



**City and Borough of Wrangell  
Borough Assembly Meeting  
*Revised* - AGENDA**

**March 10, 2015 – 7:00 p.m.**

**Location: Assembly Chambers, City Hall**

**1. CALL TO ORDER**

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Becky Rooney
- b. INVOCATION to be given by Don McConachie
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*
  - i. **Trey Acteson & Joel Paisner – SEAPA presentation on the Swan Lake Reservoir Expansion Project financing**
  - ii. Sue Horner – Presentation on ARCS program

**2. ROLL CALL**

**3. AMENDMENTS TO THE AGENDA**

**4. CONFLICT OF INTEREST**

**5. CONSENT AGENDA**

- a. Items (\*) 6a & 7a

**6. APPROVAL OF MINUTES**

- \*a. Minutes of the Public Hearing and Regular Assembly meetings held February 24, 2015

**7. COMMUNICATIONS**

- \*a. School Board minutes from the Regular meeting held February 16, 2015

**8. BOROUGH MANAGER'S REPORT**

**9. BOROUGH CLERK'S FILE**

**10. MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS**

- a. Reports by Assembly Members
- b. Appointment to fill the Vacancy on the Planning & Zoning Commission
- c. Appointment of one (1) member of the Assembly to the Code Review Committee

**11. PERSONS TO BE HEARD**

**12. UNFINISHED BUSINESS**

**13. NEW BUSINESS**

- a. PROPOSED ORDINANCE No. 895: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 3.30.090 OF THE

WRANGELL MUNICIPAL CODE RELATING TO THE BOARD OF DIRECTORS OF THE  
SOUTHEAST SOLID WASTE AUTHORITY TO ADD PROVISIONS FOR AN ALTERNATE  
DIRECTOR (*first reading*)

- b. PROPOSED ORDINANCE No. 896: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 10, PUBLIC PEACE, MORALS, AND WELFARE, OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 10.46 TO PROHIBIT THE CONSUMPTION OF MARIJUANA IN A PUBLIC PLACE, AND ESTABLISHING A PENALTY FOR VIOLATION (*first reading*)
- c. Approval of a change order for DOWL HKM for the Sewer Pump Replacement Services Design services
- d. PROPOSED ORDINANCE No. 897: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 8.02.010 OF CHAPTER 8.02 OF THE WRANGELL MUNICIPAL CODE TO CHANGE THE ADMISSION RATES FOR THE MUSEUM/CIVIC CENTER (*first reading*)

**14. ATTORNEY'S FILE** - None

**15. EXECUTIVE SESSION** - None

**16. ADJOURNMENT**

# Agenda Items 1 - 6

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY

#### AGENDA ITEM

March 10, 2015

#### **ITEM NO. 1 CALL TO ORDER:**

**INFORMATION:** *The Mayor, by code, is required to call the meeting to order at 7:00 p.m. in the Borough Assembly Chambers. Special meetings or continued meetings may be called for at differing times but at the same location. Notice of such will be required by the Borough Clerk. The Mayor will call the meeting to order according to such special or continued meeting notice. At all meetings of the assembly, four assembly members or three members and the mayor shall constitute a quorum for the transaction of business, but a smaller number less than a quorum may adjourn a meeting to a later date.*

#### **RECOMMENDED ACTION:**

The Mayor, as presiding officer, is to call the meeting of the Borough Assembly to order, with the following actions to follow:

- a. Pledge of Allegiance to be given by Assembly Member David Powell
- b. Invocation to be given by Don McConachie
- c. Ceremonial Matters – *Community Presentations, Proclamations, Certificates of Service, Guest Introduction*
  - i. **Trey Acteson & Joel Paisner – SEAPA presentation on the Swan Lake Reservoir Expansion Project financing**
  - ii. Sue Horner – Presentation on ARCS program

#### **ITEM NO. 2 ROLL CALL – BOROUGH CLERK:**

**INFORMATION:** *The Borough Clerk shall conduct a roll call of each elected and duly qualified Assembly Member. Such call shall result in an entry of those present or absent from the meeting. The roll call is primarily utilized in determining if sufficient member(s) are present to conduct a meeting. The Borough Clerk may randomly change the conduct of the roll to be fair to the members of the governing body unless the council determined an adopted procedure for roll call which is different than currently in use.*

#### **RECOMMENDED ACTION:**

Borough Clerk to conduct a roll call by voice vote. Each member to signify by saying here, present (or equal) to give evidence of attendance.

#### **ITEM NO. 3 AMENDMENTS TO THE AGENDA:**

**INFORMATION:** *The assembly may amend the agenda at the beginning of its meeting. The outline of the agenda shall be as from time to time prescribed and amended by resolution of the assembly. (WMC 3.04.100)*

**RECOMMENDED ACTION:**

The Mayor should request of the members if there are any amendments to the posted agenda. ***THE MAYOR MAY RULE ON ANY REQUEST OR THE ASSEMBLY MEMBERS MAY VOTE ON EACH AMENDMENT.***

**ITEM NO. 4    CONFLICT OF INTEREST:**

**INFORMATION:** *The purpose of this agenda item is to set reasonable standards of conduct for elected and appointed public officials and for city employees, so that the public may be assured that its trust in such persons is well placed and that the officials and employees themselves are aware of the high standards of conduct demanded of persons in like office and position.*

*An elected city official may not participate in any official action in which he/she or a member of his/her household has a substantial financial interest.*

**ITEM NO. 5    CONSENT AGENDA:**

**INFORMATION:** *Items listed on the Consent Agenda or marked with an asterisk (\*) are considered part of the Consent Agenda and will be passed in one motion unless the item has been removed by an Assembly Member or the Mayor and placed on the regular agenda under Unfinished Business.*

**RECOMMENDED ACTION:**

Move to approve those Agenda items listed under the Consent Agenda and those marked with an asterisk (\*) Items:

***\*6a & 7a***

**ITEM NO. 6    APPROVAL OF MINUTES:**

**INFORMATION:**

***6a***     *Minutes of the Public Hearing and Regular Assembly meetings held February 24, 2015*



Joel R. Paisner  
Partner  
P 206.420.4923  
E [joel@ascentllp.com](mailto:joel@ascentllp.com)  
[www.ascentllp.com](http://www.ascentllp.com)

March 6, 2015

Mr. Jeff Jabusch  
Borough Manager  
City and Borough of Wrangell  
P.O. Box 531  
Wrangell, AK 99929

Re: SEAPA's Request for 2015 Refinancing and Revenue Bonds for Swan Lake

Dear Jeff:

Thank you for providing time at the upcoming Borough Assembly meeting on March 10, 2015 for CEO Trey Acteson and myself to brief the Wrangell Assembly on the Southeast Alaska Power Agency's (SEAPA) proposed 2015 Refinancing and Revenue Bonds.

We have enclosed the proposed documents that SEAPA's bond underwriters will require to be signed prior to the sale of the bonds. In addition, Wrangell's attorneys will be required to sign an opinion. We have also attached a brief summary document about the nature of each of the proposed agreements. This presentation is for the purpose of introducing the proposed transaction. There is no action needed to be taken at this meeting.

Please note that the agreements that we request SEAPA's member utilities to sign simply amend existing agreements that each community signed during the 2009 restructuring from the Four Dam Pool Power Agency. The changes to these documents provide for including the new funds raised by the sale of the bonds, or are required due to a change in the law – in particular the Disclosure Agreement has changed based on new laws being passed over the past few years.

The purpose of the bond issuance is twofold: (1) SEAPA is refinancing approximately \$4,700,000 of its existing debt to take advantage of favorable interest rates; and (2) SEAPA will be borrowing additional funds (no more than \$7,000,000) to help fund the Swan Lake Reservoir Expansion Project.

SEAPA does not anticipate that its wholesale power rate will increase as a result of this project. SEAPA can keep its wholesale power rate steady because of the low interest rates, the state grant funding for a portion of the Swan Lake expansion, and the increase in sales from the expansion.

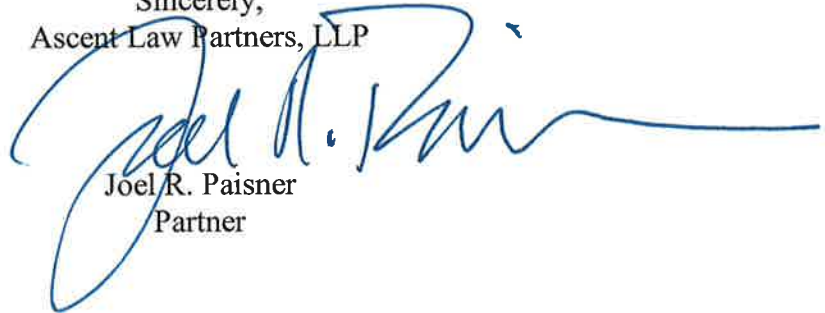
The documents enclosed include a proposed Subordination Agreement, a Tax and General Certificate, and a Disclosure Agreement. In addition, we are enclosing a draft of an appendix that will need to be filled out by each of the member communities, and attached to the

Mr. Jeff Jabusch  
March 6, 2015  
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Official Statement that is prepared for the sale of the bonds. We are prepared to assist Wrangell in any way to help review and complete these documents.

We look forward to the opportunity to brief the Assembly about the current status of the Swan Lake Reservoir Expansion Project, and answer any questions the Borough Assembly may have.

Sincerely,  
Ascent Law Partners, LLP

A handwritten signature in blue ink, appearing to read "Joel R. Paisner", is written over the typed name and title.

Joel R. Paisner  
Partner

Enclosure

## **DESCRIPTION OF 2015 BOND DOCUMENTATION**

### **TAX CERTIFICATE OF MEMBER UTILITY:**

**WHAT HAS CHANGED:** Updated recitals and defined terms. No substantive changes to the body of the agreement.

**WHAT THIS DOCUMENT DOES:** By this document, a representative of each Member Utility will certify that the Member Utility has authorized the execution of the documents required for the 2015 Bond refinance (the Amended and Restated Subordination Agreement, the First Amended and Restated Bailee Control Agreement and Acknowledgment, and this Certificate). In addition, the representative of the Member Utility makes a few customary representations and warranties, which include, amongst others, that the Member Utility is not a party to any current litigation, that the 2015 Bond refinance documents will not result in a breach of the Member Utility's charter documents, and that all required disclosures concerning the Member Utility have been made in the Official Statement.

### **SUBORDINATION AGREEMENT:**

**WHAT HAS CHANGED:** Updated recitals and defined terms to include 2015 Bonds. Clarified code section references. No substantive changes to the body of the agreement (this agreement now includes the 2015 Bonds).

**WHAT THIS DOCUMENT DOES:** This document amends the existing Subordination Agreement dated February 1, 2009. Each Member Utility has agreed to subordinate its rights and interests under the Power and Sales Agreement to the lien on the Project granted by SEAPA to the Trustee (for the bondholders). Among other things, the Trustee is permitted (for the bondholders) to assume SEAPA's rights under the Power and Sales Agreement. Specifically, upon SEAPA's default of the Bonds, the Trustee may demand specific performance of, retain, or terminate the Power and Sales Agreement (PSA). Further, each Member Utility agrees to recognize the Trustee or its designee as the seller of electric power from the Project under the PSA.

### **DISCLOSURE AGREEMENT:**

**WHAT HAS CHANGED:** Certain disclosure requirements were changed by the Federal Securities and Exchange Commission since the 2009 bonds were issued. The Disclosure Agreement incorporates those changes.

**WHAT THE DOCUMENT DOES:** Federal security laws require each of the member utilities belonging to SEAPA, and SEAPA itself to annually report certain information regarding financial reports, indebtedness and electric utility rates, usage and charges. Disclosures of these types were required in the 2009 Bonds.

**TAX AND GENERAL CERTIFICATE OF MEMBER UTILITY**

**\$[REDACTED]**

**The Southeast Alaska Power Agency  
Electric Revenue Improvement and Refunding Bonds, Series 2015**

The Southeast Alaska Power Agency (the “Agency”), a joint action agency formed under the authority of AS 42.45.300-AS 42.45.320 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 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 Improvement and Refunding Bonds, Series 2015 in the original aggregate principal amount of \$[REDACTED] (the “Series 2015 Bonds”) authorized pursuant to a Resolution adopted by the Board of Directors, as governing body of the Agency, on [REDACTED], 2015 (the “Resolution”), and issued pursuant to an Indenture of Trust, dated as of February 1, 2009, as supplemented by the First Supplemental Indenture of Trust, dated as of May 1, 2015 (together, 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”) pursuant to a Long-Term Power Sales Agreement between the Agency and the Member Utilities (the “PSA”) effective February 19, 2009.

Proceeds of the Series 2015 Bonds will be used to (i) pay a portion of the costs of certain capital improvements, (ii) refund certain of the Agency’s outstanding Electric Revenue Refunding Bonds, Series 2009, (iii) fund a debt service reserve account and (iv) pay the costs of issuing the Series 2015 Bonds.

In connection with the issuance of the Series 2015 Bonds, the Member Utility will execute and deliver a First Amended and Restated Subordination Agreement between the Member Utility and the Trustee (the “Subordination Agreement”) [KPU only: and a First Amended and Restated Bailee Control Agreement and Acknowledgment between the Member Utility and the Trustee and Mortgage Trustee, as secured parties (the “Bailee Agreement”)].

The Subordination Agreement [KPU only: Bailee Agreement] and this tax and general certificate (the “Certificate”) are collectively referred to as the “Utility Documents.”

Capitalized terms not defined herein shall have the meaning ascribed to them in the Indenture. For purposes of this Certificate, “Project” means the [Swan]/[Tyee] Lake hydroelectric project.

Pursuant to the Treasury Regulations and requirements of the Bond Purchase Contract executed by the Agency in connection with the sale of the Series 2015 Bonds, the Member Utility, as a member of the Agency, makes and enters into this Certificate as follows:

As the [Title] of the Member Utility, I hereby certify, represent and covenant that:



1. I have manually signed the Utility Documents on behalf of the Member Utility.
2. I was on the date of the signing of the Utility Documents and am on this date, the date of actual delivery of the Utility Documents, the duly appointed and acting [Title] of the Member Utility, duly authorized to execute and deliver the Utility Documents for and on behalf of the Member Utility.
3. The [City Council]/[Borough Assembly] of the Member Utility has duly authorized the execution and delivery by the Member Utility of the Utility Documents.
4. The execution and delivery by the Member Utility of the Utility Documents, and compliance by the Member Utility with the provisions thereof, do not in any material respect conflict with or constitute on the part of Member Utility a breach of or default under any law, any provision of the charter of the Member Utility, any court decree, administrative regulation, resolution, ordinance or other agreement or instrument to which the Member Utility is a party or by which it is bound.
5. 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 the Member Utility that would (a) question or adversely affect the validity or enforceability of the Utility Documents or (b) materially adversely affect the operations of the Member Utility's electrical system, its financial condition or its ability to perform under the PSA or the Utility Documents.
6. The representations and warranties made by Member Utility in the Utility Documents are accurate, true and correct as of the date hereof.
7. The Member Utility will make all payments required under the PSA as an operations and maintenance expense of the Member Utility for the cost of purchased power and energy.
8. In connection with the issuance of the Series 2015 Bonds, the Member Utility acknowledges that the Agency intends to place a mortgage on the Agency's Projects Assets, and the Member Utility consents to the placement of a mortgage on such Projects Assets [KPU only: including those Projects Assets associated with the Project operated by Member Utility].
9. The information relating to the Member Utility contained in Appendix B to the Official Statement did not as of the date of the Official Statement and does not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.
10. To the best of my knowledge, no event has occurred with respect to the Member Utility or the Project since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect.

11. The Member Utility has complied with all the agreements and covenants and satisfied all the conditions on its part to be performed or satisfied under the Utility Documents at or prior to the date hereof.

12. The Member Utility agrees to provide to the Agency annual financial information and operating data regarding the Member Utility and the Project required by the Continuing Disclosure Agreement relating to the Series 2015 Bonds.

13. Pledged Funds.

(a) Other than the [Electric Fund], no funds or accounts have been or are expected to be established and no money or property has been or is expected to be pledged or otherwise restricted by the Member Utility (no matter where held or the source thereof) that is expected to be used or available to be used to pay, directly or indirectly, payments to be made to the Agency by the Member Utility pursuant to the PSA. The Member Utility does not and will not have any credit enhancement or liquidity device relating to its payment obligations under the PSA. No particular amount in the [Electric Fund] has been or will be earmarked or otherwise restricted to make, directly or indirectly, payments to be made to the Agency by the Member Utility pursuant to the PSA, and there are no assurances that adequate amounts will be on deposit in the [Electric Fund] to be used to make, directly or indirectly, payments to be made to the Agency by the Member Utility pursuant to the PSA, because amounts in the [Electric Fund] can be used for any lawful electric system purpose.

(b) Neither the Member Utility nor any agency, department or division of the Member Utility has on hand any funds which could legally and practically be used for the purposes for which the Agency's Series 2015 Bonds are being issued that are not pledged, budgeted, earmarked or otherwise necessary to be used for other purposes. Since no such funds exist, accordingly, the Agency will not use proceeds of the Series 2015 Bonds, directly or indirectly, to replace funds of the Member Utility or any agency, department or division of the Member Utility that could be used for the purposes for which the Series 2015 Bonds are being issued. Since no such funds exist, accordingly, the Agency will not use proceeds of the Series 2015 Bonds to replace any proceeds of any prior issuance of obligations by the Member Utility or any agency, department or division of the Member Utility.

(c) No portion of the payments to be made to the Agency by the Member Utility pursuant to the PSA or any credit enhancement or liquidity device relating to the foregoing is or will be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

14. Payment and Use.

(a) No more than five percent of the Project will be used, directly or indirectly, in whole or in part, in any Private Business Use. "Private Business Use" means any use of the Project by any person or entity other than a state or local governmental unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management,

service incentive payment, research or output contract or (iii) any other similar, agreement or understanding, whether written or oral, except for use of the Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Project that is available for use by the general public or that conveys to any person or entity other than a state or local governmental unit any special economic benefit with respect to any portion of the Project that is not available for use by the general public.

(b) Except for contracts for the purchase of output of the Project permitted by Section 15, no user of the Project other than a state or local governmental unit will use more than five percent of the Project, in the aggregate, on any basis other than the same basis as the general public.

#### 15. Use of Power by Non-Governmental Entities.

(a) No more than five percent of the electrical output of the Project will be sold or transferred to any person or entity that is not a state or local governmental unit pursuant to any agreement or understanding, whether written or oral (or permit to be otherwise used, directly or indirectly) pursuant to (i) a “take contract,” (ii) a “take or pay contract,” (iii) a “requirements contract” that contains contractual terms that obligate the purchaser to make payments that are not contingent on the output requirements of the purchaser or that obligates the purchaser to have output requirements or (iv) a wholesale “requirements contract” the term of which, including all renewal options, exceeds five years or pursuant to which the amount of output to be purchased under the contract (and any other requirements contract with the same purchaser or a related person with respect to the Project) exceeds five percent of the output of the Project. A “take contract” is a contract under which the purchaser agrees to pay for the output under the contract if the Project is capable of providing the output. A “take or pay contract” is a contract under which a purchaser agrees to pay for the output under the contract, whether or not the Project is capable of providing the output. A “requirements contract” is any contract for the purchase of output, other than a take contract or a take or pay contract, under which a nongovernmental person agrees to purchase all or part of its requirements.

(b) Notwithstanding paragraph (a) above, an output contract with respect to the Project may be executed if the average annual payments to be made under the contract do not exceed one percent of the average annual debt service on the Series 2015 Bonds, determined as of the effective date of the contract.

(c) Notwithstanding paragraph (a) above, an output contract with respect to the Project may be executed if:

(i) the term of the contract, including all renewal options, is not longer than three years;

(ii) the contract either is a negotiated, arm's-length arrangement that provides for compensation at fair market value or is based on generally applicable and uniformly applied rates; and

(iii) the Project was not financed for a principal purpose of providing output for use by that nongovernmental person.

(d) An agreement to swap or pool output with respect to the Project with one or more governmental persons will not be entered into unless under the agreement:

(i) the swapped output is reasonably expected to be approximately equal in value (determined over periods of three years or less); and

(ii) the purpose of the agreement is to enable each of the parties to satisfy different peak load demands, to accommodate temporary outages, to diversify supply, or to enhance reliability in accordance with prudent reliability standards.

(e) No output contract that is properly characterized as a lease for federal income tax purposes will be entered into with respect to the Project.

(f) The terms used in this Section 15 shall be interpreted and construed in accordance with their meaning under Section 141(b) of the Internal Revenue Code of 1986, as amended, including the Treasury Regulations promulgated thereunder, as amended, as such terms are interpreted and construed from time to time, and such interpretations and constructions, when applicable, shall be applied to the Series 2015 Bonds.

[Signature page follows]

16. I hereby acknowledge that the representations and covenants set forth in Section 13, 14, and 15 of this Certificate may be relied upon by the Agency in connection with its issuance of the Series 2015 Bonds.

Dated as of: [Closing Date].

MEMBER UTILITY

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**AFTER RECORDING RETURN TO:**

Foster Pepper PLLC  
1111 Third Avenue, Suite 3400  
Seattle, Washington 98101  
Attention: Marc Greenough

**AMENDED AND RESTATED SUBORDINATION AGREEMENT  
(MEMBER UTILITY)**

**NOTICE: THIS AMENDED AND RESTATED SUBORDINATION AGREEMENT RESULTS IN YOUR RIGHTS AND INTERESTS IN THE POWER SALES AGREEMENT BECOMING SUBORDINATED TO THE LIEN ON THE SOUTHEAST ALASKA POWER PROJECT GRANTED BY THE SOUTHEAST ALASKA POWER AGENCY IN FAVOR OF WELLS FARGO BANK, NATIONAL ASSOCIATION ("TRUSTEE") TO SECURE THE BONDS AND ANY ADDITIONAL BONDS OR OTHER DEBT ISSUED BY THE AGENCY PURSUANT TO THE INDENTURE OF TRUST BETWEEN THE AGENCY AND THE TRUSTEE. AMONG OTHER THINGS, THIS SUBORDINATION WILL ALLOW TRUSTEE TO TERMINATE THE POWER SALES AGREEMENT IF THE SOUTHEAST ALASKA POWER AGENCY FAILS TO MEET ITS OBLIGATIONS UNDER THE INDENTURE.**

THIS AMENDED AND RESTATED SUBORDINATION AGREEMENT (the "Agreement") is made as of May 1, 2015, by and between WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as trustee under the Indenture (defined below) (the "Trustee"), a national banking association, and the Member Utility (the "Member Utility"), and its successors or assigns. This Agreement amends and restates that certain Subordination Agreement dated as of February 1, 2009, between the Trustee and the Member Utility recorded [REDACTED], 2009, under [Ketchikan/Petersburg/Wrangell] Recording No. [REDACTED]. Capitalized terms, unless expressly defined herein, shall have the meaning provided in that certain Indenture of Trust, dated as of February 1, 2009, between The Southeast Alaska Power Agency (the "Agency") and the Trustee, as supplemented by the First Supplemental Indenture of Trust dated as of May 1, 2015 (together, the "Indenture").

WHEREAS, The Southeast Alaska Power Agency (the "Agency") is a joint action agency formed under the authority of AS 42.45.300 to 42.45.320 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 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 is authorized by AS 42.45.310(c)(4) to issue and sell revenue bonds in accordance with the provisions contained in AS 42.45.310, and to secure the payment of such bonds as provided in AS 42.45.310; and

WHEREAS, pursuant to the Indenture, the Agency previously issued a series of fixed rate revenue bonds, designated as “The Southeast Alaska Power Agency Electric Revenue Refunding Bonds, Series 2009” in the aggregate principal amount of \$16,495,000 (the “Series 2009 Bonds”); and

WHEREAS, the Agency has found and determined that it is in its best interest to issue revenue bonds in an amount sufficient, together with other money available therefor, to defease and refund a portion of the outstanding Series 2009 Bonds, to finance improvements to the Projects (as defined in the Indenture), to fund a debt service reserve account and to pay costs of bond issuance; and

WHEREAS, the Agency has proposed to issue a series of fixed rate revenue bonds designated as “The Southeast Alaska Power Agency Electric Revenue Improvement and Refunding Bonds, Series 2015” in the aggregate principal amount of not to exceed \$[REDACTED] (the “Series 2015 Bonds”); and

WHEREAS, power from certain hydroelectric projects is sold by the Agency to the Member Utilities pursuant to a Long-Term Power Sales Agreement between the Agency and the Member Utilities (the “PSA”); and

WHEREAS, as a condition to the issuance of the Series 2015 Bonds, the Member Utilities have agreed to subordinate any and all of their rights and interests under the PSA to the lien on the Project granted by the Agency to the Trustee to secure the obligations of the Agency under the Indenture (including the Series 2009 Bonds, the Series 2015 Bonds and any Additional Bonds) and the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, as amended and restated by the First Amended and Restated Deed of Trust, made by the Agency in favor of the Trustee and the Mortgage Trustee, recorded as set forth in Exhibit A attached hereto and by this reference incorporated herein (together, the “Deed of Trust”); and

WHEREAS, the Member Utility and the Trustee now desire to enter into this Agreement, the execution and delivery of which has been in all respects duly and validly authorized by the Member Utility;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto covenant and agree as follows:

Section 1. Subordination of Rights under the PSA. The Member Utility hereby unconditionally subordinates all of its rights and interests in or to the Project, including without limitation, all rights under the PSA, to the lien on the Project granted by the Agency to the Trustee by the Indenture, the Deed of Trust and any other security documents given to secure the

obligations under the Indenture, including the Series 2009 Bonds, the Series 2015 Bonds and any Additional Bonds (the “Project Lien”).

Section 2. Exercise of Rights. The Member Utility agrees that, following an Event of Default under the Indenture, the Trustee shall have the rights provided in the Indenture and the Deed of Trust including, without limitation, the right to demand specific performance of, retain, or terminate the PSA upon written notice to the Member Utilities.

Section 3. Right of Assumption. The Member Utility agrees that, following an Event of Default under the Indenture, the Trustee, upon written notice to the Member Utilities, shall be entitled to receive directly any and all payments due to the Agency by the Member Utilities under the PSA. Further, in the event the Trustee or its designee becomes the owner of the Project as a result of foreclosure of the Project Lien, a deed in lieu of foreclosure or a voluntary transfer of the Project at the direction of the Trustee following an Event of Default under the Indenture, the Member Utility shall recognize the Trustee or its designee as the seller of electric power from the Project under the PSA and, as such, the Trustee or its designee shall have all of the rights, powers, privileges, obligations and liabilities granted to the owner of the Project under the PSA.

Section 4. Statutory Commitment. Pursuant to AS 42.45.310(e), the Member Utility pledges and agrees with the Trustee that the Member Utility (a) will not terminate the Agency or take any other action that would limit or alter the powers vested in the Agency by AS 42.45.310 to fulfill the terms and provisions of the Indenture and (b) will not in any way impair the rights and remedies of the Trustee, in each case until the Agency's obligations under the Indenture are fully met and discharged.

Section 5. Non-Opposition to License Transfer. The Member Utility agrees not to oppose the transfer of Project Licenses from the Agency to the Trustee or its designee following an Event of Default under the Indenture.

Section 6. Preservation of FERC Rights. Notwithstanding any provision contained herein, the Trustee and its successors and assigns, has the right to perform any and all acts required by an order of the Federal Energy Regulatory Commission or its successor affecting the Project without the prior approval of the Member Utilities or the Agency.

Section 7. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Trustee and the Member Utility and their respective successors and assigns, and may be enforced by the Trustee and its successors and assigns during the term of the Indenture, whether or not the Bonds are paid in full.

Section 8. Governing Law; Venue. This Agreement is governed by and shall be construed in accordance with the laws of the State of Alaska and shall be liberally construed so as to carry out the purposes hereof. Except as otherwise required by applicable law, any action under this Agreement shall be brought in the Superior Court for the State of Alaska, First Judicial District, Ketchikan, Alaska.

Section 9. Original Agreement in Full Force and Effect. Except as amended by this Agreement, all other provisions of the Original Agreement shall remain in full force and effect.



[Signature page follows]

Section 10. Execution in Counterparts. This Agreement may be executed in counterparts.

**IN WITNESS WHEREOF**, the Trustee and the Member Utility have caused this Agreement to be executed in their respective names all by their duly authorized officers, and have caused this Agreement to be dated as of the date first written above.

WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Trustee

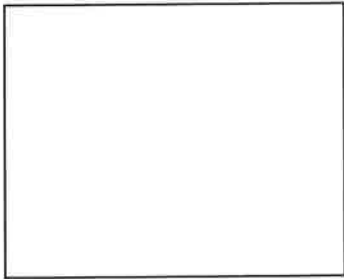
By: \_\_\_\_\_  
Title: \_\_\_\_\_

MEMBER UTILITY

By: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF ALASKA                    )  
  ) ss.  
FIRST JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2015, by \_\_\_\_\_, \_\_\_\_\_ of The Southeast Alaska Power Agency, on behalf of the Agency.

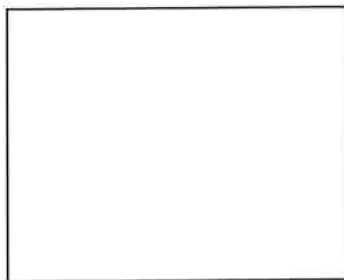


\_\_\_\_\_  
(Signature of Notary)

Notary public for Alaska  
My commission expires \_\_\_\_\_.

STATE OF ALASKA                    )  
  ) ss.  
FIRST JUDICIAL DISTRICT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2015, by \_\_\_\_\_, \_\_\_\_\_ of Wells Fargo Bank, National Association, on behalf of the Association.



\_\_\_\_\_  
(Signature of Notary)

Notary public for Alaska  
My commission expires \_\_\_\_\_.

EXHIBIT A

RECORDING INFORMATION  
ORIGINAL DEED OF TRUST  
FIRST AMENDED AND RESTATED DEED OF TRUST

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by (i) The Southeast Alaska Power Agency (“the Agency”), (ii) the City of Ketchikan, the City and Borough of Wrangell and Petersburg Borough (each, a “Member Utility”) and (iii) Wells Fargo Bank, National Association (the “Trustee” and the “Dissemination Agent”), in connection with the issuance by the Agency of \$[REDACTED] aggregate principal amount of its Electric Revenue Improvement and Refunding Bonds, Series 2015 (the “Series 2015 Bonds”). The Series 2015 Bonds are being issued pursuant to an Indenture of Trust dated as of February 1, 2009, as amended (the “Indenture”), between the Agency and the Trustee. Pursuant to Section 7.13 of the Indenture, the Agency, the Member Utilities, the Trustee and the Dissemination Agent hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Agency, the Member Utilities, the Trustee and the Dissemination Agent for the benefit of the holders of the Series 2015 Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 (each as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Indenture or in the Official Statement relating to the Series 2015 Bonds dated April [REDACTED], 2015 (the “Official Statement”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Agency Annual Report” means any Agency Annual Report provided by the Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Agency Submission Date,” with respect to each Fiscal Year, means the date that is 270 days after the end of such Fiscal Year.

“Dissemination Agent” means the Trustee, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Agency and which has filed with the Trustee a written acceptance of such designation.

“Disclosure Representative” means the Chief Executive Officer of the Agency or such officer’s designee, or such other person as the Agency shall designate in writing to the Trustee and the Dissemination Agent from time to time.

“EMMA” means the electronic municipal market access system established through the MSRB for purposes of Rule 15c2-12.

“Fiscal Year” means the fiscal year of the Agency, currently the twelve-month period ending on each June 30, as such fiscal year may be changed from time to time.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Agreement.

“Member Utility” means the City of Ketchikan, the City and Borough of Wrangell and Petersburg Borough, each an Alaska home rule municipality.

“Member Utility Annual Report” means any Member Utility Annual Report provided by a Member Utility pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Member Utility Submission Date,” with respect to each Fiscal Year, means the date that is 240 days after the end of such Fiscal Year.

“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriter” means the original underwriter of the Series 2015 Bonds required to comply with Rule 15c2-12 in connection with offering of the Series 2015 Bonds.

“Rule 15c2-12” means paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of Alaska.

### Section 3. Provision of Annual Reports.

(a) Each Member Utility shall, not later than the Member Utility Submission Date for each Fiscal Year, commencing with the Fiscal Year ending on June 30, 2015, provide to the Agency a Member Utility Annual Report consistent with the requirements of Section 4 of this Disclosure Agreement.

(b) The Agency shall, or, by written direction, shall cause the Dissemination Agent to, not later than the Agency Submission Date for each Fiscal Year, commencing with the Fiscal Year ending on June 30, 2015, provide to EMMA an Agency Annual Report consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 Business Days prior to each Agency Submission Date, the Agency shall provide the Agency Annual Report to the Dissemination Agent, together with a certificate of the Agency stating that the Agency Annual Report constitutes the Agency Annual Report required to be furnished by the Agency hereunder. The Dissemination Agent may conclusively rely upon such certificate of the Agency.

(c) If by 15 Business Days prior to any Agency Submission Date, the Dissemination Agent has not received a copy of the Agency Annual Report, the Dissemination Agent shall contact the Agency and the Trustee (if the Trustee is not the Dissemination Agent) to determine if the Agency is in compliance with subsection (a).

(d) If the Dissemination Agent is unable to verify that an Agency Annual Report has been provided to EMMA by any Agency Submission Date, the Dissemination Agent shall post a notice on EMMA in substantially the form attached hereto as Exhibit A.

(e) The Dissemination Agent shall, to the extent the Agency has provided the Agency Annual Report to the Dissemination Agent pursuant to subsection (a), file a report with the Agency and the Trustee (if the Trustee is not the Dissemination Agent) certifying that the Agency Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

Section 4. Content of Annual Reports.

(a) Each Member Utility Annual Report shall contain or include by reference (without duplication) the following:

(1) The audited financial statements of such Member Utility for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles. If such Member Utility's audited financial statements are not available by 15 Business Days prior to the Member Utility Submission Date, the Member Utility Annual Report shall contain unaudited financial statements in a format similar to the format of the Member Utility's audited financial statements, and the Member Utility's audited financial statements shall be filed in the same manner as the Member Utility Annual Report when they become available.

(2) The following financial and operating information of such Member Utility for such Fiscal Year (which may be included in the audited financial statements):

(A) a statement of outstanding indebtedness payable from electric revenues, if any;

(B) debt service coverage ratios for indebtedness payable from electric revenues, if any;

(C) sources of electric power and the cost per kilowatt-hour of each such source;

(D) number of customers of the electric system for each class of service;

(E) electric rates for each class of service; and

(F) sales for each class of service, expressed in dollars and kilowatt-hours.

(b) Each Agency Annual Report shall contain or include by reference (without duplication) the following:

(1) The Member Utility Annual Report for each Member Utility.

(2) The audited financial statements of the Agency for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles. If the Agency's audited financial statements are not available by 15 Business Days prior to the Agency Submission Date, the Agency Annual Report shall contain unaudited financial statements in a format similar to the Agency's audited financial statements, and the audited financial

statements shall be filed in the same manner as the Agency Annual Report when they become available.

(3) The following financial and operating information of the Agency for such Fiscal Year (which may be included in the audited financial statements):

(A) a statement of outstanding indebtedness payable from Revenues;

(B) debt service coverage ratios for indebtedness payable from Revenues; and

(C) payments received from and power provided to each Member Utility under the Power Sales Agreement.

(c) Any or all of the items to be included in the Agency Annual Report may be included by specific reference to other documents, including official statements of the Agency or the Member Utilities, that are available to the public on EMMA or that have been filed with the Securities and Exchange Commission.

#### Section 5. Reporting of Listed Events.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events with respect to the Series 2015 Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Series 2015 Bonds, or other material events affecting the tax status of the Series 2015 Bonds;

(7) modifications to rights of holders of the Series 2015 Bonds, if material;

(8) Series 2015 Bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Series 2015 Bonds, if material;



(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Agency or any Member Utility, as such “Bankruptcy Events” are defined in Rule 15c2-12;

(13) the consummation of a merger, consolidation, or acquisition involving the Agency or any Member Utility or the sale of all or substantially all of the assets of the Agency or any Member Utility other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Trustee shall, promptly after obtaining actual knowledge of the occurrence of any Listed Event, inform the Disclosure Representative of the event and request that the Agency promptly notify the Dissemination Agent in writing to report the event. For purposes of this Disclosure Agreement, “actual knowledge” of the occurrence of a Listed Event means actual knowledge of the event by the officer or officers at the corporate trust office of the Trustee with regular responsibility for the administration of the Indenture.

(c) In a manner such that each Listed Event is reported not in excess of 10 business days after the occurrence of the event, the Agency shall promptly notify the Dissemination Agent in writing of each Listed Event and instruct the Dissemination Agent to report the occurrence of the event. If the Dissemination Agent has been instructed by the Agency to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA, with a copy to the Agency and the Trustee (if the Trustee is not the Dissemination Agent).

Section 6. Format. All reports and notices submitted to EMMA pursuant to this Disclosure Agreement shall be in the electronic format prescribed by the MSRB accompanied by the identifying information prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The obligations of the Agency and each Member Utility under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2015 Bonds. If the obligations of the Agency or any Member Utility under the Indenture and/or the Power Sales Agreement are assumed in full by some other entity, such entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Agency or such Member Utility, as the case may be, and the original Agency or Member Utility, as the case may be, shall have no further responsibility hereunder.

Section 8. Dissemination Agent. The Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time upon at least 30 days’ prior written notice to the Agency and the Trustee. If at any time there is not any designated Dissemination Agent under this Disclosure Agreement, the Trustee shall be the Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Agency, each Member Utility, the Trustee and the Dissemination Agent may amend this Disclosure Agreement (and the Trustee and the Dissemination Agent shall agree to any amendment so requested by the Agency, except that neither the Trustee nor the Dissemination Agent shall be obligated to agree to any amendment that modifies or increases its duties or obligations hereunder) and any provision of this Disclosure Agreement may be waived, if (a) the amendment or waiver is necessary to reflect a change in circumstances that arises from a change in legal requirements, a change in law, a change in the identity, nature or status of an obligated person, or a change in the type of activities or business conducted by the Agency or any Member Utility or other obligated person; (b) the undertaking, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering of the Series 2015 Bonds, after taking into account any amendments or interpretation of Rule 15c2-12 by the Securities and Exchange Commission and any such change in circumstances; and (c) it is determined by a party unaffiliated with the Agency or any other obligated person and acceptable to the Trustee, such as nationally recognized bond counsel or other counsel expert in federal securities laws, or pursuant to a favorable “no-action” letter issued by the Securities and Exchange Commission, that the amendment or waiver does not materially and adversely affect the interests of holders of the Series 2015 Bonds. The Agency will provide notice on EMMA of the substance (or provide a copy) of any amendment to this Disclosure Agreement and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the notice also will include a narrative explanation of the effect of that change on the type of information to be provided.

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Agency or any Member Utility from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Agency Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Agency or any Member Utility chooses to include any information in any Agency Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Agency shall have no obligation under this Disclosure Agreement to update such information or include it in any future Agency Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Agency, any Member Utility or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee shall, at the request of any Participating Underwriter or the holders of not less than a majority in aggregate principal amount of Series 2015 Bonds then Outstanding and upon receipt of indemnification from any cost, expense or liability, including without limitation fees and costs of its attorneys, satisfactory to the Trustee, or any holder of Series 2015 Bonds may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Agency, such Member Utility or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under any Bond Document (other than this Disclosure Agreement), and the sole remedy under this Disclosure Agreement in the event of any failure of the Agency, any Member Utility or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article IX of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent is entitled to the protections, immunities and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) and the Trustee shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Agency agrees to indemnify and save the Dissemination Agent, the Trustee and their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they each may incur arising out of or in the exercise or performance of their respective powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or the Trustee's gross negligence or willful misconduct. The Agency shall compensate the Dissemination Agent for the services provided hereunder in accordance with its schedule of fees, as amended from time to time, and shall reimburse the Dissemination Agent for all reasonable expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Agency, the holders of the Series 2015 Bonds or any other party. The obligations of the Agency under this Section shall survive resignation or removal of the Dissemination Agent or the Trustee and payment of the Series 2015 Bonds.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Agency, the Member Utilities, the Dissemination Agent, the Trustee, the Participating Underwriter and the holders from time to time of the Series 2015 Bonds, and shall create no rights in any other person or entity.

[Signature Page Follows]

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: May [REDACTED], 2015

THE SOUTHEAST ALASKA POWER AGENCY

By: \_\_\_\_\_

CITY OF KETCHIKAN

By: \_\_\_\_\_

CITY AND BOROUGH OF WRANGELL

By: \_\_\_\_\_

PETERSBURG BOROUGH

By: \_\_\_\_\_

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Trustee and Dissemination  
Agent

By: \_\_\_\_\_

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: The Southeast Alaska Power Agency

Name of Bond Issue: Electric Revenue Improvement and Refunding Bonds, Series 2015

Dated Date: May [REDACTED], 2015

NOTICE IS HEREBY GIVEN that The Southeast Alaska Power Agency (the "Agency") has not provided an Agency Annual Report with respect to the above-named bonds as required by the Continuing Disclosure Agreement dated May [REDACTED], 2015. [The Agency anticipates that the Agency Annual Report will be filed by \_\_\_\_\_, 20\_\_\_\_.]

Dated: \_\_\_\_\_, 20\_\_\_\_.

THE SOUTHEAST ALASKA POWER AGENCY

By: \_\_\_\_\_

## WRANGELL

### City and Borough of Wrangell

The City and Borough of Wrangell (the “Borough”) is located on the northern tip of Wrangell Island, approximately 155 miles south of Juneau and 89 miles northwest of Ketchikan. It is located on the State ferry route with both northbound and southbound stops, and serves port of call for cruise ships and commercial vessels. The area encompasses 45.3 square miles of land and 25.6 square miles of water.

On May 30, 2008, the State formally incorporated the City and Borough as a unified home-rule borough. By this action, the State dissolved the former City of Wrangell (originally incorporated in 1903), and the Borough succeeded to all of its rights, powers, duties, assets and liabilities, pursuant to State law.

Seven elected officers, including a separately elected Mayor, comprise the Borough Assembly and serve staggered three year terms. The Borough Assembly hires a Borough Manager to run the day to day operations of the Borough government.

### Demographic and Economic Statistics

Year	Population <sup>(1)</sup> City and Borough of Wrangell	Per Capita Personal Income <sup>(2)</sup>	Civilian Labor Force <sup>(3)</sup>		
			Employed	Unemployed	Unemployment Rate
2014	2,406	N/A			
2013	2,453	\$40,890	967	94	8.9%
2012	2,445	40,512	969	93	8.8
2011	2,412	39,160	958	92	8.8
2010	2,369	35,917	N/A	N/A	N/A

(1) Source: State Department of Labor and Workforce Development.

(2) Source: United States Bureau of Economic Analysis (data for Wrangell City and Borough).

(3) Source: State Department of Labor and Workforce Development (data for Wrangell City and Borough).

### Accounting and Auditing

The Borough prepares government-wide and proprietary fund financial statements using the economic resources measurement focus and the accrual basis of accounting and governmental fund financial statements using the current financial resources measurement focus and the modified accrual basis of accounting. The Borough’s financial statements are prepared in conformity with generally accepted accounting principles as applied to governmental units. The Borough’s independent auditor, BDO USA, LLP, issued an unqualified opinion on the Borough’s financial statements for the fiscal year ended June 30, 2014.

### Electric Utility

The Borough d/b/a Wrangell Municipal Light & Power (“Wrangell”) purchases the majority of its power from the Tyee Lake facility. Wrangell also maintains and operates an 8.5 MW[Utility’s website says

5 meg – are these the same?] diesel power generation facility. Wrangell has seven full-time employees, including an electrical superintendent, a secretary, a line supervisor, two linemen, a diesel mechanic and a meter reader.

Wrangell's service area consists of north Wrangell Island. Wrangell owns and maintains 21.3 miles of overhead transmission lines and 1 mile of underground line energized at 7200 volts.

During the fiscal year ended June 30, 2014, average energy demand was approximately \_\_\_\_ MW and average peak demand was approximately \_\_\_\_ MW. The highest peak demand experienced during that period was \_\_\_\_ MW on \_\_\_\_\_, 20\_\_.

## **Billing and Collections**

Customers are billed monthly. The due date is the 20th day of the month or, if the 20th is a weekend or holiday, the preceding business day. The bill becomes delinquent if payment is not received on or before the due date. Interest is charged on delinquent accounts at the maximum rate allowable under State law. Service to customers with delinquent accounts may be discontinued in accordance with procedures set forth in the Borough Code. The City also reserves the right to cut off service if a customer fails to comply with any ordinance or regulation.

## **Electric Rates**

*Heat Rate.* For separately metered electric furnaces/boilers and water heaters, Wrangell charges a special "Heat Rate" equal to one-half of the applicable monthly base charge for the class of service plus \$0.0856 per kWh.

*Fuel Surcharge.* In addition to the rates and charges described above, the City may also apply a fuel surcharge per kWh supplied whenever diesel fuel is used to generate electrical energy during the billing period immediately preceding the current billing period.

*Hydroelectric Wholesale Power Rate Adjustment.* The Borough Code provides that Wrangell will adjust the billing rate for kilowatt hours based on changes to the wholesale power rate between the City and the Agency. Changes are effective the first billing period following the date the wholesale power rate is set, and the charge per kilowatt hour will be adjusted to the nearest tenth of a cent to reflect changes in the base wholesale power rate.

*Governmental, Commercial and Industrial Rates and Incentives.* Wrangell may negotiate service contracts with governmental (local, state and federal agencies) and with industrial customers. As an additional incentive to commercial and industrial customers, the Assembly, upon a finding of beneficial public interest, may offer an electrical rate incentive to new or expanded commercial or industrial users that is not less than \$0.0856 per kWh and extends for no more than 5 years. The incentive rate applies only to electricity consumed in the new or expanded portion of the business, as measured by installation of a separate meter.

*Service Outside City Limits.* Rates for service outside the city limits are computed at city rates plus a 15 percent surcharge. [Borough's municipal code has repealed this section – not sure if that means they don't provide service outside city limits or if in-city rates apply throughout the service area.]

Electric rates established by Wrangell are not subject to oversight by the Regulatory Commission of Alaska.



## Rate History [Please Update]

	Residential		Small Commercial <sup>(1)</sup>		Large Commercial <sup>(2)</sup>		Industrial <sup>(5)</sup>
	Base	Per kWh <sup>(3)</sup>	Base	per kWh <sup>(4)</sup>	Base	per kWh <sup>(4)</sup>	
2015	\$8.00	\$.1348 / .1091	\$9.00	\$.1241	\$13.50	\$.1145 / .1102	Negotiated
2014	8.00				13.50		Negotiated
2013	8.00				13.50		Negotiated
2012	8.00				13.50		Negotiated
2011	8.00				13.50		Negotiated

(1) Average consumption less than 30,000 kWh per month, based on the previous 12-month period.

(2) Average consumption is 30,000 kWh per month or more, based on the previous 12-month period.

(3) Higher per kWh rate is charged for 0-300 kWh; lower rate is charged for usage over 300 kWh.

(4) Higher per kWh rate is charged for 0-70,000 kWh; lower rate is charged for usage over 70,000 kWh.

(5) Per kWh rate is negotiated; no base rate is charged. The sole industrial customer is Silver Bay Logging Inc. The interruptible power contract with Silver Bay Logging lapsed as of July 1, 2008. [Please update for any additional industrial customers]

Source: Wrangell.

## Rate Statistics (Fiscal Year Ended June 30, 2008) [Please update]

Class of Service	# Customers (average) <sup>(1)</sup>	Energy Sales (kWh)	Sales Revenue	Avg. Annual Revenue per Customer		Avg. Revenue per kWh
Residential				<sup>(3)</sup>	<sup>(4)</sup>	
Commercial <sup>(1)</sup>						
Lg. Commercial <sup>(2)</sup>						
Industrial						
Interruptible <sup>(5)</sup>						
<b>Total</b>						

(1) Number of meters; includes separately metered furnaces/boilers and water heaters, which are billed at the Heat Rate.

(2) Includes both Small Commercial and Large Commercial.

(3) Excludes separately metered electric furnaces/boilers and water heaters, which are billed at the Heat Rate.

(4) Includes only separately metered electric furnaces/boilers and water heaters.

(5) Interruptible power contract with Silver Bay Logging lapsed as of July 1, 2008.

Source: Wrangell.



## **Alaska Rural Communications Service - ARCS**

For ARCS Digital Conversion Project, [CLICK HERE](#).

ARCS is a system of satellite fed low power television transmitters providing free over the air service to communities spread through all regions of Alaska. This system is owned and funded by the State of Alaska.

The program content is a mix of public and commercial television network and syndicated product, Alaskan produced news and public affairs, and educational and informational programs from a variety of sources.

This service is managed by Alaska Public Broadcasting, Inc. If you have questions or concerns, contact us at:

For Programming:  
907-277-6300 ext 6002 or  
[kim@akpb.org](mailto:kim@akpb.org)

**Minutes of Public Hearing  
Held February 24, 2015**

Mayor David L. Jack called the Public Hearing to order at 6:30 p.m., February 24, 2015, in the Borough Assembly Chambers. Assembly Members Mitchell, Blake, and Decker were present. Assembly Members Rooney and Prysunka were absent. Borough Manager Jeff Jabusch and Clerk Kim Lane were also in attendance.

**Public Hearing Items**

- a. Approval of an Alley vacation request to vacate the remainder of an alleyway, adjacent to Lot A and Lot C, Bay Company Replat; and of a request to purchase a portion of Lot 1 and Lot 2, Block B, Sortyard subdivision, zoned waterfront development, requested by David Powell, manager of The Bay Company, owned by Chet and Bejay Powell

Assembly Member Powell removed himself from the dais, since he had a conflict of interest to this item.

**WRITTEN TESTIMONY** – None.

**ORAL TESTIMONY**

***Chuck Jenkins, 4 Mile Zimovia Hwy.,*** stated the following concerns:

- Shouldn't be coming back into the Boat Yard any more past the power poles
- Fence line should eventually be moved further back for better access
- Right now it's a bottleneck, not good access
- Trying to grow the boat yard

***David Powell, Berger Street,*** stated that what Mr. Jenkins was concerned with had nothing to do with the area that he was trying to get; not wanting the land to build on; wants to clean it up, flatten it out, and use it for storage.

Recessed at: 6:40 p.m.

Reconvened at: 6:55 p.m.

**WRITTEN TESTIMONY** – None.

**ORAL TESTIMONY** – None.

Public Hearing Adjourned at 6:55 p.m.

---

David L. Jack, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, CMC, Borough Clerk

**Minutes of Regular Assembly Meeting  
Held on February 24, 2015**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., February 24, 2015, in the Borough Assembly Chambers. Assembly Members Mitchell, Prysunka, Decker, and Blake were present. Assembly Member Rooney was absent. Borough Manager Jeff Jabusch and Clerk Kim Lane were also in attendance.

Pledge of Allegiance was led by Assembly Member Julie Decker.

Invocation was given by Nettie Covalt with the Presbyterian Church.

**CEREMONIAL MATTERS** – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*  
Chris Mertl, Project Manager provided updates on the Waterfront Master Plan

Mayor Jack presented certificates of service to Clay Hammer, Bob Maxand, and Robert Prunella for their service on the Thomas Bay Power Commission.

**AMENDMENTS TO THE AGENDA** – None

**CONFLICT OF INTEREST**

Assembly Members Prysunka and Decker declared that they had a perceived conflict of interest to item 13d to renew a Contract Zoning Agreement since this was for a B&B and they had rentals. Mayor Jack made the ruling that they did not have a conflict.

Assembly Member Powell declared that he had a conflict of interest to item 13a for approval to vacate an alley way, requested by himself, Manager of the Bay Company. The Mayor ruled that he did in fact have a conflict.

**CONSENT AGENDA**

***M/S: Decker/Mitchell, to approve Consent Agenda Items marked with an (\*) asterisk; 6a and 7a, 7b, & 7c. Motion approved unanimously by polled vote.***

**APPROVAL OF MINUTES**

The minutes of the Public Hearing and Regular Assembly meetings held February 10, 2015 were approved, as presented.

**COMMUNICATIONS**

- \*a. Quarterly Expenditure Report for SE Senior Services covering 10/1/14 thru 12/31/14
- \*b. School Board Action from the Regular meeting held February 16, 2015
- \*c. Port Commission minutes from the 1/7, 2/6, 3/10 (regular and special), 4/3, 6/5, 9/4, 11/6, and 12/4/2014 meetings

**BOROUGH MANAGER'S REPORT**

The Borough Manager's Report was provided.

**BOROUGH CLERK'S FILE**

The Borough Clerk's Report was provided.

## **MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS**

**10a** Assembly Member Powell reported that he was on the School Board's Strategic Planning Committee and that he would continue to keep the Assembly informed.

Assembly Member Prysunka reported on the Workshop that the Assembly and Hospital Staff held. He stated that he was disappointed that none of the Hospital Board members were present for the workshop; important moving forward that the hospital is in rough shape; Hospital will more than likely be coming to the City, asking for funding; concerned about potential conflicts of interest with PeaceHealth Administering our Hospital.

Assembly Member Blake reported on the AML Legislative Conference that he had met with various legislators in Juneau; revenue sharing has dropped and will continue to drop and then zero out within a few years; SRS funding has also been cut by about 1.2 million dollars; not planning on funding Capital Projects at all; State Trooper position that we just lost, we will most likely not get that position back; almost lost all of our jail funding; State decided to cut all jails around the state and cut back to what the FY 2011 funding had been.

Assembly Member Decker reported that our State Lobbyist has been keeping us well informed and advocating strongly for our community.

Assembly Member Mitchell reported that although there will be a lot of "cutting" to the budget, thanks to our Borough Manager and a good Assembly, we are in good financial shape.

Mayor Jack agreed that our State Lobbyist was working hard to help our community.

### **10b Appointment to fill the Vacancy on the Planning & Zoning Commission**

As there were no letters of interest received for this vacancy, the Mayor directed the Borough Clerk to continue advertising for the vacancy.

### **10c Appointment of two (2) Assembly Members to the Code Review Committee**

Mayor Jack appointed Assembly Member Blake to the Code Review Committee and urged the other Assembly Members think about if they wanted to be on the committee.

## **PERSONS TO BE HEARD**

**Bill Goodale, SE Properties, Stikine Inn.**, spoke and presented the Assembly with his plan to purchase adjacent Tidelands to his current property that the Stikine Inn and Restaurant is located on. He stated that he intended to build an additional building that would allow for open market type shops on the lower level and additional hotel rooms on the upper floor.

**Carol Rushmore, 6 Mile Zimovia Hwy.**, reported that she had been appointed to the Tongass Advisory Committee that was tasked with looking at ways to "speed" the shift from a predominantly old growth management to a predominantly young growth management in a way that is economically viable for the existing industry.

**Otto Florschultz, 11.2 Mile Zimovia Hwy.,** said that he was working on a prototype to re-use plastic containers and requested that the City not start a recycling program that would take the plastic materials out of the City.

**UNFINISHED BUSINESS** – None.

#### **NEW BUSINESS**

**13a** Approval of an Alley vacation request to vacate the remainder of an alleyway, adjacent to Lot A and Lot C, Bay Company Replat; and of a request to purchase a portion of Lot 1 and Lot 2, Block B, Sortyard subdivision, zoned waterfront development, requested by David Powell, manager of The Bay Company, owned by Chet and Bejay Powell

***M/S: Prysunka/Blake, to approve an Alley vacation request to vacate the remainder of an alleyway, adjacent to Lot A and Lot C, Bay Company Replat; and of a request to purchase a portion of Lot 1 and Lot 2, Block B, Sortyard subdivision, zoned waterfront development, requested by David Powell, manager of The Bay Company, owned by Chet and Bejay Powell.***

Assembly Member Powell removed himself from the dais and sat in the audience since it was determined earlier that he had a conflict of interest to this item.

Assembly Member Mitchell stated that he had spoken with Carol Rushmore earlier and that Ms. Rushmore had said that there were other options available. Mitchell requested that Ms. Rushmore provide those options for the meeting. Clerk Lane passed out those options to the Assembly and provided Assembly Member Powell a copy.

Carol Rushmore, Economic Development Director stated that the Port Commission and Planning and Zoning Commission had recommended that the City approve Mr. Powell's request to vacate and purchase. Ms. Rushmore recommended that the City maintain some sort of right of way and possibly enter into a user agreement with the Bay Company so that they could use the alleyway for storage and such. Rushmore said that it would be in the City's best interest to maintain ownership of the property so that the City could maintain the ability for access.

Mr. Powell stated that he had spoken with Carl Johnson, prior Public Works Director about the alleyway and if the City would be willing to make improvements to the alleyway. Johnson stated that the City would not. Powell stated that if the Bay Company didn't own the property, why would he then make the improvements?

***Motion approved with Blake, Prysunka, Decker, and Mayor Jack voting yes; Mitchell voted no.***

**13b** PROPOSED RESOLUTION No. 02-15-1313: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE AMENDMENT OF THE JOB DESCRIPTION FOR THE MAINTENANCE POSITION

***M/S: Decker/Blake, to adopt Resolution No. 02-15-1313 that updates the Mechanic job description for the Public Works Department.***

Assembly Member Blake asked that in the future, if the Assembly could also see the pay scale for the positions that they were considering.

***Motion approved unanimously by polled vote.***

**13c** Approval of the Shoemaker Bay Harbor Engineering Design Services, Task 1 fee proposal

***M/S: Blake/Powell, to approve PND Engineer's cost proposal for the Shoemaker Bay Harbor Rehabilitation Design, Task 1, Field Assessments, in the amount of \$134,469.00 with funding to come from the Borough's DCCED grant. Motion approved unanimously by polled vote.***

**13d** Approval to renew a Contract Zoning Agreement for a portion of Lot 1, Lots 2, 3, and 5 of Block 12, USS 1119

***M/S: Prysunka/Blake, to approve the renewal of a Contract Zoning Agreement for a portion of Lot 1, and Lots 2, 3, and 5 of Block 12, USS 1119 for Evi Fennimore and to approve the transfer of said agreement to Mike Matney, potential buyers of said property, once the sale is finalized.***

In response to Assembly Member Blake, Carol Rushmore stated that although the Contract Zoning Agreement had expired, the business had been maintained according to the WMC requirements and it was recommended to approve this for the new owners.

***Motion approved unanimously by polled vote.***

**13e** PROPOSED RESOLUTION No. 02-15-1312: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, IN SUPPORT OF FULL FUNDING FOR THE STATE OF ALASKA HARBOR FACILITY GRANT PROGRAM IN THE FY 2016 CAPITAL BUDGET

***M/S: Blake/Powell, to adopt Resolution No. 02-15-1312 that supports full funding for the State of Alaska Harbor Facility Grant Program for the FY 2016 Capital Budget. Motion approved unanimously by polled vote.***

**13f** Approval to eliminate the Finance Dept. Temporary Office Position and to replace it with a permanent Part-time Position

***M/S: Prysunka/Blake, to approve the attached plan to create a new job position for the finance department and authorize staff to formalize a new job description and pay range and to bring both back to the assembly for approval.***

Assembly Member Prysunka stated that he was bothered that Manager Jabusch was giving up a portion of his pay to assist funding this position; understood that it because of the outlook of the upcoming lack of State funding. He said that he also appreciated that the staff in that department was extremely short staffed and that collections needed more attention.

Assembly Member Decker stated that she had never seen a government official take this type of action and she thanked Manager Jabusch for doing this.

Manager Jabusch stated that he felt very strongly about the addition of this position and that the collection amounts should more than pay for this position.

***Motion approved unanimously by polled vote.***

**ATTORNEY'S FILE** – None

**EXECUTIVE SESSION**

Meeting adjourned at 8:48 p.m.

ATTEST: \_\_\_\_\_  
Kim Lane, Borough Clerk

\_\_\_\_\_  
David L. Jack, Mayor

# Agenda Item 7

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM March 10, 2015

#### **COMMUNICATIONS:**

INFORMATION: The Assembly may receive items for Communications, reasons only which do not require separate action. This is an avenue to keep the Assembly informed, for the public to enter items on the record, if necessary. The Assembly also receives agenda communications directly by their constituents, Borough Manager, other agencies' Officers and Department Directors.

**A MAIL BOX IS ALSO AVAILABLE IN THE BOROUGH CLERK'S OFFICE FOR EACH MEMBER OF THE ASSEMBLY AND SHOULD BE CHECKED ON A ROUTINE SCHEDULE.**

All items appearing under Communications on the Agenda have been approved under the Consent Agenda unless removed by an Assembly Member or the Mayor and placed on the regular agenda under Unfinished Business.

\*a. School Board minutes from the Regular meeting held February 16, 2015



PROCEEDINGS

MINUTES  
WRANGELL SCHOOL BOARD  
REGULAR MEETING

February 16, 2015; 6:30 PM  
Evergreen Elementary School Room 101-Intermediate

School Board Vice-president Rinda Howell called the regular meeting of the Wrangell Public School Board to order at 6:30 P.M. on Monday, February 16, 2015.	CALL TO ORDER
A quorum was determined with the following school board members present: Tammy Groshong, Rinda Howell. Aleisha Mollen and Cyni Waddington. Susan Eagle was absent, excused. Also present was Superintendent Patrick Mayer and Recording Secretary Kimberly Powell.	DETERMINE QUORUM
The Pledge of Allegiance was recited, led by Tammy Groshong.	PLEDGE OF ALLEGIANCE
Elementary K-1 Student Presentation on 100th Day of School: Elementary K-1 students sang a song for the School Board celebrating the 100 <sup>th</sup> day of school. Several students shared their favorite part of the 100 <sup>th</sup> day of school with the board. Melanie Ibarra said she enjoyed making a crown. Brody Hommel liked building with 100 legos. Jackson Carney read a story that he wrote about what he would do if he were 100 years old! Phebe Garcia shared her views on trustworthiness. Brody Knecht, Shailyn Nelson and Andrew Guggenbickler read stories to the board that they wrote about making the world a better place.	ELEMENTARY STUDENT PRESENTATION
Students who attended the AASB Youth Advocacy Institute/Legislative Fly-In. Davis Dow, Tabatha Hommel and Maleah Wenzel told the board that they enjoyed the experience although the training was extremely tiring. The meetings with the legislature went well even though with the state budget the way it is and oil prices the way they are, things don't look good. The idea of stopping unfunded mandates was well received. Davis Dow said his favorite part of the trip was meeting one on one with the representatives and senators. The students have been sharing their experiences with other students. The students thanked the board for allowing them to experience the fly-in.	AASB YOUTH ADVOCACY INSTITUTE/LEGISLATIVE FLY-IN PRESENTATION
High School Students, Davis Dow, Tabatha Hommel and Maleah Wenzel expressed concern about the timing of the clocks being off at the high school. They said that this has an impact on students when they are moving from class to class. The students also told the board that the student body would like to see the day after Halloween off of school as either a vacation day or a teacher inservice day.	STUDENT REPRESENTATIVE REPORT
There were no guests to be heard.	GIUESTS TO BE HEARD
Mrs. Powell read a Proclamation from Mayor David Jack that proclaims February 2015 as School Board Recognition Month in the City and Borough of Wrangell, Alaska.	READ PROCLAMATION FROM MAYOR DAVID JACK
The agenda was approved as presented.	APPROVAL OF AGENDA
Motion to approve the minutes of the January 19, 2015 Regular School Board Meeting as presented by Cyni Waddington, seconded by Aleisha Mollen. Poll vote: Aleisha Mollen: Yes; Cyni Waddington: Yes; Tammy Groshong: Yes; Rinda Howell: Yes. Motion approved.	APPROVED THE MINUTES OF THE JANUARY 19, 2015 REGULAR SCHOOL BOARD MEETING
Information & Reports were accepted by unanimous consent.	ACCEPTED INFORMATION & REPORTS
Motion to offer Wallace “Butch” Schmidt a teaching contract at the appropriate daily per diem rate for actual days worked as a long term substitute teaching high school science; the duration is expected to be approximately February 23 – April 10, 2015 by Tammy Groshong; seconded by Aleisha Mollen. Poll vote: Cyni Waddington: Yes; Tammy Groshong: Yes; Aleisha Mollen: Yes; Rinda Howell: Yes. Motion approved.	OFFERED BUTCH SCHMIDT A CONTRACT AS A LONG-TERM SUBSTITUTE TEACHER IN HIGH SCHOOL SCIENCE

Motion to accept the second reading of Board Policy <ul style="list-style-type: none"><li>• #4119.21, Certified Staff Code of Ethics</li><li>• #4219.21, Classified Staff Code of Ethics</li><li>• #4319.21, Coaches Code of Ethics</li><li>• #7323, Meeting Conduct</li></ul> by Aleisha Mollen, seconded by Tammy Groshong. Poll vote: Tammy Groshong: Yes; Aleisha Mollen: Yes; Cyni Waddington: Yes; Rinda Howell: Yes. Motion approved.	ACCEPTED THE SECOND READING OF BOARD POLICY
Reviewed the Upcoming Dates and Meeting Announcements	REVIEWED THE UPCOMING DATES
Reviewed Future Agenda Items	REVIEWED FUTURE AGENDA ITEMS
Tammy Groshong thanked the Students for the presentations and thanked Mr. Larrabee for the plaques.	COMMENTS FROM BOARD MEMBERS
Aleisha Mollen said she has been spreading the word about the Charette tomorrow night and encouraged people to attend.	
Cyni Waddington reported to the board that last Monday, she and Mr. Larrabee attended an Emblem Club meeting. The club accepted their proposal for the Birthday Calendar Scholarship to fund local tech prep courses for our students. A panel of administrators and teachers will be formed to determine which students receive the scholarships based on pre-determined criteria.	
Meeting Adjourned at 7:03 P.M.	ADJOURNED AT 7:03 P.M.

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SECRETARY/TREASURER

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

**FROM: JEFF JABUSCH  
BOROUGH MANAGER**

**RE: BOROUGH MANAGER'S REPORT**

**DATED: MARCH 4, 2015**

**Legislature:**

We continue to work with our lobbyist to track the various events going on in Juneau with the legislature. We testified on March 4<sup>th</sup> to the house operating budget committee. We focused on the community jails, the ferry, public radio and the LIO office. We only had 2 minutes so we couldn't get into a lot of detail. There was a lot of testimony in support of the ferry from the coastal communities.

We will continue to follow the process and work with our lobbyist who has been a great asset for us. He is there all the time and has a feel for what needs to be done on our part and the type of things that could be said or done that might make a difference.

**Budget:**

We are scheduling meetings with department heads next week to go over their budget submittals. Once we get all the numbers plugged in and see the amount of the shortfall, we will begin the process of reductions to get down to a balanced budget. Lee and I have talked extensively about things we can or may have to do. When we present the budget to the assembly in April, we will also list all of the things that were cut or eliminated so that the assembly can see the areas that were cut. Obviously, the final things the legislature does is going to have a big impact on the decisions we will have to make and unfortunately, much of what happens does not final out until the last couple of days.

**Finance Department:**

The Finance Director are working on the job description and pay scale change after the assembly approved the permanent part time job at the last meeting. This will be presented on the March 24<sup>th</sup> Assembly meeting for assembly approval.

The finance department is going to have to purchase 2 new servers in the very near future and we believe this can be funded out of the existing budget. This were not planned but recently we had a major scare with the newer one of the two. We were able to salvage the data and continue on, but our computer consultants said we need to replace this one immediately. The older server that is worker OK also needs to be replace because it is so old, it will no longer be supported in the very near future. We are also looking at a better method in backing up our servers in the event of a server crash.

**Economic Development:**

**Waterfront Master Plan** meetings took place at the end of March and after receiving comments on three draft versions, a preferred plan was decided upon. The Planning team will be identifying costs, manageable phases and documenting the previous drafts and comments and will make a final presentation for the Assembly's support in April or May. Go to <http://www.wrangellwaterfrontmp.blogspot.com/>

The EDC is trying to explore opportunities to grow the Marine Services industry in Wrangell. On mechanism for determining needs was to develop a questionnaire to interview all service providers of the Marine Industries. Staff developed a draft questionnaire using resources from the State and Southeast Conference as well as from our own data needs. Carol Rushmore has started the interview process and based on initial interviews, will be modifying the questionnaire before proceeding with the rest of the interviews. A questionnaire is also being developed for boat owners that have had their boats hauled.

The WCVB has finished the update of the new Travel Planner and that will be going to print next week.

A new birding guide has been developed for the Stikine River Birding Festival and it will be available shortly as well.

Parks and Rec, Nolan Center, and CVB met with the sponsor of the New Old Time Chataqua travelling performer's troop to learn about what it would take for them to be able to come to Wrangell for about 3 days to perform. They were last here in 1992 and it was 3 days of great fun, performances, parade, music, workshops, juggling, acrobats etc. They plan to be here June 24-27. They were working with the Chamber since last fall, but with the 4<sup>th</sup> of July activities it will be difficult for them to participate. It might be a great fit for raising funds for either the Chamber and/or Parks and Rec. Staff is trying to find out if there are willing participants and sponsors.

## Projects:

### **Dock Job:**

The dock job is on schedule and going well. Unless something unforeseen comes up which is not expected, we plan to have enough money to spend on upgrading the lighting on the dock, railings and an additional summer float on the other side of the approach way, additional railing on the south side of the approach and some updated camel log system on the dock face at the water level. We will begin working on some of these in the very near future.

### **Park Benches and new receptacles Downtown and Outer Drive:**

We have purchased new park benches and receptacles from money we get that has to be spent on tourism items. Last year we spent money on the new banners and we will be installing these in the downtown area where room will permit the installations.

### **New lots on Etolin:**

The RFP for surveying quotes are due Friday, March 6<sup>th</sup>. After we receive all of the proposals we will give the go ahead to start as the amount should be under the \$25,000 threshold for the manager's approval. Once the survey is completed and approved, we will advertise the lots.

### **Bailer vs Glass Crusher:**

We are looking at not spending the \$50,000 from the General Fund that would be needed if the bailer was purchased. We are looking at other options including both buying a glass crusher which is much cheaper and we would only need about \$15,000 from the General Fund or not doing anything at all. We are waiting on an extension on the grant to be able to do anything at all and if we get the extension, we will have until December of 2015. Then we can put the project in the budget to compete with other uses of General Fund money. If the community feels it is more important than the other uses of the money, we can go in that direction. On the other hand if the community believes there are better uses of the money

we will not put money into this project at this time. But it is important that it competes with other uses of the money, especially when we know things are going to be tight.

# Agenda Item 9

## CITY & BOROUGH OF WRANGELL

### **BOROUGH ASSEMBLY AGENDA ITEM**

### **CLERK'S REPORT March 10, 2015**

#### Mark Your Calendar:

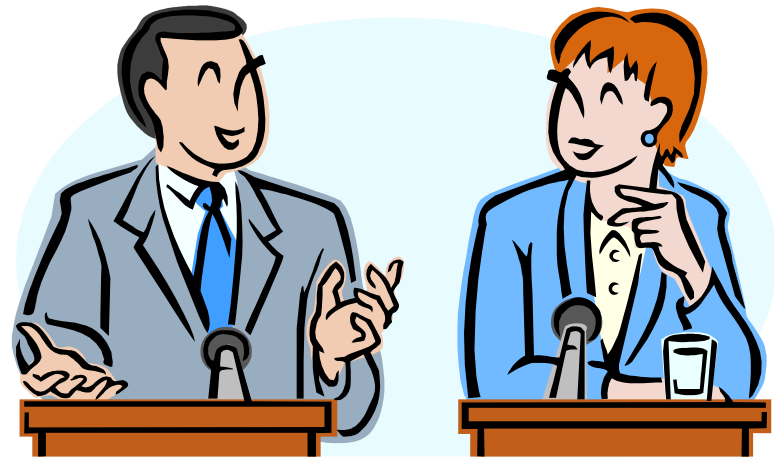
- 3/12 Planning & Zoning meeting scheduled for 7pm in the Assembly Chambers
- 3/18 Hospital Board Meeting scheduled for 5:30 pm at the Nolan Center
- 3/24 School Board/Assembly Workshop on the School Budget & Facilities
- 3/24 Regular Assembly mtg. scheduled for 7pm in the Assembly Chambers

3/25 & 3/26 SEAPA Board Meeting to be held in Wrangell

# Rules of Debate

- The maker of a motion is entitled to speak first.
- A member must obtain the floor by being recognized by the chair.
- No member is entitled to speak a second time while any other member wishes to make a first speech.
- A speaker may not speak against the motion s/he has made, but may vote against it.

- Remarks must be confined to the merits of the pending question
- A member's motives must not be attacked.
- All remarks should be addressed to or through the chair.
- Members may not speak directly to one another.





# Agenda Items 10 a, b, & c

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM March 10, 2015

#### MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS:

INFORMATION: This agenda item is reserved for the Mayor and Assembly Member's special reports. Such information items as municipal league activities, reports from committees on which members sit, conference attendance, etc., are examples of items included here.

- **Item 10a**      Reports by Assembly Members
  
- **Item 10b**      Appointment to fill the vacancy on the Planning & Zoning Commission

*There were no letters of interest received for this vacancy.*

Appointment to be made by the Mayor, with the consensus of the Borough Assembly.

**If there is not a consensus from the Assembly, an Assembly Member can make a motion to appoint..... :**

Move to appoint \_\_\_\_\_ to fill the vacancy on the Planning & Zoning Commission for the unexpired term ending October 2016.

- **Item 10c**      Appointment of one (1) member of the Assembly to the Code Review Committee

Appointments to be made by the Mayor

# Agenda Item 13a

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM March 10, 2015

#### INFORMATION:

PROPOSED ORDINANCE No. 895: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 3.30.090 OF THE WRANGELL MUNICIPAL CODE RELATING TO THE BOARD OF DIRECTORS OF THE SOUTHEAST SOLID WASTE AUTHORITY TO ADD PROVISIONS FOR AN ALTERNATE DIRECTOR (*first reading*)

#### Information:

*The Southeast Solid Waste Authority Board approved for the participating municipalities to look at changing their ordinances to allow for an alternate director to attend and participate in the board of director's meetings in the event that a participating municipality director who is appointed is or will be absent from a meeting. The alternate director will have the same power and authority that the director has.*

#### Attachments:

1. Proposed Ordinance No. 895

#### RECOMMENDED ACTION:

Move to approve first reading and move to a second with a Public Hearing to be held on March 24, 2015.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 895

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 3.30.090 OF THE WRANGELL MUNICIPAL CODE RELATING TO THE BOARD OF DIRECTORS OF THE SOUTHEAST SOLID WASTE AUTHORITY TO ADD PROVISIONS FOR AN ALTERNATE DIRECTOR

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

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

SEC. 1. Action. The purpose of this ordinance is to amend Section 3.30.090 of the Wrangell Municipal Code relating to the Board of Directors for the Southeast Solid Waste Authority to add provisions for the appointment of an alternate director to attend and participate in meetings of the Board under certain circumstances.

SEC. 2. Amendment. Section 3.30.090 of the Wrangell Municipal Code is amended to read:

**3.30.090 Board of directors.**

A. Number and Apportionment. The board shall be comprised of members designated as participating municipality directors and at-large directors whose number and apportionment shall be as follows:

1. In the event that the authority is comprised of a single participating municipality, the board shall be comprised of three directors as follows: one participating municipality director who shall be appointed to represent the appointing participating municipality, and two at-large directors.

2. In the event that the authority is comprised of two participating municipalities, the board shall be comprised of three directors as follows: two participating municipality directors with each participating municipality director appointed to represent the appointing participating municipality, and one at-large director.

3. In the event that the authority is comprised of three or more participating municipalities, the board shall be comprised entirely of participating municipality directors whose total number shall equal the number of the authority's participating municipalities, with each participating municipality director appointed to represent the appointing participating municipality.

4. Each participating municipality shall also appoint one alternate director to attend and participate in meetings of the board of directors as provided in subsection C of this section.

#### B. Qualifications.

1. Participating municipality directors and the alternate director shall be [a] residents of and shall meet the minimum qualifications for election to the governing body of the participating municipality they are appointed to represent.

2. At-large directors may reside in any community within the boundaries of the authority and shall meet the minimum qualifications for election to the governing body of the community within which they reside.

#### C. Appointment – Filling Vacancies.

1. Participating Municipality Directors. To first appoint participating municipality directors to the board upon creation of the authority or upon receipt of board notification of its determination and declaration of vacancy, the governing body of the participating municipality shall, not later than 60 calendar days following the date of the notice of vacancy, appoint participating municipality directors of the authority by an affirmative vote of its members at a regular or special meeting.

2. At-Large Directors. To first appoint at-large directors, if any, to the board upon creation of the authority or upon receipt of board notification of its determination and declaration of an at-large director vacancy, the governing bodies of the participating municipalities shall appoint individuals to fill at-large director vacancies as provided in this section.

3. Alternate Directors. Each municipality shall appoint one alternate director to attend and participate in the board of director's meetings in the event a participating municipality director appointed by that municipality is or will be absent from the meeting. The alternate director, if called to service, shall have the same powers, authority, and duties as the other directors.

#### D. Terms.

1. Participating municipality directors shall serve three-year terms; provided, however, that participating municipality directors first appointed after the creation of the authority shall be randomly assigned to one of three groups, each group to be as nearly equal in number as possible. The directors assigned to one such group shall service one-year terms; the directors assigned to the second such group shall serve two-year terms; and the directors assigned to the third such group shall serve three-year terms.

2. At-large directors shall serve three-year terms; provided, however, that in the event that the authority is comprised of a single participating municipality, one at-large director shall be randomly designated as the at-large director to serve a full director term or until the second participating municipality, if any, appoints its participating municipality director, and the other

at-large director shall be randomly designated to serve a full director term or until the third participating municipality, if any, appoints its participating municipality director; and provided further, that in the event that the authority is comprised of two participating municipalities, the at-large director shall serve a full director term or until the third participating municipality, if any, appoints its participating municipality director.

3. The alternate director shall serve a three-year term and until a successor has been qualified and appointed. If otherwise qualified, an alternate director is eligible to be appointed for more than one term.

E. Each director shall hold office for the term of appointment and until a successor has been qualified and appointed.

F. If otherwise qualified, a director is eligible to be appointed to the board for more than one term.

G. Determination and Declaration of Vacancy. The board shall declare a director position vacant when the director in question:

1. Fails to qualify or take office within 30 days after appointment;
2. Is physically absent from the participating municipality for 180 consecutive days unless excused by the board of directors;
3. Resigns and the resignation is accepted;
4. Is physically or mentally unable to perform the duties of office as determined by two-thirds vote of the board of directors;
5. Is convicted of a felony or of an offense involving a violation of the oath of office;
6. No longer physically resides in the participating municipality; or
7. Misses three consecutive regular meetings and is not excused.

H. Notice of Vacancy. Upon determination that a board position is vacant, the board shall promptly furnish written notice of its determination and declaration of vacancy in the board to the governing body of the participating municipality in the event of a participating municipality director vacancy, or to the governing bodies of all participating municipalities in the event of an at-large director vacancy.

SEC. 3. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 4. Severability. If any portion of this ordinance or any application thereof to

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

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

PASSED IN FIRST READING: \_\_\_\_\_, 2015.

PASSED IN SECOND READING: \_\_\_\_\_, 2015.

\_\_\_\_\_  
David L. Jack, Mayor

ATTEST:

\_\_\_\_\_  
Kim Lane, Borough Clerk

# Agenda Item 13b

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM March 10, 2015

#### INFORMATION:

PROPOSED ORDINANCE No. 896: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 10, PUBLIC PEACE, MORALS, AND WELFARE, OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 10.46 TO PROHIBIT THE CONSUMPTION OF MARIJUANA IN A PUBLIC PLACE, AND ESTABLISHING A PENALTY FOR VIOLATION *(first reading)*

#### Information:

*On February 10, 2015, Assembly Member Blake requested that the Borough Assembly consider passing an Ordinance that prohibits the public consumption of Marijuana. There was no objection from the Assembly to move forward with this. Therefore, attached is Proposed Ordinance No. 896, which the Borough Attorney drafted for the Assembly.*

#### Attachments:

1. Proposed Ordinance No. 896

#### RECOMMENDED ACTION:

Move to approve first reading and move to a second with a Public Hearing to be held on March 24, 2015.



CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 896

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 10, PUBLIC PEACE, MORALS, AND WELFARE, OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 10.46 TO PROHIBIT THE CONSUMPTION OF MARIJUANA IN A PUBLIC PLACE, AND ESTABLISHING A PENALTY FOR VIOLATION

**WHEREAS**, Ballot Measure 2 – An Act to Tax and Regulate the Production, Sale and Use of Marijuana, and codified as Alaska Statutes 17.38, provides for the legalization of marijuana, was passed by the voters in the recent state election and certified on November 28, 2014 by the State of Alaska, Division of Elections; and

**WHEREAS**, newly enacted AS 17.38.040 states “Public consumption banned, penalty. It is unlawful to consume marijuana in public. A person who violates this section is guilty of a violation punishable by a fine of up to \$100”; and

**WHEREAS**, the state statute does not define “public”; and

**WHEREAS**, the state statute does not discuss or mandate any enforcement mechanism; and

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

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

SEC. 1.     Action.   The purpose of this ordinance is to amend the Title 10, Public Peace, Morals, and Welfare, of the Wrangell Municipal Code to add a new chapter to prohibit the consumption of marijuana in a public place and to establish a penalty for violation.

SEC. 2.        Amendment. Title 10 of the Wrangell Municipal Code is amended to add a new Chapter 10.46 to the list of chapters to read:

Title 10  
PUBLIC PEACE, MORALS, AND WELFARE

Chapters:

- 10.04 False Fire Alarms
- 10.08 Interference with Officers
- 10.12 Repealed
- 10.16 Trespass on Public Floats
- 10.18 Abuse of 911 system
- 10.20 Repealed
- 10.24 Repealed
- 10.28 Curfew for Minors
- 10.32 Misconduct Involving Weapons
- 10.36 Discharge of Firearms and Other Weapons
- 10.40 Abandoned Personal Property
- 10.44 Possession, Control, or Consumption of Alcoholic Beverages
- 10.46 Possession, Control, or Consumption of Marijuana in a Public Place
- 10.48 Possession of Tobacco by a Minor

SEC. 3.        New Chapter. A new Chapter 10.46 is added to Title 10 of the Wrangell Municipal Code to read:

Chapter 10.46  
PROHIBITION OF CONSUMPTION OF MARIJUANA IN A PUBLIC PLACE

Sections:

10.46.010 Consumption of Marijuana in a Public Place Prohibited

- (a) It is unlawful for any person to knowingly consume marijuana when the person is:
  - 1. On, in, or upon any public place, except as permitted by ordinance,

regulation, statute or permit; or

2. Outdoors on property adjacent to a public place, and without consent of the owner or person in control thereof.

(b) For purposes of this section, the definitions of the words and phrases below shall apply:

1. "Consume" shall have the meaning, in all conjugate forms, of "consumption" set forth in AS 17.38.900
2. "Marijuana" shall have the meaning set forth in AS 17.38.900
3. "Public place" means a place to which the public or a substantial group of persons has access and includes, but is not limited to, streets, highways, sidewalks, alleys, transportation facilities, parking areas, convention centers, sports arenas, schools, places of business or amusement, shopping centers, malls, parks, playgrounds, jails, and hallways, lobbies, doorways, and other portions of apartment houses and hotels not constituting rooms or apartments designed for actual residence.

(c) Violation of this section is a minor offense punishable by a fine of \$100.

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

SEC. 5. Severability. If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

SEC. 6. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: \_\_\_\_\_, 2015.

PASSED IN SECOND READING: \_\_\_\_\_, 2015.

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David L. Jack, Mayor

ATTEST:

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Kim Lane, Borough Clerk

# **Agenda Item 13c**

## **CITY & BOROUGH OF WRANGELL**

### **BOROUGH ASSEMBLY AGENDA ITEM March 10, 2015**

#### **INFORMATION:**

Approval of a change order for DOWL HKM for the Sewer Pump Replacement Services Design services

#### **Attachments:**

1. Memo from Manager Jabusch
2. Memo from Projects Manager, Ruby McMurren
3. Memo and Fee schedule from DOWL HKM

#### **RECOMMENDED ACTION:**

Move to approve the additional design services with DOWL HKM for the Sewer Pump Station in the amount of \$33,120 with the funds to come from the CDBG Block Grant for this project.

## **MEMORANDUM**

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

**FROM: JEFF JABUSCH  
BOROUGH MANAGER**

**RE: DESIGN FEE CHANGE**

**DATED: March 4, 2015**

As explained in the attached memo from Ruby McMurren, Projects Manager, the original directions to the DOWL HKM of Juneau was to design pump stations with two pumps similar to the system we have now. DOWL, after a good portion of the design discovered in their research that during certain times the two pump system was not going to work as well as a three pump system. We gave them verbal verification to make this design change, but we failed to bring this change order to the assembly prior to them doing the work which at this time is complete. This is not normally the practice, but in fact this is what happened. For changes this large, it is required that the assembly approve the change order.

This change order of \$33,120 is paid by the grant that we have to replace the pump station at both the Rayme's Bar site and the Power Plant/boat launch site. At this time the grant is not enough to do both sites and the granting agency does not want us to start unless we have the money to do both. They are working at getting us the money to complete the project.

### **Recommended Motion:**

Move to approve the additional design services with DOWL HKM for the Sewer Pump Station in the amount of \$33,120 with the funds to come from the CDBG Block Grant for this project.

## **MEMORANDUM**

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

**FROM: RUBY MCMURREN  
PROJECTS MANAGER**

**SUBJECT: APPROVAL FOR FUNDING OF ADDITIONAL DESIGN SERVICES ON  
THE WRANGELL SEWER PUMPS REPLACEMENT PROJECT**

**DATE: March 3, 2015**

### **BACKGROUND**

The City and Borough of Wrangell received a Grant from the Department of Commerce, Community and Economic Development (DCCED) and Division of Community and Regional Affairs Community Development Block Grant (CDBG) for the Design of the Wrangell Sewer Pumps Replacement Project.

DOWL HKM of Juneau was awarded a design contract after a review committee determined their proposal was determined best suited to the interests of the City and Borough of Wrangell's project design objectives.

Following completion of the 95% level project drawings and specifications, DOWL submitted a request for approval of additional costs, totaling \$33,120.00. This cost is related to a change in the scope of work which resulted from DOWL's preliminary design investigations. Through the initial design phase, DOWL's research revealed that the sewer pump station's higher flow rates, during periods of heavy rain, can be as much as four times the average flow rates. These results prompted DOWL'S recommendation for a redesign of a 3-pump system as opposed to the original scope of work which outlined replacing the existing 2-pump system that is currently overloaded and inefficient.

Under staff's normal project management procedures, additional design costs such as these are submitted for approval prior to the work's completion; however, at the time DOWL's cost estimate was received in January 2015, their work was complete to the 95% level of design completion. While the additional costs were not part of the discussion when the 3-pump system design was reviewed, staff agrees that additional design effort was required for the revised scope of work, which is now complete.

### **RECOMMENDATION**

Staff recommends that the Assembly authorize the Borough Manager to approve the additional design services for \$33,120.00 to DOWL HKM of Juneau to be paid from grant funds designated for this project.

### **ATTACHMENTS:**

1. DOWL HKM Proposal for Additional Engineering Services, dated January 15, 2015.
2. DOWL HKM Cost estimate spreadsheet



January 15, 2015  
W.O. J70661

Ruby McMurren, Project Manager  
City and Borough of Wrangell  
P.O. Box 531  
Wrangell, Alaska 99929

Subject:  
Wrangell Pump Stations 4 & 6 Improvements  
Proposal for Additional Engineering Services + Contract Administration & Inspection Services

Dear Mrs. McMurren:

Thank you for the opportunity to provide design services for rehabilitation of the lift stations at node 4 and node 6. With the 95% drawings complete, the scope of remaining work is now clearly defined. DOWL requests an amendment to our base contract for additional design and construction period services.

#### **Additional Design Services**

At the onset of design work, one of the fundamental assumptions was that the existing 2-pump systems would be replaced with newer, more efficient 2-pump systems. Preliminary design investigations revealed that flow rates during heavy rain events can be as much as four times the average flow rates. In order to more efficiently handle the wide range of flows, DOWL recommended a switch to a 3-pump system. While this change will ultimately result in reduced operating costs, it did require the following additional design work:

- Selection of smaller pumps (after selecting larger pumps for a 2-pump system)
- Creation of 3-D models to ensure the 3-pump system would fit within the existing stations
- Structural design to replace concrete vault lids to accommodate new hatches
- Revisions to the design memo, plan sheets, and cost estimates

Another design assumption was that the PLC and SCADA panels would be replaced with new. After deciding to specify a new user-friendly Flygt multi-smart control panel, some electrical re-design was required:

- Removal of the new PLC panels from design documents
- Incorporation of the existing SCADA panels to maintain communication
- Revisions to the design memo, cost estimates, and specifications

Lastly, providing assistance with division 0 of the specifications (general conditions, bonding, insurance, and other information pertaining to bidding) has required additional time.

#### **Construction Period Services**

DOWL also appreciates the opportunity to provide our services during the bid period, construction, and project closeout. We have made the following assumptions for this phase:



- Site visits will be limited to one trip by Carson Dorn for the startup of each lift station (total of two trips), and one trip by EPS after the completion of both lift stations to perform a final inspection.
- The design team will perform the following tasks remotely:
  - Assistance during the bid period
  - Submittal Reviews
  - Design Clarifications
  - Participate in progress meetings as requested
  - Record Drawings from contractor provided markups
  - Assistance with DEC approval to operate
- It is assumed that day to day inspection and administration of the contract (pay estimates, change orders, field orders, etc.) will be performed by CBW public works staff with assistance from the design team.

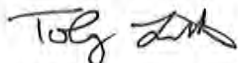
**Proposed Fees**

DOWL proposes we provide the aforementioned services on a time and materials basis as summarized below:

Additional Design Services	=	\$33,120.00
Construction Period Services	=	<u>\$21,176.00</u>
<b>Total Amendment Request</b>	=	<b>\$54,296.00</b>

Spreadsheets detailing the fee estimate are attached. Please contact me if you have any questions, or require additional information.

Sincerely,  
DOWL



Toby Lockhart, P.E.  
Senior Civil Engineer

Attachment(s): As stated

COST ESTIMATE PER TASK														
FIRM: DOWL HKM			PROJECT TITLE: Sewer Pumps Replacement Project											
TASK NO:		TASK DESCRIPTION: Additional Design Services										DATE: 1/13/2015		
GROUP:		METHOD OF PAYMENT: FP <input type="checkbox"/> FPPE <input type="checkbox"/> T&E <input checked="" type="checkbox"/> CPFF <input type="checkbox"/>									PREPARED BY: TL			
SUB-TASK NO.	SUB-TASK DESCRIPTION		Engineer VI (RA)	Engineer IV (TL)	Engineer VI (MM)	Engineer V (SB)	Risk Officer (GS)	AutoCad Tech (MC)	Engineer III (CP)	Engineer II	Admin Asst			
1	Switch to 3-pump System													
	Mechanical re-design		24						12					
	3D Modeling					16								
	Sheet Revisions		8	4				16						
	Cost estimate revisions		4						4					
	Memo revisions		16						8					
	Structural design (new hatches)		2		4									
	Project Management			16										
2	Specifications - DIV 0 Assistance													
	Research/EJCDC Implementation			8										
	Risk Officer Consultation			2			4							
	Admin.										8			
	Discussions with CBW Staff			4										
3	Electrical (see EPS below)													

COST ESTIMATE PER TASK															
FIRM: DOWL HKM			PROJECT TITLE: Sewer Pumps Replacement Project												
TASK NO:		TASK DESCRIPTION: Construction Period Services											DATE: 1/13/2015		
GROUP:		METHOD OF PAYMENT: FP <input type="checkbox"/> FPPE <input type="checkbox"/> T&E <input checked="" type="checkbox"/> CPFF <input type="checkbox"/>									PREPARED BY: TL				
SUB-TASK NO.	SUB-TASK DESCRIPTION	Engineer V (RA)	Engineer IV (TL)	AutoCad (MC)	Survey Crew Chief (BG)	Survey Tech (NC)	AutoCad Tech (JK)	Engineer III (CP)	Engineer II	Engineer V (AC)	Admin Asst				
	<b>Contract Administration &amp; Inspection</b>														
	Bid Period Assistance	4	2												
	Submittal Reviews	4	4												
	Design Clarifications	8	2												
	Meetings and Coordination	4	4												
	Record Drawings	2	1	2											
	DEC Approval to operate assistance							4							
			2												
			2		1										
	<b>TOTAL LABOR HOURS</b>	22	17	2	1	0	0	4	0	0	0				
	<b>* LABOR RATES (\$/HR)</b>	\$165.00	\$135.00	\$85.00	\$95.00	\$95.00	\$100.00	\$125.00	\$95.00	\$165.00	\$85.00				
	<b>LABOR COSTS (\$)</b>	\$3,630.00	\$2,295.00	\$170.00	\$95.00	\$0.00	\$0.00	\$500.00	\$0.00	\$0.00	\$0.00				
SUB-TASK NO.	ITEM(S)					QUANTITY	UNIT PRICE	TOTAL PRICE	COMMENTS: Assume two separate trips for Jim Dorn for the startup of each lift station. Assume 1 trip for EPS to perform final inspection for both lift stations.						
								<b>FIRM'S TOTAL COST OF LABOR (or Fixed Price):</b>				<b>\$6,690</b>			
								<b>FIRM'S TOTAL EXPENSES (+10%):</b>				<b>\$0</b>			
								<b>TOTAL EXPENSES:</b>				<b>\$0</b>			
FIRM:	EPS	Carson Dorn													
AMOUNT:	\$7,169	\$6,000							<b>TOTAL SUBCONTRACTOR PRICES (+10%):</b>						
								<b>FIRM'S TOTAL COST</b>				<b>\$21,176</b>			

# **Agenda Item 13d**

## **CITY & BOROUGH OF WRANGELL**

### **BOROUGH ASSEMBLY AGENDA ITEM March 10, 2015**

#### **INFORMATION:**

PROPOSED ORDINANCE No. 897: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 8.02.010 OF CHAPTER 8.02 OF THE WRANGELL MUNICIPAL CODE TO CHANGE THE ADMISSION RATES FOR THE MUSEUM/CIVIC CENTER  
*(first reading)*

#### **Attachments:**

1. Memo from Terri Henson, Civic Center Director
2. Proposed Ordinance No. 897

#### **RECOMMENDED ACTION:**

Move to approve first reading and move to a second with a Public Hearing to be held on March 24, 2015.

## MEMORANDUM

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

**FROM: TERRI HENSON  
CIVIC CENTER DIRECTOR**

**RE: ADMISSION RATE CHANGE FOR THE MUSEUM/CIVIC CENTER**

**DATED: March 4, 2015**

I am proposing to increase the museum admission rates starting this spring On April 1<sup>st</sup> 2015. Our current rate structure (attached) has 11 different rate groups which seems a little excessive. I am suggesting that we reduce this to 4 rates covering 8 groups. Attached you will find an admission sheet comparison sheet that shows our current, the proposed and other Alaska Museums rates. I have also attached a copy of our current ordinance page.

Our rate structure was formed 10 years ago and the cost to maintain ourselves has gone up. I try to visit other museums whenever I find the opportunity. Besides the fact that I like to visit museums I take notice of three other things. 1. Admission rates 2. How they set up displays 3. The types of items do their gift shops carry.

I don't think this rate change is out of line for the level of museum we have and I don't feel it will detour anyone from visiting. I would like to have this in place before the Tourist season starts and I need to get a letter out to tour operators. They were advised that this was going to be the plan and to price accordingly this fall so this should not be a hardship.

**Recommended Motion:**

Move to approve first reading and move to a second with a Public Hearing to be held on March 24, 2015.

## CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 897

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 8.02.010 OF CHAPTER 8.02 OF THE WRANGELL MUNICIPAL CODE TO CHANGE THE ADMISSION RATES FOR THE MUSEUM/CIVIC CENTER

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

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

SEC. 1. Action. The purpose of this ordinance is to amend Section 8.02.010, Rates, of the Wrangell Municipal Code to change the Admission Rates for the Nolan Museum/Civic Center.

SEC. 2. Amendment. Section 8.02.010 of the Wrangell Municipal Code is amended to read:

8.02.010 Rates.

Adult walk-ins	<b>[\$5.00]</b> <u>\$7.00</u>
Senior citizens (60+)	<b>[\$3.00]</b> <u>\$5.00</u>
Children 6 – 12	<b>[\$2.00]</b> <u>\$4.00</u>
Children under 6	Free
<b>[Family</b>	<b>\$12.00]</b>
Organized groups, 10 or more	<b>[\$3.00]</b> <u>\$5.00</u> each
School groups (non-Wrangell)	<b>[\$2.00]</b> <u>\$4.00</u> each
<u>Wrangell</u> school groups <b>[(Wrangell)]</b>	Free
<b>[Wrangell residents with driver's license/ID</b>	<b>\$2.00]</b>
Friends of the Museum members	<b>[Free]</b> <u>\$4.00</u>
<b>[Individual yearly pass (July – June)</b>	<b>\$10.00</b>
<b>Family yearly pass (July – June)</b>	<b>\$25.00]</b>

SEC. 3. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 4.       Severability. If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

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

PASSED IN FIRST READING: \_\_\_\_\_, 2015.

PASSED IN SECOND READING: \_\_\_\_\_, 2015.

\_\_\_\_\_  
David L. Jack, Mayor

ATTEST:

\_\_\_\_\_  
Kim Lane, Borough Clerk

# **Agenda Item 14**

## **CITY & BOROUGH OF WRANGELL**

**BOROUGH ASSEMBLY  
AGENDA ITEM  
March 10, 2015**

INFORMATION:

ATTORNEY'S FILE – None.



# **Agenda Item 15**

## **CITY & BOROUGH OF WRANGELL**

**BOROUGH ASSEMBLY  
AGENDA ITEM  
March 10, 2015**

Executive Session – None.