



**City and Borough of Wrangell  
Borough Assembly Meeting  
Revised 4-10-17 AGENDA  
Revising 15b**

**April 11, 2017  
7:00 p.m.**

**Location: Assembly Chambers, City Hall**

**1. CALL TO ORDER**

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Mark Mitchell
- b. INVOCATION to be given by Clay Hammer
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*
  - i. SEAPA Update - Presentation by Trey Acteson, SEAPA CEO

**2. ROLL CALL**

**3. AMENDMENTS TO THE AGENDA**

**4. CONFLICT OF INTEREST**

**5. CONSENT AGENDA**

- a. Items (\*) 6a, 7a and 7b

**6. APPROVAL OF MINUTES**

- a. Minutes of the *amended* Special Assembly Meeting Minutes from March 17, 2017; Minutes of the Regular Assembly Meeting held March 28, 2017; Minutes of the Special Assembly Meeting held April 5, 2017

**7. COMMUNICATIONS**

- \*a. Dept. of the Army Corps of Engineers Permit for Donald and Elizabeth McConachie
- \*b. School Board Action from the 4-3-17 Special meeting (Wrangell School Board appointment)

**8. BOROUGH MANAGER'S REPORT**

**9. BOROUGH CLERK'S FILE**

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

- a. Reports by Assembly Members
- b. City Boards and Committees Appointments

**11. PERSONS TO BE HEARD**

**12. UNFINISHED BUSINESS**

- a. **PROPOSED ORDINANCE No. 931:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 6, BUSINESS TAXES, LICENSES, AND REGULATIONS OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 6.05 TO BE ENTITLED MARIJUANA (*second reading*)

- b. **PROPOSED ORDINANCE No. 932:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 6.04.030, ASSEMBLY RECOMMENDATION FOR LICENSE IN CHAPTER 6.04, ALCOHOLIC BEVERAGES *(second reading)*
- c. **PROPOSED ORDINANCE No. 933:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADDING A NEW CHAPTER 5.09, EXCISE TAX ON MARIJUANA, TO TITLE 5, REVENUE AND FINANCE, OF THE WRANGELL MUNICIPAL CODE *(second reading)*
- d. **PROPOSED ORDINANCE No. 934:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE MINOR OFFENSE FINE SCHEDULE IN CHAPTER 1.20, GENERAL PENALTY, OF THE WRANGELL MUNICIPAL CODE *(second reading)*

### **13. NEW BUSINESS**

- a. Discussion and Possible action regarding the Water Shortage Management Plan
- b. Discussion and Possible action regarding the Water Treatment Plant Improvements

### **14. ATTORNEY'S FILE**

### **15. EXECUTIVE SESSION**

- a. Discuss with the Borough Attorney, the City's options regarding the disposal of Borough Property and the proposed draft agreement, as revised and submitted by the Borough
- b. **Selection and discussing the offer for a new Borough Manager**

### **16. ADJOURNMENT**

# Agenda Items 1 - 6

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY

#### AGENDA ITEM

April 11, 2017

#### **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 Mark Mitchell
- b. Invocation to be given by Clay Hammer
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*
  - i. SEAPA Update - Presentation by Trey Acteson, SEAPA CEO

#### **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 (\*) Item:

***\*6a, 7a and 7b***

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

**INFORMATION:**

- 6a Minutes of the *amended* Special Assembly Meeting Minutes from March 17, 2017; Minutes of the Regular Assembly Meeting held March 28, 2017; Minutes of the Special Assembly Meeting held April 5, 2017



**Minutes of Special Assembly Meeting**  
**Held March 17, 2017**  
***Amended***

Mayor David Jack called the Special Assembly meeting to order at 12:00 p.m., March 17, 2017, in the Borough Assembly Chambers. Assembly Members Gilbert, Mitchell and Powell were present. Assembly Members Prysunka and Rooney were absent. Assembly Member Decker arrived at 12:03 p.m. Borough Manager Jeff Jabusch and Borough Clerk Kim Lane were also in attendance.

**CONFLICT OF INTEREST** – None

**PERSONS TO BE HEARD** – None

**ITEM OF BUSINESS**

**5a** Executive Session – Discuss with the Borough Attorney, the proposed draft agreement, submitted by SEARHC

*Powell/Gilbert, moved that pursuant to AS 44.62.310 (c), (1), that we recess into executive session with the Borough Manager and the Borough Attorney to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the Borough, specifically the City's the options regarding the disposal of Borough Property and the draft Agreement submitted by SEARHC. Motion approved unanimously by polled vote.*

Special meeting recessed in to Executive Session at 12:02 p.m.

Decker arrived at 12:03 p.m. and joined the Borough Assembly in the Executive Session

Special meeting reconvened into Special Session at 1:04 p.m.

**5b** Approval of the proposed agreement, with amendments, submitted by SEARHC

*Decker/Mitchell, to approve the contract with SEARHC, submitted by SEARHC, with the Borough Attorney changes and to authorize the Borough Manager and the Borough Attorney to provide to SEARHC for signature. Motion approved unanimously by polled vote.*

Special meeting adjourned at 1:05 p.m.

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David L. Jack, Mayor

ATTEST:\_\_\_\_\_

Kim Lane, Borough Clerk

## **Minutes of Regular Assembly Meeting Held on March 28, 2017**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., March 28, 2017, in the Borough Assembly Chambers. Assembly Members Gilbert, Prysunka, Decker, Powell, and Rooney were present. Assembly Member Mitchell was absent. Borough Manager Jeff Jabusch and Borough Clerk Kim Lane were also in attendance.

The Pledge of Allegiance was led by Assembly Member David Powell.

The Invocation was given by Don McConachie.

Mayor Jack presented Jeff Jabusch, Borough Manager a plaque for his 39 plus years of service to the City and Borough of Wrangell.

**AMENDMENTS TO THE AGENDA** – None

**CONFLICT OF INTEREST** – None

### **CONSENT AGENDA**

***M/S: Rooney/Gilbert, to approve Consent Agenda Items marked with an (\*) asterisk; Items 6a & 7a through 7d.***

Assembly Member Decker questioned the Special Meeting minutes from March 17, 2017; stated that the motion in the minutes differed from the motion that she made. Clerk Lane said that she would check the audio to confirm and correct the minutes if need be.

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

### **APPROVAL OF MINUTES**

The minutes of the Special Assembly meeting held February 14, 2017 and the Public Hearing and Regular Assembly meetings held February 15, 2017 were approved as presented.

### **COMMUNICATIONS**

- a. School Board Action from the Special School Board Meeting held 3-6-17 and the Regular Meeting held 3-13-17
- \*b. School Board minutes from the meetings held Jan. 16<sup>th</sup>, Feb. 6<sup>th</sup> and March 6<sup>th</sup>, 2017
- \*c. Wrangell Medical Center Board Minutes from the 2-15-17 Regular meeting
- \*d. Request from SE Senior Services for the FY 2017-18 Budget (given to Finance Director Burgess)

### **BOROUGH MANAGER'S REPORT**

Manager Jabusch's provided his report to the Assembly.

In addition to the overview of the City's current projects, Manager Jabusch thanked the City, the Staff, and the Assembly for their support throughout the three and a half years as Borough Manager.

## **BOROUGH CLERK'S FILE**

Clerk Lane's report was provided.

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

### **10a Reports by Assembly Members**

Assembly Member Decker reported that at the Southeast Conference Mid-Session Summit earlier in the month. Decker stated that they were exploring new models for the ferry system; serious talk about a version, similar to the Alaska Railroad; would take years to get to that point though; would also take political will.

### **10b City Boards and Committees Appointments**

The Mayor directed the Clerk to continue advertising since there was still one vacancy on the Economic Development Committee.

## **PERSONS TO BE HEARD**

***Greg Meissner, 212 Second Street, Port Commissioner,*** thanked Jeff for his 40 years of service.

## **UNFINISHED BUSINESS – None**

## **NEW BUSINESS**

**13a PROPOSED ORDINANCE No. 931 :** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 6, BUSINESS TAXES, LICENSES, AND REGULATIONS OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 6.05 TO BE ENTITLED MARIJUANA

***M/S: Prysunka/Powell, to approve first reading of Ordinance No. 931 and move to a second with a public hearing to be held on April 11, 2017. Motion approved unanimously by polled vote.***

**13b PROPOSED ORDINANCE No. 932:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 6.04.030, ASSEMBLY RECOMMENDATION FOR LICENSE IN CHAPTER 6.04, ALCOHOLIC BEVERAGES

***M/S: Gilbert/Rooney, to approve first reading of Ordinance No. 932 and move to a second with a public hearing to be held on April 11, 2017.***

Gilbert stated for the Assembly and the public that this ordinance was being brought forward so that the regulations would meet State law.

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

**13c PROPOSED ORDINANCE No. 933:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADDING A NEW CHAPTER 5.09, EXCISE TAX ON MARIJUANA, TO TITLE 5, REVENUE AND FINANCE, OF THE WRANGELL MUNICIPAL CODE

***M/S: Rooney/Decker, to approve first reading of Ordinance No. 933 and move to a second with a public hearing to be held on April 11, 2017.***

Decker asked at what point is the tax imposed; also, if a cultivator who lived out of town sold to a retail store here in Wrangell, when would the tax be imposed.

Lane stated that the cultivator would pay the tax, not the retail store.

Decker asked why we cannot tax the retail end.

Lane replied that it would take a vote of the people to do that.

Rooney requested clarification that we could still collect the normal 7% city sales tax.

Lane said yes, we would.

In response to Powell, Lane stated that our city does not charge additional taxes on alcohol or cigarettes.

Decker asked if the flat tax rate was easier to collect over charging a percentage.

Lane said that yes, the Borough Attorney had stated that the flat tax rate would be easier.

Powell questioned why we were looking at the \$10 amount.

Lane and Gilbert stated that this is closer to what other municipalities were doing.

Powell said that he would do some research on his own as well since there was still another reading on this.

Lane stated that if the Assembly decided to change the amount at the next meeting on April 11<sup>th</sup>, there would have to be another Public Hearing since this would be changing the amount of the excise tax.

Decker questioned the disposition of the proceeds; should we attach the tax to something particular; possibly supporting the schools.

Lane stated that we had addressed that; Gilbert had suggested the School Booster Club; after consulting with Finance Director Burgess and he had suggested that it go to the General Fund and then during the Budget time, the Assembly could (if they chose), have the funds go towards an organization. Lane also stated that the Attorney had agreed with the proposed language because if the Assembly were to dedicate the funds to a particular organization, they would be excluding other organizations.

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

**13d PROPOSED ORDINANCE No. 934:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE MINOR OFFENSE FINE SCHEDULE IN CHAPTER 1.20, GENERAL PENALTY, OF THE WRANGELL MUNICIPAL CODE

***M/S: Decker/Gilbert, to approve first reading of Ordinance No. 934 and move to a second with a public hearing to be held on April 11, 2017. Motion approved unanimously by polled vote.***

**13e** Approval of a Special Assembly meeting for Wednesday, April 5, 2017 at noon to conduct face-to-face interviews with the final Borough Manager Candidates in Executive Session

***M/S: Gilbert/Powell, to approve holding a Special Assembly meeting on Wednesday, April 5, 2017 for the purpose of an Executive Session to conduct face-to-face interviews with of the final Borough Manager Candidates. Motion approved unanimously by polled vote.***

**13f** Approval of Change Order No. 1 for the City Dock Lighting Project

***M/S: Prysunka/Decker, to authorize the Borough Manager to issue Change Order #1, in the total amount of \$2,501.03 to Buness Electric for changed electrical conditions to the City Dock Lighting project. Costs are scheduled to be paid from the Ports and Harbors FY17 Capital Projects fund.***

Jack stated that this Change Order was due to an error in the plans.

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

**13g** Approval to waive the procurement requirements for Water Plant modifications

***M/S: Gilbert/Powell, to waive the procurement requirements for both purchasing and the hiring of employees for the water plant only in an amount up to \$50,000 and that the borough manager and staff will keep the borough assembly updated at each meeting with the progress being made and any problems that may arise, effective to July 1, 2017.***

Powell asked if this was something that the Assembly wanted to do since they had requested a cost estimate to replace the sand, this may not be applicable.

Jabusch stated that the Assembly could pass on this since there would be a Special Assembly meeting soon on the options for replacing the sand at the Water Treatment Plant; might still want to pass this through though since all four bays might not have the sand replaced.

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

**13h** Discussion and Possible Action to move forward with the Alternative Phase 1 plan of the Wrangell Institute Master Plan

***M/S: Prysunka/Gilbert, to accept the Wrangell Institute Master Plan and Subdivision as prepared by Corvus Design, with changes as recommended by staff, and to take the necessary steps to begin development of the Master Plan beginning with Alternative Phase 1.***

Rooney asked was the cost was for this since it wasn't flushed out very well in the design documents.

Jabusch explained that they were suggesting that this plan be approved because due to sewer installation costs, this alternative was less expensive in developing utilities.

***Economic Development Director Rushmore*** briefly explained the different phases and directed the Assembly where to look for the suggested phase.

Jabusch stated that this plan would allow for the ANSEP program or for something else, if that program didn't happen there.

Rushmore explained the cost estimates for the different phases; we would be saving about \$300,000 by doing alternate phase 1.

Powell asked how big the lots were.

Rushmore stated that she believed that they were a little less than a half of an acre.

Powell asked what our estimated costs were for selling these lots.

Rushmore said that she didn't have the exact costs were; so an estimate for roughly half an acre would be \$20,000 to \$35,000, depending on the lots; for roughly a third of an acre would be around \$30,000.

Manager Jabusch said that by selling these lots, we would essentially be breaking even; the goal is to get these lots sold and create a tax base.

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

**13i** Approval of a Professional Design Contract to Jensen Yorba Lott Inc. for the Public Safety Building Roofing and Siding replacement project

***M/S: Powell/Gilbert, to authorize the Borough Manager to enter into professional design services contract with Jensen Yorba Lott in a fixed fee amount of \$17,870.00, with funds to be paid from the FY17 Capital Budget for the Public Safety Building's roof and siding replacement tasks.***

Gilbert asked why there was a discrepancy on the proposal; the dollar amount was \$5000 less than what is being asked for.

Jabusch stated that he believed that it was to also cover the design services for the swimming pool.

Clerks note: after the Assembly Meeting, Public Works Director Al-Haddad had stated that the additional \$5000 was to do the design work on all of the siding and roofing, so even though the bids will not include all of the work, we can phase the project out with the design services being done.

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

**ATTORNEY'S FILE** – Summary Report was provided to the Borough Assembly.

**EXECUTIVE SESSION** – None

Regular Assembly Meeting adjourned at 7:56 p.m.

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David L. Jack, Mayor

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



**Minutes of Special Assembly Meeting  
Held April 5, 2017**

Mayor David Jack called the Special Assembly meeting to order at 12:00 p.m., April 5, 2017, in the Borough Assembly Chambers. Assembly Members Gilbert, Rooney, Prysunka and Powell were present. Assembly Member Decker was absent. Assembly Member Mitchell arrived at 12:15 p.m. Interim Borough Manager Carol Rushmore and Borough Clerk Kim Lane were also in attendance.

**CONFLICT OF INTEREST** – None

**PERSONS TO BE HEARD** – None

**ITEM OF BUSINESS**

**5a** Executive Session – For the purpose of conducting face-to-face interviews with the final candidates for the Borough Manager's position

*Prysunka/Powell, moved, pursuant to 44.62.320 (c) (2), that we recess into executive session to discuss matters that may tend to prejudice the reputation and character of any person, specifically: conducting interviews for the remaining applicants for the Borough Manager's position.*

*Gilbert/Rooney, to amend the main motion to include the City Clerk and the Interim Borough Manager in the Executive Session.*

*Amendment to the main motion was approved unanimously by polled vote.*

*Main motion, as amended was approved unanimously by polled vote.*

Special meeting recessed in to Executive Session at 12:02 p.m.

*Mitchell arrived at 12:15 p.m. and joined the Executive Session.*

Special meeting reconvened into Special Session at 1:55 p.m.

Special meeting adjourned at 1:55 p.m.

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David L. Jack, Mayor

ATTEST: \_\_\_\_\_

Kim Lane, Borough Clerk

# Agenda Item 7

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM April 11, 2017

#### **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. Dept. of the Army Corps of Engineers Permit for Donald and Elizabeth McConachie
- \*b. School Board Action from the 4-3-17 Special meeting (Wrangell School Board Appointment)



DEPARTMENT OF THE ARMY  
ALASKA DISTRICT, U.S. ARMY CORPS OF ENGINEERS  
REGULATORY DIVISION  
P.O. BOX 6898  
JBER, AK 99506-0898

MAR 24 2017

Regulatory Division  
POA-2016-407

Donald J. and Elizabeth McConachie  
622 Zimovia Highway  
Post Office Box 361  
Wrangell, Alaska 99929

Dear Mr. and Mrs. McConachie:

Enclosed is the signed Department of the Army permit, file number POA-2016-407, Wrangell Harbor, which authorizes construction of a fill pad for a boathouse and residence. The project site is located within Section 25, T. 62 S., R. 83 E., Copper River Meridian; USGS Quad Map Petersburg B-2; Latitude 56.4626° N., Longitude 132.3783° W.; Wrangell Townsite, Block 83, Lot 6C. Also enclosed is a Notice of Authorization which should be posted in a prominent location near the authorized work.

If changes to the plans or location of the work are necessary for any reason, plans must be submitted to us immediately. Federal law requires approval of any changes before construction begins.

Nothing in this letter excuses you from compliance with other Federal, State, or local statutes, ordinances, or regulations.

Please contact me via email at [matthew.l.beattie@usace.army.mil](mailto:matthew.l.beattie@usace.army.mil), by mail at the address above, by phone at (907) 753-2791, or toll free from within Alaska at (800) 478-2712, if you have questions. For more information about the Regulatory Program, please visit our website at [www.poa.usace.army.mil/Missions/Regulatory.aspx](http://www.poa.usace.army.mil/Missions/Regulatory.aspx).

Sincerely,

A handwritten signature in blue ink, reading "Matthew L. Beattie".

Matthew L. Beattie  
Archaeologist

Enclosures

# DEPARTMENT OF THE ARMY PERMIT

**Permittee:** Donald and Elizabeth McConachie

**Permit No.:** POA-2016-407, Wrangell Harbor

**Issuing Office:** U.S. Army Engineer District, Alaska

**NOTE:** The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate district or division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official of that office acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below.

**Project Description:** A permit to fill a lot and build a boat storage facility for two boats with a residence on the top level. Total fill material placed below the High Tide Line (HTL) will be 1,595 cubic yards that will be placed into a 0.06-acre intertidal area. The fill material would consist of small sized rock material and larger rock material for the rip-rap. All of the fill would be clean fill material.

All work will be performed in accordance with the attached plan, sheets 1-5, dated December 7, 2016.

**Project Location:** The project site is located within Section 25, T. 62 S., R. 83 E., Copper River Meridian; USGS Quad Map Petersburg B-2; Latitude 56.4626° N., Longitude 132.3783° W.; Wrangell Townsite, Block 83, Lot 6C; from airport road continue on to Bennett Street, turn right onto Zimovia Highway, then turn left on to Church Street, continue on to Case Avenue, the property is approximately 1/4-mile down the road on the right side; in Wrangell, Alaska.

## **Permit Conditions:**

### **General Conditions:**

1. The time limit for completing the work authorized ends on March 31, 2022.

If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.

2. You must maintain the activity authorized by this permit in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.

3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the Federal and State coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.

4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.

5. If a conditioned water quality certification has been issued for your project, you must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached if it contains such conditions.



6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

**Special Conditions:**

1. Your use of the permitted activity must not interfere with the public's right to free navigation on all navigable waters of the U.S.

2. You must install and maintain, at your expense, any safety lights and signals prescribed by the U.S. Coast Guard (USCG), through regulations or otherwise, on your authorized facilities. The USCG may be reached at the following address and telephone number: Commander (oan), 17th Coast Guard District, P.O. Box 25517, Juneau, Alaska 99802, (907) 463-2272.

3. The permittee understands and agrees that, if future operations by the U.S. require the removal, relocation, or other alteration, of the structure or work herein authorized, or if, in the opinion of the Secretary of the Army or his authorized representative, said structure or work shall cause unreasonable obstruction to the free navigation of the navigable waters, the permittee will be required, upon due notice from the Corps of Engineers, to remove, relocate, or alter the structural work or obstructions caused thereby, without expense to the U.S. No claim shall be made against the U.S. on account of any such removal or alteration.

4. Within 60 days of completion of the work authorized by this permit, the Permittee shall complete the attached "Self-Certification Statement of Compliance" form (Attached) and submit it to the Corps (U.S. Army Corps of Engineers, Regulatory Division, P.O. Box 6898 JBER, Alaska 99506-0898. In the event that the completed work deviates in any manner from the authorized work, the Permittee shall describe the deviations between the work authorized by this permit and the work as constructed on the "Self-Certification Statement of Compliance" form. The description of any deviations on the "Self-Certification Statement of Compliance" form does not constitute approval of any deviations by the Corps.

5. All fill placement or movement below the High Tide Line (HTL) shall be limited to when the site is naturally dewatered at low tidal stages to reduce turbidity, therefore all fill placement shall be in the dry.

**Further Information:**

1. Congressional Authorities: You have been authorized to undertake the activity described above pursuant to:

(X) Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).

(X) Section 404 of the Clean Water Act (33 U.S.C. 1344).

2. Limits of this authorization.

a. This permit does not obviate the need to obtain other Federal, State, or local authorization required by law.

b. This permit does not grant any property rights or exclusive privileges.

c. This permit does not authorize any injury to the property or rights of others.

d. This permit does not authorize interference with any existing or proposed Federal project.

3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:

a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.

b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.

c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.

d. Design or construction deficiencies associated with the permitted work.

e. Damage claims associated with any future modification, suspension, or revocation of this permit.

4. Reliance on Applicant's Data: The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.

5. Reevaluation of Permit Decision. This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:

a. You fail to comply with the terms and conditions of this permit.

b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (See 4 above).

c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7 or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measures ordered by this office, and if you fail to comply with such directive, this office may in certain situations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

6. Extensions. General Condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give favorable consideration to a request for an extension of this time limit.

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

(PERMITTEE) AND TITLE

Elizabeth McConachie

3-17-17  
(DATE)

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

FOR (DISTRICT COMMANDER)

Colonel Michael S. Brooks

Matthew L. Beattie

South Branch, Regulatory Division

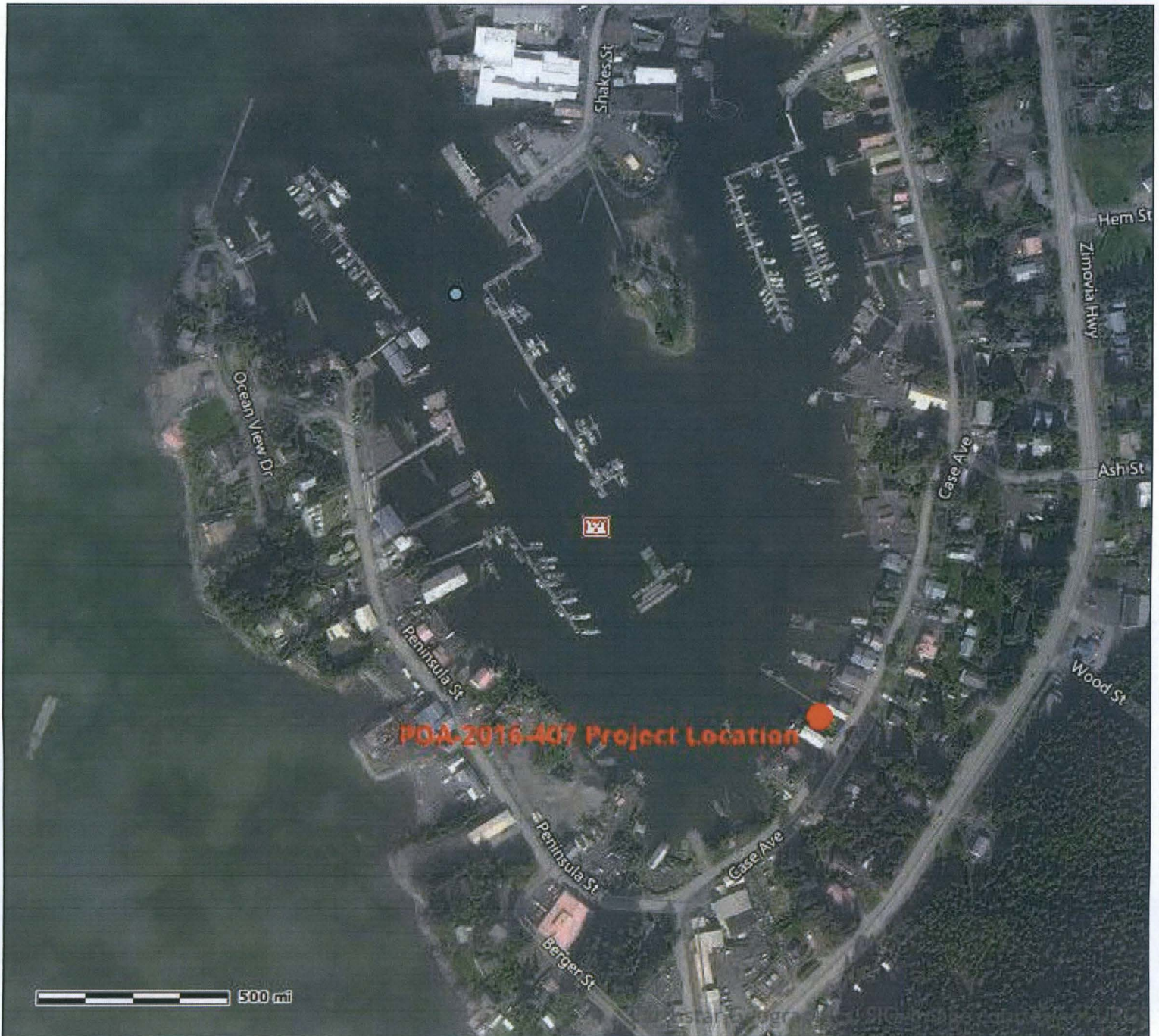
23 MAR 2017  
(DATE)

When the structures or work authorized by this permit are still in existence at the time the property is transferred the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions have the transferee sign and date below.

(TRANSFEREE)

(DATE)





## LEGEND

Corp Projects Notebook



Authorized Navigation Projects in Alaska



US Army Corps of Engineers  
This map was produced using the  
SimSuite web application on:  
06 Dec 2016 @ 1424





US Army Corps  
of Engineers

# POA-2016-407, Wrangell Harbor

US ARMY CORPS OF ENGINEERS



## LEGEND

Corp Projects Notebook

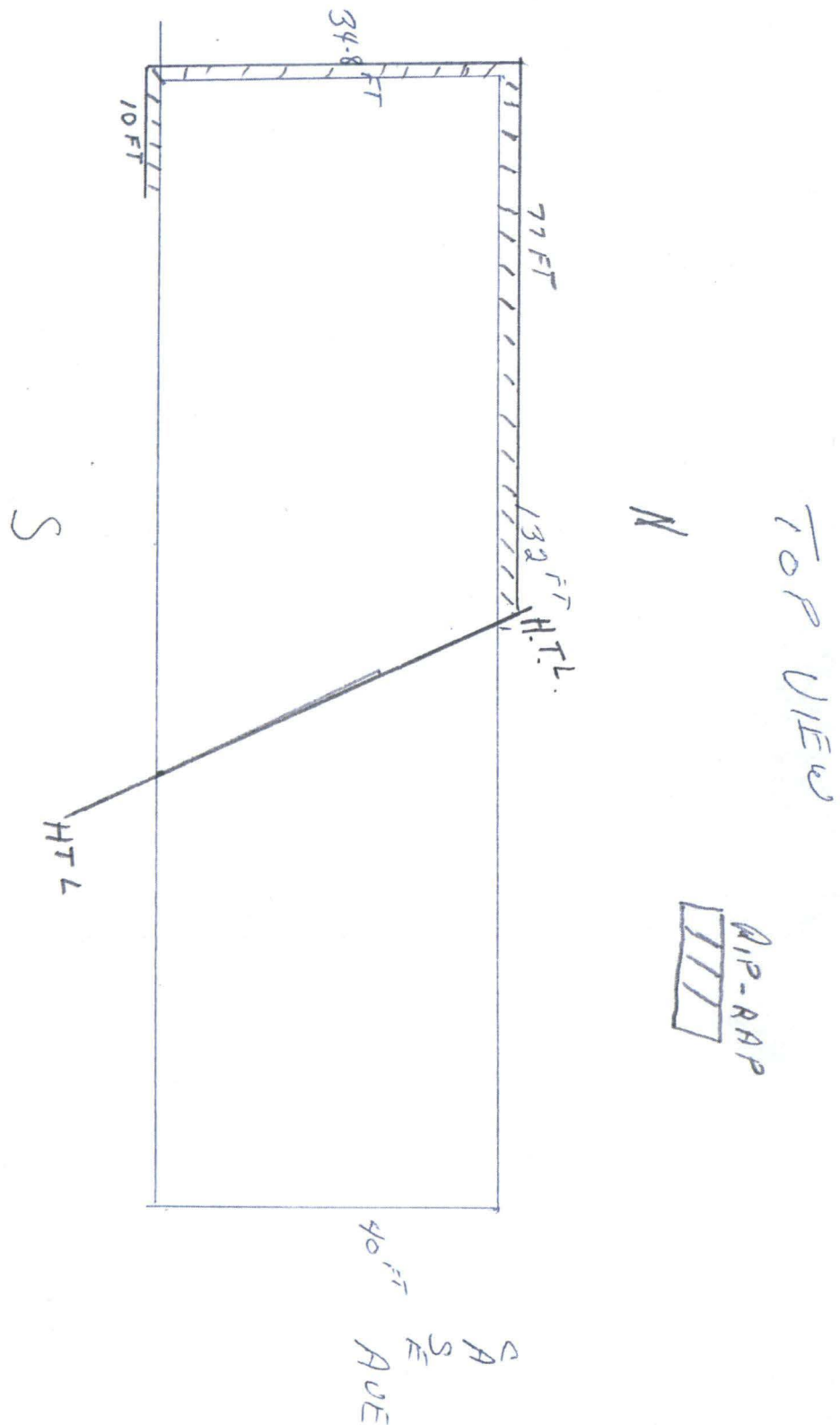


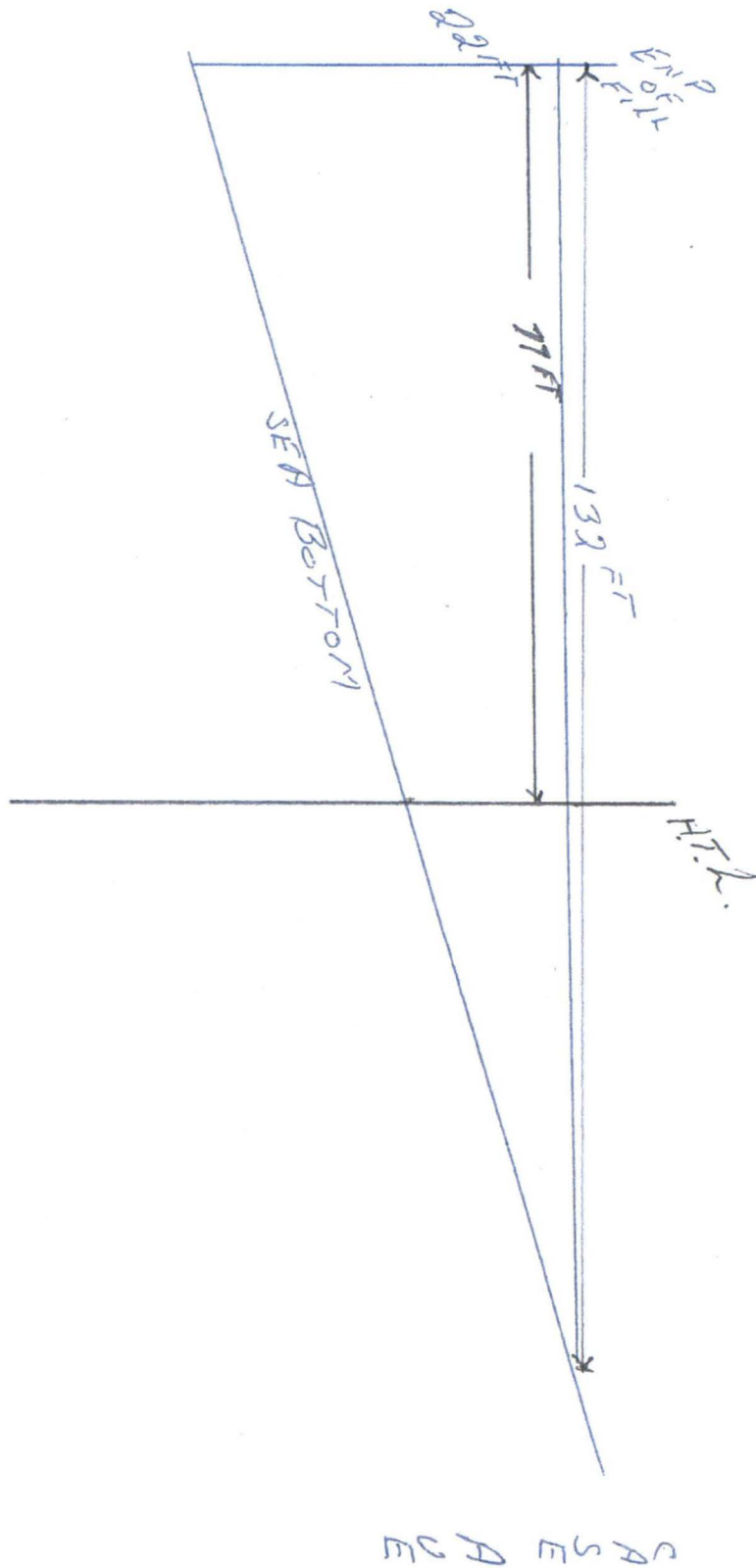
Authorized Navigation Projects in Alaska

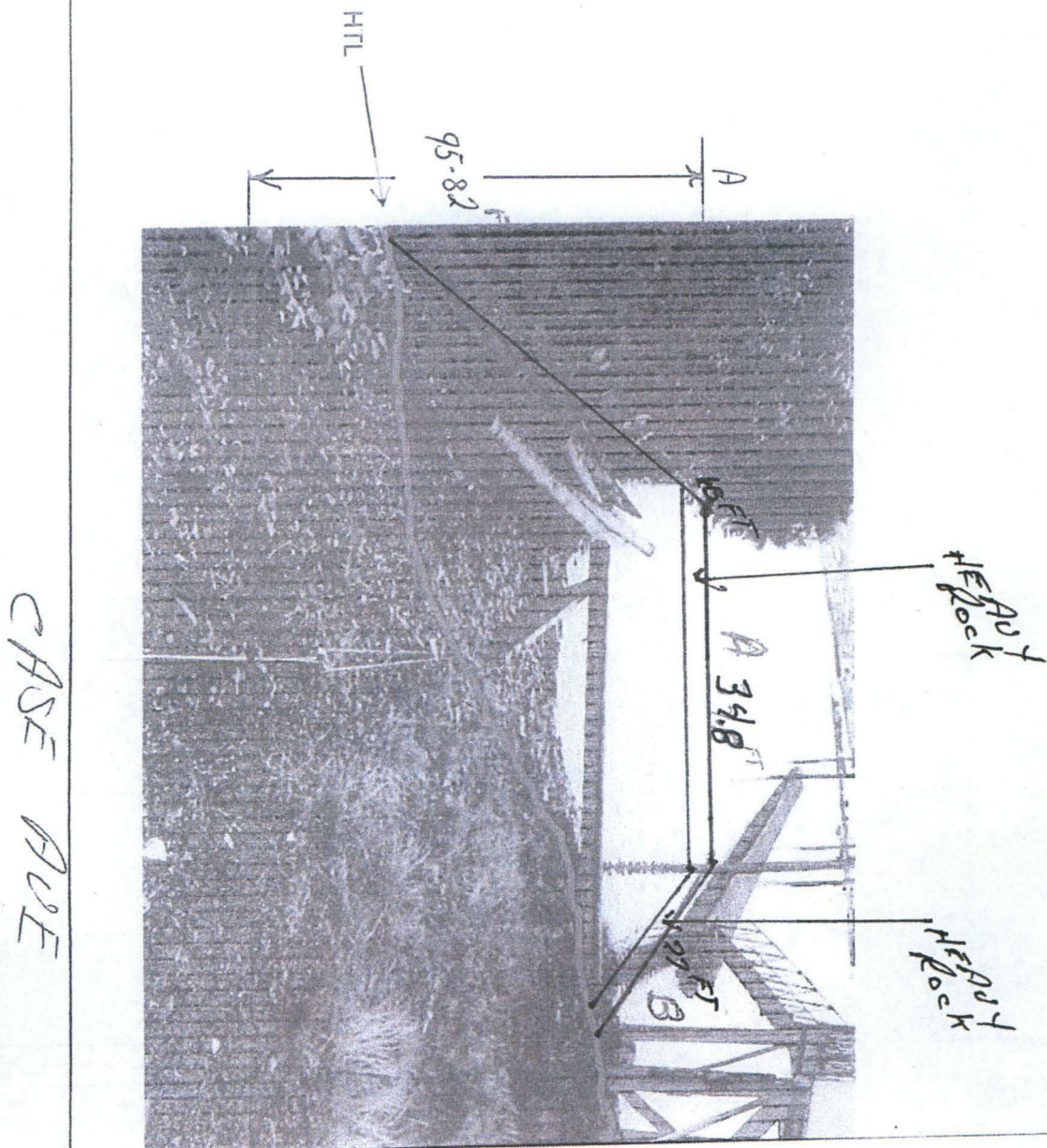


US Army Corps of Engineers  
This map was produced using the  
SimSuite web application on:  
06 Dec 2016 @ 1441



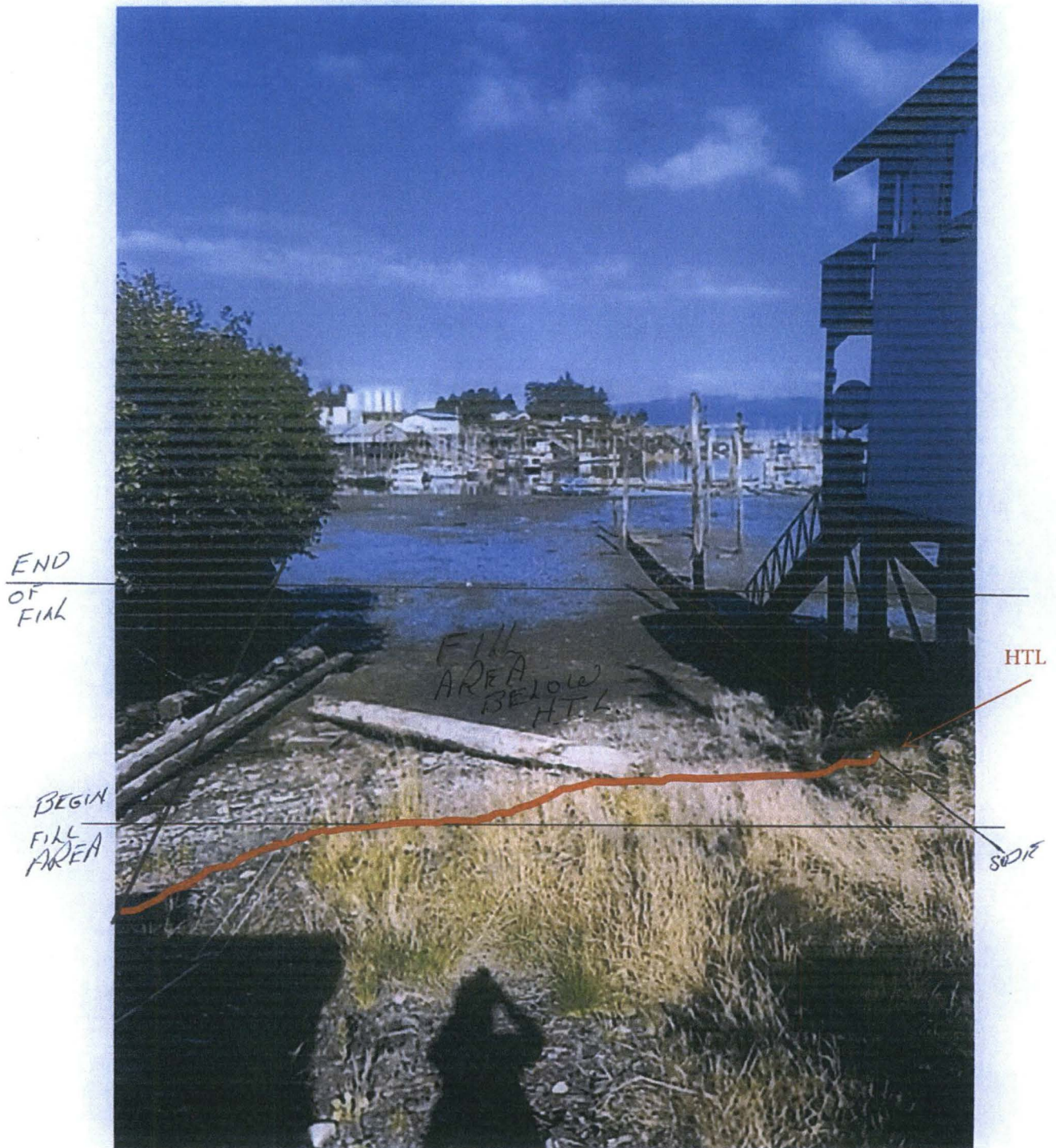








SUNDAY 8-21 LOW TIDE +1-8 FT

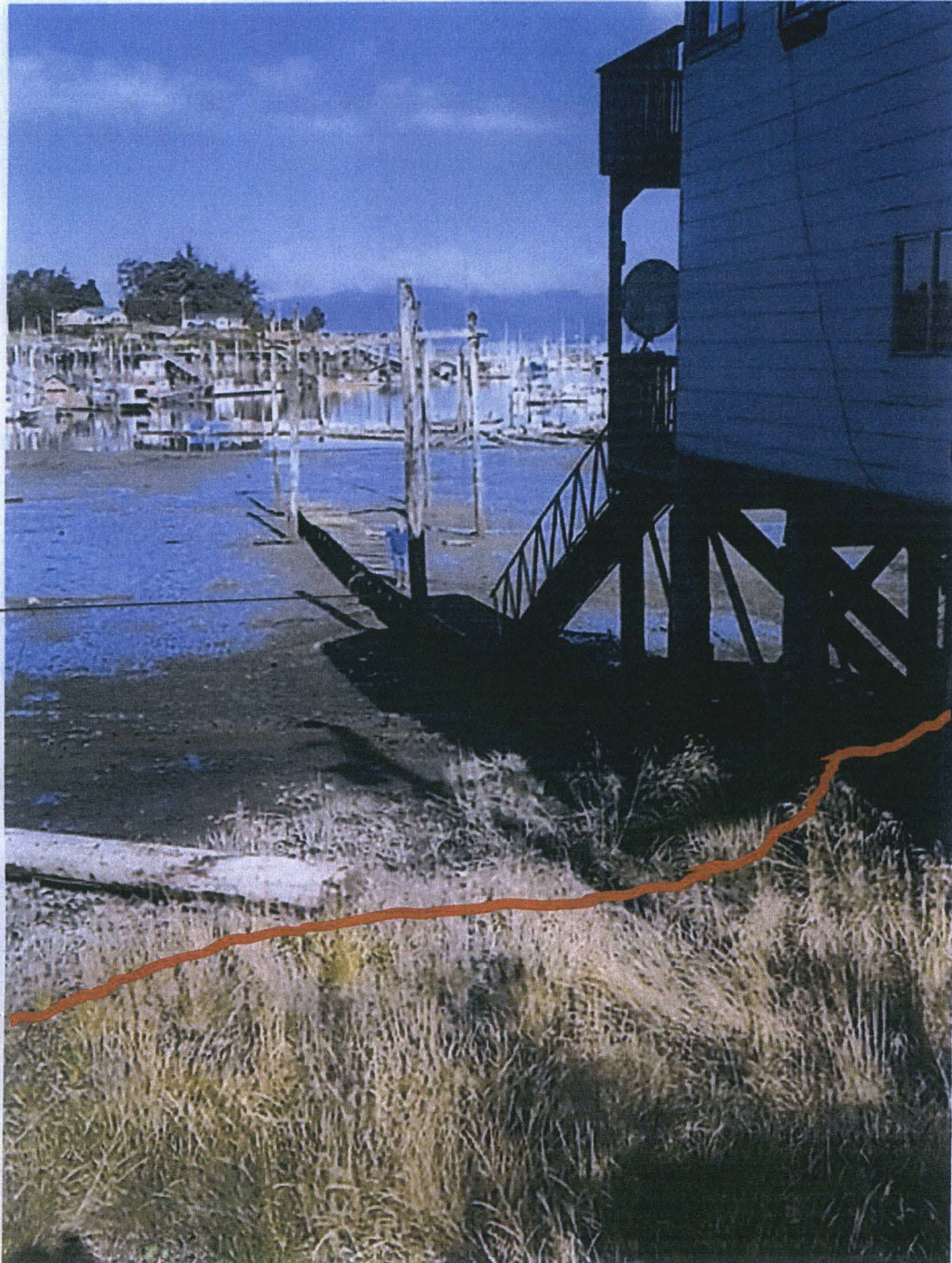




THIS IS A LOW TIDE  
OF -1.8 FT ON SUNDAY 8-21

END  
OF  
FILL

HTL





**SELF-CERTIFICATION STATEMENT OF COMPLIANCE**

**Permit Number: POA-2016-407 Wrangell Harbor**

Permittee's Name & Address (please print or type): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Location of the Work: \_\_\_\_\_

\_\_\_\_\_

Date Work Started: \_\_\_\_\_ Date Work Completed: \_\_\_\_\_

**PROPERTY IS INACCESSIBLE WITHOUT PRIOR NOTIFICATION: YES \_\_\_\_\_ NO \_\_\_\_\_**  
**TO SCHEDULE AN INSPECTION PLEASE CONTACT \_\_\_\_\_**  
**AT \_\_\_\_\_**

Description of the Work (e.g. bank stabilization, residential or commercial filling, docks, dredging, etc.): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Acreage or Square Feet of Impacts to Waters of the United States: \_\_\_\_\_

Describe Mitigation completed (if applicable): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Describe any Deviations from Permit (attach drawing(s) depicting the deviations):

\_\_\_\_\_

\_\_\_\_\_

I certify that all work and mitigation (if applicable) was done in accordance with the limitations and conditions as described in the permit. Any deviations as described above are depicted on the attached drawing(s).

\_\_\_\_\_  
Signature of Permittee

\_\_\_\_\_  
Full Name of Permittee (printed or typed)

\_\_\_\_\_  
Date

**BOARD ACTION**

FOR DETAILS, CONTACT:  
PATRICK MAYER,  
SUPERINTENDENT  
DIRECT PHONE: 907-874-2347

**WRANGELL PUBLIC SCHOOL BOARD  
SPECIAL MEETING (PAGE 1)  
APRIL 3, 2017**

- Appointed Robert Rang to fill the vacant School Board seat until October 2017
- Adjourned

The Borough Manager's  
Report will be provided  
either on or before the  
Assembly Meeting.



# Agenda Item 9

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM

#### CLERK'S REPORT April 11, 2017

##### Mark Your Calendar:

- 4/13 P&Z Mtg. scheduled for 7pm in the Assembly Chambers
- 4/19 Hospital Board Mtg. scheduled for 5:30pm in the Nolan Center Classroom
- 4/25 Regular Assembly Mtg. scheduled for 7pm in the Assembly Chambers

4/13 SEAPA Board Mtg. to be held in Ketchikan, with times TBD

Our population is up by 16 from last year!

According to DCCED, our population as of 7-1-2016 was 2,458

## School Board Appointment

**At a Special School Board Meeting held April 3, 2017**, Robert Rang was appointed to fill the Unexpired Term School Board Seat until October 2017. If you remember, Rinda Howell vacated the seat after the Regular Borough Election that was held on October 4, 2016.

The voters will see this Unexpired Term Seat on the next Regular Borough Election to be held on October 3, 2017. That Unexpired Term will be until October 2019.

## Executive Sessions:

### Who and What?

- Include in the motion an INVITATION to any person who is desired to attend the executive session (such as an attorney, the Borough Manager, some other expert, or some person who could be helpful in the executive session).  
HOWEVER, any person invited to attend the executive session cannot be somebody whose presence in the executive session would defeat the purpose of the executive session.
- If the motion passes, go into executive session. Once in the executive session, **DISCUSS ONLY** the **MAIN** issue and those subjects which are **CLOSELY RELATED AND SUBSIDIARY** to the **MAIN** issue. **TAKE NO ACTION** except to give direction to an attorney or a labor negotiator.

# Agenda Items 10 a - b

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM April 11, 2017

#### 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** City Boards and Committee Appointments

There were no letters of interest received for the vacancy on the EDC

#### Vacancies:

- One vacancy Economic Development Committee (Oct 2019)

#### Recommended Action:

*Appointments to be filled by the Mayor with the consent of the assembly for the various seats.*

**Recommended Action if not approved with the consent of the Assembly:**

***Motion: Move to appoint \_\_\_\_\_ to fill the vacancy on the \_\_\_\_\_ for the term up until October \_\_\_\_\_.***

# Agenda Item 12a

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM April 11, 2017

#### INFORMATION:

**PROPOSED ORDINANCE No. 931:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 6, BUSINESS TAXES, LICENSES, AND REGULATIONS OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 6.05 TO BE ENTITLED MARIJUANA (*second reading*)

#### Attachments:

1. Proposed Ordinance No. 931

The Borough Assembly directed the Borough Clerk to work with the Borough Attorney to come up with an Ordinance for the excise tax of cultivated marijuana and to also establish regulations on marijuana. This ordinance is establishing the regulations for marijuana in Title 6.

After a lot of research and back and forth between the Clerk and the Attorney, the Code Review Committee met and has agreed to allow this ordinance to go to the Assembly for consideration.

#### RECOMMENDED ACTION:

Move to adopt Ordinance No. 931.

## CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 931

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 6, BUSINESS TAXES, LICENSES, AND REGULATIONS OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 6.05 TO BE ENTITLED MARIJUANA

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 add a new Chapter 6.05, Marijuana, to Title 6, Business Taxes, Licenses, and Regulations, of the Wrangell Municipal Code.

SEC. 2. New Chapter. A new Chapter 6.05, Marijuana, is added to Title 6 of the Wrangell Municipal Code to read:

Chapter 6.05  
MARIJUANA

Sections:

6.05.005 Hours of operation; penalty for violation.

6.05.010 Assembly review of license applications.

**6.05.005 Hours of operation; penalty for violation.**

No facility licensed under AS Title 17 may be open for business, conduct business, or allow a consumer to access the licensed premises between the hours of 6:00 p.m. and 8:00 a.m. on Monday through Sunday. No marijuana may be distributed, sold, offered for sale, furnished, delivered, or consumed at a licensed facility when the facility is required to be closed under this section.

(A) Any person violating any provision of this section is guilty of an infraction and shall be punished by the fine established in the WMC 1.20.050 fine schedule if the offense is listed in that fine schedule or by a fine of up to \$500.00 if the offense is not listed in the

WMC 1.20.050 fine schedule.

**6.05.010 Assembly review of license applications.**

- (A) Any person seeking the review and recommendation by the assembly, prior to issuance of a new license or renewal or transfer of a license for a marijuana facility, shall present to the assembly a copy of the application submitted to the state for a license or renewal or transfer of a license, fully completed and executed.
- (B) The assembly may protest the issuance, renewal, or the transfer of a marijuana facility license as provided in state law, AS 17.38, and state regulations, 3 AAC 306.060. The protest shall cite any of the following criteria that the assembly determines to be pertinent:
  - (1) The business operated under the license is, on the date the assembly considers the license, delinquent in the payment of any borough tax or penalty or interest on any borough tax arising out of the operation of the licensed facility;
  - (2) There are delinquent property taxes or local improvement district assessments or penalty or interest thereon arising out of real property owned in whole or in part by the person named in the application as an applicant, or by the licensee on the license which is to be renewed or transferred, where such property is used, or is to be used, in whole or in part in the business conducted or to be conducted under the license;
  - (3) There is a delinquent charge or assessment owing the borough by the applicant or licensee for a borough service provided for the business conducted or to be conducted under the license, or at the request of or arising out of an activity of the business conducted or to be conducted under the license;
  - (4) The business operated or to be operated under the license is violating or would violate the zoning code of the borough;
  - (5) Failure of the applicant to secure a borough permit required for operation of the business to be licensed, or if the licensee is in violation of any borough permit required for operation of the licensed facility;
  - (6) The business operated under the license is, on the date the assembly considers the application, in violation of state or borough fire, health, or safety codes; a criminal conviction for the violation is not required for a protest under this section;

(7) The applicant or licensee has violated a provision of AS 17.38 or the state regulations on marijuana, 3 AAC Chapter 306, or a condition imposed by the Marijuana Control Board on the license, or if issuance of the license would violate a provision of state law or regulations;

(8) Any factor identified by state law or regulation as appropriate grounds for a protest;

(9) Any other factor the assembly determines is generally relevant or relevant to the particular application.

(C) If the assembly determines that a licensed facility has violated a provision of AS 17.38, or 3 AAC Chapter 306, or a condition the state Marijuana Control Board has imposed on the licensee, the borough shall notify the Marijuana Control Board.

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: March 28, 2017

PASSED IN SECOND READING: \_\_\_\_\_, 2017

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

ATTEST:

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

# Agenda Item 12b

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM April 11, 2017

#### INFORMATION:

**PROPOSED ORDINANCE No. 932:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 6.04.030, ASSEMBLY RECOMMENDATION FOR LICENSE IN CHAPTER 6.04, ALCOHOLIC BEVERAGES (*second reading*)

#### Attachments:

1. Proposed Ordinance No. 932

The Borough Assembly directed the Borough Clerk to work with the Borough Attorney to come up with an Ordinance for the excise tax of cultivated marijuana and to also establish regulations on marijuana.

The Borough Attorney's office recommended that the Assembly amend section in the WMC that regulates alcoholic beverages so that it is consistent with the proposed marijuana regulations. That's what this proposed ordinance will do.

After a lot of research and back and forth between the Clerk and the Attorney, the Code Review Committee met and has agreed to allow this ordinance to go the Assembly for consideration.

#### RECOMMENDED ACTION:

Move to adopt Ordinance No. 932.



CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 932

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND  
BOROUGH OF WRANGELL, ALASKA, AMENDING  
SECTION 6.04.030, ASSEMBLY RECOMMENDATION FOR  
LICENSE IN CHAPTER 6.04, ALCOHOLIC BEVERAGES

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 6.04.030,  
Assembly recommendation for license, of the Wrangell Municipal Code.

SEC. 2. Amendment. The list of sections in Chapter 6.04, Alcoholic Beverages,  
of the Wrangell Municipal Code is amended to read:

Chapter 6.04  
ALCOHOLIC BEVERAGES

Sections:

- 6.04.010 Intoxicating liquor defined.
- 6.04.030 **[Assembly recommendation for license]**. Assembly review of license applications.
- 6.04.100 Hours of sale – Presence on licensed premises during closing hours.
- 6.04.110 Election days.
- 6.04.120 Reserved.
- 6.04.130 Penalty for violation.

SEC. 3. Amendment of Section. Section 6.04.030 of the Wrangell Municipal  
Code is amended to read:

**6.04.030 [Assembly recommendation for license]** Assembly review of license applications.

(A) Any person seeking the review and recommendation by the assembly, prior to issuance of  
a new liquor license or renewal or transfer of a liquor license by the state, shall present to  
the assembly a copy of **[his]** the application submitted to the state for a license or renewal  
or transfer of a license, fully completed and executed[, **together with a current**  
**statement prepared by the borough clerk that any and all taxes, fees and**

**assessments due to the borough by the applicant have been paid in full].**

(B) The assembly may protest the issuance, renewal, or the transfer of a liquor license as provided in state law, AS 04.11.480, and state regulations, 3 AAC 3064.145(d). The protest shall cite any of the following criteria that the assembly determines to be pertinent:

- (1) The business operated under the license is, on the date the assembly considers the license, delinquent in the payment of any sales tax or penalty or interest on sales tax arising out of the operation of the licensed facility;
- (2) There are delinquent property taxes or local improvement district assessments or penalty or interest thereon arising out of real property owned in whole or in part by the person named in the application as an applicant, or by the licensee on the license which is to be renewed or transferred, where such property is used, or is to be used, in whole or in part in the business conducted or to be conducted under the license;
- (3) There is a delinquent charge or assessment owing the borough by the applicant or licensee for a borough service provided for the business conducted or to be conducted under the license, or at the request of or arising out of an activity of the business conducted or to be conducted under the license;
- (4) The business operated or to be operated under the license is violating or would violate the zoning code of the borough;
- (5) Failure of the applicant to secure a borough permit required for operation of the business to be licensed, or if the licensee is in violation of any borough permit required for operation of the licensed facility;
- (6) The business operated under the license is, on the date the assembly considers the application, in violation of state or borough fire, health, or safety codes; a criminal conviction for the violation is not required for a protest under this section;
- (7) The applicant or licensee has violated a provision of AS 04 or the state regulations on alcohol, 3 AAC Chapter 304, or if issuance of the license would violate a provision of state law or regulations;
- (8) Any factor identified by state law or regulation as appropriate grounds for a protest;
- (9) Any other factor the assembly determines is generally relevant to the particular

application.

(C) If the assembly determines that a licensed facility has violated a provision of AS Title 04, or 3 AAC Chapter 304, or a condition imposed on the licensee by the state Alcoholic Beverage Control Board, the borough shall notify the Alcoholic Beverage Control Board.

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: March 28, 2017

PASSED IN SECOND READING: \_\_\_\_\_, 2017

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

ATTEST:

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

# Agenda Item 12c

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM April 11, 2017

#### INFORMATION:

**PROPOSED ORDINANCE No. 933:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADDING A NEW CHAPTER 5.09, EXCISE TAX ON MARIJUANA, TO TITLE 5, REVENUE AND FINANCE, OF THE WRANGELL MUNICIPAL CODE *(second reading)*

#### Attachments:

1. Proposed Ordinance No. 933
2. Memo from Clerk Lane

#### RECOMMENDED ACTION:

Move to adopt Ordinance No. 933.

## CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 933

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADDING A NEW CHAPTER 5.09, EXCISE TAX ON MARIJUANA, TO TITLE 5, REVENUE AND FINANCE, OF THE WRANGELL MUNICIPAL CODE

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

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

SEC. 1. Action. The purpose of this ordinance is to add a new Chapter 5.09, Excise Tax on Marijuana, to Title 5, Revenue and Finance, of the Wrangell Municipal Code.

SEC. 2. New Chapter. A new Chapter 5.09, Excise Tax on Marijuana, is added to Title 5, Revenue and Finance, of the Wrangell Municipal Code to read:

Chapter 5.09  
EXCISE TAX ON MARIJUANA

Sections:

5.09.005 Purpose.

5.09.010 Definitions.

5.09.015 Excise tax on marijuana.

5.09.020 Exemptions.

5.09.025 No Tax-free days for excise tax on marijuana.

5.09.030 Disposition of proceeds.

5.09.035 Monthly excise tax returns and payment of excise tax due.

5.09.040 Collection procedures.

5.09.045 Confidential information.

5.09.050 Penalty and interest.

5.09.055 Lien for excise tax, interest and penalty due.

5.09.060 Records maintenance and inspection.

**5.09.005 Purpose.**

The purpose of this chapter is to provide for the levy, collection, and enforcement of an excise tax on marijuana cultivated by a licensed marijuana cultivation facility within the City and Borough of Wrangell for commercial or retail sale purposes, including marijuana cultivated by a standard marijuana cultivation facility and limited marijuana cultivation facility. The excise tax is imposed on the sale or transfer of marijuana from a marijuana cultivation facility to a retail marijuana store or a marijuana product manufacturing facility.

#### **5.09.010 Definitions.**

1. “flower and bud” means the hairy, sticky, or crystal-covered parts of mature female marijuana plants generally harvested for their high potency content;
2. “marijuana” has the meaning given in AS 17.38.900;
3. “marijuana cultivation facility” has the meaning given in AS 17.38.900 and includes both a standard marijuana cultivation facility as licensed under 3 AAC 306.400 and a limited marijuana cultivation facility as licensed under 3 AAC 306.400;
4. “marijuana establishment” has the meaning given in AS 17.38.900;
5. “marijuana product manufacturing facility” has the meaning given in AS 17.38.900;
6. “marijuana testing facility” has the meaning given in AS 17.38.900;
7. “retail marijuana store” has the meaning given in AS 17.38.900;
8. “transfer” means the exchange of marijuana, with or without consideration, or by barter, between marijuana establishments, or within marijuana establishments possessing multiple permits, for commercial purposes.

#### **5.09.015 Excise tax on marijuana.**

A. An excise tax is imposed on the sale or transfer of all marijuana from a marijuana cultivation facility licensed to operate within the City and Borough of Wrangell pursuant to 3 AAC 306.400, to a retail marijuana store or a marijuana product manufacturing facility, as follows:

1. All non-exempt marijuana sold or transferred from a marijuana cultivation facility

shall be taxed as follows:

a. Any part of the flower and bud, as defined in 15 AAC 61.290, shall be taxed at \$10.00 per ounce;

b. The remainder of the plant, not included in subsection (A)(1)(a) of this section, shall be taxed at \$2.00 per ounce.

2. A marijuana cultivation facility within the City and Borough of Wrangell that is also licensed as a marijuana product manufacturing facility must pay the excise tax on all marijuana transferred from the cultivation facility to the product manufacturing facility for the month in which the marijuana was transferred.

3. A marijuana cultivation facility within the City and Borough of Wrangell that is also licensed as a retail marijuana store must pay the excise tax on all marijuana transferred from the cultivation facility to the retail marijuana store for the month in which the marijuana was transferred.

#### **5.09.020 Exemptions.**

Transfers to a licensed marijuana testing facility are exempt from the excise tax on marijuana under this chapter.

#### **5.09.025 No Tax-free days for excise tax on marijuana.**

There shall be no tax-free days for the excise tax on marijuana.

#### **5.09.030 Disposition of proceeds.**

The proceeds of the excise tax levied under this chapter shall be deposited by the director of finance in the general fund of the borough.

#### **5.09.035 Monthly excise tax returns and payment of excise tax due.**

A. Every marijuana cultivation facility licensee within the City and Borough of Wrangell shall, on or before the last day of each calendar month, submit to the director of finance an excise tax return, upon forms provided by the finance department, and submit payment for the excise taxes due.

1. The return shall be signed under penalty of perjury by the licensee or agent and shall include:

a. A copy of the state marijuana excise tax return for that month submitted by the licensee to the Alaska Department of Revenue in accordance with 15 AAC 61.010;

b. The name and address of the licensee;

c. The name and address of the person filing the return, if different from the licensee;

d. The name under which the marijuana cultivation facility is being operated;

e. A report setting forth the total amount of marijuana transferred from the licensed marijuana cultivation facility in ounces, with fractional ounces calculated to the third decimal place, for the preceding month;

f. The amount of excise tax due;

g. Such other information and supporting documentation which may be required by the finance director.

B. A licensed marijuana cultivation facility in the City and Borough of Wrangell shall file an excise tax return each month.

C. The excise taxes imposed under this chapter and the return required by this section must be received by the finance director, or postmarked on or before the last day of each calendar month following the month covered by the return.

D. A separate excise tax return must be filed for each location when a licensee is operating in several locations within the borough.

#### **5.09.040 Collection procedures.**

A. Whenever the finance director believes a return is inaccurate, or whenever a marijuana licensee is delinquent in filing the required monthly return or paying excise tax due, the finance director shall mail to the licensee's last address on file with the borough a written demand requesting the filing of a corrected or required excise tax return and payment of



the excise tax due within 10 days.

B. In the event the licensee does not comply with the demand, the finance director shall make an excise tax assessment against the licensee. The assessment shall estimate the taxable revenue received or the amount transferred by the licensee during the period in question. The estimate may be based upon previous returns filed by the licensee, the excise tax return and information the licensee submitted to the Alaska Department of Revenue in accordance with 15 AAC 61.010, and any other relevant information known to the finance director. The assessment shall state the amount of taxes, penalties and interest assessed, and shall contain a brief statement explaining the basis of the assessment.

C. A notice of assessment shall be sent to the licensee's last known address by first class mail. The notice of assessment shall contain a copy of the assessment and a statement notifying the licensee of the licensee's right to a hearing before the borough manager. The notice of assessment shall state that if a timely request for a hearing before the borough manager is not made, the assessment shall become final 30 days after the date the notice of assessment was mailed to the licensee.

D. The licensee shall have a right to a hearing before the borough manager concerning the assessment. The licensee may request a hearing by delivering to the borough manager a written request for a hearing within 30 days of the date the notice of assessment was mailed. The borough manager shall schedule the hearing and notify the licensee of date and time for the hearing by mail. The hearing shall be conducted informally. The licensee shall make available for examination and copying at the hearing the licensee's books, records, papers and other documents pertaining to the period involved in the assessment. The licensee shall be given an opportunity to produce records and testimony and to present argument relating to the assessment.

E. After the hearing, the borough manager shall issue a written decision upholding or modifying the assessment. The decision shall be mailed by first class mail to the licensee's last address on file with the borough. The decision shall notify the licensee that the borough manager's decision may be appealed to the excise tax board of appeals by filing with the manager a written notice of appeal to the board of appeals within 30 days of the date the written decision of the manager was mailed to the licensee. Failure of the licensee to file a timely appeal shall be deemed a waiver of any right to appeal the borough manager's decision and the modified assessment, or the original assessment if no modification is made, shall be the final assessment for the purpose of determining the licensee's liability to the borough.

#### F. Board of Appeals.

1. The excise tax board of appeals consists of three members. One member shall be appointed by the mayor from the borough assembly, with majority approval of assembly. One member is to be appointed by the appellant. One member is to be mutually agreed upon by the other two members. If the third member is not mutually agreed upon within 45 days after receipt of the written decision of the finance director, the mayor shall appoint the third member with majority approval of assembly. The board shall elect from its membership a chairperson, a vice-chairperson and a secretary. Three members of the board shall constitute a quorum for the transaction of business. The borough shall provide secretarial and other staff support required by the board.

2. All decisions of the board shall be in writing and shall be maintained and indexed by the excise tax office for review by the public. Records and proceedings before the board is public, except that the board may deliberate in closed session. The board may recommend, in writing, that the borough manager compromise and abate penalties and interest, and may recommend, in writing, that the borough manager negotiate and enter into a payment plan for delinquent excise taxes, penalties and interest.

3. The board shall follow rules of procedure governing excise tax appeals and proceedings as adopted by the borough assembly.

4. The board shall issue a final decision upholding or modifying the assessment. The final decision shall be mailed by first class to the seller's last known address. The final assessment shall notify the seller that it is the final administrative decision of the borough on the subject of the assessment and may be appealed to the Superior Court for the State of Alaska in accordance with state law and court rules.

G. After an assessment has become final, the borough may file a civil action against the licensee for collection of the excise taxes, penalties and interest due under the assessment. The licensee shall be liable to pay the borough's full reasonable attorney's fees and costs incurred in the civil action. Interest and penalties on the assessment shall continue to accrue until the licensee's liability has been paid in full.

H. The City and Borough of Wrangell shall inform the Marijuana Control Board of a licensee's failure to pay the excise tax due, or to file a return, as required under this chapter.

#### **5.09.045 Confidential information.**

A. Except as otherwise provided in this section, returns filed with the borough for the purpose of complying with the terms of this chapter and all information obtained from such returns are private and confidential, and such returns and information shall be kept from inspection by private persons.

B. This section does not prohibit the delivery to a person, or the person's duly authorized representative, of a copy of any return filed by that person.

C. This section does not prohibit the publication of statistics presented in a manner that prevents the identification of particular buyers or sellers.

D. This section does not prohibit the disclosure of such returns or information through enforcement or collection proceedings or when required by court order or prohibit furnishing such returns and information on a reciprocal basis to other agencies or political subdivisions of the state or United States concerned with the enforcement of tax laws.

E. The borough may disclose, by public inspection or publication, the name (including any business name), the estimated balance due, and the current status of payments and filings of any marijuana licensee who does not file a return or remit in full all excise taxes and any penalty and interest due within 45 days after being required to do so by the provisions of this chapter. In disclosing or publishing information under this section, the borough need not notify a taxpayer prior to disclosure or publication. Publication of delinquencies under this section may report excise tax amounts delinquent by more than 45 days according to records maintained by the borough in the normal course of business. Publications may indicate whether the amount has been calculated based upon voluntary filings or based upon involuntary estimated filings. Publications need not reflect whether the amount is disputed by the taxpayer.

#### **5.09.050 Penalty and interest.**

In the event a return is not made or the appropriate excise tax not paid within one month following the reporting month, a penalty of fifteen percent of such excise tax as is unpaid shall be added thereto. Interest at the rate of 15 percent per year from the date of delinquency until paid shall accrue monthly.

#### **5.09.055 Lien for excise tax, interest and penalty due.**

The excise tax, interest and penalty imposed under this chapter shall constitute a lien in favor of the borough upon the assets or property of the licensee within the borough. The lien arises upon

delinquency and continues until liability for the amount is satisfied or a judgment against the licensee arising out of the liability is satisfied.

**5.09.060 Records maintenance and inspection.**

- A. Marijuana cultivation facilities shall keep complete and accurate records to support the information required to be included in the monthly excise tax returns required by this chapter, including sales and transfers. The records must include an accounting for inventories of live plants, trimmings, and any dried product on the first and last day of the month.
- B. An invoice, sales receipt, or other record of the sale or transfer of marijuana products from a marijuana cultivation facility must separately state the amount of excise tax due after the sale or transfer.
- C. Persons subject to this chapter shall keep such other records as the borough finance director may prescribe.
- D. The borough manager, or the manager's designee, may during business hours, enter the business premises of a licensee to inspect and examine the records, books, and other documents of the licensee, in order to carry out the provisions of this chapter.

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: March 28, 2017

PASSED IN SECOND READING: \_\_\_\_\_, 2017

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David L. Jack, Mayor

ATTEST:

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Kim Lane, Borough Clerk

# MEMORANDUM

**TO:** Honorable Mayor & Borough Assembly

**FROM:** Kim Lane, MMC  
Borough Clerk

**SUBJECT:** Proposed Ordinance No. 933, establishing an excise tax on marijuana

**DATE:** March 28, 2017

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The Borough Assembly directed the Borough Clerk to work with the Borough Attorney to come up with an Ordinance for the excise tax of cultivated marijuana and to also establish regulations on marijuana. This ordinance is establishing a new Chapter for that purpose.

After a lot of research and back and forth between the Clerk and the Attorney, the Code Review Committee met and has agreed to allow this ordinance to go the Assembly for consideration. The Finance Director has also reviewed this proposed ordinance and has made recommendations that are reflected.

It is important that the Assembly recognizes section 5.09.030, Limitations of use of excise tax proceeds. The Assembly can decide where the proceeds will go or they can approve it as stated in the Ordinance. The way that the Finance Director explained it to me is that if we are implementing this tax for revenue purposes, it should go into the General Fund. The Assembly (at any time) can request the amount that has been collected for the excise tax. The Assembly (at any time) can also request that the proceeds from the excise tax go towards "something".

# Agenda Item 12d

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM April 11, 2017

#### INFORMATION:

**PROPOSED ORDINANCE No. 934:** AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE MINOR OFFENSE FINE SCHEDULE IN CHAPTER 1.20, GENERAL PENALTY, OF THE WRANGELL MUNICIPAL CODE  
*(second reading)*

#### Attachments:

1. Proposed Ordinance No. 934
2. Memo from Clerk Lane

#### RECOMMENDED ACTION:

Move to adopt Ordinance No. 934.

## CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 934

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE MINOR OFFENSE FINE SCHEDULE IN CHAPTER 1.20, GENERAL PENALTY, OF THE WRANGELL MUNICIPAL CODE

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

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

SEC. 1.        Action. The purpose of this ordinance is to amend the Minor Offense Fine Schedule in Section 1.20.050 of Chapter 1.20, General Penalty, of the Wrangell Municipal Code to add to the fine schedule Section 6.05.005 on hours of operation of licensed marijuana facilities.

SEC. 2.        Amendment. Section 1.20.050 of the Wrangell Municipal Code is amended to read:

**1.20.050 Minor Offense Fine Schedule.**

In accordance with AS 29.25.070(a), citations for the following offenses may be disposed of as provided in AS 12.25.195-.230, without a court appearance, upon payment of the fine amounts listed below plus the state surcharge required by AS 12.55.039 and AS 29.25.074. Fines must be paid to the police department. If an offense is not listed on a fine schedule, the defendant must appear in court to answer the charges. The Alaska Court System's Rules of Minor Offense Procedure apply to all offenses listed below. Citations charging these offenses must meet the requirements of Minor Offense Rule 3. If a person charged with one of these offenses appears in court and is found guilty, the penalty imposed for the offense may not exceed the fine amount for that offense listed below.

The fine amounts listed below are doubled for motor vehicle or traffic offenses committed in a highway work zone or traffic safety corridor, as those terms are defined in AS 28.90.990 and 13 AAC 40.010(b).

An offense listed in this schedule may not be disposed of without court appearance if the offense is in connection with a motor vehicle accident that results in the death of a person.

Section	Offense	Penalty/Fine
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6.05.005	<u>Hours of operation – licensed marijuana facility</u>	<u>\$500.00 fine for each offense.</u>
7.04.010	Cruelty – Abandonment	\$200
7.04.020	Animals at large prohibited	First offense - \$15, second offense - \$50, third offense - \$100. Fourth and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$200 and a maximum fine of \$500.00.
7.08.010	Licensing	\$25.00 fine for each offense.
7.08.020	Dog Vaccination required	\$50.00 fine for each offense.
7.08.030	At large – Prohibited – Nuisance declared	First offense - \$15, second offense - \$50, third offense - \$100. Fourth and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$200 and a maximum fine of \$500.00.
7.08.035	Objectionable animals	First offense - \$15, second offense - \$50, third offense - \$100. Fourth and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$200 and a maximum fine of \$500.00.
7.08.040	Restraint requirements	First offense - \$15, second offense - \$50, third offense - \$100. Fourth and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$200 and a maximum fine of \$500.00.
7.08.045 & 7.08.050	Off-leash areas & Off –leash area rules	First offense - \$15, second offense - \$50, third offense - \$100. Fourth and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$200 and a maximum fine of \$500.00.
7.08.115	Potentially dangerous and dangerous dogs: violation of restrictions, confinement requirements, and sign requirements	First offense - \$200. Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.
7.08.120	Biting dog – Confinement	First offense - \$200. Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.
7.08.140	Proclamation to confine all dogs during epidemic	First offense - \$200 Second and subsequent offenses are mandatory court appearance offenses with a

		minimum fine of \$300 and a maximum fine of \$500.00.
7.08.150	Interference with animal enforcement agents	First offense - \$200 Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.
9.08.080	Accumulations of rubbish & materials prohibited	\$100.00 fine for each offense.
9.12.020, 9.12.030, & 9.12.040	Fireworks where prohibited; sale where prohibited; display violations	First offense - \$200. Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.
9.16.020	Deposit in public places	0-1 pound = \$50.00 fine, 1-5 pounds = \$150.00 fine, 6-10 pounds = \$250.00, 11-15 pounds = \$350.00 fine, 15 + pounds = \$500.00 fine.
9.16.030	Maintaining sidewalks free of litter.	\$75.00 fine for each offense.
9.16.040	Deposit from vehicles prohibited	\$75.00 fine for each offense.
9.16.050	Operating litter-generating vehicles prohibited	0-1 pound = \$50.00 fine, 1-5 pounds = \$150.00 fine, 6-10 pounds = \$250.00, 11-15 pounds = \$350.00 fine, 15 + pounds = \$500.00 fine.
9.16.060	Deposit on private property prohibited	0-1 pound = \$50.00 fine, 1-5 pounds = \$150.00 fine, 6-10 pounds = \$250.00, 11-15 pounds = \$350.00 fine, 15 + pounds = \$500.00 fine.
9.16.070	Property owner's responsibility to maintain premises	\$75.00 fine for each offense.
9.16.080	Handbills – Restrictions generally	\$75.00 fine for each offense.
9.16.090	Handbills – Distribution on private property	\$75.00 fine for each offense.
9.16.100	Posting notices prohibited	\$50.00 fine for each offense.
10.18.010	Abuse of 911 system	First offense - \$200. Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.
10.36.010	Discharge of firearms and other weapons prohibited within certain areas	First offense - \$200. Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.

10.44.010	Possession, Control, or Consumption of Alcoholic Beverages by persons under 21 years of age	\$500.00 fine for each offense.
10.46.010(A)(1)	Consumption of marijuana in a public place prohibited	\$100.00 fine for each offense.
10.46.010(A)(2)	Consume marijuana outdoors adjacent public place without consent of property owner	\$100.00 fine for each offense.
10.48.010	Possession of tobacco by a minor under 19 years of age	\$75.00 fine for each offense.
11.28.020	Prohibited parking places	\$50.00 fine for each offense.
11.28.030	Red-painted curbs and signs – No parking	\$50.00 fine for each offense.
11.28.040	Time-limit parking	\$50.00 fine for each offense.
11.28.080	Blocking roadway prohibited	\$50.00 fine for each offense.
11.28.090	Bus stop and passenger zone – Parking prohibited	\$50.00 fine for each offense.
11.28.100	Loading and unloading materials	\$50.00 fine for each offense.
11.28.130	Method of parking – Loading permits	\$50.00 fine for each offense.
11.30.030	Parking in excess of posted time limit – Parking lots	\$50.00 fine for each offense.
11.30.040	Proper parking required – Parking lots	\$50.00 fine for each offense.
11.30.050	Vehicles and objects prohibited – Parking lots	\$75.00 fine for each offense.
11.36.060	Stop when traffic obstructed	\$75.00 fine for each offense.
11.36.070	Bicycle restrictions on sidewalks	\$50.00 fine for each offense.
11.36.080	U-turns prohibited	\$50.00 fine for each offense.
11.36.100	Dragging objects prohibited	\$50.00 fine for each offense.
11.36.110	Projecting loads on passenger vehicles	\$50.00 fine for each offense.
11.36.160	Use of coaster, rollerskates, skateboards, sleds and skis	\$50.00 fine for each offense.
11.36.170	Excessive acceleration	\$50.00 fine for each offense.
11.64.010	Sound trucks – permit required	\$100.00 fine for each offense.
11.68.020	Registration required	\$50.00 fine for each offense.
11.68.030	Required equipment	\$50.00 fine for each offense.
11.68.040	Snowmobile operation restricted	\$50.00 fine for each offense.
11.68.050	Designated right-of-way	\$50.00 fine for each offense.
11.76.020	Junk vehicles unlawful	\$50.00 fine for each offense. Each 10 days shall constitute a separate violation.
14.09.005	Speeding	\$150.00 fine for each offense.
14.09.015	Hazard to navigation	\$100.00 fine for each offense.

14.09.020	Failure to register	\$25.00 fine for each offense.
14.09.025	Improper mooring	\$25.00 fine for each offense.
14.09.030	Inadequate equipment	\$50.00 fine for each offense.
14.09.035	Improper use of facilities	\$50.00 fine for each offense.
14.09.040	Improper waste disposal	\$50.00 fine for each offense.
14.09.045	Improper petroleum product disposal	\$100.00 fine for each offense.
14.09.050	Improper care and control of animals	\$25.00 fine for each offense.
14.09.055	Water sports	\$25.00 fine for each offense.
14.09.065	Improper use of seaplane float	\$50.00 fine for each offense.
14.09.070	Improper use of a loading zone	\$25.00 fine for each offense.
14.09.075	Improper use of fire equipment	\$100.00 fine for each offense.
14.09.080	Improper use of utilities	\$50.00 fine for each offense.
14.09.085	Tampering and defacing signs	\$25.00 fine for each offense.
14.09.090	Nuisance	\$100.00 fine for each offense.
14.09.095	Failure to comply with rules, regulations or procedures.	\$100.00 fine for each offense.
14.09.100	Obstruct or impede use of any launch ramp	\$50.00 fine for each offense.
15.18.030	Refuse containers – Required	\$150.00 fine for each offense.
15.18.032	Refuse containers – Maintained	\$150.00 fine for each offense.
15.18.050	Disposal of offensive refuse prohibited	\$150.00 fine for each offense.
15.18.052	Burning of certain materials prohibited	\$150.00 fine for each offense.
15.18.075	Monofill disposal permit and fees	\$150.00 fine for each offense.
<u>20.92.020</u>	<u>Violations deemed nuisance</u>	<u>\$100.00 fine for each offense. Fine may accumulate on a daily basis.</u>
<u>20.92.030</u>	<u>Permits not deemed approval of violations</u>	<u>\$100.00 fine for each offense. Fine may accumulate on a daily basis.</u>

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 SECOND READING: March 28, 2017

PASSED IN SECOND READING: \_\_\_\_\_, 2017

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David L. Jack, Mayor

ATTEST:

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Kim Lane, Borough Clerk

# MEMORANDUM

**TO:** Honorable Mayor & Borough Assembly

**FROM:** Kim Lane, MMC  
Borough Clerk

**SUBJECT:** Proposed Ordinance No. 934, amending the Fine Schedule in Title 1

**DATE:** March 28, 2017

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For Section 6.05.005:

The Borough Assembly directed the Borough Clerk to work with the Borough Attorney to come up with an Ordinance for the excise tax of cultivated marijuana and to also establish regulations on marijuana. This ordinance is establishing a new Chapter for that purpose.

After a lot of research and back and forth between the Clerk and the Attorney, the Code Review Committee met and has agreed to allow this ordinance to go to the Assembly for consideration. The Finance Director has also reviewed this proposed ordinance and has made recommendations that are reflected.

It is important that the Assembly recognizes section 5.09.030, Limitations of use of excise tax proceeds. The Assembly can decide where the proceeds will go or they can approve it as stated in the Ordinance. The way that the Finance Director explained it to me is that if we are implementing this tax for revenue purposes, it should go into the General Fund. The Assembly (at any time) can request the amount that has been collected for the excise tax. The Assembly (at any time) can also request that the proceeds from the excise tax go towards "something".

For Section 20.92.020 and 030

When we started the process of revising Title 1, Fine Schedule (as required by the Alaska Court), the fines for sections 20.92.020 and 030 were removed and were not placed in the table. Therefore, we are adding those fines to the fine schedule.

# Agenda Item 13a

## CITY & BOROUGH OF WRANGELL

### BOROUGH ASSEMBLY AGENDA ITEM April 11, 2017

#### INFORMATION:

Discussion and Possible action regarding the Water Shortage Management Plan

#### Attachments:

1. Memo from Interim Borough Manager Rushmore
2. Memo from PW Director Al-Haddad
3. Proposed Water Shortage Management Plan – ORIGINAL VERSION
4. Proposed *draft* ordinance showing mark-ups
5. Water Budget Projection Worksheet
6. NEW – Water Shortage Management Plan – UPDATED VERSION
7. NEW – Memo from Staff
8. NEW – Memo Attachments (Rate Comparisons & Graph)

**Note:** This item may not be ready by time the meeting rolls around. I wanted to have this on here thought, just in case it is.

#### RECOMMENDED ACTION:

Discussion and Possible Action.

~ OR ~

#### RECOMMENDED ACTION:

Move to approve the Water Shortage Management Plan and to move forward with drafting an ordinance for Chapter 15.04, Water in the Wrangell Municipal Code.

**MANAGER'S RECOMMENDATIONS:**

- 1) Continue the scouring/plunging sand cleaning process;
- 2) Approve and implement the Water Shortage Management Plan;
- 3) Finish gathering information to determine the best and most economical roughing filter replacement, and then purchase and install it;
- 4) Modify Wrangell's water rate structure, with special attention to large commercial rates;
- 5) Do not purchase sand until the above measures are fully explored, attempted, and determined to work or not work, and/or it is determined that there is an insufficient combination of Borough and grant and loan funds to finance the replacement of the water treatment plant itself.



## MEMORANDUM

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

**FROM: MS. CAROL RUSHMORE  
INTERIM BOROUGH MANAGER**

**SUBJECT: WATER TREATMENT PLANT AND RELATED ISSUES**

**DATE: April 5, 2017**

### **BACKGROUND:**

The Assembly requested additional information pertaining to the water treatment plant upgrade issues, water shortage management plan, and water rates after the discussion at the workshop on March 28, 2017.

Attached for further discussion is the Draft Water Shortage Management Plan which addresses what actions will be taken in order to conserve and provide water necessary for use demand and fire, health and safety based on available water for distribution. Staff would like to know if the Assembly has questions or would like to make changes to the proposed Plan. Staff will be recommending that the plan is approved at the Tuesday meeting. Based on current water available for distribution (reservoirs and storage tanks) Stage 1 should probably be implemented this week. We will be beginning a public education and conservation notice this week.

Also attached is a draft of proposed changes to the water ordinance that includes a 5% increase of all water rates beginning July 2017 and July 2018. This is the same as provided for the workshop. We are still investigating how other communities have structured their water rates and will provide some of that information during the meeting on Thursday.

Current budget status of the Water Fund will be provided at the meeting as will estimated costs for several upgrade options. We are working with a variety of industry reps to obtain as accurate of information as possible.

### **ATTACHMENTS:**

1. Draft Water Shortage Management Plan
2. Proposed changes to water rates

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

**FROM: AMBER AL-HADDAD  
PUBLIC WORKS DIRECTOR**

**RE: WATER PLANT UPDATE**

**DATED: April 6, 2017**

**History:**

At the Assembly workshop last week regarding the water department related issues, I would like to offer the following update.

1. Water Shortage Management Plan

Following Assembly request to create a contingency plan for water shortages, a lot of thought went into developing the structure of this plan to provide the department the measures needed during emergency situations that help reduce water usage and temporarily reduce demand placed on Wrangell's water plant systems. The plan was also developed in the best interest of the public.

We ask that the Assembly adopt the plan as its official water shortage contingency plan. We urge you to adopt the plan, complete with its terms and provisions, as a Borough ordinance, under which violations could be addressed accordingly.

Understanding the adoption of a new ordinance requires timely procedural terms, until the plan is formally adopted the water department would like to begin utilizing the plan, in draft form, to address current water shortage issues, as needed, in the interim. With the upper reservoir currently at about half capacity, coupled with our upcoming sand dredging efforts and the sizeable amount of water needed for that operation, we should begin community-wide water conservation in the very near future.

The Wrangell Harbor and Parks & Recreation departments, as well as Sea Level Seafoods, have been provided a copy of the draft plan, from whom we also asked for comments about the plan. To date we have received position and cooperative comments from the Harbor Master and Parks & Rec directors; however, no response to date from Sea Level. We have not yet provided Trident Seafoods with a copy of the draft plan but will do so this afternoon. We did in person with both Sea Level and Trident.

Please provide written comments and/or questions about the proposed plan, allowing us to address those items and provide an updated plan for further review.

## 2. Ozone Generators' Replacement

The two, new ozone generators are expected to ship from Sweden on April 7<sup>th</sup>. Staff is working with the supplier and our SCADA (Supervisory Control And Data Acquisition) contractor in preparation for the new unit's installation and integration into the system as soon as practicable. The installation will also require mechanical and electrical assistance.

## 2. Roughing Filter

When we last reported on the roughing filter issue in mid-March, we indicated that a work plan for the roughing filter modifications was to begin for procuring materials, contracting with appropriate contractors, hiring temporary laborers, securing rental equipment, etc. We also indicated that due to the extensive planning needs, coupled with the other efforts regarding sand, that the roughing filter work may not occur immediately.

In the meantime, and as Jeff Jabusch previously advised the Assembly, we have been exploring an alternative to that earlier-proposed modification to our roughing filters. Given the high cost of the proposed modifications and its potential for low returns on treatment improvements, we want to ensure we are pursuing the best option for a high return on water treatment improvements. The options include a couple of different types of mechanical filter systems:

- a. Cartridge Filters – We believe that the cartridge filter option is feasible, but it is not without some complexities. Two trains of double cartridge filters are proposed to be located in one roughing filter basin. This configuration is designed to provide for maximum daily demand flows, as well as for redundancy, so that filter cartridges can be readily replaced while the system is in service.

Based on the engineers' review of the plant hydraulics, pumps would be needed to drive water through the filters as they become progressively loaded with solids. Without the pumps, the current plant configuration cannot provide the pressure head needed to convey water when the filters have become fully loaded. The pump will need to provide relatively low pressure and high flow rate, which is an uncommon combination. With the help of a local pump supplier, the engineers found a model of pump that has the broad range of flow in which the plant will mostly operate. Flow control valves would also be needed, to produce a back pressure against which the pumps would operate, as well as a variable frequency drive (VFD) needed to help the pumps respond to the variation of flow conditions that the plant experiences.

Capital costs are significant and estimated between \$250k and \$275k, mostly due to the cost of the high-flow-rate filter housings. O&M costs are projected to be in the range of \$20K-\$25K year.

If this alternative is pursued, further design work is needed for at least the following aspects:

- Filter mesh size needs to be finalized. The filter manufacturer recommends that a particle count sample be collected to make a more accurate determination of change-out frequencies.
- Pump specification needs to be finalized.
- Controls would need to be designed to work with the existing plant controls, existing basin configuration and characteristics of the selected pumps.

b. Automatic Self-Cleaning Filters

Over the course of the last week, Wayne has rediscovered a filtration system that he reviewed several years ago.

This is an automatic, self-cleaning water filter system, which may be a more cost-effective option which also produces less wastewater and will not interrupt main system flows during the cleaning cycle. This system uses “Ultrafiltration” (UF), one of many membrane treatments being used in municipal drinking water treatment to pre-filter water before it reaches the final treatment stage as the system efficiently removes particulate matter that obstructs flow through the finer treatment, such as our slow sand treatment.

CRW has been assisting us in flushing out the ancillary needs of this type of system. Similar to the Cartridge Filter option, and due to plant hydraulics, pumps would be required. There would be more piping involved, as this option features two different types of pumps, both a pressure pump and a backwash pump, one of each for each of the two trains. Nevertheless, it appears this option is more economical than the Cartridge Filters, relative to both capital and O&M costs.

Capital costs are estimated between \$150k and \$180k. O&M costs are projected to be in the range of \$12K-\$15K year.

If this alternative is pursued, further design work is needed for at least the following aspects:

- Filter mesh size needs to be finalized based on a particle count sample.
- Pump specification needs to be finalized. CRW has not yet found a pump to perform the backwashing and match the required flow and pressure characteristics.
- Controls would need to be designed to work with the existing plant controls, existing basin configuration and characteristics of the selected pumps.

With the capital costs to perform the media modifications to the existing roughing filter system anticipated to be as high as \$100,000 or more, and again with no guarantee regarding the benefit offered by these modifications, we recommend pursuing the

Automatic Self-Cleaning Filters option as one of the most critical improvements to our existing treatment system at this time. It is important to note that none of the options offered herein would likely be complete before the peak summer season of 2017; however, it is vital that we make a decision regarding the improvement. Either of the two cartridge/automatic filter options will require engineering design and DEC review, followed by the materials and/or contractor procurement process, unless the Assembly further waived procurement for this size project and allowed us to negotiate material procurement and contractor procurement. A review of the water department fund is also prudent in terms of making this decision. Lee Burgess is drafting a water department funding outline for ease of reviewing this department's future outlook.

### 3. Sand

The purchase of new sand for our slow sand treatment is the only other option to cleaning the sand by way of sand dredging (or other means). The need for new sand is not a new idea, it has simply not been pursued over the years due to the high cost. The sand material quote to replace all of the sand is \$830,432, FOB Wrangell dock. I have not flushed out the added cost to remove the old sand and replace the new; however, a rough estimate for this work is \$200,000+/-.

New sand would likely increase through put as it would not be loaded with years of accumulation of dirt and organics. While the water should be cleaner with new sand, it is possible that we will still remain out of compliance with our disinfection by-products due to the plant's design.

The purchase of new sand might be able to be further delayed, if we are successful at acquiring the funding for a new treatment plant soon. If funding is not acquired soon, the replacement of the old sand would be imperative.

Lee Burgess is drafting a water fund outline for ease of reviewing the water department's future outlook as related to this item.

We have discussed at length the cleaning of the existing sand in the filters, and believe it would allow water to flow through the filter at a higher rate, and thus allow a faster recovery of treated water in the storage tanks. The proposed method of cleaning with the dredges will take time, as it will require a sizeable amount of water, potentially requiring us to have half of our filter capacity shut down during periods of cleaning. As we've been seeing high flows to town throughout the winter (and at times as high as our summer peak season), this down time will have a tremendous effect on our ability to produce enough water to supply demand.

I believe it is imperative that we continue to work toward dredging the sand in preparation for the summer peak season as this appears to be more feasible in terms of time and cost. We have been waiting on a piece of dredging equipment to arrive before attempting the test dredge once again. We received this dredge nozzle on Monday. The

Public Works crew was finishing a sewer line replacement project before remobilizing for dredging efforts.

4. Water Utility Ordinance Changes

- a. Water rates – As part of last week’s workshop regarding water usage rates, the Assembly questioned the low rates imposed on metered customers. Little discussion was pursued about the 5% proposed rate increase as the conversation was steered toward the rates for the commercial metered customers. It is believed that the current commercial metered rates are exceedingly low and set at levels detrimental to the water department’s infrastructure, which is an ultimate detriment to the public. While it is evident that these rates should be more closely reviewed to bring them to a fair rate, we believe it would be prudent to take the time to explore the structure as it stands now and how it might be structured differently. Staff also is of the opinion that such a potential rate increase should be developed with sufficient notice to the customers to allow them to plan for the changes in their operational budgets accordingly.

That said, we would maintain our proposal that the 5% rate increase across the board, as proposed for July 1<sup>st</sup> 2017 and July 1<sup>st</sup> 2018, continue in review for an ordinance change by July 1<sup>st</sup>, 2017.

- b. Other ordinance revisions/additions – Suggested ordinance changes, outside of the water usage rates, have been proposed in an effort to update some areas, create better consistency within the code, and address areas where additional regulations are needed for the protection of the water system and health and safety of the public (i.e. cross contamination regulation).

CITY AND BOROUGH OF WRANGELL  
WATER SHORTAGE MANAGEMENT PLAN

**SECTIONS:**

Findings  
Purpose and Intent  
Waste of Water Prohibited  
Authorization  
Action for Hydrological Shortage  
Action for Emergency Shortage  
Stage I Shortage  
Stage II Shortage  
Stage III Shortage  
Stage IV Shortage  
Duration of Water Use Restrictions  
Exceptions  
Access to Premises  
Liability  
Violations and Charges  
Dispute Resolution

**FINDINGS:**

The Borough Assembly does hereby find, determine and declare as follows:

- A. In order to maintain a supply of safe, treated water for the City and Borough of Wrangell's citizens and businesses and to meet fire protection needs during periods of either low water supply or high water use, it is necessary to implement a water shortage management plan which identifies specific actions to be taken by the Borough to manage water available for distribution.
- B. Wrangell has limited water storage capacity. The maximum capacity of the upper and lower reservoirs is 190 acre-feet (45.3 million gallons) and 102 acre-feet (21.4 million gallons), respectively. These reservoirs form the water supply for Wrangell. The usable capacity of the treated water storage tanks is approximately 850,000 gallons at tank levels of 32 feet. A minimum of 10 feet of storage is required in the tanks to maintain adequate chlorine contact time for proper disinfection of the treated water supply. This level is also the Borough's minimum level for fire protection.
- C. Wrangell is located in a moderate rainforest climate, but where drought conditions periodically occur and where practices to conserve water are necessary.
- D. Wrangell's water treatment facility consistently experiences poor treatment performance and difficulty in cleaning treatment filters, which leads to low filtration capacity and water storage volume relative to both summer and winter water demands.
- E. High demand, together with drought conditions and/or system constraints, may reduce the water available to Wrangell's water supply system to the point of creating a water

shortage;

- F. Wrangell has developed a water shortage management response plan that is a layered contingency plan that provides for a systematic response, restricting customer water use, and moderating water waste to meet the essential needs of the community.
- G. It is necessary to provide Wrangell Borough staff with flexibility to implement measures to restrict water use as deemed appropriate to conserve the water supply of the City and Borough of Wrangell, to protect the health, safety and general welfare of the citizens during periods of potential water shortage.

#### **PURPOSE AND INTENT:**

It is the purpose and intent of this part to proactively establish procedures for systematically managing water demand through conservation measures and measures designed to limit water use during a system constraint or hydrological-related shortage. The procedures listed in this part are designed to be used during atypical and irregular events, and are not intended for use as a substitute for developing water supply projects.

#### **WASTE OF WATER PROHIBITED:**

No water customer shall allow, permit or cause the waste of water, which shall include any use of water in violation of this part.

#### **AUTHORIZATION:**

- A. The Borough Manager, along with the Public Works Director and Water Department staff are authorized to enforce this part.
- B. The Borough Assembly may declare a Stage I, Stage II, Stage III or Stage IV shortage when either a hydrologic or emergency shortage exists as defined below.
  - 1. Hydrologic Shortage - A hydrological shortage exists at a point that the draw-down from the lower reservoir exceeds the input from the upper reservoir or when the total of the two reservoirs is projected to be below two months of demand, whichever occurs first.
  - 2. Emergency Shortage - An emergency shortage exists when conditions such as storage tank levels, operational constraints, infrastructure failure, natural disaster, regulatory issues, or other factors hinder the Borough's ability to meet customer water demands.
- C. The Borough Manager may propose and implement additional water shortage response measures, beyond those contained in this part, or modify existing water shortage response measures, as deemed necessary.



## **ACTION FOR HYDROLOGICAL SHORTAGE**

If total system storage is projected to be below two months of demand, then Borough staff will conduct an analysis. The analysis will consider system demands, water supply indicators such as long range weather forecasts, snowpack, precipitation, temperature, evaporation, stream flow, soil moisture, projected storage levels, operational constraints, and risk tolerance. If the analysis reveals a substantial risk of shortage, then the results will be reported to the Borough Manager with a recommendation for implementation of water shortage response measures, including declaration of a Stage I, Stage II, Stage III or Stage IV shortage as listed in this part.

It is important to note that a portion of the lower reservoir is unusable due to the elevation of the outlet in relation to the bottom of the reservoir.

## **ACTION FOR EMERGENCY SHORTAGE**

If an emergency shortage exists when conditions such as reduced storage tank levels, operational constraints, infrastructure failure, natural disaster, regulatory issues, or other factors hinder the Borough's ability to meet customer water demands, then the results will be reported to the Borough Manager with a recommendation for implementation of water shortage response measures, including declaration of a Stage I, Stage II, Stage III or Stage IV shortage as listed in this part.

### **STAGE I SHORTAGE (WATCH):**

A Stage I shortage may be declared when the Water Department informs the Borough Manager that the analysis required under section Authorization, part B of a water shortage indicates that proactive measures should be taken to avoid or reduce the severity of a shortage. During a Stage I shortage, the Borough will increase public communication and education efforts aimed at water conservation, will encourage the community to conserve water wherever possible and will evaluate the adjustment of water rates to promote the efficient use of water.

Stage I, in relation to water storage tank levels, applies when the tanks' levels fall below a sustainable level of 25 feet for a period of three days.

During a Stage I shortage, water customers are encouraged to follow the voluntary water conservation measures set forth below:

- A. Water landscaped areas with spray irrigation only between the hours of 5:00 a.m. and 8:00 a.m.
- B. Do not use water to clean outdoor hard surfaces such as sidewalks, driveways, decks and patios, except when cleaning with water is necessary for public health or safety reasons.
- C. Do not wash motor vehicles, trailers, boats and other types of equipment with a hose that lacks an active positive shut-off nozzle.
- D. No water customer shall fail to repair or disable any detectable water system line, component, or plumbing fixture that is leaking or damaged within 5-days of discovery.
- E. Restaurants, hotels, cafes, or other public places where food is sold, served or offered for sale,

are encouraged not to serve drinking water from the tap unless expressly requested by a patron.

- F. Industrial and commercial water customers using water for their business operations shall exhibit conservation measures.

## **STAGE II SHORTAGE (WARNING):**

A Stage II shortage may be declared when the Water Department informs the Borough Manager that the analysis required under section Authorization, part B of a water shortage indicates that the Stage I response is insufficient to reduce demands to a level in proportion to the severity of the shortage.

Stage II, in relation to water storage tank levels, applies when the tanks' levels fall below a sustainable level of 20 feet for a period of three days.

The following restrictions on the use of water by water customers and water conservation measures shall be in effect and required during a Stage II shortage:

- A. Outdoor landscape watering shall only be allowed three days per week, as identified by the Borough, between the hours of 5:00 p.m. and 8:00 a.m. only. Outdoor landscape watering with a drip irrigation system, handheld hose equipped with an active positive shutoff nozzle or handheld container shall be used for trees, shrubs, and plants at all times.
- B. No water customer shall apply water to any turf grass, sodded or landscaped area resulting in the pooling or flowing of water across the ground or into drainage ways.
- C. No water customer shall use water to wash sidewalks, walkways, patios, driveways, parking areas or other impervious surfaces, except to eliminate conditions that pose a threat to public health or safety.
- D. No water customer shall wash motor vehicles, trailers, boats and other types of equipment with a hose that lacks an active positive shut-off nozzle.
- E. No water customer shall fail to repair or disable any detectable water line, water system component, or plumbing fixture that is leaking or damaged, within 72-hours of discovery.
- F. No restaurant, hotel, cafe, or other public place where food is served, or offered for sale, shall serve drinking water from the tap, unless expressly requested by a patron.
- G. Industrial and commercial water customers, *in particular all ports and harbor facilities, seafood processors, and dock fueling stations*, may utilize water for their business operation needs under a best management practices plan. The industrial or commercial user must develop, maintain on site, and comply with a best management practices plan that demonstrates optimal use of water. This plan must be available for review and approval upon request by the Borough at all reasonable times. The Borough may require periodic reporting by the customer to demonstrate optimal use of water.

If Stage II water shortage is related to reduced storage tank levels, industrial and commercial water customers shall have water flow reduced by 25% of the water service limits, in coordination with the customers, to assist in refilling the water storage tanks. Throttling will

be monitored and only implemented as long as necessary.

All outside water sales are prohibited.

H. City and Borough Facilities:

All boat harbors shall have all individual boat slips' water service discontinued. Water will be available at the head dock only. The Fire Department will be notified of the reduced service, allowing them to implement an alternative fire response plan.

**STAGE III SHORTAGE (SEVERE):**

A Stage III shortage may be declared when the Water Department informs Borough Manager that the analysis required under section Authorization, part B of a water shortage indicates that the Stage II response is insufficient to reduce demands to a level in proportion to the severity of the shortage.

Stage III, in relation to water storage tank levels, applies when the tanks' levels fall below a sustainable level of 15 feet for a period of three days.

In addition to the Stage II restrictions and water conservation measures set forth above, the following restrictions on the use of water by water customers shall be in effect and required during a Stage III shortage:

- A. Outdoor landscape watering is prohibited.
- B. Washing of sidewalks, walkways, patios, driveways, parking areas or other hard surfaces is prohibited. Power washing shall only be used for protection of public health, safety or welfare.
- C. Washing of motor vehicles, trailers, boats and other types of equipment shall be prohibited. Vehicles contained in commercial operation or fleets may be washed if public safety requires it.
- D. No water customer shall fail to repair or disable any detectable water line, water system component, or plumbing fixture that is leaking or damaged, within 24-hours of discovery. Failure to comply shall cause the water service to be shut-off by the Borough until such repairs are made.
- E. Filling or refilling any outdoor water feature or hot tub shall be prohibited.
- F. Industrial and commercial water use shall be reduced by an amount, to be determined by the Borough, in relationship to the severity of the shortage.

If Stage III water shortage is related to reduced storage tank levels, industrial and commercial water customers shall have water flow reduced by an additional 25% of the water service limits (total of 50% at Stage III), through coordination with the customers, to assist in recovering water levels in the storage tanks. Throttling will be monitored and only implemented as long as necessary.

G. City and Borough Facilities:

1. Ports and Harbor Facilities (all Boat Harbors, City Dock and the Marine Service Center) shall have limited hours of water service. The Fire Department will be notified of the reduced service, allowing them to implement an alternative fire response plan.
2. Swimming Pool shall have limited hours of water service.

**STAGE IV SHORTAGE (CRITICAL):**

A Stage IV shortage may be declared when the Water Department informs the Borough Manager that the analysis required under section Authorization, part B of a water shortage indicates that the Stage III response is insufficient to reduce demands to a level in proportion to the severity of the shortage.

Stage IV, in relation to water storage tank levels, applies when the tanks' levels fall below a sustainable level of 10 feet for a period of three days. At this stage, tank one has a reduced capacity of 4.5 feet, and tank two has a reduced capacity of 1.5 feet; therefore, the total capacity of the two tanks is comparable to 6 feet of usable water.

In addition to the Stage II and Stage III restrictions and water conservation measures set forth above, the following restrictions on the use of water by water customers shall be in effect and required during a Stage IV shortage:

- A. All outdoor use of water is prohibited.
- B. Any water customer found to have a leak or damaged water line, water system component, or plumbing fixture shall have water service disconnected until such repairs are made.
- C. Industrial and commercial water use shall be reduced by an amount, to be determined by the Borough, in relationship to the severity of the shortage.

If Stage IV water shortage is related to reduced storage tank levels, industrial and commercial water customers shall have water flow reduced by a further 25% of the water service limits (total of 75% at Stage IV), through coordination with the customers, to assist in recovering water levels in the storage tanks. Throttling will be monitored and only implemented as long as necessary.

D. City and Borough Facilities:

1. Ports and Harbor Facilities (all Boat Harbors, City Dock and the Marine Service Center) shall have water service discontinued as long as necessary. The Fire Department will be notified of the reduced service, allowing them to implement an alternative fire response plan.
2. Swimming Pool shall have water service discontinued as long as necessary.

## **DURATION OF WATER USE RESTRICTIONS:**

The Borough will regularly evaluate the estimated supply of water available to the water system in an effort to determine whether it is necessary to continue the water use restrictions of a declared stage or level. Stages and levels may be declared in accord with this chapter and, if water supply conditions warrant, the Borough Manager may either downgrade or withdraw a declaration of a Stage I, Stage II, Stage III or Stage IV shortage.

## **EXCEPTIONS:**

- A. Water customers may use water when a critical need is approved by the Borough or when water use is essential to protect public health, safety or welfare.

## **ACCESS TO PREMISES:**

Whenever necessary for the purposes of investigating any alleged violation of this part, the Borough shall have the power, upon the presentation of proper credentials, to enter and inspect at any reasonable time, and in any reasonable manner, the exterior of a water customer's premises.

If entry to or inspection of the premises is denied or not promptly permitted, the Borough is authorized to terminate the water customer's water service to the premises, for willful violations of mandatory restrictions and regulations in this chapter, until the required inspection is made and the Borough is satisfied that a water waste situation does not exist.

## **LIABILITY:**

Each water customer shall be responsible for compliance with this part with respect to the water customer's premises, and shall be responsible for applicable charges for noncompliance with this part. In the event of an alleged violation of this part, proof of the existence of a declared water shortage and proof of any violation of any restriction set forth in this part, together with proof that the violation originated at any water customer's premises, shall constitute a rebuttable presumption that the water customer is responsible for the violation.

## **VIOLATIONS AND CHARGES:**

- A. Every law enforcement officer having jurisdiction in the Wrangell area shall have the authority to enforce the provisions of this section. In addition, the Borough Manager may also delegate enforcement responsibility for this section to other agencies and departments of city government, utilizing a variety of enforcement methods, including but not limited to, conducting customer education, issuing warnings and the addition of charges to water bills. The Borough Manager shall determine the stage of shortage at which the addition of charges to water bills will be used as an enforcement mechanism.
- B. In the event the Borough determines that an observed violation of this part has occurred on a water customer's premises during a Stage II, Stage III, or Stage IV shortage, the water customer may be subject to the following:

1. For a first observed violation of a Stage II, Stage III, or Stage IV restriction as set forth in this chapter, the Borough shall notify the water customer in writing of the violation and issue a written warning to the water customer. Enforcement officials shall provide violators with no more than one written warning. Each day in violation of this section shall constitute a separate offense.
  2. For a second and any subsequent observed violation of a Stage II restriction as set forth in this chapter, the Borough shall notify the water customer in writing of the violation and shall add a charge to the water bill for the premises up to two hundred fifty dollars (\$250.00). Each day in violation of this section shall constitute a separate offense.
  3. For a second and any subsequent observed violation of a Stage III restriction as set forth in this chapter, the Borough shall notify the water customer in writing of the violation and shall add a charge to the water bill for the premises up to five hundred dollars (\$500.00). Each day in violation of this section shall constitute a separate offense.
  4. For a second and any subsequent observed violation of a Stage IV restriction as set forth in this chapter, the Borough shall notify the water customer in writing of the violation and shall add a charge to the water bill for the premises up to one thousand dollars (\$1,000.00). Each day in violation of this section shall constitute a separate offense.
- C. For repeated observed violations of this part occurring during any Stage II, Stage III, or Stage IV shortage, the Borough may, in its discretion: a) disconnect water service to the premises for which the violations occurred in accord with the code of the utility; or b) restrict water flow to the water customer at the premises at which the violations occurred. Any flow restriction shall remain in place for a period determined by the Borough, based upon the severity of the violation as well as the applicable declared stage.
- D. Whenever the Borough finds a water customer to be in violation of this part, a notice of violation must be issued. Every reasonable effort will be made to notify the water customer of the violation, and a notice requiring the customer to cease the violation and take remedial action will be posted at the point of entry into the property. Failure to comply may result in temporary termination of water service pursuant to applicable water codes.
- E. The notice of violation must be served upon the water customer by fixing the notice to the premises of the water customer in a conspicuous place, by personal delivery, or by sending the notice electronically or by U.S. mail. If sent electronically or by mail, service shall be deemed complete upon sending or mailing. Service of the notice of violation by affixation has the same force and effect and is subject to the same penalties for disregarding a notice, as if the notice of violation were personally served on the water customer. For purposes of this part, a person who is of full legal age and who resides at the premises is deemed to be the agent of the water customer to receive a notice of violation.
- F. Whenever a water customer fails to correct a violation within the correction period set forth on a notice of violation, this failure to correct shall constitute an additional violation.
- G. Any charge assessed pursuant to this chapter shall be collectible in the same manner as a water charge under the water rates related to the Wrangell Water Department, and if unpaid, water service for the premises may be discontinued in accord with the Borough's



codes.

- H. Any charge assessed an industrial or commercial user, pursuant to this chapter, shall be equal to three (3) times the applicable charge.

**DISPUTE RESOLUTION:**

Any water customer's dispute with the Borough concerning this part shall first be addressed through review by the Borough Manager. If the review by the Borough Manager does not resolve the dispute, the water customer may, within five days of the demand made upon them for the water shortage violation, demand a hearing before the Borough Assembly on this matter. The Borough Assembly shall, after receiving a report from the Borough Manager of water shortage violation charges and after affording an opportunity for such hearing, in case the water customer demands the same, take such action at law as is necessary to collect any charges which the Borough Assembly shall find to be owing, including penalties and interest.

## Chapter 15.04

### WATER<sup>1</sup>

#### Sections:

- 15.04.010 Supply terms generally.
- 15.04.015 Connection to borough water supply required.
- 15.04.020 Water quality.
- 15.04.030 Borough property.
- 15.04.040 Special contracts.
- 15.04.050 Resale of water.
- 15.04.060 Service preference.
- 15.04.070 Application for service.
- 15.04.080 Credit establishment.
- 15.04.090 Deposits – Terms.
- 15.04.100 Deposits – Forfeiture.
- 15.04.110 Ownership and maintenance.
- 15.04.120 Service connection charge.
- 15.04.130 Size of service pipe – Changes.
- 15.04.140 Length of service pipe.
- 15.04.150 Joint service connections.
- 15.04.160 Number of service connections on premises.
- 15.04.170 Standby fire protection service – Connections.
- 15.04.180 Standby fire protection service – Charges.
- 15.04.190 Standby fire protection service – Violations of regulations.
- 15.04.200 Other fire protection services.
- 15.04.205 Meters – Where required.
- 15.04.210 Meters – Damage prevention.
- 15.04.220 Meters – Control valve and stop.
- 15.04.230 Meters – Ownership and maintenance.
- 15.04.240 Meters – Installation.
- 15.04.245 Meters – Submeters.
- 15.04.250 Meters – Size and type.
- 15.04.260 Meters – Location.
- 15.04.270 Meters – Joint use services.
- 15.04.280 Meters – Changes in size or location.
- 15.04.290 Water rates – Publication.
- 15.04.300 Notices to customer.
- 15.04.310 Notices from customer.
- 15.04.320 Meter readings.
- 15.04.330 Flat rates.
- 15.04.340 Billing period.
- 15.04.350 Bills – Proration of certain.
- 15.04.360 Bills – Separate required – Exception.
- 15.04.363 Bills – Adjustments – Refunds.
- 15.04.370 Bills – Disputes.
- 15.04.380 Bills – Payment by due date.
- 15.04.390 Bills – Delinquency notices.
- 15.04.400 Bills – Turnoff notice for delinquencies.
- 15.04.410 Service turnoff for delinquent accounts – Method.
- 15.04.420 Service turnoff for delinquent accounts – Charges.
- 15.04.430 Installment payments for delinquent accounts.
- 15.04.440 Meter accuracy – Generally.
- 15.04.450 Meter accuracy – Testing upon customer request.
- 15.04.460 Meter accuracy – Testing upon borough request.

- 15.04.470 Meter accuracy – Bill adjustment for inaccuracies.
- 15.04.480 Meter accuracy – Bills for nonregistering meters.
- 15.04.490 Discontinuance of service – Upon customer request.
- 15.04.495 *Repealed.*
- 15.04.500 Discontinuance of service – For nonpayment of bills.
- 15.04.510 Discontinuance of service – For water waste.
- 15.04.520 Discontinuance of service – For detrimental service.
- 15.04.530 Discontinuance of service – For fraud or abuse.
- 15.04.540 Discontinuance of service – For noncompliance with regulations.
- 15.04.545 Turn-on and turn-off fee.
- 15.04.550 Unauthorized turning on or off of service.
- 15.04.560 *Repealed.*
- 15.04.570 Unusual water demands.
- 15.04.580 Access to premises for inspections.
- 15.04.590 Nonliability of borough for damages – Customer responsibilities.
- 15.04.600 Equipment remains borough property – Access.
- 15.04.610 Customer responsibility for damage to borough equipment.
- 15.04.620 Fire hydrant restrictions.
- 15.04.630 Service connection charges.
- 15.04.640 Monthly water rates.

**15.04.010 Supply terms generally.**

A. The borough will exercise reasonable diligence and care to deliver a continuous and sufficient supply of water to the customer at a proper pressure and to avoid any shortage or interruption in delivery.

B. The borough will serve water at the pressure available and will reduce the pressure where necessary to protect the piping and, within reasonable limits, as satisfactory to the customer. Where pumping is required to serve a customer at too high an elevation to be served by gravity, the borough may, at its option, require the customer to provide a suitable pump as a condition of service. The installation shall be subject to approval by the water superintendent. [Ord. 217 § 5, 1968; prior code § 54.10.010.]

**15.04.015 Connection to borough water supply required.**

The owner of all houses, buildings or properties used for human occupancy, employment, recreation or other purposes situated within the borough or on borough property and abutting any street, alley or right-of-way in which there is now located or may be in the future located a public water supply of the borough is required at his expense to install facilities therein and to connect such facilities directly with the proper public water supply in accordance with the provisions of this chapter within 14 days after date of official notice to do so; provided, that the public water supply is within 200 feet of the property line. [Ord. 608 § 4, 1995.]

**15.04.020 Water quality.**

The borough will exercise reasonable diligence to supply safe and potable water at all times. [Ord. 217 § 5, 1968; prior code § 54.10.015.]

**15.04.030 Borough property.**

All water mains, valves, fittings, hydrants, and other appurtenances, except customer service lines, shall be the property of the borough. [Ord. 217 § 5, 1968; prior code § 54.10.020.]

**15.04.040 Special contracts.**

When the applicant's requirements for water are unusual or large, or necessitate considerable special or reserve equipment or capacity, the borough reserves the right to make special contracts, the provisions of which are different from and have exceptions to the regularly published water rates, and the provisions of this chapter. This special contract shall be in writing and signed by the applicant and the assembly. [Ord. 217 § 5, 1968; prior code § 54.10.025.]

**15.04.050 Resale of water.**

Resale of water shall only be permitted under special contract, in writing, between the assembly and the person or party selling the water. [Ord. 217 § 5, 1968; prior code § 54.10.030.]

**15.04.060 Service preference.**

In case of shortage of supply, the borough reserves the right to give preference in the matter of furnishing service to customers and interests of the borough from the standpoint of public health, safety, convenience or necessity. Water service to persons or entities not connected to the water utility shall be subject to the prior and superior rights of the customers connected to the water system. Water service to users outside the borough boundaries shall, at all times, be subject to the prior and superior rights of the customers within the borough. [Ord. 217 § 5, 1968; prior code § 54.10.035.]

**15.04.070 Application for service.**

Each applicant for water service shall sign an application form provided by the borough giving date of application, location of premises, whether they have been served before, the date on which applicant desires to have service begin, the purpose for which service is to be used, the address for mailing or delivery of bills, the applicant's address (owner, tenant, or agent), the class and size of service, and such other information as the borough may reasonably require. In signing the application, the customer agrees to abide by the borough code. The application is merely a written request for service and does not bind the borough to serve.

The borough may refuse to install new services between October 15th and April 1st due to frozen ground or "spring thaw" conditions that would adversely affect borough utilities and/or rights-of-way. [Ord. 432 § 5, 1982; Ord. 217 § 5, 1968; prior code § 54.10.040.]

The borough may refuse to install new services where municipal water mains do not already exist.

**15.04.080 Credit establishment.**

A. At the time application for service is made, the applicant shall establish his credit with the borough.

B. The credit of the applicant will be deemed established as follows:

1. If the applicant makes a cash deposit with the borough to secure payment of bills for service; the deposit shall be a sum equal to the estimated bill for two billing periods but not less than \$10.00;
2. If the applicant has promptly paid all accounts due the borough for a period of 12 consecutive billing periods;
3. If the applicant can otherwise convince the borough that all bills will be paid when due. [Ord. 217 § 5, 1968; prior code §§ 54.10.045, 54.10.050.]

**15.04.090 Deposits – Terms.**

At the time the deposit is given to the borough, the applicant will be given a receipt for the same. The deposit is not to be considered as a payment on account. The deposit will be returned to the customer, less any amount due the borough for service, when service to the customer is discontinued. The borough may, at its option, return the deposit without application, provided all bills have been paid promptly for 12 consecutive billing periods. [Ord. 601 § 5, 1995; Ord. 278 § 5, 1973; prior code § 54.10.055.]

**15.04.100 Deposits – Forfeiture.**

If an account becomes delinquent and it is necessary to turn off the service, the deposit shall be applied to the unpaid balance due. Water service will not be restored to that customer at the same or different premises until all outstanding bills due the borough have been paid and the cash deposit replaced. [Ord. 217 § 5, 1968; prior code § 54.10.060.]

**15.04.110 Ownership of System and Equipment – Service and maintenance.**

The borough shall own, install, and maintain all services and installations; and maintenance shall only be performed by authorized employees or agents of the borough. The customer shall own, install, and maintain the customer service line. [Ord. 217 § 5, 1968; prior code § 54.10.065.]

**Comment [AA1]:** [This section is inconsistent with other sections that indicate that the customer is responsible for the service line, from the water main to the service structure(s). Other sections state that while the borough installs and maintain service lines from the water main to the property line, the customer is responsible for the cost to install and maintain. This should be held consistent throughout the ordinance.]

**15.04.120 Service connection charge.**

A. At the time the applicant files for any service where no service previously existed, or if he is filing for a change in service size or location, ~~they~~<sup>he</sup> shall submit with ~~his~~<sup>their</sup> application ~~the service connection charge, a deposit in an amount, as estimated by the Public Works Director, to cover the direct costs for installation from the water main to the structure, plus a new service connection charge, as determined by the borough in the current published water rate schedule. [Ord. 217 § 5, 1968; prior code § 54.10.070.] The deposit must be made before a connection is made. Any additional cost over the estimated amount shall be billed to the property owner and any excess from the estimated amount shall be returned to the property owner.~~

~~B. This charge is to cover the actual cost to the borough to install the service from the main to and including the meter and the meter housing. The service connection charge shall be as determined by the borough in the current published water rate schedule. [Ord. 217 § 5, 1968; prior code § 54.10.070.]~~

~~A. The property owner is responsible for all costs for installation of a new service line or fire line from the water main to the structure.~~

~~B. Installation of a new service line from the structure to the property line shall be performed by the property owner/customer or a property owner/customer's private contractor. Only the Public Works Department personnel or its agents shall perform the installation of a new service line from the water main to the property line.~~

~~C. All water installations shall be made according to the Uniform Plumbing Code as adopted by the borough in Chapter 18.08 Plumbing Code of this code, and the property owner shall obtain a permit from the borough's building official, prior to installation.~~

~~E. Upon completion of the new service line to the property line, the Public Works Department or its agents shall make the connection to the property owner/customer's service line at the property line.~~

**15.04.130 Size of service pipe – Changes.**

A. The borough will furnish and install a service of such size and at such locations as the applicant requests, provided such requests are reasonable and that the size of service pipe shall be three-quarters of an inch. The borough may refuse to install a service line which is undersized or oversized.

B. Permanent changes in the size of the service line requested by the customer shall be paid by the customer, on the basis of actual costs to the borough, for making the change. [Ord. 217 § 5, 1968; prior code §§ 54.10.075, 54.10.080.]

**15.04.140 Length of service pipe.**

A. Where the main is in a public right-of-way, the meter will be placed at the right-of-way line nearest the property to be served for the standard connection fee, provided the length of service does not exceed the width of the right-of-way.

B. Where the main is on an easement or publicly owned property other than designated rights-of-way, the service shall be installed to the boundary of the easement or public property by the borough, provided the length of service does not exceed 30 feet.

C. If, in either case cited in subsection (A) or (B) of this section, the length of service line to the meter location exceeds the maximum stated, the applicant shall pay the extra cost of the line on the basis of actual cost to the borough for labor, materials and equipment rental, plus fifteen percent (15%). [Ord. 217 § 5, 1968; prior code § 54.10.085.]

**15.04.150 Joint service connections.**

A. The borough may, at its option, serve two or more premises with one service connection. On new service connections, the inside diameter of such joint lines shall be sufficient to provide a carrying capacity not less than the combined capacity of individual service lines of the same size as the meters installed.

**Comment [AA2]:** This language is confusing based on other language that says the property owner is responsible for the borough's costs to install the service line, from the water main to the property line. The language also conflicts the location of meters. Is the intent for "meter" to mean "service valve?"

B. Service extensions from an existing service to other occupancies or ownerships than that for which the existing service was intended shall not be permitted except under special considerations approved by the assembly. [Ord. 217 § 5, 1968; prior code § 54.10.090.]

**15.04.160 Number of service connections on premises.**

The owner of a single parcel of property may apply for and receive as many services as he and his tenants require, provided his application or applications meet the requirements stated in this chapter and the approval of the public works director. [Ord. 217 § 5, 1968; prior code § 54.10.095.]

Cross-connections.

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No water service connection to any premises shall be installed or continued in use unless the water supply is protected by all necessary backflow prevention devices as required by the Uniform Plumbing Code as adopted by the borough in Section 18.08 Plumbing Code of this code. Backflow prevention devices shall be installed on any premises where, in the judgment of the Public Works Director, the nature and extent of the activities, or the materials used or stored on the premises, could present a hazard to the water supply in the event a cross-connection were to be made. All costs for purchase and installation of the backflow prevention device will be paid by the property owner and/or customer.

**15.04.170 Standby fire protection service – Connections.**

Standby fire protection service connections of two-inch size and larger will be installed only if adequate provisions are made to prevent the use of water from such services for purposes other than fire extinguishing. Sealed fire sprinkler systems with water-operated alarms shall be considered as having such provisions. The borough may require that a suitable detector check meter be installed in the standby fire protection service connections to which hose lines or hydrants are connected. [Ord. 217 § 5, 1968; prior code § 54.10.100.]

**15.04.180 Standby fire protection service – Charges.**

Charges for standby fire protection service will be as stated in the published water rate schedule. No charge will be made for water used in the standby fire protection services to extinguish accidental fires or for routine testing of the fire protection system. The customers shall pay the full cost of the standby fire protection service connection, any required detector check meters, and any required special water meter installed solely for the service to the standby connection. [Ord. 217 § 5, 1968; prior code § 54.10.105.]

**15.04.190 Standby fire protection service – Violations of regulations.**

If water is used from a standby pipe connection service in violation of these regulations, an estimate of the amount used will be computed by the borough. The customer shall pay for the water used at the regular rates, including the minimum charge based on the size of the service connection and subsequent bills rendered on the basis of the regular water rates. [Ord. 217 § 5, 1968; prior code § 54.10.110.]

**15.04.200 Other fire protection services.**

A service having fire protection facilities on the premises and water for other purposes flowing through the same service connection shall be considered as an ordinary service and shall be metered. All water used through that service, regardless of its use, will be charged at the regular rates. [Ord. 217 § 5, 1968; prior code § 54.10.115.]

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**15.04.205 Meters – Where required.**

Water meters shall be required for all services except:

- A. Residential service to two or fewer units used solely for residential purposes, or any number of mobile homes; and
- B. Fire protection service lines not used in any manner for unmetered domestic supply; and
- C. Commercial/industrial properties where water is only used for restrooms, breakrooms, closed heating systems, and routine janitorial uses; and

D. Where the property was connected to municipal water prior to the passage date of the ordinance codified in this section, the property will continue to be billed at unmetered rates until such time as the municipality chooses to install a meter. [Ord. 829 § 1, 2008.]

**15.04.210 Meters – Damage prevention.**

The customer shall use all possible care to prevent damage to the meter or to any other loaned facilities of the borough. If the meter or other facilities are damaged, the cost of making repairs shall be assessed to the customer. If the loaned materials are returned in satisfactory condition and all bills paid, the full amount of the equipment deposit will be returned to the temporary customer at the termination of service. [Ord. 217 § 5, 1968; prior code § 54.10.120.]

**Comment [AA3]:** Where is the language that requires a meter deposit?

**15.04.220 Meters – Control valve and stop.**

A. Customers shall install a suitable control valve in the customer service line as close to the meter as possible, the operation of which will control the entire water supply to the premises served.

B. It is a violation of this chapter for the customer to operate or cause unauthorized operation of the meter stop or any other appurtenances on the service connection. [Ord. 217 § 5, 1968; prior code § 54.10.125.]

**15.04.230 Meters – Ownership and maintenance.**

The borough will own and maintain all water meters. The borough will not pay rent or any other charge for a meter or other water facilities, including housing and connections, located on a customer's premises. [Ord. 217 § 5, 1968; prior code § 54.10.130.]

**15.04.240 Meters – Installation.**

Installation of water meters shall be performed only by authorized employees or agents of the borough. All meters shall be sealed by the borough at the time of installation, and no seal shall be altered or broken except by one of its authorized employees or agents. [Ord. 217 § 5, 1968; prior code § 54.10.135.]

**15.04.245 Meters – Submeters.**

The utility shall install one meter for multiple-occupancy buildings owned by a single entity or individual. If the owner desires individual meters for each unit, the owners shall install meters at the owner's expense, and as well as read and bill the tenants at the owner's cost. The utility shall have no interest or responsibility for the maintenance, upkeep, or reading of any submeters or any other facility on the customer line except as provided herein. [Ord. 829 § 1, 2008.]

**15.04.250 Meters – Size and type.**

Applicant may request and receive any size meter regularly stocked or furnished by the borough, provided the request is reasonable; and further provided, that the meter is not greatly oversized or undersized, as determined by the Public Works Director. The borough reserves the right to determine the type of meter to be installed. [Ord. 217 § 5, 1968; prior code § 54.10.140.]

**15.04.260 Meters – Location.**

The property owner shall provide a place for installation of the meter that is acceptable to the water utility. The meter will be installed wherever the applicant desires, within reason, but the location must be approved by the borough. The meter will not be located in driveways or other locations where drainage to the meter or its related parts may occur. The meter must be located in an area that is heated, dry, and accessible for repair and replacement of the meter, as determined by the water utility. A shutoff valve shall be installed by the property owner ahead of the meter yoke. The water utility may install a remote readout; a suitable place for the remote unit shall be provided by the owner and shall be satisfactory to the water utility. [Ord. 829 § 1, 2008; Ord. 217 § 5, 1968; prior code § 54.10.145.]

**15.04.270 Meters – Joint use services.**

The joining of several customers to take advantage of the single minimum charges and large quantity rates shall be prohibited; except under special contract, in writing, with the assembly. [Ord. 217 § 5, 1968; prior code § 54.10.150.]



**15.04.280 Meters – Changes in size or location.**

If, for any reason, a change in size of a meter and service is required, the installation will be accomplished on the basis of a new connection, and the customer's application shall be amended. Meters or services moved for the convenience of the customer will be relocated only at the customer's expense. [Ord. 217 § 5, 1968; prior code § 54.10.155.]

**15.04.290 Water rates – Publication.**

The water rates to be charged for size of service, including minimum charges, charges for water used over the specified minimum, charges for specified commercial users, and service connection charges, shall be published in separate schedules. These schedules, approved by the assembly, shall become a part of this chapter. These water rates and service connection charges may be revised by ordinance, following a public hearing. [Ord. 370 § 5, 1978; prior code § 54.10.160.]

**15.04.300 Notices to customer.**

Notices from the district to the customer will normally be given in writing and either mailed or delivered to him at his last known address. Where conditions warrant, and in emergencies, the borough may notify customers either by telephone, social media or other generally acceptable means of communicating with a large group of residents or messenger. [Ord. 217 § 5, 1968; prior code § 54.10.165.]

**15.04.310 Notices from customer.**

Notices from the customer to the borough may be given by the customer or his authorized representative orally or in writing at the office of the borough or to an agent of the borough duly authorized to receive notices or complaints. [Ord. 217 § 5, 1968; prior code § 54.10.170.]

**15.04.320 Meter readings.**

A. Meters will be read and customers billed on the basis of the meter reading to the nearest 1,000 gallons; that is, no charge will be made for amounts from one to 499 gallons, and the charge for amounts from 500 to 999 gallons will be for 1,000 gallons.

B. The borough will keep an accurate account on its books of all readings of meters; and such account, so kept, shall be offered at all times, places, and courts as prima facie evidence of the use of water service by the customer. [Ord. 217 § 5, 1968; prior code § 54.10.175.]

**15.04.330 Flat rates.**

Where meters have not been installed, nor rates set for meters, the customers shall be charged on the basis of the charges as set forth in schedules adopted pursuant to WMC 15.04.290. [Ord. 370 § 5, 1978; prior code § 54.10.180.]

**15.04.340 Billing period.**

Meters shall be read and bills shall be rendered monthly. [Ord. 217 § 5, 1968; prior code § 54.10.185.]

**15.04.350 Bills – Proration of certain.**

Opening or closing bills, or bills that for any other reason cover a period containing 10 percent more days or 10 percent less days than in the normal billing period, shall be prorated. [Ord. 217 § 5, 1968; prior code § 54.10.190.]

**15.04.360 Bills – Separate required – Exception.**

All meters or services supplying a customer's premises shall be billed separately, except that where the borough has, for operating purposes, installed two or more meters or services in place of one, the readings may be combined for billing. [Ord. 217 § 5, 1968; prior code § 54.10.195.]

**15.04.363 Bills – Adjustments – Refunds.**

No adjustments in customer's monthly billing rate will be made, except upon the written request of the customer. The customer shall be responsible for notifying the borough of changes in their establishment which may require a change in monthly rate. Upon written request, a monthly billing rate shall be adjusted by the borough if good cause is shown for such an adjustment. If the customer's rate is adjusted, refunds will only be made from the date the adjustment was requested in writing. [Ord. 483 § 4, 1985.]

**15.04.370 Bills – Disputes.**

When a customer disputes the correctness of a bill, he shall deposit the amount of the disputed bill at the time the complaint is lodged, to preclude discontinuance of service pending final settlement of the bill or bills. Subsequent bills shall be paid or placed on deposit in a similar manner. Failure of the customer to make such a deposit shall warrant discontinuance of service, as provided under this chapter. [Ord. 217 § 5, 1968; prior code § 54.10.200.]

**15.04.380 Bills – Payment by due date.**

Each bill rendered shall become due on the twentieth day of each month. If the bill is not paid by that date, the account shall be considered delinquent and interest will be charged at the maximum rate allowable under AS 45.45.010 unless arrangements have been made with the assembly, in writing, that specify another due date. [Ord. 680 § 4, 2000; Ord. 217 § 5, 1968; prior code § 54.10.205.]

**15.04.390 Bills – Delinquency notices.**

A reminder of account delinquency shall be sent, at the discretion of the superintendent, to each delinquent account on or about 30 days after the account becomes delinquent. [Ord. 217 § 5, 1968; prior code § 54.10.210.]

**15.04.400 Bills – Turnoff notice for delinquencies.**

On or about 40 days after an account becomes delinquent, a turnoff notice shall be sent to the customer. The notice shall state a date on which water will be turned off if the delinquent account is not paid in full prior thereto. [Ord. 217 § 5, 1968; prior code § 54.10.215.]

**15.04.410 Service turnoff for delinquent accounts – Method.**

On the turnoff date, the meter reader or other agent of the borough shall deliver a written notice to the customer stating that the water service is being turned off until all delinquent amounts have been paid. The meter reader or other agent of the borough shall immediately thereafter turn off the service. A delivery to any person residing at the address served by the meter shall be considered a delivery to the customer. If there is no person present at the address served, then the notice may be left on the premises stating that water service will be discontinued on the following morning. If delinquent bills are not paid by the following morning, the meter reader shall return to the premises, shut off the water service, and leave a notice that the water service has been turned off until all delinquent accounts have been paid. [Ord. 217 § 5, 1968; prior code § 54.10.220.]

**15.04.420 Service turnoff for delinquent accounts – Charges.**

In all instances where water has been turned off because of account delinquency, a ~~\$35.00~~ disconnect service charge shall be imposed; a reconnect service charge of ~~\$35.00~~ shall be made for the restoration of service, in which case replacement of the cash deposit, as stated in this chapter, will be required. [Ord. 278 § 5, 1973; prior code § 54.10.225.]

**15.04.430 Installment payments for delinquent accounts.**

In cases of extreme hardship, the superintendent shall have the discretion of renewing service to a delinquent account upon receipt of a satisfactory installment plan for the payment of the overdue account. [Ord. 217 § 5, 1968; prior code § 54.10.230.]

**15.04.440 Meter accuracy – Generally.**

All meters will be tested prior to installation. No meter will be placed in service or allowed to remain in service which is known to have an error in registration in excess of five percent under conditions of normal operation. [Ord. 217 § 5, 1968; prior code § 54.10.235.]

**15.04.450 Meter accuracy – Testing upon customer request.**

A customer may, giving not less than seven days' notice, request the borough to test the meter serving his premises. The borough will require the customer to deposit the testing fee. This fee shall be ~~\$325.00~~ for meters one inch and smaller and for meters larger than one inch shall be an estimate of the cost of testing the meter as determined by the ~~superintendent~~Public Works Director. The deposit will be returned to the customer if the test reveals the meter to overregister more than five percent under conditions of normal operation. If the meter is operating satisfactorily or if the meter underregisters more than five percent under the standard test conditions, the deposit shall be forfeited to the borough. Customers may, at their option, witness any meter tests which they request. [Ord. 829 § 1, 2008; Ord. 217 § 5, 1968; prior code § 54.10.240.]

**15.04.460 Meter accuracy – Testing upon borough request.**

If, upon comparison of past water usage, it appears that a meter is not registering properly, the district may, at its option, test the meter and adjust the charges accordingly if the meter either overregisters or underregisters. No charge for meter testing will be made to the customer for the meter test under these conditions. [Ord. 217 § 5, 1968; prior code § 54.10.245.]

**15.04.470 Meter accuracy – Bill adjustment for inaccuracies.**

A. When, upon test, a meter is found to be registering more than five percent fast under normal operating conditions, the borough will refund to the customer the full amount of the overcharge, based on corrected meter readings, for those billing periods that the meter was in use where good cause can be shown for the adjustment, and where the customer has notified the borough in writing of the need for the test. In no case shall refunds be made in excess of the applicable statute of limitations period.

B. When, upon test, a meter is found to be registering more than 10 percent slow, the borough may bill the customer for the amount of the undercharge, based upon corrected meter readings, for those billing periods that the meter was in use where good cause could be shown for the adjustment. In no case shall the customer be charged for a period in excess of the applicable statute of limitations period.

C. Nonregistering Meters. The borough will bill for water consumed while the meter was not registering. The bill will be computed upon an estimate of consumption based either upon the comparison with the customer's prior use during the same season of the previous year, or upon a reasonable comparison with the use of other customers receiving the same class of service during the same season and under similar circumstances and conditions, or both. [Ord. 829 § 1, 2008; Ord. 483 § 5, 1985; Ord. 217 § 5, 1968; prior code §§ 54.10.250, 54.10.255.]

**15.04.480 Meter accuracy – Bills for nonregistering meters.**

The borough will bill the customer for water consumed while the meter was not registering. The bill will be computed upon an estimate of consumption based either upon the customer's prior use during the same season of the previous year, or upon a reasonable comparison with the use of other customers receiving the same class of service during the same season and under similar circumstances and conditions, or both. [Ord. 217 § 5, 1968; prior code § 54.10.260.]

**15.04.490 Discontinuance of service – Upon customer request.**

A. Each customer about to vacate any premises supplied with water service by the borough shall give the borough written notice of his intentions at least two days prior thereto, specifying the date service is to be discontinued; otherwise, he will be responsible for all water supplied to such premises until the borough receives notice of such removal.

B. At the time specified by the customer that he expects to vacate the premises where service is supplied or that he desires to be discontinued, the meter will be read and a bill rendered which is payable immediately. In no case will the bill be less than the proportionate share of the monthly minimum specified in the schedule applying to the size of service furnished. [Ord. 217 § 5, 1968; prior code § 54.10.265.]

**15.04.495 Temporary discontinuance of service – Upon customer request.**

*Repealed by Ord. 829. [Ord. 432 § 6, 1982.]*

**15.04.500 Discontinuance of service – For nonpayment of bills.**

A customer's water service may be discontinued if the water bill is not paid in accordance with the procedures set forth in this chapter. [Ord. 217 § 5, 1968; prior code § 54.10.270.]

**15.04.510 Discontinuance of service – For water waste.**

Where water is wastefully or negligently used on a customer's premises, ~~seriously affecting the general service~~, the borough may discontinue service if such conditions are not corrected after due notice by the borough. [Ord. 217 § 5, 1968; prior code § 54.10.275.] It is unlawful for any person to allow any water to run from any water tap or outlet, unless the water is metered.

**15.04.520 Discontinuance of service – For detrimental service.**

The borough may refuse to furnish water and may discontinue service to any premises where excessive demand by one customer will result in inadequate service to others. [Ord. 217 § 5, 1968; prior code § 54.10.280.]

**15.04.530 Discontinuance of service – For fraud or abuse.**

The borough will refuse or discontinue service to any premises where it is deemed necessary to protect the borough from fraud or abuse. Discontinuance of service from one or both of these causes will be made immediately upon receipt of knowledge by the borough that the condition or conditions exist. [Ord. 217 § 5, 1968; prior code § 54.10.285.]

**15.04.540 Discontinuance of service – For noncompliance with regulations.**

The borough may, upon five days' notice, discontinue service to a customer's premises for failure to comply with any of the provisions of this chapter. [Ord. 217 § 5, 1968; prior code § 54.10.295.]

**15.04.545 Turn-on and turn-off fee.**

Except for the initial turn-on that occurs when a property is connected to the municipal water system for the first time, each customer or applicant for service shall pay all costs for turning on or turning off the water service to the property, whether the turn-on or turn-off is due to the customer or applicant's request, nonpayment, interruption due to unsafe facilities, water waste, fraud, abuse, or noncompliance with any of the provisions of this chapter. The fee shall be computed at actual costs to the borough for labor, materials, and equipment, plus fifteen percent overhead, with a minimum charge of \$35.00. [Ord. 851 § 1, 2011; Ord. 829 § 1, 2008.] and the actual call-out labor cost, plus fifteen percent (15%) for responses after business hours.

**15.04.550 Unauthorized turning on or off of service.**

A. If water service is turned on or turned off at the curb stop by any person not specifically authorized to do so by the water utility, a fee of \$100.00 shall be paid by the property owner.

B. Where water service has been discontinued for any reason and the water is turned on by the customer or other unauthorized person, the water may then be shut off at the main, the meter removed, or other preventative measures put into place. The charges for instituting these measures shall be computed at actual cost to the borough plus fifteen percent (15%) overhead, but not less than ~~\$325.00~~. These charges shall be billed to the offending customer and water shall not be furnished to the premises until such charges are paid and the borough has reasonable assurances that the violation will not recur, at which time the offending customer will be billed any costs associated with re-establishing service, plus fifteen percent (15%) overhead, but not less than ~~\$325.00~~. [Ord. 829 § 1, 2008; Ord. 217 § 5, 1968; prior code § 54.10.290.]

**15.04.560 Restoration of service.**

*Repealed by Ord. 829.* [Ord. 217 § 5, 1968; prior code § 54.10.300.]

**15.04.570 Unusual water demands.**

A. When an abnormally large quantity of water is desired for filling a swimming pool, log pond, tank, or for other purposes, arrangements must be made with the utility prior to taking such water.

B. Permission to take water in unusual quantities will be given only if the borough facilities and other consumers are not inconvenienced.

C. Payment for such water will be in accordance with the regular schedule for water rates if service is through a meter or will be fixed by the assembly in the case of a nonmetered service. [Ord. 217 § 5, 1968; prior code § 54.10.305.]

**15.04.580 Access to premises for inspections.**

The duly appointed employees of the borough, under the direction of the ~~superintendent~~Public Works Director, shall have free access at all reasonable hours of the day to any and all parts of structures and premises in which water is or may be delivered for the purpose of inspecting connections, the conditions of conduits and fixtures, and the manner and extent in which the water is being used. The borough does not, however, assume the duty of inspecting the customer's line, plumbing, and equipment, and shall not be responsible therefor. [Ord. 217 § 5, 1968; prior code § 54.10.310.]

**15.04.590 Nonliability of borough for damages – Customer responsibilities.**

A. The borough shall not be liable for any loss or damage of any nature whatsoever caused by any defect in the customer's line, plumbing, or equipment, nor shall the borough be liable for loss or damage due to interruption of service or temporary changes in pressure.

B. The customer shall be present on site and responsible for valves on his premises being turned off when the water service is turned on. [Ord. 217 § 5, 1968; prior code § 54.10.315.]

**15.04.600 Equipment remains borough property – Access.**

Borough equipment on the customer's premises remains the property of the borough and may be repaired, replaced, or removed by the borough employees or agents at any time without consent of the customer. No payment will be made to the property owner for the right to install, maintain, replace, or remove borough equipment and must in no way interfere with its operation. The property owner must keep vicious dogs or other animals secured or confined to avoid interference with the utility operation and maintenance. [Ord. 217 § 5, 1968; prior code § 54.10.320.]

**15.04.610 Customer responsibility for damage to borough equipment.**

The customer shall be liable for any damage to equipment owned by the borough which is caused by an act of the customer, his tenants, agents, employees, contractors, licensees, or permittees. Damage to equipment shall include but not be limited to breaking of seals and locks, tampering with meters, injury to meters, including but not limited to damage by hot water or steam, and damaged meter boxes, curb stops, meter stops, and other service appurtenances. [Ord. 217 § 5, 1968; prior code § 54.10.325.]

**15.04.620 Fire hydrant restrictions.**

No person or persons other than those designated and authorized by the borough shall open any fire hydrant belonging to the borough, attempt to draw water from it, or in any manner damage or tamper with it. Any violation of this regulation will be prosecuted according to law. No tool other than special hydrant wrenches shall be used to operate a hydrant valve. In cases where a temporary service has been granted and water is received through a fire hydrant, an auxiliary external valve will be provided to control the flow of water. [Ord. 217 § 5, 1968; prior code § 54.10.330.]

**15.04.630 Service connection charges.**

A. All service connections to customers shall be charged at the actual cost of materials, equipment, and labor, plus fifteen percent (15%) overhead, with the following minimum charges per connection:

**SERVICE CONNECTION CHARGES**

Size of Service (in inches)	Minimum Charges
3/4	\$350.00
1	\$406.00
2	\$594.00
3 and over	\$650.00

B. Any additional charges including service connection charges for services larger than those stated will be based on the actual cost of labor, materials and equipment for installation, plus fifteen percent (15%) overhead. [Ord. 833 § 37, 2009; Ord. 477 § 5, 1985; Ord. 432 § 7, 1982; Ord. 278 § 5, 1973; prior code § 54.10.070(Schedule A).]

**15.04.640 Monthly water rates.**

A. The following monthly rates as shown in Table 15.04.640 shall apply to all metered and unmetered properties:

TABLE 15.04.640

Monthly Metered Water Rates

			6%		6%		6%		6%		6%			
			Present Rate		7/1/2011		7/1/2012		7/1/2013		7/1/2014		7/1/2015	
Residential			-	-	-	-	-	-	-	-	-	-	-	
Metered Residential			-	-	-	-	-	-	-	-	-	-	-	
-	-	Base Charge (per-month)	\$	20.00	\$	21.20	\$	22.47	\$	23.82	\$	25.25	\$	26.76
-	-	Volume Charge (\$ per 1,000 gallons)	-	-	-	-	-	-	-	-	-	-	-	
-	-	First 4,000-gallons	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
-	-	Over 4,000-gallons	\$	1.88	\$	1.99	\$	2.11	\$	2.24	\$	2.37	\$	2.52
Unmetered Residential			-	-	-	-	-	-	-	-	-	-	-	
-	-	Flat Rate Charge (per-month)	\$	30.45	\$	32.28	\$	34.21	\$	36.27	\$	38.44	\$	40.75
-	-	Vacation Rate	\$	-	\$	9.00	\$	9.00	\$	9.00	\$	9.00	\$	9.00
Commercial			-	-	-	-	-	-	-	-	-	-	-	
Metered Commercial			-	-	-	-	-	-	-	-	-	-	-	
-	-	Base Charge (per-month)	\$	20.00	\$	21.20	\$	22.47	\$	23.82	\$	25.25	\$	26.76
-	-	Volume Charge (\$ per 1,000 gallons)	-	-	-	-	-	-	-	-	-	-	-	
-	-	First 4,000-gallons	\$	0	\$	-	\$	-	\$	-	\$	-	\$	-
-	-	Over 4,000-gallons	\$	1.88	\$	1.99	\$	2.11	\$	2.24	\$	2.37	\$	2.52
Metered Large Commercial			-	-	-	-	-	-	-	-	-	-	-	
-	-	Base Charge (per-month)	\$	300.00	\$	318.00	\$	337.08	\$	357.30	\$	378.74	\$	401.47
-	-	Volume Charge (\$ per 1,000 gallons)	-	-	-	-	-	-	-	-	-	-	-	
-	-	First 500,000-gallons	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
-	-	Over 500,000-gallons	\$	0.63	\$	0.67	\$	0.71	\$	0.75	\$	0.80	\$	0.84
Unmetered Commercial/Industrial			-	-	-	-	-	-	-	-	-	-	-	
Bakeries			\$	115.28	\$	122.20	\$	129.53	\$	137.30	\$	145.54	\$	154.27
Bars			\$	115.28	\$	122.20	\$	129.53	\$	137.30	\$	145.54	\$	154.27
Barbershop—one chair			\$	28.80	\$	30.53	\$	32.36	\$	34.30	\$	36.36	\$	38.54
Barbershop—per each additional chair			\$	23.06	\$	24.44	\$	25.91	\$	27.46	\$	29.11	\$	30.86
Beauty Shop—one basin			\$	28.80	\$	30.53	\$	32.36	\$	34.30	\$	36.36	\$	38.54
Beauty Shop—per additional basin			\$	23.06	\$	24.44	\$	25.91	\$	27.46	\$	29.11	\$	30.86
Bed and Breakfast within Single Family Residential—per			\$	-	\$	6.46	\$	6.85	\$	7.32	\$	7.69	\$	8.15

rental-unit							
Canneries—Fish Processing	\$	614.63	\$	651.51	\$	690.60	\$ 732.04 \$ 775.96 \$ 822.51
Canneries—Rinsing and Packaging-Only	\$	115.28	\$	122.20	\$	129.53	\$ 137.30 \$ 145.54 \$ 154.27
Canneries—Saltwater Process-Only	\$	115.28	\$	122.20	\$	129.53	\$ 137.30 \$ 145.54 \$ 154.27
Churches	\$	28.80	\$	30.53	\$	32.36	\$ 34.30 \$ 36.36 \$ 38.54
Cleaners and Cleaning Plant	\$	57.51	\$	60.96	\$	64.62	\$ 68.50 \$ 72.61 \$ 76.96
Clubs, Lodges—w/o Bar or Restaurant Facilities	\$	28.80	\$	30.53	\$	32.36	\$ 34.30 \$ 36.36 \$ 38.54
Clubs, Lodges—w/ Bar or Restaurant Facilities	\$		\$	61.06	\$	64.72	\$ 68.60 \$ 72.72 \$ 77.08
Cold Storage Plants	\$	614.63	\$	651.51	\$	690.60	\$ 732.03 \$ 775.96 \$ 822.51
Convenience Stores	\$	16.65	\$	17.65	\$	18.71	\$ 19.83 \$ 21.02 \$ 22.28
Docks	\$	143.95	\$	152.59	\$	161.74	\$ 171.45 \$ 181.73 \$ 192.64
Docks or Marinas for Small Boats, Including Oil Docks	\$	96.08	\$	101.84	\$	107.96	\$ 114.43 \$ 121.30 \$ 128.58
Garage, Service Station, Car Lots—w/o Wash Racks	\$	57.51	\$	60.96	\$	64.62	\$ 68.50 \$ 72.61 \$ 76.96
Grocery Stores—w/o Meat Market	\$	43.09	\$	45.68	\$	48.42	\$ 51.33 \$ 54.40 \$ 57.66
Grocery Stores—w/ Meat Market	\$	89.21	\$	94.56	\$	100.24	\$ 106.25 \$ 112.63 \$ 119.38
Hospital	\$	229.08	\$	242.82	\$	257.39	\$ 272.84 \$ 289.21 \$ 306.56
Hydrants, Fire Each	\$	18.26	\$	19.36	\$	20.52	\$ 21.75 \$ 23.05 \$ 24.44
Hotels and Motels—10 Rooms or Less	\$	86.44	\$	91.63	\$	97.12	\$ 102.95 \$ 109.13 \$ 115.68
Hotels and Motels—Over 10 Rooms, per Room	\$	6.71	\$	6.79	\$	7.20	\$ 7.63 \$ 8.09 \$ 8.58
Laundromats, Self Service—Under 30-lb. capacity, per machine	\$	35.18	\$	37.29	\$	39.53	\$ 41.90 \$ 44.41 \$ 47.08
Laundromats, Self Service—30 lbs. or over capacity, per machine	\$	61.38	\$	65.06	\$	68.97	\$ 73.10 \$ 77.49 \$ 82.14
Multifamily per unit (4 units and above)	\$	23.33	\$	24.73	\$	26.21	\$ 27.79 \$ 29.45 \$ 31.22
Office Building—Per employee	\$	1.88	\$	1.99	\$	2.11	\$ 2.24 \$ 2.37 \$ 2.52
Office Building—Each additional plumbed office	\$	28.80	\$	30.53	\$	32.36	\$ 34.30 \$ 36.36 \$ 38.54
Office Building—Each additional unplumbed office	\$	6.71	\$	7.11	\$	7.54	\$ 7.99 \$ 8.47 \$ 8.98
Offices—Medical	\$	97.96	\$	103.84	\$	110.07	\$ 116.67 \$ 123.67 \$ 131.09
Offices—Dental—w/ laboratory and/or X-Ray Unit	\$	97.96	\$	103.84	\$	110.07	\$ 116.67 \$ 123.67 \$ 131.09
Offices—Dental—w/o laboratory and/or X-Ray Unit	\$	28.80	\$	30.53	\$	32.36	\$ 34.30 \$ 36.36 \$ 38.54
Plane Floats	\$	57.51	\$	60.96	\$	64.62	\$ 68.50 \$ 72.61 \$ 76.96
Public Showers—First two stalls	\$	30.78	\$	32.63	\$	34.58	\$ 36.66 \$ 38.86 \$ 41.19
Public Showers—Per additional stall	\$	7.50	\$	7.95	\$	8.43	\$ 8.93 \$ 9.47 \$ 10.04



Ranger-District	\$	295.29	\$	313.04	\$	331.79	\$	351.70	\$	372.80	\$	395.16
Restaurant, Lunch Counters, Etc.— Up to and including 30 seats	\$	86.44	\$	91.63	\$	97.12	\$	102.95	\$	109.13	\$	115.68
Restaurant, Lunch Counters, Etc.— Over 30 seats	\$	115.28	\$	122.20	\$	129.53	\$	137.30	\$	145.54	\$	154.28
- Fountain only	\$	28.80	\$	30.53	\$	32.36	\$	34.30	\$	36.36	\$	38.54
Schools, per Classroom	\$	19.03	\$	20.17	\$	21.38	\$	22.67	\$	24.02	\$	25.47
Shops and Stores	\$	28.80	\$	30.53	\$	32.36	\$	34.30	\$	36.36	\$	38.54
Swimming Pool, Public	\$	390.21	\$	413.62	\$	438.44	\$	464.75	\$	492.63	\$	522.19
Everything Else	\$	-	\$	30.53	\$	32.36	\$	34.30	\$	36.36	\$	38.54

**TABLE 15.04.640**

**Monthly Metered Water Rates**

-	-	-	-	-	5%	5%
-	-	-	-	<u>Present</u>	<u>7/1/2017</u>	<u>7/1/2018</u>
-	-	-	-	<u>Rate</u>		
<b>Residential</b>						
-	<b>Metered Residential</b>					
-	-	Base Charge (per month)	<u>\$</u>	<u>\$</u>	<u>\$</u>	
-	-		26.76	28.10	29.50	
-	-	Volume Charge (\$ per 1,000 gallons)				
-	-	-	First 4,000 gallons	-		
-	-	-	Over 4,000 gallons	<u>\$</u>	<u>\$</u>	
-	-	-		2.52	2.65	2.78
-	<b>Unmetered Residential</b>					
-	-	Flat Rate Charge (per month)	<u>\$</u>	<u>\$</u>	<u>\$</u>	
-	-		40.75	42.79	44.93	
-	-	Vacation Rate	<u>\$</u>	<u>\$</u>	<u>\$</u>	
-	-		9.00	9.50	10.00	
<b>Commercial</b>						
-	<b>Metered Commercial</b>					
-	-	Base Charge (per month)	<u>\$</u>	<u>\$</u>	<u>\$</u>	
-	-		26.76	28.10	29.50	
-	-	Volume Charge (\$ per 1,000 gallons)				
-	-	-	First 4,000 gallons	-		
-	-	-	Over 4,000 gallons	<u>\$</u>	<u>\$</u>	
-	-	-		2.52	2.65	2.78
-	<b>Metered Large Commercial</b>					
-	-	Base Charge (per month)	<u>\$</u>	<u>\$</u>	<u>\$</u>	
-	-		\$401.47	421.54	442.62	
-	-	Volume Charge (\$ per 1,000 gallons)				

-	-	First 500,000 gallons	—		
-	-	Over 500,000 gallons	\$ 0.84	\$ 0.88	\$ 0.93
-		<b><u>Unmetered Commercial/Industrial</u></b>			
<u>Bakeries</u>			\$ \$154.27	\$ 161.98	\$ 170.08
<u>Bars</u>			\$ \$154.27	\$ 161.98	\$ 170.08
<u>Barbershop – one chair</u>			\$ 38.54	\$ 40.47	\$ 42.49
<u>Barbershop – per each additional chair</u>			\$ 30.86	\$ 32.40	\$ 34.02
<u>Beauty Shop – one basin</u>			\$ 38.54	\$ 40.47	\$ 42.49
<u>Beauty Shop – per additional basin</u>			\$ 30.86	\$ 32.40	\$ 34.02
<u>Bed and Breakfast within Single-Family Residential – per rental unit</u>			\$ 8.15	\$ 8.56	\$ 8.99
<u>Canneries – Fish Processing</u>			\$ \$822.51	\$ 863.64	\$ 906.82
<u>Canneries – Rinsing and Packaging Only</u>			\$ \$154.27	\$ 161.98	\$ 170.08
<u>Canneries – Saltwater Process Only</u>			\$ \$154.27	\$ 161.98	\$ 170.08
<u>Churches</u>			\$ 38.54	\$ 40.47	\$ 42.49
<u>Cleaners and Cleaning Plant</u>			\$ 76.96	\$ 80.81	\$ 84.85
<u>Clubs, Lodges – w/o Bar or Restaurant Facilities</u>			\$ 38.54	\$ 40.47	\$ 42.49
<u>Clubs, Lodges – w/ Bar or Restaurant Facilities</u>			\$ 77.08	\$ 80.93	\$ 84.98
<u>Cold Storage Plants</u>			\$ \$822.51	\$ 863.64	\$ 906.82
<u>Convenience Stores</u>			\$ 22.28	\$ 23.39	\$ 24.56
<u>Docks</u>			\$ \$192.64	\$ 202.27	\$ 212.39
<u>Docks or Marinas for Small Boats, Including Oil Docks</u>			\$ \$128.58	\$ 135.01	\$ 141.76
<u>Garage, Service Station, Car Lots – w/o Wash Racks</u>			\$ 76.96	\$ 80.81	\$ 84.85
<u>Grocery Stores – w/o Meat Market</u>			\$ 57.66	\$ 60.54	\$ 63.57
<u>Grocery Stores – w/ Meat Market</u>			\$ \$119.38	\$ 125.35	\$ 131.62
<u>Hospital</u>			\$ \$306.56	\$ 321.89	\$ 337.98

<u>Hydrants, Fire Each</u>	<u>\$</u> <u>24.44</u>	<u>\$</u> <u>25.66</u>	<u>\$</u> <u>26.95</u>
<u>Hotels and Motels – 10 Rooms or Less</u>	<u>\$115.68</u>	<u>\$</u> <u>121.46</u>	<u>\$</u> <u>127.54</u>
<u>Hotels and Motels – Over 10 Rooms, per Room</u>	<u>\$</u> <u>8.58</u>	<u>\$</u> <u>9.01</u>	<u>\$</u> <u>9.46</u>
<u>Laundromats, Self Service – Under 30-lb. capacity, per machine</u>	<u>\$</u> <u>47.08</u>	<u>\$</u> <u>49.43</u>	<u>\$</u> <u>51.91</u>
<u>Laundromats, Self Service – 30 lbs. or over capacity, per machine</u>	<u>\$</u> <u>82.14</u>	<u>\$</u> <u>86.25</u>	<u>\$</u> <u>90.56</u>
<u>Multifamily per unit (4 units and above)</u>	<u>\$</u> <u>31.22</u>	<u>\$</u> <u>32.78</u>	<u>\$</u> <u>34.42</u>
<u>Office Building – Per employee</u>	<u>\$</u> <u>2.52</u>	<u>\$</u> <u>2.65</u>	<u>\$</u> <u>2.78</u>
<u>Office Building – Each additional plumbed office</u>	<u>\$</u> <u>38.54</u>	<u>\$</u> <u>40.47</u>	<u>\$</u> <u>42.49</u>
<u>Office Building – Each additional unplumbed office</u>	<u>\$</u> <u>8.98</u>	<u>\$</u> <u>9.43</u>	<u>\$</u> <u>9.90</u>
<u>Offices – Medical</u>	<u>\$</u> <u>\$131.09</u>	<u>\$</u> <u>137.64</u>	<u>\$</u> <u>144.53</u>
<u>Offices – Dental – w/ laboratory and/or X-Ray Unit</u>	<u>\$</u> <u>\$131.09</u>	<u>\$</u> <u>137.64</u>	<u>\$</u> <u>144.53</u>
<u>Offices – Dental – w/o laboratory and/or X-Ray Unit</u>	<u>\$</u> <u>38.54</u>	<u>\$</u> <u>40.47</u>	<u>\$</u> <u>42.49</u>
<u>Plane Floats</u>	<u>\$</u> <u>76.96</u>	<u>\$</u> <u>80.81</u>	<u>\$</u> <u>84.85</u>
<u>Public Showers – First two stalls</u>	<u>\$</u> <u>41.19</u>	<u>\$</u> <u>43.25</u>	<u>\$</u> <u>45.41</u>
<u>Public Showers – Per additional stall</u>	<u>\$</u> <u>10.04</u>	<u>\$</u> <u>10.54</u>	<u>\$</u> <u>11.07</u>
<u>Ranger District</u>	<u>\$</u> <u>\$395.16</u>	<u>\$</u> <u>414.92</u>	<u>\$</u> <u>435.66</u>
<u>Restaurant, Lunch Counters, Etc. – Up to and including 30 seats</u>	<u>\$</u> <u>\$115.68</u>	<u>\$</u> <u>121.46</u>	<u>\$</u> <u>127.54</u>
<u>Restaurant, Lunch Counters, Etc. – Over 30 seats</u>	<u>\$</u> <u>\$154.28</u>	<u>\$</u> <u>161.99</u>	<u>\$</u> <u>170.09</u>
<u>- Fountain only</u>	<u>\$</u> <u>38.54</u>	<u>\$</u> <u>40.47</u>	<u>\$</u> <u>42.49</u>
<u>Schools, per Classroom</u>	<u>\$</u> <u>25.47</u>	<u>\$</u> <u>26.74</u>	<u>\$</u> <u>28.08</u>
<u>Shops and Stores</u>	<u>\$</u> <u>38.54</u>	<u>\$</u> <u>40.47</u>	<u>\$</u> <u>42.49</u>
<u>Swimming Pool, Public</u>	<u>\$</u> <u>\$522.19</u>	<u>\$</u> <u>548.30</u>	<u>\$</u> <u>575.71</u>
<u>Everything Else</u>	<u>\$</u> <u>38.54</u>	<u>\$</u> <u>40.47</u>	<u>\$</u> <u>42.49</u>

Note A: The residential schedule is restricted to service used exclusively for general domestic purposes.

Note B: Where central laundry facilities are furnished for the exclusive use of tenants in apartment buildings or trailer courts, no charge in addition to above will be made. It is the responsibility of the owner that only their tenants are using the facility. If it is found that others are using the facility for laundry the owner will be charged under the commercial rate.

Note C: ~~Vacation Rates Definition: A customer can apply for vacation rates if there is no one living in the household in excess of 30 consecutive days. The customer is only eligible if they apply in advance in writing showing when they are leaving and when they will return. Falsification of the information concerning vacation rates may result in forfeiting the ability to apply for vacation rates in the future. Customer who have their water turned off by the borough will pay the shutoff fee, but then will not pay any monthly fee for water.~~

Note D: Nonmetered rates herein apply to the average monthly usage. No adjustments will be made for seasonal use.

Note E: All commercial enterprises consisting of more than one facility shall be charged the sum of the applicable rates for each facility.

Note F: The monthly rate for any establishment not herein designated shall be determined by the borough assembly. Until such rate may be established, the rate deemed by the water department and approved by the borough manager to be most applicable shall apply, subject to adjustment. [Ord. 851 § 2, 2011; Ord. 834 § 4, 2009; Ord. 833 § 38, 2009; Ord. 829 § 1, 2008; Ord. 751 § 5, 2004; Ord. 716 § 5, 2002; Ord. 641 § 5, 1998; Ord. 566 § 5, 1990; Ord. 520 § 5, 1987; Ord. 507 § 5, 1986; Ord. 483 § 6, 1985; Ord. 477 § 6, 1985; Ord. 432 § 8, 1982; Ord. 370 § 5, 1978; prior code § 54.10.160(Schedule B).]

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<sup>1</sup> For statutory provisions requiring state approval of plans for water supply systems, see AS 46.03.720(b); for provisions on certification of water supply operators, see AS 46.30.010 et seq.

**WATER FUND**  
**CITY AND BOROUGH OF WRANGELL**  
**2017-2018 DRAFT BUDGET**

		2015-2016	2016-2017	2016-2017	2017-2018
		ACTUAL	APPROVED	REVISED	APPROVED
<b>WATER REVENUES</b>					
72000 000 4101 17	STATE OF AK SHARE OF PERS	6,494	9,340	13,500	16,160
72000 000 5110	WATER SALES	617,856	620,000	607,000	640,000
72000 000 5118	WATER CONNECTIONS	5,898	2,500	13,950	5,000
72000 000 5118	LABOR	(160)	-	2,000	-
72000 000 5131	HYDRANT RENTAL	42,112	42,500	42,500	42,500
72000 000 5133	REDEMPTION FUND WTP DEC	82,297	89,987	89,987	89,987
72000 000 5134	MATERIAL SALES	936	500	-	1,000
72000 000 5550	INTEREST INCOME	5,288	8,000	8,000	6,000
72000 000	2017 DEC OZONE LOAN DISBURSEMENT	-	-	-	250,000
		<b>760,722</b>	<b>772,827</b>	<b>776,937</b>	<b>1,050,647</b>
<b>WATER ADMINISTRATION</b>					
72000 301 7508	GENERAL INSURANCE EXP	4,283	7,250	6,000	6,000
72000 301 7509	CREDIT CARD EXPENSE	4,092	3,510	4,000	5,000
72000 301 7540	AUDIT EXPENSE	3,070	3,600	3,600	3,650
72000 301 7603	CHARGES FROM FINANCE & ADMIN	22,182	22,904	22,904	23,000
72000 301 7802	1999 DEC WTP LOAN PRINCIPAL	82,297	84,784	83,531	84,784
72000 301 7803	1999 ADEC WTP LOAN INTEREST	7,896	6,456	6,456	5,203
72000 301 7802	1997 BOND PRINCIPAL	4,688	5,162	5,162	5,416
72000 301 7803	1997 BOND INTEREST	9,369	9,108	9,108	8,854
72000 301 7802	2017 DEC OZONE LOAN PRINCIPAL	-	-	-	10,800
72000 301 7803	2017 DEC OZONE LOAN INTEREST	-	-	-	3,721
		<b>137,876</b>	<b>142,774</b>	<b>140,761</b>	<b>152,707</b>
<b>DISTRIBUTION EXPENDITURES</b>					
72000 302 6001	WAGES AND SALARIES	60,214	75,420	69,500	71,500
72000 302 6005	OVERTIME	13,780	7,500	19,000	15,000
	TEMPORARY LABORER	-	-	14,250	14,250
72000 302 61XX	PERSONNEL BENEFITS	74,892	67,170	71,000	71,360
72000 302 7001	MATERIALS AND SUPPLIES	6,827	15,000	15,000	15,000
72000 302 7002	FACILITY REPAIR & MAINTENANCE	46,962	50,000	70,000	50,000
72000 302 7010	EQUIPMENT REPAIR & MAINT (METERS)	637	2,500	2,500	5,000
72000 302 7010	GARAGE ALLOC VEHICL EXP	32,822	35,830	35,830	36,000
72000 302 7021	CHEMICALS EXPENSE	13,104	24,000	24,000	24,000
72000 302 7501	ELECTRICITY EXPENSE	87,520	85,000	85,000	85,000
72000 302 7502	TELEPHONE EXPENSE	3,167	3,000	3,000	3,000
72000 302 7505	TRAVEL AND TRAINING	265	3,500	3,500	4,000
72000 302 7510	ENGINEERING EXPENSE	6,688	-	-	10,000
72000 302 7515	COMPLIANCE TESTING	9,455	15,000	15,000	15,000
72000 302 7900	CAPITAL ADDITIONS/IMPROVEMENTS	-	151,000	<b>400,900</b>	<b>236,000</b>
72000 303 7025	SYSTEM REPAIR & MAINTENANCE	97,769	25,000	70,000	80,000
72000 303 7622	CHARGES FROM OTHER DEPTS	39,188	80,000	20,000	20,000
		<b>493,288</b>	<b>639,920</b>	<b>918,480</b>	<b>755,110</b>
<b>GRANT-FUNDED CAPITAL PROJECTS</b>					
72310 000 5590 11	TREATMENT PLANT PILOT STUDY GRANT REVENUE	(60,097)	(85,000)	-	-
72310 000 XXXX	WATER PLANT PILOT STUDY EXPENSE	67,124	85,000	-	-
72310 000 5590 11	UPPER RESERVOIR CONNECTION GRANT REVENUE	-	(150,000)	-	(75,000)
72300 000 XXXX	UPPER RESERVOIR CONNECTION GRANT EXP	-	150,000	-	75,000
	<b>BOROUGH EXPENDITURES NET OF REVENUE</b>	<b>7,027</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>ESTIMATED UNRESTRICTED RESERVES AT YEAR END</b>	<b>562,801</b>	<b>552,934</b>	<b>280,497</b>	<b>423,327</b>

**FY 2017 Capital Improvements estimate includes:**

All costs associated with ozone generator plus what is expected to be spent from this year's budgeted capital items, but excludes the power conditioner and the Evergreen stub outs

**FY 2018 Capital Improvements estimate includes:**

Self-cleaning Roughing Filter Replacement System	165,000
Ozone Injection System with Dissolved Ozone Monitor	16,000
Tracer Study required by DEC	25,000
Reconfigure By-pass Line valve cluster as required by DEC	30,000
	<u>236,000</u>

**Status of Water Fund****Notes:**

Unrestricted Cash & Investments as of 6/30/2016:	562,801	Per FY 2016 audited financial statements
FY 17 Estimated Revenue	776,937	
FY 17 Estimated Expenditures	1,059,241	Includes \$250,000 Ozone Generator to be <b>paid</b> in FY 17
<b>Estimated unrestricted cash at 6/30/17</b>	<b>280,497</b>	
FY 18 Projected Revenue	1,050,647	Assumes 5% rate increase, which would provide est. \$25,000 extra per year Also assumes \$250,000 Ozone Generator Loan Funds disbursed to City in FY 2018
FY 18 Projected Expenditures	907,817	Assumes \$150,000 self-cleaning roughing filter modifications are done in FY 2018
<b>Estimated unrestricted cash at 6/30/18</b>	<b>423,327</b>	

**Restricted Cash**

DEC Water Redemption Reserve, CD maturing March 2018	89,987	Covers FY 2018's DEC loan payment for 1999 loan
DEC Water Redemption Reserve, CD maturing March 2019	551,003	Reserved for future payments for 1999 DEC loan
USDA Debt Reserves, required by accounting	25,031	Reserve required by lender
Total restricted cash	666,021	

**Upcoming Debt Approved and Capital Projects**

Total DEC Ozone Generator Loan approved	322,650	Estimated to use \$250,000 of this loan amount, annual payments ~\$14,500 per year
Total DEC Water Main Loan (to match grant) approved	542,249	Estimated to use \$298,464 of this loan amount, annual payments ~\$17,337 per year

CITY AND BOROUGH OF WRANGELL  
WATER SHORTAGE MANAGEMENT PLAN

**SECTIONS:**

Findings  
Purpose and Intent  
Waste of Water Prohibited  
Authorization  
Action for Hydrological Shortage  
Action for Emergency Shortage  
Stage I Shortage  
Stage II Shortage  
Stage III Shortage  
Stage IV Shortage  
Duration of Water Use Restrictions  
Exceptions  
Access to Premises  
Liability  
Violations and Charges  
Dispute Resolution

**FINDINGS:**

The Borough Assembly does hereby find, determine and declare as follows:

- A. In order to maintain a supply of safe, treated water for the City and Borough of Wrangell's citizens and businesses and to meet fire protection needs during periods of either low water supply or high water use, it is necessary to implement a water shortage management plan which identifies specific actions to be taken by the Borough to manage water available for distribution.
- B. Wrangell has limited water storage capacity. The maximum capacity of the upper and lower reservoirs is 190 acre-feet (45.3 million gallons) and 102 acre-feet (21.4 million gallons), respectively. These reservoirs form the water supply for Wrangell. The usable capacity of the treated water storage tanks is approximately 850,000 gallons at tank levels of 32 feet. A minimum of 10 feet of storage is required in the tanks to maintain adequate chlorine contact time for proper disinfection of the treated water supply. This level is also the Borough's minimum level for fire protection.
- C. Wrangell is located in a moderate rainforest climate, but where drought conditions periodically occur and where practices to conserve water are necessary.
- D. Wrangell's water treatment facility consistently experiences poor treatment performance and difficulty in cleaning treatment filters, which leads to low filtration capacity and water storage volume relative to both summer and winter water demands.
- E. High demand, together with drought conditions and/or system constraints, may reduce the water available to Wrangell's water supply system to the point of creating a water



shortage;

- F. Wrangell has developed a water shortage management response plan that is a layered contingency plan that provides for a systematic response, restricting customer water use, and moderating water waste to meet the essential needs of the community.
- G. It is necessary to provide Wrangell Borough staff with flexibility to implement measures to restrict water use as deemed appropriate to conserve the water supply of the City and Borough of Wrangell, to protect the health, safety and general welfare of the citizens during periods of potential water shortage.

#### **PURPOSE AND INTENT:**

It is the purpose and intent of this part to proactively establish procedures for systematically managing water demand through conservation measures and measures designed to limit water use during a system constraint or hydrological-related shortage. The procedures listed in this part are designed to be used during atypical and irregular events, and are not intended for use as a substitute for developing water supply projects.

#### **WASTE OF WATER PROHIBITED:**

No water customer shall allow, permit or cause the waste of water, which shall include any use of water in violation of this part.

#### **AUTHORIZATION:**

- A. The Borough Manager, along with the Public Works Director and Water Department staff are authorized to enforce this part.
- B. The Borough Manager may declare a Stage I, Stage II, or Stage III shortage when either a hydrologic or emergency shortage exists as defined below:
  - 1. Hydrologic Shortage - A hydrological shortage exists at a point that the draw-down from the lower reservoir exceeds the input from the upper reservoir or when the total of the two reservoirs is projected to be below two months of demand, whichever occurs first.
  - 2. Emergency Shortage - An emergency shortage exists when conditions such as storage tank levels, operational constraints, infrastructure failure, natural disaster, regulatory issues, or other factors hinder the Borough's ability to meet customer water demands.
- C. The Borough Manager may propose and implement additional water shortage response measures, beyond those contained in this part, or modify existing water shortage response measures, as deemed necessary.

## **ACTION FOR HYDROLOGICAL SHORTAGE**

If the total reservoir system storage is projected to be below two months of demand, then Borough staff will conduct an analysis. The analysis will consider system demands, water supply indicators such as long range weather forecasts, snowpack, precipitation, temperature, evaporation, stream flow, soil moisture, projected storage levels, operational constraints, and risk tolerance. If the analysis reveals a substantial risk of shortage, then the results will be reported to the Borough Manager with a recommendation for implementation of water shortage response measures, including declaration of a Stage I, Stage II, or Stage III shortage as listed in this part.

It is important to note that a portion of the lower reservoir is unusable due to the elevation of the outlet in relation to the bottom of the reservoir.

## **ACTION FOR EMERGENCY SHORTAGE**

If an emergency shortage exists when conditions such as reduced storage tank levels, operational constraints, infrastructure failure, natural disaster, regulatory issues, or other factors hinder the Borough's ability to meet customer water demands, then the results will be reported to the Borough Manager with a recommendation for implementation of water shortage response measures, including declaration of a Stage I, Stage II, Stage III or Stage IV shortage as listed in this part.

## **PUBLIC AWARENESS FOR CONSERVATION MEASURES**

The Water Department continually monitors water levels. Prior to Stage I or preceding periods of known, high demand, the Borough will increase public communication and education efforts aimed at water conservation and, will encourage the community to conserve water wherever possible in the hopes of thwarting a Stage I watch measure.

## **STAGE I SHORTAGE (WATCH – YELLOW ALERT):**

A Stage I shortage may be declared when the Water Department and Public Works Director inform the Borough Manager that the analysis required under section Authorization, part B of a water shortage indicates that proactive measures should be taken to avoid or reduce the severity of a shortage. During a Stage I shortage, the Borough will increase public communication and education efforts aimed at water conservation and will encourage the community to conserve water wherever possible.

Stage I, in relation to water storage tank levels, will automatically be triggered when the tanks' levels fall below a sustainable level of 25 feet for a period of three days.

During a Stage I shortage, water customers are encouraged to follow the voluntary water conservation measures set forth below:

- A. Water landscaped areas with spray irrigation only between the hours of 5:00 a.m. and 8:00 a.m.
- B. Do not use water to clean outdoor hard surfaces such as sidewalks, driveways, decks and patios, with a hose that lacks and active positive shut-off nozzle.
- C. Do not wash motor vehicles, trailers, boats and other types of equipment with a hose that lacks

an active positive shut-off nozzle.

- D. Repair or disable any detectable water system line, component, or plumbing fixture that is leaking or damaged, as soon as possible.
- E. Restaurants, hotels, cafes, or other public places where food is sold, served or offered for sale, are encouraged not to serve drinking water from the tap unless expressly requested by a patron.

During a Stage I shortage, major water customers will be required to follow the mandatory water conservation measures set forth below:

- A. Major industrial and commercial water customers using water for their business operations shall submit a water conservation plan to Borough staff which identifies measures to be implemented at each of the three stages of water shortage, and shall begin implementing Stage 1 measures. The industrial or commercial user must develop, maintain on site, and comply with a water conservation plan that demonstrates optimal use of water. This plan must be available for review and approval upon request by the Borough at all reasonable times. At a minimum, these customers shall include seafood processing plants, dock-fueling stations, and ports and harbor facilities.
- B. Commercial water sales to cruise ships, or other large purchases for use outside of the water enterprise fund service area, shall be prohibited.

#### **STAGE II SHORTAGE (WARNING – ORANGE ALERT):**

A Stage II shortage may be declared when the Water Department and Public Works Director inform the Borough Manager that the analysis required under section Authorization, Part B of a water shortage indicates that the Stage I response is insufficient to reduce demands to a level in proportion to the severity of the shortage.

Stage II, in relation to water storage tank levels, will automatically be triggered when the tanks' levels fall below a sustainable level of 20 feet for a period of three days.

The following restrictions on the use of water by water customers and water conservation measures shall be in effect, required and enforced during a Stage II shortage:

- A. Outdoor landscape watering is prohibited.
- B. Washing of sidewalks, walkways, patios, driveways, parking areas or other hard surfaces is prohibited. Power washing shall only be used for protection of public health, safety or welfare.
- C. Washing of motor vehicles, trailers, boats and other types of equipment shall be prohibited. Vehicles contained in commercial operation or fleets may be washed if public safety requires it.
- D. No water customer shall fail to repair or disable any detectable water line, water system component, or plumbing fixture that is leaking or damaged, within 48-hours of discovery. Failure to comply shall cause the water service to be shut-off by the Borough until such

repairs are made.

- E. Filling or refilling any outdoor water feature or hot tub shall be prohibited.
- F. No restaurant, hotel, cafe, or other public place where food is served, or offered for sale, shall serve drinking water from the tap, unless expressly requested by a patron.
- G. Industrial and commercial water customers, *in particular ports and harbor's industrial facilities, seafood processors, and dock-fueling stations* may utilize water for their business operation needs according to their business' previously submitted water conservation plan. The Borough will require periodic reporting by the customer to demonstrate optimal use of water and to help project water shortage trends.

If Stage II water shortage is related to reduced storage tank levels, industrial and commercial water customers shall have water flow reduced by 25% of the water service limits, in coordination with the customers, to assist in recovering water levels in the storage tanks. Throttling will be monitored and only implemented as long as necessary.

H. City and Borough Facilities:

- 1. All boat harbors shall have all individual boat slips' water service discontinued. Water will be available at the head dock only. The Fire Department will be notified of the reduced service, allowing them to implement an alternative fire response plan.
- 2. The Swimming Pool shall have limited hours of water service.

**STAGE III SHORTAGE (CRITICAL – RED ALERT):**

A Stage III shortage may be declared when the Water Department and Public Works Director inform the Borough Manager that the analysis required under section Authorization, Part B of a water shortage indicates that the Stage II response is insufficient to reduce demands to a level in proportion to the severity of the shortage.

Stage III, in relation to water storage tank levels, applies when the tanks' levels fall below a sustainable level of 15 feet for a period of three days.

In addition to the Stage II restrictions and water conservation measures set forth above, the following restrictions on the use of water by water customers shall be in effect and required during a Stage III shortage:

- A. All outdoor use of water is prohibited.
- B. Any water customer found to have a leak or damaged water line, water system component, or plumbing fixture shall have water service disconnected until such repairs are made.
- C. Industrial and commercial water use shall be reduced by an amount, to be determined by the Borough, in relationship to the severity of the shortage.

If Stage III water shortage is related to reduced storage tank levels, industrial and commercial water customers shall have water flow reduced by a further 25% of the water service limits (total of 50% at Stage III), in coordination with the customers, to assist in recovering water levels in the storage tanks. Throttling will be monitored and only implemented as long as necessary.

**D. City and Borough Facilities:**

1. Ports and Harbor Facilities (all Boat Harbors, City Dock and the Marine Service Center) shall have water service discontinued as long as necessary. The Fire Department will be notified of the reduced service, allowing them to implement an alternative fire response plan.
2. The Swimming Pool shall have water service discontinued, as long as necessary.

**DURATION OF WATER USE RESTRICTIONS:**

The Borough will regularly evaluate the estimated supply of water available to the water system in an effort to determine whether it is necessary to continue the water use restrictions of a declared stage or level. Stages and levels may be declared in accord with this chapter and, if water supply conditions warrant, the Borough Manager may either downgrade or withdraw a declaration of a Stage I, Stage II, or Stage III shortage. Updates regarding water status and restrictions will be posted regularly on the City's website to maintain community communication.

**EXCEPTIONS:**

- A. Water customers may use water when a critical need is approved by the Borough Manager, which may include when water use is essential to protect public health, safety or welfare, or when water use is related to a commercial activity and disruption would cause economic harm.

**ACCESS TO PREMISES:**

Whenever necessary for the purposes of investigating any alleged violation of this part, the Borough shall have the power, upon the presentation of proper credentials, to enter and inspect at any reasonable time, and in any reasonable manner, the exterior of a water customer's premises.

If entry to or inspection of the premises is denied or not promptly permitted, the Borough is authorized to terminate the water customer's water service to the premises, for willful violations of mandatory restrictions and regulations in this chapter, until the required inspection is made and the Borough is satisfied that a water waste situation does not exist.

**LIABILITY:**

Each water customer shall be responsible for compliance with this part with respect to the water customer's premises, and shall be responsible for applicable charges for noncompliance with this part. In the event of an alleged violation of this part, proof of the existence of a declared water

shortage and proof of any violation of any restriction set forth in this part, together with proof that the violation originated at any water customer's premises, shall constitute a rebuttable presumption that the water customer is responsible for the violation.

#### **VIOLATIONS AND CHARGES:**

- A. Every law enforcement officer having jurisdiction in the Wrangell area shall have the authority to enforce the provisions of this section. In addition, the Borough Manager may also delegate enforcement responsibility for this section to other agencies and departments of city government, utilizing a variety of enforcement methods, including but not limited to, conducting customer education, issuing warnings and the addition of charges to water bills. The Borough Manager shall determine the stage of shortage at which the addition of charges to water bills will be used as an enforcement mechanism.
- B. In the event the Borough determines that an observed violation of this part has occurred on a water customer's premises during a Stage II, or Stage III shortage, the water customer may be subject to the following:
  - 1. For a first observed violation of a Stage II, or Stage III restriction as set forth in this chapter, the Borough shall notify the water customer in writing of the violation and issue a written warning to the water customer. Enforcement officials shall provide violators with no more than one written warning. Each day in violation of this section shall constitute a separate offense.
  - 2. For a second and any subsequent observed violation of a Stage II restriction as set forth in this chapter, the Borough shall notify the water customer in writing of the violation and shall add a charge to the water bill for the premises up to two hundred fifty dollars (\$250.00). Each day in violation of this section shall constitute a separate offense.
  - 3. For a second and any subsequent observed violation of a Stage III restriction as set forth in this chapter, the Borough shall notify the water customer in writing of the violation and shall add a charge to the water bill for the premises up to five hundred dollars (\$500.00). Each day in violation of this section shall constitute a separate offense.
- C. For repeated observed violations of this part occurring during any Stage II or Stage III shortage, the Borough may, in its discretion: a) disconnect water service to the premises for which the violations occurred in accord with the code of the utility; or b) restrict water flow to the water customer at the premises at which the violations occurred. Any flow restriction shall remain in place for a period determined by the Borough, based upon the severity of the violation as well as the applicable declared stage.
- D. Whenever the Borough finds a water customer to be in violation of this part, a notice of violation must be issued. Every reasonable effort will be made to notify the water customer of the violation, and a notice requiring the customer to cease the violation and take remedial action will be posted at the point of entry into the property. Failure to comply may result in temporary termination of water service pursuant to applicable water codes.
- E. The notice of violation must be served upon the water customer by fixing the notice to the

premises of the water customer in a conspicuous place, by personal delivery, or by sending the notice electronically or by U.S. mail. If sent electronically or by mail, service shall be deemed complete upon sending or mailing. Service of the notice of violation by affixation has the same force and effect and is subject to the same penalties for disregarding a notice, as if the notice of violation were personally served on the water customer. For purposes of this part, a person who is of full legal age and who resides at the premises is deemed to be the agent of the water customer to receive a notice of violation.

- F. Whenever a water customer fails to correct a violation within the correction period set forth on a notice of violation, this failure to correct shall constitute an additional violation.
- G. Any charge assessed pursuant to this chapter shall be collectible in the same manner as a water charge under the water rates related to the Wrangell Water Department, and if unpaid, water service for the premises may be discontinued in accord with the Borough's codes.
- H. Any charge assessed an industrial or commercial user, pursuant to this chapter, shall be equal to three (3) times the applicable charge.

#### **DISPUTE RESOLUTION:**

Any water customer's dispute with the Borough concerning this part shall first be addressed through review by the Borough Manager. If the review by the Borough Manager does not resolve the dispute, the water customer may, within five days of the demand made upon them for the water shortage violation, demand a hearing before the Borough Assembly on this matter. The Borough Assembly shall, after receiving a report from the Borough Manager of water shortage violation charges, afford an opportunity for such hearing and shall make a determination to uphold, alter or remove the water shortage violation charges. Any remaining violation charges shall be collected according to standard Borough collection procedures.



**MEMORANDUM**

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

**FROM: MS. CAROL RUSHMORE  
INTERIM BOROUGH MANAGER  
LEE BURGESS, FINANCE DIRECTOR  
AMBER AL-HADDAD, PUBLIC WORKS DIRECTOR**

**SUBJECT: BOROUGH MANAGER REPORT REGARDING WATER PLANT ISSUES**

**DATE: APRIL 8, 2017**

Per the discussion at the Special Meeting on April 6, 2017, please find new information requested by the Assembly.

Update on Water Plant Projects

1. Water Shortage Management Plan

Attached is the draft Water Shortage Management Plan based on comments from the Assembly. This plan addresses:

- a. The original 4-stage plan has been modified to a 3-stage plan by combining the conservation measures, restrictions and violations of the original Stages II and III.
- b. For shortages related to treated water storage tank levels, the critical tank levels remain.
- c. Use of hoses with an active positive shut-off nozzle during vehicle washing was added to the Stage I conservation measures.
- d. The modified plan allows for the Marine Service Center to be included as a commercial/industrial customer and has been identified as a Ports and Harbor facility separate from the boat harbors.
- e. Sales outside of the water enterprise fund's service area are restricted under Stage I (includes cruise ship water sales).
- f. The original proposal of adjustment of water rates to promote water conservation has been eliminated from the plan.

The proposed three-stage plan allows us the opportunity to catch the problems earlier in an attempt to thwart further shortage issues. A big thanks to the Assembly for their thoughtfulness and quick turn around on this management plan.

As mentioned in the meeting, if the violations are to be enforced, this will need to become an ordinance and not just a resolution.

## 2. Plant Improvements

- a. **Roughing Filters:** The automatic self-cleaning filters are being considered as the viable option for roughing filter process replacement. Staff continues to work with CRW Engineers in developing the engineering for this system. We are also awaiting a water sampling kit for particle count and TSS to identify adequate mesh size for the filters.

Improved operations of the roughing filter system is one of the most critical modifications we can make at this time. Addressing this process has been our primary focus for water plant improvements since last summer when we were under declaration of emergency and crisis. We began the engineering work for the roughing filter modifications in early August 2016 and submitted the completed drawings to DEC in mid December 2016. DEC's conditional approval of the plan was received on March 10, 2017. It was by way of the unexpected and added expense of DEC's conditional approval that staff changed direction and went in search of an alternate system to replace the existing roughing filters.

- b. **Sand:** Beginning last fall, staff began assessing various methods of cleaning the sand to improve treatment time. With the assistance of engineers and staff research, various cleaning and dredging methods were discussed and all options had strengths and risks associated with them as described in previous memos. Dredging appeared to be a safer and cleaner option. Staff implemented the trial test of the proposed sand dredging operation last week for the purpose of cleaning the sand. The dredging method was determined to be a poor option for sand cleaning due to the inefficiency of the procedure, given the working conditions. The dredging also used an extraordinary amount of water, and the effectiveness for cleaner sand was worse than expected.

As an option to dredging, staff tried a scouring system. The method involved a high pressure plunging wand with either water, air, or water/air mixture. The water/air process seemed to produce better results, cleaner sand, and used a lot less water. There are still issues that need to be sorted out and re-evaluated, such as the type of compressor, higher rate of drainage and removal of the debris and methodology within the sand work environment.

- c. **New Water Treatment Plant:** In conjunction with the above analyses, staff contacted Rural Development in August of 2016 regarding the potential funding assistance for a new Water Treatment Plant. An application was completed and submitted in October of 2016. As part of a State Legislative Grant, CRW was under contract for the pilot study. Based on staff conversations with Rural Development, the final product of CRW was modified in order to accommodate the engineering design analysis and environmental reviews that would be required for funding from RD. We have been responding to RD requests for more information regarding the engineering and financial capacity of the water fund.
- d. **Sand Replacement:** Although sand replacement has been a known technical interim solution to the plant's production woes, management has not recommended pursuing sand procurement at this time, nor did intend to be able to do so for 2017, because of the following reasons:
- Its very high cost (discussed in further below under #4 – Water Fund Capacity)

- The potential to undermine the fund's near-term financial ability to finance a new treatment plant
- The potential for roughing filter modifications and alternate sand-washing methods to improve near-term water production much more cost-effectively

### 3. Water Rates

Staff continues to develop the supporting documentation requested by the Assembly in advance of their consideration of a water utility rate restructuring. Attached are a graph that provides a summary comparison between 4 communities, as well as a cost and rate analysis examining the cost to the Water Fund to produce water relative to the rates that are charged. It also shows the levels of consumption at which the Water Fund is selling its water at a loss. There are more details involved, but this is a broad initial overview.

### 4. Water Fund Financial Discussion

#### **Estimated Water Funds at 6/30/2017:**

**Unrestricted reserves - \$280,000** As a general rule it is recommended this amount not drop below 50% of annual operating expenses. Assuming annual operating expenses are currently roughly \$600,000 (not including depreciation), **it is not recommended this be spent significantly below this level.**

**Restricted reserves - \$640,000** These funds were set aside years ago from economic recovery funds to be used to pay a \$90,000 per year DEC loan in lieu of rate increases that would have otherwise been necessary at that time. If this money were liquidated and used on current plant improvements, it would effectively reduce the fund's annual revenue by \$90,000 per year, which is the equivalent of an approximate 15% rate increase. **Unless rates were increased to the extent necessary to fund the annual \$90,000 DEC loan payment for which this cash was originally restricted, it is not recommended these funds be withdrawn early from their time deposits and spent on capital improvements. However, if alternatively an inter-fund loan from, for example, the general fund were being considered, these funds should be considered for expenditure first. In other words, it would not be advisable, by me or per our auditors, to borrow from the general fund before spending the water fund's own restricted cash.**

#### **Concerns and considerations regarding hypothetical inter-fund loan from the General Fund:**

After discussions with the auditors on proper accounting principles, using the general fund to help with the water situation should only be considered as a last resort and after the water fund's current means (both restricted and unrestricted) were already exhausted. Any general funds transferred to an enterprise fund would need to be in the form of an *inter-fund loan* with a "reasonable" rate of interest, which in the current rate environment would be a minimum of 1.5%, to be in line with generally accepted accounting principles.

The cost to the water fund to repay a general fund loan would be determined by the term of the loan, which would largely be driven by the expected useful life of whatever asset the loan was financing. If replacing sand, the investment is significant enough that it cannot be considered a short term fix, but should be considered a longer term action. In the case of sand, for simple discussion purposes and using

very rough estimates, the \$1 million cost to replace the sand would have to come from the following sources, and would result in the following costs that would have to be covered by rate increases:

\$550,000	Restricted reserves liquidated, sand is purchased and replaced in first two filters
\$450,000	Inter-fund loan from General Fund, sand is purchased and replaced in last two filters
\$90,000	Annual DEC Loan payments which now must come from user fees
\$48,150	Annual General Fund loan repayment, <i>assuming 10-year useful life</i>
<b>\$138,150</b>	<b>New annual debt service related only to sand replacement, equivalent to roughly 22% rate increase</b>

It should go without saying that the water fund must charge rates that cover the fund's debt service and sustain operations, and failing to do so could affect the fund's and/or Borough's ability to borrow in the future.

Please keep in mind also, that the costs above are only associated with the debt service related to purchasing the sand and does not look at all upcoming costs associated with the Water Fund, such as the upcoming DEC loan for the Ozone Generator, Water Main replacement, or purchase of the roughing filters.

Lastly, USDA Rural Development is currently processing the Borough's application for grant and loan funding for a new water treatment plant. Any of the above actions could significantly change the current status and financial review of the Borough's application, as well as affect the Borough's ability to fund its portion of a new treatment plant in the near future.

5. Manager's Recommendation:

- 1) Continue the scouring/plunging sand cleaning process;
- 2) Approve and implement the Water Shortage Management Plan;
- 3) Finish gathering information to determine the best and most economical roughing filter replacement, and then purchase and install it
- 4) Modify Wrangell's water rate structure, with special attention to large commercial rates;
- 5) **Do not** purchase sand until the above measures are fully explored, attempted, and determined to work or not work, and/or it is determined that there is an insufficient combination of Borough and grant and loan funds to finance the replacement of the water treatment plant itself.

**Water production cost and rate analysis for Metered Commercial  
City & Borough of Wrangell**

Fiscal Year	Total operating expenses incl depreciation*	Volume of Water Produced by Plant	Cost per Gallon	Cost per 500,000 gallons	Large Commercial base rate for 500,000 gallons	Large Commercial rate per additional 1,000 gallons	Cost to produce additional 1,000 gallons
2011	895,474	337,829,000	0.0027	1,325.34	300.00	0.63	2.65
2012	944,777	296,036,000	0.0032	1,595.71	318.00	0.67	3.19
2013	997,459	262,644,000	0.0038	1,898.88	337.08	0.71	3.80
2014	1,087,837	297,953,000	0.0037	1,825.52	357.30	0.75	3.65
2015	1,079,137	321,389,000	0.0034	1,678.86	378.74	0.80	3.36
2016	1,231,427	290,883,000	0.0042	2,116.70	401.47	0.84	4.23
2017**		360,433,830					

**Large Commercial, Metered**

Gallons consumed	Cost to produce	Cost to consumer	Profit/(Loss)
1	0.00	401.47	401.47
100	0.34	401.47	401.13
1,000	3.36	401.47	398.11
100,000	335.77	401.47	65.70
<b>119,565</b>	<b>401.47</b>	<b>401.47</b>	<b>0.00</b>
500,000	1,678.86	401.47	(1,277.39)
750,000	2,518.30	611.47	(1,906.83)
1,000,000	3,357.73	821.47	(2,536.26)
1,200,000	4,029.27	989.47	(3,039.80)
1,500,000	5,036.59	1,241.47	(3,795.12)
5,000,000	16,788.64	4,181.47	(12,607.17)
10,000,000	33,577.28	8,381.47	(25,195.81)
15,000,000	50,365.93	12,581.47	(37,784.46)

\*Total operating expense is per fiscal year audited financial statements

\*\*FY 2017 volume produced based on actual production through 4/7/17, extrapolated to a full 365 days

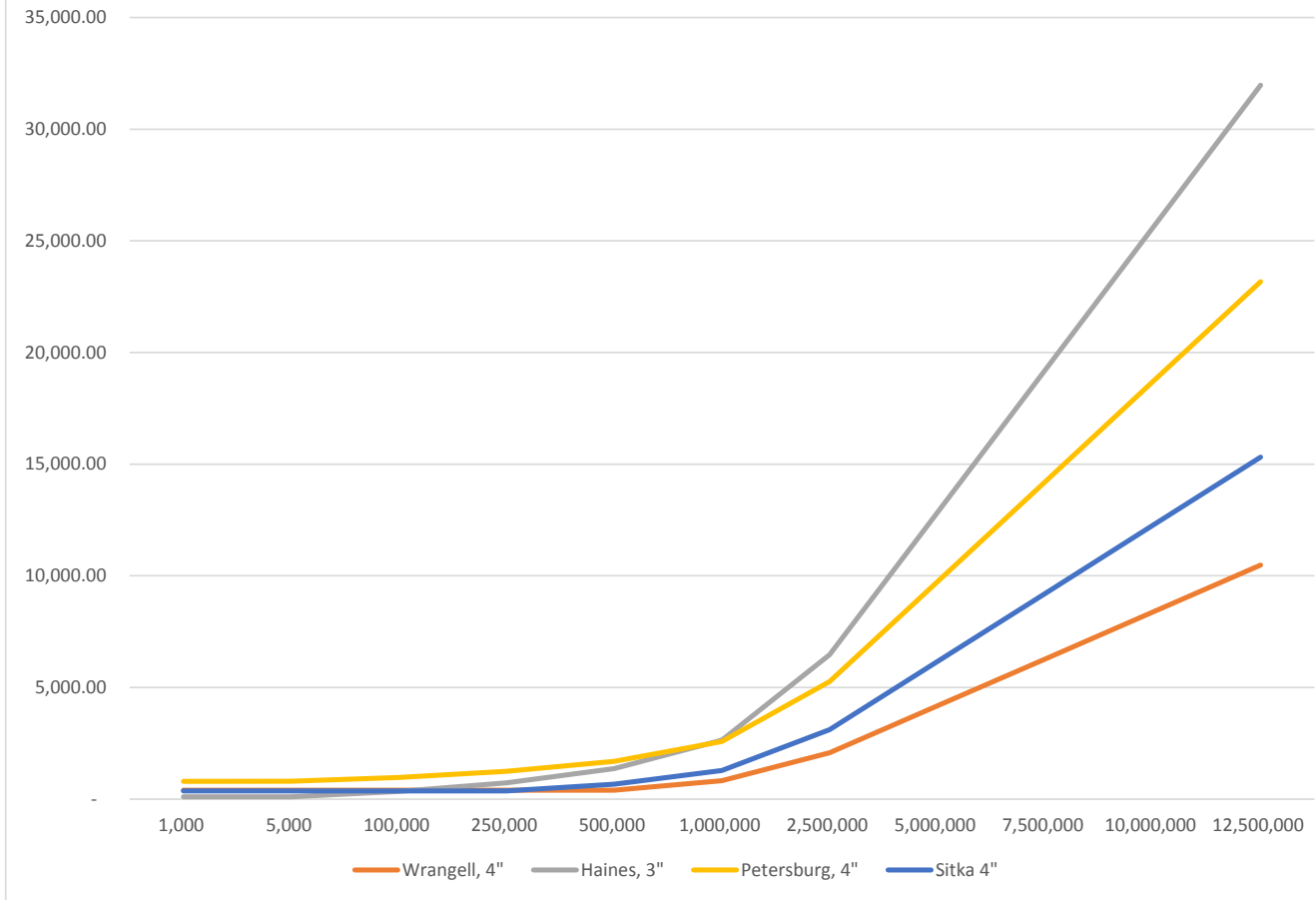
**Commercial, Metered**

Gallons consumed	Cost to produce	Cost to consumer	Profit/(Loss)
1	0.00	26.76	26.76
100	0.42	26.76	26.34
1,000	4.23	26.76	22.53
4,000	16.93	26.76	9.83
6,000	25.40	31.80	6.40
8,000	33.87	36.84	2.97
<b>9,737</b>	<b>41.22</b>	<b>41.22</b>	<b>(0.00)</b>
10,000	42.33	41.88	(0.45)
12,000	50.80	46.92	(3.88)
15,000	63.50	54.48	(9.02)
25,000	105.84	79.68	(26.16)
50,000	211.67	142.68	(68.99)
100,000	423.34	268.68	(154.66)
150,000	635.01	394.68	(240.33)

**Residential**

Consumed	Cost/gallon	Cost to produce	Billed	Profit/(Loss)
1,000	0.0042	4.23	40.75	36.52
2,000	0.0042	8.47	40.75	32.28
3,000	0.0042	12.70	40.75	28.05
5,000	0.0042	21.17	40.75	19.58
7,500	0.0042	31.75	40.75	9.00
<b>9,863</b>	<b>0.0042</b>	<b>41.75</b>	<b>41.75</b>	<b>(0.00)</b>
10,000	0.0042	42.33	40.75	(1.58)
12,500	0.0042	52.92	40.75	(12.17)
15,000	0.0042	63.50	40.75	(22.75)
20,000	0.0042	84.67	40.75	(43.92)

Monthly charges for 4" Metered Commercial Water Service at various consumption levels



Consumption	Wrangell, 4"	Haines, 3"	Petersburg, 4"	Sitka 4"
1,000	401.47	106.20	797.12	369.11
5,000	401.47	106.20	804.28	369.11
100,000	401.47	348.45	974.33	369.11
250,000	401.47	730.95	1,242.83	369.11
500,000	401.47	1,368.45	1,690.33	674.11
1,000,000	821.47	2,643.45	2,585.33	1,284.11
2,500,000	2,081.47	6,468.45	5,270.33	3,114.11
5,000,000	4,181.47	12,843.45	9,745.33	6,164.11
7,500,000	6,281.47	19,218.45	14,220.33	9,214.11
10,000,000	8,381.47	25,593.45	18,695.33	12,264.11
12,500,000	10,481.47	31,968.45	23,170.33	15,314.11

Wrangell: \$401.47 for first 500,000 gallons, \$0.84 per 1,000 gallons thereafter

Sitka: \$769.11 for first 250,000 gallons, \$1.22 per 1,000 gallons thereafter

Petersburg: \$797.12 for first 1,000 gallons, \$1.79 per 1,000 gallons thereafter

Haines: \$106.20 for first 5,000 gallons, \$2.55 per 1,000 gallons thereafter

# **Agenda Item 13b**

## **CITY & BOROUGH OF WRANGELL**

### **BOROUGH ASSEMBLY AGENDA ITEM April 11, 2017**

#### **INFORMATION:**

Discussion and Possible action regarding the Water Treatment Plant Improvements

#### **Attachments:**

1. Memo from Interim Borough Manager Rushmore
2. Memo from PW Director Al-Haddad
3. Proposed *draft* Water Shortage Management Plan
4. Water Budget Projection Worksheet

Note: This item may not be ready by time the meeting rolls around. I wanted to have this on here thought, just in case it is.

#### **RECOMMENDED ACTION:**

Discussion and Possible Action.

**MEMORANDUM**

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

**FROM: MS. CAROL RUSHMORE  
INTERIM BOROUGH MANAGER**

**SUBJECT: WATER TREATMENT PLANT AND RELATED ISSUES**

**DATE: April 5, 2017**

**BACKGROUND:**

The Assembly requested additional information pertaining to the water treatment plant upgrade issues, water shortage management plan, and water rates after the discussion at the workshop on March 28, 2017.

Attached for further discussion is the Draft Water Shortage Management Plan which addresses what actions will be taken in order to conserve and provide water necessary for use demand and fire, health and safety based on available water for distribution. Staff would like to know if the Assembly has questions or would like to make changes to the proposed Plan. Staff will be recommending that the plan is approved at the Tuesday meeting. Based on current water available for distribution (reservoirs and storage tanks) Stage 1 should probably be implemented this week. We will be beginning a public education and conservation notice this week.

Also attached is a draft of proposed changes to the water ordinance that includes a 5% increase of all water rates beginning July 2017 and July 2018. This is the same as provided for the workshop. We are still investigating how other communities have structured their water rates and will provide some of that information during the meeting on Thursday.

Current budget status of the Water Fund will be provided at the meeting as will estimated costs for several upgrade options. We are working with a variety of industry reps to obtain as accurate of information as possible.

**ATTACHMENTS:**

1. Draft Water Shortage Management Plan
2. Proposed changes to water rates



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

**FROM: AMBER AL-HADDAD  
PUBLIC WORKS DIRECTOR**

**RE: WATER PLANT UPDATE**

**DATED: April 6, 2017**

**History:**

At the Assembly workshop last week regarding the water department related issues, I would like to offer the following update.

1. Water Shortage Management Plan

Following Assembly request to create a contingency plan for water shortages, a lot of thought went into developing the structure of this plan to provide the department the measures needed during emergency situations that help reduce water usage and temporarily reduce demand placed on Wrangell's water plant systems. The plan was also developed in the best interest of the public.

We ask that the Assembly adopt the plan as its official water shortage contingency plan. We urge you to adopt the plan, complete with its terms and provisions, as a Borough ordinance, under which violations could be addressed accordingly.

Understanding the adoption of a new ordinance requires timely procedural terms, until the plan is formally adopted the water department would like to begin utilizing the plan, in draft form, to address current water shortage issues, as needed, in the interim. With the upper reservoir currently at about half capacity, coupled with our upcoming sand dredging efforts and the sizeable amount of water needed for that operation, we should begin community-wide water conservation in the very near future.

The Wrangell Harbor and Parks & Recreation departments, as well as Sea Level Seafoods, have been provided a copy of the draft plan, from whom we also asked for comments about the plan. To date we have received position and cooperative comments from the Harbor Master and Parks & Rec directors; however, no response to date from Sea Level. We have not yet provided Trident Seafoods with a copy of the draft plan but will do so this afternoon. We did in person with both Sea Level and Trident.

Please provide written comments and/or questions about the proposed plan, allowing us to address those items and provide an updated plan for further review.

## 2. Ozone Generators' Replacement

The two, new ozone generators are expected to ship from Sweden on April 7<sup>th</sup>. Staff is working with the supplier and our SCADA (Supervisory Control And Data Acquisition) contractor in preparation for the new unit's installation and integration into the system as soon as practicable. The installation will also require mechanical and electrical assistance.

## 2. Roughing Filter

When we last reported on the roughing filter issue in mid-March, we indicated that a work plan for the roughing filter modifications was to begin for procuring materials, contracting with appropriate contractors, hiring temporary laborers, securing rental equipment, etc. We also indicated that due to the extensive planning needs, coupled with the other efforts regarding sand, that the roughing filter work may not occur immediately.

In the meantime, and as Jeff Jabusch previously advised the Assembly, we have been exploring an alternative to that earlier-proposed modification to our roughing filters. Given the high cost of the proposed modifications and its potential for low returns on treatment improvements, we want to ensure we are pursuing the best option for a high return on water treatment improvements. The options include a couple of different types of mechanical filter systems:

- a. Cartridge Filters – We believe that the cartridge filter option is feasible, but it is not without some complexities. Two trains of double cartridge filters are proposed to be located in one roughing filter basin. This configuration is designed to provide for maximum daily demand flows, as well as for redundancy, so that filter cartridges can be readily replaced while the system is in service.

Based on the engineers' review of the plant hydraulics, pumps would be needed to drive water through the filters as they become progressively loaded with solids. Without the pumps, the current plant configuration cannot provide the pressure head needed to convey water when the filters have become fully loaded. The pump will need to provide relatively low pressure and high flow rate, which is an uncommon combination. With the help of a local pump supplier, the engineers found a model of pump that has the broad range of flow in which the plant will mostly operate. Flow control valves would also be needed, to produce a back pressure against which the pumps would operate, as well as a variable frequency drive (VFD) needed to help the pumps respond to the variation of flow conditions that the plant experiences.

Capital costs are significant and estimated between \$250k and \$275k, mostly due to the cost of the high-flow-rate filter housings. O&M costs are projected to be in the range of \$20K-\$25K year.

If this alternative is pursued, further design work is needed for at least the following aspects:

- Filter mesh size needs to be finalized. The filter manufacturer recommends that a particle count sample be collected to make a more accurate determination of change-out frequencies.
- Pump specification needs to be finalized.
- Controls would need to be designed to work with the existing plant controls, existing basin configuration and characteristics of the selected pumps.

b. Automatic Self-Cleaning Filters

Over the course of the last week, Wayne has rediscovered a filtration system that he reviewed several years ago.

This is an automatic, self-cleaning water filter system, which may be a more cost-effective option which also produces less wastewater and will not interrupt main system flows during the cleaning cycle. This system uses “Ultrafiltration” (UF), one of many membrane treatments being used in municipal drinking water treatment to pre-filter water before it reaches the final treatment stage as the system efficiently removes particulate matter that obstructs flow through the finer treatment, such as our slow sand treatment.

CRW has been assisting us in flushing out the ancillary needs of this type of system. Similar to the Cartridge Filter option, and due to plant hydraulics, pumps would be required. There would be more piping involved, as this option features two different types of pumps, both a pressure pump and a backwash pump, one of each for each of the two trains. Nevertheless, it appears this option is more economical than the Cartridge Filters, relative to both capital and O&M costs.

Capital costs are estimated between \$150k and \$180k. O&M costs are projected to be in the range of \$12K-\$15K year.

If this alternative is pursued, further design work is needed for at least the following aspects:

- Filter mesh size needs to be finalized based on a particle count sample.
- Pump specification needs to be finalized. CRW has not yet found a pump to perform the backwashing and match the required flow and pressure characteristics.
- Controls would need to be designed to work with the existing plant controls, existing basin configuration and characteristics of the selected pumps.

With the capital costs to perform the media modifications to the existing roughing filter system anticipated to be as high as \$100,000 or more, and again with no guarantee regarding the benefit offered by these modifications, we recommend pursuing the

Automatic Self-Cleaning Filters option as one of the most critical improvements to our existing treatment system at this time. It is important to note that none of the options offered herein would likely be complete before the peak summer season of 2017; however, it is vital that we make a decision regarding the improvement. Either of the two cartridge/automatic filter options will require engineering design and DEC review, followed by the materials and/or contractor procurement process, unless the Assembly further waived procurement for this size project and allowed us to negotiate material procurement and contractor procurement. A review of the water department fund is also prudent in terms of making this decision. Lee Burgess is drafting a water department funding outline for ease of reviewing this department's future outlook.

### 3. Sand

The purchase of new sand for our slow sand treatment is the only other option to cleaning the sand by way of sand dredging (or other means). The need for new sand is not a new idea, it has simply not been pursued over the years due to the high cost. The sand material quote to replace all of the sand is \$830,432, FOB Wrangell dock. I have not flushed out the added cost to remove the old sand and replace the new; however, a rough estimate for this work is \$200,000+/-.

New sand would likely increase through put as it would not be loaded with years of accumulation of dirt and organics. While the water should be cleaner with new sand, it is possible that we will still remain out of compliance with our disinfection by-products due to the plant's design.

The purchase of new sand might be able to be further delayed, if we are successful at acquiring the funding for a new treatment plant soon. If funding is not acquired soon, the replacement of the old sand would be imperative.

Lee Burgess is drafting a water fund outline for ease of reviewing the water department's future outlook as related to this item.

We have discussed at length the cleaning of the existing sand in the filters, and believe it would allow water to flow through the filter at a higher rate, and thus allow a faster recovery of treated water in the storage tanks. The proposed method of cleaning with the dredges will take time, as it will require a sizeable amount of water, potentially requiring us to have half of our filter capacity shut down during periods of cleaning. As we've been seeing high flows to town throughout the winter (and at times as high as our summer peak season), this down time will have a tremendous effect on our ability to produce enough water to supply demand.

I believe it is imperative that we continue to work toward dredging the sand in preparation for the summer peak season as this appears to be more feasible in terms of time and cost. We have been waiting on a piece of dredging equipment to arrive before attempting the test dredge once again. We received this dredge nozzle on Monday. The

Public Works crew was finishing a sewer line replacement project before remobilizing for dredging efforts.

4. Water Utility Ordinance Changes

- a. Water rates – As part of last week’s workshop regarding water usage rates, the Assembly questioned the low rates imposed on metered customers. Little discussion was pursued about the 5% proposed rate increase as the conversation was steered toward the rates for the commercial metered customers. It is believed that the current commercial metered rates are exceedingly low and set at levels detrimental to the water department’s infrastructure, which is an ultimate detriment to the public. While it is evident that these rates should be more closely reviewed to bring them to a fair rate, we believe it would be prudent to take the time to explore the structure as it stands now and how it might be structured differently. Staff also is of the opinion that such a potential rate increase should be developed with sufficient notice to the customers to allow them to plan for the changes in their operational budgets accordingly.

That said, we would maintain our proposal that the 5% rate increase across the board, as proposed for July 1<sup>st</sup> 2017 and July 1<sup>st</sup> 2018, continue in review for an ordinance change by July 1<sup>st</sup>, 2017.

- b. Other ordinance revisions/additions – Suggested ordinance changes, outside of the water usage rates, have been proposed in an effort to update some areas, create better consistency within the code, and address areas where additional regulations are needed for the protection of the water system and health and safety of the public (i.e. cross contamination regulation).

CITY AND BOROUGH OF WRANGELL  
WATER SHORTAGE MANAGEMENT PLAN

**SECTIONS:**

Findings  
Purpose and Intent  
Waste of Water Prohibited  
Authorization  
Action for Hydrological Shortage  
Action for Emergency Shortage  
Stage I Shortage  
Stage II Shortage  
Stage III Shortage  
Stage IV Shortage  
Duration of Water Use Restrictions  
Exceptions  
Access to Premises  
Liability  
Violations and Charges  
Dispute Resolution

**FINDINGS:**

The Borough Assembly does hereby find, determine and declare as follows:

- A. In order to maintain a supply of safe, treated water for the City and Borough of Wrangell's citizens and businesses and to meet fire protection needs during periods of either low water supply or high water use, it is necessary to implement a water shortage management plan which identifies specific actions to be taken by the Borough to manage water available for distribution.
- B. Wrangell has limited water storage capacity. The maximum capacity of the upper and lower reservoirs is 190 acre-feet (45.3 million gallons) and 102 acre-feet (21.4 million gallons), respectively. These reservoirs form the water supply for Wrangell. The usable capacity of the treated water storage tanks is approximately 850,000 gallons at tank levels of 32 feet. A minimum of 10 feet of storage is required in the tanks to maintain adequate chlorine contact time for proper disinfection of the treated water supply. This level is also the Borough's minimum level for fire protection.
- C. Wrangell is located in a moderate rainforest climate, but where drought conditions periodically occur and where practices to conserve water are necessary.
- D. Wrangell's water treatment facility consistently experiences poor treatment performance and difficulty in cleaning treatment filters, which leads to low filtration capacity and water storage volume relative to both summer and winter water demands.
- E. High demand, together with drought conditions and/or system constraints, may reduce the water available to Wrangell's water supply system to the point of creating a water

shortage;

- F. Wrangell has developed a water shortage management response plan that is a layered contingency plan that provides for a systematic response, restricting customer water use, and moderating water waste to meet the essential needs of the community.
- G. It is necessary to provide Wrangell Borough staff with flexibility to implement measures to restrict water use as deemed appropriate to conserve the water supply of the City and Borough of Wrangell, to protect the health, safety and general welfare of the citizens during periods of potential water shortage.

#### **PURPOSE AND INTENT:**

It is the purpose and intent of this part to proactively establish procedures for systematically managing water demand through conservation measures and measures designed to limit water use during a system constraint or hydrological-related shortage. The procedures listed in this part are designed to be used during atypical and irregular events, and are not intended for use as a substitute for developing water supply projects.

#### **WASTE OF WATER PROHIBITED:**

No water customer shall allow, permit or cause the waste of water, which shall include any use of water in violation of this part.

#### **AUTHORIZATION:**

- A. The Borough Manager, along with the Public Works Director and Water Department staff are authorized to enforce this part.
- B. The Borough Assembly may declare a Stage I, Stage II, Stage III or Stage IV shortage when either a hydrologic or emergency shortage exists as defined below.
  - 1. Hydrologic Shortage - A hydrological shortage exists at a point that the draw-down from the lower reservoir exceeds the input from the upper reservoir or when the total of the two reservoirs is projected to be below two months of demand, whichever occurs first.
  - 2. Emergency Shortage - An emergency shortage exists when conditions such as storage tank levels, operational constraints, infrastructure failure, natural disaster, regulatory issues, or other factors hinder the Borough's ability to meet customer water demands.
- C. The Borough Manager may propose and implement additional water shortage response measures, beyond those contained in this part, or modify existing water shortage response measures, as deemed necessary.

## **ACTION FOR HYDROLOGICAL SHORTAGE**

If total system storage is projected to be below two months of demand, then Borough staff will conduct an analysis. The analysis will consider system demands, water supply indicators such as long range weather forecasts, snowpack, precipitation, temperature, evaporation, stream flow, soil moisture, projected storage levels, operational constraints, and risk tolerance. If the analysis reveals a substantial risk of shortage, then the results will be reported to the Borough Manager with a recommendation for implementation of water shortage response measures, including declaration of a Stage I, Stage II, Stage III or Stage IV shortage as listed in this part.

It is important to note that a portion of the lower reservoir is unusable due to the elevation of the outlet in relation to the bottom of the reservoir.

## **ACTION FOR EMERGENCY SHORTAGE**

If an emergency shortage exists when conditions such as reduced storage tank levels, operational constraints, infrastructure failure, natural disaster, regulatory issues, or other factors hinder the Borough's ability to meet customer water demands, then the results will be reported to the Borough Manager with a recommendation for implementation of water shortage response measures, including declaration of a Stage I, Stage II, Stage III or Stage IV shortage as listed in this part.

### **STAGE I SHORTAGE (WATCH):**

A Stage I shortage may be declared when the Water Department informs the Borough Manager that the analysis required under section Authorization, part B of a water shortage indicates that proactive measures should be taken to avoid or reduce the severity of a shortage. During a Stage I shortage, the Borough will increase public communication and education efforts aimed at water conservation, will encourage the community to conserve water wherever possible and will evaluate the adjustment of water rates to promote the efficient use of water.

Stage I, in relation to water storage tank levels, applies when the tanks' levels fall below a sustainable level of 25 feet for a period of three days.

During a Stage I shortage, water customers are encouraged to follow the voluntary water conservation measures set forth below:

- A. Water landscaped areas with spray irrigation only between the hours of 5:00 a.m. and 8:00 a.m.
- B. Do not use water to clean outdoor hard surfaces such as sidewalks, driveways, decks and patios, except when cleaning with water is necessary for public health or safety reasons.
- C. Do not wash motor vehicles, trailers, boats and other types of equipment with a hose that lacks an active positive shut-off nozzle.
- D. No water customer shall fail to repair or disable any detectable water system line, component, or plumbing fixture that is leaking or damaged within 5-days of discovery.
- E. Restaurants, hotels, cafes, or other public places where food is sold, served or offered for sale,



are encouraged not to serve drinking water from the tap unless expressly requested by a patron.

- F. Industrial and commercial water customers using water for their business operations shall exhibit conservation measures.

## **STAGE II SHORTAGE (WARNING):**

A Stage II shortage may be declared when the Water Department informs the Borough Manager that the analysis required under section Authorization, part B of a water shortage indicates that the Stage I response is insufficient to reduce demands to a level in proportion to the severity of the shortage.

Stage II, in relation to water storage tank levels, applies when the tanks' levels fall below a sustainable level of 20 feet for a period of three days.

The following restrictions on the use of water by water customers and water conservation measures shall be in effect and required during a Stage II shortage:

- A. Outdoor landscape watering shall only be allowed three days per week, as identified by the Borough, between the hours of 5:00 p.m. and 8:00 a.m. only. Outdoor landscape watering with a drip irrigation system, handheld hose equipped with an active positive shutoff nozzle or handheld container shall be used for trees, shrubs, and plants at all times.
- B. No water customer shall apply water to any turf grass, sodded or landscaped area resulting in the pooling or flowing of water across the ground or into drainage ways.
- C. No water customer shall use water to wash sidewalks, walkways, patios, driveways, parking areas or other impervious surfaces, except to eliminate conditions that pose a threat to public health or safety.
- D. No water customer shall wash motor vehicles, trailers, boats and other types of equipment with a hose that lacks an active positive shut-off nozzle.
- E. No water customer shall fail to repair or disable any detectable water line, water system component, or plumbing fixture that is leaking or damaged, within 72-hours of discovery.
- F. No restaurant, hotel, cafe, or other public place where food is served, or offered for sale, shall serve drinking water from the tap, unless expressly requested by a patron.
- G. Industrial and commercial water customers, *in particular all ports and harbor facilities, seafood processors, and dock fueling stations*, may utilize water for their business operation needs under a best management practices plan. The industrial or commercial user must develop, maintain on site, and comply with a best management practices plan that demonstrates optimal use of water. This plan must be available for review and approval upon request by the Borough at all reasonable times. The Borough may require periodic reporting by the customer to demonstrate optimal use of water.

If Stage II water shortage is related to reduced storage tank levels, industrial and commercial water customers shall have water flow reduced by 25% of the water service limits, in coordination with the customers, to assist in refilling the water storage tanks. Throttling will

be monitored and only implemented as long as necessary.

All outside water sales are prohibited.

H. City and Borough Facilities:

All boat harbors shall have all individual boat slips' water service discontinued. Water will be available at the head dock only. The Fire Department will be notified of the reduced service, allowing them to implement an alternative fire response plan.

**STAGE III SHORTAGE (SEVERE):**

A Stage III shortage may be declared when the Water Department informs Borough Manager that the analysis required under section Authorization, part B of a water shortage indicates that the Stage II response is insufficient to reduce demands to a level in proportion to the severity of the shortage.

Stage III, in relation to water storage tank levels, applies when the tanks' levels fall below a sustainable level of 15 feet for a period of three days.

In addition to the Stage II restrictions and water conservation measures set forth above, the following restrictions on the use of water by water customers shall be in effect and required during a Stage III shortage:

- A. Outdoor landscape watering is prohibited.
- B. Washing of sidewalks, walkways, patios, driveways, parking areas or other hard surfaces is prohibited. Power washing shall only be used for protection of public health, safety or welfare.
- C. Washing of motor vehicles, trailers, boats and other types of equipment shall be prohibited. Vehicles contained in commercial operation or fleets may be washed if public safety requires it.
- D. No water customer shall fail to repair or disable any detectable water line, water system component, or plumbing fixture that is leaking or damaged, within 24-hours of discovery. Failure to comply shall cause the water service to be shut-off by the Borough until such repairs are made.
- E. Filling or refilling any outdoor water feature or hot tub shall be prohibited.
- F. Industrial and commercial water use shall be reduced by an amount, to be determined by the Borough, in relationship to the severity of the shortage.

If Stage III water shortage is related to reduced storage tank levels, industrial and commercial water customers shall have water flow reduced by an additional 25% of the water service limits (total of 50% at Stage III), through coordination with the customers, to assist in recovering water levels in the storage tanks. Throttling will be monitored and only implemented as long as necessary.

G. City and Borough Facilities:

1. Ports and Harbor Facilities (all Boat Harbors, City Dock and the Marine Service Center) shall have limited hours of water service. The Fire Department will be notified of the reduced service, allowing them to implement an alternative fire response plan.
2. Swimming Pool shall have limited hours of water service.

**STAGE IV SHORTAGE (CRITICAL):**

A Stage IV shortage may be declared when the Water Department informs the Borough Manager that the analysis required under section Authorization, part B of a water shortage indicates that the Stage III response is insufficient to reduce demands to a level in proportion to the severity of the shortage.

Stage IV, in relation to water storage tank levels, applies when the tanks' levels fall below a sustainable level of 10 feet for a period of three days. At this stage, tank one has a reduced capacity of 4.5 feet, and tank two has a reduced capacity of 1.5 feet; therefore, the total capacity of the two tanks is comparable to 6 feet of usable water.

In addition to the Stage II and Stage III restrictions and water conservation measures set forth above, the following restrictions on the use of water by water customers shall be in effect and required during a Stage IV shortage:

- A. All outdoor use of water is prohibited.
- B. Any water customer found to have a leak or damaged water line, water system component, or plumbing fixture shall have water service disconnected until such repairs are made.
- C. Industrial and commercial water use shall be reduced by an amount, to be determined by the Borough, in relationship to the severity of the shortage.

If Stage IV water shortage is related to reduced storage tank levels, industrial and commercial water customers shall have water flow reduced by a further 25% of the water service limits (total of 75% at Stage IV), through coordination with the customers, to assist in recovering water levels in the storage tanks. Throttling will be monitored and only implemented as long as necessary.

D. City and Borough Facilities:

1. Ports and Harbor Facilities (all Boat Harbors, City Dock and the Marine Service Center) shall have water service discontinued as long as necessary. The Fire Department will be notified of the reduced service, allowing them to implement an alternative fire response plan.
2. Swimming Pool shall have water service discontinued as long as necessary.

## **DURATION OF WATER USE RESTRICTIONS:**

The Borough will regularly evaluate the estimated supply of water available to the water system in an effort to determine whether it is necessary to continue the water use restrictions of a declared stage or level. Stages and levels may be declared in accord with this chapter and, if water supply conditions warrant, the Borough Manager may either downgrade or withdraw a declaration of a Stage I, Stage II, Stage III or Stage IV shortage.

## **EXCEPTIONS:**

- A. Water customers may use water when a critical need is approved by the Borough or when water use is essential to protect public health, safety or welfare.

## **ACCESS TO PREMISES:**

Whenever necessary for the purposes of investigating any alleged violation of this part, the Borough shall have the power, upon the presentation of proper credentials, to enter and inspect at any reasonable time, and in any reasonable manner, the exterior of a water customer's premises.

If entry to or inspection of the premises is denied or not promptly permitted, the Borough is authorized to terminate the water customer's water service to the premises, for willful violations of mandatory restrictions and regulations in this chapter, until the required inspection is made and the Borough is satisfied that a water waste situation does not exist.

## **LIABILITY:**

Each water customer shall be responsible for compliance with this part with respect to the water customer's premises, and shall be responsible for applicable charges for noncompliance with this part. In the event of an alleged violation of this part, proof of the existence of a declared water shortage and proof of any violation of any restriction set forth in this part, together with proof that the violation originated at any water customer's premises, shall constitute a rebuttable presumption that the water customer is responsible for the violation.

## **VIOLATIONS AND CHARGES:**

- A. Every law enforcement officer having jurisdiction in the Wrangell area shall have the authority to enforce the provisions of this section. In addition, the Borough Manager may also delegate enforcement responsibility for this section to other agencies and departments of city government, utilizing a variety of enforcement methods, including but not limited to, conducting customer education, issuing warnings and the addition of charges to water bills. The Borough Manager shall determine the stage of shortage at which the addition of charges to water bills will be used as an enforcement mechanism.
- B. In the event the Borough determines that an observed violation of this part has occurred on a water customer's premises during a Stage II, Stage III, or Stage IV shortage, the water customer may be subject to the following:

1. For a first observed violation of a Stage II, Stage III, or Stage IV restriction as set forth in this chapter, the Borough shall notify the water customer in writing of the violation and issue a written warning to the water customer. Enforcement officials shall provide violators with no more than one written warning. Each day in violation of this section shall constitute a separate offense.
  2. For a second and any subsequent observed violation of a Stage II restriction as set forth in this chapter, the Borough shall notify the water customer in writing of the violation and shall add a charge to the water bill for the premises up to two hundred fifty dollars (\$250.00). Each day in violation of this section shall constitute a separate offense.
  3. For a second and any subsequent observed violation of a Stage III restriction as set forth in this chapter, the Borough shall notify the water customer in writing of the violation and shall add a charge to the water bill for the premises up to five hundred dollars (\$500.00). Each day in violation of this section shall constitute a separate offense.
  4. For a second and any subsequent observed violation of a Stage IV restriction as set forth in this chapter, the Borough shall notify the water customer in writing of the violation and shall add a charge to the water bill for the premises up to one thousand dollars (\$1,000.00). Each day in violation of this section shall constitute a separate offense.
- C. For repeated observed violations of this part occurring during any Stage II, Stage III, or Stage IV shortage, the Borough may, in its discretion: a) disconnect water service to the premises for which the violations occurred in accord with the code of the utility; or b) restrict water flow to the water customer at the premises at which the violations occurred. Any flow restriction shall remain in place for a period determined by the Borough, based upon the severity of the violation as well as the applicable declared stage.
- D. Whenever the Borough finds a water customer to be in violation of this part, a notice of violation must be issued. Every reasonable effort will be made to notify the water customer of the violation, and a notice requiring the customer to cease the violation and take remedial action will be posted at the point of entry into the property. Failure to comply may result in temporary termination of water service pursuant to applicable water codes.
- E. The notice of violation must be served upon the water customer by fixing the notice to the premises of the water customer in a conspicuous place, by personal delivery, or by sending the notice electronically or by U.S. mail. If sent electronically or by mail, service shall be deemed complete upon sending or mailing. Service of the notice of violation by affixation has the same force and effect and is subject to the same penalties for disregarding a notice, as if the notice of violation were personally served on the water customer. For purposes of this part, a person who is of full legal age and who resides at the premises is deemed to be the agent of the water customer to receive a notice of violation.
- F. Whenever a water customer fails to correct a violation within the correction period set forth on a notice of violation, this failure to correct shall constitute an additional violation.
- G. Any charge assessed pursuant to this chapter shall be collectible in the same manner as a water charge under the water rates related to the Wrangell Water Department, and if unpaid, water service for the premises may be discontinued in accord with the Borough's

codes.

- H. Any charge assessed an industrial or commercial user, pursuant to this chapter, shall be equal to three (3) times the applicable charge.

**DISPUTE RESOLUTION:**

Any water customer's dispute with the Borough concerning this part shall first be addressed through review by the Borough Manager. If the review by the Borough Manager does not resolve the dispute, the water customer may, within five days of the demand made upon them for the water shortage violation, demand a hearing before the Borough Assembly on this matter. The Borough Assembly shall, after receiving a report from the Borough Manager of water shortage violation charges and after affording an opportunity for such hearing, in case the water customer demands the same, take such action at law as is necessary to collect any charges which the Borough Assembly shall find to be owing, including penalties and interest.

**WATER FUND**  
**CITY AND BOROUGH OF WRANGELL**  
**2017-2018 DRAFT BUDGET**

		2015-2016	2016-2017	2016-2017	2017-2018
		ACTUAL	APPROVED	REVISED	APPROVED
<b>WATER REVENUES</b>					
72000 000 4101 17	STATE OF AK SHARE OF PERS	6,494	9,340	13,500	16,160
72000 000 5110	WATER SALES	617,856	620,000	607,000	640,000
72000 000 5118	WATER CONNECTIONS	5,898	2,500	13,950	5,000
72000 000 5118	LABOR	(160)	-	2,000	-
72000 000 5131	HYDRANT RENTAL	42,112	42,500	42,500	42,500
72000 000 5133	REDEMPTION FUND WTP DEC	82,297	89,987	89,987	89,987
72000 000 5134	MATERIAL SALES	936	500	-	1,000
72000 000 5550	INTEREST INCOME	5,288	8,000	8,000	6,000
72000 000	2017 DEC OZONE LOAN DISBURSEMENT	-	-	-	250,000
		<b>760,722</b>	<b>772,827</b>	<b>776,937</b>	<b>1,050,647</b>
<b>WATER ADMINISTRATION</b>					
72000 301 7508	GENERAL INSURANCE EXP	4,283	7,250	6,000	6,000
72000 301 7509	CREDIT CARD EXPENSE	4,092	3,510	4,000	5,000
72000 301 7540	AUDIT EXPENSE	3,070	3,600	3,600	3,650
72000 301 7603	CHARGES FROM FINANCE & ADMIN	22,182	22,904	22,904	23,000
72000 301 7802	1999 DEC WTP LOAN PRINCIPAL	82,297	84,784	83,531	84,784
72000 301 7803	1999 ADEC WTP LOAN INTEREST	7,896	6,456	6,456	5,203
72000 301 7802	1997 BOND PRINCIPAL	4,688	5,162	5,162	5,416
72000 301 7803	1997 BOND INTEREST	9,369	9,108	9,108	8,854
72000 301 7802	2017 DEC OZONE LOAN PRINCIPAL	-	-	-	10,800
72000 301 7803	2017 DEC OZONE LOAN INTEREST	-	-	-	3,721
		<b>137,876</b>	<b>142,774</b>	<b>140,761</b>	<b>152,707</b>
<b>DISTRIBUTION EXPENDITURES</b>					
72000 302 6001	WAGES AND SALARIES	60,214	75,420	69,500	71,500
72000 302 6005	OVERTIME	13,780	7,500	19,000	15,000
	TEMPORARY LABORER	-	-	14,250	14,250
72000 302 61XX	PERSONNEL BENEFITS	74,892	67,170	71,000	71,360
72000 302 7001	MATERIALS AND SUPPLIES	6,827	15,000	15,000	15,000
72000 302 7002	FACILITY REPAIR & MAINTENANCE	46,962	50,000	70,000	50,000
72000 302 7010	EQUIPMENT REPAIR & MAINT (METERS)	637	2,500	2,500	5,000
72000 302 7010	GARAGE ALLOC VEHICL EXP	32,822	35,830	35,830	36,000
72000 302 7021	CHEMICALS EXPENSE	13,104	24,000	24,000	24,000
72000 302 7501	ELECTRICITY EXPENSE	87,520	85,000	85,000	85,000
72000 302 7502	TELEPHONE EXPENSE	3,167	3,000	3,000	3,000
72000 302 7505	TRAVEL AND TRAINING	265	3,500	3,500	4,000
72000 302 7510	ENGINEERING EXPENSE	6,688	-	-	10,000
72000 302 7515	COMPLIANCE TESTING	9,455	15,000	15,000	15,000
72000 302 7900	CAPITAL ADDITIONS/IMPROVEMENTS	-	151,000	<b>400,900</b>	<b>236,000</b>
72000 303 7025	SYSTEM REPAIR & MAINTENANCE	97,769	25,000	70,000	80,000
72000 303 7622	CHARGES FROM OTHER DEPTS	39,188	80,000	20,000	20,000
		<b>493,288</b>	<b>639,920</b>	<b>918,480</b>	<b>755,110</b>
<b>GRANT-FUNDED CAPITAL PROJECTS</b>					
72310 000 5590 11	TREATMENT PLANT PILOT STUDY GRANT REVENUE	(60,097)	(85,000)	-	-
72310 000 XXXX	WATER PLANT PILOT STUDY EXPENSE	67,124	85,000	-	-
72310 000 5590 11	UPPER RESERVOIR CONNECTION GRANT REVENUE	-	(150,000)	-	(75,000)
72300 000 XXXX	UPPER RESERVOIR CONNECTION GRANT EXP	-	150,000	-	75,000
	<b>BOROUGH EXPENDITURES NET OF REVENUE</b>	<b>7,027</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>ESTIMATED UNRESTRICTED RESERVES AT YEAR END</b>	<b>562,801</b>	<b>552,934</b>	<b>280,497</b>	<b>423,327</b>

**FY 2017 Capital Improvements estimate includes:**

All costs associated with ozone generator plus what is expected to be spent from this year's budgeted capital items, but excludes the power conditioner and the Evergreen stub outs

**FY 2018 Capital Improvements estimate includes:**

Self-cleaning Roughing Filter Replacement System	165,000
Ozone Injection System with Dissolved Ozone Monitor	16,000
Tracer Study required by DEC	25,000
Reconfigure By-pass Line valve cluster as required by DEC	30,000
	<u>236,000</u>

**Status of Water Fund****Notes:**

Unrestricted Cash & Investments as of 6/30/2016:	562,801	Per FY 2016 audited financial statements
FY 17 Estimated Revenue	776,937	
FY 17 Estimated Expenditures	1,059,241	Includes \$250,000 Ozone Generator to be <b>paid</b> in FY 17
<b>Estimated unrestricted cash at 6/30/17</b>	<b>280,497</b>	
FY 18 Projected Revenue	1,050,647	Assumes 5% rate increase, which would provide est. \$25,000 extra per year Also assumes \$250,000 Ozone Generator Loan Funds disbursed to City in FY 2018
FY 18 Projected Expenditures	907,817	Assumes \$150,000 self-cleaning roughing filter modifications are done in FY 2018
<b>Estimated unrestricted cash at 6/30/18</b>	<b>423,327</b>	

**Restricted Cash**

DEC Water Redemption Reserve, CD maturing March 2018	89,987	Covers FY 2018's DEC loan payment for 1999 loan
DEC Water Redemption Reserve, CD maturing March 2019	551,003	Reserved for future payments for 1999 DEC loan
USDA Debt Reserves, required by accounting	25,031	Reserve required by lender
Total restricted cash	666,021	

**Upcoming Debt Approved and Capital Projects**

Total DEC Ozone Generator Loan approved	322,650	Estimated to use \$250,000 of this loan amount, annual payments ~\$14,500 per year
Total DEC Water Main Loan (to match grant) approved	542,249	Estimated to use \$298,464 of this loan amount, annual payments ~\$17,337 per year



# **Agenda Item 14**

## **CITY & BOROUGH OF WRANGELL**

**BOROUGH ASSEMBLY  
AGENDA ITEM  
April 11, 2017**

INFORMATION:

ATTORNEY'S FILE – None.

# **Agenda Item 15 a & b**

## **CITY & BOROUGH OF WRANGELL**

### **BOROUGH ASSEMBLY**

#### **AGENDA ITEM**

**April 11, 2017**

#### **INFORMATION:**

**15a** Discuss with the Borough Attorney, the City's options regarding the disposal of Borough Property and the proposed draft agreement, as revised and submitted by the Borough

#### **RECOMMENDED ACTION:**

I move that pursuant to AS 44.62.310 (c), (1), that we recess into executive session with the Interim Borough Manager and the Borough Attorney to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the Borough, specifically the City's the options regarding the disposal of Borough Property and the draft Agreement, as revised and submitted by the Borough.

**15b** Selection and discussing the offer for a new Borough Manager

#### **RECOMMENDED ACTION:**

I move that pursuant to AS 44.62.310 (c), (2), that we recess into executive session to discuss matters that may tend to prejudice the reputation and character of any person, specifically: selection and discussing the offer for a new Borough Manager.