municipal Light & Power Department's Revenue Fund.

Attached are photos of the subject concrete section of the Power Plant building.

ATTACHMENTS:

- PND Engineer's July 22, 2007 Old Power Plant Building Condition Assessment Report
- Photos of Power Plant Building's Concrete Section (below)

Inside of Exterior Concrete Wall:



South Side of Building (Concrete Section to Right of Photo):



Connection Point of Two Structures (Steel-Framed to Concrete Sections):



East Side of Building with 10,000 Gal Fuel Tank:



Northeast Corner of Concrete Section of Building, with Adjacent Transformers:



Northside of Building, with transformers adjacent to the Building:



PROCLAMATION

Of the City and Borough of Wrangell

Honoring National Payroll Week

Whereas the American Payroll Association and its more than 20,000 members have launched a nationwide public awareness campaign that pays tribute to the nearly 150 million people who work in the United States and the payroll professionals who support the American system by paying wages, reporting worker earnings, and withholding federal employment taxes; and

Whereas payroll professionals in Wrangell, Alaska play a key role in maintaining the economic health of Wrangell, carrying out such diverse tasks as paying into the unemployment insurance system, providing for payroll withholdings for employee benefits, providing information for child support enforcement, and carrying out tax withholding, reporting and depositing; and

Whereas payroll departments collectively spend more than \$2.4 trillion annually complying with myriad federal and state wage and tax laws; and

Whereas payroll professionals have become increasingly proactive in educating both the business community and the public at large about payroll and payroll tax withholding; and

Whereas the week in which Labor Day falls has been proclaimed National Payroll Week since 1996.

NOW, THEREFORE, be it resolved that I, Stephen Prysunka, Mayor of the City & Borough of Wrangell, Alaska, do hereby recognize and support the efforts of the people who work in Wrangell and of the payroll profession by proclaiming the first full week of September Payroll Week for Wrangell, Alaska.

Stephen Prysunka, Mayor

Attest: _____
Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA**Consent Agenda MOTION**

Move to approve the Consent Agenda as submitted.

SUBMITTED BY:

Kim Lane, Borough Clerk

INFORMATION:

Consent agenda. Items listed on the consent agenda or marked with an asterisk (*) are considered routine and will be passed in one motion; provided, upon the request of any member, the manager, or the clerk, an item on the consent agenda shall be removed from the consent agenda and placed under New Business for assembly action.

Minutes of Regular Assembly Meeting

Held on July 23, 2019

Vice-Mayor Patty Gilbert called the Regular Assembly meeting to order at 7:00 p.m., July 23, 2019, in the Borough Assembly Chambers. The pledge was led by Assembly Member Jim DeBord and the roll was called.

PRESENT: MORRISON, DELONG, GILBERT POWELL, DECKER, DEBORD

ABSENT: PRYSUNKA

Borough Manager Von Bargaen and Borough Clerk Lane were also in attendance.

CEREMONIAL MATTERS

Police Officer Connor Phillips was introduced to the Assembly.

PERSONS TO BE HEARD

Joan Sargent, resident signed up to be heard under Item 11a.

AMENDMENTS TO THE AGENDA – None.

CONFLICT OF INTEREST – None.

CONSENT AGENDA

- a. Assembly Minutes - June 25, 2019 (Regular)
- b. Approval of Final Plat of Fennimore/Roland Replat
- c. CORRESPONDENCE School Board Minutes (Regular 5-20-19)
- d. CORRESPONDENCE - Municipal Sales Tax in Alaska (update)

M/S: Decker/DeLong to approve the Consent Agenda, as presented. Motion approved unanimously by polled vote.

BOROUGH MANAGER'S REPORT

Manager Von Bargaen's reported on the following items:

- Working on the Draft Contract for IT Services (SEARHC)
- Industrial Subdivision – Notices that were sent to property owners from the U.S. Army Corps of Engineers regarding permits needed for the property owners
- Scrap Metal – Barge

BOROUGH CLERK'S FILE

Clerk Lane's report was provided.

MAYOR AND ASSEMBLY BUSINESS

DeLong reported that Bearfest starts Wednesday, July 24th; encourages everyone to get involved.

Morrison thanked everyone who attended the event at the museum last week; first event of many that we hope will be occurring at the Nolan Center.

Gilbert reported that the IFA appointed Ronald Curtis as their General Manager.

MAYOR AND ASSEMBLY APPOINTMENTS – None.

PUBLIC HEARING

11a PROPOSED ORDINANCE NO. 965 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CHAPTER 15.12, ELECTRICITY, BY ADDING SECTION 15.12.193 RATE STABILIZATION

Vice-Mayor Gilbert declared the Public Hearing open on this item.

Joan Sargent, resident said that she generally supports the amendment; asked for clarification and on certain sections of the ordinance; believes that the sufficient level should be written into the amendment (ordinance); asked that the sentence in Section E that states “The Assembly may amend the surcharge by subsequent resolutions within the same year”, either be removed or clarified.

Vice-Mayor Gilbert declared the Public Hearing closed on this item.

M/S: Decker/Powell to approve Second reading of Ordinance No. 965, with amendments and move to a third reading with a Public Hearing to be held on August 27, 2019.

Von Bargaen explained and clarified the changes to the proposed ordinance. In response to Ms. Sargent’s comments and suggestions, Von Bargaen stated:

- Offset amount: might be a better option to set an amount in the Ordinance; six weeks of diesel run, just this year, was 1.5 million dollars; protection is that the money collected, goes into a separate rate stabilization fund that can only be used to offset the cost to rate payers for diesel runs; safeguards are in place.
- Ongoing funding: concern that if we had a bad year that forced us have a substantive diesel run in a year, we need to have the option to have the Assembly pass an additional Resolution to change the surcharge amount.

There was extensive discussion on the Offset Amount and Ongoing Funding sections. Von Bargaen stated that Staff would work on the Ordinance and bring it back to the Assembly for a third Public Hearing and consideration on August 27, 2019; may need to have a fourth Public Hearing as well if there are considerable changes.

Powell stated that he believed that we need to establish a limit to the fund.

Motion approved unanimously by polled vote.

UNFINISHED BUSINESS – None.

NEW BUSINESS – None.

13a Approval of Access Agreement with Albert & Twyla Nore

M/S: DeLong/Morrison to approve Limited Access Agreement with Dan & Twyla Nore for a Portion of Lot 6A, Dan Nore Subdivision. Motion approved unanimously by polled vote.

13b Approval to Disperse Funds to the Wrangell Mariners Memorial

M/S: Decker/DeLong to approve dispersal of funds to the Wrangell Mariners Memorial. Motion approved unanimously by polled vote.

13c Approval to Request Reimbursement from SEAPA for Additional Diesel Run Expenses

M/S: Powell/Morrison to approve Reimbursement Request from SEAPA for Additional Diesel Run Expenses.

Von Barga stated that the SEAPA Board approved the reimbursement for the diesel run however Wrangell and Petersburg were not reimbursed for the fully loaded rate; difference between the actual amount paid and the fully loaded rate is \$46,549; hesitant in asking for this; not sure how the SEAPA Board will receive this request.

Powell and Decker stated that they were not in favor of asking for the additional reimbursement; DeLong agreed.

Gilbert stated that she would be voting for this; amount reimbursed was not the true expenditures that the City incurred; should try to recoup the money that was paid by our rate payers.

Motion failed with DeLong, Decker, Powell, DeBord, and Morrison voting no; Gilbert voted yes.

13d ORDINANCE NO. 966 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 3.05.020, ORDER OF BUSINESS, OF THE WRANGELL MUNICIPAL CODE

M/S: Morrison/DeLong to approve first reading of Ordinance No. 966, and move to a second reading, with a Public Hearing, to be held on August 27, 2019. Motion approved unanimously by polled vote.

13e ORDINANCE NO. 967 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTIONS OF 1.20, IN THEIR ENTIRETY AND ESTABLISHING A NEW PROCESS FOR INTRODUCING AND ADOPTING ORDINANCES AND AMENDING SECTION 1.12.070, RESOLUTIONS, OF THE WRANGELL MUNICIPAL CODE

M/S: Morrison/Powell to approve first reading of Ordinance No. 967, and move to a second reading, with a Public Hearing, to be held on August 27, 2019. Motion approved unanimously by polled vote.

13f ORDINANCE NO. 968 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTION 15.18.070, COLLECTION OR DISPOSAL FEES, IN ITS ENTIRETY AND ESTABLISHING A NEW PROCESS FOR FEES IN CHAPTER 15.18 GARBAGE OF THE WRANGELL MUNICIPAL CODE

M/S: Decker/DeLong to approve first reading of Ordinance No. 968, and move to a second reading, with a Public Hearing, to be held on August 27, 2019. Motion approved unanimously by polled vote.

13g RESOLUTION NO. 07-19-1474 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THE NEGOTIATED SALE OF BOROUGH OWNED LOT 8, BLOCK 53 WRANGELL TOWNSITE FOR PUBLIC INTEREST

M/S: DeLong/Morrison to approve Resolution No. 07-19-1474, authorizing the sale of Borough owned Lot 8, Block 53, Wrangell Townsite, for Public Interest.

Powell asked if Lot 8 had been assessed along with the other two lots that were owned by Mr. Lund and if they had been on the tax rolls. Von Barga said that no, Lot 8 had not been on the tax rolls and had not been assessed.

Mary Montoy, property owner of Lots 8A and 7A stated that she had asked for proof (documents) on if taxes had been paid on Lot 8; wants to know where the proof is; documentation that she has says that the assessment was based on all three lots.

Aleisha Mollen, Accounting Generalist stated that in August of 2018, received a request from a Title Company to sign a Quitclaim Deed because there was no proof that Mr. Lund had ever purchased that Lot; Mr. Lund came in and told her that he never did purchase Lot 8; Tax Assessors reviewed the lots and determined that the value of Mr. Lund's lots was based only on the square footage of Lots 8A and 7A; a square footage was never assigned to Lot 8; not calculated into any assessed value or tax roll; Mr. Lund had never paid property taxes on Lot 8.

Powell stated that there must be a way to prove or disprove if Lot 8 had been assessed.

Mollen stated that yes, when the Assessors did an assessment of Lot 8, they looked at the total value that had been assessed and in totaling up the square footage value of Lots 8A and 7A, the assessed value was confirmed to be for just those two lots and not to include Lot 8; Assessor stated that they had never put a square footage or value on Lot 8.

Powell stated that the Fitzgerald lot that looks to be about the same size as all three of the lots (8A, 7A and 8 (in question)); is Fitzgerald's lot more or the same in terms of value that Lund's lots were assessed?

Mollen stated that Fitzgerald's lot was more because the assessed square footage was more than what had been assessed for Lund's property.

Von Bargaen stated that we had confirmed with the attorney that even if taxes had been paid, that does not give them right to ownership; if taxes had been paid, it could mean that a refund was owed but there is case law that shows that it does not give them right to ownership.

Motion approved unanimously by polled vote.

EXECUTIVE SESSION – None.

Regular Assembly meeting adjourned at 8:43 p.m.

Stephen Prysunka, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

**Minutes of Special Assembly Meeting
Held on August 21, 2019**

Mayor Stephen Prysunka called the Special Assembly meeting to order at 5:31 p.m., August 21, 2019, in the Borough Assembly Chambers.

PRESENT: PRYSUNKA, GILBERT, DEBORD, DELONG, POWELL, DECKER

ABSENT: MORRISON

Borough Manager Von Barga and Borough Clerk Lane were also in attendance.

CONFLICT OF INTEREST – None.

PERSONS TO BE HEARD – None.

ITEM(s) OF BUSINESS

5a Executive Session: Discuss the details of the potential new Police Chief

M/S: Decker/DeLong to go into Executive Session to discuss details of the potential new police chief; which may include a discussion of Heath Scott's character and reputation and invite the Borough Manager into the Executive Session. Motion approved unanimously by polled vote.

Recessed into Executive Session at 5:33 p.m.

Reconvened back into Regular Session at 7:00 p.m.

Special Assembly meeting adjourned at 7:00 p.m.

-

Stephen Prysunka, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk



July 18, 2019

City and Borough of Wrangell
Attn: Borough Clerk
VIA Email: clerk@wrangell.com

License Number:	10200
License Type:	Retail Marijuana Store
Licensee:	KELSEY J MARTINSEN; SARINEE NUAMNUI
Doing Business As:	HAPPY CANNABIS
Physical Address:	225 South Front Street Wrangell, AK 99929
Designated Licensee:	KELSEY J MARTINSEN
Phone Number:	907-305-0292
Email Address:	kjm420@hotmail.com

☒ **License Renewal Application**

☐ **Endorsement Renewal Application**

AMCO has received a complete renewal application and/or endorsement renewal application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.035(c)(2). Application documents will be sent to you separately via ZendTo.

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable. If the protest is a "conditional protest" as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license renewal, but require the applicant to show to the board's satisfaction that the requirements of the local government have been met before the director issues the license.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to me the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Sincerely,

A handwritten signature in cursive script that reads "Erika McConnell".

Erika McConnell
Director

Alcohol & Marijuana Control OfficeInitiating License Application
6/14/2019 10:42:00 d.**License Number:** 10200**License Status:** Active-Operating**License Type:** Retail Marijuana Store**Doing Business As:** HAPPY CANNABIS**Business License Number:** 1033845**Designated Licensee:** KELSEY J MARTINSEN**Email Address:** kjm420@hotmail.com**Local Government:** Wrangell (City and Borough of)**Community Council:****Latitude, Longitude:** 56.471000, -132.383000**Physical Address:** 225 South Front Street
Wrangell, AK 99929
UNITED STATES**Licensee #1****Type:** Individual**Name:** SARINEE NUAMNUI**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-305-0292**Email Address:** kjm420@hotmail.com**Mailing Address:** po box 110
Wrangell, AK 99929
UNITED STATES**Licensee #2****Type:** Individual**Name:** KELSEY J MARTINSEN**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-305-0292**Email Address:** kjm420@hotmail.com**Mailing Address:** po box 110
Wrangell, AK 99929
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Kelsey Martinsen**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-305-0292**Email Address:** kjm420@hotmail.com**Mailing Address:** po box 110
Wrangell, AK 99929
UNITED STATES**Entity Official #2****Type:** Individual**Name:** Sarinee Nuamnui**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-305-0292**Email Address:** kjm420@hotmail.com**Mailing Address:** po box 110
Wrangell, AK 99929
UNITED STATES**Note:** No affiliates entered for this license.



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Kelsey Jene Martinsen, Sarinee Nuamnui	License Number:	10200		
License Type:	Retail Marijuana Store				
Doing Business As:	Happy Cannabis				
Premises Address:	225 South Front Street				
City:	Wrangell	State:	Alaska	ZIP:	99929

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Kelsey Jene Martinsen
Title:	Owner

Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

I certify that a notice of violation has **not** been issued for this license.

Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).



Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

Signature of licensee

Notary Public in and for the State of Alaska

Kelsey J. Martinson

Printed name of licensee

My commission expires: 7-22-22

Subscribed and sworn to before me this 20th day of June, 2019.





Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Kelsey Jene Martinsen, Sarinee Nuamnui	License Number:	10200		
License Type:	Retail Marijuana Store				
Doing Business As:	Happy Cannabis				
Premises Address:	225 South Front Street				
City:	Wrangell	State:	Alaska	ZIP:	99929

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Sarinee Nuamnui
Title:	Owner

Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

SN

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

SN

I certify that a notice of violation has **not** been issued for this license.

SN

Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).

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Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

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I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

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I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

SN

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

SN

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

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I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

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I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

SN

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

Sarince Nuamni

Signature of licensee

Notary Public in and for the State of Alaska

Sarince Nuamni

Printed name of licensee

My commission expires: 7-22-22

Subscribed and sworn to before me this 20th day of June, 2019.

PARTNERSHIP AGREEMENT

This Partnership Agreement (the "Agreement") is made and entered into this March 28, 2016 (the "Effective Date"). The Partners in this Agreement are as follows:

- Kelsey Jene Martinsen
- Sarinee Nuamnui

The Partners to this Agreement agree to the following:

I. NAME

This Partnership will be known as Happy Cannabis (the "Partnership").

II. THE PARTNERSHIP

- The Partners wish to become legal partners in business.
- The terms and conditions of their Partnership will be outlined in this Agreement.
- If the Agreement is executed, the Partnership will be in effect on March 28, 2016.
- The Partnership will only be terminated as outlined in this Agreement.
- The Partnership's primary place of business will be 225 South Front Street, Wrangell, Alaska, 99929.
- The Partnership will be governed under the laws of the state of Alaska.
- The Partnership's primary purpose is Cultivate, process and sell Cannabis..
- If applicable, the Partners will obtain any necessary licenses and permits to do business, register its Doing Business As Name ("DBA"), and obtain a Federal Employer Identification Number ("EIN").

III. CONTRIBUTIONS

The Partners will make an initial contribution to the Partnership as follows:

- Kelsey Jene Martinsen: \$0.00
- Sarinee Nuamnui: \$0.00

Contributions will be submitted no later than _____. All capital contributions are final unless all partners give written consent of withdrawal. All contributions will be deposited into a joint capital account.

IV. INTEREST AND AUTHORITY

The Partners' ownership interest in the Partnership will be as follows:

- Kelsey Jene Martinsen: 51%
- Sarinee Nuamnui: 49%

The Partners' authority will be defined by the following unless otherwise stated in the Agreement: All decisions for contract or otherwise will be made based on a majority vote of percent of ownership. Each Partner will have the authority based on their percent ownership outlined above in the Agreement.

V. COSTS

The Partners will share costs according to the following percentages:

- Kelsey Jene Martinsen: 51%
- Sarinee Nuamnui: 49%

VI. PROFITS

The Partners will share the net profits of the Partnership according to the following percentages:

- Kelsey Jene Martinsen: 51%
- Sarinee Nuamnui: 49%

The Profits will be accounted by _____ and distributed on the end of month of the month according to the above percentages after the costs of the Partnership have been paid according to the above cost percentages.

VII. SALARY

All Partners must give their unanimous consent if a permanent salary is to be established and their unanimous consent for the amount of salary to be given to each Partner.

VIII. ACCOUNTING

- All accounts related to the Partnership including contribution and distribution accounts will be audited upon a majority vote of the Partners.
- All Partners will maintain a joint contribution account. All Partners will maintain a joint distribution account. Partners will keep accurate and complete books of account for all accounts related to the Partnership. Any Partner, whether majority or minority, will be allowed to review all books of account at any time they request.
- Each Partner will be responsible for his or her own taxes on any distributions made.
- Accounting records will be kept on an accrual basis.
- The fiscal year will be complete on the last day of December of each year. All Partners will present their position on the state of the Partnership within two weeks of the completion of

each fiscal year.

- The following partners will be able to sign checks from any joint Partner account:
 - Kelsey Jene Martinsen
 - Sarinee Nuamnui

IX. NEW PARTNERS

The Partnership will amend this agreement to include new partners upon the written and unanimous vote of all Partners.

The name of the Partnership may be amended if a new Partner is added to the Partnership upon the written and unanimous vote of all Partners.

X. WITHDRAWAL OR DEATH

The Partners hereby reserve the right to withdraw from the Partnership at any time. Should a Partner withdraw from the Partnership because of choice or death, the remaining Partners will have the option to buy out the remaining shares of the Partnership. Should the Partners agree to buy out the shares, the shares will be bought in equal amounts by all Partners. The Partners agree to hire an outside firm to assess the value of the remaining shares. Only upon the partners' unanimous agreement will the outside firm's valuation of the shares be considered final. The Partners will have 365 days to decide if they want to buy the remaining shares together and disperse them equally. If all Partners do not agree to buy the shares, individual Partners will then have the right to buy the shares individually. If more than one Partner requests to buy the remaining shares, the shares will be split equally among those Partners wishing to purchase the shares. Should all Partners agree by unanimous vote, the Partnership may choose to allow a non-Partner to buy the shares thereby replacing the previous Partner.

If no individual Partner(s) finalize a purchase agreement by 365 days, the Partnership will be dissolved.

The name of the Partnership may be amended upon the written and unanimous vote of all Partners if a Partner is successfully bought out.

XI. DISSOLUTION

Should the Partnership be dissolved by majority vote, the Partnership will be liquidated, and the debts will be paid. All remaining funds after debts have been paid will be distributed based on the percentage of ownership interest outlined in this Agreement.

XII. AMENDMENTS

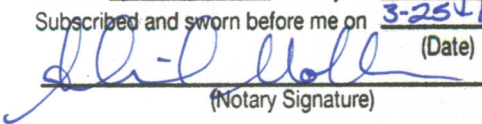
- Amendments may be made hereto upon the unanimous and written consent of all Partners.
- Amendments must be expressly written and have the original signatures of all Partners.
- All amendments, notices, requests, claims, demands and other communications between

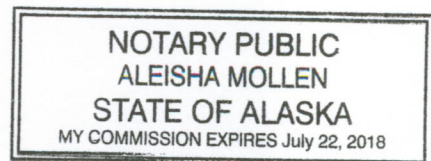
the parties shall be in writing. All such written communications shall be given (i) by delivery in person, (ii) by a nationally recognized next day courier service, (iii) by first class, registered or certified mail, postage prepaid, (iv) by facsimile or (v) by electronic mail to the addresses of the parties specified in this Agreement or such other addresses specified in writing. All notices shall be effective upon (i) receipt by the party to which the written communication is given, or (ii) on the 5th day following mailing, whichever occurs first.

IN WITNESS WHEREOF, this Agreement has been executed and delivered in the manner prescribed by law as of the Effective Date first written above.

Signature:  Date: 3/25/16
Kelsey Jene Martinsen

Signature: Sarinee Nuamnui Date: 3/25/16
Sarinee Nuamnui

State of Alaska County of Wrangell-Petersburg
Subscribed and sworn before me on 3-25-16
 (Date)
(Notary Signature)



MEMORANDUM

TO: Finance Department

FROM: Kim Lane, MMC
Borough Clerk

SUBJECT: Finance review of State Marijuana License #'s 10200 & 10201 Renewals

DATE: July 19, 2019

We have received a license renewal for the above Marijuana license holder. Please confirm the following no later than August 12, 2019 at 4pm.

(1) Are they delinquent in **any** borough tax?

a. Sales Tax: No

b. Property Tax: N/A

c. Excise Tax: No

d. Other: N/A

Attachments:

1. Retail Marijuana Store, license #10200 (renewal) and a Standard Marijuana Cultivation Facility, license #10201 (renewal).



July 18, 2019

City and Borough of Wrangell
Attn: Borough Clerk
VIA Email: clerk@wrangell.com

License Number:	10201
License Type:	Standard Marijuana Cultivation Facility
Licensee:	KELSEY J MARTINSEN; SARINEE NUAMNUI
Doing Business As:	HAPPY CANNABIS
Physical Address:	225 South Front Street Wrangell, AK 99929
Designated Licensee:	Kelsey Martinsen
Phone Number:	907-305-0292
Email Address:	kjm420@hotmail.com

☒ License Renewal Application

☐ Endorsement Renewal Application

AMCO has received a complete renewal application and/or endorsement renewal application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.035(c)(2). Application documents will be sent to you separately via ZendTo.

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant.

3 AAC 306.060 states that the board will uphold a local government protest and deny an application for a marijuana establishment license unless the board finds that a protest by a local government is arbitrary, capricious, and unreasonable. If the protest is a "conditional protest" as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license renewal, but require the applicant to show to the board's satisfaction that the requirements of the local government have been met before the director issues the license.

At the May 15, 2017, Marijuana Control Board meeting, the board delegated to me the authority to approve renewal applications with no protests, objections, or notices of violation. However, if a timely protest or objection is filed for this application, or if any notices of violation have been issued for this license, the board will consider the application. In those situations, a temporary license will be issued pending board consideration.

If you have any questions, please email amco.localgovernmentonly@alaska.gov.

Sincerely,

Erika McConnell

Erika McConnell
Director



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	Kelsey Jene Martinsen, Sarinee Nuamnui	License Number:	10201		
License Type:	Standard Marijuana Cultivation				
Doing Business As:	Happy Cannabis				
Premises Address:	225 South Front Street				
City:	Wrangell	State:	Alaska	ZIP:	99929

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Kelsey Jene Martinsen
Title:	Owner

Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

I certify that a notice of violation has **not** been issued for this license.

Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).



Section 4 – Certifications

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I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.



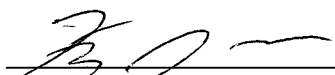
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As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

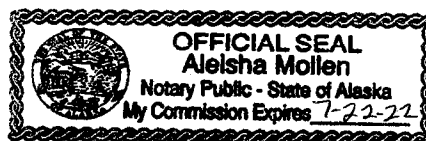

Signature of licensee

Kelgey J. Martensen
Printed name of licensee


Notary Public in and for the State of Alaska

My commission expires: 7-22-22

Subscribed and sworn to before me this 18th day of June, 2019.



Kelsey J. Martinsen

PO Box 110

Wrangell, AK 99929

(907) 305-0292

kjm420@hotmail.com

To Whom it May Concern,

On 2/27/29 we were given Notice of Violation for delinquent excise taxes for December 2018. We have rectified this and are current on our taxes.

Sincerely,



6/15/19

Kelsey J. Martinsen

Owner and Operator

Happy Cannabis



Alaska Marijuana Control Board

Form MJ-20: Renewal Application Certifications**What is this form?**

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

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License Type:	Standard Marijuana Cultivation				
Doing Business As:	Happy Cannabis				
Premises Address:	225 South Front Street				
City:	Wrangell	State:	Alaska	ZIP:	99929

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Sarinee Nuamnui
Title:	Owner

Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

SN

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Section 4 – Certifications

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SN

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Sarince Nuamnci
Signature of licensee

Aleisha Mollen
Notary Public in and for the State of Alaska

Sarince Nuamnci
Printed name of licensee

My commission expires: 7-22-22

Subscribed and sworn to before me this 18th day of June, 2019.



Kelsey J. Martinsen

PO Box 110

Wrangell, AK 99929

(907) 305-0292

kjm420@hotmail.com

To Whom it May Concern,

On 2/27/29 we were given Notice of Violation for delinquent excise taxes for December 2018. We have rectified this and are current on our taxes.

Sincerely,



6/15/19

Kelsey J. Martinsen

Owner and Operator

Happy Cannabis

PARTNERSHIP AGREEMENT

This Partnership Agreement (the "Agreement") is made and entered into this March 28, 2016 (the "Effective Date"). The Partners in this Agreement are as follows:

- Kelsey Jene Martinsen
- Sarinee Nuamnui

The Partners to this Agreement agree to the following:

I. NAME

This Partnership will be known as Happy Cannabis (the "Partnership").

II. THE PARTNERSHIP

- The Partners wish to become legal partners in business.
- The terms and conditions of their Partnership will be outlined in this Agreement.
- If the Agreement is executed, the Partnership will be in effect on March 28, 2016.
- The Partnership will only be terminated as outlined in this Agreement.
- The Partnership's primary place of business will be 225 South Front Street, Wrangell, Alaska, 99929.
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- If applicable, the Partners will obtain any necessary licenses and permits to do business, register its Doing Business As Name ("DBA"), and obtain a Federal Employer Identification Number ("EIN").

III. CONTRIBUTIONS

The Partners will make an initial contribution to the Partnership as follows:

- Kelsey Jene Martinsen: \$0.00
- Sarinee Nuamnui: \$0.00

Contributions will be submitted no later than _____. All capital contributions are final unless all partners give written consent of withdrawal. All contributions will be deposited into a joint capital account.

IV. INTEREST AND AUTHORITY

The Partners' ownership interest in the Partnership will be as follows:

- Kelsey Jene Martinsen: 51%
- Sarinee Nuamnui: 49%

The Partners' authority will be defined by the following unless otherwise stated in the Agreement: All decisions for contract or otherwise will be made based on a majority vote of percent of ownership. Each Partner will have the authority based on their percent ownership outlined above in the Agreement.

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The Partners will share costs according to the following percentages:

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- Sarinee Nuamnui: 49%

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The Profits will be accounted by _____ and distributed on the end of month of the month according to the above percentages after the costs of the Partnership have been paid according to the above cost percentages.

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each fiscal year.

- The following partners will be able to sign checks from any joint Partner account:
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 - Sarinee Nuamnui

IX. NEW PARTNERS

The Partnership will amend this agreement to include new partners upon the written and unanimous vote of all Partners.

The name of the Partnership may be amended if a new Partner is added to the Partnership upon the written and unanimous vote of all Partners.

X. WITHDRAWAL OR DEATH

The Partners hereby reserve the right to withdraw from the Partnership at any time. Should a Partner withdraw from the Partnership because of choice or death, the remaining Partners will have the option to buy out the remaining shares of the Partnership. Should the Partners agree to buy out the shares, the shares will be bought in equal amounts by all Partners. The Partners agree to hire an outside firm to assess the value of the remaining shares. Only upon the partners' unanimous agreement will the outside firm's valuation of the shares be considered final. The Partners will have 365 days to decide if they want to buy the remaining shares together and disperse them equally. If all Partners do not agree to buy the shares, individual Partners will then have the right to buy the shares individually. If more than one Partner requests to buy the remaining shares, the shares will be split equally among those Partners wishing to purchase the shares. Should all Partners agree by unanimous vote, the Partnership may choose to allow a non-Partner to buy the shares thereby replacing the previous Partner.

If no individual Partner(s) finalize a purchase agreement by 365 days, the Partnership will be dissolved.

The name of the Partnership may be amended upon the written and unanimous vote of all Partners if a Partner is successfully bought out.

XI. DISSOLUTION

Should the Partnership be dissolved by majority vote, the Partnership will be liquidated, and the debts will be paid. All remaining funds after debts have been paid will be distributed based on the percentage of ownership interest outlined in this Agreement.

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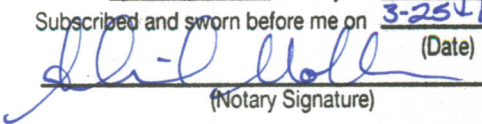
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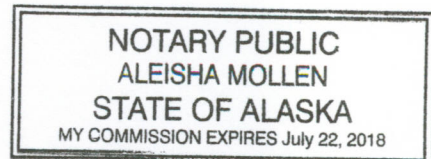
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IN WITNESS WHEREOF, this Agreement has been executed and delivered in the manner prescribed by law as of the Effective Date first written above.

Signature:  Date: 3/25/16
Kelsey Jene Martinsen

Signature: Sarinee Nuamnui Date: 3/25/16
Sarinee Nuamnui

State of Alaska County of Wrangell-Petersburg
Subscribed and sworn before me on 3-25-16
 (Date)
(Notary Signature)



Alcohol & Marijuana Control OfficeInitiating License Application
6/14/2019 10:42:34 e.**License Number:** 10201**License Status:** Active-Operating**License Type:** Standard Marijuana Cultivation Facility**Doing Business As:** HAPPY CANNABIS**Business License Number:** 1033845**Designated Licensee:** Kelsey Martinsen**Email Address:** kjm420@hotmail.com**Local Government:** Wrangell (City and Borough of)**Community Council:****Latitude, Longitude:** 56.471000, -132.383000**Physical Address:** 225 South Front Street
Wrangell, AK 99929
UNITED STATES**Licensee #1****Type:** Individual**Name:** KELSEY J MARTINSEN**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-305-0292**Email Address:** kjm420@hotmail.com**Mailing Address:** po box 110
Wrangell, AK 99929
UNITED STATES**Licensee #2****Type:** Individual**Name:** SARINEE NUAMNUI**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-305-0292**Email Address:** kjm420@hotmail.com**Mailing Address:** po box 110
Wrangell, AK 99929
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Sarinee Nuamnui**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-305-0292**Email Address:** kjm420@hotmail.com**Mailing Address:** po box 110
Wrangell, AK 99929
UNITED STATES**Entity Official #2****Type:** Individual**Name:** Kelsey Martinsen**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-305-0292**Email Address:** kjm420@hotmail.com**Mailing Address:** po box 110
Wrangell, AK 99929
UNITED STATES**Note:** No affiliates entered for this license.

MEMORANDUM

TO: Finance Department

FROM: Kim Lane, MMC
Borough Clerk

SUBJECT: Finance review of State Marijuana License #'s 10200 & 10201 Renewals

DATE: July 19, 2019

We have received a license renewal for the above Marijuana license holder. Please confirm the following no later than August 12, 2019 at 4pm.

(1) Are they delinquent in **any** borough tax?

a. Sales Tax: No

b. Property Tax: N/A

c. Excise Tax: No

d. Other: N/A

Attachments:

1. Retail Marijuana Store, license #10200 (renewal) and a Standard Marijuana Cultivation Facility, license #10201 (renewal).

BOARD ACTION**WRANGELL PUBLIC SCHOOL BOARD
REGULAR MEETING (PAGE 1)
AUGUST 19, 2019**

FOR DETAILS, CONTACT:
DR. DEBBE LANCASTER
SUPERINTENDENT
DIRECT PHONE: 907-874-2347

- Approved the agenda as presented
- Approved the minutes of the June 17, 2019 Regular School Board Meeting
- Approved the minutes of the July 11, 2019 Special School Board Meeting
- Offered a Contract Addendum to Jack Carney to teach Strength Training during Zero Hour
- Offered an Extracurricular Contract to Drew Larrabee, Head Cross Country Coach
- Offered an Extracurricular Contract to Kimberly Cooper, Assistant Cross Country Coach
- Approved the hire of:
 - Kimberly Cooper, Paraprofessional
 - Annabelle Slayton, Paraprofessional
- Offered Daniel Powell a long-term substitute teaching contract
- Reviewed the resignation of:
 - Issabella Crowley, Paraprofessional
 - Jennifer Davies, Cross Country Coach
- Tabled a Motion to offer Nancy Guthrie a Contract for Special Education Consulting
- Accepted the Readers are Leaders Grant Award from Donor's Choice
- Accepted the Migrant Literacy Grant Award
- Accepted the SRSA Grant Award
- Entered into a Memorandum of Agreement with the Wrangell Teachers' Association regarding the hire of the K-12 Generalist Teacher
- Offered Tawny Crowley a teaching contract for the 2019-2020 school year
- Accepted the second reading of:
 - Board Policy 7012, Communications to and from the Board
 - Board Policy 7132, Community Advisory Committees
- Accepted the first reading of:
 - Board Policy 4020, Drug, Tobacco and Alcohol-Free Workplace
 - Board Policy 4119.26, Employee Technology Usage Policy
 - Board Policy 4218, Classified Employee Dismissal/Suspension/Disciplinary Action
 - Board Policy 7270, Conflict of Interest
 - Board Policy 7311, Board Policies
 - Board Policy 7321, Executive Sessions
 - Board Policy 7322, Agenda/Meeting Materials
- Reviewed:
 - Board Policy 2110, Organization Chart/Lines of Responsibility
 - Board Policy 3310, Purchasing
 - Board Policy 7314, Suspension of Policies, Rules and Regulations
- Accepted the Resignation of"
 - Aleisha Mollen, School Board President
 - Jessica Rooney, School Board Vice-president
- Adjourned

Borough Manager's Report (KYP's)

From August 10, 2019:

Status of Old Power Plant Building: This morning I was provided with a copy of a Condition Assessment Report on the Old Power Plant Building that was completed in 2007. Due to concerns with the building the Capital Facilities Director contacted PND Engineers in Juneau about conducting an engineering assessment. They advised her one had already been done – in 2007. No one who currently works for the CBW knew about the existence of the assessment. Foreman Mark Armstrong remembered the assessment work being completed but was not aware of any results. The recommendation in 2007 was to demolish the building. Here we are 12 years later. There are numerous safety concerns with the building – not the least of which is potential failure in the event of a major earthquake. I toured the facility this afternoon with Amber and Mark. The north facing exterior wall is failing such that chunks of the masonry could dislodge and fall at any time. The building is currently used primarily for storage, workshop space for the Line Crew, and office space. The following protocols have immediately been instituted:

- Access to the main part of the building is restricted to acquisition and removal of line supplies in the most expedient manner possible.
- Hard hats are required upon entrance to the building.
- The workshop space is now off limits and is not to be used. This is the area where the likelihood of falling pieces is greatest.
- The office space may be used, but only upon entrance through the main powerhouse (not with access through the Old Power Plant Building.)
- Alternative storage for line supplies is to be established immediately. As a temporary measure, vehicles will be removed from bays in the other building to make room for supply storage. This will significantly reduce the need for access to the building.
- Appropriate warning signage is being developed for the building.
- Interim and long-term solution options are being worked and more information will be provided as it is available.

Compensation Study Update: The review committee met this morning and has recommended moving one of two proposers forward to a phone interview during the week of August 19th. Administration anticipates having a professional services agreement on the August 27th agenda for Assembly consideration.

Investment Management Services Update: The review committee met on Monday evening of this week and has recommended advancing one of four proposers to the in-person interview stage of the process. Given Assembly member schedules we have invited Alaska Permanent Capital Management for an interview on Monday, August 26th. This will require us to push back action on a potential contract until the first meeting in September.

Police Chief Candidate Executive Session: It is necessary for Administration to have an executive session with the Assembly regarding aspects of proposed compensation. The Clerk and I will be working to schedule that the week of the 19th. Mr. Scott's wife visited Wrangell earlier this week to get familiarized with the community. It was a good visit.

Manager Travel: August and September are crazy months for me. I will be attending the Alaska Municipal League Summer Meeting in Soldotna Monday-early Thursday of this coming week. I am stopping over in Anchorage on Thursday for a couple of other doctor appointments and will be back in Wrangell on Friday. As always, I work while I am out so please don't hesitate to contact me.

Vessel Impounding: The Harbormaster and I have been working with the Attorney regarding impounding of a couple of vessels. There are some complicating factors in the mix, but we are moving forward with available options. Please stay tuned for more information in the near future regarding this process. While in Anchorage this past week Greg met with the attorney in person to address these issues.

Nuisance Enforcement: Following discussions with the Attorney last week Administration is moving forward with nuisance abatement on a couple of different properties. Stay tuned for more on this in the near future as well.

Trident Meeting: As I am sure everyone is aware, Trident shut down at the end of last week. I have a meeting with Nick Ohmer tomorrow to talk about the season and anything else that may come up.

City and Borough of Wrangell

Capital Facilities Department Report

August 22, 2019

Facilities Service & Maintenance - Capital Facilities provides service and maintenance to City and Borough of Wrangell facilities.

- **Facilities Work Order Management.** Industry statistics show that facility managers spend an average of 30%-33% of their maintenance budget on unplanned repairs and bad maintenance practices. Having Preventive Maintenance schedules help pinpoint maintenance deficiencies that put unneeded, larger strains on facility maintenance budgets. Capital Facilities' newly implemented Computerized Maintenance Management Systems (CMMS) is already providing actionable insight into the condition and needs of our facilities and their building systems.

Work orders are coming into the Capital Facilities Department in two very distinct ways.

- One is by way of the auto-generated Preventive Maintenance (PM) schedule that was created by Duded Solutions through the on-site Facility Condition Assessments that they performed for Wrangell. These PM work orders address maintenance tasks such as monthly inspections and operational tests for fire extinguishers, exit lights, emergency lights and eyewash stations. They also include the routine service work on hot water heaters, backflow preventers, boilers, compressors, and filter replacement. Since July 1st, the number of completed work orders related to scheduled, preventive maintenance tasks is 40.
 - The second is by way of a Non-PM work order generated by a CBW staff member, either from a specific facility or from a maintenance staff, as a means of tracking the facility maintenance needs, both minor and more significant in nature. Many of these Non-PM work orders are prompted by a significant incident or are longer running issues that are now being picked up for their necessary repairs. These often turn into larger maintenance and repair projects. Since July 1st, the number of completed work orders related to Non-PM tasks, or reactive maintenance tasks, is 14.
- **Shooting Range Shelter's Re-Roof Project.** The Stikine Sportsmen received a grant from the NRA to make improvements at the public shooting range. The Capital Facilities staff performed the labor for the roofing work, which is now complete. Both the long range and short range shooting range shelters had their structures rehabilitated due to framing and decking rot, with asphalt rolled roofing material installed for the final roof covering. Parks & Recreation is working with the Stikine Sportsmen on the other improvements scheduled to be paid for with the grant funds.



- Nolan Center's Broken Sprinkler Head / Water Damage Remediation.** To date only the vinyl plank flooring material and wall base was removed in the Multi-Purpose Classroom, where the sprinkler head was located, and where most of the water was standing prior to evacuation. Following several weeks of using fans to move air and dry out the spaces, as well as the use of dehumidifiers to draw moisture from the air, and moisture readings for drywall, wood, and carpet have provided results in the lower ranges of those acceptable in the industry for those materials.

The flooring removal was required due to the 4" vinyl planks' cupping at the seams. Before replacing the vinyl flooring, staff took the opportunity to investigate potential moisture content in the concrete slab. We had planned already to perform similar investigations for the concrete slab in the Civic Center room, and we are proceeding to investigate both rooms concurrently to help direct the proper method of concrete preparation and vinyl flooring replacement in various sections of the building.

Staff reviewed the concrete slab's as-built conditions and its existing conditions with three different engineers, as well as industry concrete solutions manufacturers. With the presence of a vapor barrier under the slab and no signs of water transfer through the slab, it was recommended that we test for vapor transmission through the slab. Following ASTM F1869, the Standard Test Method for Measuring Moisture Vapor Emission Rate of Concrete Subfloor Using Anhydrous Calcium Chloride, we have measures the amount of moisture passing through the on-grade slab. The alkalinity of the concrete was also tested as part of this standard. In the Multi-Purpose Classroom, the vapor transmission rate was

measured at 3.22 lbs. and the alkalinity was measured at a pH of 8. There are no signs of moisture vapor emission from water of intrusion or hydrostatic pressure, and the test results are linked to vapor emission through hydration of the initial concrete mixing.

Leading commercial flooring manufacturers' require the moisture level in older concrete slabs to be no more than 18 lbs. as determined by the calcium chloride test according to ASTM F-1869, and a pH limit of 10. Based on the results of our testing, and a review with concrete flooring industry representatives, a water-based copolymer primer designed to treat interior moisture vapor emission and protect against alkalinity will be used on the cleaned concrete surface prior to installation of the replacement vinyl flooring material. This work is schedule for late September following arrival of all materials and the availability of the local flooring installation contractor.

- **Nolan Center's Standby Generator's Inspection and Operations Testing.** With the assistance of Municipal Light & Power diesel generation staff, we had a Kohler Generator technician travel to Wrangell the week of September 12th to perform an inspection on the standby generator. During the inspection, a 600 amp fuse was found blown, and without spares on hand we had to order new fuses be sent to Wrangell. WML&P received the replacement fuses and their power generation staff, Royce Cowan, replaced the fuse to finalize the generator's operational test, which was found to be running 100% as designed. The loss of power test mode at the generator unit is functioning properly; however, it was discovered that the transfer switch racking mechanism (allows the building to return to grid power after running on power generation) has been removed. Either the original device needs to be located or a new one purchased and installed before a loss of grid power function test can be performed for the building.

Engineering assistance may further be required to perform a comprehensive site evaluation related to the building's power needs and its current vulnerabilities, as the Nolan Center is identified as a critical facility, serving as a disaster response and recovery facility. Emergency power needs should be identified and assessed based on code requirements and on the essential services that should be maintained in order for the facility to maintain its critical functions.

- **Public Safety Building's New Tenant.** The federal office of the Customs and Border Patrol (CBP) agency will become a new tenant of the CBW-owned Public Safety Building as of the first week in September 2019. After reviewing a number of Borough-owned lands for placement of the CBP's office trailer, without success, the CBW offered two unoccupied rooms on the second floor of the Public Safety Building. The Capital Facilities Department, with the help of Bruce Smith, Police Department, has coordinated the work necessary to prepare the space for the new tenant, including door locks prep, phone and internet install and clearing the space of CBW-owned items.

Capital Improvement Projects - Capital Facilities provides management of capital improvement projects and major maintenance to City and Borough of Wrangell facilities and infrastructure.

GENERAL FUND PROJECTS

- **Nolan Center HVAC Direct Digital Controls System Upgrades.** The Direct Digital Controls (DDC) upgrade project is currently being designed by Meridian Systems, who provided their submittal package to us at the time of writing of this report. Their estimated time for materials acquisition, installation and system commissioning is approximately eight weeks, which should see the project's completion by the end of October 2019.
- **Cemetery's Columbarium Addition.** Project management and report provided by Public Works.
- **Public Safety Building Addressable Fire Alarm System Replacement.** Work has not yet commenced on this project. The first step will be to develop an RFP for electrical engineering design services, which may be combined with other projects with similar engineering needs.
- **Public Safety Building Heating System Piping Repairs.** Work has not yet commenced on this project.
- **Public Safety Building Oil-Fired Boiler Installation.** Completion of this project is experiencing a delay due to the long lead time for the pump that is required. The Contractor has the boiler unit itself in place and assembled, and received the pump this week. We have scheduled the heating systems' shut-down in the building early next week to accommodate the tie-in and start-up of the new boiler.
- **Swimming Pool's Domestic Hot Water Tank Replacement.** Work has not yet commenced on this project. The first step will be to develop an RFP for mechanical engineering design services, which may be combined with other projects with similar engineering needs.
- **Swimming Pool's HVAC System Upgrades, Phase III.** Work has not yet commenced on this project. The first step will be to develop an RFP for mechanical engineering design services, which may be combined with other projects with similar engineering needs.
- **Kyle Angerman Memorial Playground Replacement.** Work has not yet commenced on this project. The State of Alaska, Dept of Natural Resources, Division of Parks & Outdoor Recreation is the body administering the pass-through grant from the National Park Service, who is still working to issue the grant agreements to the State. Based on the

delayed timeline, the project will be pushed out to 2020 for construction season. As soon as the grant agreement is in place, project design will commence.

NORTH COUNTRY TRAILHEAD ACCESS ROAD REPAIR FUND

- **North Country Trailhead Access Road Repair (Streets).** Staff have identified the road maintenance needs for the Spur Road for access to the North Country Trailhead for use in developing a competitive solicitation for the construction work. Additional tasks required in advance of the construction bidding includes working with the Federal Highways Administration on their required utility certification, right of way certification, and project certification, the last of which will include their full review and approval of the contract documents prior to issuing for competitive bidding of the construction work. Depending on the time necessary to complete the planning work, the work may be completed either in Fall 2019 or Spring 2020.

COMMERCIAL PASSENGER VESSEL EXCISE TAX FUND

- **Mt. Dewey Trail extension FLAP Grant Match (Parks & Recreation).** Following completion of the NEPA process and an initial discussions with the USACOE for the trail project, a recent meeting with the US Army Corps of Engineers had them recommending we proceed with design and submit Preconstruction Notification referencing a Nationwide Permit as applicable according to the conceptual or final design. The next step in this project is staff's development of a competitive solicitation for engineering design.
- **City Dock Summer Float (Ports and Harbors).** The Harbor Master has stipulated an arrival date for the new Summer Float in March 2019 in order to have it on site for force account decking install prior to its seasonal use. An Invitation to Bid, with full bidding documents, will be developed in order to meet this timeframe.
- **Petroglyph Beach Bathroom and Platform Improvements (Parks & Recreation).** Work has not yet commenced on this project.

RESIDENTIAL CONSTRUCTION FUND

- **Borough-Wide Land Survey Project.** Regarding all three subdivision development projects listed below, the Planning & Zoning Commission will be reviewing the various subdivisions' alternatives in order to provide the Borough Assembly with a recommendation for each. The survey services solicitations for each site would be based on the final decision regarding the subdivision development.

- Institute Phase I Subdivision Development Survey
- 4-Mile Zimovia Highway Property Subdivision Development Survey
- Etolin Street Foreclosed Lots Subdivision and Replat

INDSUTRIAL CONSTRUCTION FUND

- **5th and 6th Avenues Roadway Construction (Streets).** This project cannot begin until the US Army Corps of Engineers reissues the CBW's General permit for the Industrial Lot. They have indicated that the GP will not be reissued until all of the subdivision lots have received their individual development permits. The CBW has been assisting land owners in the industrial Park Subdivision to obtain their permits, in an effort to help our residents and also move the road development project forward.
- **Marine Service Center Survey and Replat (Ports and Harbors).** This survey project provides for the vacation of the existing platted Silvernail Drive ROW and the establishment of an access easement where the driving access is actually located through the Marine Service Center. The solicitation for this survey project will be combined with a couple of additional roadway survey projects as they are further identified.

ECONOMIC RECOVERY FUND

- **Mill Property Purchase.** Project management and report provided by Borough Manager.

WRANGELL MUNICIPAL LIGHT & POWER FUND

- **Case Avenue Electrical Distribution Line Rebuild Survey.** Based on the project needs and the difference in survey outcomes with other CBW-surveys scheduled to be performed, the case Avenue Rebuild Survey will be pursued as a separate survey project. The survey solicitation for this project will be developed for the purpose of identifying existing right-of way limits, existing electrical pole locations, and any existing utility easements that may exist. The solicitation will also include an additive alternate for the survey of the existing water and sewer mains, within the right-of-way, for use in a future water and/or sewer mains replacement project.
- **Power Generation Solution.** Project management and report provided by Municipal Light & Power. Solicitation development assistance will be provided by Capital Facilities, as needed. Capital facilities is currently drafting an RFP for the construction of two concrete pads, one to support a 10,000 gallon fuel tank and the other to support the new generator's radiator, alongside an existing radiator on the exterior of the building.

- **3MW Transformers Purchase Phase I.** Project management and report provided by Municipal Light & Power. Solicitation development assistance will be provided by Capital Facilities.
- **Generators' Exhaust Insulation Blankets.** Project management and report provided by Municipal Light & Power. Solicitation development assistance will be provided by Capital Facilities.
- **Powerhouse Roof Repairs.** Implementation of the Power Plant's roof repair project was scheduled pending further structural analysis of the building. In light of the new development related to that Power Plant's concrete building section, we expect to cancel this project and reallocate this budget amount to a rehabilitation project.

WATER FUND

- **Water Plant Bypass Line Valve Configuration.** Work has not yet commenced on this project.
- **Bennett Street Water Main Replacement.** The replacement of approximately 350' of 50-year old ductile iron pipe (DIP) water main was replaced by Secon on August 6th.

UPPER RESERVOIR BYPASS FUND

- **Upper Reservoir Bypass.** Earlier this year, staff narrowed our preferred alternative for accessing the water in the upper reservoir, for the lower reservoir bypass to the treatment plant, to the *Spillway Trench with Siphon* option. Before confirming that option as our preferred alternative, we asked the engineers whether there were limitations with this option, as our initial concern was about limitations to accessing the full depth of the stored raw water.

As we reviewed other criteria for the siphon, the engineers explained that normal downstream features of the siphon generally include flows to an open trench. However, our project's goal is to access the upper reservoir's water and make a direct conveyance of that water to the treatment plant, by way of the existing 12" HDPE transmission line that was previously installed for this purpose. The engineers had indicated that the risk of conveying the water from the siphon into a closed pipe is that of pipe collapse.

Staff have requested that Shannon & Wilson and CRW Engineers return to this issue and determine if the Spillway Trench with Siphon is a viable option considering the existing conditions related to the siphon uplift and reservoir depth and to the conveyance from siphon pipe to transmission pipe. Shannon and Wilson indicated that their engineering

partner, CRW Engineering, had a bit of extra work that needed to be done to vet the siphon alternative for our reservoir bypass project and explained that this was an “out of the box” alternative with respect to the project’s need. Shannon & Wilson, the lead engineering firm for this project, indicated that they have put more emphasis on this, in their report, had they known. They believe that although the siphon alternative is an outside the box solution, if they could put some additional effort toward modeling, to prove it out, it could be worth the effort.

CBW staff asked that the modeling be performed, at no additional cost to the municipality, as this is an expectation of the engineering work in advance of finalizing their report, which included the *Spillway Trench with Siphon* as one of their five alternatives for accessing the upper reservoir’s water supply for the direct connection to the treatment plant. They anticipate having that work completed by the end of the week of August 19th, or by latest, August 23rd.

WATER MAINS REPLACEMENT FUND

- **Water Mains Replacement.** Following ADEC’s approval of our request for a grant extension through January 2021, an RFP for competitive selection for engineering design services is required as next steps for project development. CBW staff will be developing this solicitation.

HARBOR FUND

- **Shoemaker Bay Harbor Replacement.** The Shoemaker Bay Harbor Replacement project is 95% complete. The Contractor received substantial completion on Floats A and B and the Harbor Department began relocate vessels to those floats’ stall immediately thereafter. The boat ramp was reopened to the public on August 8th. The Contractor still has the uplands three-sided shelter to construct and punch list items to complete.

Staff are awaiting return communication from ADOT and the Harbor Facility (Matching) Grant Program in response to our request for a confirmation that the increase of the ICAP rate from 2.48% to 10% will not be implemented for the Shoemaker Harbor project.

Pursuit of the additional project considerations for boarding float replacement and parking lot improvements is delayed until we have a better idea of the amount of funding available after the ICAP fee application.

- **Harbors’ Security System.** The Harbor Master will be leading this project with the assistance of Capital Facilities’ staff as needed for the project’s procurement needs. The Harbor Master will likely bring a consultant to Wrangell to help identify the harbors’ security needs and the system that will best deliver the products and service to meet those needs.

SEWER FUND

- **Reroute Node 6 Sewer Pump Station's Overflow Pipe.** Work has not yet commenced on this project.
- **Node 8 Sewer Pump Station Rehabilitation.** Work has not yet commenced on this project.

SECURE RURAL SCHOOLS FUND

- **Area-Wide Sidewalk Replacement Project – Sidewalk Repairs at the Primary School Entrance.**

At the Primary School entrance, the sidewalk area proposed for repairs was the section of walkway that slopes toward the parking lot with a small ramp. The sidewalk has deteriorated and was holding water, which turns icy in winter months. This portion of the Area-Wide Sidewalk Replacement Project was separated from the remainder of the sidewalk project as we had the ability to easily replace this sidewalk section prior to the start of the 2019-2020 school year. This portion of the project is complete and came in under budget.

Before:



After:





In order to further project development, the remainder of the high school-related sidewalk replacement under this project will require discussions with the School District and Public Works regarding the possibility of significant traffic modifications associated repair options.

FUTURE PROJECTS IN FUNDING SEEKING / PLANNING PHASE

- Public Safety Building Siding and Roofing Renovations.** After rejecting the one bid we received for this project in April 2019, further project budgeting was postponed during the FY20 CIP project development until such time as recommendations can be presented by staff. Staff are in the process of contacting a variety of architectural firms to solicit for a second opinion on the condition of the building and recommendations for addressing the critical needs for rehabilitation.
- Water Treatment Plant Improvements.** EDA Funding. The CBW's last clarifications and additional information response to EDA, regarding the Water Treatment Plant Improvements project, occurred on June 27th. A phone call follow-up to EDA's regional Seattle office last week provided that EDA has completed their internal reviews. Without a final decision and signature from their regional director to date, however, the project has not yet been officially approved, but is moving forward. They indicate that funds continue to be held for Wrangell's project until the federal government's fiscal year end of September 30, 2019, which is the latest date we anticipate receiving an approval or rejection from EDA.

As we await a further response from EDA, CBW staff are working on the USDA's Letter of Conditions which outlines conditions required to be in place by the Borough, some by the middle of September 2019, others by the end of December 2019.

- Power Diesel Generation Plant (Power Plant) Rehabilitation.** Following approval of funding in Municipal Light & Power's FY20 budget for engineering services for the purpose of a structural analysis of the Power Plant's concrete section of that building, we contacted PND Engineers to discuss their performing that structural analysis. Through

that discussion, we learned that PND Engineers performed a structural analysis of the same building in the year 2007. PND was able to locate the report that was generated for Wrangell, and they sent their Condition Assessment Report to us for review.

According to PND Engineer's report, the building exhibits extreme deterioration, and PND Engineer's recommendation in 2007 was that the concrete building be demolished and replaced. Since receiving the 2007 report, safety protocols have been implemented to protect worker safety in and around that building. Meanwhile, staff have identified a scope of work with PND Engineers for a Task 1 Project Scoping (site visit) and Design Development (preparing a design proposal). PND submitted their proposal on August 22nd in the amount of \$18,239, which covers on-site inspection and identifying as-built conditions with structural, electrical, mechanical and environmental engineering personnel and development of a design proposal for the demolition and replacement of the existing concrete structure. PND and their subconsultants are scheduled to perform their site visit on August 26th and 27th.

Funding for the Task 1 work comes from WML&P's FY20 budget for structural engineering analysis, budgeted in the amount of \$20,000. An additional \$58,000 worth of Power Plant building improvements, scheduled during the FY20, would be postponed until a decision about a rehabilitation project is determined.

PUBLIC WORKS REPORT

Sanitation

We'll be sending two containers of metal south next week. Wrapping up the new Baler Project plan.

WATER

The Water Department along with Public Works will be working on the Flume that helps feed the Upper Reservoir next week. Public works assisted SECON with the installation of 400' of HDPE on Bennett Street.

STREETS

Lower McKinnon Street, Case Avenue and Evergreen Avenue have been patched with more work on streets to come as weather allows. The Streets crew assisted the Line crew with a pole installation of Church Street using the vac truck.

SEWER

Recently the Sewer Department along with help from Public Works and the Garage have solved a long ongoing problem of cleaning out our lift stations. Rather than spending tens of thousands dollars on a dewatering tank, the Garage, Sewer, and Public Works guys got together and came up with a design. Svendsen's Marine built the tank for us for \$3400. We lined the tank with a piece of seine net. SECON gave us the fabric we needed and the first test was a complete success. We have ordered custom sized dewatering bags, but for now the seine net and fabric works great. This enables us to do the maintenance required to keep these lift station operating efficiently.

We've ordered a spare pump for Node 4 as it is operating on 2 of its 3 right now.

CEMETERY

We've received an updated bid for the new columbarium \$35,828 FOB Wrangell. As soon as time allows the crew will prepare a pad and arrange for the purchase and installation at Sunset Gardens Cemetery.

August 2019 Travel Report

Name		Position	Purpose	Location	Dates	Transportation	Accommodations	Per Diem	Registration	Other	Total
Connor Phillips	Police Officer	ALICE Instructor Training	Ketchikan, AK	Aug 19-22, 2019		\$ 281.20	\$ 749.10	\$ 175.00	\$ 695.00	\$ -	\$ 1,900.30

Report from August 19th

WTP Details 8/12 – 8/19/19

Last week the water plant produced 4,289,000 gallons for an average daily flow of 613,000 at an average rate of 426 gpm.

Consumption for this time added to 2,756,506 gallons for a daily average of 394,000 at an average flow of 273 gpm.

Currently the upper reservoir is -4', and the lower is -1'.

Last week two main filters were plunged, and roughing filters were flushed four times.

Flows at this time (07:35): HP = 710, LP = 563.

Latest Daily Report as of 8/23/19

Last 24 hr. data:

Production: 584,000 gallons, 406 gpm avg.

Consumption: 397,000 gallons, 276 gpm avg.

Both reservoirs are heavily overflowing.

Both reservoirs (until today) have been low for the last 43 days, to a level up to -4' (upper) and -3' (lower). The reduced flow from the community and the early shut down of one processor plus close to 7" of rain (3.5" in the last week) have finally topped over both reservoirs.

Current flows (08:40): 323 (HP), and 146 (LP).

On August 23rd the decision was made to go off Stage 1 Water Watch. The public was notified, using Social Media, Borough Website, KSTK, The Sentinel and posting at the Post Office and City Hall.

MEMO

To: Lisa Von Bargaen

From: Greg Meissner

Date: August 23, 2019

Re: Marina Management System

Lisa,

The Harbor Department has had the same management system since 2000 and we need to purchase a new one. We have struggled with the current system and the level of support for years while we have been looking for a new one.

While talking to Lee Burgess last year I mentioned our issues and he agreed that we were well over due for a new system.

There are only a few legitimate systems that are available and we have been talking to other harbors to see what systems they have and what they think of them. Every harbor does things a little different so not every system is perfect. It seems like every system has difficulties as well, so finding one that fits the best has been the goal.

Through our efforts we believe a system called Total Marina Package is the best fit for us. This past spring I sent Bobbie to Homer to work in their harbor department to use that system and Bobbie was pleased with it. Homer went through the same process as us and found Total Marina Package to be what they thought was the best available so they sole sourced the purchase.

I was talking to our new finance director Joyce and she is familiar with the Total Marina Package and believes it is a good system and may integrate with the city's finance software system as well. She supports the purchase of this system.

The FY20 Budget includes \$18,000 for the purchase of new software.

I am requesting that we be able to sole source the purchase of the Total Marina Package management system. However, the provisions in the code do not allow sole sourcing in this instance. Anything over \$10,000 requires three quotes. The anticipated purchase price is between \$15,000 and \$18,000. We plan to issue an RFP asking for marina software platforms that meet our specific needs in Wrangell (to the maximum degree possible). By issuing an RFP instead of requesting quotes or bids we have the ability to make our decision based on a variety of important factors, not just price. If you have any questions please feel free to call me.

Thank you

Greg

CITY & BOROUGH OF WRANGELL, ALASKA

CLERK'S FILE

SUBMITTED BY:

Kim Lane, Borough Clerk

Upcoming Meeting/Informational dates:

- 8-30 Declaration for Candidacy closes at 4:00 p.m.**
- 9-2 Labor Day – City offices closed**
- 9-4 Parks & Recreation Board mtg. @ 5:30 p.m. in the Borough Assembly Chambers**
- 9-5 Port Commission mtg. @ 7:00 p.m. in the Borough Assembly Chambers**
- 9-7 Community Market at the Nolan Center from 10:00 a.m. to 2:00 p.m.**

SEAPA Board Meeting (Regular): scheduled for September 26-27, 2019 in Petersburg



Please let me know if you are interested in attending. I have one (1) Assembly Member slotted to go to this conference.



Declaration of Candidacy ends this Friday, August 31st at 4:00 p.m. Here is an update on who has submitted their petition to be on the ballot:

Assembly – <u>Two</u> (3-Year Terms)	1. 2.
Assembly – <u>Two</u> (1-Year <i>Unexpired</i> Terms until 10-2020)	1. 2.
School Board – <u>Two</u> (3-Year Terms)	1. 2.
School Board – <u>One</u> (1-Year <i>Unexpired</i> Term until 10-2020)	1.
School Board – <u>One</u> (2-Year <i>Unexpired</i> Term until 10-2021)	1.
Port Commission – <u>Two</u> (3-Year Terms)	1. 2.



What's the Purpose of Robert's Rules and Parliamentary Procedures?

The Rules of parliamentary procedure are intended to assist the body in the transaction of business in an orderly and fair fashion. The rules help ensure that the body functions smoothly and efficiently. The rules serve to protect the rights of the individual and make sure that there is full debate on each item of business.

Parliamentary rules are procedural only and failure to strictly observe the rules does not invalidate action taken at a meeting that otherwise conforms to law.

The Assembly may suspend the rules for a special purpose by a two-thirds vote of the authorized membership of the Assembly.

• **Fundamental principles of Parliamentary Procedure**

- ✓ All members have equal rights
- ✓ Only one subject at a time
- ✓ Only one person speaks at a time
- ✓ Full debate on agenda items
- ✓ Provide for public participation
- ✓ Maintain decorum and respect
- ✓ Discuss issues, not people!
- ✓ Keep track of motions and amendments!
- ✓ **Keep it simple!**

a.

**CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY PUBLIC HEARING AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda Section</u>	11

ORDINANCE NO. 966 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA,
AMENDING SECTION 3.05.020, ORDER OF BUSINESS, OF THE WRANGELL MUNICIPAL CODE

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager &
Kim Lane, Borough Clerk

FISCAL NOTE:

Expenditure Required: \$N/A

FY 19: \$	FY 20: \$	FY21: \$
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Amount Budgeted:

FY20 N/A

Account Number(s):

N/A

Account Name(s):

N/A

Unencumbered Balance(s) (prior to expenditure):

\$ N/A

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Ord 966.

Procedure: Mayor Prysunka shall declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Clerk shall retrieve the list of those who signed up to speak. When the item comes up, Persons on the list will be called by the Mayor to speak in the order in which they signed up for the Public Hearing Agenda Item.

Mayor Prysunka shall declare the Public Hearing closed before the Assembly takes action on the item.

Once the Public Hearing has CLOSED, Mayor shall say "I will now entertain a motion"

RECOMMENDED MOTION AFTER PUBLIC HEARING IS CLOSED:

Move to Ordinance No. 966.

SUMMARY STATEMENT:

The following information remains unchanged from the July 23rd meeting.

Last year WMC Section 3.05.020 was amended by ordinance to incorporate any Public Hearings into the regular meeting agenda. Previously, Public Hearings had been held at either 6:00 p.m. to 6:30 p.m. and preceded the Regular Assembly meeting.

Now that the Public Hearings are being held during the Regular Assembly meeting, there is no reason why the Regular Assembly meetings cannot start at 6:00 p.m.

If there is a Work Session scheduled before the Regular Assembly meeting, the Clerk will publish a Public Notice on the city's website, City Hall, and the Post Office, that the Regular Assembly meeting shall begin at 7:00 p.m.

This matter was discussed with the Assembly at the last meeting and Administration received concurrence from the Assembly to bring this back in ordinance format to amend the code.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 966

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 3.05.020, ORDER OF BUSINESS, OF THE WRANGELL MUNICIPAL CODE

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Action. The purpose of this ordinance is to amend Section 3.05.020 of the Wrangell Municipal Code, Order of business at regular meetings of the Assembly.

SEC. 2. Amendment of Section. Section 3.05.020 of the Wrangell Municipal Code is amended to read:

3.05.020 Order of business.

At all regular meetings of the assembly, the order of business shall be:

A. Call to Order. The mayor shall call the meeting to order at [7]6:00 p.m. in the Borough Assembly Chambers. If a work session is scheduled preceding the regular assembly meeting, publication shall be made on the website and posted at city hall and the post office that the regular assembly meeting shall begin at 7:00 p.m.

SEC. 3. Effective Date. This ordinance shall become effective immediately upon adoption.

CITY & BOROUGH OF WRANGELL

Stephen Prysunka, Mayor

ATTEST:

Kim Lane, Borough Clerk

PASSED IN FIRST READING: July 23, 2019.

PASSED IN SECOND READING _____, 2019.

Yes: _____

No: _____

Absent: _____

Abstaining: _____

**CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY PUBLIC HEARING AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda Section</u>	11

ORDINANCE NO. 967 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTIONS OF CHAPTER 1.20 OF THE WRANGELL MUNICIPAL CODE, IN THEIR ENTIRETY, AND ESTABLISHING A NEW PROCESS FOR INTRODUCING AND ADOPTING ORDINANCES, AND AMENDING SECTION 1.12.070, RESOLUTIONS, OF THE WRANGELL MUNICIPAL CODE

SUBMITTED BY:

Kim Lane, Borough Clerk

FISCAL NOTE:

Expenditure Required: \$N/A

FY 19: \$	FY 20: \$	FY21: \$
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Amount Budgeted:

FY20 \$N/A

Account Number(s):

N/A

Account Name(s):

N/A

Unencumbered Balance(s) (prior to expenditure):

\$N/A

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Ord 967; 2. Existing WMC Chapter 1.12.

Procedure: Mayor Prysunka shall declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Clerk shall retrieve the list of those who signed up to speak. When the item comes up, Persons on the list will be called by the Mayor to speak in the order in which they signed up for the Public Hearing Agenda Item.

Mayor Prysunka shall declare the Public Hearing closed before the Assembly takes action on the item.

Once the Public Hearing has CLOSED, Mayor shall say "I will now entertain a motion"

RECOMMENDED MOTION AFTER PUBLIC HEARING IS CLOSED:

Move to approve Ordinance No. 967.

SUMMARY STATEMENT:

The following information remains unchanged from the July 23rd meeting.

This Ordinance is being proposed in order to clean up the WMC language for processing Ordinances. The existing language refers to the Clerk as “he” when it should just state “the Clerk”. Also, the new language for processing Ordinances is clearer and not so confusing.

Section 1.12.070 Resolutions in the Code conflicts with what the Wrangell Charter, Section 2-8(B) states (Actions of the assembly are adopted by a majority of the membership present when the vote is taken). As per WMC 1.12.030, an Ordinance only takes the majority of the membership present when the vote is taken.

This change to Section 1.12.070 will bring it into conformance with the Charter, and will make the number of members present required to vote affirmatively the same for both an Ordinance and Resolution.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 967

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTIONS OF CHAPTER 1.20 OF THE WRANGELL MUNICIPAL CODE, IN THEIR ENTIRETY, AND ESTABLISHING A NEW PROCESS FOR INTRODUCING AND ADOPTING ORDINANCES, AND AMENDING SECTION 1.12.070, RESOLUTIONS, OF THE WRANGELL MUNICIPAL CODE

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Action. The purpose of this ordinance is to establish a new and clear process for introducing and adopting ordinances in Sections 1.12.010, 1.12.020, 1.12.030, 1.12.040, 1.12.050, and 1.12.060, and amend Section 1.12.070, Resolutions, of the Wrangell Municipal Code.

SEC. 2. Repeal & Reenactment. Sections 1.12.010, 1.12.020, 1.12.030, 1.12.040, 1.12.050, and 1.12.060 of the Wrangell Municipal Code are hereby repealed in their entirety and reenacted as follows:

- A. An ordinance may be presented by a member or committee of the assembly, the borough mayor, or the borough manager.
- B. The department and/or officials which are affected by an ordinance or required to enforce an ordinance will review the ordinance and submit a report or recommendation to the borough manager for the assembly's information.
- C. An ordinance shall be set for public hearing by the affirmative vote of a majority of the total authorized membership of the assembly. A summary of the ordinance and the time and place of the hearing shall be published by the clerk. The notice shall be published not less than five days prior to the date of public hearing in accordance with AS 29.25.020 and 29.71.800.
- D. Copies of the ordinance must be available to all persons present or the ordinance must be read in full. The assembly shall hear all interested persons wishing to be heard.
- E. After the hearing the assembly shall consider the ordinance and may adopt it with or without amendment.

- F. The clerk shall make printed copies of adopted ordinances available. Each ordinance after adoption shall be codified.

SEC. 3. Amendment. Sections 1.12.070, Resolutions of the Wrangell Municipal Code is hereby amended to read as follows:

1.12.070 Resolutions.

...

- E. An affirmative vote of **[four members of the assembly]** a majority of the membership present when the vote is taken is required for adoption of a resolution.

SEC. 4. **Effective Date.** This ordinance shall become effective immediately upon adoption.

CITY & BOROUGH OF WRANGELL

Stephen Prysunka, Mayor

ATTEST:

Kim Lane, Borough Clerk

PASSED IN FIRST READING: July 23, 2019.

PASSED IN SECOND READING _____, 2019.

Yes: _____

No: _____

Absent: _____

Abstaining: _____

Chapter 1.12

ORDINANCES¹

Sections:

- 1.12.010 Acts which shall be by ordinance.
- 1.12.020 Introduction.
- 1.12.030 Number of readings – Passage.
- 1.12.035 Abstentions.
- 1.12.040 Publication.
- 1.12.050 Number.
- 1.12.060 Adoption by reference.
- 1.12.070 Resolutions.
- 1.12.080 Repeal of ordinances.

1.12.010 Acts which shall be by ordinance.

Formal acts of the assembly intended to regulate any of the affairs of the borough and such additional acts of the assembly as provisions of law require may be enacted by ordinance. [Ord. 355 § 5, 1976; prior code § 27.20.010.]

1.12.020 Introduction.

An ordinance meeting the requirements of this chapter may be introduced by any member or committee of the assembly, by the mayor or by the chief executive at any regular or special meeting of the assembly. Upon introduction of any ordinance, sufficient copies shall be furnished to the clerk in order for him to distribute immediately at least one copy each to the assembly members and to the mayor. At any assembly meeting at which the ordinance is considered, copies of the ordinance shall be distributed to all persons present who request them or, in the alternative, the ordinance shall be read in full. All persons interested shall have an opportunity to be heard. The assembly shall then consider the ordinance and may adopt it with or without amendment or reject it, except that no ordinance other than an emergency ordinance may be finally passed on the same day that it is introduced. [Ord. 355 § 5, 1976; prior code § 27.20.030.]

1.12.030 Number of readings – Passage.

A proposed ordinance shall be introduced in the first reading by title or in full. After introduction, an ordinance may be amended by an affirmative vote of four members of the assembly. The assembly may, by an affirmative vote of a majority of the membership present when the vote is taken, move the ordinance to the second reading. At the next regular or special meeting, after the ordinance has been read in the second reading by title or in full, an affirmative vote of a majority of the membership present when the vote is taken is required for final adoption. [Ord. 833 § 6, 2009; Ord. 355 § 5, 1976; prior code § 27.20.040.]

1.12.035 Abstentions.

A. All members of the assembly present at any regular or special meeting of the assembly shall be required to vote upon all matters, motions, resolutions and ordinances before the assembly for vote, unless he or she is required to abstain for good and special cause to include a substantial direct or indirect financial interest in the matter to be voted upon.

B. The assembly shall rule upon the validity of any claim of abstention by a vote of the members present at the time of the claim. A simple majority of those voting shall be sufficient to sustain or deny any claim of abstention. The abstaining assembly member's vote shall not be counted either for or against the matter, motion, resolution or ordinance that is before the assembly after abstention is determined as above. [Ord. 407 § 4, 1980; prior code § 27.20.047.]

1.12.040 Publication.

Within 10 days after passage, every ordinance shall be published by number and title. Ordinances which are to be submitted to the voters for enactment shall be published in full as provided by Charter Section 2-10. [Ord. 355 § 5, 1976; prior code § 27.20.055.]

1.12.050 Number.

Immediately upon passage, each ordinance shall be assigned the next consecutive number indicating the total number of ordinances passed. [Ord. 201 § 5, 1967; prior code § 27.20.060.]

1.12.060 Adoption by reference.

A. The assembly by ordinance may adopt by reference codes, ordinances, standards and regulations, and amendments thereto, relating to building, plumbing, electrical installations, milk and milk products and other matters which it has power to regulate otherwise.

B. Such code, ordinance, standards, or regulation so adopted need not be enrolled in the book of ordinances, but at least five copies of the subject reference document shall be filed in the office of the borough clerk and be kept available for public use, inspection and examination at the time the ordinance is proposed. After its adoption, the subject reference document shall be kept available for public use, inspection and examination so long as it remains in force.

C. Nothing contained in this section relieves the borough from the requirement of publishing the ordinance which adopts a code or amended code of technical regulations, nor may the borough adopt penalties by reference to a reference document other than provisions of the municipal code. [Ord. 355 § 5, 1976; prior code § 27.20.080.]

1.12.070 Resolutions.

A. Formal acts by the assembly not required by law to be enacted by ordinance, such as authorizing a municipal officer to undertake certain acts and not being acts of a general and permanent nature which should become part of the code, may be adopted by resolution bearing the following:

1. The heading “City and Borough of Wrangell”;
2. Space for the serial number to be assigned, “Resolution No. _____”;
3. A short and concise title descriptive of the subject and purpose;
4. Short premises or whereas clauses descriptive of the reasons for the resolution if necessary;
5. Resolving clause, “BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA”; and
6. Provision for date after the text, “Adopted (date) ” and designated lines for the signatures of the mayor and clerk.

B. All resolutions adopted by the assembly, whether at the instance of and presented by third parties or on the motion of and instance of the assembly, shall conform to that set forth in subsection (A) of this section.

C. Serial numbers shall be assigned as follows: The first digit(s) shall denote the month, the second digits shall denote the year and the last digits shall be the next consecutive numbers indicating the total number of resolutions passed.

D. Formal acts by the assembly required to be enacted by resolution include establishing salaries and compensation for officers and employees; and establishing classes of positions in the borough’s personnel system.

E. An affirmative vote of four members of the assembly is required for adoption of a resolution. [Ord. 355 § 5, 1976; prior code § 27.20.085.]

1.12.080 Repeal of ordinances.

Ordinances and parts of ordinances shall be specifically repealed by ordinance number or by section if only amended or partially repealed. [Ord. 355 § 5, 1976; prior code § 27.20.095.]

¹ For additional provisions on ordinances, see Charter § 2-9 et seq.

**CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY PUBLIC HEARING AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda Section</u>	11

PROPOSED ORDINANCE No. 968 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTION 15.18.070, COLLECTION OR DISPOSAL FEES, IN ITS ENTIRETY AND ESTABLISHING A NEW PROCESS FOR FEES IN CHAPTER 15.18 GARBAGE OF THE WRANGELL MUNICIPAL CODE

SUBMITTED BY:

Rolland Howell, Public Works Director
Kim Lane, Borough Clerk

FISCAL NOTE:

Expenditure Required: N/A

FY 19: \$	FY 20: \$	FY21: \$
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Amount Budgeted:

	FY19 N/A	
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Account Number(s):

	N/A	
--	-----	--

Account Name(s):

	N/A	
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Unencumbered Balance(s) (prior to expenditure):

	N/A	
--	-----	--

Reviews/Approvals/Recommendations

☐

Name(s)

Name(s)

☒

Attorney

☐

Insurance

ATTACHMENTS: 1. Proposed Ord 968. 2. Current WMC Section 15.18.070.

Procedure: Mayor Prysunka shall declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Clerk shall retrieve the list of those who signed up to speak. When the item comes up, Persons on the list will be called by the Mayor to speak in the order in which they signed up for the Public Hearing Agenda Item.

Mayor Prysunka shall declare the Public Hearing closed before the Assembly takes action on the item.

Once the Public Hearing has CLOSED, Mayor shall say "I will now entertain a motion"

RECOMMENDED MOTION AFTER PUBLIC HEARING IS CLOSED:

Move to approve Ordinance No. 968.

SUMMARY STATEMENT:

As requested by the Assembly at the July meeting, the two masculine references (“his”) to the borough manager have been replaced with the word “the.” All other aspects of the ordinance remain unchanged.

The remainder of this agenda statement is unchanged from the July 23rd meeting.

This ordinance amends the Wrangell Municipal Code to remove solid waste collection and disposal fees from the Code, and instead have them set by resolution approved by the Assembly. This is the same action that was taken earlier this year with Parks & Recreation fees. If this ordinance is approved it will come back for public hearing and adoption at the August 27th meeting. The August 27th agenda will also include a resolution establishing the fees for consideration by the Assembly.

CITY AND BOROUGH OF WRANGELL, ALASKA
ORDINANCE NO. 968

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING SECTION 15.18.070, COLLECTION OR DISPOSAL FEES, IN ITS ENTIRETY AND ESTABLISHING A NEW PROCESS FOR FEES IN CHAPTER 15.18 GARBAGE OF THE WRANGELL MUNICIPAL CODE

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are bolded and in brackets are to be deleted.]

SEC. 1. Action. The purpose of this ordinance is to amend Section 15.18.070 of the Wrangell Municipal Code to authorize the Assembly to establish fees by resolution for the collection or disposal of Monthly Refuse Collection or Disposal Rates in the Public Works Department.

SEC. 2. Repeal & Reenactment. Section 15.18.070 of the Wrangell Municipal Code is hereby repealed in its entirety and reenacted as follows:

15.18.070 Collection or disposal fees.

The assembly may by resolution establish fees for the collection or disposal of Monthly Refuse Collection or Disposal Rates in the Public Works Department.

A. Every owner, occupant, liveaboard, tenant or lessee within the borough's garbage collection service area shall receive refuse pickup service and shall pay such fees as are set forth **[in this section]** by resolution unless waiver of service is authorized by the borough manager or **[his]** the authorized agent, after special investigation of conditions upon which the waiver is requested.

B. Residential service shall consist of the removal of refuse substances, as defined in this chapter, in containers approved by the borough manager or **[his]** the authorized agent, **[weighing with contents when full not over 55 pounds, or the equivalent thereof,]** once weekly.

C. The borough manager shall have the authority to waive any fees as established by resolution by the assembly for a period of up to two weeks during community clean-up projects.

D. All customers shall be billed based on the charges as set forth in the fee schedule, as established by resolution by the assembly.

E. Interest will be charged to all delinquent accounts in accordance with the rates set forth in AS 45.45.010. Delinquency shall occur after the twentieth day of the month.

SEC. 3. Severability. If any provision of this ordinance, or any application thereof to any person or circumstances is held invalid, the remainder of this ordinance and the application to all other persons or circumstances shall not be affected thereby.

SEC. 4. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 5. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: July 23 _____, 2019

PASSED IN SECOND READING: _____, 2019

Stephen Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

Yes: _____

No: _____

Absent: _____

Abstaining: _____

15.18.070 Collection or disposal fees.

A. Every owner, occupant, liveaboard, tenant or lessee within the borough's garbage collection service area shall receive refuse pickup service and shall pay such fees as are set forth in this section unless waiver of service is authorized by the borough manager or his authorized agent, after special investigation of conditions upon which the waiver is requested.

B. Residential service shall consist of the removal of refuse substances, as defined in this chapter, in containers approved by the borough manager or his authorized agent, weighing with contents when full not over 55 pounds, or the equivalent thereof, once weekly.

C. The borough manager shall have the authority to waive any fees in Table 15.18.070 for a period of up to two weeks during community clean-up projects.

D. All customers shall be billed on the basis of the charges as set forth in Table 15.18.070.

E. Interest will be charged to all delinquent accounts in accordance with the rates set forth in AS 45.45.010. Delinquency shall occur after the twentieth day of the month.

Table 15.18.070 – Monthly Refuse Collection or Disposal Rates with the Following Table

Container Size	# of Collections Per Week	Present Rate	9%	4%	4%	4%	3%	3%
			7/1/2011	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016
1 Yard	1	\$ 39.70	\$ 43.30	\$ 45.00	\$ 46.80	\$ 48.70	\$ 50.20	\$ 51.70
1.5 Yard	1	59.55	64.95	67.50	70.20	73.05	75.30	77.55
2 Yard	1	79.40	86.50	90.00	93.60	97.30	100.20	103.20
2 Yard	2	158.80	173.10	180.00	187.20	194.70	200.50	206.50
2 Yard	3	238.20	259.60	270.00	280.80	292.00	300.80	309.80
Two (2) – 2 yards	2	317.60	346.20	360.00	374.40	389.40	401.10	413.10
Two (2) – 2 yards	3	476.40	519.30	540.10	561.70	584.20	601.70	619.80
Four(4) – 2 yards	3	952.80	1,038.60	1,080.10	1,123.30	1,168.20	1,203.20	1,239.30
48 Gallons	1	\$ 21.98	\$ 24.00	\$ 25.00	\$ 26.00	\$ 27.00	\$ 27.80	\$ 28.60
64 Gallons	1	36.65	39.90	41.50	43.20	44.90	46.20	47.60
96 Gallons	1	43.98	47.90	49.80	51.80	53.90	55.50	57.20
96 Gallons	2	51.31	55.90	58.10	60.40	62.80	64.70	66.60
96 Gallons	3	65.97	71.90	74.80	77.80	80.90	83.30	85.80
64 Gallons	2	73.30	79.90	83.10	86.40	89.90	92.60	95.40

Landfill Charges:

Up to 1 cubic yard (minimum charge)	\$ 12.00	\$ 14.00
Each additional cubic yard	\$ 6.00	\$ 7.00
Cars (each)		
No tires and no fluids	\$ 30.00	\$ 30.00

Container Size	# of Collections Per Week	Present Rate	9%	4%	4%	4%	3%	3%
			7/1/2011	7/1/2012	7/1/2013	7/1/2014	7/1/2015	7/1/2016
With tires and fluids		\$ 80.00	\$ 80.00					
Batteries (each)		\$ 3.00	\$ 3.00					
Washers and dryers (each)		\$ 12.00	\$ 12.00					
Refrigerators and freezers (each with Freon)		\$ 42.00	\$ 42.00					
Cardboard, glass and aluminum (if separated)		Free	Free					

Specific Requirements for Landfill:

The following list is items that need to be separated by the customer prior to bringing to the landfill:

Separation of Garbage:	
A	Metal and Appliances
B	Wood and Paper
C	Batteries
D	Refrigerators and Freezers
E	Hazardous Waste, including but not limited to oil, gas, paint, antifreeze, and household chemicals
F	Glass
G	Aluminum
H	And other items as posted at the landfill or as directed by landfill personnel

Note 1: The monthly rates for any establishment not herein designated shall be determined by the borough assembly. Until such rate may be established, the rate deemed most applicable shall apply, subject to adjustment. [Ord. 851 § 5, 2011; Ord. 833 § 40, 2009; Ord. 812 § 4, 2008; Ord. 809 § 4, 2008; Ord. 792 § 1, 2007; Ord. 742 § 5, 2004; Ord. 715 § 5, 2002; Ord. 679 § 4, 2000; Ord. 660 § 5, 1999; Ord. 644 § 5, 1998; Ord. 575 § 4, 1991; Ord. 574 § 4, 1991; Ord. 571 § 5, 1991. Formerly 9.04.070.]

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda NO.</u>	

PROPOSED RESOLUTION No 08-19-1476 OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA SUPPORTING THE SMALL COUNTY PILT PARITY ACT.

<p><u>SUBMITTED BY:</u></p> <p>Lisa Von Bargen, Borough Manager</p>	<p><u>FISCAL NOTE:</u></p> <p>Expenditure Required: \$0 Total</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;">FY 19: \$</td> <td style="width: 33%; border-bottom: 1px solid black;">FY 20: \$0</td> <td style="width: 33%; border-bottom: 1px solid black;">FY21: \$</td> </tr> </table> <p>Amount Budgeted:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;"></td> <td style="width: 66%; border-bottom: 1px solid black;">FY20 \$0</td> </tr> </table> <p>Account Number(s):</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;"></td> <td style="width: 66%; border-bottom: 1px solid black;">N/A</td> </tr> </table> <p>Account Name(s):</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;"></td> <td style="width: 66%; border-bottom: 1px solid black;">N/A</td> </tr> </table> <p>Unencumbered Balance(s) (prior to expenditure):</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;"></td> <td style="width: 66%; border-bottom: 1px solid black;">\$0</td> </tr> </table>	FY 19: \$	FY 20: \$0	FY21: \$		FY20 \$0		N/A		N/A		\$0
FY 19: \$	FY 20: \$0	FY21: \$										
	FY20 \$0											
	N/A											
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	\$0											

<p><u>Reviews/Approvals/Recommendations</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> <td style="border-bottom: 1px solid black;">Commission, Board or Committee</td> </tr> <tr> <td style="text-align: center;">Name(s)</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: center;">Name(s)</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="border-bottom: 1px solid black;">Attorney</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="border-bottom: 1px solid black;">Insurance</td> </tr> </table>	<input type="checkbox"/>	Commission, Board or Committee	Name(s)		Name(s)		<input type="checkbox"/>	Attorney	<input type="checkbox"/>	Insurance	
<input type="checkbox"/>	Commission, Board or Committee										
Name(s)											
Name(s)											
<input type="checkbox"/>	Attorney										
<input type="checkbox"/>	Insurance										

ATTACHMENTS: 1) Resolution 08-19-1476; 2) Senator Murkowski's Press Release

RECOMMENDATION MOTION:

Move to approve Resolution 08-19-1476.

SUMMARY STATEMENT:

The annual federal PILT (Payment in Lieu of Taxes) payment to municipal jurisdictions is designed to provide revenue to for non-taxable federal lands.

The National Association of Counties (NACo) and the Alaska Municipal League (AML) have been working for several years in support of a calculation amendment of federal PILT payments for

small population counties with disproportionately large acreage of federal lands within their jurisdictions.

In July of this year, Senator Lisa Murkowski, along with other colleagues, introduced the *Small County PILT Parity Act*, designed to change the formula of the PILT calculation to enable more PILT funds to flow to small population counties with eligible federal acreage.

97% of the land within the City & Borough of Wrangell is within the Tongass National Forest and will never be developed. The annual federal PILT provides only a fraction of the tax revenue the Borough would see if those lands were developed. Amending the formula to allow for additional revenue will be very helpful.

The attached resolution shows the Assembly's support for this important federal legislation. Also attached is a copy of the press release when the legislation was filed.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 08-19-1476**A RESOLUTION OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA SUPPORTING THE SMALL COUNTY PILT PARITY ACT**

WHEREAS, through the federal PILT payment, the Department of Interior provides revenue to counties and county equivalents, such as boroughs, to compensate for non-taxable federal lands within their respective jurisdictions; and

WHEREAS, 97% of the land within the municipal boundaries of the City & Borough of Wrangell (CBW) is part of the Tongass National Forest, owned by the United States Forest Service, and will never be open for development; and

WHEREAS, the annual federal PILT payment compensates the CBW a fraction of what taxable revenue would be if those lands were available for development; and

WHEREAS, annual PILT revenue is used to provide essential services to residents of small-population jurisdictions, and

WHEREAS, in July of 2018 the National Association of Counties (NACo) adopted a resolution titled, *Resolution on Amendments to PILT Population Caps*, supporting the amendment to the PILT formula to extend the population multipliers for local governments with populations in the range from less than 1,000 to 4,000; and

WHEREAS, in November of 2018 the Alaska Municipal League (AML) approved a Policy Priority supporting changes to the federal PILT calculation; and

WHEREAS, in July 2019, Senator Lisa Murkowski, along with colleagues from other states, introduced the *Small County PILT Parity Act*, whereby units of local government with populations under 5,000 would receive a higher annual limitation ceiling, which would offer the opportunity to receive higher PILT payments if those counties have eligible federal acres. Experts with the Congressional Research Service estimate this legislation could provide more than \$580,000 in additional PILT funding to small boroughs in Alaska each year.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, that:

Section 1: The Assembly of the City & Borough of Wrangell, Alaska supports the *Small County PILT Parity Act*.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 27th Day of August, 2019.

CITY & BOROUGH OF WRANGELL, ALASKA

Steve Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	Enter Date Here
	<u>Agenda Section</u>	13

RESOLUTION No. 08-19-1477 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ESTABLISHING THE FEE SCHEDULE FOR COLLECTION OR DISPOSAL FEES

SUBMITTED BY:

Rolland Howell, Public Works Director

FISCAL NOTE:

Expenditure Required: \$XXX Total

FY 19: \$	FY 20: \$	FY21: \$
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Amount Budgeted:

	FY19 \$XXX
--	------------

Account Number(s):

	XXXXX XXX XXXX
--	----------------

Account Name(s):

	Enter Text Here
--	-----------------

Unencumbered Balance(s) (prior to expenditure):

	\$XXX
--	-------

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Res No 08-19-1477 2. Fee Schedule.

RECOMMENDATION MOTION:

Move to Approve Resolution No. 08-19-1477, that sets the Fees for the collection of refuge.

SUMMARY STATEMENT:

In the past we have relied on outside help to dispose of our scrap metal that accumulates at the Solid

Waste Transfer Station. We've had to move this metal several times while waiting; hiring contractors, with larger equipment to move and stack the metal pile higher for us. In one instance a contractor was hired several times to keep stacking the material higher and higher while waiting for these people to show up. The Sanitation Department is recommending an increase for cars that are accepted at the Solid Waste Transfer Station, and to not accept cars that have fluids in them and tires still on. We currently charge \$80.00 to dispose of a vehicle with the fluid in it and tires on, and \$30.00 if fluids and tires are removed. This does not even cover the cost to stack a car, let alone the cost for Public Works to drain all fluids and remove tires. With the cars at the SWTS right now, it will take several weeks for PW personnel to drain all the fluids, remove tires, crush the cars and load them for shipping. It costs us \$240.00 dollars to dispose of a car at the scrap yard, not counting our labor to crush and load it. We propose to raise car disposal to \$300.00 with fluids drained and tires removed and to refuse cars that are not ready for shipping.

We will accept batteries for free to help prevent them from being dumped elsewhere.

Some of the fees on our website were posted incorrectly. We've corrected them on this Fee Schedule and will fix our website immediately if this new schedule is adopted.

All new and corrected fees are highlighted in yellow.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 08-19-1477A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH
OF WRANGELL, ALASKA, ESTABLISHING THE FEE SCHEDULE
FOR COLLECTION OR DISPOSAL FEES

WHEREAS, at reasonable time increments the fees and/or fee structure for the collection or disposal of refuse must be reviewed; and

WHEREAS, when it is determined operational costs require changes to the fee structure, a resolution must be passed setting the new fee structure; and

WHEREAS, the Public Works collection and disposal services are operated and maintained under the jurisdiction of the Borough Assembly; and

WHEREAS, the Borough Assembly has determined, as recommended by the Public Works Director, that adjustments in the fees are necessary.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THAT:

Section 1. The attached schedule of fees shall govern the collection or disposal of Monthly Refuse Collection or Disposal Rates in the Public Works Department.

Section 2. The attached Exhibit "A" includes the fees for collection or disposal of Monthly Refuse Collection or Disposal Rates in the Public Works Department.

Section 3. This resolution shall become effective upon approval.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY &
BOROUGH OF WRANGELL, ALASKA THIS 27th DAY OF AUGUST 2019.

CITY & BOROUGH OF WRANGELL

Stephen Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

City and Borough of Wrangell Collection or Disposal Fee Schedule

C.

Approved by Resolution No. 08-19-1477

Category	Description	Rate
Container Size	1 Yard	\$ 61.70
	1.5 Yard	\$ 77.55
	2 Yard	\$ 103.20
	2 Yard (2 collections per week)	\$ 206.40
	2 Yard (3 collections per week)	\$ 309.60
	Two (2) - 2 Yards (2 collections per week)	\$ 412.80
	Two (2) - 2 Yards (3 collections per week)	\$ 619.20
	Four (4) - 2 Yards (3 collections per week)	\$ 1,238.40
	48 Gallon	\$ 28.60
	64 Gallons	\$ 47.60
	96 Gallons (1 collection per week)	\$ 57.20
	96 Gallons (2 collections per week)	\$ 114.40
	96 Gallons (3 collections per week)	\$ 171.60
	64 Gallons (2 collections per week)	\$ 95.20
Landfill Charges	Up to 1 cubic yard (minimum charge)	\$ 14.00
	Each additional cubic yard	\$ 7.00
	Cars (each, with no tires and no fluids)	\$ 300.00
	Cars WITH tires and fluids	Will not be accepted
	Tires	3.00/each
	Washers or Dryers (each)	\$ 12.00
	Refrigerators and freezers (each with Freon)	\$ 42.00
	Cardboard, glass and aluminum (if separate)	Free

Specific Requirements for Landfill: The following list is items that need to be separated by the customer prior to bringing to the landfill:

Separation of Garbage:

- A Metal and Appliances
- B Wood and Paper
- C Batteries
- D Refrigerators and Freezers
- E Hazardous Waste, including but not limited to oil, gas, paint, antifreeze, and household
- F Glass
- G Aluminum
- H And other items as posted at the landfill or as directed by landfill personnel

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda NO.</u>	13g

Proposed Resolution No. 08-19-1478 OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2020 BUDGET IN THE WATER FUND BY TRANSFERRING \$119,000 FROM WATER FUND RESERVES TO THE WATER FUND CIP EXPENDITURES FOR THE WATER TREATMENT PLANT IMPROVEMENTS PROJECT AND AUTHORIZING ITS EXPENDITURE

SUBMITTED BY:

Amber Al-Haddad, Capital Facilities Director

FISCAL NOTE:

Expenditure Required: \$119,000

FY 19: \$0	FY 20: \$119,000	FY21: \$
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Amount Budgeted:

FY20 \$0

Account Number(s):

72000-302-8900

Account Name(s):

CIP Expenditures for Water Treatment Plant Improvements project

Unencumbered Balance(s) (prior to expenditure):

\$741,894 in Water Fund Reserves Ending June 30, 2020

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
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Name(s)

Name(s)

<input type="checkbox"/>	Attorney
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<input type="checkbox"/>	Insurance
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ATTACHMENTS:

1. Resolution No. 08-19-1478
2. USDA/RD June 25, 2019 Amendment 1 to Letter of Conditions dated July 13, 2017
3. USDA/RD July 13, 2017 Letter of Conditions

RECOMMENDATION MOTION:

Move to approve Resolution No. 08-19-1478.

SUMMARY STATEMENT:

In 2017, the Rural Development (RD) division of the United States Department of Agriculture (USDA) approved a \$3,821,000 loan and a \$3,161,000 grant for the design and construction of the Water Treatment Plant Improvements Project. The RD program director issued a letter of conditions, many of which must be met prior to advertising for bids. Although Wrangell is still waiting for a final decision from the Economic Development Administration (EDA) about the success of our grant application for an additional \$2,996,953 in grant funding for the same project, USDA has asked that we show forward movement toward their conditions as we work toward securing the balance of the funding needed for the project.

One of USDA's required conditions is that Wrangell provide evidence of applicant contribution as a funding source for the project as part of the previously approved project funding sources. The CBW is obligated to provide an applicant contribution in the amount of \$119,000 as our applicant contribution. Given a project cost estimated to total \$9,051,000, USDA's Project Fund Source outline is as follows:

<u>Project Fund Source</u>	<u>Funding Amount</u>
Applicant (CBW) Contribution	\$119,000
Economic Development Administration (EDA)	\$2,996,953
Rural Development Direct Loan	\$3,821,000
Rural Development Direct Grant	<u>\$2,114,047</u>
Total project Funds (All Sources)	\$9,051,000

(Note: \$3,161,000 was the originally approved grant amount. Pending the additional grant funds from EDA, USDA/RD is going to reduce their grant to the CBW to the amount above of \$2,114,047. USDA/RD has not de-obligated the balance, waiting until there is certainty of the EDA grant award.)

Any changes in funding sources must be reported to USDA/RD and Wrangell must assure that all project funds are expended only for the eligible items included in the project budget of USDA/RD letter of conditions, or as amended in writing by Rural Development.

Staff recommends a budget amendment of \$119,000 for Capital Expenditures from the Water Fund Reserve for the Water Treatment Plant Improvements Project, as evidence of the CBW contribution to the project, and adding this project to the FY2020 CIP list for the Water Department.

By adopting Resolution 08-19-1478, the Assembly will amend the FY 2020 budget in the Water Fund by transferring \$119,000 from the Water Fund Reserves to the Water Fund CIP Expenditures, for a new project entitled Water Treatment Plant Improvements, and authorize its expenditure.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 08-19-1478

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY20 BUDGET IN THE WATER FUND BY TRANSFERRING \$119,000 FROM WATER FUND RESERVES TO THE WATER FUND CIP EXPENDITURES FOR THE WATER TREATMENT PLANT IMPROVEMENTS PROJECT AND AUTHORIZING ITS EXPENDITURE

WHEREAS, Resolution No. 06-19-1467 adopted the budget for all funds of the City and Borough of Wrangell, Alaska for the fiscal year 2019-2020; and

WHEREAS, the Wrangell Municipal Code requires that the Borough Assembly approve any budget amendments changing the amounts adopted; and

WHEREAS, the City and Borough of Wrangell sought funding assistance and has obtained a loan and grant funding package from the United States Department of Agriculture (USDA) as partial funding for this improvement project. As part of the approved USDA funding package, the City and Borough of Wrangell is obligated to provide an applicant contribution in the amount of \$119,000 as a source of project funding; and

WHEREAS, staff recommends a budget amendment of \$119,000 for Capital Expenditures from the Water Reserve Fund for the Water Treatment Plant Improvements Project, as evidence of the City and Borough of Wrangell contribution to the project, and adding this project to the FY2020 CIP list for the Water Department; and

WHEREAS, the City and Borough of Wrangell will amend the FY 2020 Budget in the Water Fund by transferring \$119,000 from the Water Fund Reserves to Water Fund CIP Expenditures Water Treatment Plant Improvements Project.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, that:

Section 1: The FY 2020 Budget in the Water Fund is amended by transferring \$119,000 from Water Fund Reserves to the Water Fund CIP Expenditures for the Water Treatment Plant Improvements Project, and authorizing its expenditure.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 27th day of August, 2019.

CITY & BOROUGH OF WRANGELL, ALASKA

Steve Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

d.



Rural Development

June 25, 2019

Alaska field office

510 L Street
Suite 410
Anchorage, AK
99501

Voice 907.271.2424
Fax 855.201.1074

Lisa Von Bargaen, City and Borough Manager
City and Borough of Wrangell
P.O. Box 531
Wrangell, AK 99929

RE: Amendment 1 to Letter of Conditions dated July 13, 2017

Dear Ms. VonBargaen:

Thank you for notifying and providing additional information to Rural Development (RD) regarding the increase in the proposed funding. A loan in the amount of \$3,821,000 and a grant in the amount of \$3,161,000 were approved in Federal Fiscal Year 2017 for the construction and upgrades to the Water Treatment Plant to house two parallel Dissolved Air Flotation (DAF) with multimedia filtration, and a backwash waste disposal to recycle the backwash from the water treatment plant.

As required under Section 2 of the Letter of Conditions dated July 13, 2017, any changes in funding sources following the obligation of RUS funds must be reported to the processing official. Based on information provided by the City and Borough of Wrangell, the source of funds has changed.

This letter amends the letter of conditions dated July 13, 2017. Subject to the requirements noted herein, all conditions of the July 13, 2017 letter of conditions remain in effect and must be satisfied.

The documents outlined in RD's letter of conditions, dated July 13, 2017, Section III must be provided by December 31, 2019. This will allow the project to move forward to the construction phase. Until specifically authorized by RD, the project should not be advertising for bids.

The conditions amended are as follows:

1. **Project Budget** – Funding from all sources has been budgeted for the estimated expenditures as follows:

Project Items:

City Administration & Legal
Construction
Engineering Fees (design)
Engineering Fees (construction)
Interim Financing (interest)
Contingency

Total Budgeted:

\$137,000
\$6,710,000
\$615,000
\$680,000
\$126,500
\$782,500
\$9,051,000

Total Project Cost:

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

2. <u>Project Fund Source:</u>	<u>Funding Amount:</u>
Applicant Contribution	\$119,000
Economic Development Administration	\$2,996,953
Rural Development Direct Loan	\$3,821,000
Rural Development Direct Grant	\$2,114,047
Total Project Funds (All Sources)	\$9,051,000

Any changes in funding sources must be reported to the processing official. You must assure that all project funds are expended only for the eligible items included in the project budget of the letter of conditions or as amended by Rural Development in writing at a later date.

The City and Borough of Wrangell must meet all conditions outlined in Rural Development's July 13, 2017 letter of conditions and this amendment. We believe the information in this letter clearly sets forth the updated conditions that must be complied with; however, this letter does not relieve you from meeting the requirements of RUS Instructions 1780.

Please be aware that it is Rural Development's intention to de-obligate those funds that are no longer needed in accordance with 7CFR1780.44(e) in the amount of \$1,046,953. The funds will no longer be available. If you believe this decision is incorrect, or the facts used in the case are in error, please contact the processing official within 30-days.

Thank you for your cooperation and your efforts in bringing a healthy and safe sanitation system to the residents of Wrangell. If you have any questions regarding this amendment, please do not hesitate to contact the undersigned at timothy.krug@usda.gov or (907) 761-7777.

Sincerely,



TIM KRUG

Acting Director, Community Facilities and Sanitation Programs

Attachments:

August 15, 2015 Letter of Conditions

November 8, 2017 preconstruction letter



Rural Development

July 13, 2017

Anchorage field office

510 L Street,
Suite 410
Anchorage, AK
99501

Carol Rushmore, Interim Borough Manager
City and Borough of Wrangell
P.O. Box 531
Wrangell, AK 99929

Voice 907-271-2424

SUBJECT: Water Treatment Plant Upgrade
Loan - \$3,821,000
Grant - \$3,161,000

Dear Ms. Rushmore:

This letter establishes conditions which must be understood and agreed to by you before further consideration may be given to your application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the Alaska staff of USDA Rural Development, of which is referred to throughout this letter as the Agency. Any changes in project cost, source of funds, scope of project, or any other significant changes in the project or applicant must be reported to and concurred in by the Agency by written amendment to this letter. If significant changes are made without obtaining such concurrence, the Agency may discontinue processing of the application.

You must meet all conditions set forth under Section III - Conditions Required Prior to Advertising for Bids within 6 months of this letter. If you have not met these conditions, the Agency reserves the right to discontinue the processing of your application.

If you agree to meet the conditions set forth in this letter and desire further consideration be given to your application, please complete and return the following forms within 30 days:

Form RD 1942-46, "Letter of Intent to Meet Conditions"
Form RD 1940-1, "Request for Obligation of Funds"

The loan and grant will be considered approved on the date Form RD 1940-1, "Request for Obligation of Funds," is signed by the approving official. Thus, this letter in itself does not constitute loan and/or grant approval, nor does it ensure that funds are or will be available for the project. Once the Form 1940-1 is signed and remitted back to the Agency, the request will be processed and the loan and grant funds will be approved and obligated.

Extra copies of this letter are being provided for use by your engineer, attorney, bond counsel and accountant. All parties may access information and regulations referenced in this letter at our website located at www.rd.usda.gov.

The conditions are as follows:

USDA is an equal opportunity provider, employer, and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7700, or email at program.intake@usda.gov.

SECTION I - PROJECT DETAIL

1. **Project Description** – Funds will be used for the construction and upgrades to the Water Treatment Plant to house two parallel Dissolved Air Flotation (DAF) with multimedia filtration, and a backwash waste disposal to recycle the backwash water from the water treatment plant.

Facilities will be designed and constructed in accordance with sound engineering practices and must meet the requirements of Federal, State, and local agencies. The proposed facility design must be based on the Preliminary Engineering Report (PER) as concurred in by the Agency.

2. **Project Budget** – Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project Costs:</u>	<u>Total Budgeted:</u>
City Administration & Legal	\$137,000
Construction	\$6,710,000
Contingency	\$782,500
Engineering Fees (design)	\$615,000
Engineering Fees (Construction)	\$680,000
Interest - Interim	<u>\$126,500</u>
TOTAL	\$9,051,000

Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. Obligated loan or grant funds not needed to complete the proposed project will be deobligated prior to start of construction. Any reduction will be applied to grant funds first. An amended letter of conditions will be issued for any changes to the total project budget.

3. **Project Funds** – Project funding is planned from the following sources:

<u>Project Funding Source</u>	<u>Funding Amount:</u>
Applicant Contribution	\$119,000
State of Alaska	\$450,000
Economic Development Administration	\$1,500,000
RD Direct Loan	\$3,821,000
RD Direct Grant	<u>\$3,161,000</u>
TOTAL	\$9,051,000

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. Prior to advertisement for construction bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter. Agency funds will not be used to pre-finance funds committed to the project from other sources.

SECTION II – LOAN AND GRANT TERMS

4. **Repayment** – The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, unless you request otherwise. Should the interest rate be reduced, the payment will be recalculated to the lower amount.

Your loan will be scheduled for repayment over a period of 40 years. Payments will be equal 480 amortized installments, beginning one month after the closing date. For planning purposes, use a 2.625% interest rate and an amortization factor of 40, which provides for a semi-annual payment of \$77,452.

The payment due date will be established as the day that the loan closes (the 28th is the due date when loans are closed on the 29th, 30th or 31st).

Income Available – You must maintain a rate schedule that provides adequate income to meet minimum requirements for operation and maintenance and reserves. Based on application information provided, you must raise rates in order to meet the requirements necessary for reserves, debt service, and operations/maintenance costs. As such, an annual automatic rate increase of 7-percent in 2017, 5-percent in 2018, and 5-percent in 2019, which results in an increase of monthly user rates to a level no less than \$41.68 a month will be required. Prior to the final disbursement of funding, you will be required to establish a resolution which officially sets the updated water rates for the City and Borough of Wrangell. A copy of the resolution must be provided to Rural Development.

Rates must be set to generate monthly revenues of at least \$75,621 or \$907,446 annually. This will ensure that there are adequate income to meet the minimum requirements for the operation and maintenance and reserves.

5. **Security** – The loan will be secured by a Revenue instrument (promissory note and/or bond) with first lien position in the amount of \$3,821,000. The instrument will be fully registered as to both principal and interest in the name of the United States of America, Acting through the United States Department of Agriculture.

The bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or its authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983(c).

Additional security requirements are contained in RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," and RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)." A draft of all security instruments, including draft bond resolution, must be reviewed and concurred in by the Agency prior to advertising for bids. The Bond Resolution and Loan Resolution must be duly adopted and executed prior to loan closing. The Grant Agreement must be fully executed prior to the first disbursement of grant funds.

6. **Electronic Payments** – Payments will be made on the day your payment is due through an electronic preauthorized debit system. You will be required to complete Form RD 3550-28, "Authorization Agreement for Preauthorized Payments," for all new and existing indebtedness to the Agency prior to loan closing. It will allow for your payment to be electronically debited from your account on the day your payment is due.
7. **Construction Completion Timeframe** - All projects are required to be completed and all funds disbursed within five years of obligation. If funds are not disbursed within five years of

obligation, you must submit a written waiver request with adequate justification of extenuating circumstances beyond your control for an extension of time. Any additional requests for waivers beyond the initial extension will be submitted through the State Office to the Assistant Administrator for concurrence decision.

- 8. Disbursement of Agency Funds** Any applicant contribution will be the first funds expended, followed by other funding sources. Interim financing or Agency loan funds will be expended after all other funding sources unless a written agreement is reached prior to start of construction or loan closing, whichever occurs first, with all other funding sources on how funds are to be disbursed. Agency grant funds will be expended last. Interim financing funds or Agency loan funds must be used prior to the use of Agency grant funds. Grant agreements must not be closed and funds must not be disbursed prior to loan funds except as specified in RUS Instruction 1780.45(d).

Grant funds are to be deposited in an interest-bearing account (exception provided below) in accordance with 2 CFR Part 200 and interest in excess of \$500 per year remitted to the Agency. The funds should be disbursed by the recipient immediately upon receipt and there should be little interest accrual on the Federal funds. Recipients shall maintain advances of Federal funds in interest-bearing accounts, unless:

- a. The recipient receives less than \$120,000 in Federal awards per year.
 - b. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
 - c. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
 - d. A foreign government or banking system prohibits or precludes interest-bearing accounts.
- 9. Reserves** – Reserves must be properly budgeted to maintain the financial viability and sustainability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise. The following reserves are required to be established as a condition of this loan:

Debt Service Reserve – As a part of this Agency loan proposal, you must establish a debt service reserve fund equal to at least one annual loan installment that accumulates at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. Ten percent of the proposed loan installment would equal \$1,290.87 per month; this amount should be deposited monthly until a total of \$154,904.00 has accumulated. Prior written concurrence from the Agency must be obtained before funds may be withdrawn from this account during the life of the loan. When funds are withdrawn during the life of the loan, deposits will continue as designated above until the fully-funded amount is reached.

Short-Lived Asset Reserve – In addition to the debt service reserve fund, you must establish a short-lived asset reserve fund. Based on the preliminary engineering report, you must deposit \$16,722 into the short-lived asset reserve fund annually for the life of the loan to pay for repairs and/or replacement of major system assets.

Current assets can also be used to establish and maintain reserves for expected expenses, including but not limited to operation and maintenance, customer deposits, deferred interest during the construction period, and an asset management program.

SECTION III – REQUIREMENTS PRIOR TO ADVERTISING FOR BIDS

- 10. Environmental Requirements** – At the conclusion of the proposal’s environmental review process, specific action(s) were determined necessary to avoid or minimize adverse environmental impacts. As outlined in the Environmental Report dated April 2016, the following actions are required for successful completion of the project and must be adhered to during project design and construction:
- Blasting and heavy equipment use must be limited to daytime use (10 hours);
 - During construction, a SWPPP would be developed, erosion and sediment control BMPs will be implemented, and a spill clean-up kit will be maintained on site;
 - Emissions from vehicles and equipment must be maintained below applicable state and local emission control plans;
 - Movement of construction material and machinery must be scheduled for non-peak or non-critical times;
 - In the event that historical artifacts are discovered, all work must be stopped immediately and appropriate agencies must be contacted;
 - Best Management Practices must be utilized during construction to minimize or avoid potential impacts to water quality or resources;
 - All waste materials generated during construction will be disposed of in the landfill or the waste will be backhauled to an approved facility;
 - Disturbed areas must be permanently stabilized after project completion to help suppress dust;
 - The sewer line cleared area would be allowed to regrow as long as it could be adequately maintained;
 - Mitigation measures will be taken to minimize impacts to migratory birds. The site will be examined for the presence of animal or bird habitat and breeding ground before ground disturbing activities. Clearing and grubbing must take place either before April 15 or after July 15.

The project as proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations and or permits may apply or be required. If the project or any project element deviates from or is modified from the originally-approved project, additional environmental review may be required.

- 11. Engineering Services** – The agreement for engineering services must consist of the Engineers Joint Contract Documents Committee (EJCDC) documents as indicated in RUS Bulletin 1780-26, “Guidance for the Use of EJCDC Documents on Water and Waste Disposal Projects with RUS Financial Assistance,” or other approved form of agreement. The Agency must concur in the agreement and any modifications for professional engineering services prior to advertising for bids. The Agency concurrence will occur immediately following approval of the loan and/or grant. Any changes to the fees or services spelled out in the original agreement must be reflected in an amendment to the agreement and have prior Agency concurrence. Clauses regarding iron and steel requirements must be incorporated into the engineering agreement.

12. **Contract Documents, Final Plans and Specifications** –

- a. The contract documents must consist of the EJCDC Construction Contract Documents as indicated in RUS Bulletin 1780-26 or other Agency approved forms of agreement.
- b. The contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Constructing and Inspections, and must be submitted to the Agency for concurrence prior to advertising for bids along with an updated cost estimate. The Agency may require an updated cost estimate if a significant amount of time elapses between the original submission and advertising for bids.
- c. The use of any procurement method other than competitive sealed bids must be requested in writing and approved by the Agency.
- d. Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) applies a new American Iron and Steel requirement:
 - (1) No Federal funds made available for this fiscal year for the rural water, waste water, waste disposal, and solid waste management programs authorized by the Consolidated Farm and Rural Development Act ([7 U.S.C. 1926](#) et seq.) shall be used for a project for the construction, alteration, maintenance, or repair of a public water or wastewater system unless all of the iron and steel products used in the project are produced in the United States.
 - (2) The term “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.
 - (3) The requirement shall not apply in any case or category of cases in which the Secretary of Agriculture (in this section referred to as the “Secretary”) or the designee of the Secretary finds that—
 - a applying the requirement would be inconsistent with the public interest;
 - b iron and steel products are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
 - c inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

13. **Legal Services** – You will be required to execute a legal services agreement with your attorney and bond counsel, if applicable, for any legal work needed in connection with this project. The agreement should stipulate an hourly rate for the work, with a “not to exceed” amount for the services, including reimbursable expenses. RUS Bulletin 1780-7, “Legal Services Agreement,” or similar format may be used. A copy of this agreement must be submitted for Agency review and concurrence prior to advertising for bids. Any changes to the fees or services spelled out in the original agreement must be reflected in an amendment to the agreement and have prior Agency concurrence.

14. **Property Rights** - Prior to advertising for bids, you and your legal counsel must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the

lands and rights-of-way needed for the project. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Such control over the lands and rights will be evidenced by the following:

- a. **Right-of-Way Map** – Your engineer will provide a map clearly showing the location of all lands and rights-of-way needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
- b. **Form RD 442-20, “Right-of-Way Easement”** – This form may be used to obtain any necessary easements for the proposed project.
- c. **Form RD 442-21, “Right-of-Way Certificate”** – You will provide a certification on this form that all right-of-way requirements have been obtained for the proposed project.
- d. **Form RD 442-22, “Opinion of Counsel Relative to Rights-of-Way”** – Your attorney will provide a certification and legal opinion on this form addressing rights-of-way, easements, and title.
- e. **Preliminary Title Work (Title Opinion)** – When applicable, your attorney will provide a preliminary title opinion for any property related to the facility, currently owned and to be acquired, along with copies of deeds, contracts or options for purchasing said property. Form RD 1927-9, “Preliminary Title Opinion,” may be used.
- f. **Preliminary Title Work – (Title Insurance)** – When applicable, a title insurance binder will be required on all real estate related to the facility now owned and property to be acquired in connection with this project. The binder will be in the amount of the proposed loan and name the United States of America, acting through the United States Department of Agriculture, as the proposed insured.

The above rights-of-way forms may contain a few exceptions, such as properties that must be condemned. However, prior to closing or the start of construction, whichever occurs first, new forms must be provided which do not provide for any exceptions.

You are responsible for the acquisition of all property rights necessary for the project and will determine that prices paid are reasonable and fair. The Agency may require an appraisal by an independent appraiser or Agency employee in order to validate the price to be paid.

15. **System Policies/Procedures** – The facility must be operated on a sound business plan. You must adopt policies, procedures, and/or ordinances outlining the conditions of service and use of the proposed system. Mandatory connection policies should be used where enforceable. The policies, procedures, and/or ordinances must contain an effective collection policy for accounts not paid in full within a specified number of days after the date of billing. They should include appropriate late fees, specified timeframes for disconnection of service, and reconnection fees. A draft of these policies, procedures, and/or ordinances must be submitted for Agency review and concurrence prior to advertising for bids, along with the documents below, unless otherwise stated.

- a. **Conflict of Interest Policy** – Prior to obligation of funds, you will certify in writing that your organization has in place an up-to-date written policy on conflict of interest. The policy will include, at a minimum: (1) a requirement for those with a conflict or potential conflict to disclose the conflict/potential conflict; (2) a prohibition of interested members of the applicant’s governing body from voting on any matter in which there is a conflict,

and (3) the specific process defining how the governing body will manage identified or potential conflicts.

You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Sample conflict of interest policies may be found at the National Council of Nonprofits website, <https://www.councilofnonprofits.org/tools-resources/conflict-of-interest>, or in Internal Revenue Service Form 1023, Appendix A, "Sample Conflict of Interest Policy," at <http://www.irs.gov/pub/irs-pdf/i1023.pdf>. Though these examples reference non-profit corporations, the requirement applies to all types of Agency borrowers.

Disclosure must be in the form of a written letter signed and dated by the applicant's official. A negative disclosure of the same format is required if no conflicts are anticipated.

Assistance in developing a conflict of interest policy is available through Agency-contracted technical assistance providers if desired.

Fully executed copies of any policies, procedures, ordinances, contracts, or agreements must be submitted prior to loan closing, with the exception of the conflict of interest policy, which must be in place prior to obligation of funds.

16. **Closing Instructions** – The Agency will prepare closing instructions as soon as the requirements of paragraphs 12, 13, and 14 are complete, as well as a draft of the security instrument(s). Closing instructions must be obtained prior to advertising for bids.
17. **Interim Financing** – For all loans exceeding \$500,000, where loan funds can be borrowed at reasonable interest rates on an interim basis from commercial sources for the construction period, such interim financing will be used to preclude the necessity for multiple advances of Agency loan funds. You must provide the Agency with a copy of the interim loan financing agreement for review prior to advertising for bids. The Agency approval official may make an exception when interim financing is cost prohibitive or unavailable. Grant funds from the Agency will be disbursed by multiple advances through electronic transfer of funds after interim financing or Agency loan funds are expended, in accordance with RUS Instruction 1780.45.
18. **Construction Account** – You must establish a construction account for all funds related to the project. Construction funds will be deposited with an acceptable financial institution or depository that meets the requirements of 31 CFR Part 202. A separate account will not be required for Federal funds and other funds; however, the recipient must be able to separately identify, report, and account for all Federal funds, including the receipt, obligation and expenditure of funds. Financial institutions or depositories accepting deposits of public funds and providing other financial agency services to the Federal Government are required to pledge adequate, acceptable securities as collateral, in accordance with 31 CFR Part 202. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the construction account at any one time. Your financial institution can provide additional guidance on collateral pledge requirements.

Agency funds will be disbursed into the borrower's depository account through an electronic transfer system. SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," must be completed and submitted to the Agency prior to advertising for bids.

19. **System Users** – This letter of conditions is based upon your indication at application that there will be at least 721 residential users and 154 non-residential users (commercial) users on the existing system when construction is completed.

Before the Agency can agree to the project being advertised for construction bids, you must certify that the number of users indicated at application are currently using the system or signed up to use the system once it is operational.

If the actual number of existing and/or proposed users that have signed up for service is less than the number indicated at the time of application, you must provide the Agency with a written plan on how you will obtain the necessary revenue to adequately cash flow the expected operation, maintenance, debt service, and reserve requirements of the proposed project (e.g., increase in user rates, sign up of an adequate number of other users, reduction in project scope, etc.). Similar action is required if there is cause to modify the anticipated flows or volumes presented following approval.

20. **Other Funding** – Prior to advertising for bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter from each source.
21. **Proposed Operating Budget** – You must establish and/or maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance (O&M), debt service, and reserves. Prior to advertising for bids, you must submit a proposed annual operating budget to the Agency which supports the operation, maintenance, debt service, and reserves, as well as your proposed rate schedule. The operating budget should be based on a typical year cash flow after completion of the construction phase and should be signed by the appropriate official of your organization. Form RD 442-7, “Operating Budget,” or similar format may be utilized for this purpose. It is expected that O&M will change over each successive year and user rates will need to be adjusted on a regular basis.
22. **Permits** – The owner or responsible party will be required to obtain all applicable permits for the project, prior to advertisement for bids. The consulting engineer must submit written evidence that all applicable permits required prior to construction have been obtained with submission to the Agency of the final plans, specifications, and bid documents.
23. **Vulnerability Assessment/Emergency Response Plan (VA/ERP)** – The Agency requires all financed water and wastewater systems to have a VA/ERP in place. Borrowers with existing systems must provide a certification that a VA/ERP has been completed prior to advertising for bids. The documents are not submitted to the Agency. For new systems, see Section V of this Letter of Conditions. For VA/ERP requirements throughout the life of the loan, see Section VII. Technical assistance at no cost is available in preparing these documents.
24. **Bid Authorization** - Once all the conditions outlined in Section III of this letter have been met, the Agency will authorize you to advertise the project for construction bids. Such advertisement must be in accordance with applicable State statutes.

SECTION IV - REQUIREMENTS PRIOR TO START OF CONSTRUCTION

25. **Bid Tabulation** – Immediately after bid opening, you must provide the Agency with (a) bid tabulation, and (b) your engineer's evaluation of bids and recommendations for contract awards. If the Agency agrees that the construction bids received are acceptable, adequate funds are available to cover the total project costs, and all the requirements of Section III of this letter have been satisfied, the Agency will authorize you to issue the Notice of Award.

Cost Overruns. If bids are higher than expected, or if unexpected construction problems are encountered, you must utilize all options to reduce cost overruns. Negotiations, redesign, use of bidding alternatives, rebidding or other means will be considered prior to commitment of subsequent funding by the Agency. Any requests for subsequent funding to cover cost overruns will be contingent on the availability of funds. Cost overruns exceeding 20% of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.

26. **Contract Review** – Your attorney will certify that the executed contract documents, including performance and payment, if required, are adequate and that the persons executing these documents have been properly authorized to do so in accordance with RUS Instruction 1780.61(b).

Once your attorney has certified that they are acceptable, the contract documents will be submitted to the Agency for its concurrence. The Notice to Proceed cannot be issued until the Agency has concurred in the construction contracts.

27. **Resident Inspector(s)** – Full-time inspection is required unless you request an exception. Such requests must be made in writing and the Agency must concur in the request. Inspection services are to be provided by the consulting engineer unless other arrangements are requested in writing and concurred in by the Agency. A resume of qualifications of any resident inspector(s) will be submitted to the owner and Agency for review and concurrence prior to the pre-construction conference. The resident inspector(s) must attend the pre-construction conference.

28. **Preconstruction Conference** – A preconstruction conference will be held prior to the issuance of the Notice to Proceed. The consulting engineer will review the planned development with the Agency, owner, resident inspector, attorney, contractor, other funders, and other interested parties, and provide minutes of this meeting to the owner and Agency.

29. **Final Rights-of-Way** – If any of the rights-of-way forms listed under paragraph 13 above contained exceptions, new forms which do not provide for any exceptions must be provided prior to the issuance of the notice to proceed. For projects involving the acquisition of land, you must provide evidence that you have title to the land prior to the issuance of the Notice to Proceed.

Final Title Work - On the day of loan closing or start of construction, whichever occurs first, your attorney must furnish a separate final title opinion on all existing land(s) and those to be acquired for the facility, showing no exceptions. Form RD 1927-10, "Final Title Opinion" may be used.

Final Title Work - Immediately after closing, a Title Insurance Policy showing no exceptions that would adversely affect the use of the real property in connection with the proposed project must be provided.

30. **Insurance and Bonding Requirements** - Prior to the start of construction or loan closing, whichever occurs first, you must acquire and submit to the Agency proof of the types of insurance and bond coverage for the borrower shown below. The use of deductibles may be allowed, providing you have the financial resources to cover potential claims requiring payment of the deductible. The Agency strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of the Agency to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.
- a. **General Liability Insurance** – Include vehicular coverage.
 - b. **Workers' Compensation** – In accordance with appropriate State laws.
 - c. **Fidelity or Employee Dishonesty Bonds** – You will provide coverage for all persons who have access to funds, including persons working under a contract or management agreement. Coverage may be provided either for all individual positions or persons, or through blanket coverage providing protection for all appropriate workers. During construction, each position should be bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The coverage may be increased during construction based on the anticipated monthly advances. After construction and throughout the life of the loan, the amount of coverage must be for at least the total annual debt service of the Agency loan. The Agency will be identified in the fidelity bond for receipt of notices. Form RD 440-24, "Position Fidelity Schedule Bond," or similar format may be used.
 - d. **National Flood Insurance** - If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of loan closing.
 - e. **Real Property Insurance** – Fire and extended coverage will normally be maintained on all structures except reservoirs, pipelines and other structures if such structures are not normally insured, and subsurface lift stations except for the value of electrical and pumping equipment. The Agency will be listed as mortgagee on the policy when the Agency has a lien on the property. Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all facilities identified above.

Insurance types described above are required to be continued throughout the life of the loan. See Section VII.

SECTION V – REQUIREMENTS PRIOR TO LOAN CLOSING

Interim Financing: Interim financing is being used. Loan closing will occur near the end of construction when interim funds are about to be completely disbursed. Documents detailed above from Sections II and III regarding security, electronic payments (Form 3550-28), and system policies, procedures, contracts, and agreements must be adopted and/or executed and

submitted to the Agency prior to loan closing. In addition, the following items are required prior to closing:

31. **Vulnerability Assessment/Emergency Response Plan (VA/ERP)** – The Agency requires all financed water and wastewater systems to have a VA/ERP in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operation, and a certification that a VA is complete must be submitted within one year of the start of operation. Borrowers with existing systems must provide a certification that a VA and ERP are completed prior to authorization to advertise for bids. The VA/ERP documents are not submitted to the Agency. Technical assistance is available in preparing these documents at no cost to you. The VA/ERP must address potential impacts from natural disasters and other emergency events. In particular, it should include plans to address impacts of flash flooding in areas where severe drought or wildfires occur. The documents should be reviewed and updated every three years.
32. **Other Requirements** – All requirements contained in the Agency’s closing instructions, as well as any requirements of your bond counsel and/or attorney, must be met prior to loan closing.
 - a. **System for Award Management**. You will be required to maintain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and maintain an active registration in the System for Award Management (SAM) database. Renewal can be done on-line at: <http://sam.gov>. This registration must be renewed and revalidated every twelve (12) months for as long as there are Agency funds to be expended.

To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation date, commonly referred to as the expiration date. The registration process may take up to 10 business days. (See 2 CFR Part 25 and the “Help” section at <http://sam.gov>).
 - b. **Litigation**. You are required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation prior to loan closing or start of construction, whichever occurs first. Additional documentation regarding the situation and litigation may be requested by the Agency.
 - c. **Certified Operator**. Evidence must be provided that your system has or will have, as defined by applicable State or Federal requirements, a certified operator available prior to the system becoming operational, or that a suitable supervisory agreement with a certified operator is in effect.

SECTION VI – CONSTRUCTION AND POST CONSTRUCTION REQUIREMENTS:

33. **Inspections** - The Agency requires a pre-construction conference, pre-final and final inspections, and warranty inspection. Your engineer will schedule a warranty inspection with the contractor and the Agency before the end of the one-year warranty period to address and/or resolve any warranty issues. The Agency will conduct an inspection of your records management system at the same time, and will continue to inspect the facility and your records system every three years for the life of the loan. You must participate in these inspections and provide the required information.

34. **Change Orders** – Prior Agency concurrence is required for all Change Orders.
35. **Payments** – Prior Agency concurrence is required for all Invoices and Partial Payment Estimates before Agency funds will be released. Requests for payment related to a contract or service agreement will be signed by the owner, project engineer, and contractor or service provider prior to Agency concurrence. Invoices not related to a construction contract or service agreement will include the owner's written concurrence.
36. **Use of Remaining Funds** – Applicant contribution and connection or tap fees will be the first funds expended in the project, followed by non-Agency sources of funds. Remaining funds may be considered in direct proportion to the amounts obtained from each source and handled as follows:
- Remaining funds may be used for eligible loan and grant purposes, provided the use will not result in major changes to the original scope of work and the purpose of the loan and grant remains the same.
 - Agency loan funds that are not needed will be applied as an extra payment on the Agency indebtedness unless other disposition is required by the bond ordinance, resolution, or State statute.
 - Grant funds not expended for authorized purposes will be cancelled within 90 days of final completion of project. Prior to actual cancellation, you and your attorney and engineer will be notified of the Agency's intent to cancel the remaining funds and given appropriate appeal rights.

SECTION VII – SERVICING REQUIREMENTS DURING THE TERM OF THE LOAN

37. **Prepayment and Extra Payments** - Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of borrower to pay the remaining installments as scheduled in your security instruments.

38. **Graduation** - By accepting this loan, you are also agreeing to refinance (graduate) the unpaid loan balance in whole, or in part, upon request of the Government. If at any time the Agency determines you are able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms, you will be requested to refinance. Your ability to refinance will be assessed every other year for those loans that are five years old or older.
39. **Security/Operational Inspections** – The Agency will inspect the facility and conduct a review of your operations and records management system and conflict of interest policy every three years for the life of the loan. You must participate in these inspections and provide the required information. Your conflict of interest policy will be reviewed at this time.

- 40. Annual Report/Audit Requirements** – You are required to submit an annual report at the end of each fiscal year. The annual report will be certified by the appropriate organization official, and will consist of financial information and a rate schedule. Financial statements must be prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP), and must include at a minimum a balance sheet and income and expense statement. The annual report will include separate reporting for each water and waste disposal facility, and itemize cash accounts by type (debt service, short-lived assets, etc.) under each facility. You will retain all records, books and supporting material for three years after the issuance of the annual report.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to the Agency prior to advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided and how irregularities will be reported.

The type of financial information that must be submitted is specified below:

- a. Audits** – All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

An annual audit is required in the following instances:

- **Single Audit.** If you expend \$750,000 or more in Federal financial assistance per fiscal year, an audit under the Single Audit Act is required. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.
 - **GAGAS Audit.** If you expend less than \$750,000 in Federal financial assistance per fiscal year, but have a total outstanding Agency loan balance of \$1,000,000 or more, a financial audit performed in accordance with the latest revision of the generally accepted government auditing standards (GAGAS) is required.
- b. Financial Statements** – If you expend less than \$750,000 in Federal financial assistance per fiscal year and have an outstanding Agency loan balance of less than \$1,000,000, you may submit financial statements in lieu of an audit which include at a minimum a Balance Sheet and an Income and Expense Statement. You may use Form RD 442-2, “Statement of Budget, Income and Equity,” and 442-3, “Balance Sheet,” or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official and submitted within 60 days of your fiscal year end.

- c. **Quarterly Reports** – Quarterly Income and Expense Statements will be required until the processing office waives this requirement. You may use Form RD 442-2 or similar format to provide this information, and the reports are to be signed by the appropriate borrower official. The Agency will notify you in writing when the quarterly reports are no longer required.

- 41. **Annual Budget and Projected Cash Flow** - Thirty days prior to the beginning of each fiscal year, you will be required to submit an annual budget and projected cash flow to this office. With the submission of the annual budget, you will be required to provide a current rate schedule, a current listing of the Board or Counsel Members and their terms. The budget must be signed by the appropriate borrower official. Form RD 442-2 or similar format may be used.

Technical assistance is available at no cost to help you evaluate and complete a rate analysis on your system. If you are interested, please contact our office for information.

- 42. **Vulnerability Assessment/Emergency Response Plan (VA/ERP)** – You will be required to submit a certification to the servicing office every three years that the VA/ERP is current and covers all sites related to the facility. The documents themselves are not submitted to the Agency.

- 43. **Insurance**. You will be required to maintain insurance on the facility and employees as described in paragraph 30 for the life of the loan.

- 44. **Statutory and National Policy Requirements**– As a recipient of Federal funding, you are required to comply with U.S. statutory and public policy requirements, including but not limited to:

- a. **Section 504 of the Rehabilitation Act of 1973** – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance.
- b. **Civil Rights Act of 1964** – All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and Subpart E of Part 1901 of this Title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.
- c. **The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.
- d. **Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be

denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

- e. **Limited English Proficiency (LEP) under Executive Order 13166** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under federally assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. You must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled, "Improving Access to Services by Persons with Limited English Proficiency" and further affirmed in the USDA Departmental Regulation 4330-005, "Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA."

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. You must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor your compliance with these requirements during compliance reviews. Compliance reviews will typically be conducted in conjunction with the security inspections described in paragraph 39.

- 45. **Data Collection.** If beneficiaries (users) are required to complete an application or screening for the use of the facility or service that you provide, you must request and collect data by race (American Indian or Alaska Native, Asian, Black or African American, White); ethnicity (Hispanic or Latino, Not Hispanic or Latino); and by sex. The Agency will collect this data as part of the required compliance review described under paragraph 44.

SECTION VIII – REMEDIES FOR NON-COMPLIANCE

Non-compliance with the conditions in this letter or requirements of your security documents will be addressed under the provisions of 7 CFR 1782 and other applicable regulations, statutes, and policies.

We look forward to working with you to complete this project. If you have any questions, please contact the undersigned at 907-271-2424 ext. 118 or by e-mail at Tasha.deardorff@ak.usda.gov.

Sincerely,



TASHA DEARDORFF
Sanitation and Community Programs Director

Attachments

ACRONYMNS:

ACH – Automated Clearing House
AD – Agriculture Department
CDBG – Community Development Block Grant
CFR – Code of Federal Regulations
CPAP – Commercial Programs Application Processing
DUNS – Dun and Bradstreet Data Universal Numbering System
EJCDC – Engineers Joint Contract Documents Committee
ERP – Emergency Response Plan
GAAP – Generally Accepted Accounting Principles
GAGAS – Generally Accepted Government Auditing Standards
OC – Owner Construction
OPS – Owner-Performed Services
O&M – Operation and Maintenance
PER – Preliminary Engineering Report
RD – Rural Development
RUS – Rural Utilities Service
SAM – System for Award Management
SF – Standard Form
UCC – Uniform Commercial Code
USC – United States Code
USDA – United States Department of Agriculture
VA – Vulnerability Assessment

Appendix A

I. SYSTEM FOR AWARD MANAGEMENT AND UNIVERSAL IDENTIFIER REQUIREMENTS

A. Requirement for System for Award Management

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

B. Requirement for unique entity identifier

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (*see* definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its unique entity identifier to you.
2. May not make a subaward to an entity unless the entity has provided its unique entity identifier to you.

C. Definitions

For purposes of this award term:

1. System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).
2. Unique entity identifier means the identifier required for SAM registration to uniquely identify business entities.
3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
 - a. A Governmental organization, which is a State, local government, or Indian Tribe;
 - b. A foreign public entity;
 - c. A domestic or foreign nonprofit organization;
 - d. A domestic or foreign for-profit organization; and

e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

4. Subaward:

a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.330).

c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

5. Subrecipient means an entity that:

a. Receives a subaward from you under this award; and

b. Is accountable to you for the use of the Federal funds provided by the subaward.

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda Section</u>	13

RESOLUTION No. 08-19-1479 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY20 BUDGET IN THE RESIDENTIAL CONSTRUCTION FUND BY ACCEPTING REVENUE FROM THE SALE OF CITY OWNED LAND TO JOB AND MARY MONTOY, AS AUTHORIZED IN RESOLUTION NO. 07-19-1474, IN THE AMOUNT OF \$9,325 AND AUTHORIZING ITS EXPENDITURE

SUBMITTED BY:

Kim Lane, Borough Clerk

FISCAL NOTE:

Expenditure Required: \$XXX Total

FY 20: \$9,325	FY 21: \$	FY22: \$
-----------------------	-----------	----------

Amount Budgeted:

	FY 20 \$0	
--	-----------	--

Account Number(s):

	50000-000-4650 (\$9,325)	
--	--------------------------	--

Account Name(s):

	Residential Construction Fund	
--	-------------------------------	--

Unencumbered Balance(s) (prior to expenditure):

	\$32,000	
--	----------	--

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Resolution No. 08-19-1479

RECOMMENDATION MOTION:

Move to Approve Resolution No. 08-19-1479.

SUMMARY STATEMENT:

The Assembly approved Resolution No. 07-19-1474 that approved the sale of Borough owned property to Job and Mary Montoy.

Because the amount was not reflected in the FY 2020 Budget, the Assembly must amend the budget to reflect the revenue, and authorize its expenditure. This resolution accomplishes that.

CITY AND BOROUGH OF WRANGELL

RESOLUTION No. 08-19-1479

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2020 BUDGET IN THE RESIDENTIAL CONSTRUCTION FUND BY ACCEPTING REVENUE FROM THE SALE OF CITY OWNED LAND TO JOB AND MARY MONTORY, AS AUTHORIZED IN RESOLUTION NO. 07-19-1474, IN THE AMOUNT OF \$9,325 AND AUTHORIZING ITS EXPENDITURE

WHEREAS, the Borough Assembly authorized the conveyance of land to Job and Mary Montoy by Resolution (07-19-1474) for specific borough land; and

WHEREAS, the FY 2020 Budget must be amended to accept this revenue; and

WHEREAS, the property sold was Residential zoned land and for that reason is being placed into the Residential Construction Fund to provide funding for future residential land projects.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:

Section 1: The FY 2020 Budget in the Residential Construction Fund is amended to reflect an increase in revenue to account 50000-000-4650, Residential Construction Fund Revenue, in the amount of \$9,325.

Section 2: The FY 2020 Budget in the Residential Construction Fund is amended to authorize the additional expenditure of \$9,325.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 27th DAY OF AUGUST, 2019.

CITY & BOROUGH OF WRANGELL

Stephen Prysunka, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda NO.</u>	13g

PROPOSED RESOLUTION NO. 08-19-1480 OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2020 BUDGET IN THE GENERAL FUND BY TRANSFERRING \$25,000 FROM THE GENERAL FUND RESERVES TO CAPITAL FACILITIES CAPITAL EQUIPMENT EXPENDITURES FOR THE PURCHASE OF A USED VEHICLE, AND AUTHORIZING ITS EXPENDITURE

<u>SUBMITTED BY:</u>
Amber Al-Haddad, Capital Facilities Director

<u>Reviews/Approvals/Recommendations</u>	
<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

<u>FISCAL NOTE:</u>		
Expenditure Required: \$25,000		
FY 19: \$0	FY 20: \$25,000	FY21: \$
Amount Budgeted:		
	FY20 \$0	
Account Number(s):		
	11000-029-7900	
Account Name(s):		
	Capital Facilities Capital Equipment Expenditures	
Unencumbered Balance(s) (prior to expenditure):		
	\$5,948,020 (General Fund Reserve Account)	

ATTACHMENTS:

1. Resolution No. 08-19-1480
2. August 21, 2019 email from Rolland Howell, Public Works Director, addressing the 1995 Ford Explorer's failure and providing a recommendation for its discontinued use

RECOMMENDATION MOTION:

Move to approve Resolution No. 08-19-1480.

SUMMARY STATEMENT:

Last month, the City's 1995 Ford Explorer, which was reassigned to the Capital Facilities Department earlier this year, was picked up by Fleet Maintenance due to a roadside failure caused by parts breaking off from underneath the vehicle. The diagnosis was made by Public Works that

the vehicle's frame had rusted to the point where the vehicle is not road worthy and the vehicle repairs requirements are significant enough to make repairs an unreasonable approach. Public Works / Fleet Maintenance has red flagged this vehicle for safety issues and recommends disposing of the Ford Explorer vehicle through surplus sale (See attached Rolland Howell's 8-21-19 email).

The department has three staff members whose work is scattered across the community on a daily basis. With the loss of the Explorer, the department is down to one pick-up truck.

In my previous positions with the CBW, and now as Capital Facilities Director, I have been driving my personal vehicle for all work related needs the past nine years, with no compensation. Last month both of my personal vehicles were in the shop when the Explorer was red flagged. Due to the extra wear and tear of using my vehicle for work, I have decided that I no longer wish to routinely use my vehicles for work. As luck would have it, the CBW had an old 1999 police car on its surplus list, and we were able to remove it from the list and return it to service for my work use until such a time as another vehicle can be provided.

In the meantime, having only one pick-up truck for the two maintenance staff to share is impacting to work flow. The maintenance staff generally splits up the work load. Some projects require them to work together, while others find them dividing the work load for an improved rate of accomplishments.

With the understanding that the department is seeking funding for a second maintenance vehicle, the Lead Facilities Maintenance staff person has offered to drive his personal truck for a short period of time, but there is no expectation that he make this allowance with his personal vehicle as a long-term solution, nor does he wish to do so. Mileage reimbursement is being made to him during the period of his personal vehicle use.

Of note, the proposed replacement vehicle is not another mid-sized SUV like the Explorer, but rather a utility style pickup truck. In examining the demands of our department's work, including a review of materials and equipment routinely transported, the versatility of an open bed pick-up truck is better suited for this vehicle replacement than a SUV.

Staff recommends a budget amendment of \$25,000 toward the purchase of a used vehicle as a replacement for the 1995 Ford Explorer under the Capital Equipment Expenditure for the Capital Facilities Department. As recommended by our Lead Mechanic, we should be able to locate a suitable truck with approximately 50,000 miles and no older than approximately five years old, and have it shipped to Wrangell with the requested level of funding. Staff is also reviewing options within the Pacific Northwest on the GSA Auction website.

By adopting Resolution 08-19-1480, the City and Borough of Wrangell will amend the FY20 Budget in the General Fund by transferring \$25,000 from General Fund Reserves to Capital Facilities Capital Equipment Expenditures for the procurement of a used vehicle.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 08-19-1480

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2020 BUDGET IN THE GENERAL FUND BY TRANSFERRING \$25,000 FROM GENERAL FUND RESERVES TO THE CAPITAL FACILITIES CAPITAL EQUIPMENT EXPENDITURES FOR THE PURCHASE OF A USED VEHICLE, AND AUTHORIZING ITS EXPENDITURE

WHEREAS, Resolution No. 06-19-1467 adopted the budget for all funds of the City and Borough of Wrangell, Alaska for the fiscal year 2019-2020; and

WHEREAS, the Wrangell Municipal Code requires that the Borough Assembly approve any budget changes to the amounts adopted; and

WHEREAS, the City and Borough of Wrangell's budget presumes that each department will, to the best of their ability, maintain its expenditures within its allocated budgeted level and exercise prudence in expending funds during the course of the fiscal year and recognizes that, from time to time, circumstances and events may require the original budget to need revision; and

WHEREAS, due to the recent structural and mechanical failure of the City and Borough of Wrangell's 1995 Ford Explorer, assigned to the Capital Facilities Department, a replacement vehicle is needed to provide an adequate number of vehicles for the department staff's daily use; and

WHEREAS, the Capital Facilities Department will exercise prudence in the procurement of a used, replacement vehicle in an amount not to exceed \$25,000; and

WHEREAS, the City and Borough of Wrangell will amend the FY 2020 Budget in the General Fund by transferring \$25,000 from General Fund Reserves to Capital Facilities Capital Equipment Expenditures for the procurement of a used vehicle.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, that:

Section 1: The FY 2020 Budget in the General Fund is amended by transferring \$25,000 from General Fund Reserves to Capital Facilities Capital Equipment Expenditures (11000-029-7900) for the purchase of a used vehicle, and authorizing its expenditure.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 27th day of August, 2019.

Steve Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

From: Rolland Howell [mailto:rhowell@wrangell.com]

Sent: Wednesday, August 21, 2019 1:13 PM

To: aal-haddad@wrangell.com

Subject: 1995 Ford Explorer summary

1995 Ford Explorer, Odometer 68022. The frame on this Explorer is rusted through. The shock tore out of the frame in another spot because it was rusted through as well. There is also a significant oil leak. This vehicle has too many problems to list. The man hours to fix the frame are irrelevant because we can't legally put a vehicle into service that we know is not road worthy. Low Blue Book is \$700 - \$1727. PW and Garage recommendation is to surplus this vehicle. Let me know if you need anything else.



CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda Section</u>	13

Approval to Authorize the Borough Manager to Dispose of any City Surplus Items that were not bid on for the Surplus Sale

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager and
Kim Lane, Borough Clerk

FISCAL NOTE:

Expenditure Required: N/A

FY 19: \$	FY 20: \$	FY21: \$
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Amount Budgeted:

	FY19 N/A	
--	----------	--

Account Number(s):

	N/A	
--	-----	--

Account Name(s):

	N/A	
--	-----	--

Unencumbered Balance(s) (prior to expenditure):

	N/A	
--	-----	--

Reviews/Approvals/Recommendations

☐

Name(s)

Name(s)

☐

Attorney

☐

Insurance

ATTACHMENTS: 1. Over-the-Counter Surplus List

RECOMMENDED MOTION:

Move to authorize the Borough Manager to dispose of any City Surplus items that were not bid on for the Surplus Sale, in a manner that is in the best interest of the City.

SUMMARY STATEMENT:

The City held a closed-bid Surplus Sale on July 19, 2019. There were several items that did not receive any bids.

The Borough Clerk published the notice and list to sell those items over-the-counter, As-Is, Where-Is, beginning on July 20, 2019.

On the over-the-counter list is a Gangway that was used at the Shoemaker Bay Harbor. That item is currently on the over-the-counter list for \$10,000. We received an offer for that item for \$8,000. Two other parties have also expressed interest. The Manager needs authority to work through an additional process to sell the gangway and all the other items on the list that did not sell.

If approved, the Assembly would be giving the Borough Manager authorization to sell or dispose of the items listed on the over-the-counter surplus list, in the best interest of the City.

If items on the list are still not sold, the Borough Manager may authorize the disposal of the items or the retention on the items, based on their value.

During the sealed bid process only one item, a vehicle was sold. The other vehicle crossed off the attached list is being retained by the Borough for use by the Capital Facilities Department.

In the future, Administration will include a provision in the authorizing resolution giving the Manager authority to dispose of any items unsold during a bid in the best interest of the Borough.

City & Borough of Wrangell

Surplus Property For Sale Over-the-Counter

	<i>Description</i>	<i>Other Info.</i>	<i>Condition</i>	<i>Available to view at:</i>	<i>Amount</i>
1	Shoemaker Gangway		good	Shoemaker Harbor	\$10,000
2	32" Sylvania Color TV	-	works	City Hall	\$5
3	Sharp Calculator		works	City Hall	\$1
4	Dell 4 Laptop		works	City Hall	\$15
5	Flat head		Not Running	Shoemaker Park Shed	\$20
6	Air Compressor		Fair	City Garage	\$50
7	Brake Lathe		Fair	City Garage	\$100
8	Valve Refacer		Fair	City Garage	\$100
9	Air Compressor		Broken	City Garage	\$50
10	Pickup		Fair	City Garage	\$1,000
11	Car	-	Fair	City Garage	\$1,000
12	Winch		Fair	Shoemaker Park Shed	\$50
13	Asphalt Patching Machine		Fair	City Garage	\$100
14	Car Divider (used in PD car)		Fair	Shoemaker Park Shed	\$20
15	Car Divider (used in PD car)		Fair	Shoemaker Park Shed	\$20
16	Car Divider (used in PD car)		Fair	Shoemaker Park Shed	\$20
17	Car Divider (used in PD car)		Fair	Shoemaker Park Shed	\$20
18	Front Bumper Mounted Winch		Fair	Shoemaker Park Shed	\$200
19	Old Desk		poor	Shoemaker Park Shed	\$1
20	Bucket from old Bucket Truck		fair	Shoemaker Park Shed	\$50

The City & Borough of Wrangell offers NO warranty or guarantee on any surplus property.

All items are sold on a *first-come, first-serve* basis.

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda NO.</u>	131

PROPOSED RESOLUTION NO. 08-19-1481 OF THE CITY AND BOROUGH OF WRANGELL, ALASKA ADOPTING THE ENVIRONMENTAL MITIGATION MEASURES OUTLINED IN THE MARCH 2017 ENVIRONMENTAL REVIEW BY SOLSTICE ALASKA CONSULTING FOR THE WATER TREATMENT PLANT IMPROVEMENTS DESIGN AND CONSTRUCTION PROJECT

SUBMITTED BY:

Amber Al-Haddad, Capital Facilities Director

FISCAL NOTE:

Expenditure Required: \$0

FY 19: \$0

FY 20: \$0

FY21: \$

Amount Budgeted:

FY20 \$0

Account Number(s):

Account Name(s):

Unencumbered Balance(s) (prior to expenditure):

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS:

1. Solstice Alaska Consulting, Inc.'s March 2017 Water Treatment Plant Upgrades Project, USDA Environmental Report
2. Resolution No. 08-19-1481 Adopting the Environmental Mitigation Measures for the Water Treatment Plant Improvements Design and Construction Project

RECOMMENDATION MOTION:

Move to approve Resolution No. 08-19-1481 adopting the environmental mitigation measures outlined in the March 2017 Environmental Review by Solstice Alaska Consulting for the Water Treatment Plant Improvements Design and Construction Project.

SUMMARY STATEMENT:

In 2017, the Rural Development division of the United States Department of Agriculture (USDA) approved a \$3,821,000 loan and a \$3,161,000 grant for the design and construction of the Water Treatment Plant Improvements Project. The USDA program director issued a letter of conditions, many of which must be met prior to advertising for bids. Although Wrangell is still waiting for a final decision from the Economic Development Administration (EDA) about the success of our grant application for an additional \$2,996,953 in grant funding for the same project, USDA has asked that we show forward movement toward their conditions as we work toward securing the balance of the funding needed for the project.

One of the conditions required is that Wrangell adopt a resolution accepting the environmental mitigation measures outlined in the final Environmental Review (ER) document prepared in March 2017 by Solstice Alaska Consulting, Inc. A full copy of that ER is attached hereto.

A synopsis of the environmental requirements, which shall be adhered to during the design and construction project are as follows:

- Blasting and heavy equipment use must be limited to daytime use (10 hours);
- During construction, a SWPPP (Storm Water Pollution Prevention Plan) will be developed, erosion and sediment control BMPs (Best Management Practices) will be implemented, and a spill clean-up kit will be maintained on site;
- Emissions from vehicles and equipment must be maintained below applicable state and local emission control plans;
- Movement of construction material and machinery must be scheduled for non-peak or non-critical times;
- In the event that historical artifacts are discovered, all work must be stopped immediately and appropriate agencies must be contacted;
- Best Management Practices must be utilized during construction to minimize or avoid potential impacts to water quality or resources;
- All waste materials generated during construction will be disposed of in the landfill or the waste will be backhauled to an approved facility;
- Disturbed areas must be permanently stabilized after project completion to help suppress dust;
- Mitigation measures will be taken to minimize impacts to migratory birds. The site will be examined for the presence of animal or bird habitat and breeding ground before ground disturbing activities. Clearing and grubbing must take place either before April 15 or after July 15.

The project has been evaluated to be consistent with the National Environmental Policy Act (NEPA). Other federal, state or local laws and regulations and/or permits may apply or be required. If the project or any project element deviates from or is modified from the original USDA-approved project, additional environmental reviews may be required.

Resolution No. 08-19-1481, outlining the adoption of the environmental mitigation measures, as outlined in Solstice Alaska Consulting, Inc.'s March 2017 Environmental Review for the Water Treatment Plant Improvements design and construction project is attached hereto.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 08-19-1481

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING THE ENVIRONMENTAL MITIGATION MEASURES OUTLINED IN THE MARCH 2017 ENVIRONMENTAL REVIEW BY SOLSTICE ALASKA CONSULTING FOR THE WATER TREATMENT PLANT IMPROVEMENTS DESIGN AND CONSTRUCTION PROJECT

WHEREAS, the City and Borough of Wrangell, Alaska approved the development of the Preliminary Engineering Report (PER) and Environmental Review (ER) documents with CRW Engineers and their environmental consultant, Solstice Alaska Consulting, Inc., as required for the Water Treatment Plant Improvements Project; and

WHEREAS, utilizing the PER and ER, the City and Borough of Wrangell sought funding assistance and has obtained a loan and grant funding package from the United States Department of Agriculture (USDA) as partial funding for this improvement project and is therefore subject to the requirements of the National Environmental Policy Act (NEPA); and

WHEREAS, the City and Borough of Wrangell will initiate and adhere to the environmental mitigation measures outlined in the Solstice Alaska Consulting, Inc.'s March 2017 Environmental Review (ER) throughout the design and construction phases of this improvement project in order to avoid or minimize adverse environmental impacts; and

WHEREAS, as outlined in the Solstice Alaska Consulting, Inc.'s March 2017 Environmental Review (ER), the following actions are required for successful completion of the project:

- Blasting and heavy equipment use must be limited to daytime use (10 hours);
- During construction, a SWPPP would be developed, erosion and sediment control BMPs will be implemented, and a spill clean-up kit will be maintained on site;
- Emissions from vehicles and equipment must be maintained below applicable state and local emission control plans;
- Movement of construction material and machinery must be scheduled for non-peak or non-critical times;
- In the event that historical artifacts are discovered, all work must be stopped immediately and appropriate agencies must be contacted;
- Best Management Practices must be utilized during construction to minimize or avoid potential impacts to water quality or resources;
- All waste materials generated during construction will be disposed of in the landfill or the waste will be backhauled to an approved facility;
- Disturbed areas must be permanently stabilized after project completion to help suppress dust;
- Mitigation measures will be taken to minimize impacts to migratory birds. The site will be examined for the presence of animal or bird habitat and breeding ground

before ground disturbing activities. Clearing and grubbing must take place either before April 15 or after July 15.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, that:

Section 1: The Assembly hereby adopts the environmental mitigation measures outlined in Solstice Alaska Consulting, Inc.'s March 2017 Environmental Review (ER) for the Water Treatment Plant Improvements Design and Construction project.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 27th day of August, 2019.

CITY & BOROUGH OF WRANGELL, ALASKA

Steve Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

City and Borough of Wrangell
Water Treatment Plant Upgrades Project
USDA Environmental Report

Prepared for:
City and Borough of Wrangell

Prepared by:
Solstice Alaska Consulting, Inc.
2607 Fairbanks St., Suite B
Anchorage, AK 99503

March 2017

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CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda NO.</u>	

PROPOSED RESOLUTION No. 08-19-1482 OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2020 BUDGET IN THE GENERAL FUND TRANSFERRING UP TO \$50,000 FROM GENERAL FUND RESERVES TO THE POLICE DEPARTMENT CAPITAL EQUIPMENT EXPENDITURES FOR THE PURCHASE OF TWO USED USFS POLICE VEHICLES

<u>SUBMITTED BY:</u>
Lisa Von Bargaen, Borough Manager

<u>Reviews/Approvals/Recommendations</u>	
<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

<u>FISCAL NOTE:</u>		
Expenditure Required: Up to \$50,000		
FY 19:	FY 20: \$50,000	FY21: \$
Amount Budgeted:		
	FY20 \$0	
Account Number(s):		
	11000 013 7900	
Account Name(s):		
	Police Dept. Capital Equipment	
Unencumbered Balance(s) (prior to expenditure):		
	\$0	

ATTACHMENTS: 1. Res 08-19-1482.

RECOMMENDATION MOTION:

Move to Approve Resolution No. 08-19-1482.

SUMMARY STATEMENT:

Several weeks ago Lt. Bruce Smith was alerted to the fact the USFS will be surplussing the police vehicle in Wrangell currently used by USFS Officer Jimmy Nelson, and the same make/model of the USFS officer in Ketchikan. The vehicles are 2013 Chevy Tahoes. The Wrangell vehicle has 17,000 miles and the Ketchikan vehicle has 30,000. Immediately upon learning this information Lt. Smith contacted the USFS office in Ketchikan to understand the process. He was advised the USFS would

be able to negotiate with another government entity – rather than putting the vehicles out for public surplus. The local government entity would need to make a reasonable fair market value to be considered. Lt. Smith engaged Dave Bryner in the Garage Department. They have determined the value of the vehicles to be within \$19,000 and \$22,000. The police packages on vehicles can often cost around 8,000 as well. It is our understanding most of the police add-ons will be included with the vehicles.

This is an outstanding opportunity to improve the police fleet for a very reasonable price – especially given the proximity of the vehicles within and to Wrangell.

Initially, the USFS told Lt. Smith Wrangell would be in line behind Hoonah. The Hoonah Chief (Rick Groshong) contacted Lt. Smith last week to let him know Hoonah would need to withdraw their interest in acquiring the vehicles.

Administration is asking for up to \$50,000 to be available to negotiate with the USFS. Hopefully not all of that will need to be spent.

The PD received a new vehicle in 2018, and has another one currently on the way, likely to arrive this fall. If we are able to acquire the USFS vehicles they would replace two Crown Victorias.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 08-19-1482

A RESOLUTION OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2020 BUDGET IN THE GENERAL FUND TRANSFERRING UP TO \$50,000 FROM GENERAL FUND RESERVES TO THE POLICE DEPARTMENT CAPITAL EQUIPMENT EXPENDITURES FOR THE PURCHASE OF TWO USED USFS POLICE VEHICLES

WHEREAS, the Assembly of the City and Borough of Wrangell aproved Resolution No. 06-19-1467 on June 11, 2019 adopting the budget for all funds of the City and Borough of Wrangell, Alaska for the fiscal year 2019-2020; and

WHEREAS, the Wrangell Municipal Code requires that the Borough Assembly approve any budget amendments to the amounts adopted; and

WHEREAS, Administration recommends a budget amendment adding an additional \$50,000 to Capital Equipment Expenditures in the Police Department for the purchase of two used USFS police vehicles.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, that:

Section 1: The FY 2020 Budget in the General Fund is amended by transferring funds in the amount of up to \$50,000 from General Fund Reserves to the Police Department Capital Equipment Expenditures Account (11000 013 7900) and authorizing its expenditure.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 27th Day of August, 2019.

CITY & BOROUGH OF WRANGELL, ALASKA

Steve Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	August 27, 2019
	<u>Agenda Section</u>	13

Discussion Item: Proposed Staff Changes in the Electric Department

SUBMITTED BY:

Rod Rhoades, Electrical Superintendent and
Lisa Von Barga, Borough Manager

FISCAL NOTE:

Expenditure Required: \$XXX Total

FY 19: \$	FY 20: \$	FY21: \$
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Amount Budgeted:

	FY19 \$XXX
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Account Number(s):

	XXXXX XXX XXXX
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Account Name(s):

	Enter Text Here
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Unencumbered Balance(s) (prior to expenditure):

	\$XXX
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Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Memo from Electric Supervisor

RECOMMENDATION MOTION:

None. Discussion only.

SUMMARY STATEMENT:

With the departure of the staff person who formerly held the Groundman/Meter Reader position in the Electric Department, the Director has taken time to consider the best staffing configuration needs. Rod Rhoades has submitted a memo for use as a discussion starting point with the Assembly.

In addition to the attached report, Administration will try to have potential budget impacts ready to share with the Assembly on Tuesday at the meeting.

MEMORANDUM

TO: LISA VON BARGEN, BOROUGH MANAGER
FROM: ROD RHOADES, MUNICIPAL LIGHT & POWER DIRECTOR
SUBJECT: RECOMMENDED WML&P's STAFFING CHANGES
DATE: August 23, 2019

SUMMARY:

WML&P has identified a couple areas of concern as it relates to WML&P's staffing needs. To address these concerns, I want to add a new position to our staffing levels and modify the duties of an existing position.

- Item 1 - Add a new position of Diesel Electric Mechanic Apprentice
 WML&P intends post for a Diesel Electric Mechanic Apprentice who would also assume the duties of a 'groundman' for the line crew.

Our Powerhouse Operator hold a unique set of skills that includes a complete maintenance of the diesel engines that drive our generators, the maintenance of the generators themselves and the control systems that make it possible for all of our generators to provide full power to the City and Community of Wrangell. This new job is in recognition of the risk we face if our sole Powerhouse Operator (Royce Cowan) is, for any reason, unable to perform his duties. Additionally, Royce may want to retire someday. An Apprentice to tutelage under Royce's leadership is needed to ensure that institutional knowledge of WML&P's Powerhouse is passed along to a workforce that will carry that knowledge into the future.

- Item 2 - Changes to the existing Meter Reader position
 The duties of WML&P's existing Meter Reader position need to be change to more reflect the actual needs of the department. The needs of the department will be best served by making this position a 'part-time' position; i.e. exclusively employed to read the meter route. The Meter Route averages about a week's worth of work (5 days), depending upon time of year, weather conditions and needs for "re-reads".

The Meter Reading position traditionally has been an 'entry-level' position, with very little, if any opportunity for upward mobility (advancement). This has resulted in less-than stable employment; those employed in this position quickly looking for 'something better'.

By offering the Metering Reading position as a part-time job, we reduce the expectations of advancement. Further, a part-time position would be emphasized in a way as to discourage those applicants who are looking for full employment.

In all other respects WML&P's staffing levels would remain as they presently are.