

**Minutes of Special Assembly Meeting
Held on March 15, 2018**

Mayor David L. Jack called the Special Assembly meeting to order at 7:00 p.m., March 15, 2018, in the Borough Assembly Chambers. Assembly Members Larrabee, Gilbert, Howell, and Powell were present. Assembly Members Decker and Prysunka participated by phone. Borough Manager Von Barga and Clerk Kim Lane were also in attendance.

CONFLICT OF INTEREST – None declared.

PERSONS TO BE HEARD

Jim Debord signed up to speak but stated that he would speak when the action item on the agenda came up.

ITEMS OF BUSINESS

5a Discussion regarding the options of a DAF System as the solution for the Water Treatment Plant

Manager Von Barga stated that due to some additional information that we have received, Staff would be asking to have the Resolution to approve the DAF System as the Water Treatment Capital Improvement project postponed until Staff could come up with the answers to their questions.

Von Barga stated that although there was the item on the Agenda for the Assembly to consider the Resolution to approve the DAF Plant as the Water Treatment solution, Staff was not yet ready for them to approve it; we have received some new information as of late that bears more consideration; she presented a PowerPoint presentation to show the chain of events that have led us to where we are now.

Amber Al-Haddad, Public Works Director walked the Assembly through a recap of activities of the steps that we have taken with the Water Treatment crisis that began June 2015, highlighting the key steps that Staff and the Assembly have taken.

Wayne McHolland, Water Treatment Plant Lead and Al-Haddad described how the DAF system would work based on the system plant in Pt. Arde that Al-Haddad had visited last week; Pt. Arde plant operator stated that they have not had any major problems with their DAF plant; only normal wear and tear on the plant in the last 18 or so years.

In response to Prysunka, Al-Haddad stated that in regards to the life expectancy of the Pt. Arde DAF plant, that there have been no major maintenance to the system; just normal wear and tear of the system; Pt. Arde plant operator had stated that with their rigorous maintenance of the plant, they expect to get another 20 years or more out of the plant; the DAF plant does not require the Roughing Filters; the treatment process is contained into one long unit that is a long cylinder basin and has three compartments; about 12' wide by 40' or so long by 12' tall; water comes in and ph is adjusted prior to hitting the DAF unit; then gets injected with a coagulant; water goes into the flocculation basin, then the second; sediment floats to the top and gets scraped off; water then goes into a media filter that has an air scouring backwash

system; goes in and filters through; with the flip of a switch, the air scour comes on and everything floats to the top and is sent into a sludge basin and that is sent to the wastewater plant; this is done every 72 hours.

Prysunka asked if the DAF plants were sized by the amount of water that we go through and what is the capacity of our current reservoir; need to look at the plant as well as the ability to store water in our reservoir. Al-Haddad stated that our engineers had used the State's growth to determine what the amount of water we need is. Prysunka stated that his concern was that if we build a plant that processed twice the amount of water that the current one does, do we have the water volume in the reservoir to allow for that; don't want to run out of water.

In response to Decker, Al-Haddad stated that with regards to the engineers report on the life expectancy of the DAF plant, the engineers are reluctant to give a life expectancy of more than 20 years; our best bet is to look at the systems that are in place right now and get an estimate of the life expectancy.

Von Bargen stated that if we go forward with the DAF plant, the total debt service to the Water Fund would be at least \$250,000 per year for the first 20 years; then \$175,000 for next 20 years, just for the DAF plant; 1/3 of the annual revenue to the Water Fund right now.

Von Bargen stated that we have issues starting with the reservoirs and going all the way to the entire distribution plant; questioned if our Water Fund and our rate payers can afford what Staff is looking at doing to bring water production up to where it needs to be as well as creating an ongoing maintenance plan.

Al-Haddad stated that we were moving forward with the expedited Roughing Filter project which is close to \$500,000.

Von Bargen stated that we need to work on the Hazard Mitigation Plan so that we can look at our Dam Stabilization; we have someone that would do this for us at no cost however we have not had the Staff time to dedicate to this.

McHolland stated that the lower reservoir is half the size of the upper reservoir.

McHolland also stated that an Ozone Injection system (which estimated cost is \$30,000) would be an alternative if we did not move forward with the DAF Plant and would improve flow.

Von Bargen stated that if we did not go with the DAF Plant, the suggestion would be to replace the sand in the current plant; cost would be approximately \$1 million dollars.

Powell stated that it's possible that if we had been replacing the sand annually instead of cleaning it, it would appear that the annual cost would have been more than \$150,000.

Von Bargen stated that we were currently working on a water recapture project so that we are not wasting water in the filter cleaning process; the ADEC Commissioner had reported to her that he was on board with working with CRW in helping to get the recapture project designed and permitted so that we can get this done; will report to the Assembly as this project

progresses; cost will be between \$10,000 and \$15,000 and will come from the Water Reserve Fund.

McHolland stated that the current plant was designed for normal flow, not peak flow.

Von Bargaen explained that there may be hundreds of thousands of gallons of water unaccounted for, per day; working on having a leak detection expert come and explore if we have unknown water leaks.

Von Bargaen also provided some information on meter installation quoted by CRW was about \$3.5 million; Al-Haddad had researched and found that the cost would probably be closer to about \$1.5 million; could be a phased approach; cost of meter and installation could be billed out to the customer over a three year period and equates to about \$15-\$16 per month.

Jim Debord, 3.2 Mile Zimovia Hwy. reported on what the average consumption of water should be per day; expressed that we are currently producing four times what we should; spoke in opposition of a new plant but spoke in favor of a consumer metering system; would help to determine if there are a leaks and wasted water; metering system can help consumers detect leaks as well; wasted production is creating wear and tear on the existing plant; would suggest an incentive program to consumers who insulate their pipes so that they wouldn't have to run water through the winter to prevent their pipes from freezing.

Mayor Jack called a recess at 8:14 p.m.

Meeting reconvened at 8:20 p.m.

McHolland stated that without distribution meters, there is not a way to determine where leaks are; the problem is locating where the leaks are, not realizing that we have leaks; can tell which side the leak is on; no way to isolate it unless we close each valve down one by one.

Prysunka expressed his lack of confidence with the engineer's since their quote for residential metering was more than double what Ms. Al-Haddad had stated it would be as an estimate.

Von Bargaen explained that today, we looked at our outflow vs. our inflow of water and what is estimated to be a loss is roughly 309,595 per day; number one priority is to figure out where the system loss is and come back to the Assembly with that information; if we lose the EDA grant funding, we will lose 2.5 million.

Decker asked if there was a way to draft the EDA application while we look at where the leaks might be; would we be able to submit an application and then alter the capacity of the plant that we need? Decker also stated that she sees the urgency in needing to move forward but realizes that we may need to gather more information.

Decker also walked the public and the any members of the assembly through the water treatment crisis and the steps that were taken along the way.

Von Bargaen replied that we cannot submit the application or modify the components of the application to EDA if we are not certain that that project is what we want to do.

Larrabee expressed that we would be spending more money per year to maintain our current plan vs. purchasing a brand new plant.

Prysunka stated that we have to address the production issues but we also have to address all of the other issues, such as the capacity issue; it's a whole package; wants to make sure that we are spending our money wisely so that we are allowing the Water Treatment Plant to do their job effectively.

In response to Powell, McHolland stated that if the leaks were reduced by half, we still cannot keep up with the production; we are producing only 250 to 300 gallons per minute; when each cannery runs at peak they use about 400 gallons per minute; the rest of the city adds to the demand as well; cannot make enough water to keep up with demand.

Prysunka questioned if we do replace the plant and we then have a massive failure to our water distribution infrastructure, the dam, or the reservoir, would we have the capacity to Bond out to repair or replace a massive infrastructure if we go with the DAF plant.

In response to Howell, McHolland stated that the quality of water produced by a DAF plant would be superior to what we have now.

Powell stated that he believed that we would need to have a Special Assembly meeting once we knew the outcome of the leak inspection.

McHolland stated that if there were no leaks, the current system cannot keep up with the production demand.

Gilbert questioned what other information we need to make a decision.

Von Bargaen stated that we have roughly \$7 million in unrestricted reserves.

Jack stated that he believed that we are in this situation now because we have been told all along that we just don't have the money.

In response to Decker, Al-Haddad stated that the leak inspectors would detect the leaks in the lines as they went; would work about five miles a day; not sure when the final report would be provided.

In response to Prysunka, Al-Haddad stated that we could look at a smaller production system; it's based on what kind of demand we are looking at having; we do need two trains though.

Lee Burgess stated that the way that the grant package is structured, even if we found a smaller production system, it would not allow us to reduce our debt load and that any cost savings would come out of the grant funding; USDA grant is specific to a two train system.

Al-Haddad also stated that the two train system was not the cost driver of the system so reducing the number of trains would not save a significant amount of money; modifying the building to accommodate them was the larger cost to the DAF project.

Decker stated that at Southeast Conference, they had talked about a 19% increase in cruise ship passengers in 2019 throughout Southeast over the 2018 numbers; could see an increase to our community.

5b PROPOSED RESOLUTION NO. 03-18-1394: A RESOLUTION OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA, APPROVING THE DAF SYSTEM AS THE SOLUTION FOR THE WATER TREATMENT PLANT CAPITAL IMPROVEMENT PROJECT AND ASSOCIATED FUNDING PLAN (*postponed from the February 27th and March 13^t Assembly Meetings*)

M/S: Gilbert/Howell, to approve Resolution No. 03-18-1394, approving the Dissolved Air Flotation system as the solution for the water treatment plant capital improvement project and its associated funding plan.

Gilbert stated for the public that the total cost of the project is \$9,182,000.

Prysunka stated that he would feel a lot better if the Borough Manager could assure the Assembly that we could wait to hear the report on the leak detection before moving on this; also worried about a catastrophic failure to our system and what we would have to come up with to fix it; still have to get through two plus years and if we cannot repair what we have now, we could really have some serious problem.

Von Bargaen stated that Staff could not get an answer from EDA on if they would allow a delay in the application process; don't know if we wait, if we will lose EDA funding; not sure of their grace period; there is a possibility that if the Assembly did not vote on this tonight, we might lose the funding.

In response to Decker, Von Bargaen stated that the application to EDA was ready to go; Decker also stated that she believed that the leak detection issue is separate issue; no matter what the leak detection issue was, we still would need to fix the leak issues as well as the capacity issue.

Motion approved unanimously by polled vote.

Special Assembly Meeting adjourned at 10:12 p.m.

ATTEST:

Kim Lane, MMC, Borough Clerk

David L. Jack, Mayor

