

CITY & BOROUGH OF WRANGELL

BOROUGH MANAGER'S REPORT

Tuesday, January 23rd, 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: MANAGER'S REPORT

DATE: Tuesday, January 23rd, 2024

ONGOING LANDSLIDE RECOVERY & RESPONSE

The City and Borough of Wrangell remains steadfast in its commitment to scaling hazardous debris from the outfall of the 11 Mile Zimovia Highway Landslide. The Borough's contractor, BW Enterprises, has notified the Borough that they will exceed the \$249,000 contract signed on November 21, 2023. In conformance with WMC 5.10.050.G, the original contract was signed on an emergency basis allowing the Borough to deviate from competitive bidding procedures. Additional work above \$249,000 will need to occur in order to adequately safeguard the public from hazardous debris remaining on the affected properties. The Borough expects FEMA to make a federal declaration by the end of January. To ensure that the Borough is in compliance with FEMA procurement requirements, the Borough will competitively bid the next portion of work in excess of \$249,000 so that there are not any complications in the anticipated federal reimbursement.

Additionally, the Borough has been working with the families directly affected by the landslide. Through conversations with representatives of the families, the Borough will be supporting them in a DNR - Land swap provided by AS 38.05.870. As the properties are hazardous to the public, the Borough is bringing forward RES 01-24-1838 at tonight's meeting to declare these properties as hazardous and setting the property values at \$0 for assessment purposes. This will offer guidance to the assessor who will eventually declare the properties as unusable and therefore carry a \$0 value. Once these two steps occur, the supporting documentation will be sent to SoA-DNR, and they will begin a preliminary finding report and initiate the land swap process.

The Borough has also been supporting the Wrangell Cooperative Association (WCA) in their federal disaster declaration. FEMA personnel were in town last week to meet with WCA leadership and the Borough to assess costs incurred by WCA throughout the landslide response. The State tidelands, where much of the hazardous debris field remains, has presented some challenges to both WCA and the Borough. FEMA has said that to seek reimbursement for the clean-up of those tidelands, WCA or the Borough would have to demonstrate legal ownership/responsibility for the tidelands. WCA and the Borough are hoping that their combined emergency declarations will be acceptable to claim these costs under the FEMA-PA. That said, both of our organizations will be working together to iron out the complexities as it is unacceptable to leave the tidelands in disrepair with hazardous material and oil oozing from vehicles and equipment. Not only does leaving the tidelands pose a threat to public safety, it threatens the subsistence lifestyle of our community including: clam beds, anadromous streams, and crab and shrimp fisheries in the vicinity. The Borough will continue to work with SoA-DNR to inform them of their obligation to clean up these tidelands.

Furthermore, the Borough had a meeting with DNR's Division of Geological & Geophysical Surveys (DGGS) team on Thursday, January 18th. They explained that a general causation report will be shared with the Borough and its residents by the end of the week. The Borough will ensure that this information is posted to the Wrangell Landslide Recovery and City and Borough of Wrangell Facebook pages. Printed copies will also be available at City Hall for residents who do not have access to those mediums. There are further grant opportunities available to the Borough to pursue additional investigation and field work on landslide hazards in the Borough. We will be applying to the FEMA-CTP program with the help of the team at DGGS as well as the Rapid-NSF grant program.

In an effort to remain transparent and inform citizens to the greatest degree, the Borough continues to craft a plan for the dissemination of information regarding historical and current risk information about landslides within the Borough. We will have a point of contact from DNR, DOT and the Borough that will ensure the most recent information is conveyed to the citizens of Wrangell without hesitation or delay. All information will be posted to the Wrangell Landslide Recovery and Borough Facebook pages. We will also communicate developments to KSTK and the Sentinel. Some of the Borough's leadership team was able to attend Petersburg's Landslide talk with speaker Lisa Busch from the Sitka Science Center. Throughout listening to the discussion, the Borough has since thought to start a conversation with Petersburg Borough to jointly approach a Landslide Advisory system. This pursuit would surely save taxpayer dollars, and create a product that would be useful for both communities. With so many of our residents traveling back and forth between these communities for business and pleasure, it would be an additional step to help preserve the life, health and safety of our residents at home and abroad.

To view the most recent published LiDAR data for the Borough please visit: <https://dggs.alaska.gov/pubs/id/31098>

INCLEMENT WEATHER

Over the past few weeks, the Borough has experienced inclement weather and as a result experienced some disruptions to operations and service.

Wrangell Municipal Light and Power (WML&P) led by *Interim Director*, Dwight Yancy, responded to a damaged pole when caused by a vehicle collision at 2-Mile Zimovia Highway. The WML&P crew quickly braced the damaged pole with a crossarm to prevent further damage and loss of power. The Borough has been assured that the individual's insurance will cover the cost of pole replacement. WML&P also responded to shoemaker loop during the cold snap where a transformer began boiling oil. They quickly notified residents affected and made the necessary transformer replacement. Finally, WML&P was diligent about monitoring usage across the SEAPA grid. The Borough was put on standby notice as the cold weather prompted higher consumption across SEAPA's grid. Generators did not have to be run, however, the Borough thanks WML&P for their hard work in preserving public safety and service in adverse conditions. For SEAPA consumption metrics, please visit: <https://seapahydro.org/scada>



The Borough would also like to thank the Public Works Department for doing an excellent job at keeping our streets clear of snow. We undoubtedly have the best plow service in southeast Alaska. The Public Works crew also responded to a significant water main break on Stikine Avenue, at 9pm on January 12, 2024. Crews worked through the night in single digit temperatures to perform the repairs.



This instance is a reminder that our underground infrastructure must rank higher on our capital priorities list. While the dollar figure for a Borough Wide underground infrastructure replacement and road resurfacing effort is astronomically high, the Borough intends to prioritize underground infrastructure replacement in the FY 25 budget cycle and include it as a top goal in the Borough's strategic plan.

STATE LOBBYING EFFORTS & LEGISLATIVE PRIORITIES

Mayor, Patricia Gilbert, and *Interim Borough Manager* Villarma have been invited to the Governor’s State of the State Address on January 30th at the Capitol. While we are up in Juneau, we will be sure to thank all the State agencies who have helped support us in this tragic time. We will also continue our lobbying efforts; meeting with Ray Matiashowski (our State lobbyist), Senator Stedman, Representative Ortiz, and other members of the delegation. Our main priorities are as follows:

- 1) Secure the \$5M for the Wrangell Dam Rehabilitation Project in the FY 2024 Supplemental Appropriation (provided by the Governor).
- 2) Lobby for aggregate spending of \$42M+ to include WPSD school renovations in the DEED-CIP Major Maintenance grant program.
- 3) Secure a portion of funding for the Wrangell Public Safety Building and ride the coattails of a similar project.
- 4) Gain insight on Legislative developments regarding protections for the commercial fishing industry and how Wrangell can position itself for success in a down-market.
- 5) Support moving State and Municipal employees back to a Defined Benefit retirement system to be better positioned to attract and retain employees who deliver exceptional public service.
- 6) The Borough will also strategically lobby for the remainder of its projects on the CAPSIS shown below:



<u>Priority</u>	<u>Project Name</u>
1	Dams Stabilization and Improvements
2	Public Safety Building Rehabilitation
3	Wrangell School Facilities Improvements
4	Wastewater Treatment Upgrades to Address Disinfection
5	Eastern Channel Emergency Access Route
6	SEAPA Transformer Power Upgrades
7	Barge Ramp Replacement
8	Inner Harbor Replacement
9	Deep Water Port Brownfield Assessment and Cleanup
10	Zimovia Highway Sewer System Upgrades
11	Zimovia Highway Feeder Three Upgrades
12	Diesel Generation Power Plant Replacement
13	Low Pressure Water Main System Replacement
14	State Parks Funding for Petroglyph Beach State Park Improvements

15	Swimming Pool Roof Replacement
16	Community Center Life and Safety Upgrades
17	School Access Road Improvements
18	M/V Chugach USFS Ranger Boat Display

TOURISM UPDATE

Senior Leadership at the Borough met with Cruise Line Agency of Alaska (CLAA) on Thursday, January 11th. The Borough discussed upcoming tour season calendars and articulated its vision of controlled growth of the industry in Wrangell. The message was clear to CLAA: ***“We want to control the growth of tourism and preserve our authentic Alaskan lifestyle; however, we will explore and evaluate all opportunities brought forward to the Borough and bring those opportunities to the public.”*** Borough leadership acknowledges that growth in specific industries is limited and that we must entertain any opportunities to grow any existing industry or invite new ones in.

STRATEGIC PLAN

The Borough started the process of forming a Strategic Plan symbiotically with the FY 2025 budget cycle. This will be more targeted than a land-based comprehensive plan. In its most basic form, it will be a guide to achieving Assembly directives and departmental goals over the next 3-5 years. As with the budget process, development of the strategic plan will be a public process. We want the public to confirm that their best interest is indeed represented in the document. The following is a schedule for development of the strategic plan:

- February 15th - All day Director workshop on strategic plan
- February 27th - Work session on strategic plan scope
- March 13th - Townhall on 1st draft of strategic plan
- May 14th - Assembly work session and approval of the strategic plan

FY 2025 BUDGET DEVELOPMENT

As stated above, the Borough will be drafting the strategic plan in unison with budget. There is much economic uncertainty for the Borough and the State. Declining oil prices, a reduced workforce, a fishing industry in the gutter...the Borough must be conservative in this budget cycle and truly focus on the functions of government that are essential in preserving the quality of life in Wrangell. Frivolous spending will be cut, and the Borough will do its best to keep the tax and rate burden stagnant in real terms. This measured approach should maximize prosperity in the Community. Below is the schedule for FY 2025 budget adoption:

- February 5th - Budget worksheets sent to Department Directors.
- March 1st - Budget submittals due by Department Directors

- March 15-29th - Manager meetings with each department
- April 5th - Draft Budget to the Assembly
- May 10th - Budget townhall - participatory budgeting
- May 16th - Budget work session
- May 28th - Budget public hearing (Regular Assembly Meeting)
- June 11th - Mill Levy and FY 2025 Budget Adoption (Regular Assembly Meeting)

EMERGENCY OPERATIONS PLAN

The Manager's Office continues to overhaul the over two decade long outdated Emergency Operations Plan. Haines is being used as a model template in developing the Wrangell EOP, however many other communities have shared their EOPs, and they will be used to supplement the plan. The Borough thanks the surrounding communities of Ketchikan, Petersburg, Haines and Sitka for helping support the drafting of our EOP. The following is a tentative schedule for drafting the EOP:

- March 12th - Emergency Operations Plan work session
- April 9th - Assembly Approval of Emergency Operations Plan
- ***Various rollout meetings with community partners and businesses to ensure the plan is communicated and available

COLLECTIVE BARGAINING AGREEMENT & NON-UNION PLAN

The IBEW and Borough reached a tentative agreement on January 10th, 2024. The redlined CBA is with each parties' legal team for review. The CBW Union membership will vote on the negotiated agreement the week of January 29th, 2024. Meanwhile, the Manager's Office will be working on an equitable plan for non-union employees. This year there will not be just a blanket percentage applied to the wage and grade schedules. Rather, the Borough will be re-grading positions and finding parity between roles that have similar duty, responsibility, and expertise. The Borough remains committed to retaining a highly capable and motivated staff. The relationship between the Borough and the IBEW is strong, and we will do everything possible to ensure all employees of the Borough are compensated fairly for their work.

COMMUNITY CONTRIBUTIONS

- The Finance Department in conjunction with Library staff will be hosting a **Senior Exemption Day** at the Irene Ingle Public Library on Tuesday, February 27th from 12:00pm - 2:00pm. Please come by to seek assistance with filling out your senior exemption application. Staff will also be there to take questions from seniors and help with other City-related obligations.



- The WVFD has been hosting sledding nights at the sledding hill. The Borough will continue to post when the light tower is up for the kids.
- Tentatively scheduled for February 24th, the Economic Development Department will be hosting a Financing Symposium at the Nolan Center from 9am-12pm. This will be a comprehensive session for folks who want to learn the process for buying a home both from a financing and municipal code perspective.
- The Borough would like to thank Alaska Airlines and the Elks for hosting a first responder and dinner on Saturday, February 20th.



INFRASTRUCTURE REPORT (SUBMITTED BY CAPITAL PROJECTS DIRECTOR, AL-HADDAD)

Facility Maintenance Report

Following the December 12th Assembly meeting wherein the Building Maintenance division for all Borough-owned buildings was transferred from Capital Facilities to Parks & Recreation, their department Directors have been working to transition the building maintenance operations through building tours and building maintenance highlights for routine maintenance concerns as well as larger major maintenance concerns.

The one Custodial position was transferred from Capital Facilities to work under the Nolan Center Director as the custodial duties align better with the building custodial needs of the Nolan Center.

Capital Improvement Projects

Capital Projects provides for the planning, management of CIP capital projects and major maintenance to City and Borough of Wrangell infrastructure. The department is currently managing projects with a value of over \$40,000,000 in a variety of stages including planning, design, and construction status. Highlights of projects underway are provided below.

Projects Complete with Pursuit in Closed-Out Efforts

High School and Middle School Fire Alarm System Replacement Design. The contractor completed the change order and punch list items for this project at the end of December 2023. The contractor is preparing their closeout items, including red line drawings, O&M Manuals and other regulatory and grant related requirements. Administration learned from the CDBG granting agency that additional agency funds

were available to supplement this projects cost. Mason Villarma submitted a request to the CDBG program for \$31,467 to help offset SRF Fund allocated monies to the project.

Rec Center HVAC and DDC Upgrades. The primary work of both the HVAC and DDC projects is complete. Closeout will the two project contracts continues.

Automated Metering Infrastructure (AMI) System. All smart meters have been installed, including those at Heritage Harbor. Municipal Light & Power and our Utility Clerk report that the cloud-based software management system is up and running and utility bills are being produced through the new system.

Swimming Pool Siding Replacement. The contractor has completed the building siding portion of the project, and we have performed a Substantial Completion Inspection on this portion of the project. The contractor is working to prepare their additional costs for unknowns encountered during construction. These costs will be reviewed and further presented for a change order issuance and budget amendment to support the additional construction efforts and costs. This portion of the project is complete; however, the phenolic panel work for the columns at the front of the building/walking ramp will continue through Spring 2024 (see further report on this task below).

Infrastructure Projects in Construction Phase

UST (Underground Fuel/Storage Tank) Decommissioning and Environmental Investigations. The two underground fuel storage tanks have been decommissioned and the soil test reports returned. A small amount of diesel contaminant was discovered at the Public Safety Building, which instigates solid disposal and transportation regulations and approval with DEC. With DEC transportation approval just received, the contaminated material will be shipped off-island to an approved receiving location.

The final environmental reports from the site environmental investigations were due to ADEC in mid-January; however, due to the delay in finalizing the decommissioning with the contractor being pulled oof the project to attend to the 11-mile landslide recovery and clean-up efforts, DEC has approved an extension for final reports to be submitted. Our environmental contractor continues to work toward this new report submission date.,

Swimming Pool Siding Replacement. The contractor completed the building siding portion of the project. They have provided a new schedule for the phenolic column panels expecting the material arrival for installation in the Spring 2024. The Contractor has demobilized from the site until the panels arrive.

Alder Top Village Subdivision, Ph I Development Site Clearing. Site clearing and pioneer roads work is near completion; however, impacts were realized to the construction efforts through late November and December which prompted the work to be halted until the weather conditions allowed the work to continue.

Embankments were eroding under the rainfall and will need to be reviewed for design and construction improvements to eliminate a similar problem for the long term of the property integrity. Small trees were blown down on a few of the upper end lots, and these will need to be removed. Considering the snow that has since fallen, the civil site work project has been postponed until better weather allows the work to continue.

Port and Harbor Security System. The contractor began work on January 4th. The expected timeline for completion is early spring.

Non-Motorized Transportation System (Mt. Dewey Trail Extension). The contractor began clearing and grubbing at the trailhead parking lot area before Christmas; however, the freezing temperatures and recent snow fall has impacted continuation of the work since the beginning of the new year. The contractor will return to this project as weather temperatures allow for operation of the equipment and materials to become workable.

Water Treatment Plant Improvements. The site work began on November 14 with clearing and grubbing followed by rock excavation. Rock excavation proved to necessitate blast drilling and the contractor completed their blasting plan and pre-blast drilling after the first of the new year. Blasting started on January 22nd. Once the blasting is complete and site work for the new building is finalized, the building footings construction will follow.

A phone call from our EDA representative on January 18th indicates that the amendment approving the supplemental \$2.5M grant funding and a nine-month grant extension has been signed by EDA national office.



Public Safety Building - Preliminary Architectural Report (PAR) Development. A&E continue to develop the Preliminary Architectural Report for submission to USDA as part of a funding package request to rehabilitate the Public Safety Building. All disciplines have completed their respective scope of work which have been submitted to the cost estimator to finalize probable costs associated with the conceptual design.

One design criterion implemented was that of how we propose to re-roof over the flat roof areas. The primary bearing lines for the flat roof are not the same as for the existing slope roof. Using the wall that supports the slope roof overloads the beams,

so it will be necessary to reframe above the flat roof structural lines with glulams and engineered lumber joists.

The A&E team anticipates completion of the PAR by the end of January 2024.

Wrangell Harbor Anodes. The contractor has the anodes in fabrication for shipment under four separate loads, the first of which is expected to arrive in Wrangell by the end of January. The fourth and final shipment is expected in Wrangell by the end of March, at which time the contractor will mobilize to commence installation of the anodes.

Projects Advancing to Competitive Construction Bidding Phase

Nolan Center Standby Generator Upgrades. A&E has finalized the design documents. Staff will work on contract document preparation and packaging the documents for construction bidding.

9MW to 12MW Power Generation Improvements. A&E has finalized the design documents. Staff will work on contract document preparation and packaging the documents for construction bidding.

High School Elevator Modernization. The State Elevator Inspector reviewed our technical design criteria with comments. Staff will work on contract document preparation and packaging the documents for construction bidding.

City Park Pavilion Replacement (Wind Damaged Pavilion). A design-build performance specification will be developed for the replacement of this facility. The general design is expected to be similar to what was originally in place; however, we may pursue the inclusion of a fire pit/place.

Loading Dock - Solid Waste Transfer Station Upgrades. A&E has finalized the design documents. Staff will work on contract document preparation and packaging the documents for construction bidding.

Projects in Planning and Design Phase

Power Plant Building Rehab Design. PND site survey was performed in the last week in July. The design team was in Wrangell in late August to draft as builts of the building and perform on-site reviews for the various design disciplines. They met with ML&P staff to discuss operational needs for building design and functionality. The 35% design was received in early November, as scheduled, and staff have provided feedback to the engineers to allow them to continue with design toward the 65% design level.

5th and 6th Avenue Roads Development (Industrial Park Subdivision). The engineering has completed the 35% design work from which we were able to submit a permit application to the US Army Corps of Engineers. Feedback has been received

from the Corps requesting additional design information and an Owner-provided statement related to Avoidance and Minimization. We will work with our design engineer to provide a full response.

UST (Underground Fuel/Storage Tank) Replacement. Following the two tanks' decommissioning, the engineer from RESPEC is finalizing the design documents for the installation of the above ground storage tanks (ASTs). We plan to repurpose a 1,300-gal tank that used to serve the former Armory building as the future PSB AST. The High School tank will need to be purchased as new.

City Park Fireplace Replacement. The crumbling firepit and chimney were demolished in August. R&M Engineering is working to put together a design criterion for the replacement of the fireplace and chimney.

Sunset Gardens Cemetery Expansion and Columbarium. Conceptual site drawings have been modified based on staff input. R&M Engineering is preparing the grading and construction details, along with quantities, which will be used to develop a project budget.

Airport Runway Light Generator & Electrical Connectivity. DOT has submitted a request to FAA for installation of the infrastructure. Once an approval is received, we will be able to release the construction bidding solicitation.

Meyers Chuck Harbor Replacement Design. After identifying our preferred design, the engineers will deliver the procurement documents of this project in two phases:

1. The floats will be procured by the Borough, shipped to Wrangell, and decking installed by Harbor Department force account. Advertising for this phase around Jan-Feb 2024, with delivery to Wrangell due by June. Decking to be complete by August, awaiting Contractor pick up and haul to Meyers Chuck for construction phase implementation.
2. The construction of the harbor replacement will be procured under a separate contract. Advertising for this phase around May-June 2024, with anticipated construction performance period of October 2024 - May 2025.

The Alaska DOT Harbor Facilities program has met with staff and determined, based on our two-phase project approach, that we will require an atypical approach to our Grant Agreement because we will not be able to provide bids for the entire project to initiate the Grant Agreement. DOT has proposed that once we have bids for the Phase 1 - Float Procurement (procured by Owner, installed by contractor), that we can establish a grant agreement for those items with indication that an amendment to the Grant Agreement is expected to add Phase 2 - Harbor Replacement Construction.

The design and procurement documents for the Phase I Float Procurement are expected from the engineers by early January 2024.

40-Acre Deep Water Port Development. \$421,000 has been awarded to Wrangell from the MARAD Port Infrastructure Development Program to go toward early planning and conceptual design of the 40-Acre Deep Water Port Development to meet our future marine transportation needs. The grant funds work related to various planning activities, including property survey, Phase II environmental review and risk assessment, preliminary engineering assessments for the property bulkhead and utility extension requirements, as well as update the feasibility study.

Staff have met with the funding agency to review initial compliance requirements prior to execution of the grant agreement, which will require Assembly acceptance and an approved budget amendment accepting the grant funds in order to enter into the agreement.

Projects Seeking Funding

Skeet Range Improvements, Phase II. A successful application was made to the ADF&G Hunter Access Grant Program for grant funding for the next phase of the Skeet Range facility improvements. ADF&G are still waiting for approval to issue the grant award and agreement to Wrangell but assure us that the award is forthcoming. As the final project award is determined, a 10% match will be required from the Borough to move the grant agreement forward.

Wrangell Schools Renovation. An application was made to the Alaska Department of Early Childhood Education (DEED) CIP program in August/September. The project rankings were made available on DEED's website, and Wrangell's project scored #16 out of 95 projects submitted. It would take a state appropriation of \$42,669,999 to cover this project as the 16th project funded.

In the meantime, staff submitted a grant application to the CDBG program, requesting \$850,000 toward the Stikine Middle School Roof Replacement to supplement the GO Bond funding for the school renovation project. Applications were due December 1st, and notification of successful awardees is expected in February/March 2024.

Wrangell Harbor Basin Float System Replacement. Administration has decided to expand pursuit of the Inner Harbor grant funding through the FY2024 RAISE program. The expanded project is the Wrangell Harbor Basin Float System Replacement, including Inner Harbor, Reliance Harbor, and Standard Oil Float. The funds will be used for engineering design, survey, environmental permitting, and construction for this project.

A public meeting is scheduled for January 31st at 6:00 p.m. to engage the community regarding the project. We seek citizen views and community comments on the improvements. The public meeting will provide information to the public related to the project purpose and need, and consistency with the goals of the Borough's Comprehensive Plan, project alternatives considered and design features, as well as the social, economic, environmental, and other impacts of the project. Conceptual

drawings of the project will be available for review and discussion with Borough staff and our engineering partner. A full copy of the public meeting notice is attached to this report.

Questions concerning the project or project ideas may be submitted prior, during, or after the public meeting, and no later than February 14, 2024. Please drop off project comments or ideas in writing at City Hall or by email to smiller@wrangell.com. For more information, contact Steve Miller at 907-305-0336.

ADDITIONAL POINTS OF DISCUSSION

- Barge Ramp Solutions
- Port and Harbor Insurance
- ADU - Revision
- Population Determination = 2,039

Your continued support and engagement in these critical initiatives and projects are paramount as we navigate the challenges and opportunities that lie ahead. The state of the Borough remains strong, and we are committed to ushering in an era of growth and prosperity.

Respectfully,

Mason F. Villarma

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Interim Borough Manager / Finance Director