



Petersburg Borough

12 South Nordic Drive
Petersburg AK, 99833

Meeting Minutes Borough Assembly

Monday, August 18, 2014

7:00 PM

Assembly Chambers

1. Call To Order/Roll Call

Mayor Jensen called the meeting to order at 7:00 p.m.

Present: 6 - Mayor Mark Jensen, Assembly Member John Havrilek, Assembly Member Cindi Lagoudakis, Assembly Member Nancy Strand, Assembly Member Bob Lynn and Assembly Member Jeigh Stanton Gregor

By Phone: 1 - Assembly Member Kurt Wohlhueter

2. Voluntary Pledge

The Pledge was recited.

3. Approval of Minutes

A. Minutes from August 4, 2014 Regular Meeting

Attachments: [8-04-2014 Minutes.pdf](#)

The minutes were amended to correct Mayor Lagoudakis to Vice Mayor Lagoudakis.

The minutes, as amended were approved.

4. Amendment and Approval of Meeting Agenda

The agenda was amended to include: an amendment to the support letter for the Rainforest Island Ferry proposal; review of a proposed letter commenting on the KSM mine in British Columbia; addressing the sale of Mental Health Trust Lands at Papke's Landing; and supporting a study for designation of the maritime industry as a priority industry for the State.

The agenda, as amended, was approved.

5. Public Hearings and Bid Awards

A. Bid Award for 1000 Tons of 3/8" - minus Traction Sand

Two bids were received for the product. Public Works Director Hagerman recommended the low bid of \$36.00/ton be awarded to Northwood Sand and Gravel.

Attachments: [Winter Sand Bid Recommendation.pdf](#)

By unanimous Roll Call Vote, the Assembly accepted the recommendation and awarded the bid to Northwood Sand and Gravel.

6. Visitors' Views Related to Agenda

None.

7. Visitors' Views Unrelated to Agenda

Philip Beardslee thanked Assembly Members for listening to his property tax concerns relating to his various mining claims in the Borough.

8. Board, Commission and Committee Reports

None.

9. Consent Agenda

No items.

10. Report of Other Officers

None.

11. Mayor's Report

A. Written Report

Attachments: [Mayor's Written Report.pdf](#)
 [SEAPA Letter on Tyee Being Finalized.pdf](#)

Mayor Jensen informed: the O & M transfer of Tyee Hydro to SEAPA was finalized on August 16; anyone planning to attend this year's AML conference should contact the Borough Clerk; Sid Bacom, member of the Public Safety Advisory Board since 1999 will not be running for reelection; there remains numerous opportunities for interested persons to run for elective office at the October 7 municipal election; and Senator Egan's staff is working with ADOT and DEC to schedule a public informational meeting on herbicide use regulations.

The Borough is seeking letters of interest from persons who desire to serve on the newly re-established Historic Preservation Commission; Sid Bacom was thanked for his many years of service to the Public Safety Advisory Board; and the next regular meeting will be Tuesday, September 2 at noon due to Monday, September 1 being the Labor Day holiday.

B. Appointment of Election Workers for October 7, 2014 Borough Election

Borough Clerk O'Rear recommended the appointment of the following individuals to work the October 7, 2014 election at the pay rates of

\$12 per hour; \$14 per hour for the Chairperson: Mary Leonard, Cathy Harris, Beverly Richardson, Erica Worhatch, Pat Hickman and Tonya Somerville

Hearing no objections from the Assembly, Mayor Jensen appointed the six individuals as election workers at the hourly rates of \$12 and \$14.

12. Manager's Report

A. Report 08-18-2014

Attachments: [Manager report 08182014](#)

Manager Giesbrecht reviewed his written report. General discussion was held on: 1) the future need to replace two diesel generators for the electric department at an estimated cost of one million; and 2) minor work items (loading zones and rub board at stall heads) to be conducted by the Harbor staff to complete the North Harbor Reconstruction Project.

The Manager's written report is attached and made part of these meeting minutes.

13. Unfinished Business

A. Juneau Appeal of Petersburg Borough Boundaries

Judge Menendez has denied CBJ's Motion for Stay Pending Appeal. Juneau has the right to file a motion in Supreme court for a stay pending appeal.

Attachments: [Order Denying Motion for Stay.pdf](#)

Mayor Jensen noted that Judge Menendez had indicated in his denial that he did not believe CBJ's appeal to the Supreme Court would be successful.

B. Amendment to the Support of the Rainforest Island Ferry Proposal

At the August 4 meeting, the assembly authorized a support letter be issued for the Rainforest Island Ferry Authority to use the Banana Point Boat launch ramp as an interim ferry terminal. The RIFA plans to restore ferry service between Coffman Cove, Wrangell and South Mitkof Island. Since that meeting, several residents have expressed concerns that the proposed use of the launch would disrupt sport fishing activities in the area and would also damage the launch facility. It was believed the community would be better served to have the existing South Mitkof Island Ferry Terminal used for the service, or as an alternative interim facility, the Olsen Log Dump area.

By unanimous Roll Call Vote, the Assembly authorized that the letter approved on August 4, 2014 in support of the Rainforest Island Ferry proposal be amended to express the community's desire that the existing South Mitkof Ferry facility, or Olsen's Log Dump area as an alternative, be considered by the State. This amendment retains the 6 months review provision as expressed in the August 4 motion of support.

Ordinances for Third and Final Reading

- C. Ordinance #2014-19: An Ordinance Providing for Chapter 14.16, Entitled Electricity, Updating Current Language to Reflect Borough Incorporation and Providing for Rate Restructuring and Increases

Attachments: [Ord. #2014-19.pdf](#)

Discussion was held on the Borough's need to better secure reserves/depreciation coverage through the budget processes. Establishing a fund balance target for each of the enterprise funds will be difficult and a build up of reserves will take a period of years. The proposed rate increase will still result in Petersburg being the lowest rate charger in southeast. The utility no longer has plans to move the location of the office building to the Scow Bay property, but there are equipment upgrades that need to be made, i.e. generators. In addition, the utility needs to meet future load growth. The study the rates are based on is for a five year period and the study reflected the electric fund should carry a minimum of 3.5 million in reserves. It was noted that a 20 year plan would be more beneficial for financial planning. Also noted during discussion was the recent audit indicated the Borough is administering its budgets in a better means than other municipalities.

By unanimous Roll Call Vote, the ordinance was passed in final reading.

14. New Business

- A. Resolution #2014-11: A Resolution to Refinance General Obligation School Bonds (short title)

The municipal bond market is favorable for this refinancing. Passage of the resolution would allow the refinancing of 2005 GO Bonds at a more favorable interest rate. Refinancing the bonds has the potential to save approximately \$323,000 in interest payments. This refinance represents an obligation to Service Area #1 (prior city limits) only.

Attachments: [Res. 2014-11 School Bond Refi.pdf](#)

The resolution was unanimously approved by Roll Call Vote.

- B. Approval of Ballot Language for Seven Propositions on the October 7, 2014 General Borough Election Ballot

Attachments: [Sample Ballot for Propositions.pdf](#)

The ballot wording for the seven propositions was unanimously approved by Roll Call Vote.

- C. Authorization for the Mayor to Issue a Letter to the Alaska Energy Authority Re-affirming the Borough's Support for SEAPA's Renewable Energy Fund Grant (Round VIII) Application for the Swan Lake Reservoir Expansion Project

Approval of the letter reaffirms the Borough's support for the grant project as first expressed in Resolution # 2013-08 on March 4, 2013.

Attachments: [Letter of Support for SEAPA Grant.pdf](#)
 [Res. #2013-08.pdf](#)

By unanimous Roll Call Vote, the Mayor was authorized to send the support letter.

D. Authorization to Enter Into a Reimbursable Services Agreement (RSA) with the State of Alaska Department of Transportation and Public Facilities for Improvements to the Haugen Drive Wastewater Collection System

This agreement will facilitate needed repairs to underground wastewater infrastructure in conjunction with the upcoming DOT project to improve Haugen Drive. The cost to provide the improvements (principally manhole reconstruction and replacement) is estimated at \$153,338. The exact cost for the improvements will not be known until the project is bid. Funding for the improvements is not budgeted, but is available either by use of reserve funds or via a grant from DEC.

Attachments: [Explanation and Recommendation.pdf](#)
 [Water and Wastewater CIP List.pdf](#)
 [RSA Agreement.pdf](#)

By unanimous Roll Call Vote, the RSA was authorized.

E. Consideration of Change Order #1 for the Petersburg Drive Down Facility

The change order is for \$37,018.80 to add a new year round water service meter, with vault, to the project.

Attachments: [Explanation for Meter and Vault.pdf](#)
 [Engineer's Review & Order.pdf](#)

In response to a question on how many more change orders should be expected for the project. Harbor Master Wollen answered she believed this would be the only change order for Phase I.

The change order was unanimously approved by Roll Call Vote.

F. Mental Health Land Trust Lands at Papke's Landing

This year's MHLT auction contains three parcels of land upland from the Papke's Landing pier that the Borough had expressed an interest in possibly acquiring during this past year (Lots 5, 6 & 7 of the Seaduck Subdivision). The land may be needed for future public use in relationship to the existing launch ramp and dock on the abutting properties. However, the Borough had not moved forward with any purchase plans for the Mental Health Trust properties pending discussions and

possible negotiations with the State DNR and DOT who own the existing dock, launch and parking areas. ADOT has postponed any consideration on land grant or exchange with the Borough until our northern boundary dispute with Juneau is resolved because ADOT has property in the northern portion of the Borough that they would like to make part of any transfer of property at Papke's Landing.

By unanimous voice vote, the Assembly authorized a letter be drafted to MHLT asking that Lots 5, 6 & 7, consisting of approximately 1 & 1/2 acres valued at \$110,000, be exempted from this year's sale, giving opportunity for the Borough to continue investigating the public need; and that the Borough will work with Mental Health Land Trust in seeking a possible land exchange during the Borough's land selection process.

G. Comment Letter to Comprehensive Study Report - Kerr-Suphurets-Mitchell (KSM) Project

The letter was addressed to the Canadian Environmental Assessment Agency and expressed Petersburg's concerns of the potential and significant threats to the water quality and fisheries of SE Alaska should the project move forward without a Panel Review of the proposal. The letter addresses five specific areas of concern that a Panel Review should address.

Mayor Jensen was authorized to send the letter.

15. Communications

Support for Designation of Maritime Industry as a Priority Industry in Alaska

Member Lagoudakis informed that she will be providing information to the Assembly regarding the effort to designate the Maritime Industry as a priority industry in Alaska. She requested the matter be a business item on the next agenda.

16. Assembly Discussion Items

A. Recognitions

Assembly Member Strand thanked the Fire Department for allowing Clausen Memorial Museum use of the training room for work on the World War II Identification Project.

17. Adjourn

The meeting adjourned at 8:05 p.m.

Date Approved: _____

Kathy O'Rear, Borough Clerk