

CITY & BOROUGH OF WRANGELL

CAPITAL PROJECTS DEPARTMENT REPORT



MEMORANDUM

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

CC: MASON VILLARMA, BOROUGH MANAGER

FROM: AMBER AL-HADDAD, CAPITAL PROJECTS DIRECTOR

SUBJECT: CAPITAL PROJECTS DEPARTMENT REPORT

DATE: July 25, 2025

CAPITAL PROJECTS

The Capital Projects Department provides for the planning and management of CIP capital projects and major maintenance to City and Borough of Wrangell infrastructure.

The department currently has many active projects with a value of approximately \$84,000,000 slated for development during the FY26 budget period. Projects are in a variety of planning, permitting, design, and construction.

Highlights of projects which have received funding are provided below. Capital projects for which State or Federal funding applications have been made and are pending award from the funding agency are listed at the end of this report.

Projects in Construction/Implementation Phase

UST (Underground Fuel/Storage Tank) Decommissioning and Environmental Investigations. The field work written into the ADEC-approved work plan for the additional environmental investigations at the High School and the Public Safety Building is complete and Site Characterization Reports have been submitted to ADEC for review.

Summary of Findings for the Public Safety Building Tank 1:

- Three soil samples (WPST-1, WPST-3, WPST-4) showed Diesel Range Organics (DRO) and Gasoline Range Organics (GRO) above ADEC Method Two Migration to Groundwater Cleanup Levels (230 mg/kg for DRO, 260 mg/kg for GRO), but below inhalation and ingestion thresholds.
- Contamination was confined to isolated pockets near tank connections; no groundwater was encountered.
- Two additional test pit samples (WPSTP-1 and WPSTP-2) were below all applicable cleanup levels.

Recommendation to issue a site closure status of “Cleanup Complete with Institutional Controls” due to the localized nature of residual DRO exceedances, absence of groundwater impact, and site excavation constraints.

Summary of Findings for the High School Tank 1:

- One soil sample (WHST-2) exceeded DRO cleanup levels (9,000 mg/kg), including the Ingestion level (8,500 mg/kg), and was located directly beneath the tank’s fill connection.
- Adjacent soil boring and additional test pit (WHSTP-1) were non-detect.
- Groundwater was encountered and two temporary wells (MW-1 and MW-2) were sampled. MW-1 detected DRO at 99.4 µg/L, well below ADEC Groundwater Cleanup Level (1,500 µg/L); all other COCs were non-detect.
- Contamination appears de minimis, and additional excavation is restricted by bedrock and structural limitations.

Recommendation to issue a site closure status of “Cleanup Complete with Institutional Controls” due to the minor, isolated exceedance of DRO in soil, no groundwater impact, and impracticality of further excavation.

Water Treatment Plant Improvements. Phase II of the Water Treatment Plant is complete and the Substantial Completion Inspection is scheduled for the week of July 28th. Punch list work and recent change order work will continue until the Final Completion, the date for which is expected to change with the most recent additional of polymer dosing equipment necessary to aid in adjustments due to seasonal raw water quality changes.

A grand opening and ribbon cutting ceremony has been scheduled for August 14th at 12:00 p.m. A community wide invitation will be issued.

City Park Pavilion Replacement (Wind Damaged Pavilion). The erection of the timber-framed pavilion is on-going with no issues to report. Project completion is expected by the end of September.

High School Elevator Modernization. The elevator installation is on-going and scheduled to be complete by the end of August. During the construction bidding phase the design team decided to eliminate the hoist way sump pump requirement as we had not identified a water discharge method from the concrete hoist way shaft and agreed that this concern would be best addressed with the awarded contractor. A solution has been determined as to a manner in which the discharge water can be delivered to the wastewater system and a request for proposal for this additional work has been issued to the Contractor. A change order and associated budget amendment will be required for this work.

Meyers Chuck Harbor Replacement - Float Installation. The new floats have been received in Seattle and Pool Engineering, the construction contractor has taken possession of them there for delivery to Meyers Chuck in late August ahead of the September 1st earliest start date. PND Seattle provided for inspection of the floats upon arrival to Seattle.

Diesel Generator Unit #3 Center Section Overhaul. With the completion of the Generator Unit #1 Center Section Overhaul complete, the Borough has budgeted in the FY26 to overhaul a subsequent generator, unit #3. A sole source contract is under development Marine Systems, Inc. (MSI) to move this project forward.

Public Safety Building Rehabilitation. To expedite the renovation project, staff are exploring funding options, including working with the bond bank as an alternative to the USDA Community Facilities Loan program. This approach aims to reduce federal requirements, associated costs, timelines, and management burdens.

6-Mile Deep-Water Port Environmental Site Assessment (ESA) Phase I and II. Federal grant funds will be used to pay for the cost of a Phase 2 ESA, following completion of the Phase 1 ESA, which will be covered with local funds. A FY26 capital budget amendment for this project is expected as a firm is selected and cost negotiations are finalized.

A competitive solicitation seeking proposals from environmental engineering firms is in draft form and under review by the PIDP program staff. Performance of the Phase 1 Environmental Assessment is expected in Fall 2025 following contractor selection and award. The Phase 2 work is dependent upon results from Phase 1 and subsequent work plan approval from ADEC.

WWTP Secondary Disinfection Analysis. The Sewer Department's wastewater discharge permit will renew effective November 1, 2025. This permit mandates a facility plan within twelve months, evaluating and selecting alternatives to meet bacteria effluent limitations.

The State Revolving Fund (SRF) loan program has offered the loan request of \$175,000 to cover the cost of an Alternatives Analysis as a fully subsidized loan. A loan application is now required. As the loan is executed, we will begin developing the Request for

Qualifications to competitively solicit proposals from engineering firms to perform this work.

Meanwhile, the Borough's \$10,000,000 request through Congressional Direct spending has been approved through the Interior and Environment Appropriations Subcommittee and will receive further review by the full House and Senate to vote on the respective appropriations bills.

11MW Power Generation Upgrades. The equipment has been ordered for the upgrades to the power plant's output capacity. The lead time for this equipment was expected, at the time of the order, to run approximately 42-48 weeks beyond April 2025.

Alder Top Village Subdivision Development, Ph II Roads and Utilities. The Contractor mobilized equipment to the project site and will commence construction the week of July 28th.

St Michael Street Roadway and Utilities Reconstruction. The Contractor is in the process of procuring materials for the project ahead of construction commencement.

Projects Advancing to Competitive Construction Bidding Phase

Above Ground Tank Install (Fuel/Storage Tank), Public Safety Building and High School. The design documents for the installation of the two above-ground storage tanks (ASTs) at the High School and Public Safety Building are finalized. Further environmental investigations at both the Public Safety Building site and the High School site are required by DEC. We are working with our environmental engineering team to develop the additional work and implement the soil sampling and testing effort. This work has delayed the construction of the above ground tanks work since the construction of the new tank at the High School is planned for the same footprint as the underground tank's location, and the synergies for executing the installation of both new above ground tanks is driving the release of the contract for the Public Safety Building.

Sunset Gardens Cemetery Expansion and Columbarium. Design drawings and specifications were received and are under review. As some of our more critical projects are released for bidding, this project will follow.

Projects in Planning and Design Phase

Dam Safety and Stabilization Improvements. The Dam Stabilization Alternatives Analysis, conducted by Shannon & Wilson, has reached approximately 35% completion. The project is advancing to the next design phase, including the environmental permitting phase, which will culminate in a biddable project package, developed in coordination with the DNR Dam Safety Office.

Wrangell Schools Renovations (includes the Stikine Middle School Roof Replacement funded in part by CDBG). The draft Request for Qualifications (RFQ) is complete and under review by the Department of Education and the Community Development Block Grant programs, as well as by the School District. As reviews are complete, the RFQ will be released for the purpose of selecting an Architectural and Engineering firm for the school renovation project.

40-Acre Deep Water Port Development. The MARAD Port Infrastructure Development Program (PIDP) has provided a NEPA complete and the grant agreement has been developed with review comments returned from the Borough. Concurrently, the draft RFQ for environmental engineering services to perform the Phase 1 and Phase 2 Environmental Site Assessment is complete and under review by the PIDP staff to begin that scope of project work. Once the PIDP grant agreement is in place, we will move to develop the RFQ for survey and engineering services for the remainder of the grant funded planning project scope of work.

Wrangell Harbor Basin Float System Replacement. We are making progress on the Wrangell Harbor Basin Float Replacement project. While the federal funding hasn't been formally reviewed by the Office of the Secretary of Transportation (OST) yet, we've been advised they can review it once a draft grant agreement is submitted. The RAISE grant team had paused preparing this agreement until the National Environmental Policy Act (NEPA) review is complete. However, recognizing that the NEPA process will take longer due to the U.S. Army Corps of Engineers' involvement with the harbor basin dredging, they've decided to start drafting the agreement now to send to OST for review. We're also continuing to meet with federal agency representatives to advance the pre-award environmental work and the U.S. Army Corps of Engineers' dredging requirements.

Reservoir Bypass. A recent review of the project with the federal agency who is managing the FY22 Congressional Direct Spending funding in the amount of \$1,080,000 appropriated for this project, has determined we would be able to use the FY24 Congressional appropriation of \$2,500,000 for the Water Treatment Plant Improvements project toward additional improvements of the treatment facility by replacing the low transmission line, from the lower reservoir to the water plant, and combine the projects into one raw water transmission line improvements project. There is additional environmental work required to be performed which will require several months to accomplish before receiving NEPA compliance from the federal agency. This work is underway.

Additional LATCF funding previously allocated to the Reservoir Bypass project could be available for other Borough funding needs. As we complete the construction bid phase, we will know if and how much of the LATCF funds can be made available elsewhere.

Skeet Range Improvements, Phase II. The Borough continues to await the grant agreement from the Alaska Department of Fish & Game Hunter Safety program. Most

recently, the FWS Regional Historic Preservation Officer (RHPO) made a finding of no historic properties affected for the project. The finding was sent over to the State Historic Preservation Officer (SHPO) for their 30-day period to concur or object. NEPA compliance is also now complete. Our grant specialist with ADF&G has updated the information for the grant agreement to be finalized. Upon receipt of the finalized agreement, it will be submitted to the Assembly for approval, accompanied by a budget amendment to incorporate the matching funds into the FY26 capital budget.

Meanwhile, staff met with the Rod & Gun Club representatives to discuss a combined skeet and trap facility design, aiding their NRA-funded trap project. After discussing with the Fish and Game program, we are moving to work with the Rod & Gun Club to layout the combined ranges, allowing them to proceed independently to construct the trap house this season.

Eastern Channel Emergency Access Route. Staff is in the planning phase to identify the scope of work to be accomplished with the \$200,000 planning grant from the State. The primary goal with these funds is to acquire an easement from the State of Alaska for the portion on the road corridor that is on State land. This will be followed by survey of the roadway route.

Projects with Pending Funding Requests

Shoemaker Harbor Ramp Replacement. The Borough's grant application for the 2024 Shoemaker Harbor Boat Launch Ramp replacement, submitted to the State of Alaska's Dingell-Johnson Grant program, was not funded in the last round. However, our project remains at the top of the list for future funding.

Congressional Direct Spending (CDS) Request for FFY 2025. Three CDS project funding requests submitted in FY25 that were included in one of the FY25 Senate Appropriations bills required reapplication for FY26. Prior submissions did not automatically carry over were required to be resubmitted for consideration to allow our delegation to continue working effectively while Congress finalizes FY25 appropriations bills and enacts new spending measures. The projects were redeveloped and resubmitted to Senator Murkowski's office in February. The projects included the following:

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| • Public Safety Building Rehabilitation | \$ 2,438,000 |
| • Emergency Access Road | \$ 2,500,000 |
| • Wastewater Treatment Plant Disinfection | \$10,000,000 |

On June 9th, Senator Murkowski shared through her staff the great news that the Public Safety Building and Emergency Operations Center \$6.5M project was submitted to the Senate Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. The Senator's office anticipates having an

update on whether the project is included in the Senate Agriculture appropriations bill by the August recess.

On July 24th, Senator Murkowski shared through her staff the great news that Wrangell has been approved \$10M funding for the Wastewater Treatment Plant Disinfection through the Interior and Environment Appropriations Subcommittee. This is not a final review and award, and further review of the project will follow with the full House and Senate to vote on the respective appropriations bills.

Congressional Direct Spending (CDS) Request for FFY 2026. Two additional capital project funding requests were developed and submitted through Senator Murkowski's office. These included the following project funding requests:

- Drinking Water Flume Replacement \$ 1,700,000
- Deepwater Port Subdivision Utility Development \$ 7,500,000

State of Alaska Legislative Capital Projects Priorities for FY 2026. The Borough submitted nine capital projects, with a total requested value of \$17,361,848 to the State Legislature for funding consideration under their FY26 capital budget. To date, no Wrangell projects have been included in the State's FY26 capital budget.

Sincerely,
Amber Al-Haddad
Capital Projects Director