

**Minutes of Special Assembly Meeting
Held April 6, 2017**

Mayor David Jack called the Special Assembly meeting to order at 12:00 p.m., April 6, 2017, in the Borough Assembly Chambers. Assembly Members Gilbert, Rooney, Prysunka and Powell, Decker and Mitchell were present. Interim Borough Manager Carol Rushmore and Borough Clerk Kim Lane were also in attendance.

CONFLICT OF INTEREST

Prysunka declared a potential indirect conflict of interest because his daughter is a lifeguard at the swimming pool and since the pool could be shut down for lack of water, she could potentially be out of work and she lives at home.

The Mayor stated that he didn't see that as a Conflict of Interest. There were no objections from the Assembly.

PERSONS TO BE HEARD – None

ITEMS OF BUSINESS

5a Discussion of the Water Plant Issues including Water Shortage Management Plan, Water Rates, and Modification upgrades to the Water Plant

There was extensive discussion regarding the possibility of revising the proposed plan in order to simplify it for the general public.

Decker stated that she would like to see the plan narrowed down and simplified to be a three-stage plan.

Mitchell agreed with the stages and the suggestion to simplify the plan; making the public aware is what's important.

Prysunka voiced that he liked the concrete direction in the plan; could possibly come up with a plan to automatically send out a message for the public in early June to start conserving; agreed that there has to be a penalty if someone doesn't follow the plan.

Rooney agreed with the simplification; needs to have an education plan in place too; also need to be a penalty for not following the plan.

Mitchell stated that he didn't want to see the Boat Yard activities hampered; businesses will be a need to pressure washing boats.

Decker stated that there was an exemption at the end of the plan that could allow for that activity; in practice last year, if someone had a need for water (if associated with a job), Jeff would allow it; depends on the water level.

Decker stated that level one should trigger that there would be no large water sales, for example, to cruise ships.

Prysunka stated that if we raise the water rates, it would not give an incentive to the public conserving water; they would see it as "I am paying a higher rate, I can use however much water I want"; if we metered water to raise the rate by .50, that would make more sense to me than to simply raise the rates.

Gilbert stated that if there were to be penalties when violating the plan, the fine schedule in the code would need to be updated to include those fines.

Decker stated that she would like to hold off on any rate increases until we find out how much it costs to produce water and what some of the usages were for the larger usage organizations.

Interim Borough Manager Rushmore stated that the reservoir levels were low; if we don't get water soon, we will hit stage two of the water shortage plan fast.

Powell asked, what it costs to produce a gallon of water; once we know that, we can figure out what the larger water users should be paying.

Prysunka stated that we must look at including the depreciation of the water plant into the rate structure.

Prysunka also stated that he had received a memo directly in his inbox from the Director of Water that stated:

"Most important of all is our condition of the filters themselves. Each of the four filters is completely clogged from the top to the bottom with dirt and organics and they actually look like dark brown sugar where they used to be as white as a sheet of paper. In such a condition, they are a breeding ground for all kinds of nasty critters and as such, it is very likely that the only thing that is separating us from a public health issue is a little bit of chlorine and some luck".

Prysunka stated that he found was very concerning; does not like the water quality people using the word "luck"; it's a science and it needs to be full proof; if we have a public health crisis because organics or some critter winds up in our water, these are the kinds of things that cause real legal concerns for a municipality; this statement being given to me as a public reprehensive is very concerning; our public cannot be given contaminated water; our most important trust is public safety.

Al-Haddad stated that if the Assembly approved the purchase of sand today, we would be pushing time because when the sand arrived and was set to be installed, we would be right in the middle of our water peak season.

In response to the Assembly, Public Works Director Al-Haddad stated the following points:

- Still working on the dredging; just receive the nozzle and the Public Works crew would get to work on installing that; were finishing up on the Sewer Pump replacement project; will need to install the nozzle and test to see if the dredging would work; should know within the next week.
- Issues with removing, cleaning and replacing that sand had carbon monoxide issues with moving 1200 yards of sand; hand shoveling is not the way to do this; would have material loss as well with this method.
- Replacement of sand replacement to the Wrangell Dock would be \$830,000; estimate to remove and replace the sand is around \$200,000, give or take.

Prysunka asked if the funding could come from the General Reserves.

Burgess stated that our Wrangell Municipal Charter states that Enterprise Funds would be funded from their own means based on rates charges; also USDA has asked us repeatedly "what money was available to assist on the is project (Water Treatment Plant)"? Burgess stated that if we use funds from the General Fund for the purchase of sand, USDA might raise more questions as to why we cannot take funds for the plant from the General Fund.

Powell stated that paying \$250,000 on a "maybe" versus taking money from the General Fund for sand makes more since; taking money from the general fund for the purchase of sand would be because of an emergency order.

Decker requested a breakdown for cost of production for staffing, overhead and by user structure; that would help when we look at if we should raise rates in the future; another possibility might be to have the General Fund "lend" money to the Water Fund and come up with a plan for paying it back; explaining the situation to USDA would be the way to go.

In response to Gilbert, Burgess estimated that if they raised the water rates by 5% it would yield about \$25,000 based on regular annual users.

In response to Powell, Al-Haddad stated that the sand should never have been left in there for this long. Al-Haddad explained the process of the proper cleaning of the sand.

Special Meeting recessed at 12:51 p.m.
Special Meeting reconvened 12:56 p.m.

Al-Haddad went through some short-term options for the Assembly.

Rushmore stated that we were not looking at having the Assembly make a decision today; trying to present options; perhaps Tuesday evening, the Assembly could make a decision

on the plan if the revisions were complete; moving forward on the dredging, that is happening.

Prysunka stated that he wouldn't feel comfortable with making a decision today; requested that Al-Haddad give the Assembly what she felt was the best decision moving forward.

Al-Haddad said that she wanted the Assembly to understand that if they hear that nothing was being done, that's far from the truth; working through all of the options; don't want to make a rash decision.

Decker stated that she had written up some notes on the plan and would like a Word version of the plan to perhaps "red-line" some items in an effort to revise it.

5b Executive Session – Discussion and possible selection for a new Borough Manager

Mitchell/Gilbert, that we move, 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: discussion of the remaining applicants for the Borough Manager's position and I would like to have Kim and Carol in there as well. Motion approved unanimously by polled vote.

Special meeting recessed in to Executive Session at 1:26 p.m.

Special meeting reconvened back into Special Session at 2:09 p.m.

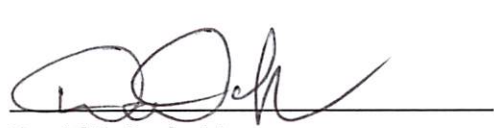
5c Approval of the negotiation process with regards to the contract for a new borough manager

Rooney/Powell, to approve the Borough Mayor and Assembly Member Gilbert to make an offer of employment to one of the candidates and to negotiate the Borough Manager's contract with the assistance of Interim Borough Manager Rushmore and Clerk Lane, with the final contract to come back to the Borough Assembly for approval.

Special meeting adjourned at 2:11 p.m.

ATTEST:


Kim Lane, Borough Clerk


David L. Jack, Mayor

