

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2024-12

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADOPTING THE BUDGET AND CAPITAL IMPROVEMENT PLAN FOR ENTERPRISE FUNDS FOR
THE FISCAL YEAR JULY 1, 2024 THROUGH JUNE 30, 2025, AMENDING RATES IN TITLE 15
“PUBLIC UTILITIES” OF THE SITKA GENERAL CODE AND ADOPTING MOORAGE RATES AND
OTHER HARBOR FEES**

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. CLASSIFICATION. The budget portion of this ordinance and moorage rates and other harbor fees are not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska; however, the portion of this ordinance that amends the Sitka General Code, sections 15.20.020 (Electrical rates), 15.10.620 (Water rates and fees), 15.05.320 (Wastewater rates and fees), and 15.15.020/15.15.035/15.15.045 (Solid waste rates) by increasing rates and fees is of a permanent nature and is intended to become a part of the Sitka General Code.

2. SEVERABILITY. If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. PURPOSE. The purpose of this ordinance is to set forth budgetary requirements and a capital improvement plan for the operation of the various divisions, departments and organizations of the City and Borough of Sitka for Fiscal Year 2025.

4. ENACTMENT. NOW THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska that the following expenditure budgets (see below) for the fiscal period beginning July 1, 2024 and ending June 30, 2025 and related capital improvement plan (included in the FY2025 Administrator’s Budget) are hereby adopted:

| | <u>REVENUE</u> | <u>EXPENDITURE BUDGET</u> | | |
|--|----------------|---------------------------|----------------------|--------------|
| <u>ELECTRIC FUND</u> | REVENUE | OPERATIONS | CAPITAL/ TRANSFER | TOTAL |
| Electric Fund | \$22,512,506 | \$25,272,346 | \$7,576,001 | \$32,848,347 |
| Electric Capital Project Fund | \$7,454,461 | \$-0- | \$7,454,461 | \$7,454,461 |
| <u>WATER FUND</u> | | | | |
| Water Fund | \$3,855,297 | \$6,094,640 | \$1,397,844 | \$7,492,484 |
| Water Capital Project Fund | \$1,300,000 | \$-0- | \$1,300,000 | \$1,300,000 |
| <u>WASTEWATER FUND</u> | | | | |
| Wastewater Fund | \$4,973,686 | \$5,379,144 | \$1,430,000 | \$6,809,144 |
| Wastewater Capital Project Fund | \$1,340,000 | \$-0- | \$1,340,000 | \$1,340,000 |
| Authorization to apply for and accept ADEC loan funding to fund Wastewater Fund capital projects in the amount of \$6,000,000. Appropriation contingent on approval of loan funds. | \$6,000,000 | \$-0- | \$6,000,000 | \$6,000,000 |
| <u>SOLID WASTE FUND</u> | | | | |
| Solid Waste Fund | \$6,270,914 | \$6,067,171 | \$35,000 | \$6,102,171 |

| | | | | |
|---|-------------|-------------|-------------|-------------|
| <u>HARBOR FUND</u> | | | | |
| Harbor Fund | \$5,110,349 | \$6,206,808 | \$92,500 | \$6,299,308 |
| Harbor Capital Project Fund | \$92,500 | \$-0- | \$92,500 | \$92,500 |
| <u>AIRPORT FUND</u> | | | | |
| Airport Fund | \$927,460 | \$1,302,422 | \$-0- | \$1,302,422 |
| Airport Capital Contingent on State/Federal Funding | \$1,869,033 | \$-0- | \$1,869,033 | \$1,869,033 |
| <u>MARINE SERVICE CENTER FUND</u> | | | | |
| Marine Service Center Fund | \$343,240 | \$227,936 | \$140,000 | \$367,936 |
| Marine Service Center Capital Fund | \$122,000 | \$-0- | \$122,000 | \$122,000 |
| <u>GARY PAXTON INDUSTRIAL PARK FUND</u> | | | | |
| Gary Paxton Industrial Park | \$289,517 | \$718,942 | \$22,000 | \$740,942 |

EXPLANATION

Details of individual budgets and capital improvement plans are contained in the FY2025 Administrator’s Budget. Budgeted amounts for all funds include revenue, operating expenditures and new capital outlays. This ordinance fulfills the requirements of Section 11.08 of the Home Rule Charter of the City and Borough of Sitka regarding annual adoption of a capital improvements program. Included in this ordinance are rate increases for water (4%), wastewater (8.25%), solid waste (4%), and moorage (4%) as well as increases for the monthly customer charge for electric service for some classes of users. While moorage rates are required to be adopted by resolution (one reading), they are included with this budget ordinance for consistency and will be read twice.

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**TITLE 15
PUBLIC UTILITIES**

**CHAPTER 15.20
ELECTRIC UTILITY POLICIES**

* * *

15.20.20 Electrical Rates.

A. All electric rates are subject to sales tax if applicable. These rates are effective for all electricity billed after July 1, ~~2023~~ 2024, regardless of when electricity was consumed.

The assembly shall consider annually an adjustment to the electric rates, based on the Consumer Price Index, at a time when any adjustment could be made effective July 1st of the year applied. An adjustment, if any, shall be based on the prior year annual report for the municipality of Anchorage, Alaska, from the United States Department of Labor and Workforce Development, Consumer Price Index, and determined to be the percent change to the current year from the percent change of the prior year, and will be effective July 1st of any year applied. The first such adjustment date may be July 1, 2018.

B. Residential Services.

1. Applicable to all residential customers for all uses in the home or residence, subject to the rules and regulations and customer services policies of the city and utility.
2. Energy Charges.

| | |
|--|------------------|
| All kWh from the first billing cycle in November through the last billing cycle in April | \$.1344 per kWh |
| All kWh from the first billing cycle in May through the last billing cycle in October | \$.2150 per kWh |
| Customer charge is \$20.48 <u>21.20</u> per month | |
| <u>Customer charge for remote island customers \$27.60</u> | |

C. General Service – Small.

1. Applicable to all nonresidential customers for all uses, including lighting, heating and power, when the electricity consumed in the preceding twelve months is less than one hundred thousand kWh and has measured demand of less than fifty Kw, Subject to the rules, regulations and customer service policies of the utility and the city. Typical customers in this class could include: restaurants, retail vendors, churches, fueling stations, and service industries.
2. Energy Charges.

| | |
|--|------------------|
| All kWh from the first billing cycle in November through the last billing cycle in April | \$.1321 per kWh |
| All kWh from the first billing cycle in May through the last billing cycle in October | \$.2106 per kWh |
| Customer charge is \$40.95 <u>51.00</u> per month | |
| <u>Customer charge for remote island customers \$71.00</u> | |

3. Demand Charges.

| | |
|-------------|----------------|
| First 25 kW | No charge |
| Over 25kW | \$ 6.58 per kW |

D. General Service – Large.

1. Applicable to all nonresidential customers for all uses, including lighting, heating and power, when the electricity consumed in the preceding twelve months is equal or greater than one hundred thousand kWh or has a measured demand equal to or greater than fifty kW, subject to the rules, regulations and customer and customer service policies of the utility and the city. Typical customers in this class could include: grocery stores, industrial users, and seafood processing facilities.

2. Energy Charges.

| | |
|--|------------------|
| All kWh | \$.1624 per kWh |
| Customer charge is \$63.00 <u>212.00</u> per month. | |

3. Demand Charges.

| | |
|-------------|----------------|
| First 25 kW | No charge |
| Over 25 kW | \$ 6.59 per kW |

E. General Service – Public Authority.

1. Applicable to all noncommercial and nonresidential customers for all uses, including lighting, heating and power, subject to the rules, regulations and customer service policies of the utility and the city. Typical customers in this class could include: schools, tribal governments, and other public government buildings.

2. Energy Charges.

| | |
|---|------------------|
| All kWh | \$.1645 per kWh |
| Customer charge is \$47.25 <u>85.00</u> per month. | |

3. Demand Charges.

| | |
|-------------|----------------|
| First 25 kW | No charge |
| Over 25 kW | \$ 6.59 per kW |

F. Boat Service.

1. Applicable to separately metered boats, lights, heaters, pumps or other uses.

2. Energy Charges.

| | |
|--|------------------|
| All kWh from the first billing cycle in November through the last billing cycle in April | \$.1344 per kWh |
| All kWh from the first billing cycle in May | \$.2150 per kWh |

| | |
|---|--|
| through the last billing cycle in October | |
| Customer charge is \$20.48 per month | |

G. Street and Security Light Service.

1. The utility will only install, at the expense of the customer, yard or security lights which can be attached to existing poles which are the property of the utility.
2. Rate per Month. This fee is in addition to the actual installation charges required for installing the desired fixtures.

Monthly unmetered street or security light energy rate is calculated as follows:

| | |
|--|---------------------|
| (0.482 kWh per lamp watt) times (the wattage of the lamp)=kWh per month. | |
| Example: 0.482 kWh x 100 watt lamp = 48 kWh per month. | |
| Monthly energy rate is: kWh per month times \$0.2199 per kWh. | |
| 48 kWh per month x \$0.2199/kWh = \$10.56 per month energy rate. | |
| Typical lamp energy rates: | |
| 70 watt | \$ 7.42 per month |
| 100 watt | \$ 10.60 per month |
| 150 watt | \$ 15.90 per month |
| 175 watt | \$ 18.55 per month |
| 250 watt | \$ 26.50 per month |
| 400 watt | \$ 42.40 per month |
| 1,000 watt | \$ 105.99 per month |

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H. Controlled Service Interruptible Load—Large Consumer.

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3. Rate per Month. Basic customer charge for each month or portion of a month: ~~\$200.00~~ \$375.00

* * *

The energy charge calculation will be performed by multiplying 0.0317 times the average price paid two calendar months prior by the state of Alaska or the city and borough of Sitka, whichever is lower, for No. 2 fuel oil delivered in Sitka. This factor assumes an overall oil heating system efficiency of seventy percent and a heat equivalent of fuel oil of 138,599 BTU per gallon. The maximum energy charge for all kilowatt hours under this rate shall be 12.37 cents per kilowatt hour.

Example 1: If the city and borough's price for No. 2 fuel oil is \$1.20 per gallon, the rate would be 0.0317 times \$1.20 equals 3.80 per kilowatt hour.

Example 2: If the city and borough's price for No. 2 fuel oil is \$4.20 per gallon, the rate would be

0.0317 times \$4.20 equals 13.31 cents per kilowatt hour. However, due to the maximum energy charge, the energy charge in this case would be 12.37 cents.

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**CHAPTER 15.05
SEWER SYSTEM**

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15.05.100 Service connection charge.

A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service connection, or size, or to serve a new structure, the applicant shall submit with the application the service connection charge in accordance with 15.05.320. This charge is to cover the costs to the CBS of locating the stub-out from the sewer main (if available), inspection of the sewer service line, administrative costs, and permit fees. Upon approval of the connection, the property owner may proceed in accordance with the provisions in Section 15.05.130

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15.05.320 Rates and fees.

A. Base rate: ~~\$76.72~~ \$83.05 per unit per month.

* * *

B. Sewer Service in Conjunction with Metered Water.

1. General Sewer Service in Conjunction with Metered Water. Minimum charge: one times the unmetered sewer base plus ~~\$4.13~~ \$4.47 per 1,000 metered gallons.

* * *

2. Gary Paxton Industrial Park. Treated wastewater, metered: minimum charge of ~~\$151.66~~ \$164.17 cents per month.

a. Treated wastewater, metered: ~~\$4.54~~ \$4.91 cents per 1,000 gallons water use.

C. Connection Fee. Eight hundred and five dollars per connection.

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**CHAPTER 15.10
WATER SYSTEM**

* * *

15.10.240 Service connection charge.

A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service location, or size, or to serve a new structure, the applicant shall submit with this application the service connection charge in accordance with 15.05.620. This charge is to cover permit fees, inspection and administrative costs.

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15.10.620 Water rates and fees.

A. Unmetered Water. Base rate: ~~\$57.26~~ \$59.55 per unit.

* * *

B. Metered Water Service.

1. General Metered Water Service.

| Meter Size | Allowance (GAL) | Minimum Charge |
|--------------|-----------------|--|
| Up to 1" | 15,000 | \$ 81.64 <u>84.91</u> |
| 2" | 50,000 | \$ 179.03 <u>186.19</u> |
| 3" | 100,000 | \$ 268.54 <u>279.28</u> |
| 4" | 250,000 | \$ 537.08 <u>558.56</u> |
| 6" and above | 500,000 | \$ 1,074.19 <u>1,117.16</u> |

All over allowance charged at minimum charge plus ~~\$1.78~~ \$1.85 per 1,000 gallons. The over allowance charged at minimum charge plus ~~\$0.83~~ \$0.86 per 1,000 gallons will apply to major fish processing plants (Seafood Producers Cooperative, Sitka Sound Seafoods, Inc., aka North Pacific Seafoods, and Stikine Holdings, LLC, aka Silver Bay Seafoods).

2. Gary Paxton Industrial Park.

- a. Metered water: ~~\$179.03~~ \$186.19 per month minimum.
 - i. Treated water: ~~\$3.57~~ \$3.71 per 1,000 gallons.
 - ii. Treated water, fish processing use: ~~\$2.71~~ \$2.82 per 1,000 gallons.
 - iii. Raw water for heating: ~~\$1.13~~ \$1.18 per 1,000 gallons.
 - iv. Raw water for industrial processing: ~~\$1.61~~ \$1.67 per 1,000 gallons.
 - v. Raw water for water bottling at Gary Paxton industrial park: in container sizes of five gallons or less: ~~\$2.34~~ \$2.43 per 1,000 gallons.
 - vi. Raw water for bottling at Gary Paxton industrial park in container sizes greater than five gallons: \$0.01 per gallon.

C. Curb Stop/Service Valve Operation Fee. Except for the initial turn-on that occurs when property is first connected to the municipal water system, each customer or applicant for service shall pay a fee of ~~\$63.07~~ \$65.59 for turning on or turning off the water service to the property. The fee shall be paid for each turn-on and turn-off whether at the customer's or applicant's request or due to nonpayment for water services. The water service to a property may not be turned on unless all water system fees associated with the property have been paid in full.

D. Fire Hydrant Use Fee. Provided in Section 15.10.590.

E. Connection fee. Eight hundred and five dollars per connection.

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**CHAPTER 15.15
SOLID WASTE TREATMENT AND REFUSE COLLECTION**

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15.15.020 Solid waste disposal policy and rates.

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C. Fees and policies applicable to specific solid waste categories.

1. Junk automobiles and small trucks (three quarter ton or smaller) may be delivered to Gary Paxton Industrial Park (GPIP) scrap yard at a rate of ~~4.88~~ 5.08 cents per pound.

2. Trucks larger than three-quarter ton, larger vehicles, heavy equipment, and old trailers shall be billed at a rate of ~~8.58~~ 8.92 cents per pound.

3. Mixed scrap metals including steel shall be billed at a rate of ~~12.18~~ 12.67 cents per pound. Sorted scrap iron and other metals excluding steel shall be billed at a rate of ~~6.66~~ 6.93 cents per pound. Inclusion of any amount of steel within an individual delivery of scrap metal to the municipal scrap yard shall deem it to be a mixed scrap metal delivery to be billed at the mixed scrap metal rate.

4. Fuel tanks must be cleaned and cut into pieces less than five feet by twelve feet (if over five hundred gallons) prior to delivery to the GPIP Scrap yard.

5. Freezers, refrigerators, and air conditioning units shall be billed a rate of ~~\$26.80~~ \$27.87 each.

6. All other appliances or white goods besides freezers, refrigerators, and air conditioning units shall be billed at a rate of ~~8.35~~ 8.68 cents per pound.

7. Tires off of large trucks and heavy equipment may be delivered to the transfer station or GPIP scrap yard and shall be billed at a rate of ~~\$34.11~~ \$35.47 each.

8. No construction and demolition debris shall be disposed of at any Sitka landfill unless otherwise authorized by director of public works.

9. Household hazardous or special waste may be disposed of during normal business hours at the GPIP scrap yard. Commercially generated household hazardous waste will not be accepted at any time.

10. Concrete and asphalt disposal shall be billed at a rate of ~~\$15.88~~ \$16.52 per cubic yard.

11. Concrete and asphalt disposal is by appointment only with the public works superintendent.

12. Asbestos disposal shall be billed at a rate of ~~\$71.93~~ \$74.81 per cubic yard.

* * *

15.15.035 Rates for treatment and collection.

A. The following rates are effective on the day after the day a solid waste user fee ordinance containing such fees is passed:

| | |
|------------------------------------|--|
| 48-gallon container | \$44.41 <u>46.19</u> per month |
| 96- gallon container | \$74.61 <u>77.59</u> per month |
| 300-gallon container | \$302.00 <u>314.08</u> per month |
| Extra pick up 48-gallon container | \$37.75 <u>39.26</u> per pickup |
| Extra pick up 96-gallon container | \$63.42 <u>65.96</u> per pickup |
| Extra pick up 300-gallon container | \$241.60 <u>251.26</u> per pickup |

B. These rates are for one container that the refuse collection contractor picks up once a week. For customers

that fall into one of the following three categories, the rates for treatment and collection will be:

| | |
|---|---|
| For those customers in apartment complexes or other unique situations identified on the list maintained by the finance director | \$67.50 <u>70.20</u> per month |
| For those customers living within the harbor system | \$44.41 <u>46.19</u> per month |
| For those customers living on an island other than Baranof or connected by bridge to Baranof who do not receive any service from the refuse collection contractor | \$33.37 <u>34.70</u> per month |

C. Rates shall be reviewed annually in January by the assembly.

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15.15.045 Transfer station drop-off charges and special refuse collection charges.

A. Refuse may be dropped off directly at the municipal transfer station during operating hours by any individual or entity. Each residential solid waste utility customer receiving municipal solid waste collection and disposal services shall be entitled to dispose of up to 200 pounds of solid waste per month at the transfer station free of charge. All other refuse disposed of directly at the municipal transfer station shall be billed the rate of ~~15.52~~ 16.14 cents per pound.

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ADOPTING PERMANENT AND TEMPORARY MOORAGE RATES AND OTHER HARBOR FEES AND CHARGES

Permanent Moorage (effective July 1, 2024)

Vessels 20 feet in length and under ~~\$3.47~~ 3.61 per foot per month if owners pay in advance for one year.
All other Vessels ~~\$4.64~~ 4.83 per foot per month

Transient Moorage (effective July 1, 2024)

Vessels up to eighty feet in length ~~\$1.44~~ 1.50 per foot per day.
Vessels eighty-one feet to one hundred fifty feet in length ~~\$2.46~~ 2.56 per foot per day.
Any vessel greater than one hundred fifty feet in length ~~\$3.68~~ 3.83 per foot per day.
A 25% credit in daily transient moorage will be given to any commercial vessel actively loading or unloading fish and which produces a fish ticket or processor contract. The credit will be good for up to 10 days per fish ticket or contract.

Monthly Transient Permit Moorage (effective July 1, 2024)

Monthly up to one-hundred fifty feet in length ~~\$24.66~~ 25.65 per foot of overall length.
Vessels over one-hundred fifty feet in length ~~\$36.98~~ 38.46 per foot of overall length.

Eliason Harbor end ties (effective July 1, 2024)

All vessels ~~\$4.25~~ 4.42 per foot per day.

Vessel Wait List

Vessels on the wait list shall be charged ~~\$4.64~~ 4.83 per foot of the overall vessel length, per month, payable in advance, quarterly. The fee paid to get on the wait list is equal to a quarter's moorage and is non-refundable and does not get applied to moorage.

Other Fees (effective July 1, 2024)

Permanent Float Plane Rate:
~~\$305.04~~ 317.24 per quarter.

Transient Float Plane rates:

Float Plane rate is ~~\$27.67~~ 28.78 per day or portion of a day (no charge if moored under one hour)

Garbage – Commercial dumpster - ~~\$303.55~~ 314.08

Cruise Ship Tender and Security Fees

Tender Fee:
~~\$1,536.51~~ 1,690.16 per ship per day

Security Fee:
~~\$615.77~~ 677.35 per day

5. EFFECTIVE DATE. This ordinance shall become effective on July 1, 2024.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 28th day of May 2024.


Kevin Mosher, Deputy Mayor

ATTEST:


Sara Peterson, MMC
Municipal Clerk

1st reading: 5/14/2024
2nd and final reading: 5/28/2024

Sponsor: Administrator