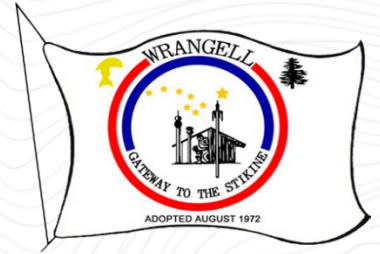


CITY & BOROUGH OF WRANGELL

BOROUGH MANAGER'S REPORT

Tuesday, March 26th, 2024



MEMORANDUM

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

FROM: MASON F. VILLARMA, *INTERIM BOROUGH
MANAGER/FINANCE DIRECTOR*

SUBJECT: BOROUGH MANAGER'S REPORT

DATE: TUESDAY, MARCH 26TH, 2024

IBEW COLLECTIVE BARGAINING AGREEMENT

The City and Borough of Wrangell has come to a tentative agreement with the International Brotherhood of Electrical Workers (IBEW) as of March 12, 2024. The agreement will be taken to the union membership for approval on March 26, 2024. If accepted, the new collective bargaining agreement (CBA) will be included on the April 9, 2024, agenda for Assembly ratification at which time a non-union plan will be presented to the Assembly for adoption as well. All changes will become effective July 1, 2024, and extend through June 30, 2027.

Once the new CBA is ratified, the Borough will bring forth a revised version of the personnel policy to ensure consistency between both documents.

I will provide an update on union membership approval or disapproval during the meeting.

BOROUGH FEE & RATE SCHEDULE

The Borough will begin to conduct a comprehensive fee and rate review process over the next few weeks and present to the Assembly a plan of action for FY 2025 during the April 9th work session. The presentation will follow the same format as the previous fiscal year.

SMALL APPROPRIATION FOR WRANGELL EMERGENCY OPERATIONS PLAN

On Wednesday, March 20th, the Borough was contacted by Senator Stedman's office. Chief of Staff, David Scott, expressed that the Senator wanted to reappropriate unexpended funding from the capital budget to the City and Borough of Wrangell. While the reappropriation is only \$9,200, the Borough is grateful for Senator Stedman's thought and consideration. We have kindly requested the funding be allocated to professional services related to updating Wrangell's Emergency Operation's Plan.

TIRES AT THE SANITATION FACILITY

In anticipation of bidding out the solid waste transfer station loading dock facility, the Borough will be moving tires out to the mill site for shearing and shipment off island this Thursday, March 14th. It is expected to take 1-2 weeks to get all tires removed from the site. The Borough is working with contractor, Channel Construction, to assess the feasibility of shipping out the big tractor tires. A status update will be provided at the next meeting.



OLD WRANGELL MEDICAL CENTER SALE UPDATE

The Borough signed a Real Estate Purchase and Sale Agreement for the Old Wrangell Medical Center on Friday, February 23rd. The agreement is a clean sale and transfer of

title upon closing for a consideration of \$200,000 with the contingency that the six adjacent lots on the southside of the Old Wrangell Medical Center are also sold in amenable fashion. Please note the sales are dependent upon each other but do have two distinct processes. The following are the remaining paths to final sale and divestiture of the WMC and the adjacent six vacant lots, respectively:

Old Wrangell Medical Center:

- Purchase and sale agreement signed - 2/23/2024
- Public Notice - 2/26/2024
- Economic Development Board - 3/5/2024
- Planning and Zoning - 3/14/2024
- Public Hearing Notice
- Assembly Approval of Sale and Conveyance - 4/9/2024

Six Adjacent Lots

- Planning and Zoning Recommendation - 2/15/2024
- Assembly Approval to Move forward with Sale - 3/12/2024
- Appraisal Ordered for 6-Lots.
- Public Notice (4 weeks)
- Assembly Approval of Sake and Conveyance - 4/9/2024



FY 2025 BOND PRIORITIES

The Borough is considering several projects to be placed on the ballot for voter approval. Historically, the Borough has not engaged in requesting general obligation bonds on a routine basis. However, due to the high demand to reduce the burden of deferred maintenance the Borough is considering a series of general obligation bond issuances:

- 1) St. Michael's Street Road Construction and Underground Infrastructure Replacement (City Market Hill)
- 2) Kyle Angerman Park Revitalization
- 3) Swimming Pool Roof Replacement

**What other possible bond priorities would the Assembly suggest for consideration?*

CONGRESSIONALLY DIRECTED SPENDING (CDS) AWARD

The Borough has submitted CDS request to Senator Murkowski and Representative Peltola. The following are the requests submitted in rank of priority:

CDS Requests to Senator Murkowski:

1) Waste Water Treatment Plant - \$10,000,000

EPA issued a 301(h)-modified NPDES renewal permit for Wrangell's wastewater treatment plant (WWTP) a waiver to secondary treatment under Section 301 of the Clean Water Act. To process the Section 401 Certificate for water quality standards, the State of Alaska required completion of Forms 2G and 2M to provide analysis of the mixing zone and antidegradation in the waters receiving the effluent. The treatment alternatives include disinfection at the WWTP. Wrangell's 301(h) facility is unable to meet Alaska Water Quality Standards with our current plant, and we seek funding for the infrastructure needed to meet this mandate. This project will provide for construction of upgrades to the existing facility and/or construction of a new disinfection facility to treat existing plant effluent that discharges offshore to tidal marine waters in the Zimovia Straits water body. Upgrades will include additional improvements to the existing facility, including polishing pond dredging to help improve disinfection/removal burdens and installation of a septage receiving station, to further improve effluent water quality.

The work to advance to compliance with the permitting regulations, the Borough needs funding to evaluate the feasibility of disinfection alternatives, prepare an RFP for disinfection equipment and bid-ready drawings and specifications for construction of the disinfection facility.

2) Public Safety Building Rehabilitation - \$6,500,000 w/ \$2,000,000 floor

The Public Safety Building is a 40-year-old structure that houses the Fire and Emergency Services equipment and personnel station, the Police Station and Jail,

the public safety dispatch center and leases spaces to District Courts and Public Records, the State Department of Motor Vehicles, and the US Customs Office.

A 2020 condition survey of the building identified significant structural and building systems' deficiencies, the most critical of which would be rehabilitated through this project of the critical building systems to ensure the structural integrity of the building remains. Further results through the project would be upgrades to life and safety related building systems and those building systems that are integral to controlling the interior building environment, both for the health and well-being of its occupants and to preserve the integrity of the building itself.)

3) East Channel Emergency Access Road - \$2,500,000

This project addresses a public safety issue. Changing weather conditions have brought more storms and other natural hazard events to Wrangell, and the Borough has a critical need to develop the East Channel Emergency Access Route on the northeast side of Wrangell Island.

As seen with the November 20, 2023 landslide at 11-mile Zimovia Highway and as well with the November 2021 wind storm that blew down trees and the electrical distribution system and had residents trapped with no power for two days, and should other similar events or earthquake, fire, tsunami or other hazard that block Zimovia Highway, residents beyond the block have no access to medical or support services.

This public safety project includes improvements to two sections of existing road corridors and construction of an approximate $\frac{1}{4}$ - $\frac{1}{2}$ mile of new road section to connect the two existing roads. The complete road system will provide a second access to Wrangell downtown for emergency response, medical services, and other services when Zimovia Highway is impacted by certain events which block resident access. This completed alternative access road will provide multiple long-term benefits, the primary one being an alternative safety emergency/evacuation route for Wrangell residents.

4) Zimovia Highway Sewer System Upgrades - \$2,500,000

Wrangell needs improvements to our sewer collection system along Zimovia Highway to correct areas of flow restrictions where pipe capacity is insufficient to pass peak wet weather flow (PWWF) events and where lift stations and their control systems have exceeded their useful life. Systems that do not have sufficient capacity to pass PWWF can produce backwater effects in the collection system and potentially cause undesirable sanitary sewer overflows.

The deficiency corrections are also critical toward the Borough's development of a 40-lot single family residential subdivision and a future development for additional single-family dwellings as well as multi-family housing. The Borough purchased the former APC/Silver Bay pulp mill site in 2022 and is in the process of developing that 40-acre property for industrial/economic development initiatives.

This project provides for capacity analysis of a modeled collection system, reviewing the entire sewer collection system from the end of the main line on Zimovia Highway to the Wastewater Treatment Plant. The analysis will be advanced to design and construction for work necessary to address sewer system improvements based on a specific design storm, acceptable slopes, and depths of flow within pipes, minimum and maximum velocity of flow and pipe size, and pump station deficiencies.

5) 1st and 3rd Avenue and Mission Street Road Construction - \$2,500,000

The City and Borough of Wrangell is actively implementing a strategic road construction and underground infrastructure replacement plan. 1st and 3rd avenue and mission street are some of the highest traffic residential corridors within the Borough that have seen significant degradation.

The Borough is requesting funds to replace underground infrastructure and replacing ductile iron pipes with HDPE while also resurfacing these roads. Significant drainage work will have to be undertaken to prevent water from pooling on the newly resurfaced roads.

CDS Requests to Representative Peltola (Approximately 15 get selected):

1) Inner Harbor Revitalization - \$9,000,000

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2) Public Safety Building - \$6,500,000 w/ \$2,000,000 floor

*Same Project Description as request to Senator Murkowski.

Priority	Requested to	Project	Amount
1	Murkowski	Waste Water Treatment Plant	\$ 10,000,000
2	Murkowski	Public Safety Building	\$ 6,500,000
3	Murkowski	Emergency Access Road	\$ 7,500,000
4	Murkowski	Zimovia Highway Sewer Upgrades	\$ 2,500,000
5	Murkowski	1st, 3rd, and Mission Road Project	\$ 2,500,000
1	Peltola	Inner Harbor Revitalization	\$ 9,000,000
2	Peltola	Public Safety Building	\$ 6,500,000
Total Outstanding CDS Requests			\$ 44,500,000

UPCOMING ITEMS FOR APRIL 9TH, 2024 REGULAR ASSEMBLY MEETING

The following are anticipated items to be placed on the agenda for the April 9th Regular Assembly Meeting:

- Work Session and Presentation on Borough Fee and Rates
- Collective Bargaining Agreement Ratification
- Non-Union Wage and Grade Table Adoption
- Resolution to Amend Multiple Job Descriptions
- Final Approval for Sale of the Old Wrangell Medical Center
- Final Approval of the Six Adjacent Lots to the Old Wrangell Medical Center
- Approval of Mill Property Lease to Channel Construction
- Water Shortage Management Plan Review and Possible Update
 - *Link to Current Water Shortage Management Plan:*
<https://www.wrangell.com/publicworks/water-shortage-management-plan>
- Trident Lease of a Portion of the Old Mill Dock
- Peninsula Seafoods Lease of a Portion of the Old Mill Dock

Petroglyph Beach Issue and Solutions

The State of Alaska Department of Natural Resources and the Borough are working to draft a MOA that memorializes the responsibilities of the State and the Borough with respect to site management and infrastructure maintenance and recapitalization.

The Borough has received comments from multiple tour operators saying the State is requiring operators to pay an annual permit fee in addition to a per use (head tax). The Borough believes any use fees should be assessed and managed by the Borough and not the State. The State has also contacted cruise lines without the knowledge of operators

informing them that select operators are out of compliance. We believe the lack of notice and public engagement is inappropriate and are working with State to amend their approach to site management and the collection of fees.



As always, I am at the Assembly's disposal. I look forward to continuing the meaningful progress we are making.

Sincerely,

Mason F. Villarma

Mason F. Villarma
Interim Borough Manager/Finance Director