City and Borough of Wrangell
Work Session & Borough Assembly Meeting
AGENDA

Tuesday, June 08, 2021 Location: **Borough Assembly Chambers**
Work Session at 6:00 PM/Regular Assembly Meeting at 7:00 PM

WORK SESSION (6:00 – 7:00 PM)

a. Work Session: FY 2022 Budget

1. CALL TO ORDER

a. PLEDGE OF ALLEGIANCE led by Assembly Member Anne Morrison

b. CEREMONIAL MATTERS

2. ROLL CALL

3. PERSONS TO BE HEARD - ***Section WMC 3.05.040 (C)*** *states that: The chair may call to order any person who is breaching the peace or being disorderly by speaking without recognition, engaging in booing or catcalls, speaking vulgarities, name calling, personal attacks, or engaging in other conduct which is determined by the chair to be disruptive of the meeting. Any person so disrupting a meeting of the assembly may be removed and barred from further attendance at the meeting unless permission to return or remain is granted by a majority vote of the assembly.*

4. AMENDMENTS TO THE AGENDA

5. CONFLICT OF INTEREST

6. CONSENT AGENDA

MOTION ONLY: *Move to Approve the Consent Agenda, as submitted.*

a. Minutes of the May 25, 2021 Regular Assembly Meeting

7. BOROUGH MANAGER'S REPORT

a. Presentation by Wrangell Convention and Visitor Bureau of the New Destination Marketing Brand

b. COVID-19 Update (Verbal at Meeting)

c. Capital Facilities Department Report

d. Water Treatment Plant Improvements - Project Update Memo

e. NTL water Quality Report

8. BOROUGH CLERK'S FILE

a. Borough Clerk's Report

9. MAYOR AND ASSEMBLY BUSINESS

10. MAYOR AND ASSEMBLY APPOINTMENTS - None.

11. PUBLIC HEARING - None.

12. **UNFINISHED BUSINESS** - None.

13. **NEW BUSINESS**

a. **RESOLUTION No 06-21-1589** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, LEVYING A GENERAL TAX FOR SCHOOL AND MUNICIPAL PURPOSES UPON ALL TAXABLE PROPERTY WITHIN THE BOROUGH FOR THE TAX YEAR 2021 PURSUANT TO WRANGELL MUNICIPAL CODE SECTION 5.04.010; PROVIDING FOR THE COLLECTION OF TAXES DUE IN 2021 AND PRESCRIBING PENALTIES AND INTEREST FOR DELINQUENT TAXES

b. Approval of Assignment of Tidelands Lease on Lot 15, Block 1-A, Alaska Tidelands Survey 83 (Including the Exception) from Wilma E. Leslie to James D. Leslie

c. Approval of Assignment of Tidelands Lease Lot B, Travelift Replat, from Elodie Freeman to David L. Miller

d. Approval of Police Department Body Worn Cameras Policy

e. **RESOLUTION No. 06-21-1590** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2021 BUDGET IN THE HARBOR FUND TRANSFERRING $22,750 FROM HARBOR FUND RESERVES TO THE HARBOR FUND FACILITY REPAIR AND MAINTENANCE ACCOUNT AND AUTHORIZING ITS EXPENDITURE FOR MEYERS CHUCK FLOATPLANE DOCK REPLACEMENT

f. **RESOLUTION No. 06-21-1591** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2021 BUDGET IN THE HARBOR FUND TRANSFERRING $12,100 FROM HARBOR FUND RESERVES TO THE HARBOR FUND CAPITAL EQUIPMENT ACCOUNT AND AUTHORIZING ITS EXPENDITURE FOR HARBOR SKIFF ENGINE REPLACEMENT

g. **RESOLUTION No. 06-21-1592** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE SALE BY OUTCRY AUCTION, OF PUBLIC LAND IN CONFORMANCE WITH WRANGELL MUNICIPAL CODE CHAPTER 16.12, SPECIFICALLY, LOT 5, BLOCK 59A, INDUSTRIAL SUBDIVISION (AMENDED PLAT), PLAT NO. 85-8, WRANGELL RECORDING DISTRICT

h. Approval of Health Insurance Renewal for FY 2022

i. **RESOLUTION No. 06-21-1593** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AUTHORIZING WRANGELL TO PROVIDE AND CERTIFY CERTAIN INFORMATION THAT WILL PERMIT THE SOUTHEAST ALASKA POWER AGENCY TO PROVIDE FINANCING TO REPLACE A SUBMARINE CABLE BY ISSUING BONDS THROUGH THE ALASKA MUNICIPAL BOND BANK

j. Approval to Amend the Approval to Pay for Sea Level COVID-19 Testing up to $70,000 for the 2021 Processing Season, Approved at the Regular Assembly Meeting of May 25, 2021

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

15. **EXECUTIVE SESSION**

a. **Executive Session:** Collective Bargaining Update

16. **ADJOURNMENT**

Minutes of Regular Assembly Meeting

Held on May 25, 2021

Mayor Prysunka called the Regular Assembly meeting to order at 7:00 p.m., May 25, 2021 by Zoom Teleconference. Assembly Member Howe led the pledge of allegiance and the roll was called.

PRESENT: PRYSUNKA, MORRISON, COURSON, POWELL, HOWE, DALRYMPLE, GILBERT

ABSENT:

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

CEREMONIAL MATTERS – None.

PERSONS TO BE HEARD / PUBLIC CORRESPONDENCE

Jillian Privett, resident requested that the hours of operation for marijuana businesses, proposed in Ordinance No. 1001, be extended further than what is stated in the Ordinance.

Heidi Armstrong, resident spoke of her concern about the number of available jobs at the medical center, as well as available jobs in the community.

AMENDMENTS TO THE AGENDA

Von Bargen stated that the motion on Item 13d was incorrect; would bring up during the actual item.

CONFLICT OF INTEREST

Howe declared a potential conflict of interest on Item 13a (Approval of FY 2022 Wrangell Public Schools Budget and Local Funding Contribution in the Amount of $1,300,000) since he participates in negotiations for the school employees. Prysunka agreed that he did have a conflict and that unless there were any objections from the Assembly, Howe would not participate or vote on this item.

Gilbert declared a conflict of interest on Item 13a (Approval of FY 2022 Wrangell Public Schools Budget and Local Funding Contribution in the Amount of $1,300,000) since she sits on the School Board. Prysunka agreed that she did have a conflict and that unless there were any objections from the Assembly, Howe would not participate or vote on this item.

Courson declared a conflict of interest on Item 15b (Executive Session: Collective Bargaining Update) since his wife works with the City. Prysunka agreed that he did have a conflict of interest since although she is not a union employee, non-union employees typically receive what union employees receive.

CONSENT AGENDA

a. Minutes of the May 10, 2021 Board of Equalization Meeting
b. Minutes of the May 11, 2021 Regular Assembly Meeting

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

BOROUGH MANAGER'S REPORT
Manager Von Bargen's report was provided.

BOROUGH CLERK'S REPORT
Clerk Lane's report was provided.

MAYOR AND ASSEMBLY BUSINESS
Prysunka stated that he had done some preliminary research on plasma burners (five total); does not believe that there would ever be enough "feed" to operate a plasma burner in Wrangell; another concern would be the ash disbursed from plasma burners.

MAYOR AND ASSEMBLY APPOINTMENTS
10a Appointment to fill the Unexpired Vacancy on the Planning & Zoning Commission

Mayor Prysunka appointed Alexandra Angerman to fill the unexpired vacancy on the Planning & Zoning Commission with the term expiring October 2021. There were no objections from the Assembly on the appointment.

PUBLIC HEARING
11a ORDINANCE No. 999 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING CHAPTER 20.32 OF THE ZONING CODE TITLED OS DISTRICT-OPEN SPACE/PUBLIC SECTION 20.32.020 CONDITIONAL USES BY ADDING MUNICIPAL FACILITIES AND COMMUNICATION INFRASTRUCTURE AS TWO NEW CONDITIONAL USES

Mayor Prysunka declared the Public Hearing open on this item.

Von Bargen gave a brief administrative report.

There were no persons to be speak on this item. Prysunka declared the Public Hearing closed and entertained a motion.

M/S: Powell/Gilbert to approve Ordinance No. 999. Motion approved unanimously by polled vote.

11b ORDINANCE No. 1000 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE ZONING MAP TO EFFECT A CHANGE TO LOT 11A, LOT 11B, AND LOT 10A, BLOCK 5, THIRD AVENUE SUBDIVISION AND LOTS 12-15, BLOCK 5, USS 2127 FROM HOLDING TO OPEN SPACE/PUBLIC

Mayor Prysunka declared the Public Hearing open on this item.

Carol Rushmore, Economic Development Director gave a brief administrative report.

There were no persons to be speak on this item. Prysunka declared the Public Hearing closed and entertained a motion.

M/S: Powell/Morrison to approve Ordinance No. 1000. Motion approved unanimously by polled vote.

11c ORDINANCE No. 1001 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING CHAPTER 6.05 OF THE WRANGELL MUNICIPAL CODE TITLE MARIJUANA SECTION 6.05.005 TITLED HOURS OF OPERATION; PENALTY FOR VIOLATIONBY INCREASING THE ALLOWABLE HOURS OF OPERATION

Mayor Prysunka declared the Public Hearing open on this item.

Von Bargen gave a brief administrative report.

There were no persons to be speak on this item. Prysunka declared the Public Hearing closed and entertained a motion.

M/S: Powell/Gilbert to approve Ordinance No. 1001.

Howe questioned why there were restrictions on the hours of operation to begin with.

Prysunka stated that when the approval for the dispensary was brough to the Assembly, there were letters submitted from some public members about the dispensary and what it would mean in the community; administration brought the hours forward and there were no objections from the public.

Von Bargen stated that she spoke to the owner of the dispensary and he told her that the average around the State was 10:00 pm.

Motion approved unanimously by polled vote.

UNFINISHED BUSINESS – None.

NEW BUSINESS

13a Approval of FY 2022 Wrangell Public Schools Budget and Local Funding Contribution in the Amount of $1,300,000

M/S: Powell/Morrison to Approve the FY 2022 Wrangell Public Schools Budget and Local Funding Contribution in the Amount of $1,300,000.

Von Bargen stated that the school built their budget on a 1.3 million dollar contribution from the City; planning on putting a $100,000 maintenance budget allowance into our city budget; was told from Superintendent Lancaster that the school will receive $427,553 from ARPA (American Recovery Act); $350,000 was reflected in the revenue section of the School Draft Budget; $77,533 is not currently allocated in the draft school budget.

In response to Morrison on the $77,533 excess amount that the school will receive, Von Bargen stated that she had been told by Superintendent Lancaster, they would be putting it into savings to allocate for the FY 2023 budget.

Motion approved unanimously by polled vote. (Howe and Gilbert did not vote)

13b Approval to Repeal Emergency Resolution No. 02-21-1564

M/S: Gilbert/Powell to Repeal Emergency Ordinance No. 02-21-1564. Motion approved unanimously by polled vote.

13c RESOLUTION No. 05-21-1587 OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2021 BUDGET IN THE HARBOR FUND BY TRANSFERRING $7,780 FROM HARBOR RESERVES TO THE HARBOR FACILITY REPAIRS AND MAINTENANCE ACCOUNT AND AUTHORIZING ITS EXPENDITURE FOR REIMBURSEMENT TO THE MEYERS CHUCK COMMUNITY ASSOCIATION FOR EMERGENCY DOCK REPAIRS

M/S: Gilbert/Morrison to approve Resolution No. 05-21-1587.

Von Bargen stated that she, along with the Mayor and select staff, visited Meyers Chuck; residents stated that the dock was literally sinking and so they purchased barrels to place under the dock to keep it afloat; staff is requesting that we refund the Meyers Chuck community for their expense.

Prysunka stated that Meyers Chuck is part of our Borough and it is our responsibility to take care of this.

Motion approved unanimously by polled vote.

13d Approval of Amendment No. 1 to the Professional Services Agreement with Ramsey Appraisal Resource in the Amount of $18,000 for Additional Appraisal Services

M/S: Gilbert/Powell to Approve Amendment No. 1 to the Professional Services Agreement with Ramsey Appraisal Resource in the Amount of $18,000 for Additional Appraisal Services.

Rushmore explained why this request was being made.

Motion approved unanimously by polled vote.

13e RESOLUTION NO. 05-21-1588 AMENDING THE FY 2021 BUDGET BY TRANSFERRING $5,000 FROM INDUSTRIAL CONSTRUCTON FUND RESERVES TO THE INDUSTRIAL CONSTRUCTION FUND PROFESSIONAL SERVICES ACCOUNT AND $13,000 FROM THE RESIDENTIAL CONSTRUCTION FUND RESERVE TO THE RESIDENTIAL CONSTRUCTION FUND PROFESSIONAL SERVICES ACCOUNT AND AUTHORIZING THE EXPENDITURE FOR ADDITIONAL APPRAISAL SERVICES

M/S: Powell/Morrison to approve Resolution No. 05-21-1588. Motion approved unanimously by polled vote.

13f EMERGENCY ORDINANCE No. 1002 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA REAFFIRMING THE DECLARATION OF EMERGENCY IN EMERGENCY ORDINANCES 976, 980, 985, and 994 REPEALING EMERGENCY ORDINANCE 995, AND REENACTING THE ADOPTION OF INTERNATIONAL AND INTERSTATE TRAVEL TESTING MEASURES

M/S: Powell/Gilbert to approve Emergency Ordinance No. 1002.

Von Bargen stated that although we are in a transition to getting back to normal, we will see more and more people traveling into the community from out of state; state will continue to pay for testing at the airport until the end of June; will add another vector to protect the community as we are re-opening.

Motion approved with Morrison, Gilbert, Dalrymple, Howe, and Powell voting yes; Courson and Prysunka voted no.

13g Approval of Lease Amendment No. 4 Harding Rentals for the COVID-19 Alternate Isolation Site for July-September 2021 in an Amount Not to Exceed $60,000

M/S: Gilbert/Morrison to Approve Lease Amendment No. 4 Harding Rentals for the COVID-19 Alternate Isolation Site for July-September 2021 in an Amount Not to Exceed $60,000.

Von Bargen explained the need for this least to continue; essentially serves as an insurance policy if there was a need.

Motion approved with Powell, Gilbert, Howe, Courson, Morrison, and Prysunka voting yes; Dalrymple voted no.

13h Approval to Pay for Sea Level COVID-19 Testing up to $70,000 for the 2021 Processing Season

M/S: Powell/Courson to Approve Paying for Sea Level COVID-19 Testing up to $70,000 for the 2021 Processing Season.

Von Bargen explained why this was being requested; Sea Level has a robust testing schedule for this season.

Motion approved with Gilbert, Howe, Courson and Morrison voting yes; Powell, Dalrymple and Prysunka voted no.

ATTORNEY'S FILE

14 Available for Assembly review in the Borough Clerk's office.

EXECUTIVE SESSION

a. Executive Session: Litigation Strategy Discussion CBW v. Steve Johnson (1WR-00046-CI)

b. Executive Session: Collective Bargaining Update

M/S: Morrison/Gilbert moved, Pursuant to AS 44.62.310 (c)(d), I move that we go into Executive Session, and invite the Borough Attorney, Manager, and Port & Harbor Director to receive an update and discuss litigation strategies and tactics concerning the status of the CBW v. Steve Johnson (1WR-00046-CI), a matter "which by law, municipal charter, or ordinance" is required to be confidential. Motion approved unanimously by polled vote.

M/S: Gilbert/Powell moved, Pursuant to AS 44.62.310 (c)(3), I move to approve that we go into Executive Session, and invite the Borough Collective Bargaining Team, Borough Manager and Attorney, to discuss and provide an update of the status of the Collective Bargaining Negotiations, a

matter "which by law, municipal charter, or ordinance" is required to be confidential. Motion approved unanimously by polled vote.

Regular meeting recessed into Executive Session at 8:30 p.m.; Prysunka did not rejoin the meeting.
Regular meeting reconvened back into Regular Session at 9:33 p.m.

Regular Assembly meeting adjourned at 9:33 p.m.

_____
Stephen Prysunka, Borough Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

MEMORANDUM

TO: **HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY**
CITY AND BOROUGH OF WRANGELL

FROM: **CAROL RUSHMORE, ECONOMIC DEVELOPMENT DIRECTOR**

SUBJECT: **Visitor Destination Brand**

DATE: **June 2, 2021**

Visitor Destination Branding

From September through December, the Branding Team comprised of the Wrangell Convention and Visitor Bureau (WCVB), Wrangell Chamber of Commerce and Wrangell Cooperative Association went through a branding process to develop a Visitor Destination Brand. The branding process was approved by the Assembly as part of the 2020 COVID marketing plan put together by the WCVB. It was challenging due to the short time frame, the number of viewpoints and ideas of the planning team.

The contractor, Spawn Ideas out of Anchorage, was able to sift through interviews of visitors, business and residents, local stakeholders, and the team and develop a Visitor Destination Brand to be used to market Wrangell to visitors that the team was very excited about. A summary of the results was provided to the Assembly at your January 26, 2021 meeting. The Brand will be launched officially on June 14, 2021. Part of the delay was to develop some of the marketing materials, strategy, and most importantly a new website that reflects the new brand.

The WCVB will provide a very short power point presentation with a more detailed explanation of the Brand, how it will be used by the WCVB and how businesses can use it in conjunction with their own marketing efforts.

The Brand Launch is June 14, 2021. The Wrangell Convention and Visitor Bureau invites you and the visitor industry to a social gathering at the Muskeg Meadows Golf Course from 4:00pm to 6:00pm.

City and Borough of Wrangell
Capital Facilities Department Report
June 4, 2021

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

Facility Maintenance Report

- ◊ We currently have only one maintenance staff and have not rehired the second since Dwane Ballou left in February.
- ◊ Our maintenance staff devoted nearly 40% of his time in May to the former hospital building and its associated surplus auction assistance.
- ◊ Our maintenance staff filled in for our custodial staff who was on vacation for a week, attending to the most basic needs for sanitation purposes at the PSB and City Hall. Resident staff at those locations also helped pick up the work.
- ◊ Special projects included making interior wall repairs at City Hall.
- ◊ An Underground Storage Tank Operator Certification was also obtained following a half-day of on-line training through course work and testing.
- ◊ The remaining time was spent on routine daily management of heating and air systems at the PSB, Nolan Center, and Library, and performing preventive maintenance on a variety of equipment and system components (i.e., boilers, distribution/circulation pumps, condensing units, air handling units, eye wash stations, fire extinguishers, emergency lighting/signage, and appliances).

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 Standby Generator

- ◊ Grant received from Homeland Security and Emergency Management.
- ◊ In February, a grant application was submitted to Homeland Security and Emergency Management requesting an additional $80,000 to complete the installation of project. Successful applicants will be notified in the Fall of 2021.
- ◊ Next steps: 1) complete environmental review; 2) confirm power capacity for building.

Public Safety Building

- ◊ The fee proposal from AMC Engineers was received on June 4th, as this report is being written. Staff will review the proposal, submitted in the amount of $82,040, for further consideration and a budget amendment for funding provision. The scope of work follows direction by the Assembly to obtain a ROM cost for a variety of renovation and new construction options, as follows:

- Renovate/repair existing PSB with one contract with multiple phases.
- Renovate/repair existing PSB with multiple contracts over a 10-year period.
- Construct new PSB with the Corrections / Jail facility constructed as a separate stand-alone building (assumes construction at 310 Bennett Street after the old hospital is demolished)
- Construct new PSB with the Fire Hall constructed as a separate stand-alone building (assumes construction at 310 Bennett Street after the old hospital is demolished)

◊ The new construction cost estimate from November 2020 will be updated to reflect current construction cost trends. The depth of costs estimated for the four additional cost options will be similar to that for the new building construction developed in the November 2020 cost estimate, so that the same cost assumptions are utilized throughout.

◊ Former Wrangell Medical Center Building Repurposing for a multi-use Public building, including, but not limited to, Public Safety Building tenets, and City Hall. As the programmatic space requirement for each for each municipal function, and existing PSB tenant is received, AMC will add to the cost option list an assessment of modifying the existing building at 310 Bennett Street (old hospital building) to house multiple tenants while addressing space and costs required to accommodate them. This option to re-purpose the old hospital building will also review leaving the Fire Station at the Public Safety Building, with necessary improvements/consolidations.

Skeet Range Improvements

◊ Grant from National Rifle Association (NRA) received in 2020 for Phase I.

◊ 2021 grant application for Phase 2 was not successful.

◊ Project development for 2021 construction will be based on the Phase I funded project only.

Kyle Angerman Memorial Playground Replacement

◊ A combination of grants, donations, and local CBW contributions received to date.

◊ Project requires an additional $25,000 to cover the shortfall due to LWCF program rejected by State to advance to design and construction.

COMMERCIAL PASSENGER VESSEL EXCISE TAX FUND / FEDERAL HIGHWAYS FLAP GRANT

Non-Motorized Transportation System (Mt. Dewey Trail Extension)

◊ Grant from Federal Highways FLAP.

◊ PND Engineers and Corvus Design team selected for engineering services for Scoping Project.

◊ Professional Services Agreement executed first week in June. A meeting between Borough staff and engineers to be scheduled to kick-off the scoping project.

NORTH COUNTRY TRAILHEAD ACCESS ROAD REPAIR FUND

North Country Trailhead Access Road Repair

◊ Grant from Federal Highways FLAP.

◊ Scope priorities established on Spur Road.

◊ Stationing to be staked in the field and competitive bidding solicitation document developed based on USFS road maintenance and repair standard specification document.

ELECTRIC FUND

Environmental Assessment for Utilities Campus Master Plan.

◊ WML&P fund reserves to CIP Fund for project.
◊ Shannon & Wilson has performed the site visit to identify historical activities to identify site locations for boring/testing; locations approved by CBW; awaiting proposal for the scope of work identified.

WATER FUND

Upper Reservoir Bypass

◊ Water fund reserves to CIP Fund for project.
◊ The engineers completed the 50% level design for this project and are working toward completing the final design, including coordination with the State of Alaska Dam Safety division.
◊ A grant extension was approved by the State of Alaska, DCCED until June 30, 2022.
◊ A design PSA amendment was approved for additional survey and design for replacing the existing Ductile Iron Pipe under the same design contract. Survey work has begun.

Water Mains Replacement

◊ DEC loan and grant funds for project.
◊ Contractor has completed the water main line replacement from Zimovia Hwy to Case Ave, with a punch list developed this week.
◊ Spring Street presented some construction challenges due to unknown conditions encountered, but it is nearing completion.
◊ Contractor has welded HDPE pipe for the 5th Avenue and Grave Street sections, and plans to begin with 5th Avenue first, as Spring Street is completed.
◊ A plan is being developed to provide temporary water to the porta potties made available for Petroglyph Beach State Park visitors. A traffic plan will also be developed before work on Grave Street begins.

Water Treatment Plant Improvements

◊ See attached Memo addressed to Lisa Von Bargen and dated June 3, 2021, as an update to this project.

Upper Dam Stabilization and Repair

◊ Water fund reserves to CIP Fund for project.
◊ Approval of a PSA with Shannon & Wilson for this work was received in April. The PSA was recently executed.

Water Transmission Line Isolation Valve

◊ Water fund reserves to CIP Fund for project.
◊ Technical specifications for the water valve and installation procedures are expected from the engineer by next week. An Invitation to Bid for the hot tap valve installation will be developed thereafter.

Ash Street Water Main Replacement Engineering Design

- ◊ Water fund reserves to CIP Fund for project.
- ◊ Project requires planning effort to advance.

SEWER FUND

Node 8 Sewer Pump Station Rehabilitation

- ◊ Sewer fund reserves to CIP Fund for project.
- ◊ Project requires planning effort to advance.

Node 19 Lift Station Standby Generator

- ◊ Funding is from the balance of the State of Alaska DCCED Grant for the hospital.
- ◊ A sole source procurement of the standby generator was approved. Procurement to follow.
- ◊ Planning for the generator placement and construction of an enclosed space is underway.

HARBOR FUND

Shoemaker Bay Harbor Replacement

- ◊ ADOT Harbor Matching Grant division approved an amendment to the Shoemaker Harbor Replacement project grant. Scope of work under the amendment includes a new net float, electrical upgrades to the construction inspection work. The total value of this work is estimated at approximately $125,000. The final amendment amount will be based on bids received.
- ◊ Bids to be developed for the net float replacement and electrical upgrades.
- ◊ The Borough 50% match comes from the $46,275.76 2016 Gulf of Alaska Pink Salmon Disaster Relief funds and the Harbor Funds previously expended $29,414 for boarding float construction inspection.

Harbor Security System

- ◊ Grant from Homeland Security and Emergency Management.
- ◊ This grant amount does not fully cover the anticipated costs for installing the system for the Priority #1 site, identified as the Marine Service Center (MSC).
- ◊ Once funding is received to advance the MSC project, an environmental assessment is required.
- ◊ The shortfall in funding for the MSC will be requested in the FY22 CIP Capital Projects budget request.
- ◊ Under the Homeland Security's grant round for FY2021, the Borough has requested funding for all ten Ports and Harbors sites.

City Dock Fender Pile Repair

- ◊ Harbor fund reserves to CIP Fund for project.
- ◊ $35,000 DCCED Covid-19 grant received; expires June 30, 2021.
- ◊ Competitive solicitation was issued for the purchase of the piles to be Owner-provided, contractor-installed. The grant funding will be used to pay for this purchase.
- ◊ The Corps of Engineers has reissued the Nationwide Maintenance Permit, with concurrence with the National Marine Fisheries Services, for the in-water pile replacement work.
- ◊ The Invitation to Bid is scheduled to be released by the end of June to accomplish a Summer 2021 construction project.

SANITATION FUND

Solid Waste Transfer Station Upgrades (Baler project)

◊ Sales Tax: Schools, Health and Sanitation fund reserves to CIP Fund for project.
◊ The Badger Baler has been procured and a down payment provided. Shop drawings were received and approved in May. Delivery of the baler is expected in September 2021.
◊ Specifications for the platform scale, forklift and ramp have been finalized for use in developing the solicitation documents.
◊ The Public Works Director, with our consultant, continue to work toward a software solution that will integrate with the Borough's billing software.
◊ The electrical engineer is developing the secondary power requirements for use in developing competitive bidding documents.

SECURE RURAL SCHOOLS FUND

High School and Middle School Fire Alarm System Upgrades

◊ Morris Engineering has traveled to Wrangell for a site review and is developing the engineering design work for the project. Design should be complete by August 1st, in advance of the September 1st DEED grant application submission.

High School Elevator Replacement

◊ A review of three elevator consultants was performed and the Borough is reviewing the scope of work with the firm selected to confirm a fee proposal to assist with project assessment, technical specifications, and contract documents.

High School Sidewalk Replacement Project

◊ The Invitation to Bid is scheduled to be released before the end of June to accomplish a Summer 2021 construction project.

ENVIRONMENTAL REMEDIATION PROJECTS

Contaminated Soil Sites

◊ Shannon & Wilson will perform the in-field engineering work of the site characteristic work plans for three contaminated sites. Notice to Proceed with issued by the Borough on April 8th; however, with the environmental assessment of the Power Plant and Public Works yard scheduled to be performed by the same engineering firm, we have asked them to delay mobilizing into Wrangell for a short time to be able to combine mobilization efforts between the two projects.

FUTURE PROJECT PLANNING

FY22 CIP Capital Projects Budget

◊ A proposed CIP Capital Projects budget has been developed for consideration for project funding.

MEMORANDUM

TO: Lisa Von Bargen

FROM: Amber Al-Haddad, Capital Facilities Director

SUBJECT: Water Treatment Plant Improvements Project Status

DATE: June 3, 2021

This Memo serves as a status report of the Water Treatment Plant Improvements project since my last report of April 8th.

With the DOWL (engineers) fee proposal received at a level higher than the existing funding available for their scope of services, the concern over higher than anticipated construction costs led us to request an updated cost of construction for the DAF project, including its associated backwash waste and solids disposal. We also learned that the federal funds could not be used to reimburse design expenses if a construction contract was not awarded. Before requesting additional funds, an updated PER (Preliminary Engineering Report), justifying the request is being required by the funding agencies. The following information highlights further project development since the April 8th report:

- In mid-April, CRW Engineers provided a fee proposal, in the amount of $24,560, to perform an updated engineers cost estimate for the DAF project with a draft due by the middle of May.

- Through discussions with the interim water quality specialist, NTL, we were told that membrane filtration for treating drinking water has seen significant technological advancements over the last five years with suggested cost reductions for the equipment.

- In late-April, we hired one of the leading Alaska membrane engineering firms, GV Jones & Associates, to provide us with a ROM cost and square foot area required for alternative Membrane Filtration Treatment to meet the projected need for 1.8 mgd capacity (the same design flow as identified for the DAF project). CRW Engineers was put on hold for the PER update while this effort was pursued.

- At the end of May, we received GV Jones' budgetary cost for a dual filtration system, comprised of both Nanofiltration and Ultrafiltration treatment processes. GV Jones also evaluated the building footprint required to house the equipment and process piping and recommended that construction of a new building would be necessary. The ROM cost provided was for the membrane equipment and a new building, not all other project costs.

- There was an assumption that this effort would suggest membrane filtration as a project less costly than the DAF due to cheaper equipment and being able to use our existing roughing filter building in its current footprint. With this assumption, the hope was that the GV Jones developed ROM costs would provide justification to reevaluate the membrane filtration alternative in the PER as a cheaper cost.

- It is worth noting that the original capital costs between the DAF and the membrane filtration alternatives were extremely comparable; however, the ongoing O&M costs for the membrane alternative was projected to be 64% higher than the DAF. This is the reason the membrane alternative was not selected for the pilot study.

- Following a review of the membrane filtration alternative with the federal funding agencies this week, they have indicated that if the Borough chooses to reevaluate another alternative in an update to the PER, and not simply pursue an update to the cost estimate for the DAF, then they would require that we reevaluate all alternatives, including the do nothing alternative, to ensure all alternatives are reconsidered for our best option.

- To complicate the reevaluation of the membrane filtration alternative, the original evaluation was for Nanofiltration only, and did not include the Ultrafiltration as a dual filtration treatment process. Adding the Ultrafiltration in the PER update would necessitate a larger evaluation effort for this modified alternative.

- Considering CRW's current workload, they indicated they could commit to completing either level of a Draft PER update by early September, with a final by the end of September, depending on time for review by the CBW and our project funders.

- If modifying the water treatment alternative, an amendment to the project scope of work and details is required by both USDA and EDA.

- If an updated PER justifies the need for additional project funding, USDA will not commit to additional loan or grant funds until construction bids are received, regardless of which water treatment alternative is designed for construction.

- If an updated PER justifies the need for additional project funding, EDA will consider granting additional funding regardless of which water treatment alternative is designed for construction. EDA suggested a minimum two-month timeframe to seek additional funding and amend the grant agreement.

- Staff do not initially anticipate that membrane filtration will be a less costly project than the DAF. The Borough must decide if we want to reevaluate all alternatives in an updated PER or maintain pursuit only of an updated construction cost estimate for the DAF project. If reevaluating all alternatives in an updated PER, CRW will require approximately a week to develop a fee proposal for a full PER update after receiving a scope of work from us.

- The Borough may submit a written request that costs to perform value engineering (PER update) be paid from our local contribution of $119,000 to the project. If USDA disapproves, a budget amendment in the Water Fund would be necessary to pay for the engineering services.

The design procurement process used to select DOWL remains, but moving forward with engineering design is on hold until the PER and estimates are updated and the possibility of additional project funding is known.

June 4, 2021

To: Mayor Prysunka and Assembly Members
From: Lisa Von Bargen, Borough Manager
Tom Wetor, Public Works Director
Re: NTL Water Report

The Borough recently received the final report from NTL Consulting. Administration is still digesting everything and will have a follow up companion report reconfirming the actions being taken by the Borough as a result to this visit and the recommendations. Staff wanted to get the report out to the Assembly s quickly as possible.

NTL ALASKA, INC.
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May 14, 2021

City and Borough of Wrangell
P.O. Box 531
Wrangell, Alaska 99929
Attention: Tom Wetor, Director of Public Works

Re: Interim Water Quality Solutions Consultation Services Project
City and Borough of Wrangell Contract Number 2278
Final Project Report

Dear Tom:

Pursuant to the March 18, 2021 Notice to Proceed for City and Borough of Wrangell (CBW) Contract Number 2278, NTL Alaska, Inc. (NTL) has completed the consultation services project for the evaluation of interim water quality solutions for the Wrangell water treatment system. The final report and recommendations are enclosed.

As part of the project, NTL also conducted an onsite Alaska Department of Environmental Conservation (ADEC) certified water system operator training program for seven CBW water treatment and distribution system operations personnel. The 18-hour training program, titled "Water Treatment Process Monitoring" included instruction in sample collection and laboratory procedures including good laboratory practices, safety protocols, and quality assurance and quality control procedures. The training program included instruction in the calibration and operation of laboratory instruments to test for pH and temperature, iron and manganese, turbidity, and ultraviolet absorbance at 254 nm (UVA_{254}) and transmittance (UVT).

Six of the operators received 1.8 continuing education units (CEUs) and one operator received 1.2 CEUs for participation in the training program. The CEUs for this program are classified as "core CEUs" by ADEC and can be used to advance or renew any water or wastewater operations certification offered by ADEC.

As part of the training program the operators collected samples from the water treatment and distribution system and tested them using the procedures presented in the class. That data was then used to determine the water quality conditions in the raw water, at various stages of the treatment process, and in the water storage and distribution system. Those data were then evaluated by the instructor and operators as part of the class exercise. That information was then used to make selected treatment process adjustments to address the water quality objectives of the overall project. The effect on the performance of some of the treatment unit processes

continued to be monitored by the operators, which had the benefit of validating those process adjustments and allowing further fine tuning. The results of the sampling, testing, and process adjustments and the impact on the project objectives are described in more detail in the enclosed project report.

As the instructor for the class, I wanted to share with you the value of the institutional knowledge of the Wrangell water system that your operations personnel provided to me. Their experience, historical anecdotes, and practical operations skills provided during the training program allowed me to attain a much better understanding of the water quality issues that this project was intended to address. Wrangell is fortunate to have this level of competence to provide the necessary operations and maintenance of this water system. One of the objectives of the training program was to further advance the operators' skills to address the complex water quality issues this utility is encountering. I trust that we met that objective.

If you have any questions regarding the report or the recommendations, please contact me at 907-452-6855 (office), 907-378-2090 (mobile), or by email at Mike@ntlalaska.com. I appreciate the opportunity to be of service.

Sincerely,
NTL Alaska, Inc.

Michael R. Pollen, President
WEF Fellow

Enclosures: Interim Water Quality Solutions Consultation Services Project Report

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City and Borough of Wrangell
Interim Water Quality Solutions Consultation Services Project
City and Borough of Wrangell Contract Number 2278
Final Project Report

May 14, 2021

"Understanding Water"

Executive Summary

The City and Borough of Wrangell (CBW) is being operationally and financially impacted by difficulty maintaining adequate potable water production during the peak summer demand season. Further, some disinfection by-product (DBP) concentrations exceed regulatory limits during the time of the worst source water quality conditions, which is in the summer and fall. The existing water treatment plant was constructed in 1998 but has not been successful at operating in the original design configuration using ozone and slow sand filters as the core treatment processes. CBW is in the process of designing a replacement water treatment process.

In the interim, CBW is considering a variety of interim water quality measures to address the system demand and water quality issues in advance of completion of the treatment process upgrade. Toward that end, CBW retained Michael Pollen of NTL Alaska, Inc. (NTL) to assist with the evaluation of the already identified interim water quality measures and to offer additional guidance on other possible interim remedies. This is the report of Mr. Pollen's assessment including data gathered during a site visit to Wrangell on April 12-16, 2021.

The following recommendations are provided and discussed in detail in the report:

1. Obtain a UV spectrophotometer for the water treatment operators to be able to monitor organic matter concentrations in the water system.
2. Raise the pH of the treated water to a minimum of 8.0 to reduce the formation of haloacetic acid (HAA5) compounds.
3. Reduce the treated water chlorine residual to reduce the formation potential of chlorinated DBP compounds.
4. Adjust the ozone dosage to only what is required to reduce organic matter concentrations in the source water; use the UV instrument to monitor that process.
5. Continue repairing water distribution leaks to minimize system losses.
6. Employ an annual unidirectional distribution system flushing program as demand allows to manage water age and thus reduce DPB formation potential.
7. Reestablish flow-proportional control of the replacement ozonators.
8. Continue to evaluate changeout of the ozone diffuser system with a direct injector system to gain process efficiency and possible reduced operating expenses.
9. Results of a coagulant jar test performed during the site visit should be shared with the system upgrade process engineer and equipment supplier to determine if the proposed treatment process will perform as intended under winter water quality conditions.
10. Consider repurposing the ozone system as part of a combined disinfection strategy that would allow using a lower chlorine residual dosage or substituting free chlorine residual with chloramines.

Table of Contents

Table of Acronyms and Abbreviations

ADEC	Alaska Department of Environmental Conservation
CBW	City and Borough of Wrangell
cm^{-1}	Per centimeter (ultraviolet absorbance measurement unit)
CRW	CRW Engineering Group, LLC
DAF	Dissolved air floatation
DBP	Disinfection byproduct
DCIP	Ductile cast iron pipe
DOC	Dissolved organic carbon
EPA	US Environmental Protection Agency
ft^2	Square feet
GAC	Granular activated carbon
gpcd	Gallons per capita (per person) per day
gpm	Gallons per minute
HAA5	Haloacetic acids (5 regulated compounds)
HDPE	High-density polyethylene pipe
LRAA	Locational running annual average
MG	Million gallons
mg/L	milligrams per liter (parts per million)
NF	Nanofiltration
NTL	NTL Alaska, Inc.
μg/L	micrograms per liter (parts per billion)
MCL	Maximum contaminant level
MGD	Million gallons per day
NF	Nanofiltration
RO	Reverse osmosis
TTHM	Total trihalomethanes
TOC	Total organic carbon
UF	Ultrafiltration
UVA_{254}	Ultraviolet absorbance at 254 nm
UVT	Ultraviolet transmittance at 254 nm
WDS	Water distribution system
WTP	Water treatment plant

Introduction

The CBW is being operationally and financially impacted by several issues with its potable water treatment and distribution system. Potable water production capacity limitations with the slow sand filtration system have occurred since construction of the treatment system in 1998 due to premature plugging and loss of flow through the filters. This has become a particularly challenging situation during the summer when fish processor and tourism industry water demands are high. In the summer of 2016, the inability of the water treatment system to meet high demands resulted in CBW issuing an Emergency Disaster Declaration with subsequent reductions in service to commercial customers during the fish processing season.

Some potable water DBP concentrations in the water distribution system have exceeded the current Alaska Department of Environmental Conservation (ADEC) drinking water standards. Specifically, the concentration of five regulated HAA5 compounds have exceeded the locational running annual average (LRAA) maximum contaminant level (MCL) of 60 μg/L (micrograms per liter or parts per billion), particularly in the late summer and fall when the concentration of organic matter is elevated in the source water.

Design engineering for an upgrade to the water treatment process using coagulation, flocculation, dissolved air flotation (DAF), and multimedia filtration is currently in progress to address these issues. The DAF process was selected as the most cost-effective treatment process for upgrading the CBW water treatment plant (WTP) by CRW Engineering Group, LLC (CRW) in 2017 following pilot testing of the DAF process in 2016. Implementation of the WTP upgrade has become further challenged by recent project cost increases.

In March 2021 CBW contracted Michael Pollen of NTL Alaska, Inc. (NTL) to provide the following services:

- A review and assessment of the current water system operations.
- A review and assessment of CBW's understanding of the root causes behind water quality issues that are impacting the current plant operations and that will likely have an effect on the DAF upgrade.
- A review and assessment of the following four proposed interim water quality solutions:
    - Cleaning/replacing sand in the slow sand filters
    - Replacing the ozone diffusion with ozone injection or using a combination of both
    - Installing a carbon filter pre- or post-filtration
    - Implementing a flushing system for the water distribution system
- Advise on additional interim solutions to the water quality issues that could impact both the treated water quality and the water system operations.
- Advise on any additional recommended modifications that could improve the current water system operations.

Tom Wetor, CBW Public Works Director, provided the following background information to NTL at the beginning of the project:

1. A timeline of events and an overview of work completed to date on proposed Wrangell water system improvements prepared by Amber Al-Haddad, CBW Capital Improvements Director, January 29, 2018
2. A summary of quarterly DBP results from the Wrangell water system, 2015 – 2021
3. City and Borough of Wrangell, Alaska, Water Treatment Plant Upgrades Project, Preliminary Engineering Report, CRW Engineering Group, LLC, March 2017
4. City and Borough of Wrangell, Alaska, Water Treatment Plant Pilot Study, Final Document, CRW Engineering Group, LLC, December 2018
5. Groundwater Supply and Evaluation, Wrangell Island, Alaska, Shannon & Wilson, Inc., December 11, 2017
6. City and Borough of Wrangell Water Treatment Plant Upgrades Project, USDA Environmental Report, Solstice Alaska Consulting, Inc., March 2017
7. Slow Sand Filter Media and Pilot Cleaning Analysis Reports, Blue Earth Products, 2017

A site visit to further investigate the status of the CBW water system was then scheduled for Mike Pollen from April 12 to 16, 2021. As part of the site assessment to evaluate possible water quality solutions, NTL conducted an ADEC certified Water Treatment Process Monitoring operator training program for seven CBW water treatment and distribution system operators.

During the training program the operators were instructed in calibration, quality assurance, and testing protocols for most of the analytical parameters used to monitor the CBW water treatment and distribution system. Additional test equipment provided by NTL was also included in the training program. The operators collected and analyzed samples from the treatment and distribution system that were incorporated into the NTL site assessment data collection effort.

The data from the training program resulted in the identification of several low-cost interim water quality solutions and operational measures that could help manage the DBP problem and improve the water system operations. Several of those procedures were discussed with Tom Wetor and the operators and were implemented during the training exercises so initial effects could continue to be monitored during the training effort.

The institutional knowledge and practical skills of the CBW operators proved to be valuable assets in the assessment process. Their knowledge and assistance with the sampling and testing effort helped to facilitate the implementation of the treatment process performance and water quality improvement measures.

This document is the report of NTL's assessment of the CBW water system operations, the proposed interim water quality solutions and of the additional measures that were developed and implemented during the training program and site visit. Specific recommendations are provided at the conclusion of the report. A photo log of the site visit is provided in Appendix A.

The CBW Public Water System

The CBW water system is comprised of the following components:

- Two mountain lakes with wood crib and earthen dams that serve as a two-stage reservoir in series. The upper reservoir (circa 1934) has a capacity of approximately 45 million gallons (MG) and the lower reservoir (circa 1900) has a capacity of approximately 21 MG. The upper reservoir overflows through a spillway to a creek that feeds the lower reservoir. A submerged ductile cast iron pipe (DCIP) in the base of the upper reservoir has been valved off but is leaking, discharging to the creek as well. A 12-inch diameter DCIP serves as a raw water transmission main from the lower reservoir to the WTP.
- The WTP was constructed in 1998. The treatment system was designed with a rated capacity of 1.3 million gallons per day (MGD) and includes the following treatment processes:
    - ◊ Sodium hydroxide dosing to increase the pH and alkalinity of the raw water
    - ◊ Ozonation for color and organics reduction
    - ◊ Two upflow roughing filters to reduce particle loading
    - ◊ Four 3,040 square foot (ft^2) slow sand filters
    - ◊ Two 900-gpm (gallons per minute) centrifugal pumps to transfer filtrate to the water storage tanks
    - ◊ Onsite sodium hypochlorite generators for final chlorine disinfection
    - ◊ An operations control office with a process laboratory and motor control center
- The water storage and distribution systems consist of:
    - ◊ Two above ground steel water storage tanks with a combined capacity of 0.85 MG; the tanks are located at an elevation of 328 feet above sea level which provides for pressure and flow throughout the water distribution system (WDS) by gravity
    - ◊ More than 11 miles of DCIP and high-density polyethylene (HDPE) water distribution mains equipped with isolation valving and fire hydrants

The CBW water system is operated by the following operations personnel. The status of ADEC water treatment and water distribution certifications of the CBW operators is shown:

- Wayne McHolland, Lead WTP Operator, WT-2, WD-1
- Jeffrey Rooney, Lead WDS Operator, WD-2
- Brian Christian, WT-2
- Andrew Scambler, WT-2
- Stanley Cambell, WD-1
- Lorne Cook
- Tom Gillen

Factors Affecting Chlorinated DBP Concentrations in Water Systems

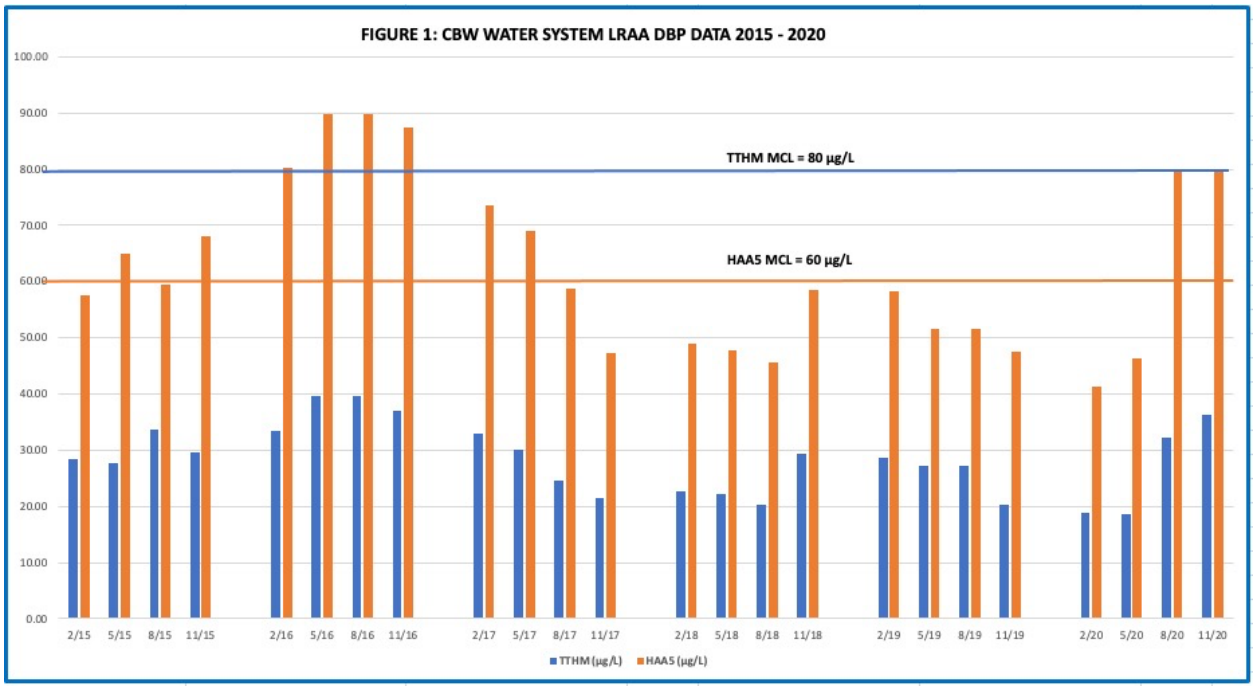
Various complex chemical and physical factors impact the formation, increase, and reduction of DBPs in water treatment and distribution systems. An understanding of those factors is useful to assess how they might be able to be adjusted to manage DBP concentrations.

1. Chlorinated DBPs form by the reaction between organic matter in the water and chlorine added during treatment or for final disinfection. The higher the concentrations of organic matter (TOC) the higher the potential DBP concentrations.
2. One of the objectives of the water treatment process is to reduce total organic carbon (TOC) concentrations to minimize formation of DBPs in the WDS. Treatment processes that are effective for TOC reduction are nanofiltration (NF) or reverse osmosis (RO) membrane treatment, activated carbon adsorption, ion exchange adsorption, coagulation + flocculation + sedimentation (including DAF) + rapid sand filtration, and biofiltration using slow sand filtration or deep bed mono-medium filtration. Of these the most effective are NF and RO which can remove TOC to nondetectable concentrations when properly designed and operated. Ultrafiltration (UF) can also be substituted for DAF.
3. Higher temperature accelerates most chemical processes including DBP formation.
4. TTHM compounds tend to form more rapidly and in higher concentrations at higher pH levels and HAA5 compounds form more rapidly and in higher concentrations at lower pH levels. This effect is significant when comparing pH levels at 6 and 8.
5. Increasing water age in storage and distribution tends to increase DBP concentrations if sufficient free chlorine residual is present to react with the TOC. Distribution system hydrant flushing is an example of an operational strategy to reduce water age.
6. The type of organic matter that comprises the TOC impacts the amount and speciation of DBP compounds that form.
7. The type and amount of residual chlorine used in disinfection: free chlorine residual is the primary reactant that forms chlorinated DBPs while chloramines do not readily form any of the currently regulated DBP compounds. Higher chlorine dosages will increase DBP formation.
8. The point of application of the chlorine: pretreatment can begin forming DBPs prior to removal of the TOC. Once formed DBPs are more difficult to remove than TOC.
9. If bromide is present in higher concentrations, brominated species of DBPs will form. If bromide is at very low concentrations, the chlorinated species of DBPs will form preferentially. Bromide is found in sea salt and in some natural mineral deposits.
10. TTHM compounds are more volatile than HAA5 compounds and can evaporate when exposed to air. This occurs passively in water storage tanks with TTHMs escaping to the air above the water surface and out of the tanks through air vents. That process can be enhanced by gentle aeration of the storage tank.

Review and Assessment of Current CBW Water System Operations

Prior to the site visit, a review of the documents and operations data provided by Tom Wetor and additional information provided by Wayne McHolland was completed. Additional information was obtained during the NTL site visit on April 12-16, 2021. Key findings were:

1. According to the water system operators and the CRW 2017 Preliminary Engineering Report on water treatment upgrade alternatives, the CBW water treatment facility has never operated as originally intended. The design capacity was a production rate of 900 gpm of potable water with three filters in operation. The fourth filter could then be skimmed and filtered to waste to allow regrowth of the biofilm (referred to as a "schmutzdecke"). The filter run time was expected to be approximately three months between surface skimming events to remove the biofilm. The operators run all four filters simultaneously and must do so to meet peak system demands during the summer months.
2. The source water quality is reportedly at its worst during the peak demand period, resulting in high DBP concentrations at that time of the year. During the summer and fall, TOC and turbidity concentrations reach their annual maximums. Historical DBP results from 2015 through 2020 show HAA5 quarterly test result exceeded 60 μg/L in August and November of 2015, in all quarters sampled in 2016, and in November 2018, 2019 and 2020. The August 2020 HAA5 result the highest reported thus far in the Wrangell water system at 179.1 μg/L. That result will likely result in the LRAA to exceed 60 μg/L when averaged for a full year. FIGURE 1 presents the 2015 to 2020 Wrangell LRAA data. A summary of the data from 2015 through the first quarter of 2021 is provided in Table 1 in Appendix A.



3. During winter and early spring, the water treatment system can produce adequate water volume to meet system demands. The source water quality is better at that time of the year resulting in lower organic matter concentrations in the finished water with resulting lower DBP results. This was the operational status during the site visit.
4. The average daily water demand for 2014 was presented in the March 2017 CRW Preliminary Engineering Report as follows:

Residential and System Losses:	641,000 gpd
Commercial Users:	177,700 gpd
TOTAL:	856,000 gpd
Per Capita Residential Use:	251 gpcd (gallons per capita per day)

   The CRW report noted that water losses (pipeline leaks, water wasting at the WTP, hydrant flushing, etc.) was included in the residential subtotal and was thus part of their estimate of the per capita residential usage. The national average residential usage in the United States is approximately 100 gpcd or 40% of the demand reported by CRW.

   During the site visit, Wayne McHolland and Tom Wetor provided additional data from current system operations wherein the nighttime flow which would only include residential demand and pipeline leaks was averaging about 250 gpm. Calculating that over a full day the per capita residential usage was estimated to be approximately 190 gpcd. That value is still 90% higher than the national average gpcd water usage and is due in part to the common practice of residents leaving taps partially open during cold weather for pipe freeze protection. That practice is common in southeast Alaska communities as the water systems are typically branch type systems flowing downhill versus circulation loops used for freeze protection in much of arctic and subarctic Alaska.

   Tom Wetor also consulted with the water distribution crew regarding their knowledge of water leaks and reported that they estimated unaccounted for water loss was most likely in the magnitude of 5% and probably not more than 10%. That would account for approximately 10 to 20 gpcd of the system residential demand. Repairing leaking water mains would reduce overall system demand by a useful amount.
5. The status of the water treatment system unit processes was reviewed in greater detail during the site visit. Of specific interest in the site visit was how each of the treatment processes impact the formation of DBPs. The findings from that evaluation are described in the following section:

Sodium Hydroxide Dosing System: Caustic soda (sodium hydroxide or NaOH) is dosed to the raw water as it enters the WTP. The alkalinity (pH buffering capacity) of the water is sufficiently low that a dosage of about 1 mg/L is all that is needed to raise the pH of the raw water to at least pH 8.0. The original recommended pH range was 8.0 to 8.5, but the pH at the time of the site visit was approximately 7.6. The pH level declined over the first few days of the site visit due to a failure of the caustic soda dosing pump motor the previous weekend.

The effects of pH and alkalinity adjustment in the Wrangell water treatment system include:

- The optimal pH range for proper biofilm growth is from 6.5 to 8.5.
- Alkalinity is consumed by microbiological systems such as the biofilm that was intended to inhabit the top layer of the slow sand filters. Supplementing the alkalinity is beneficial to the proper growth of the biofilm.
- Higher pH levels enhance corrosion protection in the water distribution system.
- Higher pH levels can reduce the effectiveness of chlorine disinfection due to the distribution of different species of free chorine residual. At a pH of 7.3 free chlorine residual is evenly speciated between hypochlorous acid (HOCl) and hypochlorite ion (OCl^-). Hypochlorous acid is a faster acting disinfectant than hypochlorite ion although with sufficient detention time the difference is usually not a factor in adequate distribution system disinfection.
- As previously noted in this report, HAA5 compounds form preferentially at low pH levels while TTHM compounds form preferentially at high pH levels.

The pH effect on DBP formation potential for HAA5 and TTHM could be a useful management tool for the Wrangell water system. If the pH is raised to at least 8.0 in the final filtered water, formation of HAA5 compounds should decline while formation of TTHM compounds would likely increase. The average of 24 quarterly DBP results from the Wrangell WDS from February 2015 through February 2021 was 27.9 μg/L for TTHM compounds and 62.4 μg/L for HAA5 compounds. The LRAA MCL for TTHM is 80 μg/L and 60 μg/L for HAA5. It is possible that raising the pH could bring the HAA5 closer to compliance with MCL while not increasing the TTHM concentration above its MCL.

On April 15 as part of the training program the water system operators performed pH tests on samples collected from the WTP and three locations in the WDS. The pH was 7.6 in the WTP and ranged from 6.7 to 7.1 in the WDS. The operators surmised that the pH was still recovering from the caustic soda dosing system outage over the previous weekend. At the pH levels measured on April 15, HAA5 formation would be favored over TTHM formation.

After discussing this with Tom Wetor and Wayne McHolland, a treatment system test was implemented wherein the pH would be raised to 8.0 to 8.5 in the raw water prior to ozonation. The goal would be to maintain the pH at a minimum of 8.0 in the distribution system. Future DBP testing will determine the effect of that adjustment.

Ozone Dosing System: Ozone is dosed to the raw water to remove organic matter which can react with chlorine used for disinfection and form DBPs. One of the two original ozone generators was replaced in 2016, and in 2017 both were replaced. The new unit purchased in 2016 was replaced by the supplier with a newer model at no additional cost to the utility. The output of the original generators had been automatically paced by the inlet flow meter, but the newer generators were not hooked up to provide proportional dosage control. The lack of

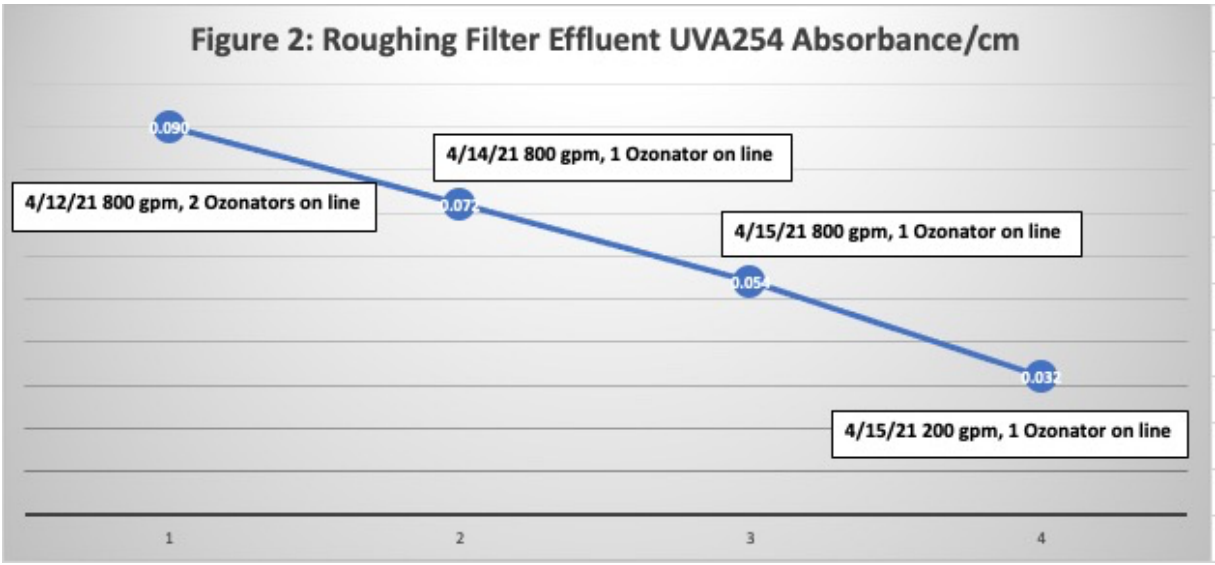
automated proportional control is a significant deficiency in the operational capability of the current ozone system.

The original ozone dosage specified by the design engineer was 10 mg/L. As part of the assessment, Mike Pollen calculated the ozone dosage on April 12 to be 15.4 mg/L with both generators operating at 70% capacity. A literature search of research into ozone dosages based on TOC or dissolved (filtered) organic carbon (DOC) indicated effective dosage ranges from 0.25 to 2.0 mg/L of ozone per mg/L of DOC. The median literature value was approximately 0.5 to 0.7 mg/L ozone per mg/L DOC. Water quality data from the 2017 CRW Preliminary Engineering Report reported that Wrangell raw water DOC concentrations ranged from 3.9 to 6.1 mg/L. These dosages correlated to ultraviolet absorbance (UVA_{254}) measurements of 0.14 to 0.18 per centimeter (cm^{-1}). TOC samples are usually sent to a subcontract laboratory for analysis, with a sample turnaround time of several weeks and an analytical cost in the magnitude of $100 per sample. UVA_{254} provides a comparative estimate of the organic matter concentrations and can be run rapidly on site on both total and dissolved samples. When paired with TOC and DOC test results, UVA_{254} has a strong (>90%) correlation to the actual TOC or DOC concentrations.

During the site visit and training program an ultraviolet spectrophotometer that Mike Pollen brought to Wrangell was used to measure UVA_{254} and ultraviolet transmission (UVT) in raw and treated water samples. A summary of the onsite UVA_{254} and UVT data taken during the site visit and training program is presented in Table 2 in Appendix A. The raw water total UVA_{254} measurement on April 12 was 0.186 cm^{-1} and the dissolved measurement was 0.175 cm^{-1}. These results were compared to the CRW 2017 data where the highest UVA_{254} result of 0.18 cm^{-1} correlated to the maximum DOC and TOC concentrations of 6.1 mg/L and 9.0 mg/L respectively. A concentration of 6.0 mg/L DOC was thus used as an estimated raw water concentration for purposes of calculating a proper ozone dosage based on the literature search values. At 6 mg/L DOC, the recommended range would be 0.15 to 12 mg/L of ozone with a median recommended dosage of 3.0 to 4.2 mg/L of ozone. This suggests that the ozone dosage on April 12 was 3.7 to 5.0 times too high for the concentration of DOC in the raw water.

After discussing this with Tom Wetor and Wayne McHolland, a treatment system test was implemented to evaluate organic matter removal efficiency through the roughing filters at a reduced ozone dosage. On April 14, Wayne McHolland took one of the two ozone generators offline. UVA_{254} data measurements from the roughing filter effluent during this experiment are shown in Figure 2. The decline in UVA_{254} values through the first several days of the low ozone dosage test indicated that the decreased ozone dosage was working acceptably under the raw water quality conditions at the time of the site visit.

On April 15 Wayne McHolland arranged a conference call with Shaun Pearson and Jim Baker of Primozone, the current ozone equipment vendor. The lack of proportional control capability was discussed, and we were advised that they would check that during a planned site visit to Wrangell in May. The use of UVA_{254} and UVT as process monitoring tests for the performance of the ozone system was also discussed. The Primozone representatives agreed that this was a good way to monitor the ozone process performance.



Wayne McHolland also measured the ozone residual in the roughing filter effluent to the slow sand filters. With two ozone generators operating the residual was 0.3 mg/L and declined to 0.03 mg/L with only one generator operating. This represents a 90% reduction in the amount of ozone being fed to the slow sand filters. It is highly likely that an ozone residual of 0.3 mg/L would severely limit biofilm growth on the slow sand filters. Another benefit of reducing the ozone generator operation to only one unit when raw water quality is better is a significant reduction in power consumption to operate the WTP.

The reduced ozone dosage experiment was discontinued on May 11, 2021. The color of the raw water had begun its seasonal increase and a special purpose WDS DBP sample collected on April 27 showed increasing HAA5 and TTHM concentrations. The second ozonator will need to be operated during the remainder of the summer and through the fall until the concentration of organic matter begins its seasonal decline. Also, an ultraviolet spectrophotometer has been ordered by CBW. That instrument will provide the operators with a rapid, effective means to monitor the organic matter content of the raw and treated water through the WTP.

Roughing Filters: The roughing filters were designed to remove floc particles formed during the ozonation process but fouled very rapidly when the WTP first began operating. The fine sand in the upper layer of the roughing filters had to be removed soon after startup and was replaced with coarser river gravel so the roughing filters could operate at the required flow rate. The inability of the roughing filters to remove the ozone-generated floc particles is likely a contributor to the rapid fouling of the slow sand filters.

During the ozone dosing literature review discussed above, some research indicated that overdosing of ozone for TOC reduction resulted in the production of excessive floc particles that could potentially foul sand filtration systems downstream. It is not clear if that has occurred with

this treatment facility, but it would be useful to monitor the rate of fouling and thus the required backflushing of the roughing filters when lower ozone dosages are being used.

As a safety note, excess ozone from the high dosing rate was being released into the roughing filter building at concentrations that would be hazardous to anyone entering that building without first ventilating it. The roughing filter building had to be ventilated for several hours before that facility could be entered for inspection during the site visit.

Slow Sand Filters: As previously noted, rapid particle fouling results in slow sand filter run times that are rarely more than one month in duration at the time of the year with the best raw water quality and much shorter run times during the late summer and fall when turbidity and color are at higher concentrations in the raw water. The operators initially resorted to rototilling the sand and later disk plowing it to quickly restore filtration rates at times of high demand. That practice prevents a biofilm from forming, which negatively impacts the ability of the filters to remove organic matter that are precursors to the formation of DBPs after chlorination.

As a safety note, operating gasoline engine powered equipment in the enclosed slow sand filter structures produces carbon monoxide that can be hazardous to personnel operating that equipment. The operators reported that they resort to the use of self-contained breathing apparatus (SCBA) equipment while operating gasoline-powered equipment. The current practice for restoring the sand filtration flow rates is for the operators to manually drag a section of chain-link fence over the surface of the sand until the flow rates are restored.

During the site visit Wayne McHolland skimmed samples from the surface of two of the slow sand filters. The samples were packaged in plastic containers and were refrigerated. Mike Pollen transported those back to Fairbanks and examined them by light and phase contrast microscopy at magnifications ranging from 100x to 1000x. A full report of the microscope exams is provided in Appendix A. Both slow sand filter samples showed very low levels of microbiological activity and had the appearance of having been disinfected.

The biofilm in a slow sand filter provides for removal of larger protozoan (single-celled) pathogens such as *Giardia lamblia* and *Cryptosporidium parvum*, which are the microorganisms targeted for removal in the EPA Surface Water Treatment Rule and Enhanced Surface Water Treatment Rules, respectively. The biofilm also has an important role in removing DOC as the bacteria present in the film consume the organic matter as food, converting it to carbon dioxide and more bacteria cells. Without an effective biofilm, both treatment objectives are potentially compromised.

As of May 11, 2021 Wayne McHolland reported that no discernable schmutzdecke had formed after almost a month of operating with a reduced ozone dosage. As noted above, this operational experiment was discontinued as the ozone dosage has now been increased to compensate for higher raw water organic matter concentrations through the summer and fall.

Chlorine Disinfection: Sodium hypochlorite is generated onsite with a Chlortec generator using electrolytic cells and a high purity sodium chloride brine solution. This disinfection system is operating properly and provides a continuous disinfectant residual throughout the WDS as required by the EPA Surface Water Treatment Rule. During the operator training program chlorine residual was measured as both free and total chlorine residual in the finished water at the WTP and at several locations in the WDS. The data is presented in Table 3.

Table 3: CBW Water System Chlorine Residual Test Data
(Samples collected between 11:00 and 13:00 on April 14, 2021)

Sample Location	TCR*	FCR**	CCR***
WTP (finished water from reservoir)	0.76	0.74	0.02
Alpine (bottom of hill)	0.60	0.61	0.00
Downtown	0.59	0.50	0.10
5.4-Mile Zimovia Highway (unflushed)	0.07	0.06	0.01
5.4-Mile Zimovia Highway (5-min. flushed)	0.08	0.09	0.00

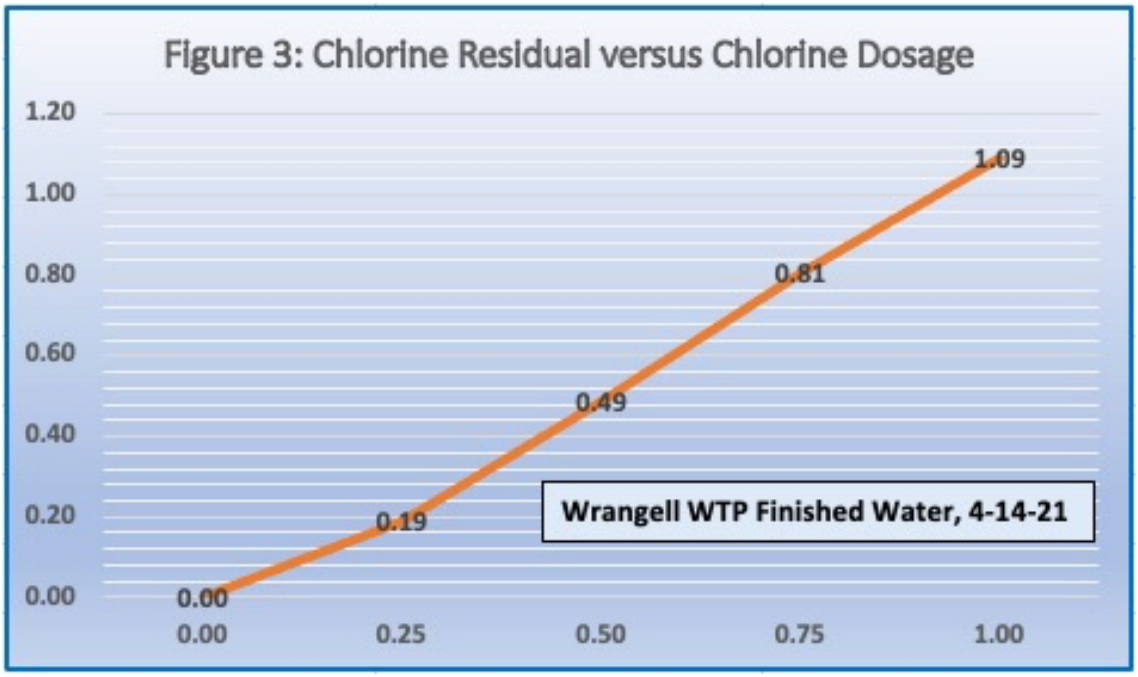
* TCR = Total chlorine residual (total of free and combined residuals)
**FCR = Free chlorine residual (hypochlorous acid and hypochlorite ion)
***CCR = Combined chlorine residual (chlorine reacted with ammonia forming chloramines)

These test results show that an adequate disinfectant residual is being produced at the WTP and is maintained throughout the WDS in the downtown area. The residual was much lower farther out in the WDS as seen in the 5.4-Mile Zimovia Highway samples, which were collected as both unflushed and then after five minutes of flushing the water tap. The data also shows that the form of the residual is nearly entirely free chlorine residual, which is the strongest disinfectant of the two primary forms: free chlorine residual and combined chlorine residual which is comprised of chloramine (chlorine + ammonia) compounds.

The amount of chlorine dosed during disinfection is an important factor in the formation of chlorinated DBP compounds. I recommend that the free chlorine residual in the Wrangell WDS be reduced to a range of 0.45 to 0.55 mg/L or about 0.2 mg/L less than is currently maintained. This recommendation was provided on May 11 to Tom Wetor and Wayne McHolland as the ozone dosage was increased in the WTP. Ozone is the most powerful chemical disinfectant that can be used and is provided a disinfection barrier ahead of the chlorine dosage. Its effect on the slow sand filter biofilm formation has been previously discussed. The ADEC regulatory minimum dosage at the point of entry to the WDS is 0.2 mg/L, so the recommended range of 0.45 to 0.55 mg/L meets that requirement.

An additional test was performed during the class to verify the absence of chloramine compounds in the Wrangell water system. In that exercise, referred to as a chlorine demand test, a sample of filtered, unchlorinated water was dosed with 0.25 mg/L, 0.50 mg/L, 0.75 mg/L, and

1.00 mg/L of sodium hypochlorite from the stock solution at the WTP and the total chlorine residual measured. If no ammonia compounds are present, the total residual equals the dosage throughout the test range as shown in Figure 3.



An option for managing DBPs in water systems would be to use chloramines rather than free chlorine residual to maintain the required distribution system disinfectant residual. That is currently being used in Ketchikan to limit DBP formation and specifically HAA5 formation in the WDS. If naturally occurring ammonia is present in the source water that can be used to form chloramines. That is not an option in the Wrangell source water as shown from the chlorine demand test results in Figure 3.

To convert the free chlorine residual to chloramines an ammonia solution (typically ammonium hydroxide) would thus have to be dosed immediately after the chlorine injection point. The resulting chloramine compounds do not form HAA5 DPBs. This is actually the practice used to preserve DBP samples: the sample bottle contains ammonium chloride which reacts with any free chlorine residual in the sample thus converting it to chloramines and inhibiting any further formation of HAA5 compounds during shipment to the laboratory for analysis.

Chloramination can be challenging to get public acceptance as a treatment practice, which was the case in Ketchikan. It is a common utility practice, however, with about 20% of all potable water produced in the United States using chloramines, in many cases to control DBPs. It is a practice that requires a strong primary disinfectant to initially inactivate pathogenic microorganisms prior to addition of the chlorine and ammonia compounds. In Ketchikan, UV radiation is used as a primary disinfectant for that purpose. In many larger utilities throughout the

United States, ozone is used as the primary disinfectant. The ozonation process used in Wrangell effectively functions as a primary disinfectant so chloramination could be implemented relatively easily if that option was chosen by the utility. If chloramination was adopted as a treatment practice with the new water treatment system, the ozonators could be repurposed as primary disinfection units in advance of the chloramination system.

Water Distribution System Operations: Chlorinated DBP compounds form in the water storage and distribution system when chlorine is dosed as a disinfectant after all other treatment. As discussed previously in this report, key factors that affect DBP concentrations in the WDS include temperature, pH, water age, and exposure to air in the water storage tanks. The temperature is primarily an artifact of the season. The highest raw and treated water temperatures of the year are in the summer when the organic matter concentration is also at its peak.

The effect of pH on DBP formation was discussed previously in this report. The water treatment operators are now maintaining the sodium hydroxide dosage at a level sufficient to maintain a pH of at least 8.0 in the WDS.

Water age is a function of system demand including water loss through leakage. Water age can also be managed with hydrant flushing. Both water loss through leakage and hydrant flushing create artificial system demands that negatively impact the ability to meet system demands during the summer when fish processing and tourism operations are at their peak.

During the site visit a section of DCIP water distribution system pipe that had just been excavated was examined. Tom Wetor explained that external corrosion was occurring on the bottom of some sections of DCIP water mains and that replacement of some water mains with high-density polyethylene (HDPE) pipe was being done. This is a practice underway by many utilities in Alaska due to the advantages of HDPE being resistant to corrosion and its ability to expand without breaking when frozen. The interior of the DCIP pipe had a dried, ¼-inch thick film of a powdery rust-coated material that may have been a biofilm with rust deposits when the pipe was in service. Black material deposits that appeared to be oxidized manganese were also present. Hydrant flushing is one of the primary tools to control deposits inside the water mains.

Repairing leaks is clearly in the best interest of the water system so that should continue to be part of routine WDS operations and maintenance practices. Limited additional hydrant flushing could be practiced in selected locations such as the Zimovia Highway where the chlorine residual samples presented in Table 3 had lower concentrations than in the other parts of the WDS with higher demand. This will become increasingly important if the chlorine dosage at the WTP is reduced as part of the chlorinated DBP management strategy.

Review and Assessment of Proposed Interim Water Quality Solutions

CBW has been actively considering four interim solutions to manage the issues of insufficient treatment capacity to meet peak water system demands and managing chlorinated DBPs. A primary consideration is that CBW is moving forward with a replacement water treatment

process and available financial resources will need to be directed to that effort. The cost of each of these alternatives is thus a significant factor in their suitability as any benefits will likely only be short-term.

A January 26, 2021 PowerPoint presentation prepared by Tom Wetor outlined the pros and cons of each of these options. After reviewing the documentation provided by CBW and the data collected during the site visit I concur with the analysis that Tom Wetor prepared. Additional information regarding these proposed solutions is as follows:

1. **Cleaning or replacing sand in the slow sand filters:** Reports of the 2017 analysis of samples of the sand from each of the four slow sand filters by Blue Earth Products were reviewed. The sand from all four filters was covered with mixed deposits of different minerals with the primary metal contaminants being iron, manganese, and aluminum. During the training program the operators collected samples from the source water and analyzed them for iron and manganese to determine if the source of these contaminants was naturally occurring in the watershed or was from possible corrosion of the DCIP raw water transmission main. The test results are summarized in Table 4.

Table 4: CBW Water Source and Treatment Plant Iron and Manganese Tests
(Samples collected between 14:00 and 14:30 April 15, 2021)

Sample Location	Iron (mg/L) *	Manganese (mg/L) **
Upper Reservoir Overflow	0.20	0.5
Upper Reservoir Underflow	7.3	0.3
Lower Reservoir Overflow	0.17	0.6
Raw Water Tap at WTP	0.36	0.3
Finished Water	0.15	0.3
ADEC SMCL	**0.3**	**0.05**

* Iron tested by the Hach Company FerroVer® Method with a DR890 Spectrophotometer
**Manganese tested by the Hach Company High-Range Periodate Method with the DR890

These test results show that iron and manganese are both present in the source water and the iron increases in the underflow from the upper reservoir. That is possibly due to precipitated iron accumulating in the upper reservoir since the underflow pipe is not in use. The sample from the upper reservoir underflow was collected from a leak in that pipe even though the valve is closed. These data show that the source of iron and manganese is naturally occurring in the watershed and would continue to foul the sand filters again even if they were cleaned. I do not recommend further work on this option.

2. **Replacing the ozone diffusion with ozone injection or using a combination of both:** Based on the 2016 DAF pilot test results, the ozone system will most likely not continue to be operated as part of the organic matter treatment process. If it is ultimately decided to be maintained as part of a two-stage disinfection strategy, then upgrades to the ozone dosing system could have a longer-term benefit. Even if the ozone system is only used for a few more years with the existing treatment process, the cost of this upgrade could be a good return on investment for the utility. The most significant cost of this process modification may be the engineering required to obtain plan approval from the ADEC.

   The current system uses diffusers that lose mass transfer efficiency over time while an injector system retains its high efficiency over time. The new ozone generators can reportedly produce an ozone gas flow with 20% ozone versus the current 10% concentration presently being used due to limitations in mass transfer efficiency using diffusers. With an injector the higher concentration could be used, and the system may be able to operate with only one generator and one compressor on-line which would have a substantial energy cost savings.

   This upgrade was discussed in a conference call between Wayne McHolland, Mike Pollen, and two engineers with Primozone. I recommend that this option be further explored, during a scheduled onsite visit to Wrangell by one of the Primozone field engineers. The cost of the equipment, engineering and installation will also need to be updated and compared to the energy cost savings to determine if it represents a good return on that investment.

3. **Installing a carbon filter pre- or post-filtration:** The use of granular activated carbon (GAC) has significant initial installation costs including process engineering and requires routine replacement or regeneration when the adsorptive capacity is used up. The nearest regeneration facilities are in Washington.

   The use of activated carbon in this treatment process should be tested on a laboratory or pilot scale first to ensure that it would be effective for the general water quality conditions and specifically the type of organic matter present in the Wrangell source water. Testing should be done during both summer and winter water quality conditions. I do not recommend further work on this option.

4. **Implementing a flushing system for the water distribution system:** Routine hydrant flushing is an important element of proper WDS operations. The recommended procedure is unidirectional flushing wherein the hydrants are flushed sequentially starting closest to the storage tanks and then continued progressively throughout the WDS in a manner that any sediment stirred up in the process moves toward the ends of the system and finally flushed out. I recommend that CBW continue a hydrant flushing program as can be accommodated by system demands. Many utilities in Alaska flush their hydrants at the end of winter and some do so just prior to the onset of winter operations, or both. For Wrangell, the end of winter may be more practical given the lower system demands at that time of the year.

Coagulation Jar Test

The CRW DAF pilot test was performed from late July through early October 2016 during the period of highest organic loading in the raw water. The best performance was obtained using a synthetic coagulant, PAX XL-19 aluminum chlorohydrate, at dosages ranging from approximately 20 to 40 mg/L and without ozonation or pH adjustment. UVT results ranged from 93.0 to 94.7% in these tests. There has not been any subsequent pilot testing of the DAF process or jar testing work performed in the winter season when the raw water organic matter concentration is lower. I took the opportunity of the April 12-16 site visit to do a jar test under those conditions.

Prior to the site visit, I contacted the supplier of the coagulant used in the pilot test and arranged for a fresh sample to be forwarded to Wrangell. During the training exercise I performed a jar test using a one-liter beaker on a magnetic stirrer. The test conditions from the pilot test were replicated using raw water from the WTP tap prior to the ozone contactor. Three tests were performed adding dosages of Kemira PAX XL-19 ranging from 5 to 25 mg/L. Samples were drawn from the beaker with a syringe and filtered using a 1.5μ glass fiber filter to simulate a multimedia filtration system. Tests were performed for UVA_{254} and UVT. A small amount of sodium hydroxide was added in the second and third tests as the pH in the initial test was low (5.5). The optimal test result was at a dosage of 20 mg/L of coagulant with sufficient sodium hydroxide added to raise the pH to 8.1. The UVT in that test was 96.4% which was better than the best results obtained in the CRW pilot test. A copy of the jar test log is in Appendix A.

Very little floc was observed in these tests after the coagulant was added, even though the results showed excellent organic matter removal. Floatation of the sludge during DAF treatment requires a substantial floc be formed that can trap air bubbles. My opinion of the amount of floc observed in this jar test is that it will be challenging to treat with DAF. One possibility might be to bypass the DAF unit and go straight to the filtration unit, in effect converting to a seasonal "direct filtration" process. I recommend that the DAF manufacturer be contacted with this information to ensure the process will be able to properly operate under the winter conditions and if the multimedia filtration system they are proposing to use can be adapted to seasonal use of direct filtration.

Recommendations

The following recommendations are provided to address the two operational issues of system capacity and DBP formation that have been discussed in this report. These are presented in order of recommended adoption and several of them have already been implemented.

1. **UV Spectrophotometer:** UVA_{254} and UVT data were used extensively in this project to determine the relative concentrations of organic matter in the source water and through the treatment process and in the coagulant jar test. The ability to quickly determine organic matter relative concentration is a valuable tool in evaluating treatment process

adjustments and to predict the onset of high DBP occurrence in the WDS. CBW has ordered a UV spectrophotometer and delivery is expected shortly.

2. **pH Management:** Increasing the pH to a minimum of 8.0 in the WDS is one of the least expensive adjustments that can be done to reduce the formation potential of HAA5 compounds. As discussed previously, this has the reciprocal effect of allowing higher TTHM production, but the DBP data for this system indicates there is room to allow that without exceeding the TTHM LRAA of 80 μg/L. Wayne McHolland adjusted the sodium hydroxide dosage slightly during the site visit to reach the recommended finished water pH of 8.0 and that is being continued now.
3. **Chlorine dosage:** Reducing the chlorine dosage to the finished water will decrease the DBP formation rate. I recommendation reducing the free chlorine residual in the Wrangell WDS to a range of 0.45 to 0.55 mg/L or about 0.2 mg/L less than is currently being maintained.
4. **Ozone dosage:** The ozone dosage should be reduced to just what is necessary to optimize organic matter removal. An initial experiment during the site visit showed that the dosage could be reduced at that time, so Wayne McHolland took one of the two ozonators off-line. The UV spectrophotometer provided confirming data that the process efficiency was being maintained during that initial experiment. Also measuring the residual ozone in the roughing filter effluent provides another means of monitoring the optimal ozone dosage I recommend that a trace of at least a few hundredths of a mg/L be maintained in the roughing filter effluent. The new UV spectrophotometer will be a useful tool for monitoring the ozone dosage in the future. The initial experiment was concluded on May 11 as the seasonal raw water organic matter concentration began to increase.
5. **WDS system leak repair:** An estimated 10 to 20 gpcd of water consumption due to WDS leaks was calculated during the site visit. CBW should continue its program of regular pipe repairs including replacement of aging DCIP water mains with HDPE to maximize system life and minimize water loss.
6. **WDS flushing:** An annual unidirectional hydrant flushing program is recommended as a continuing WDS best management practice to help manage DBP concentrations and other water quality issues. The optimal time for this will likely be in the spring before system demands increase during the summer season. Sections of the WDS with higher water age such as the Zimovia Highway would benefit from occasional additional flushing as system demand allows.
7. **Ozone proportional control:** The new ozone generators were not configured for flow-proportional control as the original generators had been. That is a serious operational deficiency that may be able to be corrected by the Primozone engineer who will be visiting Wrangell within the next month. I recommend that be discussed with the vendor and that capability reestablished.

8. **Ozone injector:** Replacement of the ozone diffusers with a direct in-line injection system was one of the four interim water quality measures being considered by CBW. This modification has sufficient potential merit that it should be reviewed and updated during the Primozone engineer's site visit. The cost of the upgrade including engineering, hardware, and installation should also be updated. Increased operational efficiency of the ozonators could result in significant energy cost savings, potentially enough to offset the installation cost even if only used for a short period of time prior to completion of the water treatment process upgrade. If the treatment process upgrade design engineers determine that maintaining the ozone system as part of the finished water disinfection process, then this upgrade will have a much longer life cycle benefit.
9. **DAF treatment process design:** The coagulant jar test performed during the site visit confirmed that Kemira PAX XL-19 aluminum chlorohydrate coagulant used during the DAF pilot test during the summer and fall of 2016 is effective in removing organic matter under the late winter and early spring water quality conditions. The lack of a significant floc formation in the test, however, indicates that DAF floatation may be challenged if the floc is not able to capture enough air bubbles to become buoyant. This result should be shared immediately with the DAF system design engineer and the proposed DAF equipment supplier to confirm that it is a manageable issue. An alternative discussed in this report is to have the engineer and manufacturer determine if the DAF unit can be bypassed directly to the multimedia filters during periods of low floc formation. That operational mode is referred to as direct filtration.
10. **Ozone + chlorine or chloramines disinfection strategy:** The DAF process design engineer and DAF equipment manufacturer may determine that direct filtration is an option for dealing with seasonally low floc formation. In that case the EPA SWTR requirements may necessitate using a higher chlorine residual to maintain CT. That could have the unwanted effect of increasing DBP formation potential. One option in that case would be to repurpose the ozone dosing system to become a primary disinfectant, followed by a much lower chlorine residual dosage.

    Ozone is also often paired with chloramines as a two-part disinfection strategy to significantly reduce chlorinated DBP formation in the WDS. Chloramination is currently being used in Ketchikan for DBP management but had significant public acceptance challenges during its implementation there. This option should be shared with the DAF system design engineer once the determination has been made about the possible efficacy of the use of seasonal direct filtration in the WTP upgrade project.

APPENDIX A

SITE VISIT PHOTO LOG

TABLE 1: CITY AND BOROUGH OF WRANGELL DISINFECTION BY-PRODUCT TEST DATA AND LOCATIONAL RUNNING ANNUAL AVERAGES, 2015-2021

TABLE 2: WRANGLE WATER SYSTEM ULTRAVIOLET SPECTROPHOTOMETER DATA

REPORT OF MICROSCOPIC EXAMINATION OF SAMPLES COLLECTED FROM THE WRANGELL WATER TREATMENT FACILITY

TABLE 3: COAGULANT JAR TEST LOG SHEET

Wrangell Water System Site Visit
Photo Log, April 12-16, 2021, Page 1

1) Wrangell WTP operations Building

2) Raw water inlet in the operations building. The tap on the vertical riser on the right was used for raw water samples in this project. This is the tap that was used for the DAF pilot test in 2016. The caustic soda injection point is to the left of the gate valve.

3) Caustic soda solution tank for pH adjustment of the raw water entering the operations building.

4) Caustic soda dosing pump.

5) An on-line Hach 1720 filtered water Turbidimeter (center) is mounted next to the treated water (blue) riser pipe on the right.

Wrangell Water System Site Visit
Photo Log, April 12-16, 2021, Page 2

6) The Chlortec onsite sodium hypochlorite generator (center on wall) and solution tank (left) are also located inside the operations building.

7) The sodium hypochlorite injection point is located just behind the Chlortec generator. This line flows to the storage tanks.

8) The ozone system air compressors and associated equipment are also located in the operations building.

9) Both ozone generators were replaced in 2017. These units were never programed for proportional dosage control by the flow meter.

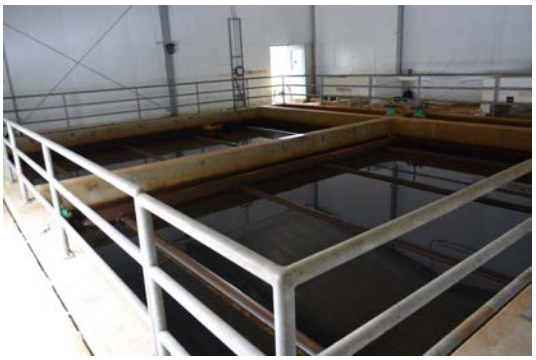
10) Ozone is diffused into the raw water through ceramic diffusers. These are new ones to replace the older diffusers which scaled up.

11) The ozone diffuser is located beneath this building between the operations building on the left and the roughing filter building on the right.

Wrangell Water System Site Visit
Photo Log, April 12-16, 2021, Page 3

12) Ozone off gas is converted back into oxygen in two ozone destructors in the ozone diffuser building.

13) Roughing filter building. This building had to be ventilated before it could be entered to remove ozone released above the filters.



14) View of the two roughing filters from inside the roughing filter building. These are upflow filters with a top layer that had to be rebedded with coarser river gravel to provide an adequate flow rate.

15) The slow sand filter building houses four filters, each with a surface area of 3,040 square feet.

16) Access hatches for each of the slow sand filters are located on the roof of the filter building.

17) On April 14, Wayne McHolland collected samples from the surface of slow sand filters #2 and #4. These were transported back to Fairbanks where Mike Pollen examined them with 100x, 200x, 400x, and 1,000x light and phase contrast microscopy.

Wrangell Water System Site Visit
Photo Log, April 12-16, 2021, Page 4

18) This was the sand filter skimming sample from filter #4.

19) This is the interior of slow sand filter #4, which was drained and opened for inspection on April 15.

20) Iron fouling is evident on the otherwise grey filter sand media. This is the surface of filter #4 after draining. There was no visible evidence of a dark biofilm layer (schmutzdecke).

21) This is the operator-designed "sand probe" used to agitate the filter sand during cleaning. The operators mechanically clean the surface of the filter by dragging a piece of chain link fence on it. Cleaning frequency is as short as a week in summer and a month or more in winter. The original design was for biofilm to be skimmed quarterly.

22) Filtered water piping in the slow sand filter building.

23 Filtered water pumps in the slow sand filter building. These are each rated at 900 gpm.

Wrangell Water System Site Visit
Photo Log, April 12-16, 2021, Page 5

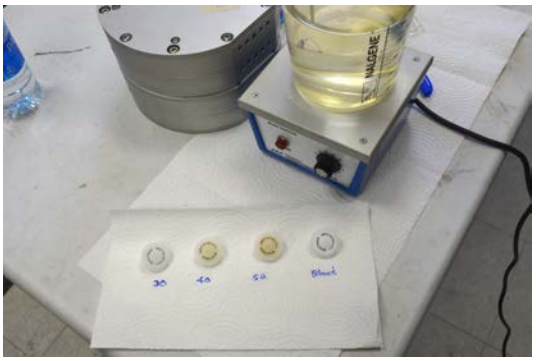
24) The finished water online pH and chlorine residual analyzers are located inside the ozone generator room in the operations building.

25) The finished water storage tanks are located on a hill above the WTP. These have a combined capacity of 0.85 million gallons. The Wrangell distribution system maintains flow and pressure by gravity from these tanks.

26) CBW water system operators calibrate the pH meter during the process monitoring class.

27) Mike Pollen performed jar tests of the raw water using the same type of coagulant that was used in the DAF pilot tests run in 2016. This was the first time the DAF process chemistry had been tested under late winter water quality conditions from the Wrangell source water. UVA_{254} and UVT tests were run on filtered samples to measure organic matter removal in the tests.

Wrangell Water System Site Visit
Photo Log, April 12-16, 2021, Page 6



28) Very little floc was formed in the jar tests as can be seen in this beaker at the end of Jar Test #3. The samples were filtered through 1.5μ syringe filters seen in front of the stirrer. The optimal coagulant dosage was 20 mg/L plus a small amount of sodium hydroxide to raise the pH to 8.1. The final UVT was 96.4% and the UVA_{254} was 0.015/cm, which indicates that nearly all the organic matter had been removed. Those results were better than the results from the finished water at the WTP or the best results from the 2016 DAF pilot test.

29) The WTP lab is equipped with a Hach DR890 spectrophotometer. Iron and manganese tests were performed by the class on samples collected from the source reservoirs through the WTP. This sample was from the underflow of the upper reservoir and had an iron concentration of 7.3 mg/L.

30) These were two sections of DCIP water main piping that had been excavated just prior to the site visit. This section of water main was being replaced with HDPE pipe.

31) The inside of the excavated pipe had a ¼-inch thick uniform layer that appeared to be a dried biofilm. Oxidized iron (red or orange color) and manganese (black color) was deposited throughout the film. The pipe underneath the film did not have any significant evidence of pitting or tuberculation. The bottom of some of the DCIP mains are reportedly showing signs of external corrosion.

Table 1: CITY AND BOROUGH OF WRANGELL DISINFECTION BY-PRODUCT TEST DATA AND LOCATIONAL RUNNING ANNUAL AVERAGES

Test	TTHM Test Sample Level	TTHM Regulatory Limit	LRAA	HAA5 Test Sample Level	HAA5 Regulatory Limit	LRAA	
1 (February) 2015	9.40	80 PPB	28.50	37.00	60 PPB	57.55	2/15
2 (May) 2015	14.90	80 PPB	27.75	52.00	60 PPB	64.88	5/15
3 (August) 2015	60.90	80 PPB	33.78	94.00	60 PPB	59.38	8/15
4 (November) 2015	33.00	80 PPB	29.55	89.00	60 PPB	68.00	11/15
1 (February) 2016	24.80	80 PPB	33.40	86.30	60 PPB	80.33	2/16
2 (May) 2016		80 PPB	39.57		60 PPB	89.77	5/16
3 (August) 2016	60.90	80 PPB	39.57	94.00	60 PPB	89.77	8/16
4 (November) 2016	25.00	80 PPB	36.90	82.00	60 PPB	87.43	11/16
1 (February) 2017	13.00	80 PPB	32.97	45.00	60 PPB	73.67	2/17
2 (May) 2017	21.90	80 PPB	30.20	55.00	60 PPB	69.00	5/17
3 (August) 2017	38.00	80 PPB	24.48	53.00	60 PPB	58.75	8/17
4 (November) 2017	12.80	80 PPB	21.43	36.00	60 PPB	47.25	11/17
1 (February) 2018	17.70	80 PPB	22.60	52.00	60 PPB	49.00	2/18
2 (May) 2018	20.00	80 PPB	22.13	50.00	60 PPB	47.75	5/18
3 (August) 2018	31.00	80 PPB	20.38	44.00	60 PPB	45.50	8/18
4 (November) 2018	48.70	80 PPB	29.35	88.00	60 PPB	58.50	11/18
1 (February) 2019	14.50	80 PPB	28.55	51.00	60 PPB	58.25	2/19
2 (May) 2019	15.10	80 PPB	27.33	23.80	60 PPB	51.70	5/19
3 (August) 2019	31.00	80 PPB	27.33	44.00	60 PPB	51.70	8/19
4 (November) 2019	21.00	80 PPB	20.40	71.00	60 PPB	47.45	11/19
1 (February) 2020	8.60	80 PPB	18.93	26.00	60 PPB	41.20	2/20
2 (May) 2020	13.70	80 PPB	18.58	44.00	60 PPB	46.25	5/20
3 (August) 2020	85.50	80 PPB	32.20	179.10	60 PPB	80.03	8/20
4 (November) 2020	37.30	80 PPB	36.28	70.00	60 PPB	79.78	11/20
1 (February) 2021	10.10	80 PPB	36.65	31.00	60 PPB	81.03	2/21
2 (May) 2021		80 PPB	44.30		60 PPB	93.37	5/21
3 (August) 2021		80 PPB	23.70		60 PPB	50.50	8/21
4 (November) 2021		80 PPB	10.10		60 PPB	31.00	11/21
AVERAGE:	27.87			62.38			

LRAA Data incomplete pending remaining DBP 2021 test results

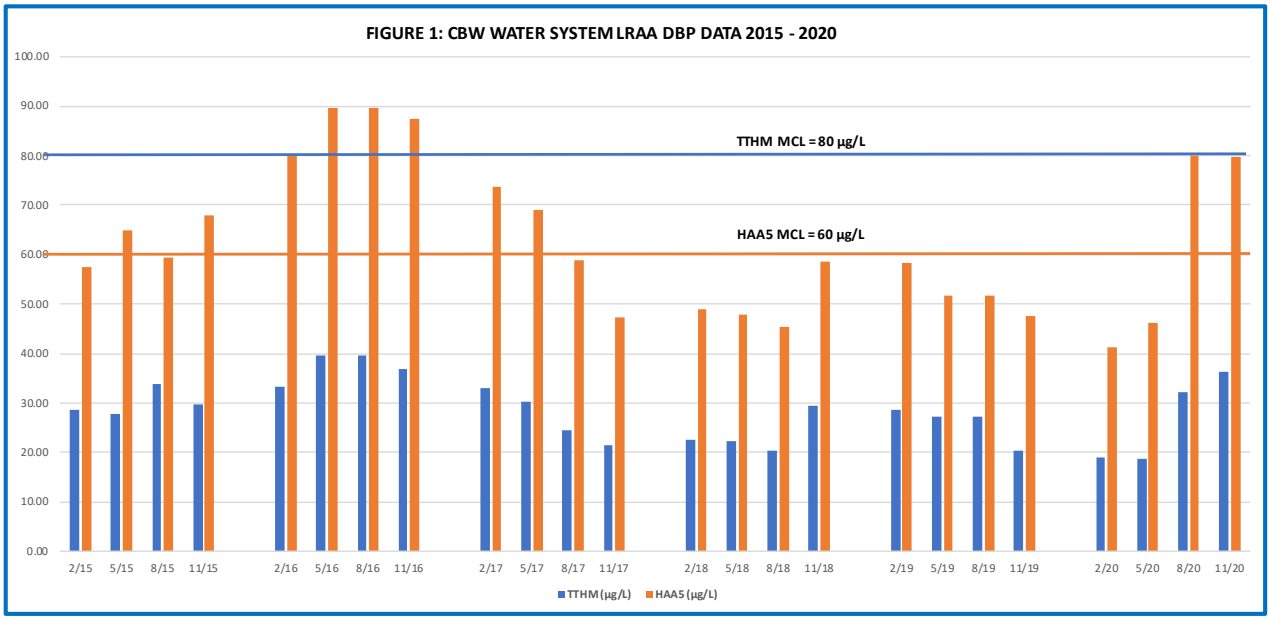


TABLE 2: WRANGELL WATER SYSTEM ULTRAVIOLET SPECTROPHOTOMETER DATA

Date	Time	Sample	UVA_{254} Unfiltered (cm^{-1})*	UVA_{254} 0.45µ-Filtered (cm^{-1})**	UVT 0.45µ-Filtered (%)***	Notes
4/12/21	14:45	Upper Reservoir Spillway	0.286	0.243		
		Lower Reservoir Spillway	0.211	0.199		
		Raw Water Tap, Unfiltered	0.186	0.175		Point of entry to WTP
		Roughing Filter Influent	0.139	0.131		After ozone dosing
		Roughing Filter Effluent	0.099	0.090		UVA_{254} removal through roughing filter = approximately 30%
		Finished (Treated) Water	0.020	0.180		UVA_{254} removal through treatment system = approximately 90%
	Reduced ozone dosage experiment @ 800 gpm					
4/14/21	11:00	Upper Reservoir Toe of Berm		0.284	52.1	
	11:00	Finished (Treated) Water		0.029	93.5	
	16:10	Roughing Filter Influent		0.092	80.7	
	16:10	Roughing Filter Effluent		0.072	84.3	UVA_{254} removal through roughing filter = approximately 22%
	Reduced ozone dosage experiment @ 800 gpm					
4/15/21	8:00	Raw Water Tap		0.155	66.7	
	11:10	Roughing Filter Influent		0.059	87.3	
	11:10	Roughing Filter Effluent		0.054	88.3	UVA_{254} removal through roughing filter = approximately 8%
	11:10	Finished (Treated) Water		0.041	91.0	
	Reduced ozone dosage experiment @ 200 gpm					
	16:45	Roughing Filter Effluent		0.032	92.8	UVA_{254} removal through roughing filter = approximately 46%

Notes: UVA_{254} = Ultraviolet Absorbance at 254 nanometers through a 1-centimeter light path

UVT = Ultraviolet Transmittance at 254 nanometers through a 1-centimeter light path

* UVA_{254}/cm (Unfiltered sample = total organic matter)

** UVA_{254}/cm (0.45µ-Filtered sample = dissolved organic matter)

*** UVT (0.45µ-Filtered sample = dissolved organic matter); Measurements for UVT taken at 11:00 on 4/15/21

NTL ALASKA, INC.
1606 Heather Drive
Fairbanks, AK 99709
(907) 452-6852 fax (855) 751-1984
www.ntlalaska.net

April 19, 2021

City and Borough of Wrangell
Attention: Tom Wetor, Public Works Director
P.O. Box 531
Wrangell, Alaska 99929

Re: Report of Microscopic Examination of Samples Collected from the Wrangell Water Treatment Facility

Dear Tom:

This is a report of the microscopic examination of the following samples collected by Wayne McHolland, Wrangell WTP Lead Operator, and Michael Pollen of NTL Alaska, Inc. during a site visit to Wrangell:

- Raw Water Inlet Strainer Biofilm, 2:20 PM, 4-12-21
- Slow Sand Filter #2 Media Surface Skimming, 11:45 AM, 4-15-21
- Slow Sand Filter #4 Media Surface Skimming, 11:45 AM, 4-15-21

The samples were maintained at refrigeration temperature after collection. They were analyzed by Michael Pollen using light and phase contrast microscopy at 100x, 200x, 400x, and 1,000x (with oil immersion) magnification at the Pollen Environmental, LLC certified water laboratory in Fairbanks, Alaska. Photomicrographs were taken on selected images.

Raw Water Inlet Strainer Biofilm

The sample was reddish brown in color and consisted of about 10 mls of gelatinous sediment in about 25 mls of water. The microscopic examination showed abundant masses of active, free swimming bacteria and ferric hydroxide precipitates, some of which were inside of what appeared to be bacterial slime (likely extracellular polysaccharides). Figure 1 is a photomicrograph at 1000x magnification using oil immersion of a wet mount slide of the biofilm and some of the associated water. Several of the individual cells are identified in the figure. These had the morphology of the single-celled iron bacterium *Siderocapsa*. Filamentous iron or sulfur bacteria were not found in this sample.

Interpretation: Filamentous iron and sulfur bacteria are often associated with more adherent biofilms and fouling of well screens, inlet strainers, and sand filters. The single-celled type of bacteria seen in this sample would more readily pass through a well screen or strainer without plugging, but in sufficient quantity could contribute to fouling of sand filters. These bacteria would likely become colonizers of the biofilm on a slow sand filter.

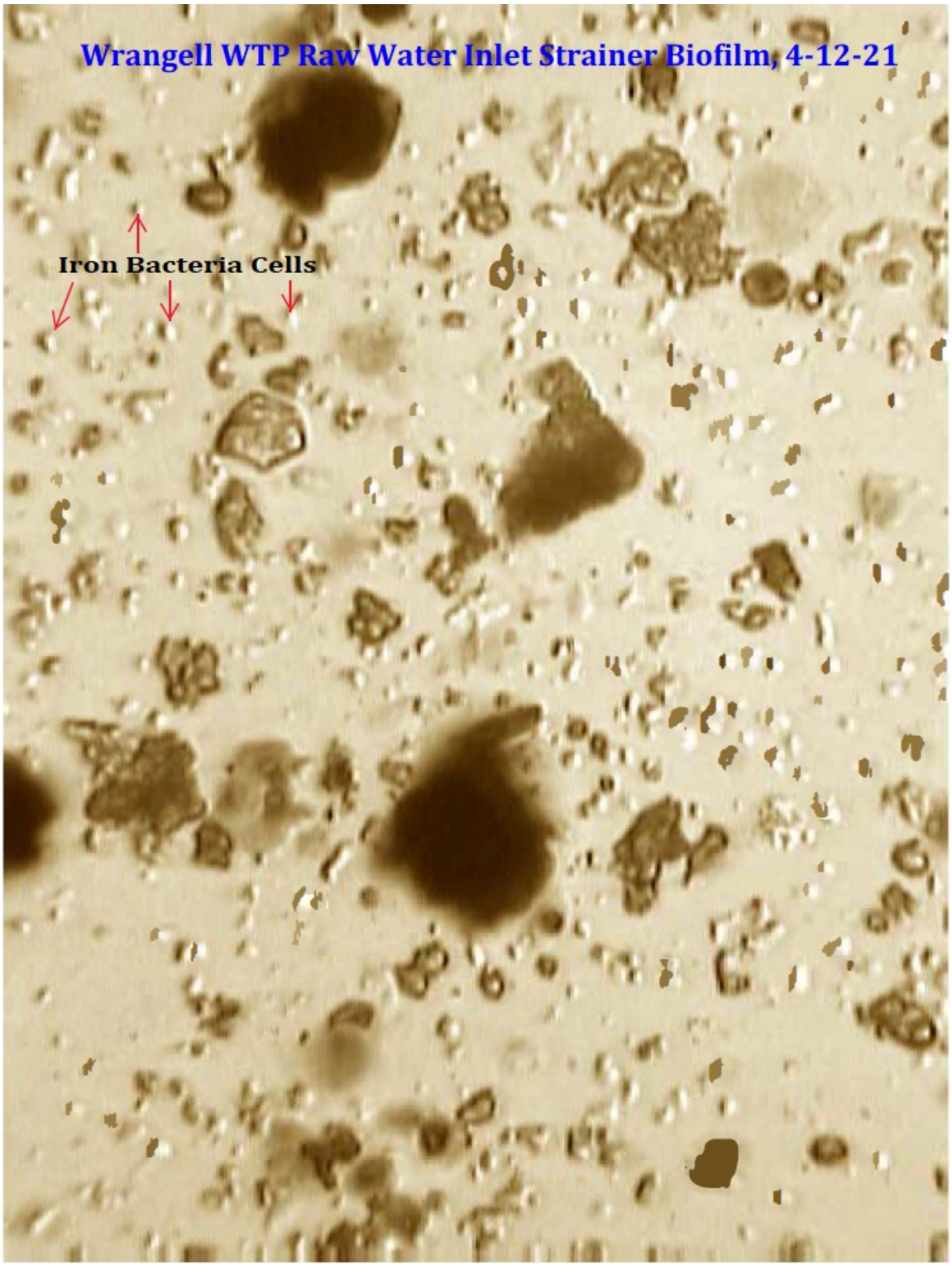


Figure 1: 1000x oil immersion wet mount photomicrograph of inlet strainer biofilm.

Slow Sand Filter #2 Media Surface Skimming

The sample consisted of tan to orange-colored wet sand with enough free water to submerge the sand. The sample was mixed to suspend any biofilm, and a wet mount slide was prepared from a drop of the liquid. Microbiological activity was minimal. One deceased metazoan (multi-celled microorganism) and one active free swimming ciliate (single-celled protozoan) were observed at 200x and 400x magnification. Figure 2 is a 400x phase contrast photomicrograph of the free swimming ciliate in a mass of inactive bacteria cells. The active ciliate had the morphology of the ciliate *Stylonichia* and the metazoan appeared to be a deceased *Tardigrade*. An additional observation with 1000x oil immersion light microscopy showed a few free-swimming bacteria with minimal activity.

Interpretation: The level of microbiological activity appeared to be very low for what was nominally a biological filtration system. Only a few of the observed microorganisms appeared to be viable. The types of protozoans and metazoans observed in this sample usually feed on bacteria cells, including those that have accreted into floc.

Slow Sand Filter #4 Media Surface Skimming

This sample also consisted of tan to orange-colored wet sand with enough free water to submerge the sand. The sample was mixed to suspend any biofilm, and a wet mount slide was prepared from a drop of the liquid. Microbiological activity was minimal. One active flagellate (single-celled protozoan) and a nematode (worm) were observed at 200x and 400x magnification. Figure 3 is a 400x phase contrast photomicrograph of the nematode in a mass of inactive bacteria cells. An additional observation with 1000x oil immersion light microscopy showed a few free-swimming bacteria with minimal activity.

Interpretation: Figure 4 is a photo of the media surface skimming sample from Filter #4 being collected on April 15. No black biofilm was evident in the sample or on top of the sand. The microscope exams of both sand filter media samples appeared to have a very low level of microbiological activity for biological filtration systems. Only a few of the observed microorganisms in any of the slides examined from these samples appeared to be viable. The types of protozoans and metazoans found in these samples typically consume bacteria cells, including those that have accreted into floc. The flagellated forms typically predate on active free-swimming bacteria, only one of which was observed in the Filter #4 sample.

Both of the slow sand filter samples had the appearance of being disinfected. It is possible that the residual ozone exiting from the roughing filters is stressing the biological community that would otherwise form in abundance on the surface of the filter sand. The ozone residual was 0.3 mg/L when both ozone generators were operating, but declined to 0.03 mg/L when one of the generators was shut off in an experiment to determine the process efficiency at a lower ozone dosage.

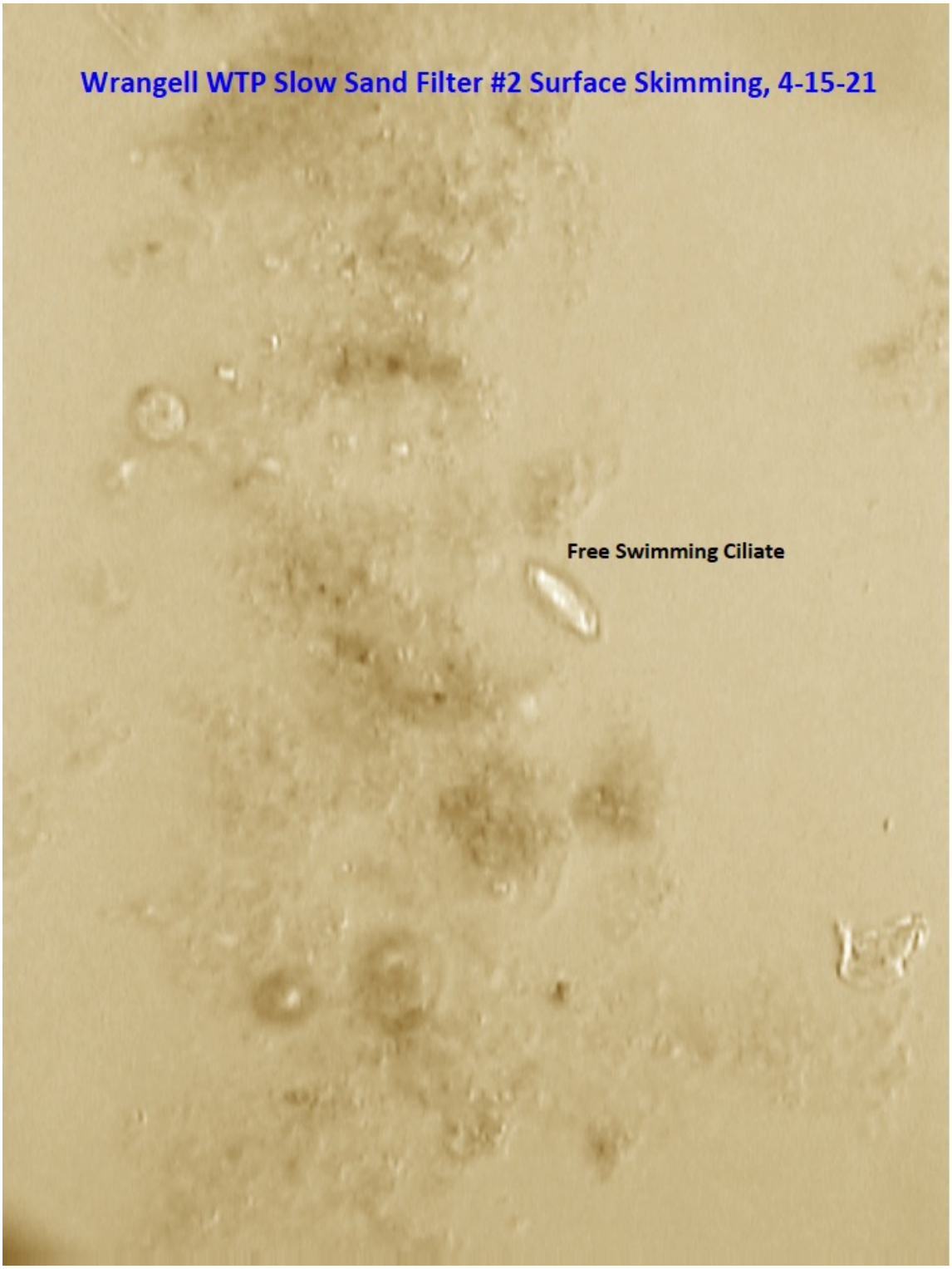


Figure 2: 400x phase-contrast photomicrograph of the Slow Sand Filter #2 sample.

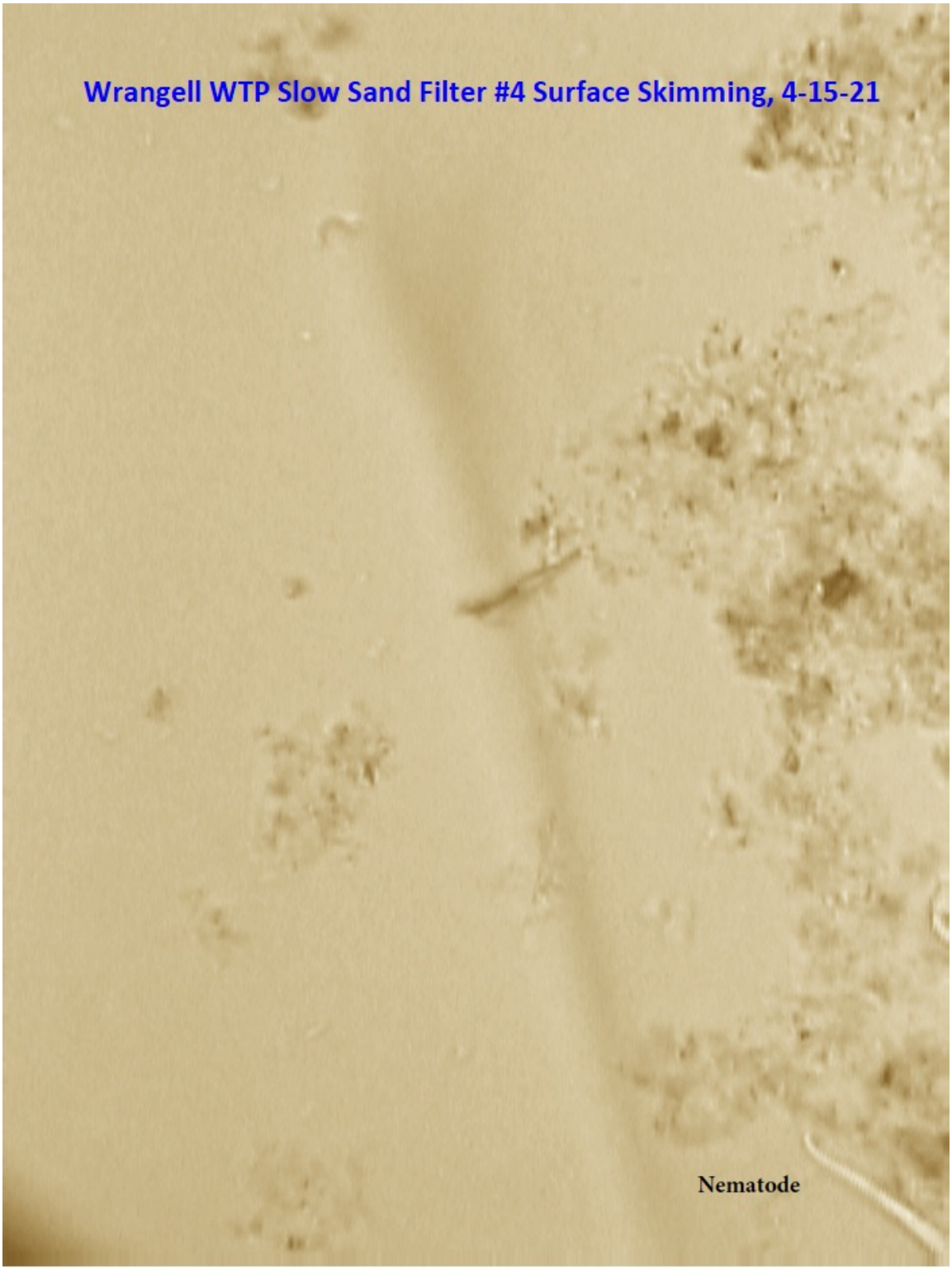


Figure #3: 400x phase-contrast photomicrograph of the Slow Sand Filter #4 sample.

Figure 4: Wayne McHolland holds the sample skimmed from the surface of Slow Sand Filter #4 with a garden hoe on April 5. Iron has discolored the sand and no biofilm ("Schmutzdecke") was visible on the surface of the sand.

Recommendation: Continue to operate at a reduced ozone dosage until an increase in the organic matter concentration (TOC) in the source water occurs later in summer. Ozone residual from the roughing filters should be monitored daily and the ozone generator output adjusted to maintain no more than a trace residual.

Please contact me at 907-452-6855 (office), 907-378-2090 (mobile) or by email at Mike@ntlalaska.com if you have any questions regarding this report.

Sincerely,
NTL Alaska, Inc.

Michael R. Pollen

Michael R. Pollen, President
WEF Fellow

Cc: Wayne McHolland, Wrangell WTP Lead Operator

TABLE 3: COAGULANT JAR TEST LOG SHEET

Sample: **Wrangell WTP Raw Water Tap**
Date: 15-Apr-21
Analysts: Mike Pollen, Wayne McHolland

Test Procedure:

1. One-liter raw water samples collected from source.
2. 0.5% Aluminum chlorohydrate coagulant added and mixed @ moderate speed on magnetic stirring plate
3. Supernatant filtered with a 1.5µ Whatman GFC TSS filter using a syringe filter apparatus.
4. Selected water quality parameters recorded.

	Coagulant			Floc	Filtered?	Water Quality Data			
Time	Type	mls	PPM	Appearance	Y/N	pH (Units)	UVA_{254} (cm^{-1})	UVT (%)	Notes
15:15	Kemira PAX-XL 19	0.0	0.0	None			0.172	67.2	Slight yellow color, clear
		1.0	5.0	Fine					
		2.0	10.0	Fine					
		3.0	15.0	Fine	N	6.0			
		4.0	20.0	Very Small					
		5.0	25.0	Very Small	Y	5.7	0.028	93.6	Still slightly yellow color
15:30	Kemira PAX-XL 19	0.0	0.0	None		9.1			Sodium hydroxide added
		1.0	5.0	Fine		8.8			
		2.0	10.0	Fine		8.5			
		3.0	15.0	Very Small		8.4			
		4.0	**20.0**	**Very Small**	**Y**	**8.1**	**0.015**	**96.4**	**Still slightly yellow color, optimal dosage**
15:45	Kemira PAX-XL 19	0.0	0.0	None		10.0			Sodium hydroxide added
		3.0	15.0	Very Small	Y	9.3	0.135	73.2	Still slightly yellow color

CITY & BOROUGH OF WRANGELL, ALASKA

BOROUGH CLERK'S REPORT

SUBMITTED BY:

Kim Lane, Borough Clerk

Upcoming Meetings & Other Informational dates:

Community Events & Other City Boards/Commissions:

June 10 Regular Planning & Zoning Commission Meeting at 6:00 PM
June 15 – 30 66th Annual King Salmon Derby (held by the Wrangell Chamber of Commerce)

Meetings and Other events of the Borough Assembly:

June 22 Regular Borough Assembly Meeting at 6:00 PM

Budget Calendar Dates for Assembly:

TBD	**Work Session:** General & Misc. Fund Budget
TBD	**Work Session**: CIP and Capital Equipment/Vehicle Budget
TBD	Extra Budget Work Session (Only if Needed)
June 22	Official Budget Public Hearing (during Regular Assembly Meeting)
June 22	Budget Adoption (during Regular Assembly Meeting)

Public Surplus – I have been working a lot with the surplus items at the Old Medical Center. A lot of the items have sold however, there are quite a few that have not. I will continue to post items as they are processes.

Records – I am hoping to get back to scanning project records into Laserfiche. Once I establish a system it will still be slow going, however, one box scanned in, is one box that can be searched electronically! That is the overall goal.

Elections (yep.... it's that time again!) – I am starting to work on the Municipal Election of Tuesday, October 5th. I should have the calendar to you at the next Assembly Meeting.

Upcoming Conferences:

Alaska Municipal League (Summer Legislative Conference)
August 4-6, 2021 – Fairbanks

Alaska Municipal League (Annual Meeting)
Newly Elected Officials Training – November 9-10, 2021
Regular Conference – November – November 16-19, 2021

Southeast Conference Annual Meeting
September 14-16, 2021 – Haines

Southeast Conference Mid-session Summit
February 2022 – (venue TBD)

Postpone to a Definite Time (rank 5)

Sophia: *I move that we postpone consideration of this motion to next month's meeting so we have time to think about it.*

Postpone to a definite or certain time is a very useful motion. When members say, "I would like to table this until our next meeting," they should actually be moving to postpone the motion until the next meeting.

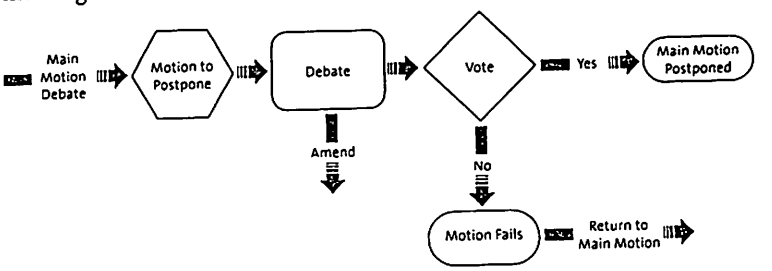


Figure 9. Postpone to a Definite Time

This motion:

- requires a second,
- can be debated as far as its own merits—cannot discuss the motion that might be postponed except as it pertains to the merits of this motion,
- can be amended, and
- takes a majority to pass.

Motions may be postponed only until the next business meeting if it falls within a quarterly (three month) interval. Don't let anybody move to postpone something until the turn of the century or the apocalypse. If a motion requires more time to be studied, most likely "refer to committee" will be the right motion to use.

EXAMPLE

Jasmine: *I move that we build a mammalian outreach center.*
Benjamin [without being recognized]: *Second!*
Mayor Pat: *It has been moved and seconded that we build a mammalian outreach center. We will now debate the motion.*

[Members debate the motion. During debate...]

Sophia: *I move that we postpone consideration of this motion to next month's meeting so we have time to think about it.*
Tomas [without being recognized]: *Second!*
Mayor Pat: *It has been moved and seconded that we postpone consideration of this motion to next month's meeting so we have time to think about it. We will now debate the motion to postpone.*

[Members debate the motion.]

Mayor Pat: *Are you ready to vote? The motion is that we postpone consideration of this motion to next month's meeting so we have time to think about it.*
All those in favor say "aye." [Members in favor speak up.]
All those opposed say "no." [Members opposed speak up.]
The "ayes" have it, the motion passes, and the motion is postponed to next month's meeting. Our next item of business is...

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	June 8, 2021
	Agenda Section	**13**

RESOLUTION No 06-21-1589 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, LEVYING A GENERAL TAX FOR SCHOOL AND MUNICIPAL PURPOSES UPON ALL TAXABLE PROPERTY WITHIN THE BOROUGH FOR THE TAX YEAR 2021 PURSUANT TO WRANGELL MUNICIPAL CODE SECTION 5.04.010; PROVIDING FOR THE COLLECTION OF TAXES DUE IN 2021 AND PRESCRIBING PENALTIES AND INTEREST FOR DELINQUENT TAXES

SUBMITTED BY:
Lisa Von Bargen, Borough Manager

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 20: $	FY 21: $	FY22: $
Amount Budgeted:		
	FY20 $XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	$XXX	

ATTACHMENTS: 1. RES 06-21-1589

RECOMMENDATION MOTION:
Move to Approve Resolution No. 06-21-1589.

SUMMARY STATEMENT:

This resolution sets the Mill Levy at 12.75 for the Wrangell Service Area; and at 4.0 for the areas outside the service area and within the tax differential zone. Taxes will be due Friday, October 15th

at 5pm. Property taxes unpaid at that time will begin accruing interest and penalties as provided by law. The Assessor has certified the tax roll for this year. The Assembly received a copy of the certified tax roll at the May 25th meeting. The full assessed value of property in the Borough (after exemptions) in 2020 was $158,912,300. The net taxable assessed value increased $18,517,900 from 2020 to 2021 to a total of $177,430,200. Across the different zones, this will result in $249,938 in additional property taxes for 2021.

The total property tax revenue for 2021 (FY 2022) is estimated at $2,125,601. $2,063,140 will come from inside the service area which is taxed at 12.75 mills. $62,461 will come from outside the service area which is taxed at 4 mills.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 06-21-1589

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, LEVYING A GENERAL TAX FOR SCHOOL AND MUNICIPAL PURPOSES UPON ALL TAXABLE PROPERTY WITHIN THE BOROUGH FOR THE TAX YEAR 2021 PURSUANT TO WRANGELL MUNICIPAL CODE SECTION 5.04.010; PROVIDING FOR THE COLLECTION OF TAXES DUE IN 2021 AND PRESCRIBING PENALTIES AND INTEREST FOR DELINQUENT TAXES

WHEREAS, the Borough Assembly sitting as the Board of Equalization, has regularly assessed and equalized all real property within the City and Borough of Wrangell and has fixed a time at which the taxes levied shall be paid, and has fixed the date of delinquency, and has established that taxes remaining unpaid after the delinquent date shall be collected and have penalties and interest added thereto in accordance with law. The Borough Assembly has provided herein for payment and the date of delinquency of all taxes levied on the property assessed on the tax rolls.

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

Section 1. There is hereby levied upon all taxable real property in the City and Borough of Wrangell, Alaska, as previously taxed by the City of Wrangell, except such property as is exempt by law from taxation, a mill rate of 12.75 mills for the tax year 2021, for the Wrangell Service Area, 4.0 mills for property outside the Service Area, and 4.0 mills for the tax differential zone as described in 5.04.310 (a).

Section 2. Taxes levied pursuant to this resolution shall be due and payable on or before October 15, 2021. Penalty and interest shall accrue on an unpaid installment from 5:00 p.m. on the date the payment becomes due.

Section 3. Taxes remaining unpaid after the delinquent date shall be collected and have penalties and interest added thereto in accordance with law.

Section 4. This resolution shall become effective upon its passage and adoption.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THIS 8TH DAY OF JUNE 2021.

CITY & BOROUGH OF WRANGELL

_____

Stephen Prysunka, Mayor

ATTEST:_____

Kim Lane, MMC, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	June 8, 2021
	Agenda Section	**13**

Approval of Assignment of Tidelands Lease on Lot 15, Block 1-A, Alaska Tidelands Survey 83 (Including the Exception) from Wilma E. Leslie to James D. Leslie

SUBMITTED BY:
Kim Lane, Borough Clerk Lisa Von Bargen, Borough Manager

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 20: $	FY 21: $	FY22: $
Amount Budgeted:		
	FY20 $XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	$XXX	

ATTACHMENTS: 1. Assignment of Lease; 2. Tidelands Lease; 3. Request from W. Leslie to Assign; 4. Original Lease

RECOMMENDATION MOTION:
Move to Approve the Assignment of Tidelands Lease on Lot 15, Block 1-A, Alaska Tidelands Survey 83 (Including the Exception) from Wilma E. Leslie to James D. Leslie.

SUMMARY STATEMENT:

Wilma Leslie is requesting that city owned Tidelands, described as Lot 15, Block 1-A, ATS 83 that she has leased from the city since 2001 (original lease start date was December 13, 1977) be assigned to James D. Leslie.

Mr. Leslie has paid all taxes and lease rent on the premises. The remaining term of the Tidelands Lease is until December 13, 2032. The leased Tidelands are reappraised every five years and this lease is due to for reappraisal in 2022.

The terms and conditions of the lease remain in effect for this assignment. The lease has been brought into conformance with the recement amendments to the tideland lease section of the code.

Staff is requesting that the assignment be approved.

ASSIGNMENT OF LEASE

PARTIES: Wilma E. Leslie ("Assignor")

James D. Leslie ("Assignee")

DATE: _____

RECITALS:

A. Assignor is the "Lessee" under that certain lease from the City and Borough of Wrangell, Alaska, ("Lessor") dated July 13, 2001, and recorded July 17, 2001, in Book 34, Page 419, Wrangell Recording District ("the Lease").

The "Leased Premises," which are the subject of the Lease, consist of Lot 15, Block 1-A, Alaska Tidelands survey 83, Wrangell Recording District, First Judicial District, State of Alaska.

Except that part therefrom 228.0 square feet utilized by the City of Wrangell for concrete sidewalk as shown on the survey dated March 9, 1978 as Job #78-14, and more particularly described in the Lease.

C. Assignee, having reviewed and become familiar with all of the terms and conditions of the Lease, now wishes to acquire Assignor's interest in the Leased Premises and is willing to assume all of the obligations of the Lessee under the Lease; and Assignor, having obtained the consent of the Lessor to do so, now wishes to transfer all of Assignor's interest under the Lease and in and to the Leased Premises.

NOW, THEREFORE:

1. **ASSIGNMENT**

1.1 Assignor hereby assigns, transfers, and conveys to Assignee all of the Assignor's interest as Lessee in and to the Lease and in and to the Leased Premises.

1.2 Assignor warrants that the Lease is in good standing according to its terms, that the Lease has not been amended or modified, and that Assignor has paid all rent due thereunder through and including the payment due by June 1st, 2021.

1.3 Assignor warrants that Assignee shall have possession of the Leased Premises on the __ day of _____, 2021.

1.4 The consideration for this Assignment consists of Assignee's assumption of all liability for payment and performance of the Lease.

2. **ASSUMPTION**

2.1 Assignee hereby accepts the foregoing assignment by Assignor, assumes responsibility for payment and performance of all obligations of Assignor, as Lessee, under the Lease, including paying of all rentals required by the Lease, commencing with the annual rental payment due by July 1st of each year.

2.2 Assignee agrees to hold harmless, indemnify, and defend Assignor from and against any loss, claim, or liability suffered by or asserted against Assignor as a result of Assignee's failure to fully pay and perform the Lease at any time hereafter.

2.3 Assignee has inspected the Leased Premises and accepts the same in "AS IS" condition.

2.4 This Assignment is conditioned upon execution hereof by Lessor.

IN WITNESS WHEREOF, the undersigned have executed the foregoing on or effective as of the date first written above.

ASSIGNOR

By: _____
Its: _____

ASSIGNEE

By: _____
Its: _____

CONSENT. Lessor, in consideration of Assignee's agreement to pay and perform the Lease, hereby consents to this Assignment, but does not release Assignor or any other party from liability for payment and performance of the Lease.

Lessor agrees to afford Assignor written notice of any default by Assignee in payment or performance of the Lease, together with a reasonable opportunity to cure any such default, prior to exercising any of Lessor's remedies under the Lease.

LESSOR

By: _____
Its: _____

[**NOTARIALS]

Kim Lane

From: Wilma Stokes-Leslie <wilma.stokes.leslie@gmail.com>
Sent: Monday, May 17, 2021 1:07 PM
To: Kim Lane
Cc: James Leslie
Subject: Lease name change

Hi Kim,

Please remove my name from the tideland lease at 109 Lynch Street Wrangell, AK and add James Dawson Leslie II to the lease.

Thank you for your time and consideration.

Best Regards,

Wilma E. Leslie

BOOK 34 PAGE 419

CONSENT TO ASSIGNMENT OF LEASE

The Lessor in that certain 55 year Tidelands Lease dated December 13, 1977, by and between the City of Wrangell, as Lessor, and James D. Leslie Wilma E. Leslie, as Lessee, Concerning certain premises legally described as:

Lot 15, Block 1-A, Alaska Tidelands survey 83,Wrangell Recording District, First Judicial District, State of Alaska.

EXCEPT THAT PART THEREFROM 228.0 square Feet utilized by the City of Wrangell for concrete sidewalk as shown on that survey perpared by C.L. Templin, dated March 9, 1978 as Job #78-14.

Lease was recorded on the 13th day of December, 1977, in Book 4 at Page 770, of Wrangell Recording District, First Judicial District, State of Alaska.

Addendum to Tidelands Lease Agreement recorded May 15, 1978 in Book 4 at Page 908.

By Addendum to Tidelands Lease Agreement recorded December 9, 1988 in Book 17 at Page 80, the interest of Leslie Murray and Andrew Czernek was assigned to Larry Persily.

Lessee's interest in said lease is now held of record by James D. Leslie and Wilma F. Leslie, husband and wife according to Assignment of Lease dated May 29, 1996 and recorded June 3, 1996 in Book 26 at Page 396.

hereby consents to the Assignment by said Lessee, James D. Leslie and Wilma E Leslie, of all his right, title and interest in and to said Lease to First Bank, an Alaska Corporation of P.O. Box 7920 Ketchikan, Alaska 99901 for security purposes only.

The Wrangell City Council, at a ~~regular~~ special meeting held on 7-13, 2001 Has by action taken, consented to this Assignment.

Dated this 16 day of July, 2001

By: Fern D. Neimeyer
FERN D. NEIMEYER, MAYOR
City of Wrangell, Alaska

ATTEST: Christie L. Jameison
Christie Jameison, City Clerk

000353
WRANGELL RECORDING DISTRICT
15.00 CC
2001 JUL 17 A 11:04
REQUESTED BY CITY OF WRANGELL

Return to:
City Clerk
City of Wrangell
P.O. Box 531
Wrangell, AK 99929

CITY OF WRANGELL, ALASKA

TIDELANDS LEASE

(Title 45, Chapter 40)

This indenture made this 13 day of December, 1977 between CITY OF WRANGELL, ALASKA, as Lessor, and LARRY PERSILY and LESLIE MURRAY, as Lessees:

W I T N E S S E T H:

Lessor hereby leases and demises unto Lessee, and Lessee does hereby lease and take from Lessor, for and in consideration of the rents, terms, limitations, covenants and mutual agreements hereinafter stated, the following described filled tide and submerged lands situated in the City of Wrangell, First Judicial District, State of Alaska, to wit:

Lot 15, Block 1-A, ATS No. 83.

That each of the parties hereto has performed or caused to be performed all of the acts and things required by the substantive and procedural requirements of Wrangell City Code, Title 45, Chapter 40.

That the term hereof is for fifty-five (55) years from the date hereof, ending and terminating on December 13, 2032, unless renewed or sooner terminated under the provisions of said City Code.

That the annual rental is $1,021.35, payable in advance annually, subject to adjustment pursuant to the provisions of

Wrangell City Code, Sec. 45.40.200, as may be from time to time amended.

That Lessee will construct on the leased lands described herein:

> Placement of existing building approximately 32' wide by 25' deep on three concrete footings running the width of the structure, to be used as a commercial building of a value of approximately $17,000 within two years from the date hereof.

That Lessor has emposed no other conditions or limitations on Lessee, other than those contained in Wrangell City Code, Title 45 and by the Army Corps of Engineers, and in consideration thereof Lessee hereby agrees to perform such other acts and deeds required by said City Code relating to the construction and operation of said structure and Lessee hereby states that he is aware of such requirements; that he has read or caused the provisions thereof to be read and understood, and which terms and provisions are hereby adopted by reference as if fully set forth in writing herein.

Lessee does further agree that at the expiration of said term, or renewal term, to quit and surrender the said premises with improvements thereon according to the terms and provisions of the present Wrangell City Code.

DATED this 30 day of December, 1977 at Wrangell, Alaska.

LESSOR:

CITY OF WRANGELL, ALASKA

By Samuel R. Privett
Samuel R. Privett, Mayor

ATTEST: Joyce Rasler
Joyce Rasler, City Clerk

LESSEE:

By Larry Persily
Larry Persily

By Leslie Murray
Leslie Murray

STATE OF ALASKA)
SS.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 30 day of December, 1977, in Wrangell, Alaska, before me, the undersigned a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Larry Persily and Leslie Murray, to me known and known to me to be the persons they represent themselves to be and the same persons who executed the above and foregoing instrument as a free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal the day, month and year herein first above written.

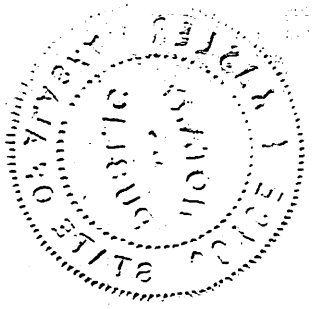
Joyce A. Rasler
Notary Public, State of Alaska
My commission expires 5-21-81

STATE OF ALASKA)
SS.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this 30 day of December, 1977, in Wrangell, Alaska, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Samuel R. Privett and Joyce Rasler, mayor and city clerk, respectively, of CITY OF WRANGELL, ALASKA, to me known and known to me to be the persons they represent themselves to be and the same persons who executed the above and foregoing instrument on behalf of CITY OF WRANGELL, ALASKA and who acknowledged to me that they had full power and authority to and did execute the above and foregoing as a free and voluntary act and deed of said City, for the uses and purposes therein mentioned, and that the seal affixed to this instrument is the seal of the CITY OF WRANGELL, ALASKA.

WITNESS my hand and official seal the day, month and year herein first above written.

RaDonna Klein
Notary Public, State of Alaska
My commission expires 8-6-78



TIDELANDS LEASE AGREEMENT

This Assigned Lease Agreement ("Agreement") is made effective as of _____ ("Effective Date") between James D. Leslie, whose mailing address is P.O. Box 1978, Wrangell, AK 99929 ("Lessee"), and the City and Borough of Wrangell, a municipality, whose mailing address is P.O. Box 531, Wrangell, AK 99929 ("Borough" or "Lessor") (each a "Party" and collectively, the "Parties").

WHEREAS, the Borough owns the property described below; and

WHEREAS, the Borough wishes to lease this parcel of land to James D. Leslie; and;

The Borough and Lessee desire to enter into a Lease Agreement with respect to the following described property hereinafter referred to as the Premises which is depicted in Attachment A and is more particularly described as follows:

LEGAL DESCRIPTION

Lot 15, Block 1-A, Alaska Tidelands Survey 83, Wrangell Recording District, First Judicial District, State of Alaska.

EXCEPT THAT PART THEREFROM 228.0 square feet utilized by the City & Borough of Wrangell for concrete sidewalk.

The Borough Assembly approved the assignment of Tidelands Lease from Wilma Leslie to James D. Leslie on _____, 2021.

1. **LEASE TERM.** The term of this Lease shall begin on the date of approval of the Assignment, _____, 2021, and shall continue until December 13, 2032. ("Lease Term"). The expiration or termination of the Lease Term shall not terminate or otherwise extinguish any liability or obligation (including, without limitation, defense, and indemnification obligations) of either Party hereto involving any act, omission, breach, or default occurring prior to such expiration or termination. In accordance with WMC 16.08.070, leases under this chapter may be issued for a maximum initial period of 21 years, and may provide for not more than six, five-year renewal options. The assembly will approve or reject the negotiated lease. No rights to new leases or new use of tidelands or submerged lands may arise until the assembly approves a final written lease. Nothing in this chapter requires the borough assembly to accept any lease.

2. **RENTAL.** During the first year (2021-2022) of the Assigned Lease Term, Lessee shall pay the Borough rent for the Premises ("Rent") in the amount of One Thousand Six Hundred Fifty ($1,650.00), plus tax, per year, billed annually and due at the start of each subsequent year of the term, with the annual payment due on or before June 1st of each year. Lessee shall pay all property taxes assessed against the leased Premises.

3. In accordance with WMC 16.08.110 and 16.08.120 the annual Rent payable pursuant to any Lease issued under the provisions of this chapter shall be subject to adjustment by the Assembly on the fifth anniversary of the date of the Lease and each anniversary date thereafter which is divisible by the number five. The next fifth anniversary date of this Assigned Lease is 2022. All adjusted rates shall be computed at six percent of the fair market value of the land and improvements owned by the Borough and leased thereunder. Such value shall be determined by an appraisal made by the Borough assessor, or contract appraiser, and reviewed and determined by the Assembly as provided in WMC 16.08.040 and 16.08.120.

4. **OPERATION AND MAINTENANCE**
    a. Lessee shall keep and maintain the leased premises in good and substantial repair and condition. This Lease shall be subject to any rights of the public under the Public Trust doctrine.

    b. Lessee shall pay all taxes, fees, or assessments as may be required.

    c. Lessee shall not suffer or permit any lien to be filed against the Premises or Lessee's leasehold interest, by reason of work, labor, services or materials performed for or supplied to Lessee or anyone holding the Premises or any part thereof under Lessee. If any such lien is filed, Lessee shall cause the lien to be discharged of record at least (30) days prior to any scheduled lien foreclosure sale. If the Lessee fails to discharge the lien within 30 days, such failure constitutes a material breach of the lease and a default.

5. **TERMS AND CONDITIONS**
    a. Lease Utilization. Leases shall be utilized solely for the purposes within the scope of the lease. Development for other use without the express consent of the borough assembly shall constitute a violation of the lease. The Borough Assembly shall require a development plan to be submitted and followed by the Lessee. Failure to develop the land consistent with the development plan constitutes grounds for cancellation of the Lease at the option of the Borough Assembly.

    b. Subleasing and Assignment. No Lessee of Borough tidelands shall sublease or assign their Lease or any interest therein without the prior written consent of the Borough Assembly. Consent to sublease or assign shall not be unreasonably withheld, but shall be granted in all cases, where the Borough Assembly finds that the assignment or sublease will not be detrimental to the interest of the Borough in the development of Borough tidelands.

    c. Modification. No Lease under this chapter may be modified orally or in any manner other than by a Lease Amendment approved by the Borough Assembly and signed by all parties thereto or their respective successors in interest.

    d. Required Improvements. Each Lease shall contain a requirement that the Lessee construct improvements suitable for the use of which the land is classified of a

specified minimum value within two years from the date of the Lease and that a Corps of Engineers permit shall be obtained prior to construction when required. Improvements in the limited context of the tidelands leasing provisions may include a parking lot with fill or surfacing, drainage, ingress and egress as the Assembly shall require. The applicant shall be notified of the amount of the minimum annual Rent and the value of the improvements required to be constructed thereon.

e. Indemnification and Insurance

1. Indemnification of Lessor. Lessee agrees, to the fullest extent of the law, to indemnify, defend and hold Lessor harmless against and from any and all claims, actions and proceedings or any kind and any nature by or on behalf of any person, entity or corporation, arising from the conduct or management of or from any work or thing whatsoever done in or about the leased Premises, or arising out of or related in any way to the Lessee's use of the Premises, beginning _____, regardless of when such claims may have occurred, arose or accrued, which in any way relate to the leased premises, including, without limitation, in connection with hazardous materials. Lessee also agrees to indemnify, defend and save Lessor harmless against and from any and all claims arising during the lease term from any condition of the leased property. Lessee also agrees to indemnify, defend and hold harmless Lessor from any and all claims, including but not limited to physical injury, death, property damage, special damages, consequential damages, expenses, costs, and attorneys' fees, directly or indirectly arising out of, in connection with, or incident to the operation of the leased Premises or arising from any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of Lessee to be performed, pursuant to the terms of this lease, or arising from Lessee's failure to comply with any law, ordinance or regulation of any governmental body, or arising from any negligent act or omission of Lessee or any of its agents, contractors, servants, employees, licensees, guests and sublessees and any agents, contractors, servants, employees, licensees and guests of its sublessees. Lessee's obligation to defend, indemnify and hold Lessor harmless shall include Lessee's payments of reasonable actual attorneys' fees.

2. Insurance. Lessee shall provide to the Borough a certificate of insurance showing that the Lessee has obtained at least one million dollars ($1,000,000.00) general liability insurance, which covers the Lessee's operations on the leased Premises. Lessee shall provide the Certificate of Insurance, naming the Borough as an additional insured, at the time of the Effective Date of the lease. Failure to maintain such insurance shall constitute a material breach of the terms and conditions of the Lease and a default. Lessee shall notify the Borough twenty (20) days before the policy is canceled or terminated and unless the Lessee provides a new Certificate of Insurance within 30 days of cancellation or termination, the Borough may immediately terminate

this Lease without further notice at its sole option. Any violation of this provision constitutes a material breach of the lease.

3. Hazardous Waste Responsibility and Indemnification. Lessee represents and warrants that the leased Premises will never be used for the generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance. The term "Hazardous Waste or Substance" means hazardous or toxic substances, materials or wastes, including but not limited to any substance, material or waste which is (i) petroleum; (ii) asbestos; (iii) polychlorinated biphenyls (PCBs); (iv) toxic or hazardous substances as defined in Alaska Statute 18.60.105 or 46.03.826, and associated regulations; (v) designated as a "Hazardous Substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ' 9601, et. seq.; (vi) designated as a "Hazardous Waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. ' 6901, et. seq.; (vii) designated as a "Hazardous Substance" under the Clean Water Act, 33 U.S.C. ' 1321, or listed pursuant to 33 U.S.C. § 11317; (viii) listed by the U.S. Department of Transportation at 49 C.F.R. Part 302; and (ix) any other substance, waste or material which is regulated as hazardous or dangerous by any Federal, State or local agency. Lessee agrees to hold Lessor harmless and to indemnify and defend Lessor against any and all claims and losses resulting from Lessee's breach of this section, including, but not limited to, any loss, damage, liability, cost, or expense, including reasonable actual attorneys' and consultants' fees and expert fees, and including without limitation (i) any claims of third parties for personal injury, death, property damage, or other harm, and (ii) any response costs, costs of remedial, restoration or clean-up actions, fines suffered or incurred by Lessor arising out of or related to the presence of hazardous materials in, on, or under the property, or out of any such use of the property, or due to the incorporation of such materials. This obligation to indemnify, defend and hold Lessor harmless shall survive the term of this Lease and include any claim, cause of action or administrative regulatory enforcement action in which Lessee or Lessor are determined or alleged to be a potentially responsible Party.

f. Cancellation or Forfeiture of Leases.

1. Leases in good standing may be canceled in whole or in part at any time upon written agreement between the Lessee and the Borough.

2. If the Lease should be terminated because of any breach by the Lessee, as provided in this chapter, the annual Rent payment last made by the Lessee shall be forfeited and retained by the Lessor.

3. A Lease may be canceled if the leased Premises are used for any unlawful purpose.

4. If the Lessee shall be in default in the performance, observance, or conditions of any of the lease terms, covenants, or stipulations thereto, or of valid regulations enforced, the Borough Manager may immediately take appropriate action, including but not limited to cancellation of the lease. No improvements may be removed during any time the Lessee is in default. The Lease shall terminate automatically on December 13, 2032.

g. Remedies Cumulative. The specified remedies to which the Borough may resort under the terms of this Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress to which the Borough may lawfully be entitled in case of any breach or threatened breach by Lessee of any provision of this Agreement. In addition to the other remedies provided in this Agreement, the Borough shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions, or provisions of this Agreement.

h. Notice or Demand. Any notice or demand which must be given under the terms of a Lease under this chapter may be given, in writing, by registered or certified mail addressed to the other party at the address shown on the Lease. Notice shall be deemed given when deposited in the United States Postal receptacle.

i. Entry and Reentry. In the event the Lease is terminated, or in the event that the leased Premises, or any part thereof, are abandoned by the Lessee during the Lease Term, the Borough or its agents or representative, may, immediately or any time thereafter, reenter and resume possession of the Premises and remove all persons and property either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages to the Lessee or any other person or entity. No reentry by the Borough shall be deemed an acceptance of a surrender of the Lease.

j. Re-Lease. In the event that the Lease is terminated, the Borough may offer the Premises for lease or other disposal in accordance with the Borough code.

k. Forfeiture of Rental. In the event that the Lease is terminated because of any breach by the Lessee, the monthly Rent payment last made by the Lessee shall be forfeited and retained by the Borough.

l. Written Waiver. The receipt of Rent by the Borough with knowledge of any breach of the Lease by the Lessee, or of any default on the part of the Lessee in observance or performance of any of the conditions or covenants of the Lease, shall not be deemed to be a waiver of any provision of the Lease. No failure on the part of the Borough to enforce any covenant or provision contained in this Agreement, nor any waiver of any right by the Borough unless in writing, shall discharge or invalidate the covenants or provisions of this Lease or otherwise affect the right of the Borough to enforce the Lease in the event of any subsequent breach or default. The receipt by the Borough of any other sum of money after the termination in any

manner, of the Lease Term or after the giving by the Borough of any notice to effect termination, shall not reinstate, continue or extend the resultant Lease Term or destroy or in any manner impair the efficiency of any such notice or termination as may have been given by the Borough to the Lessee prior to the receipt of any sum of money or other consideration, unless so agreed to in writing and signed by the Borough Manager.

m. Expiration of Lease. Unless the Lease is renewed or sooner terminated, as provided herein, the Lessee shall peaceably and quietly leave and surrender to the Borough all the leased Premises on the last day of the term of the Lease.

n. Renewal of Lease.

1. Upon the expiration of the Lease Term or the cancellation of the Lease by mutual consent of the Borough and the Lessor, the Borough may grant a new Lease to the Lessee provided:
   i. Lessee makes written application at least ninety (90) days prior to expiration of the lease term;

   ii. The Lessee is not in default under the Lease;

   iii. The use to which the land is to be put is compatible with the current use classification and zoning provisions of the Borough code;

2. This Lease does not grant to the Lessee any renewal preference or right to a renewal of the Lease or to a new Lease and the Lessee has no right to a renewal of the Lease or to a new Lease.

o. Removal or Reversion of Improvements Upon Termination of Lease. Improvements owned by the Lessee may within sixty (60) calendar days after the termination of the lease be removed by the Lessee, provided, such removal will not cause injury or damage to the lands or improvements on the Premises. All periods of time granted the Lessee to remove improvements are subject to the Lessee paying to the Borough pro rata lease rentals for such periods. If any improvements and/or chattels are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, the Borough.

p. Compliance with Regulations and Code.

1. The Lessee shall comply with all regulations, rules, the Borough code and with all state and federal regulations, rules, and laws.

2. The Lessee shall comply with all provisions of the Borough code which are promulgated for the promotion of sanitation, life safety and public health. The leased Premises shall be kept in a neat, clean and sanitary condition, and every effort shall be made to prevent pollution.

3. Fire protection. The Lessee shall take all reasonable precaution to comply with provisions of the Borough code concerning fire protection applicable to the area of the leased Premises.

q. Inspection: The Lessee shall allow an authorized representative of the Borough to enter the leased land at any reasonable time for the purposes of inspecting the land and improvements thereon.

r. Use of Material. All coal, oil, gas and other minerals, and all deposits of stone, earth or gravel valuable for extraction or utilization, are reserved by the Borough and shall not be removed from the land except with written permission of the Borough. The Lessee shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoil, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved by the Borough in writing.

s. Rights-of-Way. The Borough expressly reserves the right to grant easements or rights-of-way across leased land if it is determined in the best interest of the Borough to do so. The Lessee whose land such easements cross shall be entitled to damages for all improvements destroyed or damaged.

t. Warranty. The Borough does not warrant by its classification or leasing of land that the land is ideally suited for the use authorized under the classification or Lease and no guaranty is given or implied that it will be profitable to employ land to be used by the Lessee.

6. **ENTIRE AGREEMENT.** This Lease Agreement contains the entire and integrated agreement of the parties and supersedes all other prior Leases, Agreements, and oral or written communications or negotiations. If any term of this Agreement is held to be invalid, void or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall be valid and binding upon the Parties. This Agreement shall be binding upon the Parties and upon their respective executors, administrators, legal representatives, successors and assigns.

7. **GOVERNING LAW, JURISDICTION AND VENUE.** The Superior Court for the State of Alaska, First Judicial District at Wrangell, Alaska shall be the exclusive jurisdiction and venue for any action of any kind or any nature arising out of or relating in any way to this Lease Agreement and the use of the leased Premises.

8. **TITLES AND HEADINGS.** Titles and headings to sections are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

9. **REPRESENTATIONS BY LESSEE.** Lessee acknowledges and agrees that Lessee is not relying on any representations by any Borough employee, officer, Assembly member,

Mayor, consultant, or attorneys. Lessee acknowledges and agrees that Lessee has had full opportunity to consult with Lessee's own attorney before entering this Lease.

10. **NOTICE.** All notices and requests in connection with this lease shall be in writing and shall be addressed as follows:

    City and Borough of Wrangell
    Attn: Borough Manager
    P.O. Box 531
    Wrangell, Alaska 99929

    James D. Leslie
    P.O. Box 1978
    Wrangell, Alaska 99929

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

	City of Borough of Wrangell
By: _____	By: _____
Name: James D. Leslie	Name: Stephen Prysunka
Title: _____	Title: Borough Mayor
Date: _____	Date: _____

APPROVED AS TO FORM:

Levesque Law Group
Attorneys for City & Borough of Wrangell

By: _____

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	June 8, 2021
	Agenda Section	**13**

Approval of Assignment of Tidelands Lease Lot B, Travelift Replat, from Elodie Freeman to David L. Miller

SUBMITTED BY:
Kim Lane, Borough Clerk Lisa Von Bargen, Borough Manager

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 20: $	FY 21: $	FY22: $
Amount Budgeted:		
	FY20 $XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	$XXX	

ATTACHMENTS: 1. Assignment of Lease 2. Assignment of Lease Document 3. Request from Freeman 4. Map of Area 5. Original Lease

RECOMMENDATION MOTION:

Move to Approve the Assignment of Tidelands Lease on Lot B, Travelift Replat from Elodie Freeman to David L. Miller.

SUMMARY STATEMENT:

Elodie Freeman is requesting that city owned Tidelands, described as Lot B, Travelift Replat that has been leased from since 1977, be assigned to David Miller.

All taxes and lease rent on the premises have been paid. The remaining term of the Tidelands Lease is until July 31, 2040. The leased Tidelands are reappraised every five years and this lease is due to for reassessment in 2024.

The terms and conditions of the lease remain in effect for this assignment. The lease has been brought into conformance with the recement amendments to the tideland lease section of the code.

Staff is requesting that the assignment be approved.

TIDELANDS LEASE AGREEMENT – RENEWAL

This Lease Agreement (Agreement) is made effective as of _____ ("Effective Date") between David L. Miller, whose mailing address is P.O. Box 2231, Wrangell, AK 99929 ("Lessee"), and the City and Borough of Wrangell, a municipality, whose mailing address is PO Box 531, Wrangell, AK 99929 ("Borough ") (each a "Party" and collectively, the "Parties").

WHEREAS, the Borough owns the property described below; and

WHEREAS, the Borough wishes to lease this parcel of land to David L. Miller; and;

The Borough and Lessee desire to enter into a lease agreement with respect to the following described property hereinafter referred to as the Premises which is depicted in Attachment A and is more particularly described as follows:

LEGAL DESCRIPTION

Lot B, Travelift Replat, Wrangell Recording District within the City and Borough of Wrangell, Alaska

This area contains 13,341 square feet, more or less

Located in the Wrangell Recording District, First Judicial District, State of Alaska.

The Borough Assembly approved the assignment of Tidelands Lease from Elodie Freeman to David L. Miller on _____, 2021.

1. **LEASE TERM.** The term of this Lease shall begin on the date of approval of Assignment, _____, 2021, and shall continue until July 31, 2040. ("Lease Term"). The expiration or termination of the Lease Term shall not terminate or otherwise extinguish any liability or obligation (including, without limitation, defense, and indemnification obligations) of either Party hereto involving any act, omission, breach, or default occurring prior to such expiration or termination. In accordance with WMC 16.08.070, leases under this chapter may be issued for a maximum initial period of 21 years, and may provide for not more than six, five-year renewal options. The assembly will approve or reject the negotiated lease. No rights to new leases or new use of tidelands or submerged lands may arise until the assembly approves a final written lease. Nothing in this chapter requires the borough assembly to accept any lease.

2. **RENTAL.** During the initial period of Assigned Lease Term (2021-2024), Lessee shall pay the Borough rent for the Premises ("Rent") in the amount of Five Hundred Sixty and Forty Cents ($560.40) plus tax, per year, billed annually and due at the start of each subsequent year of the term, with the annual payment due on or before August 1st of each year. Lessee shall pay all property taxes assessed against the leased Premises.

3. In accordance with WMC 16.08.110 and 16.08.120 the annual Rent payable pursuant to any Lease issued under the provisions of this chapter shall be subject to adjustment by the Assembly on the fifth anniversary of the date of the Lease and each anniversary date thereafter which is divisible by the number five. The next fifth anniversary of this Assigned Lease is 2024. All adjusted rates shall be computed at six percent of the fair market value of the land and improvements owned by the Borough and leased thereunder. Such value shall be determined by an appraisal made by the Borough assessor, or contract appraiser, and reviewed and determined by the Assembly as provided in WMC 16.08.040 and 16.08.120.

4. **OPERATION AND MAINTENANCE**
    a. Lessee shall keep and maintain the leased premises in good and substantial repair and condition. This Lease shall be subject to any rights of the public under the Public Trust doctrine.

    b. Lessee shall pay all taxes, fees, or assessments as may be required.

    c. Lessee shall not suffer or permit any lien to be filed against the Premises or Lessee's leasehold interest, by reason of work, labor, services or materials performed for or supplied to Lessee or anyone holding the Premises or any part thereof under Lessee. If any such lien is filed, Lessee shall cause the lien to be discharged of record at least (30) days prior to any scheduled lien foreclosure sale. If the Lessee fails to discharge the lien within 30 days, such failure constitutes a material breach of the lease and a default.

5. **TERMS AND CONDITIONS**
    a. Lease Utilization. Leases shall be utilized solely for the purposes within the scope of the lease. Development for other use without the express consent of the borough assembly shall constitute a violation of the lease. The Borough Assembly shall require a development plan to be submitted and followed by the Lessee. Failure to develop the land consistent with the development plan constitutes grounds for cancellation of the Lease at the option of the Borough Assembly.

    b. Subleasing and Assignment. No Lessee of Borough tidelands shall sublease or assign their Lease or any interest therein without the prior written consent of the Borough Assembly. Consent to sublease or assign shall not be unreasonably withheld, but shall be granted in all cases, where the Borough Assembly finds that the assignment or sublease will not be detrimental to the interest of the Borough in the development of Borough tidelands.

    c. Modification. No Lease under this chapter may be modified orally or in any manner other than by a Lease Amendment approved by the Borough Assembly and signed by all parties thereto or their respective successors in interest.

    d. Required Improvements. Each Lease shall contain a requirement that the Lessee construct improvements suitable for the use of which the land is classified of a

specified minimum value within two years from the date of the Lease and that a Corps of Engineers permit shall be obtained prior to construction when required. Improvements in the limited context of the tidelands leasing provisions may include a parking lot with fill or surfacing, drainage, ingress and egress as the Assembly shall require. The applicant shall be notified of the amount of the minimum annual Rent and the value of the improvements required to be constructed thereon.

e. Indemnification and Insurance

1. Indemnification of Lessor. Lessee agrees, to the fullest extent of the law, to indemnify, defend and hold Lessor harmless against and from any and all claims, actions and proceedings or any kind and any nature by or on behalf of any person, entity or corporation, arising from the conduct or management of or from any work or thing whatsoever done in or about the leased Premises, or arising out of or related in any way to the Lessee's use of the Premises, beginning _____, regardless of when such claims may have occurred, arose or accrued, which in any way relate to the leased premises, including, without limitation, in connection with hazardous materials. Lessee also agrees to indemnify, defend and save Lessor harmless against and from any and all claims arising during the lease term from any condition of the leased property. Lessee also agrees to indemnify, defend and hold harmless Lessor from any and all claims, including but not limited to physical injury, death, property damage, special damages, consequential damages, expenses, costs, and attorneys' fees, directly or indirectly arising out of, in connection with, or incident to the operation of the leased Premises or arising from any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of Lessee to be performed, pursuant to the terms of this lease, or arising from Lessee's failure to comply with any law, ordinance or regulation of any governmental body, or arising from any negligent act or omission of Lessee or any of its agents, contractors, servants, employees, licensees, guests and sublessees and any agents, contractors, servants, employees, licensees and guests of its sublessees. Lessee's obligation to defend, indemnify and hold Lessor harmless shall include Lessee's payments of reasonable actual attorneys' fees.

2. Insurance. Lessee shall provide to the Borough a certificate of insurance showing that the Lessee has obtained at least one million dollars ($1,000,000.00) general liability insurance, which covers the Lessee's operations on the leased Premises. Lessee shall provide the Certificate of Insurance, naming the Borough as an additional insured, at the time of the Effective Date of the lease. Failure to maintain such insurance shall constitute a material breach of the terms and conditions of the Lease and a default. Lessee shall notify the Borough twenty (20) days before the policy is canceled or terminated and unless the Lessee provides a new Certificate of Insurance within 30 days of cancellation or termination, the Borough may immediately terminate

this Lease without further notice at its sole option. Any violation of this provision constitutes a material breach of the lease.

3. Hazardous Waste Responsibility and Indemnification. Lessee represents and warrants that the leased Premises will never be used for the generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance. The term "Hazardous Waste or Substance" means hazardous or toxic substances, materials or wastes, including but not limited to any substance, material or waste which is (i) petroleum; (ii) asbestos; (iii) polychlorinated biphenyls (PCBs); (iv) toxic or hazardous substances as defined in Alaska Statute 18.60.105 or 46.03.826, and associated regulations; (v) designated as a "Hazardous Substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. ' 9601, et. seq.; (vi) designated as a "Hazardous Waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. ' 6901, et. seq.; (vii) designated as a "Hazardous Substance" under the Clean Water Act, 33 U.S.C. ' 1321, or listed pursuant to 33 U.S.C. § 11317; (viii) listed by the U.S. Department of Transportation at 49 C.F.R. Part 302; and (ix) any other substance, waste or material which is regulated as hazardous or dangerous by any Federal, State or local agency. Lessee agrees to hold Lessor harmless and to indemnify and defend Lessor against any and all claims and losses resulting from Lessee's breach of this section, including, but not limited to, any loss, damage, liability, cost, or expense, including reasonable actual attorneys' and consultants' fees and expert fees, and including without limitation (i) any claims of third parties for personal injury, death, property damage, or other harm, and (ii) any response costs, costs of remedial, restoration or clean-up actions, fines suffered or incurred by Lessor arising out of or related to the presence of hazardous materials in, on, or under the property, or out of any such use of the property, or due to the incorporation of such materials. This obligation to indemnify, defend and hold Lessor harmless shall survive the term of this Lease and include any claim, cause of action or administrative regulatory enforcement action in which Lessee or Lessor are determined or alleged to be a potentially responsible Party.

f. Cancellation or Forfeiture of Leases.

1. Leases in good standing may be canceled in whole or in part at any time upon written agreement between the Lessee and the Borough.

2. If the Lease should be terminated because of any breach by the Lessee, as provided in this chapter, the annual Rent payment last made by the Lessee shall be forfeited and retained by the Lessor.

3. A Lease may be canceled if the leased Premises are used for any unlawful purpose.

4. If the Lessee shall be in default in the performance, observance, or conditions of any of the lease terms, covenants, or stipulations thereto, or of valid regulations enforced, the Borough Manager may immediately take appropriate action, including but not limited to cancellation of the lease. No improvements may be removed during any time the Lessee is in default. The Lease shall terminate automatically on December 13, 2032.

g. Remedies Cumulative. The specified remedies to which the Borough may resort under the terms of this Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress to which the Borough may lawfully be entitled in case of any breach or threatened breach by Lessee of any provision of this Agreement. In addition to the other remedies provided in this Agreement, the Borough shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions, or provisions of this Agreement.

h. Notice or Demand. Any notice or demand which must be given under the terms of a Lease under this chapter may be given, in writing, by registered or certified mail addressed to the other party at the address shown on the Lease. Notice shall be deemed given when deposited in the United States Postal receptacle.

i. Entry and Reentry. In the event the Lease is terminated, or in the event that the leased Premises, or any part thereof, are abandoned by the Lessee during the Lease Term, the Borough or its agents or representative, may, immediately or any time thereafter, reenter and resume possession of the Premises and remove all persons and property either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages to the Lessee or any other person or entity. No reentry by the Borough shall be deemed an acceptance of a surrender of the Lease.

j. Re-Lease. In the event that the Lease is terminated, the Borough may offer the Premises for lease or other disposal in accordance with the Borough code.

k. Forfeiture of Rental. In the event that the Lease is terminated because of any breach by the Lessee, the monthly Rent payment last made by the Lessee shall be forfeited and retained by the Borough.

l. Written Waiver. The receipt of Rent by the Borough with knowledge of any breach of the Lease by the Lessee, or of any default on the part of the Lessee in observance or performance of any of the conditions or covenants of the Lease, shall not be deemed to be a waiver of any provision of the Lease. No failure on the part of the Borough to enforce any covenant or provision contained in this Agreement, nor any waiver of any right by the Borough unless in writing, shall discharge or invalidate the covenants or provisions of this Lease or otherwise affect the right of the Borough to enforce the Lease in the event of any subsequent breach or default. The receipt by the Borough of any other sum of money after the termination in any

manner, of the Lease Term or after the giving by the Borough of any notice to effect termination, shall not reinstate, continue or extend the resultant Lease Term or destroy or in any manner impair the efficiency of any such notice or termination as may have been given by the Borough to the Lessee prior to the receipt of any sum of money or other consideration, unless so agreed to in writing and signed by the Borough Manager.

m. Expiration of Lease. Unless the Lease is renewed or sooner terminated, as provided herein, the Lessee shall peaceably and quietly leave and surrender to the Borough all the leased Premises on the last day of the term of the Lease.

n. Renewal of Lease.

1. Upon the expiration of the Lease Term or the cancellation of the Lease by mutual consent of the Borough and the Lessor, the Borough may grant a new Lease to the Lessee provided:
   i. Lessee makes written application at least ninety (90) days prior to expiration of the lease term;

   ii. The Lessee is not in default under the Lease;

   iii. The use to which the land is to be put is compatible with the current use classification and zoning provisions of the Borough code;

2. This Lease does not grant to the Lessee any renewal preference or right to a renewal of the Lease or to a new Lease and the Lessee has no right to a renewal of the Lease or to a new Lease.

o. Removal or Reversion of Improvements Upon Termination of Lease.
Improvements owned by the Lessee may within sixty (60) calendar days after the termination of the lease be removed by the Lessee, provided, such removal will not cause injury or damage to the lands or improvements on the Premises. All periods of time granted the Lessee to remove improvements are subject to the Lessee paying to the Borough pro rata lease rentals for such periods. If any improvements and/or chattels are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, the Borough.

p. Compliance with Regulations and Code.

1. The Lessee shall comply with all regulations, rules, the Borough code and with all state and federal regulations, rules, and laws.

2. The Lessee shall comply with all provisions of the Borough code which are promulgated for the promotion of sanitation, life safety and public health. The leased Premises shall be kept in a neat, clean and sanitary condition, and every effort shall be made to prevent pollution.

3. Fire protection. The Lessee shall take all reasonable precaution to comply with provisions of the Borough code concerning fire protection applicable to the area of the leased Premises.

q. Inspection: The Lessee shall allow an authorized representative of the Borough to enter the leased land at any reasonable time for the purposes of inspecting the land and improvements thereon.

r. Use of Material. All coal, oil, gas and other minerals, and all deposits of stone, earth or gravel valuable for extraction or utilization, are reserved by the Borough and shall not be removed from the land except with written permission of the Borough. The Lessee shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoil, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the leasehold may be used, if its use is first approved by the Borough in writing.

s. Rights-of-Way. The Borough expressly reserves the right to grant easements or rights-of-way across leased land if it is determined in the best interest of the Borough to do so. The Lessee whose land such easements cross shall be entitled to damages for all improvements destroyed or damaged.

t. Warranty. The Borough does not warrant by its classification or leasing of land that the land is ideally suited for the use authorized under the classification or Lease and no guaranty is given or implied that it will be profitable to employ land to be used by the Lessee.

6. **ENTIRE AGREEMENT.** This Lease Agreement contains the entire and integrated agreement of the parties and supersedes all other prior Leases, Agreements, and oral or written communications or negotiations. If any term of this Agreement is held to be invalid, void or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall be valid and binding upon the Parties. This Agreement shall be binding upon the Parties and upon their respective executors, administrators, legal representatives, successors and assigns.

7. **GOVERNING LAW, JURISDICTION AND VENUE.** The Superior Court for the State of Alaska, First Judicial District at Wrangell, Alaska shall be the exclusive jurisdiction and venue for any action of any kind or any nature arising out of or relating in any way to this Lease Agreement and the use of the leased Premises.

8. **TITLES AND HEADINGS.** Titles and headings to sections are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

9. **REPRESENTATIONS BY LESSEE.** Lessee acknowledges and agrees that Lessee is not relying on any representations by any Borough employee, officer, Assembly member,

Mayor, consultant, or attorneys. Lessee acknowledges and agrees that Lessee has had full opportunity to consult with Lessee's own attorney before entering this Lease.

10. **NOTICE.** All notices and requests in connection with this lease shall be in writing and shall be addressed as follows:

    City and Borough of Wrangell
    Attn: Borough Manager
    P.O. Box 531
    Wrangell, Alaska 99929

    David L. Miller
    P.O. Box 2231
    Wrangell, Alaska 99929

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

City of Borough of Wrangell

By: _____

Name: David L. Miller

Title: _____

Date: _____

By: _____

Name: Stephen Prysunka

Title: Borough Mayor

Date: _____

APPROVED AS TO FORM:

Levesque Law Group
Attorneys for City & Borough of Wrangell

By: _____

ASSIGNMENT OF LEASE

PARTIES: Elodie Freeman ("Assignor")

David L. Miller ("Assignee")

DATE: _____

RECITALS:

A. Assignor is the "Lessee" under that certain lease from the City and Borough of Wrangell, Alaska, ("Lessor") originally dated in 1977, and modified and recorded July 22, 2009 (2009-000245-0), Wrangell Recording District ("the Lease").

The "Leased Premises," which are the subject of the Lease, consist of Lot B, Travelift Replat, Wrangell Recording District, First Judicial District, State of Alaska.

This area contains 13,341 square feet, more or less.

C. Assignee, having reviewed and become familiar with all of the terms and conditions of the Lease, now wishes to acquire Assignor's interest in the Leased Premises and is willing to assume all of the obligations of the Lessee under the Lease; and Assignor, having obtained the consent of the Lessor to do so, now wishes to transfer all of Assignor's interest under the Lease and in and to the Leased Premises.

NOW, THEREFORE:

1. **ASSIGNMENT**

1.1 Assignor hereby assigns, transfers, and conveys to Assignee all of the Assignor's interest as Lessee in and to the Lease and in and to the Leased Premises.

1.2 Assignor warrants that the Lease is in good standing according to its terms, that the Lease has not been amended or modified, and that Assignor has paid all rent due thereunder through and including the payment due by August 1st, 2021.

1.3 Assignor warrants that Assignee shall have possession of the Leased Premises on the _____ day of _____, 2021.

1.4 The consideration for this Assignment consists of Assignee's assumption of all liability for payment and performance of the Lease.

2. **ASSUMPTION**

2.1 Assignee hereby accepts the foregoing assignment by Assignor, assumes responsibility for payment and performance of all obligations of Assignor, as Lessee, under the Lease, including paying of all rentals required by the Lease.

2.2 Assignee agrees to hold harmless, indemnify, and defend Assignor from and against any loss, claim, or liability suffered by or asserted against Assignor as a result of Assignee's failure to fully pay and perform the Lease at any time hereafter.

2.3 Assignee has inspected the Leased Premises and accepts the same in "AS IS" condition.

2.4 This Assignment is conditioned upon execution hereof by Lessor.

IN WITNESS WHEREOF, the undersigned have executed the foregoing on or effective as of the date first written above.

ASSIGNOR

By: Elodie Freeman
515 Case Avenue
Wrangell, AK 99929

ASSIGNEE

By: David L. Miller
PO Box 2231
Wrangell, AK 99929

CONSENT. Lessor, in consideration of Assignee's agreement to pay and perform the Lease, hereby consents to this Assignment, but does not release Assignor or any other party from liability for payment and performance of the Lease.

Lessor agrees to afford Assignor written notice of any default by Assignee in payment or performance of the Lease, together with a reasonable opportunity to cure any such default, prior to exercising any of Lessor's remedies under the Lease.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the duly authorized representative(s) signing below.

Date: _____, 2021

City and Borough of Wrangell, Alaska
Lessor

By: Stephen Prysunka, Borough Mayor

By: Lisa Von Bargen, Borough Manager

_____
Stephen Prysunka
Borough Mayor

_____
Lisa Von Bargen
Borough Manager

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by **Stephen Prysunka & Lisa Von Bargen**, Borough Mayor & Borough Manager, respectively, of the City and Borough of Wrangell, Alaska, an Alaska home rule municipal corporation, on behalf of the corporation.

_____
Notary Public for Alaska
Commission expires: _____

David Miller, Lessee

By: _____
Name:
_____
Title:

The foregoing instrument was acknowledged before me this _____ day of _____, 2021 by

_____.

_____
Notary Public for _____

Commission expires: _____

Elodie Freeman
515 Case Ave.
Wrangell, AK 99929

5/18/2021

City and Borough of Wrangell
PO Box 531
Wrangell, AK 99929

I would like to request that the tideland lease (Lot B, Travel Lift Replat) in Wrangell, AK consisting of 13,341 square feet that I am leasing from the City of Wrangell be assigned to David L. Miller at the earliest timeframe possible.

We are in the process of selling the business to Mr. Miller and the Tidelands Lease needs to be assigned to him to move forward with the purchase.

Thank you for your time and consideration.

Best Regards,

Elodie Freeman

David L. Miller
PO Box 2231
Wrangell, AK 99929
907-305-0151

5/18/2021

City and Borough of Wrangell
PO Box 531
Wrangell, AK 99929
907-874-2381

I David L. Miller would like to request that the City and Borough of Wrangell allow me to lease Lot B (Travel Lift Re-plat), which consists of 13,341 sqft that is currently leased by Elodie Freeman.

I have included a form signed by Elodie Freeman releasing the property to me. I am purchasing Freeman and Sons, and everything has gone through but this is the final step to closing.

Thank you,

David L. Miller

Item c.

6 Mile Industrial Site. Highlighted lots are part of Buhler Industrial Subdivision

N

1 inch = 66.407151 feet

Date: 5/13/2021

Public Map

DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY. PROPERTY LINES ARE APPROXIMATE. AERIAL 2002.

ALASKA
2009-000245-0
Recording Dist: 104 - Wrangell
8/31/2009 11:19 AM Pages: 1 of 3
Item c.

FIRST AMENDMENT TO TIDELANDS LEASES

WRANGELL RECORDING DISTRICT

This First Amendment to Tidelands Leases **amends and replaces** the following three Tidelands Leases:

1. Tidelands Lease between the City of Wrangell and Elodie and John R. Freeman, recorded in the Wrangell Recording District at Book 4 page 553, **Document number 1977-000539-0.**

2. Tidelands Lease between the City of Wrangell and Elodie and John R. Freeman, recorded in the Wrangell Recording District at Book 4 page 558, **Document number 1977-000540-0.**

3. Tidelands Lease between the City of Wrangell John R. and Elodie Freeman, recorded in the Wrangell Recording District at Book 12 page 525, **Document number 1985-000048-0.**

The purpose of this Amendment is to consolidate the three tideland leases owned by Elodie Freeman while at the same time, renaming the parcels pursuant to the recent Travel Lift Replat and recording the name of the new co-lessee, Ms. Freeman's son, Randy Fordyce.

This First Amendment to Lease is made as of this 22nd day of July, 2009, by and between the City and Borough of Wrangell, Alaska a municipal entity (hereinafter the "Lessor") whose address is P.O. Box 531, Wrangell, Alaska 99929, and Elodie Freeman, of P.O. Box 336, Wrangell, Alaska, 99929, an individual, and Randy Fordyce, also of P.O. Box 336, Wrangell, Alaska 99929, an individual. The parties do hereby agree as follows:

The City and Borough of Wrangell does hereby lease and demise onto Lessees, and Lessees do here lease and take from the City and Borough of Wrangell for and in consideration of the rents, terms, limitations, covenants and mutual agreements hereinafter stated, the following described tide and submerged lands, to-wit:

> **Lot B, Travelift Replat** Wrangell Recording District within the City of Wrangell, State of Alaska.

This area contains 13, 341 square feet, more or less.

ALASKA
2009-000245-0
Recording Dist: 104 - Wrangell
8/31/2009 11:19 AM Pages: 1 of 3

Item c.

CC

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The City and Borough of Wrangell does hereby lease and demise onto Lessees, and Lessees do here lease and take from the City and Borough of Wrangell for and in consideration of the rents, terms, limitations, covenants and mutual agreements hereinafter stated, the following described tide and submerged lands, to-wit:

> **Lot B, Travelift Replat** Wrangell Recording District within the City of Wrangell, State of Alaska.

This area contains 13, 341 square feet, more or less.

That each of the parties has hereto performed or caused to be performed all of the acts and thing required by the substantive and procedural requirements of Wrangell Municipal Code, Title 16, Chapter 08.

That this lease shall terminate on July 31, 2040, unless renewed or sooner terminated under the provision of the City and Borough Code.

That the annual rent is $558.54 (which includes sales tax at the current rate), payable in advance, subject to adjustment pursuant to the provisions of W.M.C. sec. 16.08.220, as may be from time to time amended.

That the Lessees shall use the land described herein for purposes within the scope of the land use classification, the terms of this lease, and in conformity with the ordinances of the City and Borough, including any zoning ordinance.

That Lessor has imposed no other conditions or limitations of Lessees, other than those contained in Wrangell Municipal Code, Title 15, Chapter 08, and by the Army Corp of Engineers, and in consideration thereof Lessees hereby agree to perform such other acts and deeds required by said Municipal Code in operation of the land and Lessees hereby state that they are aware of such requirements; that the have read or caused the provisions thereof to be read and understood, and which terms and provisions are hereby adopted by reference as if fully set forth in writing herein.

Lessees do further agree that at the expiration of said term, or renewal of terms, to quit and surrender the said premises with improvements thereon according to the terms and provisions of the present Wrangell Municipal Code.

DATED this 22nd day of July, 2009 at Wrangell, Alaska.

LESSOR: CITY AND BOROUGH OF WRANGELL, ALASKA

By: _____
Its: Acting Borough Manager

Attest:
By: _____
Christie L. Jamieson, Borough Clerk

LESSEE: RANDY FORDYCE
An Individual
By: _____

After Recording Return to:
Borough Clerk
City and Borough of Wrangell
P.O. Box 531
Wrangell, AK 99929

LESSEE: Elodie Freeman
An Individual
By: _____

City & Borough of Wrangell Incorporated Borough May 30, 2008 Incorporated City June 15, 1903 Alaska

2009 – 000245 – 0

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

This is to certify that on this 14th day of August, 2009, in Wrangell, Alaska, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Elodie Freeman and Randy Fordyce, to me known and known to me to be the persons they represent themselves to be and the same persons who executed the above and foregoing instrument as a free and voluntary act and deed, for the uses and purposes mentioned therein.

SUBSCRIBED AND SWORN to me on this 14th day of August, 2009.

CHRISTIE L. JAMIESON NOTARY PUBLIC STATE OF ALASKA

Christie L. Jamieson
Notary Public, State of Alaska
My commission expires: 7-2-2010

TATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

This is to certify that on this 22nd day of July, 2009, in Wrangell, Alaska, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared Jeff Jabusch, acting Borough Manager and Christie Jamieson, Borough Clerk, of the City and Borough of Wrangell, to me known and known to me to be the persons they represent themselves to be and the same persons who executed the above and foregoing instrument as a free and voluntary act and deed of the City and Borough, for the uses and purposes mentioned therein.

SUBSCRIBED AND SWORN to me on this 22nd day of July, 2009.

Carol Bean
Notary Public, State of Alaska
My commission expires: 3/23/2010

CAROL BEAN My Commission Expires NOTARY PUBLIC 3/23/2010 STATE OF ALASKA

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	June 8, 2021
	Agenda Section	**13**

Approval of Police Department Body Worn Cameras Policy

SUBMITTED BY:
Tom Radke, Police Chief

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 20: $	FY 21: $	FY22: $
Amount Budgeted:		
	FY20 $XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	$XXX	

ATTACHMENTS: 1. Body Worn Cameras Policy

RECOMMENDATION MOTION:
Move to Approve Police Department Body Worn Cameras Policy.

SUMMARY STATEMENT:
The Wrangell Police Department has moved forward with a Body Worn Camera (BWC) system and software program. We have selected the Axon company as our vendor. The training has started, and the equipment issued. We have issued an Axon 3 BWC and two camera brackets. The new system will provide the Wrangell Police Department with an advanced software management

tool, evidence.com, for the audio/video storage. The Axon 3 will provide additional capabilities for the Police Department to build on and is the latest BWC technology available.

The Body Worn Camera program will help us to be a more transparent agency, assist everyone with documenting the Police Department's daily work, and provide a more efficient and capable data storage and management system. The Cameras will also allow the Borough to continue implementation of COVID mitigation efforts as they will be used for contact tracing if the situation arises.

As with any new program, directives for use and handling of the BWCs and the audio and video are necessary. The enclosed directions will be used effective immediately. These Body Worn Camera directives will be incorporated into the Wrangell Police Department Handbook upon approval by the Assembly.

We know there may be some unexpected issues as the new system comes online, so please be patient as we work through the transition.

As the Assembly is aware a draft document was developed by the Police Department and was provided to the Borough attorney for review and improvement. The document before the Assembly for consideration is attorney drafted and approved.

City and Borough of Wrangell
Police Department

Body Worn Camera Procedures

Effective (DATE)

I. PURPOSE

The use of Body Worn Cameras (BWCs) provides documentation of events, actions, conditions and statements made during critical incidents and arrests. The recordings from BWCs may be used as evidence in criminal investigations, internal or administrative investigations, and civil litigation, enhancing the accuracy of officer reports and court testimony. It will also serve as a record of police-public contacts which can provide additional information for officer training and evaluation, as well as provide agency transparency, thereby increasing the effectiveness of the Wrangell Police Department and reducing complaints against officers.

This document outlines the City and Borough of Wrangell's policy regarding the use of BWCs as well as the procedures for this use and the management, storage, release and retrieval of the recordings from BWCs. The procedures are not intended to describe every possible circumstance. The standards set forth require reasonableness and sound judgement in their application.

II. POLICY

All sworn Wrangell law enforcement employees will be issued a BWC and trained in the basic operation of the camera and upload procedures. The BWC is to be worn in plain view while performing uniformed law enforcement duties. BWCs shall be worn in an area on the uniform shirt or approved outer carrier that has the greatest potential to capture optimal footage. All sworn law enforcement employees are highly encouraged to wear BWCs when conducting law enforcement work in plain clothes.

All sworn law enforcement staff shall use this device and the resulting recordings in accordance with the procedures listed below, to maximize the effectiveness of the audio/video documentation, to ensure evidence integrity and to achieve operational objectives.

III. DEFINITIONS

Evidentiary Documentation – When any type of law enforcement action is taken.

Non-Evidentiary Documentation – When no law enforcement action is taken.

IV. PROCEDURES FOR USE OF BODY WORN CAMERAS

A. Only BWCs issued by this department may be used. Use of personally owned or non–standardized devices is prohibited.

B. Each officer issued a BWC shall be responsible to keep the equipment in proper working condition.

C. Prior to going into service, officers utilizing a BWC should ensure the device is charged and working properly. The primary storage media should have enough storage space available.

D. Non-functioning devices or media storage as well as BWCs which are lost or stolen will be reported to the officer's direct supervisor as soon as possible or at most, within 24 hours.

E. Intentional misuse or abuse of BWC equipment may result in disciplinary action.

F. Officers shall be aware of Alaska State notification requirements (privacy laws) before operating a BWC.

G. An officer utilizing a BWC may inform a citizen, suspect or arrested individual that actions and conversations are being recorded if questioned or if the officer believes it would be beneficial to do so.

H. Unless it is unsafe or impractical to do so, or mechanical issues that impede the use of the device are present, officers shall make every attempt to activate their BWCs prior to making contact in the following incidents:

1. Enforcement encounters where there is a reasonable suspicion the person(s) is/are involved in criminal activity.

2. Any time the officer believes that a recording of an on-duty contact with a member of the public may be of future benefit.

3. Suspicious vehicles or persons;

4. Arrests;

5. DUI investigations;

6. In progress calls;

7. Traffic stops;

8. Any self-initiated activity which may reasonably result in a criminal investigation or adversarial citizen contact.

9. In addition to the required conditions, officers may activate the system any time they feel its use would be appropriate and/or valuable to document an incident. For example, if a situation that would not otherwise require the activation of the BWC becomes adversarial after the initial contact.

I. The BWC should remain activated until the incident or event is completed in to ensure the integrity of the recording unless the contact moves into an area restricted by this policy.

J. At the conclusion of the incident or event, the officer will de-activate their BWC.

K. If an officer fails to activate the BWC, fails to record the entire contact, or interrupts the recording, the officer shall document in their incident report why a recording was not made, was interrupted or was terminated.

L. If an officer is speaking with victim(s) or witness(es) of a crime who directly state they do not wish to be video recorded, the officer may elect to stop video recording. All such instances should be noted in the officer's report.

M. BWC recordings shall not be replacements for written reports.

N. Officers shall not use BWCs in the following situations:

1. For employee's personal use;

2. Recording events of a political or religious nature absent a clear connection to an investigation;

3. Recording incidents that would unnecessarily infringe upon a citizen's privacy or are not critical to investigations;

4. To record other Agency/office employees, unless part of an active incident or investigation. When necessary, recording shall be conducted in accordance with departmental regulations;

5. To record sensitive or confidential patient information when in medical facilities, unless part of an investigation;

6. In situations in which a privileged communication occurs or has been invoked and is known to officer/agent, for example: attorney – client privilege, or confidential patient-doctor or pastor citizen conversations;

7. In shared restroom or locker facilities.

O. BWCs do not need to be worn at the following times:

1. When wearing a Class A uniform;

2. When in court or in any other judicial meeting (e.g., grand jury, depositions, etc.);

3. With supervisory authorization, on a case by case basis involving exceptional circumstances, such as:

    a) Situations where primary agencies policy prohibits the use;

    b) Situations such as dignitary or high value asset protection.

V. PROCEDURES FOR MANAGEMENT, STORAGE, RELEASE AND RETRIEVAL OF BWC RECORDINGS

A. All recordings generated by BWCs are the property of the City and Borough of Wrangell and must remain under the control of the Wrangell Police Department.

B. Officers shall not edit, alter, erase, duplicate, copy, share, or otherwise distribute in any manner BWC recordings without prior written approval and authorization of the Chief of Police or his/her designee. Any time BWC footage is erased it must be documented.

C. The release of information is subject to restrictions in the Alaska Code of Criminal Procedure sections 12.61.140 and 40 and other applicable local, state and federal laws.

D. Recordings from BWCs shall be downloaded from the equipment and uploaded to the video management system by the end of every shift unless otherwise directed by supervisor.

E. When uploading files from the BWC, officers shall place the appropriate Incident Report, Warning Notice, Violation Number in the ID field for all evidentiary files and select whether files are “evidentiary” or “non-evidentiary”.

F. BWC recordings must be securely stored in accordance with Wrangell Police Department policy and state records retention laws. Proper retention is dependent on officers correctly categorizing the videos.

G. All access shall be audited to ensure that only authorized users are accessing the data for legitimate and authorized purposes

H. BWC recordings not scheduled to be used by the Department or for court proceedings (non-evidentiary) will be maintained for 90 calendar days. All evidentiary recordings will be maintained a minimum of 10 years.

I. Recordings used or shown for the purpose of ridicule or embarrassing any employee are prohibited.

J. An employee may review BWC files as it relates to:

1. Their involvement in an incident for the purpose of completing a criminal investigation, preparing reports and categorizing videos as evidentiary or non-evidentiary.

2. Prior to courtroom testimony or for courtroom presentation.

3. In the case of a Use of Force incident, officers shall normally be afforded the opportunity to view applicable Body Worn Camera recordings before giving a statement or writing a report.

4. Law enforcement personnel are encouraged to review their own recordings.

K. Supervisors shall:

1. Ensure officers use BWCs in accordance with Department policy and procedures.

2. Review evidentiary video and re-categorize for indefinite retention if a complaint is associated with a recorded event or the officer has reason to believe an incident may generate a complaint.

3. Conduct random reviews of selected recordings in order to assess officer performance, as well as identify videos that may be appropriate for training.

4. Supervisors may view recordings in the field in order to mitigate citizen complaints.

5. In the event of a critical incident requiring the immediate retrieval of a digital recording, a supervisor shall respond to the scene to secure the BWC and maintain chain of custody.

L. Supervisors may audit subordinate employees' BWC files as follows:

1. Randomly only for the purposes related to ensuring Body Worn Camera policy compliance, identifying training needs, and monitoring overall utilization of equipment. Normal audits shall be conducted no more than 2 videos per work week per Officer.

2. Incident to a formal complaint or during an authorized misconduct/performance investigation.

3. Audit of on hand evidence, which does not include actual review of audio/video file, can occur at any time for compliance with uploading procedures.

M. Recorded BWC images that contain material deemed beneficial for training purposes by the Wrangell Police Department may be utilized for training with the written approval and authorization of the Chief of Police. Officers are encouraged to inform their supervisor of any recordings that may be of value for training purposes.

N. During the Field Training Program, field training officers and trainees are authorized to review BWC footage in relation to the day's training events and for completion of Daily Observation Reports.

O. Other audio and video recordings may be used for training purposes, after action reviews, policy reviews, or at other times, as directed at the discretion of the Chief of Police.

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	June 8, 2021
	Agenda Section	**13**

RESOLUTION No. 06-21-1590 OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2021 BUDGET IN THE HARBOR FUND BY TRANSFERRING $22,750 FROM HARBOR RESERVES TO THE HARBOR FACILITY REPAIRS AND MAINTENANCE ACCOUNT AND AUTHORIZING ITS EXPENDITURE FOR THE MEYERS CHUCK FLOATPLANE DOCK REPLACEMENT

SUBMITTED BY:

Steve Miller, Port & Harbor Director
Lisa Von Bargen, Borough Manager

Reviews/Approvals/Recommendations

☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:

Expenditure Required: $22,750 Total

FY 20: $	FY 21: $22,750	FY22: $

Amount Budgeted:

FY21 $0

Account Number(s):

74010 000 7002 00 00000

Account Name(s):

Harbor Facility Repair & Maintenance

Unencumbered Balance(s) (prior to expenditure and resolution):

$5,649

ATTACHMENTS: 1. Resolution 06-21-1590

RECOMMENDATION MOTION:
Move to approve Resolution No. 06-21-1590.

SUMMARY STATEMENT:

On May 12, 2021, a small group of elected officials and administrative staff traveled to Meyers Check to inspect the dock and visit with the residents. A number of issues were identified and are outlined below (this is the same list that was sent to the Assembly in a KYP email about three weeks ago, and was included in an agenda statement in the last packet).

- Reimbursement to the "Community Fund" for the purchase of the barrels, both those purchased this year, and those purchased previously. These were purchased and installed by the residents to keep the dock floating.
- Request assistance from the federal delegation (specifically Senator Murkowski) in having the USCG take the entrance marker off a floating buoy and reinstall it on a spire mounted on rock. The floating buoy marker has led to a number of groundings by boaters inexperienced in the area.
- Replacement of the airplane float. This is a life/health safety issue. The whole float project is critical, but the airplane float will be replaced this summer as soon as possible. Options are currently being explored for the most expeditious way to get a new airplane float installed.
- Replacement of the full float system. The Harbormaster is developing a project scope based on the measurements he took and other known issues. A pre-project assessment of the float piles will need to be conducted by a diver. Arrangements for that will be made as soon as possible.
- Removal of the moorage fees. It was explained that most of the boaters through Meyers Chuck either don't pay, or get irritated and anchor up just off the float. This keeps the floatplanes from being able to dock. This is a critical supply and potential life/health safety issue. Removal of the fees will be addressed at the next Port & Harbor Commission meeting. It will be followed by action of the Assembly to amend the resolution establishing harbor fees, by removing the moorage fees in Meyers Chuck.

As indicated above, the floatplane dock needs imminent replacement. On May 25th, the Port and Harbor department emailed requests to 3 float manufacturers for the price to build an 18'X24' float to replace Meyers Chuck airplane float. We received one quote from Mathews Lumber Co. INC in the amount of $22,750 FOB Wrangell. This float will be built to the same specifications as Shoemaker Bay Harbor floats.

The purchase authorization is not on the agenda as it is within the Manager's spending authority. This resolution requires Assembly approval as money needs to be transferred from Harbor reserves to fund the purchase of the dock.

The cash reserve balance of the Port/Harbor Fund, prior to this expenditure, is $2,470,022. The previous draw was in the amount of $7,780 for reimbursement to the Meyers Chuck Community Association for dock repairs that was approved at the May 25th meeting. The reserve balance after this expenditure will be 2,447,272.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 06-21-1590

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2021 BUDGET IN THE HARBOR FUND BY TRANSFERRING $22,750 FROM HARBOR FUND RESERVES TO THE HARBOR FACILITY REPAIRS AND MAINTENANCE ACCOUNT AND AUTHORIZING ITS EXPENDITURE FOR REIMBURSEMENT TO THE MEYERS CHUCK FLOATPLANE DOCK REPLACEMENT

WHEREAS, Resolution No. 06-20-1530 adopted the budget for all funds of the City and Borough of Wrangell, Alaska for the fiscal year 2020-2021; and

WHEREAS, the Wrangell Municipal Code requires that the Borough Assembly approve any budget amendments over those 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, members of the Assembly, Port & Harbor Commission and Administration recently visited Meyers Chuck to conduct a dock inspection, among other thing; and

WHEREAS, on the visit, inspection of the airplane float revealed its poor condition; and

WHERERAS, the maintenance responsibility for the Meyers Chuck dock belongs to the City & Borough of Wrangell; and

WHEREAS, floatplane access and docking in Meyers Check is critical to life and health safety; and

WHEREAS, in order to ensure the Meyers Chuck community has a safe working floatplane dock, it must be replaced at the earliest possible opportunity; and

WHEREAS, it is necessary to amend the FY 2021 Budget in the Harbor Fund to move money from Harbor Reserves and authoirize its expenditure for purchase of a new airplane float.

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

Section 1: The FY 2021 Budget in the Harbor Fund is amended by transferring funds in the amount of $22,750 from Harbor Fund Reserves to the Harbor Facility Repair and Maintenance Account (74010 000 7002) and authorizing its expenditure for replacement of the Meyers Chuck Floatplane Dock.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THIS 8TH DAY OF JUNE, 2021.

CITY & BOROUGH OF WRANGELL, ALASKA

_____
Stephen Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	June 8, 2021
	Agenda Section	**13**

RESOLUTION No. 06-21-1591 OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2021 BUDGET IN THE HARBOR FUND BY TRANSFERRING $12,100 FROM HARBOR FUND RESERVES TO THE HARBOR FUND CAPITAL EQUIPMENT ACCOUNT AND AUTHORIZING ITS EXPENDITURE FOR HARBOR SKIFF ENGINE REPLACEMENT

SUBMITTED BY:
Steve Miller, Port & Harbor Director Lisa Von Bargen, Borough Manager

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $12,100 Total		
FY 20: $	FY 21: $12,100	FY22: $
Amount Budgeted:		
	FY21 $0	
Account Number(s):		
	74010 000 7900 00 00000	
Account Name(s):		
	Harbor Capital Equipment	
Unencumbered Balance(s) (prior to expenditure and resolution):		
	$0 Prior to Resolution	

ATTACHMENTS: 1. Resolution 06-21-1591

RECOMMENDATION MOTION:
Move to approve Resolution No. 06-21-1591.

SUMMARY STATEMENT:
The engine on the Harbor's smaller skiff quit working a couple of weeks ago because the lower unit is destroyed. On May 26th, the Ports and Harbors Department put out a request for quotes to both local outboard shops: Buness Brothers and The Bay Company. We received one quote from the Bay Company in the amount of $12,068.84. As of this time there are very limited outboards

available anywhere in the world. Luckily, there is one in town. Many companies will not have engines this size available until 2022. This would mean the harbor would only have one skiff available for work which is the larger skiff that does not fit into the same spots at the smaller skiff. This could also be a safety issue if something were to happen to the larger skiffs engine we could possibly be without a skiff for up to a year. The engine that is being replaced is a 2008 and, as stated, the lower unit is destroyed.

The purchase authorization is not on the agenda as it is within the Manager's spending authority. This resolution requires Assembly approval as money needs to be transferred from Harbor reserves to fund the purchase of the engine.

The cash reserve balance of the Port/Harbor Fund, prior to this expenditure, is $2,447,272. The previous draw was in the amount of $22,750 for replacement of the Meyers Chuck Floatplane Dock – the item just previously on this agenda. The reserve balance after this expenditure will be $2,435,172.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 06-21-1591

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2021 BUDGET IN THE HARBOR FUND BY TRANSFERRING $12,100 FROM HARBOR FUND RESERVES TO THE HARBOR FUND CAPITAL EQUIPMENT ACCOUNT AND AUTHORIZING ITS EXPENDITURE FOR HARBOR SKIFF ENGINE REPLACEMENT

WHEREAS, Resolution No. 06-20-1530 adopted the budget for all funds of the City and Borough of Wrangell, Alaska for the fiscal year 2020-2021; and

WHEREAS, the Wrangell Municipal Code requires that the Borough Assembly approve any budget amendments over those 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, the outboard engine on one of the Harbor's skiffs recently quit operating ; and

WHEREAS, then engine could not be salvaged through repairs; and

WHEREAS, the harbor skiffs are used daily in the operation and maintenance of the facilities; and

WHEREAS, it is necessary to amend the FY 2021 Budget in the Harbor Fund to move money from Harbor Reserves and authoirize its expenditure for purchase of a new outboard engine.

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

Section 1: The FY 2021 Budget in the Harbor Fund is amended by transferring funds in the amount of $12,100 from Harbor Fund Reserves to the Harbor Capital Equipment Account (74010 000 7900) and authorizing its expenditure for replacement of the Harbor Skiff Engine.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THIS 8TH DAY OF JUNE, 2021.

CITY & BOROUGH OF WRANGELL, ALASKA

_____

Stephen Prysunka, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	June 8, 2021
	Agenda Section	**13**

RESOLUTION No. 06-21-1592 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE SALE BY OUTCRY AUCTION, OF PUBLIC LAND IN CONFORMANCE WITH WRANGELL MUNICIPAL CODE CHAPTER 16.12, SPECIFICALLY, LOT 5, BLOCK 59A, INDUSTRIAL SUBDIVISION (AMENDED PLAT), PLAT NO. 85-8, WRANGELL RECORDING DISTRICT

SUBMITTED BY:
Lisa Von Bargen, Borough Manager

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 20: $	FY 21: $	FY22: $
Amount Budgeted:		
	FY20 $XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	$XXX	

ATTACHMENTS: 1. Resolution No. 06-21-1592; 2. Appraisal

RECOMMENDATION MOTION:
Move to Approve Resolution 06-21-1592.

SUMMARY STATEMENT:
The Assembly provided direction to Administration to divest the former Armory property. The one outstanding item prior to offering the property for sale was the fair market value appraisal. The appraisal is complete and attached for review by the Assembly. The property is valued at $110,000.

Administration has prepared the resolution (No. 06-21-1592) authorizing the sale of the property. Administration is recommending the property be sold at an outcry auction, with pre-registration and a (refundable) registration fee required. Administration is also recommending the opening bid be 10% below the appraised value as an incentive to potential buyers.

The auction is scheduled to take place on Tuesday, July 13, 2021. Wrangell Municipal Code requires thirty-day public notice prior to the sale of Borough-owned property. That would put the earliest allowable auction date of July 8, 2021. As that is the end of 4th of July week, holding the auction the following week is a better option.

All the terms and conditions of the auction/sale of the property are outlined in Resolution No. 06-21-1592, which is attached.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO: 06-21-1592

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE SALE BY OUTCRY AUCTION OF PUBLIC LAND IN CONFORMANCE WITH WRANGELL MUNICIPAL CODE CHAPTER 16.12, SPECIFICALLY, LOT 5, BLOCK 59A, INDUSTRIAL SUBDIVISION (AMENDED PLAT), PLAT NO. 85-8, WRANGELL RECORDING DISTRICT

WHEREAS, the Borough is the owner of the following described real property: Lot 5, Block 59A, Industrial Subdivision (Amended Plat), Plat No. 85-8, Wrangell Recording District; and

WHEREAS, the Borough Assembly it has determined it is in the public interest for the Borough to divest itself of this property; and

WHEREAS, the appropriate pre-sale work including a Hazardous Materials Assessment and an Appraisal have been completed; and

WHEREAS, the Borough Assembly desires to sell said property via public outcry auction; and

WHEREAS, the requirements for the sale of public lands have been followed in conformance with Wrangell Municipal Code Chapter 16.12.

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

Section 1. **AUTHORIZATION**. The Assembly of the City 7 Borough of Wrangell, Alaska authorizes the Borough Manager to sell Borough-owned real property Lot 5, Block 59A, Industrial Subdivision (Amended Plat), Plat No. 85-8, Wrangell Recording District.

Section 2. **PROCEDURES FOR PUBLIC SALE**. The Assembly of the City and Borough of Wrangell establishes the following procedure for the sale of the Borough-owned real property Lot 5, Block 59A, Industrial Subdivision (Amended Plat), Plat No. 85-8, Wrangell Recording District, more commonly known as the "Armory Property:"

1. **Public Outcry Auction**. The property shall be made available at a public outcry auction to be held Tuesday, July 13, 2021 at 10:00am in the Wrangell Borough Assembly Chambers, located in Wrangell City Hall, 205 Brueger Street, Wrangell, Alaska.

2. **Eligibility and Exclusions**. Eligibility for participating in the public outcry auction shall be persons eighteen (18) years of age or older with the following exceptions:
    a. No person who is delinquent in any property tax, sales tax, utility payment, or other financial obligation with the Borough may participate in the auction.
    b. The Borough Manager, the Economic Development Director and the Capital Facilities Director are prohibited from participating in the auction, either in their own name, in the name of their spouse, dependent child, or solely owned or family-owned business.

3. **Minimum Bid Established**. The minimum bid for this property shall be 90% of the property's appraised value ($110,000 x .90 =$99,000) which is $99,000.

4. **Bidders Registration and Fee Required**. Bidders shall be required to register in advance of the public outcry auction and pay a $500 registration fee. This fee shall be applied to the purchase of the property for the winning bidder. The fee shall be refunded to all non-successful bidders. If the winning bidder fails to purchase the parcel in conformance with the prescribed parameters, the bidder forfeits the registration fee. The registration fee must be cash, or a cashier's check. Personal or business checks will not be accepted.

5. **Sale Terms**. The winning bidder shall sign a Purchase Agreement immediately at the close of the auction. The property may be purchased with 20% of the winning bid amount as down payment, payable within three business days from the signing of the Purchase Agreement, with the balance due to the Borough in thirty (30) days.

6. **Property Not Sold at Auction**. If the property is not sold at the public outcry auction, it shall become available for sale over-the-counter at the full appraised value of $110,000.

7. **Borough Manager Authorized to Administer**. The Borough Manager is authorized to develop whatever administrative procedures, forms and policies are necessary to implement this resolution.

Section 3. **PUBLIC NOTICE REQUIRED**. In conformance with Wrangell Municipal Code Section 16.12.040(b) the Borough Clerk shall give notice of the sale by publication of notice in a newspaper of general circulation in the Borough at least 30 days before the date of the sale, and the notice shall be posted within that time in at least three public places in the borough.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THIS 8TH DAY OF JUNE, 2021.

_____
Stephen Prysunka, Mayor

ATTEST: _____
Kim Lane, MMC, Borough Clerk

APPRAISAL REPORT
REAL ESTATE APPRAISAL

Of
Armory Building

101 Second Ave, Wrangell
AK, 99923

As of
April 28, 2021

Prepared For
Ms. Carol Rushmore
City and Borough of Wrangell
PO Box 531
Wrangell, AK, 99929

Prepared by
RAMSEY APPRAISAL RESOURCE
Roger Ramsey, Alaska-AA 570

File Name:
RAR File# 21-016-P2

RAMSEY APPRAISAL RESOURCE

907-723-2936
10615 Horizon Drive
Juneau,
AK, 99801
Fax: 866-404-7117
rogerramsey@mac.com
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May 21, 2021

Ms. Carol Rushmore
City and Borough of Wrangell
PO Box 531
Wrangell, AK 99929

Re: Appraisal Report, Real Estate Appraisal
Armory Building
101 Second Ave,
Wrangell, AK, 99923

File Name: RAR File# 21-016-P2

Dear Ms. Rushmore:

At your request, I have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject is improved with a 30X40 building that was historically used as a National Guard Armory. More recently it was used as borough office

Please reference page 9 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis and valuation methodology.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 7). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

Current As Is Market Value:
The "As Is" market value of the Fee Simple estate of the property, as of April 28, 2021, is

One Hundred Ten Thousand Dollars ($110,000)

The market exposure time preceding April 28, 2021 would have been 6 months and the estimated marketing period as of April 28, 2021 is 3 months.

Respectfully submitted,
Ramsey Appraisal Resource

Roger Ramsey
Alaska-AA 570

TABLE OF CONTENTS

Summary of Important Facts and Conclusions

GENERAL	
Subject:	Armory Building 101 Second Ave, Wrangell, AK, 99923 The subject is improved with a 30X40 building that was historically used as a National Guard Armory. More recently it was used as borough office
Owner:	Wrangell Borough
Legal Description:	Lot 5, Block 59A, Industrial Subdivision (Amended Plat) Plat 85-8, Wrangell Recording District
Date of Report:	May 21, 2021
Intended Use:	The intended use is for portfolio management and negotiation of potential sales.
Intended User(s):	The client, property owner and potential purchasers..

Assessment:

Real Estate Assessment and Taxes									
Tax ID	Land	Improvements	Other	Total Assessment	City Rate	County Rate	Other Rate	Tax Rate	Taxes
02-030-474	$13,700	$0	$0	$13,700	$0.00	$0.00	$12.75	$12.75	$175

Notes:

Sale History:	The subject has not sold in the last three years, according to public records.
Current Listing/Contract(s):	The subject is not currently listed for sale, or under contract.

Land:

Land Summary

Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
02-030-474	0.21	9,148	0.21	9,148	reas of wetlands.	site is rectangular.

Notes:

Improvements:

Building Summary

Building Name/ID	Year Built	Condition	Number of Stories	Gross Building Area	Rentable Area	Number of Units	Building Name/ID
National Guard	1982	Fair	1.0	1,200			l Guard Armory

Notes:

Zoning: Industrial

Highest and Best Use of the Site: industrial/commercial

Highest and Best Use as Improved: The subject is improved with a building supported on grade beams and has no permanent foundation. It appears to be functioning fine in its capacity. It would make a decent office for a business.

Type of Value: Market Value

VALUE INDICATIONS

Land Value:	$50,000
Cost Approach:	$110,000
Sales Comparison Approach:	$105,000

Reconciled Value(s): **As Is**

Value Conclusion(s)	$110,000
Effective Date (s)	April 28, 2021
Property Rights	Fee Simple

Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Ramsey Appraisal Resource. Information, estimates and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Ramsey Appraisal Resource's regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

Americans with Disabilities Act (ADA) of 1990
A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Ramsey Appraisal Resource has not made a determination regarding the subject's ADA compliance or non-compliance**. Non-compliance could have a negative impact on value, however this has not been considered or analyzed in this appraisal**.

Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Ms. Carol Rushmore, -- City and Borough of Wrangell. The problem to be solved is to estimate the current 'As Is' market value . The intended use is for portfolio management and negotiation of potential sales. This appraisal is intended for the use of client, property owner and potential purchasers..

SCOPE OF WORK	
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	The appraiser inspected the subject property on 4/28/2021. I was able to view the inside and exterior and take photos.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
Type of Value:	Market Value

Valuation Analyses

Cost Approach:	A cost approach was not applied as the age of the improvements makes the depreciation difficult to accurately measure.
Sales Comparison Approach:	A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Approach:	An income approach was not applied as while the subject could generate an income stream, the most probable buyer is an owner-occupant.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- There are no Extraordinary Assumptions for this appraisal.

Comments

In the process of completing this valuation I interview neighbors to the property who had recently purchased property or had been there for a long time. It was the general consensus that the subject underlying soil is more than likely mud and considered to be a bit of a hole.
While I did talk with contractors to get an idea of what fill costs are, my negative adjustment in comparison to the comparables does not add up to what it would cost to fill the site to grade, as I feel there are many in the market who would be fine using it as is as the ditches are ample.

I also read the environmental report to make a determination of how the market would react to the findings. The asbestos found was contained exclusively in the tile and the mastic holding it and at percentages barely over the limit. I considered how the market would perceive this and from my perspective they would not remove any of this asbestos flooring but instead cover it with new flooring. There is a slight risk they may have to remove some which would trigger jumping through the regulatory hoops, for this reason I felt a small adjustment was necessary.

Market Area Analysis

The following is are excerpts from http://www.seconference.org/wrangell, appraiser analysis follows this.

Wrangell City and Borough*

Wrangell is one of the oldest non-Native settlements in Alaska. In 1811 the Russians began fur trading with area Tlingits and built a stockade named Redoubt St. Dionysius in 1834. The island was named for Ferdinand Von Wrangel, manager of the Russian-American Co. around 1830. The British Hudson Bay Co. leased the fort in 1840 and named the stockade Fort Stikine. A large Stikine Indian village, known as Kotzlitzna, was located 13 miles south of the fort. The Tlingits claimed their own ancient trade rights to the Stikine River and protested when the Hudson Bay Co. began to use their trade routes, but two epidemics of smallpox, in 1836 and 1840, reduced the Tlingit population by half. The fort was abandoned in 1849 when furs were depleted. The fort remained under the British flag until Alaska's purchase by the U.S. in 1867. In 1868 a U.S. military post called Fort Wrangell was established and named for the island. The community continued to grow as an outfitter for gold prospectors, especially in 1861, 1874-77, and 1897. Riotous activity filled gambling halls, dance halls, and the streets. Thousands of miners traveled up the Stikine River into the Cassiar District of British Columbia during 1874 and to the Klondike in 1897. Glacier Packing Co. began operating in Wrangell in 1889. The Wilson & Sylvester Sawmill provided packing boxes for canneries and lumber for construction. The city was incorporated in 1903. By 1916, fishing and forest products had become the primary industries -- four canneries and a cold storage plant were constructed by the late 1920s. In the 1930s, cold packing of crab and shrimp was occurring. Abundant spruce and hemlock resources have helped to expand the lumber and wood products industry. The Alaska Pulp sawmill, Wrangell's largest employer, closed in late 1994 but was reopened on a smaller scale in 1998 by Silver Bay Logging. The city was dissolved and reincorporated as the City and Borough of Wrangell on May 1, 2008.

Location & Climate

The City and Borough of Wrangell is located on the northwest tip of Wrangell Island, 155 miles south of Juneau and 89 miles northwest of Ketchikan. It is near the mouth of the Stikine River, a historic trade route to the Canadian Interior. It lies at approximately 56.470830 North Latitude and -132.376670 West Longitude. (Sec. 25, T062S, R083E, Copper River Meridian.) Wrangell is located in the Wrangell Recording District. The area encompasses 2,582.0 sq. miles of land and 883.0 sq. miles of water. Wrangell is in the maritime climatic zone and experiences cool summers, mild winters, and year-round rainfall. Summer temperatures typically range from 42 to 64 °F; winter temperatures range from 21 to 44 °F. Average annual precipitation is 82 inches, with 64 inches of snowfall. Fog is common from September through December. *State of AK, DOT AMHS.

2019 Population

2,479 (1990 Census)
2,659 (Alaska Department of Community and Regional Affairs, as of August
2,758 (Alaska DCRA, as of August 1995)
2,595 (Alaska DCRA, as of August 1996)
2,543 (Alaska DCRA, as of August 1997)
2,589 (Alaska DCRA, as of August 1998)
2,549 (Alaska Department of Community and Economic Development, as o
2,569 (Alaska DCED, as of August 2000)
2,308 (2000 Census)
2,308 (Alaska DCED, Jan 2002)
2,144 (Alaska DCED, Jan 2003)
2,113 (Alaska DCED, Jan 2004)
2,023 (Alaska DCED, Jan 2005)
1,974 (Alaska DCCED, Jan 2006)
1,911 (Alaska DCCED, Jan 2007)
1,947 (Alaska DCCED, Jan 2008)
2,072 (Alaska DCCED, Jan 2009) Borough population
2,112 (Alaska DCCED, Mar 2009 revised 2008 Borough population)

Above information is found on the Wrangell Borough Website. Current DCCED population estimates are 2426 in 2019.

Following are some of the key industries, and the utility services as identified on the wrangell.com website

Marine Industry: The Marine Service Center is a thriving boat works facility for commercial and recreational vessels. Two lifts, 150-ton and 300-ton, and a 40 ton trailer provide haul out capabilities and local vendors provide the necessary services.

Timber: Wrangell has a long history in timber harvesting and processing. Once the primary economic driver for Wrangell, it is now a small contributor. While the industry is changing from an old growth harvesting model to a young growth harvesting program, there are still a few local businesses that provide a variety of timber products. The Economic Development Committee, with approval by the Assembly, developed a local Timber Products Plan to help guide community participation in State and Federal timber programs to provide incentive for industry investment.

Tourism: Visitor opportunities abound in Wrangell with the scenery and activities rivaling larger destinations! But we don't have the numbers of daily visitors which

mean you can fish alone on a stream, hikes can be quietely enjoyed by you and your friends, and scenic vistas are just that.. nothing but spectacular scenes. Wrangell receives a few small cruiseships throughout the summer, but most visitors come via the Alaska Marine Highway and Alaska Airlines. Front Street hosts a variety of locally owned retail stores from gifts to hardware! The Wrangell Convention and Visitor Bureau recently did a baseline analysis of the industry and the draft report is available below. A list of the Cruise Calendar is also available.

Seafood Processing: There are three commercial processors in Wrangell: Trident Seafoods, Sealevel Seafoods, and Alaska Seafoods, processing salmon, crab, shrimp, halibut and bottom fish.

Utilities and Services

The City and Borough of Wrangell provides drinking water, solid waste, waste water treatment and road maintenance for residents within the town proper, although public sewer and water service stops at 6 Mile Zimovia Highway . All municipal services have recently had new state of the art facilities constructed to address new environmental regulations meet community needs. Alaska State Department of Transportation administers the Wrangell Airport and provides road maintenance for Zimovia State Highway.

Electrical
Wrangell Municipal Light and Power supplies power to residents and businesses. In today's power market, Wrangell has very inexpensive power. The primary wholesale power source is Lake Tyee Hydro Electric Project. Tyee can provide 21 megawatts of power and serves Wrangell and Petersburg. Tyee is connected to Swan Lake Hydro in Ketchikan. Wrangell also has an 8+ megawatt diesel generating facility as a secondary backup source of power. Heavy industrial power users may be able to obtain a lower interruptible power rate through the Southeast Alaska Power Agency whom oversees the Tyee-Swan Lake hydro power projects.

RATES:

Residential: Base monthly rate $8.00
0-300 KWH $.126 per KWH
300 -1200 KWH $.102 per KWH
>1200 KWH $.08 per KWH

Small Commercial: Base monthly rate $9.00
all KWH $.116 per KWH

Large Commercial: Base monthly rate $13.50
0-70,000 KWH $.107 per KWH
> 70,000 $.103 per KWH

Industrial: negotiated per KWH

Drinking Water
Drinking water is filtered through a state of the art sand filtration and ozonation plant. The community's current average daily water consumption is approximately 600,000 gallons per day. The water is not metered, thus residential and commercial uses pay different monthly base fees. Residential rate is $32.28 and the commercial rate is defined by the Municipal Code based on type of business. Please contact the Utility Clerk for the most current commercial rates. That information can also be found on this website in our Ordinance in Chapter 15.08.

Solid Waste and Recycling
City and Borough of Wrangell provides weekly curbside garbage service. Solid waste is processed in a material recovery handling facility and currently shipped south to an approved landfill in eastern Washington. A volunteer recycling program is available for aluminum cans. The Wrangell Lion's Club promotes the "Cans for Kids" program, reinvesting proceeds from recycling the cans back into youth programs in the community. Residential rate is based on the garbage can size. Please contact the Utility Clerk for the most current commercial rates. That information can also be found on this website in our Ordinance in Chapter 9.04

Residential Rates
48 gallon can is $24/mo
64 gallon can is $39.90/mo
96 gallon can is$43.98/mo

Commercial Rate: based on commercial can size and number of weekly pick-ups.

Waste Water Treatment
The City's new state of the art waste water treatment plant provides primary treatment to almost 85% of households. The remainder households use a state approved on-site treatment facility. Rates for residential customers is $27.04 a month. Commercial rate is defined by the City Code base on type of business. Please contact the City's Utility Clerk for the most current commercial rates. That information can also be found on this website in our Ordinance in Chapter 15.08

Communications
Wrangell has excellent telecommunications for your business. Telecommunications is based on microwave and earth station links to a fiber optic network provided by GCI. Our local telecommunication providers offer a total package for your business requirements. Alaska Power and Telephone provides local phone service, and broadband internet/data services including wireless, DSL or 56K dial up connections. Long Distance service is provided by AP&T Long Distance, GCI Communication Inc., and AT&T. Local cellular service is provided by GCI Communication Inc.

GCI also provides cable television service.

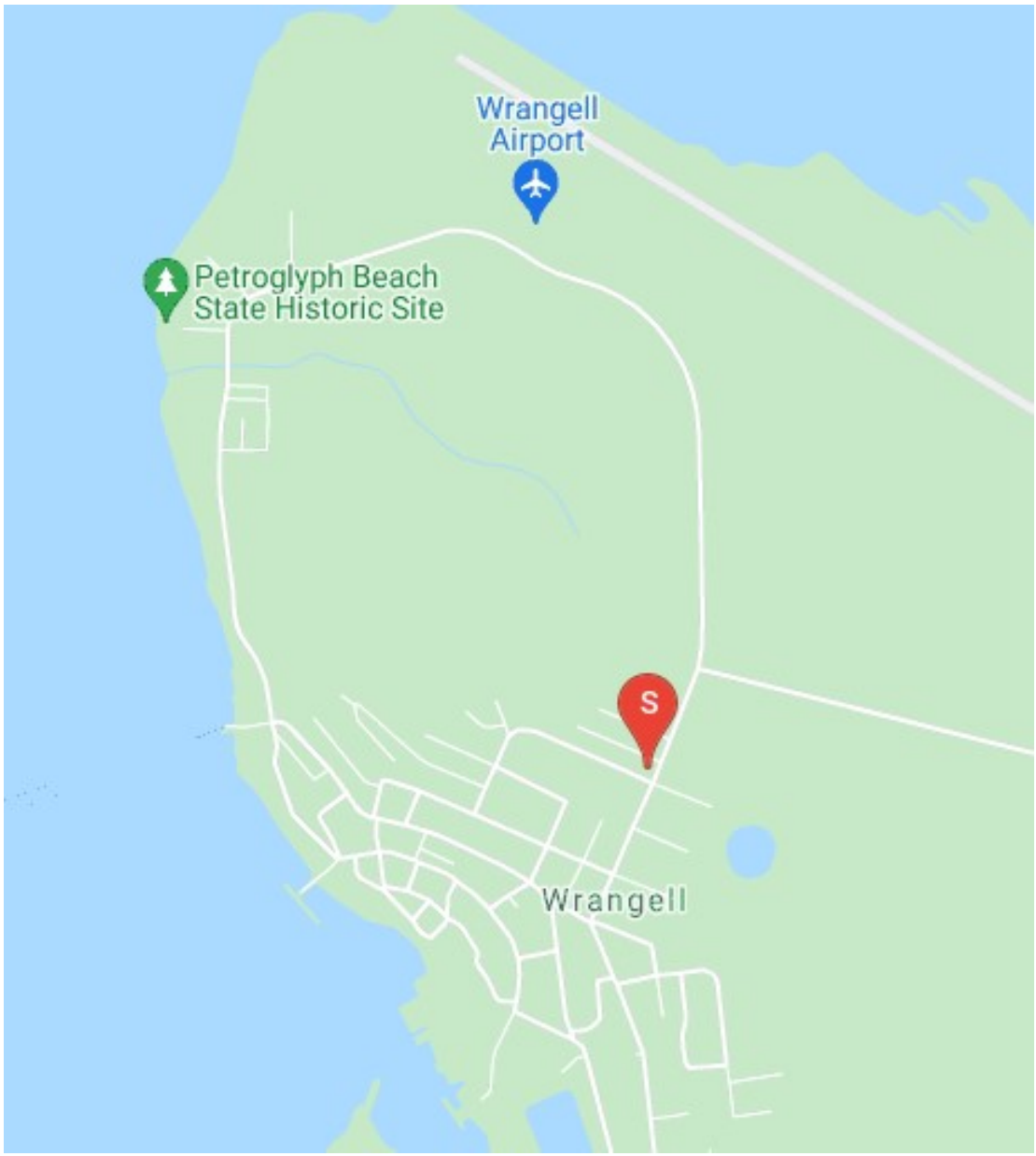
Wrangell Sentinel publishes a weekly newspaper. The Sentinel is the oldest continually published newspaper in Alaska. Wrangell's local Public Radio Station KSTK 101.7FM provides music, news and community service announcements.

The Borough has been good about maintaining their infrastructure. Following are projects in the hopper approved by the assembly this year.

Priority	Project Name
1.	Public Safety Building Renovation
2.	High School and Middle School Life and Health Safety Upgrades • Fire Alarm System Upgrades • Elevator Replacement
3.	Upper Reservoir Bypass (Connection to Treatment Plant)
4.	Solid Waste Transfer Station Upgrades
5.	Diesel Generation Power Plant Replacement
6.	Ash Street Water Main Replacement
7.	Nolan Center Standby Generator Upgrades
8.	Inner Harbor Replacement
9.	Water Main Replacement Phase II, Zimovia Highway
10.	Drinking Water Dams Stabilization and Improvements
11.	Cemetery Expansion Development

Appraiser's Analysis:
Wrangell is a community that has been on the rise. They have many significant projects in the hopper and have seen explosive growth in their ship haul out facility. While their population shows a decline from the timber days it now appears to be growing slightly. Based on what I saw in the community, and the general attitude of market participants, I think Wrangell is generally a stable community with potential for moderate growth into the future. The new hospital which was recently completed, will be a boost for the economy, adding a good resource to the community that allows for broader health care and makes it possible for a wider range of people to reside in Wrangell.
As of the date of this valuation, there is a Novel Coronavirus that has been spreading through the world for the last year+. Most people in SE AK have had the opportunity to be vaccinated, which should go a long way towards stabilizing the economy. At the time and date of this valuation it is uncertain how this will affect values of real estate in Wrangell off into the future. No price drops were noted as of the date of value and demand seems to be strong in the market for residential real estate.
In talking with market participants involved in tours, they are expecting to have another down year, but better than 2020 in this coming 2021 season and expecting to be back to normal by the season of 2022.

Location Map



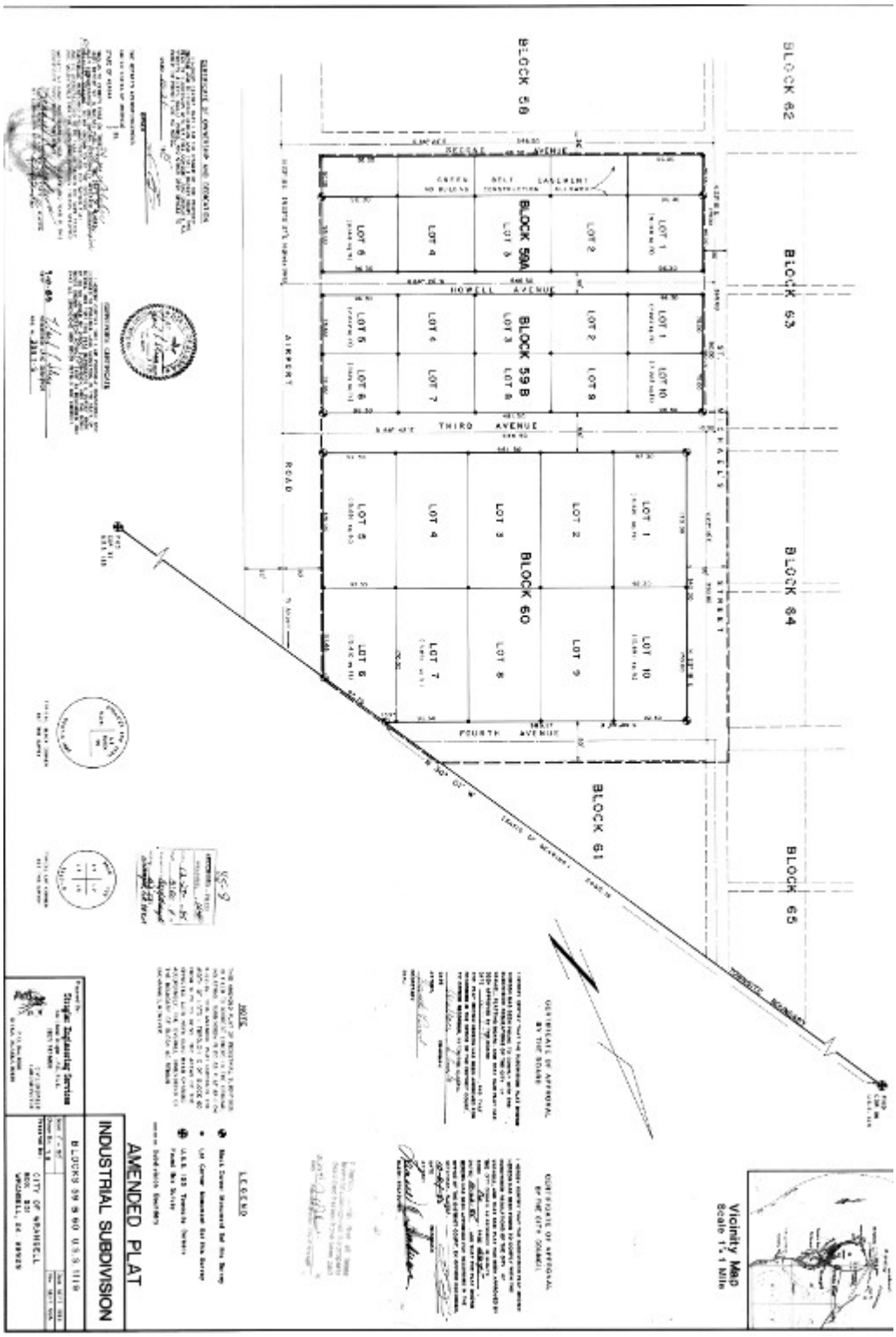
Property Description

The subject is improved with a 30X40 building that was historically used as a National Guard Armory. More recently it was used as borough office

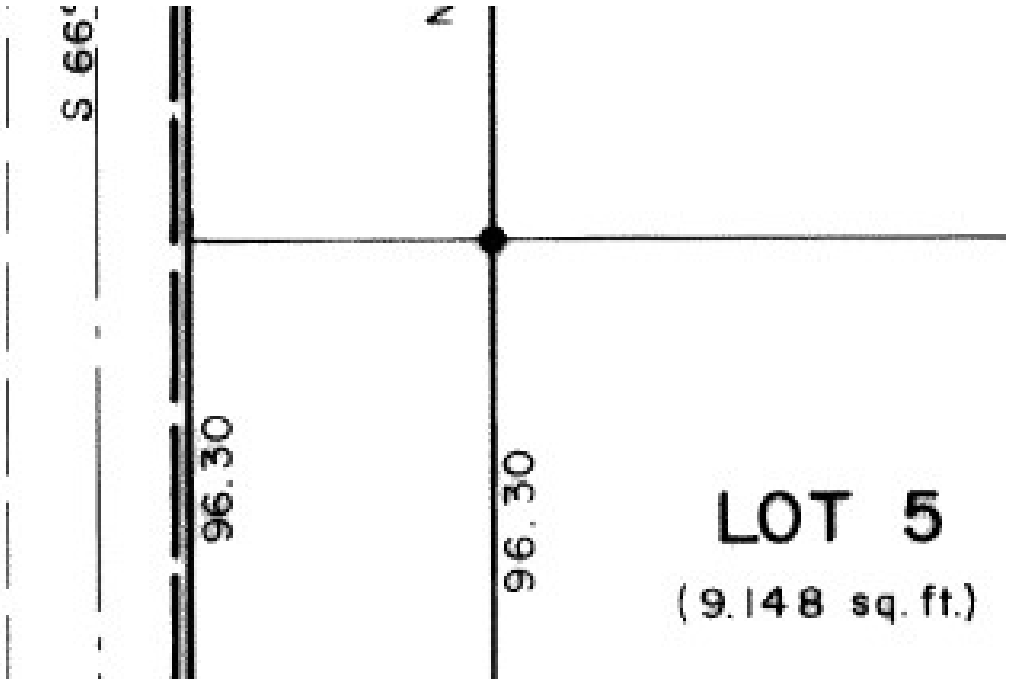
SITE	
Location:	Corner of Second Ave and Bennet street
Current Use of the Property:	Armory
Site Size:	Total: 0.21 acres; 9,148 square feet Usable: 0.21 acres; 9,148 square feet The subject is all usable and unencumbered. There is a green belt easement area to the south west that is not part of the subject but it appears parking for the subject maybe happening there. The usable land is partially capped with good draining soil. The subject is below the grade of the road and below the grade of the surrounding lots.
Shape:	Rectangular
Frontage/Access:	The subject property has average access with frontage as follows: • Airport Road (Bennett St): 95 feet • Howell Avenue: 96 feet The site has an average depth of 96 feet. It is a corner lot.
Visibility:	Good
Topography:	The subject is below the grade of the road and fairly flat
Soil Conditions:	The subject has had a portion filled to a degree to make it usable for driving on. The appraiser is unsure of the sub straight below this fill. I am guessing it is native soils, based on my conversations with local dirt contractors. The back of the lot is unfilled, and is strewn with old tires and junk.in areas.
Utilities:	Electricity: The site is served by public electricity. Sewer: City sewer Water: City water Adequacy: The subject's utilities are typical and adequate for the market area.
	• The subject has a gravel parking area estimated at around

Site Improvements:	4000 SF.
Wetlands/Watershed:	The appraiser did not note significant indicators of wetlands
Environmental Issues:	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.
Encumbrance / Easements:	There no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.
Site Comments:	The subject site can and has been used as is, though it is below the grade of the road and below the grade of all surrounding lots. That said there are large ditches that collect water on the sites edges. I am unsure about the sub soils but the local dirt contractors think its mud and any construction would require using piles or excavating and bringing in good soil.

Site Plan



The subject is lot 5, Block 59A above



An excerpt from the plat showing the subject lot

An older aerial of the subject site. As can be seen, the driveway is constructed through the area which is designated as green space.

IMPROVEMENTS DESCRIPTION

Development/Property Name:	Armory Building
Property Type:	Flex Space
Overview:	The subject is improved with a 30X40 building that was historically used as a National Guard Armory. More recently it was used as borough office

GENERAL - NATIONAL GUARD ARMORY

Building Identification:	National Guard Armory
Building Description:	The subject is a metal roofed and sided building with a wood grade beam foundation.
Construction:	Wood frame
Construction Quality:	Average
Year Built:	1982
Renovations:	N/A
Effective Age:	30 years
Remaining Useful Life:	20
Condition:	Fair, the subject has rusting exterior doors, stained exterior siding, rusting porches and ramps. The interior walls need paint and the paneled portions have faded areas, the flooring is worn and needs to be covered. There is an old fireplace hearth that is not in use and falling apart.
Appeal/Appearance:	Fair
Areas, Ratios & Numbers:	Number of Stories: 1.00 Gross Building Area: 1,200

FOUNDATION, FRAME & EXTERIOR - NATIONAL GUARD ARMORY

Foundation:	wood grade beams
Structural Frame:	Wooden Frame

Exterior:	Sheet metal
Windows:	Fixed Casement
Roof/Cover:	Gable / Metal

INTERIOR - NATIONAL GUARD ARMORY

Interior Layout:	The interior layout is set up as an assembly hall with an office a couple storage rooms and a bathroom. it has good potential to be converted with its trusses that span the building
Floor Cover:	Vinyl Tile
Walls:	Gypsum board and wood veneer
Ceilings & Ceiling Height:	Gypsum board with exposed trusses / --
Lighting:	A mix of fluorescent and incandescent lighting.
Restrooms:	sink and toilet
Other:	

MECHANICAL SYSTEMS - NATIONAL GUARD ARMORY

Heating:	Laser forced air stove with electric based board
Cooling:	None
Electrical:	Average
Plumbing Condition:	Average
Comments, National Guard Armory:	The building is on grade beams on creosote timbers. This is most likely due to poor soil sub straight. However, it appears to be generally level. It offers decent general functionality.

PARKING

Parking Type and	Type: open gravel parking

PROPERTY ANALYSIS

Design & Functional Utility:	The subject building is very basic. It has lower quality dated interior and exterior finishes it would appeal to and have good utility as a construction or tradesman company headquarters or the like.
Deferred Maintenance:	The subject is dated and worn. A lot could be done to bring the building up to date though it is still functional. The exterior door on the SE side showed signs of rust. But the heating system was updated and functional.
Comments:	This improvement is very utilitarian in its design. It appears to be without leaks and is generally level on its grade beam foundation. An environmental analysis was done to check for lead, asbestos and other hazardous material. I have included portions of this report in the addendum. The basic conclusion was that there was a small amount of asbestos in the Vinyl tiles and in the mastic which held them in place. And if they are removed that must be done in a way that complies with OSHA and contains the asbestos material.

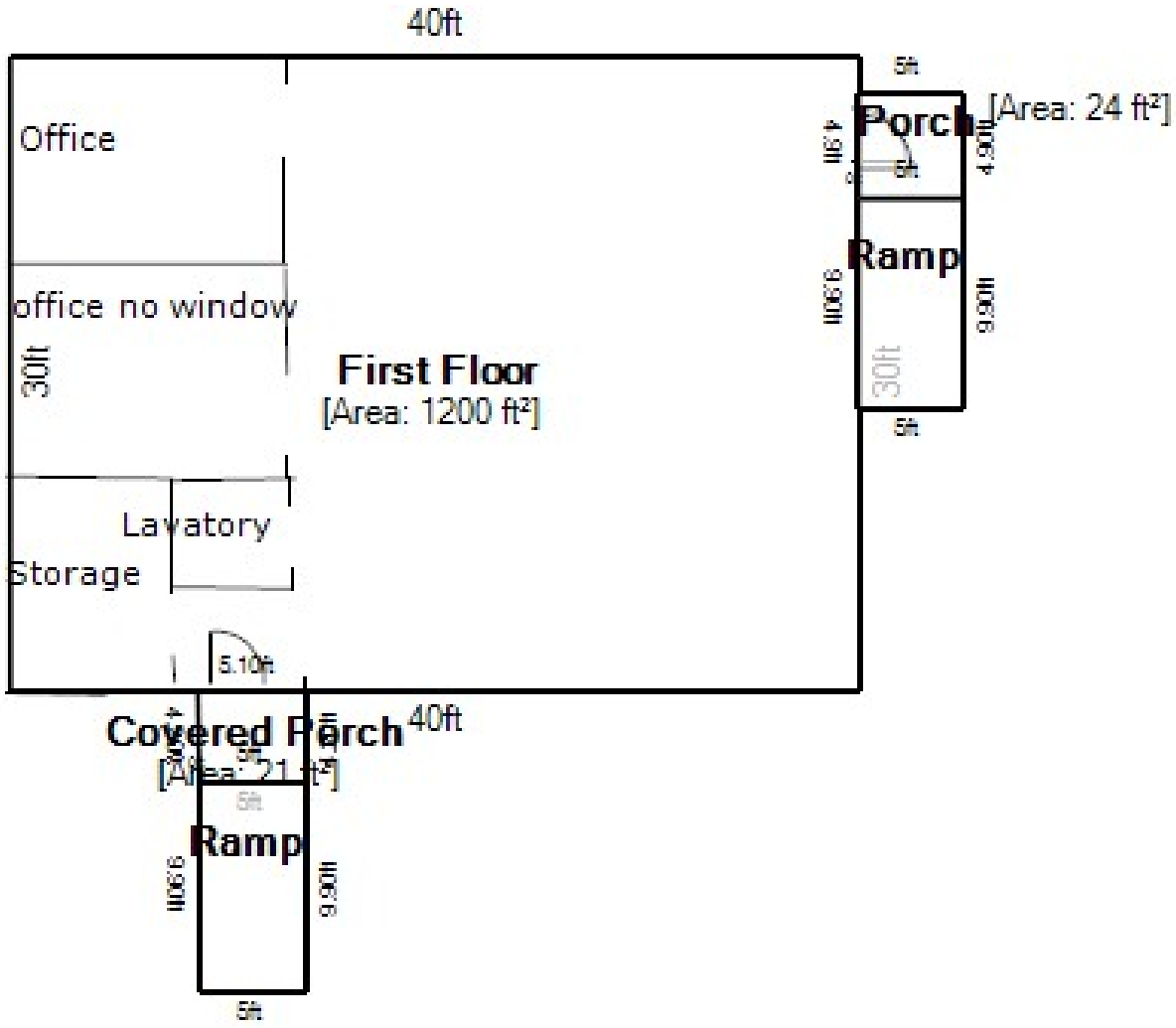
Americans With Disabilities Act

Please reference the Limiting Conditions and Assumptions section of this report on page 8.

Hazardous Substances

Please reference the Limiting Conditions and Assumptions section of this report on page 8.

Improvements Plan



Subject Photographs

Pictured above is the front of the subject property as viewed from the corner of Second Ave and Airport Road.

Above is a view of the rear of the subject building as viewed from Third Ave and Airport Rd

Pictured above left is the easement area reserved as a green belt easement in the plat. Pictured right is the NW corner of the subject site which has significant junk stored there.

Above left is the underside of the building and as can be seen the subject is sitting on wood grade beams. Above right is a view of the interior looking at the NE corner. The oil fired Toyo heater is viewers right.


Pictured above left is the main hall which can be used for larger gatherings. Pictured right is an office with an outside window.


Pictured left above is a interior room with no windows. Pictured right above is the bathroom.

Assessment and Taxes

Taxing Authority City and Borough of Wrangell

Assessment Year 2021

Real Estate Assessment and Taxes									
Tax ID	Land	Improvements	Other	Total Assessment	City Rate	County Rate	Other Rate	Tax Rate	Taxes
02-030-474	$13,700	$0	$0	$13,700	$0.00	$0.00	$12.75	$12.75	$175

Notes:

Real Estate Assessment Analysis					
Tax ID	Per SF GBA	Per Acre	Total Assessment	Equalization Ratio	Implied Value
02-030-474	$11.42	$65,235	$13,700	100.0%	$13,700

Notes:

Assessment Analysis

We have analyzed the assessment and corresponding taxation of competitive properties in the marketplace as a test of reasonableness compared to the subject's current assessment and taxation.

Real Estate Assessment Analysis							
Name	Property Type	Tax ID	Assessment Year	Taxes	Taxes/SF GBA	Taxes/Unit	Overall Comparison
Armory Building	Flex Space						

Notes:

The assessment for the subject lacks any reality as the property owner is exempt and the assessment is not up to date, value wise.

Zoning

LAND USE CONTROLS	
Zoning Code	Industrial
Zoning Description	The purpose of the industrial district is to provide areas for a broad range of non-water-dependent or related uses. Development requirements are intended to provide for a safe and sightly environment, to minimize potential conflicts with adjoining uses, and to allow space for parking, storage and expansion. [Ord. 867 § 1, 2013; Ord. 462 § 6, 1984.] The following are principal permitted uses in this district: A. Transportation and transshipment facilities; B. Warehouses and outside storage areas; C. Lumber mills and log storage; D. Manufacturing, fabricating and assembling; E. Automobile repair shops; F. Quarters for caretaker, guard or owner-operators whose presence on the property is required for operational or protective safety, and includes manufactured homes, trailers or quarters in a part of any industrial building, each limited to 600 square feet; G. Sand, gravel and rock extraction and processing; and H. Public utility uses. [Ord. 867 § 1, 2013; Ord. 632 § 4, 1997; Ord. 462 § 6, 1984.]

Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?

2. **Physically Possible:** To what use is the site physically adaptable?

3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?

4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

Highest and Best Use of the Site

The highest and best use of the site, as vacant, is for industrial/commercial.

The subject is in an industrial zone and fronts to Airport Rd (Bennet St), which is a fairly busy thoroughfare. The property to the north east was used as a car was and is currently used as a drive through coffee, drinks and snack shop. The subject would be a good location for a contractor that wanted a shop, office and yard that has good exposure.

Highest and Best Use as Improved

The highest and best use of the subject as improved The subject is improved with a building supported on grade beams and has no permanent foundation. It appears to be functioning fine in its capacity. It would make a decent office for a business..

Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

Cost Approach

The Cost Approach is summarized as follows:

Cost New
- Depreciation
+ Land Value
= Value

Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

Analyses Applied

A **cost analysis** was considered and was not developed because the age of the improvements makes the depreciation difficult to accurately measure.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

An **income analysis** was considered and was not developed because while the subject could generate an income stream, the most probable buyer is an owner-occupant.

Cost Approach

The Cost Approach is based on the principle of substitution - that a prudent and rational person would pay no more for a property than the cost to construct a similar and competitive property, assuming no undue delay in the process. The Cost Approach tends to set the upper limit of value before depreciation is considered. The applied process is as follows:

- Estimate the land value according to its Highest and Best Use. I have used the Sales Comparison Approach; the process is as follows:
    - Comparable sales, contracts for sale and current offerings are researched and documented.
    - Each comparable is analyzed and adjusted to equate with the subject property.
    - The value indication of each comparable is analyzed and the data reconciled for a land value indication.
- Estimate the replacement cost of the building and site improvements.
- Estimate the physical, functional and/or external depreciation accrued to the improvements.
- Sum the depreciated value of the improvements with the value of the land for an indication of value.

Land Value

The subject's land value has been developed via the sales comparison approach.

Sales Comparison Approach – Land Valuation

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.

- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

I have researched three comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

Land Comparable 1

Transaction

ID	1224	**Date**	4/12/2021
Address	Howell Ave and Third	**Price**	$195,000
City	Wrangell	**Price Per SF**	$10.65
State	AK	**Financing**	Cash to seller
Tax ID	--	**Property Rights**	Fee Simple
Grantor	Massin, Bernard	**Days on Market**	
Grantee	Yeager, John and Brenda	**Verification**	Massin, Yeager
Legal Description	Lot 8A, Block 59-B,		

Site

Land Value	100000	**Topography**	Level
Land SF	18,345	**Zoning**	Industrial
Road Frontage	244	**Flood Zone**	no
Shape	rectangular	**Encumbrance or**	None
Utilities	City water & sewer	**Environmental Issues**	None Known

Comments

According to Bernard the quonsit hut rented for $700, the modular rented for $450 and the Storage units and outside covered storage brought in $400 per month, for gross income per month at $1550 and $18600 anually. this gives us a gross income multiplier of 10.48According to Brenda, the buyer, she felt half the value was in the land and the other half was in the buildings. She thought that roughly half the building value was in the modular and half was in the quonset hut. Though she did say she thought the land was worth about $100,000. That would mean the buildings were worth $95K and half of that value would be for the modular at $47,500. The modular was not on a perminent foundation and the bank was not keen on loaning any money on it.

Land Comparable 2

Transaction

ID	1225	**Date**	11/1/2018
Address	Bennet ST	**Price**	$87,000
City	Wrangell	**Price Per SF**	$6.96
State	AK	**Financing**	cash
Tax ID	--	**Property Rights**	Fee Simple
Grantor	Massin, Bernard	**Days on Market**	--
Grantee	Alaska Power and	**Verification**	Massin
Legal Description	Lot 6A, Block 59-B		

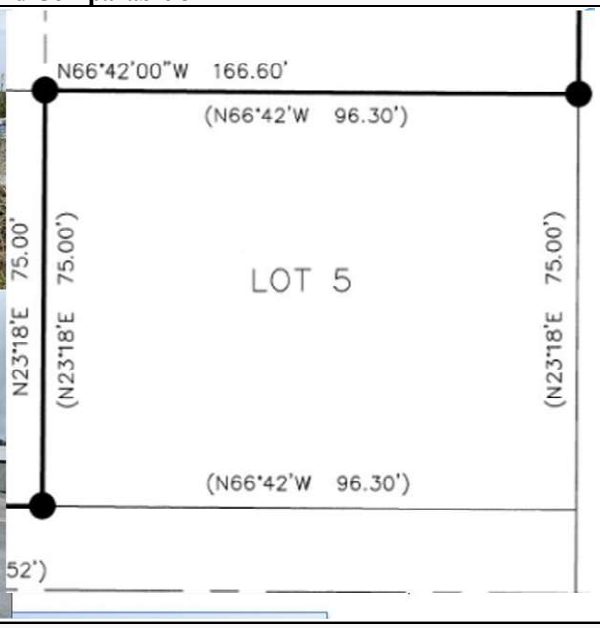
Site

Land Value	87000	**Topography**	Level
Land SF	12,495	**Zoning**	Industrial
Road Frontage	230	**Flood Zone**	no
Shape	rectangular	**Encumbrance or**	none
Utilities	City water & sewer	**Environmental Issues**	none known

Comments

This property was cleared and filled. The buyer purchased it and excavated a large section and refilled it, to make sure the subbstraight was sound for building. Brett Woodbury did the excavation and filling of the site for a cost of around $40K, according to Brett there was a lot of mud excavated. Acoording to the seller it was fine for building on though. The indicated value per SF was $6.96.

Land Comparable 3



Transaction

ID	1226	**Date**	7/30/2020
Address	Bennet Street	**Price**	$85,000
City	Wrangell	**Price Per SF**	--
State	AK	**Financing**	$60,000 seller financed
Tax ID	02-029-208	**Property Rights**	--
Grantor	Massen, Bernard	**Days on Market**	--
Grantee	Gadd, Sara	**Verification**	
Legal Description	Lot 5, Block 59-B,		

Site

Land Value	55000.00	**Topography**	Level
Land SF	7,222	**Zoning**	Industrial
Road Frontage	171	**Flood Zone**	no
Shape	rectangular	**Encumbrance or**	none
Utilities	City water & sewer	**Environmental Issues**	none known

Comments

The car wash has 720 SF under its roof. Its functionality as a car wash was unknown by the buyer. she bought it thinking it could be converted to a coffee food drive through or brought back and used as a carwash and use a mobile unit for the coffee and food dispencing. The whole lot is pretty much paved or has concrete. estimating 7000 SF at $2.5 per SF for the depreciated value indicates a allocated value for the paving at $17,500. The carwash structure contributed an allocated value at $12,500. This indicates a land value of $55,000 or $7.6 per SF for the land under the pavement.

Comparables Map

Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1		Comp 2		Comp 3	
Address	Bennet Street	Howell Ave and Third		Bennet ST		Bennet Street	
City	Wrangell	Wrangell		Wrangell		Wrangell	
State	AK	AK		AK		AK	
Date	1/21/2015	4/12/2021		11/1/2018		7/30/2020	
Price	--	$195,000		$87,000		$85,000	
Price Adjustment	$0	-$95,000		$0		-$30,000	
Adjusted Price	#VALUE!	$100,000		$87,000		$55,000	
		-48.7%		0.0%		-35.3%	
Land SF	9,148	18,345		12,495		7,222	
Land SF Unit Price	$0.00	$5.45		$6.96		$7.62	
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	0	0.0%
Financing	Conventional	Cash to seller	0.0%	cash	0.0%	$60,000 seller financed	0.0%
Conditions of Sale	Cash	Normal	0.0%	Normal	0.0%	Normal	0.0%
Adjusted Land SF Unit Price		**$5.45**		**$6.96**		**$7.62**	
Market Trends Through	1/21/2015	0.0%	0.0%		0.0%		0.0%
Adjusted Land SF Unit Price		**$5.45**		**$6.96**		**$7.62**	
Location		Similar		Similar		Similar	
% Adjustment		0%		0%		0%	
$ Adjustment		$0.00		$0.00		$0.00	
Land SF	9148	18345		12495		7222	
% Adjustment		0%		0%		0%	
$ Adjustment		$0.00		$0.00		$0.00	
Topography	level below grade	Level at grade		Level at grade		Level at grade	
% Adjustment		-10%		-10%		-19%	
$ Adjustment		-$0.55		-$0.70		-$1.45	
Access	0	Similar		Similar		Superior	
% Adjustment		0%		0%		-10%	
$ Adjustment		$0.00		$0.00		-$0.76	
Utilities	The site is served by	City water & sewer		City water & sewer		City water & sewer	
% Adjustment		0%		0%		0%	
$ Adjustment		$0.00		$0.00		$0.00	
Exposure	Good	Inferior		Similar		Similar	
% Adjustment		10%		0%		0%	
$ Adjustment		$0.55		$0.00		$0.00	
Adjusted Land SF Unit Price		**$5.45**		**$6.27**		**$5.41**	
Net Adjustments		0.0%		-10.0%		-29.0%	
Gross Adjustments		20.0%		10.0%		29.0%	

Comparable Land Sale Adjustments

My first adjustment was to allocate value to any improvements beyond the raw site. So for sale one this was a modular building, quonset hut and other out buildings this allocation was made based on interviews with the buyer. Sale 3 had a carwash that was not in use and was all paved. Allocations for these aspects were estimated based on interviews with the buyer and the appraisers estimates of these items values.

Property Rights

All were purchased for their fee simple rights

Financing

Sales 1 and 2 were purchased with cash. Sale three was seller financed. No significant adjustment appears to be required for this aspect

Conditions of Sale

No duress was noted in any of the sales

Economic Trends

All the sales are recent enough to reflect the current market with two of them transpiring after Covid was in full swing.

Location

All the sales are with in one block of the subject and have a similar amenity for locations

Land SF

The range of sizes of the comparables is considered similar enough that no adjustment was required for this aspect, when considered on a SF basis.

Topography

The subject is inferior as it is below the grade of the road and pretty much everyone I spoke with about it call it a hole. The comparable sales are all at least level with the grade of the road and in some cases above the grade of the road.

Access

Access is considered similar in all but comparable 3 which has a way to loop through the property

Utilities

All are considered similar

Sales Comparison Approach Conclusion – Land Valuation

Following adjustments, the comparables indicated prices per land sf of $5.41 to $6.27, with a median value of $5.45.

All of the value indications have been considered, and in the final analysis, comparables 1 and 3, the most recent sales, have been given most weight in arriving at my final reconciled per land sf value of $5.50.

Land Value Ranges & Reconciled Value				
Number of Comparables:	**3**	**Unadjusted**	**Adjusted**	**% Δ**
	Low:	$5.45	$5.41	-1%
	High:	$7.62	$6.27	-18%
	Average:	$6.68	$5.71	-15%
	Median:	$6.96	$5.45	-22%
Reconciled Value/Unit Value:			$5.50	land sf
Subject Size:			9,147.99	
Indicated Value:			$50,314	
Reconciled Final Value:			**$50,000**	
Fifty Thousand Dollars				

Cost Analysis

The next step in the Cost Approach is to estimate the replacement cost of the buildings and site improvements. The replacement cost of the subject site and building improvements are based on Marshall Valuation Service, a nationally recognized cost service.

Depreciation Analysis

Depreciation may be defined as any loss of value from any cause. There are three general areas of depreciation: physical deterioration, functional obsolescence and external obsolescence. Depreciation may be curable or incurable, the test being that money spent to cure the depreciation be gained in value. If the depreciation costs more to fix than will be gained in value, then the depreciation is considered incurable.

Physical Deterioration

This results from deterioration from aging and use. This type of depreciation may be curable or incurable.

Functional Obsolescence

This results from a lack of utility or desirability due to design or market perception of the improvements. This type of depreciation may be curable or incurable.

External Obsolescence

This is due to circumstances outside the property itself, such as industry, demographic and economic conditions or an undesirable proximate use. This type of depreciation is rarely curable.

Depreciation Accrued to the Subject

Analysis

The subject is 40 years old. There has been some updating with a new Toyo laser fired heater, but otherwise the finishes are pretty much original. The few items of updating bring down the effective age to a appraiser estimate of 30 years. Functionally the building is fine and could be converted to a number of uses. The lack of a concrete foundation, may present a financing issue and is the reason I have given it a functional reduction in value of 10%. The subject has vinyl flooring laid down with mastic both of which contain small amounts of Asbestos. This is a very thin flooring and its removal would make no sense in a remodel situation. It would be much more likely that the remodeler would cover over the flooring with new flooring, making the fact that there is asbestos in the flooring a non-issue. That said, the fact that it is there is concerning as there may need to be floor penetrations and the like and any buyer would want some reduction for the risk associated. For this reason, I have added an additional 5% to the functional depreciation, for a total 0f 15%

Cost Approach Conclusion

Based on the analysis detailed on the following page, as of April 28, 2021 I have reconciled to a cost approach value of:

$110,000

One Hundred Ten Thousand Dollars

CoreLogic - SwiftEstimator
Commercial Estimator - Detailed Report

General Information

Estimate ID:	Wrangell Armory	**Date Created:**	5-12-2021
Property Owner:		**Date Updated:**	
Property Address:	99923	**Date Calculated:**	05-12-2021
Local Multiplier:	1.31	**Cost Data As Of:**	05-2021
Architects Fee:		**Report Date:**	using default

Section 1

Area	1200	**Overall Depreciation %**	67
Stories in Section	1	**Physical Depreciation %**	
Stories in Building		**Functional Depreciation %**	
Shape	rectangular	**External Depreciation %**	
Perimeter	(auto-calc)		
Effective Age	30		

Occupancy Details

Occupancy	%	Class	Height	Quality
301 Armory	100	D	8	1.5
Occupancy Total Percentage	100			

System : Manufactured Housing

	%/Units	Quality	Depr %	Other
2905 Manufactured Housing : Foundation, Treated Wood	140	Occ.		12

	Units	Unit Cost	Total Cost New	Less Depreciation	Total Cost Depreciated
Basic Structure					
Base Cost	1,200	$125.95	$151,140	$101,264	$49,876
Exterior Walls	1,200	$17.22	$20,664	$13,845	$6,819
Heating & Cooling	1,200	$6.74	$8,088	$5,419	$2,669
Manufactured Housing	1	$2,250.00	$2,250	$1,508	$742
Basic Structure Cost	**1,200**	**$151.78**	**$182,142**	**$122,036**	**$60,106**

Less Depreciation				
Physical & Functional	67.0%		$122,036	$60,106
Depreciated Cost	**1,200**	**$50.09**	**$122,036**	**$60,106**

Sales Comparison Approach

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

There was only one comparable that I found which would be applicable for indicating value to the subject and that is Comparable 1, which was used in the land valuation above. This sale included a similar sized double wide modular that is used as both and office and a care taker unit. It also does not have a concrete foundation. The buyer noted that it was hard to get financing for this building. I interviewed Amber at First Bank who was the loan officer involved and she said interest rates were not increased due to this aspect but more steps were taken to make sure the foundation was up to par. Based on discussions with the buyer this building contributed $47,500 to the purchase price of the property.
The care taker unit has a full bath and there is a kitchen which is superior to the subject. The rest of the building is inferior however, with narrow doorways, lower ceilings with inferior construction. With an estimate of 5% reduction due to the subject lack of kitchen and full bath and a 20% increase in value due to the subject's higher ceilings with exposed trusses that span the whole width of the building offering significantly greater utility, the resulting adjustment would be 15% above the $47,500 which the comparable building contributed. Making this adjustment would indicate a value for the subject at $54,625, which could reasonably be rounded to $55,000. Adding the land value to this figure gives us a market value of $105,000, indicated by the Sales Comparison Approach.

Sales Comparison Approach Conclusion

Reconciled Final Value:	**$105,000**
One Hundred Five Thousand Dollars	

Final Reconciliation

The process of reconciliation involves the analysis of each approach to value. The quality of data applied, the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

Value Indications

Land Value:	$50,000
Cost Approach:	$110,000
Sales Comparison Approach:	$105,000

Cost Approach

In this time of rapidly rising material costs, an accurate cost approach using a national calculator that has current material costs considered is key. Using Swiftestimatior give us that piece to the puzzle. The tricky thing with the subject is to determine depreciation, which has both physical due to its age and functional due to its non concrete foundation and minor amounts of Asbestos. In the end I feel the adjustments made are reasonable and would reflect the markets thinking on these aspects.

Sales Comparison Approach

The subject is unique, with an improvement different than any other improvement in Wrangell. The modular improvement used in a very recent and proximate sale is the best market data available. The adjustments to this sale are rough, as there is not enough market data to be pinpoint accurate, but thought to be reasonable and give good direction to value.

Value Conclusion

In the end I have given the most weight in this valuation to the cost approach, which I believe reflects the current cost to construct the best, as this is forefront on the minds of current market participants. Based on the data and analyses developed in this appraisal, I have reconciled to the following value conclusion(s), as of April 28, 2021, subject to the Limiting Conditions and Assumptions of this appraisal.

Reconciled Value(s): Premise: As Is
Interest: Fee Simple
Value Conclusion: $110,000
One Hundred Ten Thousand Dollars

Certification Statement

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- The appraiser has not performed any services regarding the subject within the three-year period immediately preceding acceptance of this assignment.
- Roger Ramsey made an inspection of the subject property.

Roger Ramsey
Alaska-AA 570

Addenda

Qualification of Roger Ramsey

Since starting Ramsey Appraisal Resource in 2006, I have had the pleasure of providing high quality appraisal services to a diverse client base, on many complex appraisal assignments throughout S.E. Alaska.

A partial client list includes; AKDOT&PF, for which I have performed numerous valuations of partial and whole acquisitions, for eminent domain actions. Other State agencies which have used my services are AKDNR and Alaska Mental Health Trust Land Office. I have performed appraisals for the Cities and or Boroughs of Haines, Juneau, Petersburg, Ketchikan and Klawock. I am on the approved appraiser list of numerous lenders operating in SE Alaska and enjoy good working relationships with their review appraisers. I have been hired by attorneys and private parties for estate valuations and divorce proceedings. I have valued properties for conservation groups who are negotiating with property owners.

I am proud of my appraisal accomplishments and credit my success to good education, good mentors, helpful reviewers, persistence and hard work.

Professional Experience	Dates	Contact
Ramsey Appraisal Resource	2006-Present	Roger Ramsey
Horan and Company	4 months 2006	Charles Horan, 907-747-6666
AKDOT&PF	24 months 2004-2005	Ray Preston, 907-465-4519
Henricksen Appraisal	24 months 2002-2003	Bob Henricksen 907-723-3590
AKDOT&PF	8 months 2000-2001	Rob Murphy 907-465-4541

Education University of Alaska, BBA, 2001

Appraisal Education - Associate member of the Appraisal Institute # 401410

2019	USPAP update, HP-12C, Appraisal Statistics and financing Appraisal Institute, Seattle
2017	Income Capitalization, Appraisal Institute – San Diego and USPAP update online
2015	Appraisal of Conservation Easements and other Partial interest – Sacramento CA
2013	USPAP update, -/- Uniform Appraisal Standards for Federal Land Acquisitions, -/- Business Practices and Ethics, Anchorage, AK
2011	USPAP update, Tigard OR, -/- Real Estate Industry Perspectives on Lease Accounting, online, -/- Basic building science, Air Sealing, ventilation & Ice Dam, Juneau, AK
2010	Advance Sales Comparison and Cost Approach, Seattle WA
2009	Advanced income Approach, Tigard OR, -/- Commercial Appraisal Engagement and Review, Tigard OR, -/-15-Hour USPAP, Tigard OR
2008	Sustainable Mixed use, Seattle, WA
2007	General Demonstration Appraisal Report Writing, Tigard, OR, -/- USPAP update Tualatin,-/- Appraisal & Appraisal Review for Federal-Aid Highway Programs, Anchorage, AK --
2006	General Applications, Online, -/- Apartment Appraisal, Concepts and Applications, Long Beach, CA
2005	Basic Income Capitalization, Tualatin, OR,-/- USPAP update Juneau, AK,-/- Best practices for Residential Report Writing, Juneau, AK
2004	Appraising Special Purpose properties, -/- Appraisal of Nonconforming Uses, -/- Partial Interest Valuation/Divided, -/- Subdivision Analysis, Anchorage, AK
2003	(USPAP) Standards of Professional Practice, Lake Oswego, OR, -/- Residential Case Study, Dublin, CA,
2002	Appraisal Procedures, Appraisal Institute, Diamond Bar, CA
1998	Appraisal Principles, Appraisal Institute, Chicago, IL

Types of Property Appraised

Commercial– I have appraised office buildings, apartments, marine facilities, restaurants, mixed use, convenience stores with gas, industrial and commercial shops. I have valued partial interest of remote recreational, industrial, commercial and residential properties for eminent domain. I have valued industrial, commercial, and residential tidelands. I have appraised large tracts of land with timber value, "special use properties (churches, armory, and funeral homes)", and remote commercial properties (lodges).
Residential – I have appraised single family residences, duplexes, triplexes, four-plex's, remote improved and vacant residential properties throughout SE AK.

Markets Appraised:

I have appraised both Town and remote locations in all of the following areas: Haines, Skagway, Gustavus, Hoonah, Tenakee springs, Juneau, Sitka, Petersburg, Wrangell, Ketchikan, Prince of Whales and Hyder

Excerpts from the environmental study

HAZARDOUS MATERIALS ASSESSMENT

WRANGELL CAPITAL FACILITIES BUILDING

WRANGELL, ALASKA

Surveyed
September 17, 2020

Report Date
December 23, 2020

EHS-ALASKA, INC.
ENGINEERING, HEALTH & SAFETY CONSULTANTS
11901 BUSINESS BLVD., SUITE 208
EAGLE RIVER, ALASKA 99577-7701

HAZARDOUS MATERIALS ASSESSMENT
WRANGELL CAPITAL FACILITIES BUILDING

WRANGELL, ALASKA

OVERVIEW

Wrangell Capital Facilities Building, located in Wrangell, Alaska, was surveyed for the presence of asbestos-containing materials (ACM), and other potentially hazardous materials as requested by Wrangell Capital Facilities for the city of Wrangell, Alaska. There is no current proposed work for the building, but it may be scheduled for relocation, sale or transfer. Mr. Brandon W. Hill, and Mr. Robert A. French, P.E. of EHS-Alaska, Inc. (EHS-Alaska) conducted the September 2020. During maintenance, sale, disturbance, removal or renovation, it will be the contractor's responsibility to take this baseline data, and to conduct hazardous materials removal in compliance with all regulatory requirements.

A. GENERALIZED REQUIREMENTS FOR HAZARDOUS MATERIALS

Potentially hazardous materials have been identified in the Wrangell Capital Facilities Building that may be affected by future activities. Those materials include asbestos, lead, polychlorinated bi-phenyls (PCBs), mercury, and radioactive materials. Not all materials were tested for potentially hazardous components, other potentially hazardous materials, including those exterior to the building, such as contamination from underground fuel tanks may be present, but are not part of this report.

Buildings or portions of buildings that were constructed prior to 1978 which are residences, or contain day care facilities, kindergarten classes or other activities frequently visited by children under 6 years of age are classified as *child occupied facilities*. All work classified as "renovations" or disturbing more than 6 square feet of lead-based painted surfaces per room for interior activities or more than 20 square feet for exterior activities in child occupied facilities must comply with the requirements of 40 CFR 745. This building is not classified as a *child occupied facility* and therefore the requirements of 40 CFR 745 are not applicable.

There are no federal or state requirements to remove potentially hazardous building materials once found. There are federal and state requirements that govern the removal or disturbance of hazardous materials that must be followed. The removal and disposal of potentially hazardous materials are highly regulated, and it is anticipated that removal and disposal of asbestos, lead and chemical hazards will be conducted by a subcontractor to the general contractor who is qualified for such removal. It is anticipated that the general contractor and other trades will be able to conduct their work using engineering controls and work practices to control worker exposure and to keep airborne contaminants out of occupied areas of the building.

Settled and concealed dusts in areas not subject to routine cleaning are present throughout the building, including the roof, and inside and on top of architectural, mechanical, electrical, and structural elements, and those dusts are assumed to contain regulated air contaminants. This should not be read to imply that there is an existing hazard to building occupants (normal occupants of the building as opposed to construction workers working in the affected areas). However, depending on the specific work items involved and on the means and methods employed when working in the affected areas, construction workers could be exposed to regulated air contaminants from those dusts in excess of the OSHA Permissible Exposure Limits (PELs).

The settled and concealed dusts were examined by an EPA Certified Building Inspector but were not sampled. The inspector determined that the dusts are not "asbestos debris" from an asbestos-containing building material (ACBM). Based on similar sampling from similar buildings, the inspector also determined that the dusts are unlikely to contain more than one percent (1%) asbestos by weight, and therefore are not an asbestos-containing material (ACM). Reference 40 CFR 763.83.

"Awareness training" (typically 2 hours) and possibly respiratory protection will be Contractor Personnel who will be disturbing the dusts. The extent of the training and pr will depend upon the airborne concentrations measured during air monitoring of the force, which depends on the means and methods employed to control the dusts. The a be discontinued following a "negative exposure assessment" showing that worker exp the OSHA permissible exposure limits for the type of work and means and methods em air monitoring from similar jobs with similar conditions may be used as historical da "negative exposure assessment".

B. BUILDING DESCRIPTION

Wrangell Capital Facilities Building was previously used by the military as the National G it is unknown when the original construction occurred. Judging by the building foundation, it looks like it was prefabricated and moved to this location. Judging from th it is likely that the building was constructed in the early to mid 1980's.

The building was of framed construction. The interior walls were of gypsum wallboard paneling. The floors were 12"x12" vinyl tile throughout. The ceilings in the large open a beam, high ceiling, with a plywood finish over the roof joists and insulation. The offic shop all had framed in flat ceilings of gypsum wallboard.

The exterior had siding of sheet metal panels, corrugated metal roof and corrugated m the floor level of the exterior. The structure was supported by large beams, sitting o treated large timbers similar to railroad ties.

The building had an oil-fired heater in the main open area, with electric heat in the ventilation system other than an exhaust fan in the bathroom.

C. SAMPLING AND ANALYSIS

1. Asbestos-Containing Materials

The survey included sampling of suspect ACM materials as no prior asbestos surveys a occurred. This hazardous materials assessment should be kept with the building record until the potentially hazardous materials have been completely removed.

The samples were analyzed for the presence of asbestos by polarized light micro method of analysis recommended by the U.S. Environmental Protection Agency (EPA composition of suspected asbestos-containing materials (EPA method 600/M4-82-020 containing more than 1% total asbestos were classified as "asbestos-containing" base Occupational Safety and Health Administration (OSHA) criteria. Samples that were ana than 10% asbestos were "point-counted" by the laboratory for more accuracy. Samples having a "Trace by Point Count" had asbestos fibers found in the material, but the fibers at the counting grids. Table 1 in Part D below contains a summary list of the asbestos the applicable results.

The Bulk Asbestos samples were analyzed for asbestos content by International Laboratories (IATL), Mt. Laurel, New Jersey a National Voluntary Laboratory Accred

D. SURVEY RESULTS

1. Asbestos-Containing Materials

The following Table 1A lists the samples taken in September 2020, and the results analysis. Asbestos field survey data sheets and laboratory reports are included as Appe Appendix C for sample locations.

TABLE 1A

SAMPLE NUMBER	*MATERIAL*	*LOCATION*	
WNG920-A01	Black tar paper	Exterior SE Corner, South side of building under metal siding. Photo R1638	No
WNG920-A02	Sticky black foam seal (1"	Exterior SE Corner, South side	No

SAMPLE NUMBER	MATERIAL	LOCATION	ASBESTOS CONTENT
WNG920-A03	Clear w gray weathering sealant at hole	Exterior SE Corner, East side of building, on metal siding. Photo R1641	None Detected both layers
WNG920-A04	Clear w gray weathering sealant at door trim	Exterior NE Corner, East side of building, at rotten wood door trim. Photo R1642	None Detected
WNG920-A05	Sticky black foam seal (1/4" wide)	At ridge of metal roofing. Appears to be factory supplied. Photo R1643	None Detected
WNG920-A06	Clear w gray weathering sealant at window trim	Exterior S side of building, at W side window. Photo B221	None Detected
WNG920-A07	Ice & Water Shield under metal roofing	Under metal roofing over plywood. Photo R1644	None Detected
WNG920-A08	White sealant between window frame and window trim	Exterior S side of building, at E side window. Photo B222	None Detected
WNG920-A09	Clear w gray weathering sealant at roof stack flashing	Roof at SE corner, at furnace stack. Photo R1645	None Detected
WNG920-A10	"Grout" at rock walls with GB paper	Fireplace/furnace alcove at SE corner of main room. Photo R1772	None Detected
WNG920-A11	"Grout" at rock walls with gypsum wall board	Fireplace/furnace alcove at SE corner of main room. Photo R1773	None Detected both layers
WNG920-A12	**FT-1. Tan 12 x 12 with brown & light brown smears, black mastic**	**Floor at SE corner of main room. By E wall. Photo R1774**	**1.1% chrysotile in tile, 2.7% chrysotile mastic**
WNG920-A13	Dark Brown cove base mastic & black cove base	Floor at SE corner of main room. By E wall. Photo R1774	None Detected both layers
WNG920-A14	**FT-1. Tan 12 x 12 with brown & light brown smears, black mastic**	**Floor in Bathroom, South side. Photo R1783**	**1.2% chrysotile in tile, 2.2% chrysotile mastic**
WNG920-A15	Dark Brown cove base mastic & black cove base	On Marlite in Bathroom, South side. Photo R1783	None Detected three layers
WNG920-A16	Marlite (no marlite mastic to GWB) and dark brown cove base mastic	On Marlite in Bathroom, South side. Photo R1784	None Detected both layers
WNG920-A17	Gypsum board, joint compound, tape & brown cove base mastic	Center office, at NE Corner, Photo R1786	None Detected both layers
WNG920-A18	Gypsum board, joint compound, tape	Director's office at NW side. Photo B225	None Detected three layers
WNG920-A19	Swirly texture on ceiling	Director's office, north side, E side of windows. Photo B226	None Detected
WNG920-A20	Swirly texture on ceiling	Director's office, north side, E side center, near door. Photo B227	None Detected

SAMPLE NUMBER	MATERIAL	LOCATION	ASBESTOS CONTENT
WNG920-A21	Swirly texture on ceiling	Director's office, north side, W side of windows. Photo B228	None Detected
The testing method used (polarized light microscopy [PLM]) is not consistently reliable in detecting asbestos in floor coverings and similar non-friable organically bound materials. Before this material can be considered or treated as non-asbestos containing, confirmation should be made by quantitative transmission electron microscopy (TEM).			

The following materials have been found to contain asbestos in this survey, or were assumed to contain asbestos.

1. Tan 12" x 12" Floor tile and black mastic (confirmed ACM).
2. Patching Tars at roof (assumed ACM).

The effects of the above asbestos-containing materials are discussed below.

Floor Tile and Mastic
The tan, 12" x 12"vinyl floor tiles and black flooring mastic throughout the building contain asbestos. The floor tiles and mastics were mostly in good condition with a few localized areas of damage. The tile and mastic was not friable, and if disturbed, is required to be removed and disposed of as an asbestos-containing material.

Roofing Material
Although not noted, roofing patch tars are one of the materials that commonly contain asbestos, even today. Because the entire roof was not accessed, it is assumed that there may be some roof patching tars present at the metal roof. These materials are not friable and would typically not be required to be removed, except during replacement of the roof.

E. REGULATORY CONSTRAINTS

1. Asbestos-Containing Materials

The Federal Occupational Safety and Health Administration (29 CFR 1926.1101) and the State of Alaska Department of Labor (8 AAC 61) have promulgated regulations requiring testing for airborne asbestos fibers; setting allowable exposure limits for workers potentially exposed to airborne asbestos fibers; establishing contamination controls, work practices, and medical surveillance; and setting worker certification and protection requirements. These regulations apply to all workplace activities involving asbestos-containing materials.

The EPA regulations, issued as Title 40 of the Code of Federal Regulations, Part 61 (40 CFR 61), Subpart M under the National Emission Standards for Hazardous Air Pollutants (NESHAP), established procedures for handling ACM during asbestos removal and waste disposal. These regulations required an owner (or the owner's contractor) to notify the EPA of asbestos removal operations and to establish responsibility for the removal, transportation, and disposal of asbestos. It is recommended that clearance sampling which complies with the EPA's Asbestos Hazard Emergency Response Act (AHERA) protocol be required following removal of asbestos-containing materials to document that the asbestos has been properly removed.

The EPA regulations require an owner (or the owner's contractor) to notify the EPA of asbestos removal operations and to establish responsibility for the removal, transportation, and disposal of asbestos-containing materials.

The disposal of asbestos waste is regulated by the EPA, the Alaska Department of Environmental Conservation, and the disposal site operator. Wastes being transported to the disposal site must be sealed in leak tight containers prior to disposal and must be accompanied by disposal permits and waste manifests.

The foregoing excerpts from the environmental study are thought to be the key parts relating to value for the subject. The City and Borough of Wrangell has the full report

Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate.* 13th ed. Chicago: Appraisal Institute, 2008. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal.* 5th ed. 2010. Print.

Band of Investment
A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (Dictionary, 5th Edition)

Common Area
1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 5th Edition)

Common Area Maintenance (CAM)
1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
   - CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings.
   - CAM can refer to all operating expenses.
   - CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.
2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge

that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. The area maintained in common by all tenants, such as parking lots and common passages. The area is often defined in the lease and may or may not include all physical area to be paid for by all tenants. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow removal, security, and upkeep. (ICSC) (Dictionary, 5th Edition)

Debt Coverage Ratio (DCR)
The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 5th Edition)

Discount Rate
A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 5th Edition)

Effective Age
The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 5th Edition)

Effective Date
1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 5th Edition)

Exposure Time
1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 5th Edition)

External Obsolescence
An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, tenant. (Dictionary, 5th Edition)

Extraordinary Assumption
An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)
An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinion or conclusions.
(USPAP, 2020-2021 ed.)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary, 5th Edition)

Functional Obsolescence
The impairment of functional capacity of a property according to market tastes and standards. (Dictionary, 5th Edition)

Functional Utility
The ability of a property or building to be useful and o perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (The Appraisal of Real Estate, 13th Edition)

Gross Building Area (GBA)
Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (Dictionary, 5th Edition)

Gross Leasable Area (GLA)
Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 5th Edition)

Highest & Best Use
The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Dictionary, 5th Edition)

Highest and Best Use of Land or a Site as Though Vacant
Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

Highest and Best Use of Property as Improved
The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 5th Edition)

Hypothetical Condition
That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary, 5th Edition)

Market Area
The area associated with a subject property that contains its direct competition. (Dictionary, 5th Edition)

Market Rent
The most probably rent that a property should bring is a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). (Dictionary, 5th Edition)

Market Value
The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal. (USPAP, 2020-2021 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:
   - Identification of the specific property rights to be appraised.
   - Statement of the effective date of the value opinion.
   - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
   - If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably, and assuming the price is not affected by undue

stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)
5. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 5th Edition)

Marketing Time
An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary, 5th Edition)

Net Operating Income (NOI)
The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. (Dictionary, 5th Edition)

Obsolescence
One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary, 5th Edition)

Parking Ratio

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 5th Edition)

Rentable Area
For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice. (Dictionary, 5th Edition)

Replacement Cost
The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary, 5th Edition)

Scope of Work
The type and extent of research and analyses in an assignment. (Dictionary, 5th Edition)

Stabilized Occupancy
An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent. (Dictionary, 5th Edition)

Tenant Improvements (TIs)
1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 5th Edition)

Vacancy and Collection Loss
A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. Often vacancy and collection loss is expressed as a percentage of potential gross income and should reflect the competitive market. Its treatment can differ according to the interest being appraised, property type, capitalization method, and whether the property is at stabilized occupancy. (Dictionary, 5th Edition)

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	June 8, 2021
	Agenda Section	**13**

Approval of Health Insurance Renewal for FY 2022

SUBMITTED BY:
Lisa Von Bargen, Borough Manager

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: See agenda statement		
FY 20:	FY 21: $	FY22: $
Amount Budgeted:		
	FY21 $	
Account Number(s):		
Account Name(s):		
Unencumbered Balance(s) (prior to expenditure):		
	$	

ATTACHMENTS: 1. CBW Renewal Analysis 2. Powerpoint with Additional Information

RECOMMENDATION MOTION:
Move to Approve Health Insurance Renewal with Premera Blue Cross Blue Shield for FY 2022.

SUMMARY STATEMENT:
Administration worked diligently to look at health insurance alternative options for the upcoming year. USI, the Borough's Health Insurance broker looked at an in-kind renewal, and three additional options.

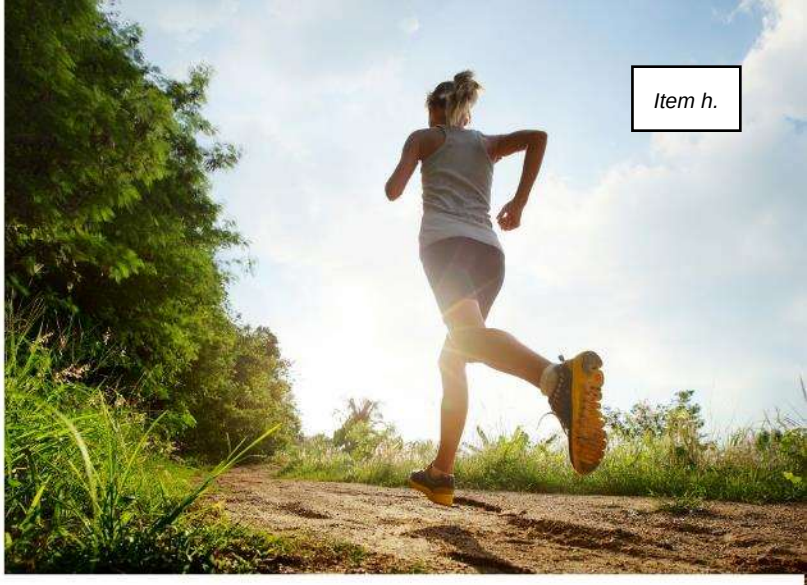
Wrangell is part of the State of Alaska Poli-Sub Pool. That means, as a political subdivision of the State of Alaska we are able to join a health insurance pool with other municipalities. The volume of members within the pool helps maintain some stability and protection in terms of rates. Even though Wrangell is part of the pool, our rates are still based off our local claims history. This year to keep the same insurance as previous years **there is no rate increase.** Last year Wrangell enjoyed a 2.5% decrease in premiums.

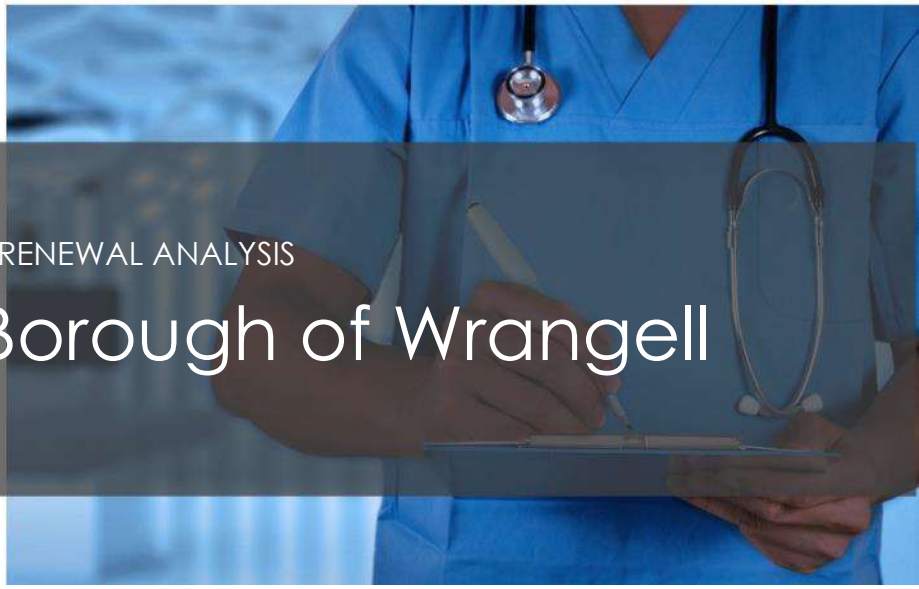
For an individual, current health insurance carries a $3,000 deductible with the Premera Plan. Wrangell has an HRA in place where (through a third party administer (Navia)) Wrangell reimburses employees the difference between $1,000 and $3,000. This HRA reimbursement mechanism has proven very effective for the Borough. The annual exposure ranges between $190,000 and $270,000 and the actual reimbursements by the Borough have ranged from under $2,000 to $35,000.

USI sought independent plan quotes from Premera Blue Cross/Blue Shield, outside of thePoli-Sub Pool. Plans with higher deductibles and co-pays, and major prescription drug benefit changes are available to potentially save the Borough between $50,000-$100,000 per year. If these options were to be considered Administration believes the impact to the employees for the deductible could be addressed by changing the upper threshold of the HRA from $3,000 to the new deductible. Information from USI leads us to believe exposure for the Borough would not increase significantly. However, the impacts to co-pays and the changes to the prescription drug benefits would have to be absorbed by the employee.

Administration is recommending a health insurance plan renewal with no changes. That recommendation is being made for two primary reasons. First, the Borough is bound by the Collective Bargaining Agreement to maintain “equal or better insurance.” The Collective Bargaining Agreement expired in June of 2020. As we are still in negotiations the contract has gone into “hold over.” We are bound by its provisions. Section 15.2 states, “Either party may propose to the other, during the term of this Agreement, an alternate health insurance plan if the proposed plan offers equal or better coverage at an equal or reduced premium. In the event that one party gives written notice to the other that such a plan is available, the parties will meet to review the plan proposed.” Second, there is no cost increase this year for staying with the same plan.

Health insurance costs to the Borough vary during the year depending on the number of employees and dependents. Given the current census the following insurance costs can be expected in FY 22: Medical w/ Vision: $1,077,249; Dental: $58,854; HRA $3,851 plus the cost of claims).





May 25, 2021

GROUP BENEFITS RENEWAL ANALYSIS

City & Borough of Wrangell

Brian Hardy | Paula Scott |
www.usi.com

Disclaimer

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USI Insurance Services Copyright

Table of Contents

Section I

Summaries

July 1, 2021 Renewal Summary

Plan	Carrier	Renewal Detail
Medical / Vision	Premera BCBS of Alaska / APS Trust	0.0% - Rate Pass
Dental	Premera BCBS of Alaska / APS Trust	0.0% - Rate Pass
HRA	Navia	Rate Guarantee until 12/31/2022
Total Increase		**$0**

Medical Plan –

- Premera / APS offered a rate pass (0.0% increase) based on CBW's claims experience as well as the claims experience of the APS trust. Also, CBW receives a persistency credit for the number of years renewing with the APS trust. This helps to lower rates compared to direct rates with Premera or other Premera trust rates.

- USI requested other competitive options from Premera / APS to reduce rates for the 2021/2022 plan year:
  - Option 1 shown reduces annual spend 4.9% ($53,045). This plan would increase deductible to $4,000/$12,000, increase OOP to $6,000/$12,000, increase office copays to $40, & change and increase the Rx plan – see benefit detail to follow.
  - Option 2 shown reduces annual spend 9.8% ($105,949). This plan would increase deductible to $5,000/$10,000, increase OOP to $7,150/$14,300, increase office copays to $40, & change and increase the Rx plan – see benefit detail to follow.

- USI also requested a direct Premera quote:
  - Option 3 shown reduces annual spend 6.3% (68,260). This plan would add a non-network deductible of $6,000/$12,000, increase OOP to $6,000/$12,000, primary office visit copays would ***decrease*** to $30 but specialist would increase to $65, Rx would change to the Essentials formulary, & there would be several other changes to consider (i.e., losing the protection of the APS trust). See benefit detail to follow.

- Finally, USI requested a quote from the Alaska Municipal Health Trust (AMHT). However, as of May 24th, they have not submitted their quote to USI. Also, Premera has told us that the quote would NOT be lower than the rates we have currently with the APS trust.

Dental Plan

- Premera / APS offered a rate pass (0.0% increase) based on CBW's claims experience as well as the claims experience of the APS trust.

City & Borough of Wrangell
Cost Summary
July 1, 2021 Renewal Date

Carriers	Current	Renewal	Option 1	Option 2	Option 3
Medical PPO	Premera BCBS of AK APS	Premera BCBS of AK APS	Premera BCBS of AK APS	Premera BCBS of AK APS	**Premera BCBS of AK Direct**
Dental PPO	Premera BCBS of AK APS	Premera BCBS of AK APS	Premera BCBS of AK APS	Premera BCBS of AK APS	**Premera BCBS of AK Direct**
HRA	Navia	Navia	Navia	Navia	Navia

Total Annual Cost

Medical PPO	$1,077,249	$1,077,249	$1,024,204	$971,300	$1,008,990
Dental PPO	$58,854	$58,854	$58,854	$58,854	$58,166
HRA	$3,581	$3,581	$3,581	$3,581	$3,581
Annual Total	**$1,139,684**	**$1,139,684**	**$1,086,639**	**$1,033,735**	**$1,070,737**
Change from Current		$0	($53,045)	($105,949)	($68,947)
Percentage Change		0.0%	-4.7%	-9.3%	-6.0%

Section II

Medical Plan

City & Borough of Wrangell
Medical Plan
Benefit Outline and Cost Summary
July 1, 2021 Renewal Date

Benefit Outline	Current	Renewal
Carrier	Premera BCBS of AK APS	Premera BCBS of AK APS
Plan Type, Name, Network	APS - HP 3000	APS - HP 3000
Deductible (Individual / Family)	$3,000 / $9,000	$3,000 / $9,000
Non-Network Deductible (Individual / Family)	Shared with in-Network	Shared with In-Network
Deductible Embedded / Non-Embedded	Embedded	Embedded
Out-of-Pocket Maximum (Individual / Family)	$5,000 / $10,000	$5,000 / $10,000
Non-Network OOP Max (Individual / Family)	$45,000 / $90,000	$45,000 / $90,000
Annual HRA Contribution (Individual / Family)	$2,000 / $4,000 / $6,000	$2,000 / $4,000 / $6,000
Coinsurance (In / Out)	80% / 60% / 40%	80% / 60% / 40%
Wellness / Preventive Care	Covered in Full	Covered in Full
Primary Care Office Visit	$35 Copay Preferred; Deductible, 60% Participating	$35 Copay Preferred; Deductible, 60% Participating
Specialist Office Visit	$35 Copay Preferred; Deductible, 60% Participating	$35 Copay Preferred; Deductible, 60% Participating
Walk-In / Urgent Care Visit	$35 Copay Preferred; Deductible, 60% Participating	$35 Copay Preferred; Deductible, 60% Participating
Emergency Room	$150 Copay; Deductible, Coinsurance	$150 Copay; Deductible, Coinsurance
Outpatient Lab / X-Ray	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating
Complex Imaging (MRI, CAT, PET, et al.)	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating
Outpatient Surgical Facility	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating
Inpatient Hospital Facility	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating
Pharmacy Plan	Preferred B3	Preferred B3
Retail Prescription Drug Copays	$20 / $40 / $80	$20 / $40 / $80
Mail Order Prescription Drug Copays	$50 / $100 / $200	$50 / $100 / $200
Specialty Prescription Drugs	$20 / $40 / $80	$20 / $40 / $80
Vision		
Exam Copay	$35	$35
Exam	Covered in Full	Covered in Full
Vision Hardware	100% to $150	100% to $150
Elective Contact Lenses	100% to $150	100% to $150
Benefit Frequencies (E / L / F / C)	12 / 12 / 12 / 12	12 / 12 / 12 / 12

Rates & Total Cost

Employee	24	$867.14	$867.14
Employee + Spouse	11	$1,992.31	$1,992.31
Employee + Child(ren)	5	$1,646.95	$1,646.95
Employee + Spouse & Child(ren)	14	$2,772.09	$2,772.09
Total Employees	**54**		
Annual Premium Total (w/out HRA)		**$1,077,249**	**$1,077,249**
Change from Current			$0
Percentage Change			0.0%

Notes

1. (dw) = deductible waived

City & Borough of Wrangell
Medical Plan
Benefit Outline and Cost Summary
July 1, 2021 Renewal Date

Benefit Outline	Current	Option 1	Option 2	Option 3
Carrier	Premera BCBS of AK APS	Premera BCBS of AK APS	Premera BCBS of AK APS	**Premera BCBS of AK Direct**
Plan Type, Name, Network	APS - HP 3000	**APS - HP 4000**	**APS - HP 5000**	**Preferred Choice HP 3000**
Deductible (Individual / Family)	$3,000 / $9,000	**$4,000 / $12,000**	**$5,000 / $10,000**	**$3,000 / $6,000**
Non-Network Deductible (Individual / Family)	Shared with in-Network	Shared with In-Network	Shared with In-Network	**$6,000 / $12,000**
Deductible Embedded / Non-Embedded	Embedded	Embedded	Embedded	Embedded
Out-of-Pocket Maximum (Individual / Family)	$5,000 / $10,000	**$6,000 / $12,000**	**$7,150 / $14,300**	**$6,000 / $12,000**
Non-Network OOP Max (Individual / Family)	$45,000 / $90,000	$45,000 / $90,000	$45,000 / $90,000	$45,000 / $90,000
Annual HRA Contribution (Individual / Family)	$2,000 / $4,000 / $6,000	$2,000 / $4,000 / $6,000	$2,000 / $4,000 / $6,000	$2,000 / $4,000 / $6,000
Coinsurance (In / Out)	80% / 60% / 40%	80% / 60% / 40%	80% / 60% / 40%	80% / 60% / 40%
Wellness / Preventive Care	Covered in Full	Covered in Full	Covered in Full	Covered in Full
Primary Care Office Visit	$35 Copay Preferred; Deductible, 60% Participating	**$40 Copay Preferred; Deductible, 60% Participating**	**$40 Copay Preferred; Deductible, 60% Participating**	**$30 Copay**
Specialist Office Visit	$35 Copay Preferred; Deductible, 60% Participating	**$40 Copay Preferred; Deductible, 60% Participating**	**$40 Copay Preferred; Deductible, 60% Participating**	**$65 Copay**
Walk-In / Urgent Care Visit	$35 Copay Preferred; Deductible, 60% Participating	**$40 Copay Preferred; Deductible, 60% Participating**	**$40 Copay Preferred; Deductible, 60% Participating**	**$40 Copay**
Emergency Room	$150 Copay; Deductible, Coinsurance	$150 Copay; Deductible, Coinsurance	$150 Copay; Deductible, Coinsurance	**$100 Copay; Deductible, Coinsurance**
Outpatient Lab / X-Ray	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating
Complex Imaging (MRI, CAT, PET, et al.)	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating
Outpatient Surgical Facility	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating
Inpatient Hospital Facility	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating	Deductible then, 80% Preferred, 60% Participating
Pharmacy Plan	Preferred B3	**Essentials E4**	**Essentials E4**	**Essentials E4**
Retail Prescription Drug Copays	$20 / $40 / $80	**$15 / $30 / 30%**	**$15 / $30 / 30%**	**$10 / $25 / 30%**
Mail Order Prescription Drug Copays	$50 / $100 / $200	**$37.50 / $75 / 30%**	**$37.50 / $75 / 30%**	**$25 / $62.50 / 30%**
Specialty Prescription Drugs	$20 / $40 / $80	**$50**	**$50**	**$45**
Vision				
Exam Copay	$35	**$40**	**$40**	**N/A**
Exam	Covered in Full	Covered in Full	Covered in Full	**10% Deductible Waived ($350 PCY shared with Hardware)**
Vision Hardware	100% to $150	100% to $150	100% to $150	**100% to $350 PCY shared with Hardware (Frames: $90 Max)**
Elective Contact Lenses	100% to $150	100% to $150	100% to $150	**100% to $170**
Benefit Frequencies (E / L / F / C)	12 / 12 / 12 / 12	12 / 12 / 12 / 12	12 / 12 / 12 / 12	**12 / 12 / 24 / 12**

Rates & Total Cost

Employee	24	$867.14	$824.43	$781.86	$845.05
Employee + Spouse	11	$1,992.31	$1,894.20	$1,796.36	$1,901.36
Employee + Child(ren)	5	$1,646.95	$1,565.86	$1,484.96	$1,478.84
Employee + Spouse & Child(ren)	14	$2,772.09	$2,635.61	$2,499.45	$2,535.15
Total Employees	**54**				
Annual Premium Total (w/out HRA)		**$1,077,249**	**$1,024,204**	**$971,300**	**$1,008,990**
Change from Current			($53,045)	($105,949)	($68,260)
Percentage Change			-4.9%	-9.8%	-6.3%

Notes

1. (dw) = deductible waived

Section III

Dental Plan

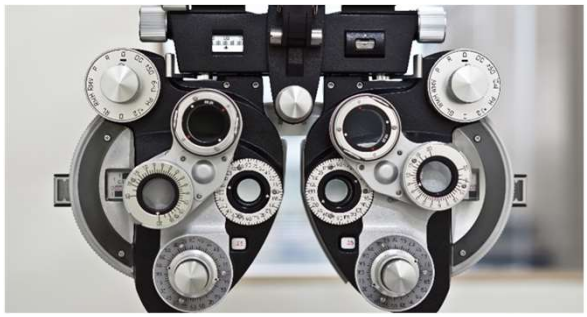
City & Borough of Wrangell
Dental Plan
Benefit Outline and Cost Summary
July 1, 2021 Renewal Date

Benefit Outline	Current	Renewal	Option 1	Option 2
Carrier	Premera BCBS of AK APS	Premera BCBS of AK APS	Premera BCBS of AK APS	**Premera BCBS of AK Direct**
Plan Type	Dental PPO	Dental PPO	Dental PPO	**PC Dental Optima**
Deductible (Individual / Family)	$0 / $0	$0 / $0	$0 / $0	**$50/$150**
Waived For Preventive	Yes	Yes	Yes	Yes
Annual Maximum	$1,500	$1,500	**$2,000**	$1,500
Preventive Services	100%	100%	100%	100%
Basic Services	80%	80%	80%	80%
Major Services	50%	50%	50%	50%
Endodontics / Periodontics	80%	80%	80%	80%
Implants	Major	Major	Major	Major
Orthodontia	Not covered	Not covered	Not Covered	Not Covered

Rates & Total Cost

Employee	24	$49.25	$49.25	$58.96	$46.23
Employee + Spouse	11	$107.00	$107.00	$120.19	$99.39
Employee + Child(ren)	5	$91.42	$91.42	$103.68	$101.71
Employee + Spouse & Child(ren)	14	$149.17	$149.17	$164.90	$152.56
Total Employees	**54**				
Annual Total		**$58,854**	**$58,854**	**$66,770**	**$58,166**
Change From Current			$0	$7,916	($687)
Percentage Change			0.0%	13.4%	-1.2%

Notes



Section IV

HRA

City & Borough of Wrangell
Health Reimbursement Account
Benefit Outline and Cost Summary
July 1, 2020 Renewal Date

Benefit Outline	Current
Carrier	Navia
Plan Design	0% of first $1,000 100% of the next $2,000
Contributions	Employee Only: $2,000 Employee +1: $4,000 Employee + Family: $6,000
Rate Guarantee	12/31/2022

Fees & Total Cost

Per Participant Monthly Fee	54	$4.60
Minimum Monthly Fee		*$75.00*
Annual Plan Fee		$600.00
Annual Total		**$3,581**

Section V

Renewal Timeline

Benefits Renewal Timeline for City & Borough of Wrangell

July 01, 2021

Pre-Renewal

Action	Responsibility	Due Week of	Date Completed
Request Employee Census	USI	02/01/2021	02/01/2021
Receive Employee Census	City & Borough of Wrangell / USI	02/15/2021	04/30/2021
Pre-Renewal Meeting	City & Borough of Wrangell / USI	02/08/2021	03/17/2021

Marketing

Action	Responsibility	Due Week of	Date Completed
Carrier Renewals Due	Carriers / USI	03/01/2021	04/01/2021
Request for Proposal Sent to Market*	USI	03/01/2021	04/15/2021
Proposals Received from Market*	USI	03/15/2021	04/23/2021
Renewal / Analysis Meeting	City & Borough of Wrangell / USI	03/29/2021	

Implementation

Action	Responsibility	Due Week of	Date Completed
Carrier/Benefit Decisions Due	City & Borough of Wrangell	04/05/2021	
Enrollment Material	USI	04/19/2021	
Employee Meetings	USI	04/19/2021	
Open Enrollment Paperwork Complete	City & Borough of Wrangell / USI	05/03/2021	
Enrollment Complete	USI	05/10/2021	

Post-Renewal

Action	Responsibility	Due Week of	Date Completed
Post-Renewal Meeting	City & Borough of Wrangell / USI	08/23/2021	
Population Health Management Strategy	USI	08/23/2021	
Creditable Coverage Reminder	USI	08/16/2021	
Creditable Coverage Notification to CMS	City & Borough of Wrangell / USI	08/29/2021	

*If deemed to be necessary

2021-2022 RENEWAL MEETING

June 8th, 2021

Brian Hardy, Paula Scott, Patty Sims, USI Insurance Services

www.usi.com

2021-2022 Renewal Meeting

Renewal Update

- Premera / APS – 0.0% increase – Medical & Dental

City & Borough of Wrangell Rate History Medical and Dental Premiums combined																		
	7/1/2013	7/1/2014	%	7/1/2015	%	7/1/2016	%	7/1/2017	%	7/1/2018	%	7/1/2019	%	7/1/2020	%	7/1/2021	%
EE	$ 649.04	731.66	12.7%	$ 717.10	-2.0%	$ 818.50	14.1%	$ 753.64	-7.9%	$ 862.72	14.5%	$ 939.05	8.8%	$ 916.39	-2.4%	$ 916.39	0.0%
ES	$ 1,488.64	1675.07	12.5%	$ 1,495.77	-10.7%	$ 1,874.37	25.3%	$ 1,725.15	-8.0%	$ 1,975.70	14.5%	$ 2,151.34	8.9%	$ 2,099.31	-2.4%	$ 2,099.31	0.0%
EC	$ 1,233.75	1387.51	12.5%	$ 1,341.51	-3.3%	$ 1,552.35	15.7%	$ 1,429.20	-7.9%	$ 1,636.32	14.5%	$ 1,781.35	8.9%	$ 1,738.37	-2.4%	$ 1,738.37	0.0%
ESC	$ 2,073.31	2330.92	12.4%	$ 2,120.17	-9.0%	$ 2,608.22	23.0%	$ 2,400.68	-8.0%	$ 2,749.28	14.5%	$ 2,993.66	8.9%	$ 2,921.26	-2.4%	$ 2,921.26	0.0%
	APS	APS		PBCBS		APS		APS		APS		APS		APS		APS	

- 5% average increase over the last 8 years
  - Under trend, under industry and well under Alaska trend for medical / dental increases
- Options shown this year to reduce cost 4.7%-9.3% ($53,000-$105,000 in savings)
  - Change would mean change in benefits detailed out on following page

Renewal Options

- Option 1 – 4.7% savings ($53,000)
  - Increase annual deductible from $3000 to $4000 (2X family)
  - Increase annual out of pocket from $5000 to $6000 (2X family)
  - Increase office visit copay from $35 to $40
  - Change Rx from 3 tier "Preferred" formulary to 4 tier "Essentials" formulary
    - $20/$40/$80 copays would go to $15/$30/$50/***30%*** *(member pays 30% of drug)*
    - More info regarding Rx on following page
- Option 2 – 9.3% savings ($105,000)
  - Increase annual deductible from $3000 to $5000 (2X family)
  - Increase annual out of pocket from $5000 to $7150 (2X family)
  - Increase office visit copay from $35 to $40
  - Change Rx from 3 tier "Preferred" formulary to 4 tier "Essentials" formulary
    - $20/$40/$80 copays would go to $15/$30/$50/***30%*** *(member pays 30% of drug)*
    - More info regarding Rx on following page

Prescription Plan Info

- New Essentials plan will be a 4-tier Rx plan
  - Current Plan is 3 tier plan – Generic / Preferred Brand Name / Non-Preferred Brand Name
  - Essentials – Preferred Generic / Preferred Brand / Preferred Specialty / All Non-preferred Drugs
- Options 1 & 2 - employees would move to the Essentials Formulary on Premera. This would have disruption for employees as Premera tries to keep drug costs lower by focusing on high-value drugs that are approved by the FDA.
- Some drugs that are currently being used by City & Borough employees would NOT be covered
  - Currently 5 identified drugs would be EXCLUDED
- Excluded drugs typically include drugs that are high cost, drugs with over-the-counter alternatives, or drugs sold at inflated prices.
- Also, there are drugs that employees may have been paying a generic copay for currently and under the new plan may be paying a higher copay due to the cost of the drug.
- There are currently 14 drugs being utilized that will fall under tier 4 (non-preferred), which is paid at the 30% coinsurance level (member paying 30%).

HRA Utilization Info

- 2019 HRA Liability & Utilization Info:

Summary

Annual Benefit	Total Contributions	Total Claims	Total Disbursem	Balance
$272,000.00	$274,000.00	$57,164.97	$35,255.62	$238,744.38

- 2020 HRA Liability & Utilization Info:

Summary

Annual Benefit	Total Contributions	Total Claims	Total Disbursements	Balance
$190,000.00	$190,000.00	$2,848.48	$1,763.24	$188,236.76

- 2021 HRA Liability & Utilization Info (year to date – through May 31)

Summary

Annual Benefit	Total Contributions	Total Claims	Total Disbursem	Balance
$190,000.00	$190,000.00	$6,935.93	$3,935.93	$186,064.07

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	June 8, 2021
	Agenda NO.	**13**

RESOLUTION No. 06-21-1593 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AUTHORIZING THE CITY & BOROUGH OF WRANGELL TO PROVIDE AND CERTIFY CERTAIN INFORMATION THAT WILL PERMIT THE SOUTHEAST ALASKA POWER AGENCY TO PROVIDE FINANCING TO REPLACE A SUBMARINE CABLE BY ISSUING BONS THROUGH THE ALASKA MUNICIPAL BOND BANK

SUBMITTED BY:
Lisa Von Bargen, Borough Manager

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☒	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 20: $	FY 21: $	FY22: $
Amount Budgeted:		
	FY21 $ N/A	
Account Number(s):		
	N/A	
Account Name(s):		
	N/A	
Unencumbered Balance(s) (prior to expenditure):		
	$N/A	

ATTACHMENTS: 1. Resolution No. 06-21-1593; 2. Requisite Tax and General Certificate

RECOMMENDED MOTION:
Move to approve Resolution No. 06-21-1593.

SUMMARY STATEMENT:
SEAPA is preparing to secure bond financing in the mount of $11,330,000 for the replacement of the underwater cable between Woronkofski and Vank Islands. As a member utility, Wrangell may need to provide certain financial information about our local utility. The attached resolution and Tax and General Certificate provide the necessary authorization for this process.

The Assembly approved a similar resolution and certificate in March of 2019 when SEAPA refinanced some existing bonds.

The request for this documentation came from the SEAPA Attorney, Joel Paisner. He provided the base language for the documents.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 06-21-1593

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AUTHORIZING WRANGELL TO PROVIDE AND CERTIFY CERTAIN INFORMATION THAT WILL PERMIT THE SOUTHEAST ALASKA POWER AGENCY TO PROVIDE FINANCING TO REPLACE A SUBMARINE CABLE BY ISSUING BONDS THROUGH THE ALASKA MUNICIPAL BOND BANK

WHEREAS, The Southeast Alaska Power Agency (the ' 'Agency") is a joint action agency formed under the authority of AS 42.45.300-.320 by the City of Ketchikan d/b/a Ketchikan Public Utilities, the City and Borough of Wrangell d/b/a City of Wrangell Light Department, and the Petersburg Borough, as successor in interest to the City of Petersburg, d/b/a Petersburg Municipal Power & Light (each, a "Member Utility"); and

WHEREAS, the Agency issued electric revenue bonds in 2009 (the "2009 Bonds") and 2015 (the "2015 Bonds") and participated in the 2019 Alaska Municipal Bond Bank (“Bond Bank”) financing that served to refund for savings from the Agency’s Electric Revenue Refunding Bonds, Series 2009 with the cooperation of the Member Utilities; and

WHEREAS, in order to complete the Submarine Cable Replacement Project, the Agency has proposed to issue its Electric Revenue Bond, Series 2021, through the Bond Bank in a principal amount not to exceed $11,300,000 (the "2021 Bond"); and

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

Section 1. To permit the Agency to finance the Submarine Cable Replacement Project and issue the Electric Revenue Bonds, Series 2021, the Mayor, Borough Manager, Finance Director, Borough Attorney, and other appropriate officers of Wrangell are each authorized and directed to provide to the Agency and certify, as necessary, information about the Wrangell Light Department relating to the Long-Term Power Sales Agreement ("PSA") between the Wrangell Light Department and the Agency. In particular, an appropriate officer of Wrangell is authorized to execute on behalf of Wrangell a certificate as to such information in substantially the form presented to this Assembly and to provide such additional certifications as in their judgment may be necessary or desirable to assist the Agency with financing to replace the Submarine Cable in the Stikine crossing between the islands of Woronkofski and Vank that will benefit Wrangell. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 2. This resolution shall be in full force and effect immediately upon adoption.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THIS 8TH DAY OF JUNE 2021.

CITY & BOROUGH OF WRANGELL

_____
Stephen Prysunka, Mayor

ATTEST:

_____
Kim Lane, MMC, Borough Clerk

$11,330,000
SOUTHEAST ALASKA POWER AGENCY
ELECTRIC REVENUE BOND, SERIES 2021

TAX AND GENERAL CERTIFICATE OF WRANGELL, ALASKA BOROUGH

The Southeast Alaska Power Agency (the "Agency"), a joint action agency formed under the authority of AS 42.45.300-.320 by the City of Ketchikan d/b/a Ketchikan Public Utilities ("KPU"), the City and Borough of Wrangell d/b/a City and Borough of Wrangell Light Department ("Wrangell"), and the Petersburg Borough, as successor in interest to the City of Petersburg, d/b/a Petersburg Municipal Power and Light ("Petersburg"), intends to issue its Electric Revenue Bond, Series 2021, in the principal amount of $11,330,000 (the "2021 Bond"), as authorized by Resolution No. 2021-078 adopted by the Agency's Board of Directors on May 13, 2021 (the "Resolution"), and issued under an Amended and Restated Indenture of Trust, dated May 2, 2019 (the "Indenture"), between the Agency and Wells Fargo Bank, National Association (the "Trustee").

Power is sold by the Agency to KPU, Petersburg, and Wrangell (each, a "Member Utility") under a Long-Term Power Sales Agreement between the Agency and the Member Utilities (the "PSA") effective February 19, 2009.

Proceeds of the 2021 Bond will be used to (i) finance improvements to an existing transmission line, specifically a failed electrical submarine power cable in the Stikine crossing between the islands of Woronkofski and Vank, and (ii) pay the costs of issuance.

Capitalized terms not defined herein have the meanings given them in the Indenture.

Pursuant to the Treasury Regulations and requirements of the Loan Agreement executed by the Agency in connection with the sale of the 2021 Bond to the Alaska Municipal Bond Bank (the "Bond Bank"), Wrangell, as a member of the Agency, makes and enters into this Certificate as follows:

As the Borough Manager, I hereby certify, represent, and covenant that:

1. I am the duly appointed and acting Borough Manager of Wrangell Borough, authorized to sign this Certificate on behalf of Wrangell pursuant to Resolution No. 06-21-1593 of the Borough Assembly of Wrangell, Alaska adopted on June 8, 2021.

2. There is no action, suit, proceedings or investigation at law or in equity before or by any court or governmental body pending or, to the best of my knowledge, threatened against Wrangell that would materially adversely affect the operations of Wrangell’s electrical system, its financial condition, or its ability to perform under the PSA.

3. Wrangell will make all payments required under the PSA as an operations and maintenance expense of Wrangell for the cost of purchased power and energy.

4. Wrangell acknowledges that by Section 11(b) of the PSA, it has consented to SEAPA's assignment to the Trustee under the Indenture of SEAPA's rights to receive payments from Wrangell under the PSA.

Dated as of June 8, 2021.

Lisa Von Bargen: _____
Borough Manager

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	June 8, 2021
	Agenda Section	**13**

Approval to Amend the Approval to Pay for Sea Level COVID-19 Testing up to $70,000 for the 2021 Processing Season, Approved at the Regular Assembly Meeting of May 25, 2021

SUBMITTED BY:
Patricia Gilbert, Borough Assembly Member

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $70,000 Total		
FY 20: $	FY 21: Est $35,000	FY22: Est $35,000
Amount Budgeted:		
	FY21/22 $0	
Account Number(s):		
	11219 000 7519 00 32024	
Account Name(s):		
	COVID-19 Fund, FEMA Public Assistance, Professional/Contractual Services Account	
Unencumbered Balance(s) (prior to expenditure):		
	$0 -Reimbursement by FEMA of Actual Expenses	

ATTACHMENTS: 1. None.

RECOMMENDATION MOTION:

Move to Amend the Approval to Paying for Sea Level COVID-19 Testing up to $70,000 for the 2021 Processing Season, Approved at the Regular Assembly Meeting of May 25, 2021, by removing "Sea Level" and inserting "All Seafood Processors".

SUMMARY STATEMENT:

The motion to approve paying for Sea Level Seafoods COVID Testing for the 2021 Seafood processing season was approved at the May 25th Regular Assembly meeting. Since that meeting, I have given great thought to this approval and believe that making COVID testing available to all Seafood Processors and perhaps the Charter and Tourism Industry would be a better option.

To my knowledge, we have two new processors opening business in the Marine Service Center and I believe this testing opportunity should be available to them as well.

I also believe that we should look at reducing the $70,000 to a lower dollar amount. The option to lower the amount can be done by an Amendment if it is the desire of the Assembly.

Agenda Statement language from the May 25, 2021 Agenda Item:
In 2020 the CBW paid for the cost of a COVID-19 Employee Testing Program for Sea Level Seafoods. Wrangell paid just over $22,000 for the testing. The funding was reimbursed through the Borough's CARES Act grant funds. Subsequently, FEMA has agreed to cover the cost of the testing, through FEMA Public Assistance, so the Borough's CARES Act grant reports will be amended to reflect a reduction in the CARES Act expenditures as soon as payment from FEMA is received. Moving forward, FEMA Public Assistance will cover the cost of testing. Administration is requesting permission to cover the cost of Sea Level employee testing up to $70,000 seeking reimbursement through FEMA Public Assistance.

Pacific Seafoods, the parent company of Sea Level, has submitted a formal request (attached) asking for the Borough's assistance in covering testing costs. That letter also includes a thank you for covering the testing costs last year.

Administration is requesting an amount more than triple last year's expenditure because it is our understanding Sea Level would like to institute a far more robust testing regime than last year. The attached letter indicates they would like to test 40 employees every 14 days for five months. At a cost of $175 per test, the amount is $70,000.

Further, to facilitate reimbursement through FEMA they have requested documentation related to the Borough's agreement to pay for testing. It is far easier to submit documentation once to FEMA, so Administration is requesting authorization for the maximum amount requested by Sea Level.

The Borough will not expend any funds for testing that will not be reimbursed.

Note: The City of Seward is covering the cost of employee testing for Pacific Seafood in their community.

CITY & BOROUGH OF WRANGELL, ALASKA
BOROUGH ASSEMBLY AGENDA STATEMENT

AGENDA ITEM TITLE:	DATE:	June 8, 2021
	Agenda Section	**15**

Executive Session: Collective Bargaining Update

SUBMITTED BY:
Lisa Von Bargen, Borough Manager

Reviews/Approvals/Recommendations	
☐	Commission, Board or Committee
Name(s)	
Name(s)	
☐	Attorney
☐	Insurance

FISCAL NOTE:		
Expenditure Required: $XXX Total		
FY 20: $	FY 21: $	FY22: $
Amount Budgeted:		
	FY20 $XXX	
Account Number(s):		
	XXXXX XXX XXXX	
Account Name(s):		
	Enter Text Here	
Unencumbered Balance(s) (prior to expenditure):		
	$XXX	

ATTACHMENTS: None

RECOMMENDATION MOTION:
Pursuant to AS 44.62.310 (c)(3), I move to approve that we go into Executive Session, and invite the Borough Collective Bargaining Team, Borough Manager and Attorney, to discuss and provide an update of the status of the Collective Bargaining Negotiations, a matter "which by law, municipal charter, or ordinance" is required to be confidential.

SUMMARY STATEMENT:
The information will be provided verbally during the Executive Session.