

## **POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2017-21 on  
second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-21

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE TO INCREASE RATES AT CHAPTER 15.04 "SEWER SYSTEM" SECTIONS 15.04.100 ENTITLED "SERVICE CONNECTION CHARGE", 15.04.320 ENTITLED "RATES AND FEES"; AND CHAPTER 15.05 "WATER SYSTEM" SECTIONS 15.05.240A ENTITLED "SERVICE CONNECTION CHARGE", 15.05.620 ENTITLED "RATES AND FEES"; AND CHAPTER 15.06 "SOLID WASTE SYSTEM AND REFUSE COLLECTION" SECTIONS 15.06.020 ENTITLED "SOLID WASTE DISPOSAL POLICY AND RATES", 15.06.030 ENTITLED "RECEPTACLES AVAILABLE", 15.06.035 ENTITLED "RATES FOR TREATMENT AND COLLECTION", 15.06.045 ENTITLED "SPECIAL REFUSE AND TREATMENT CHARGES"

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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

3. PURPOSE. The purpose of this ordinance is to increase user fees for water service, wastewater service, and solid waste collection and disposal service; and, to increase the connection charges for connecting a structure to the Municipal water and wastewater systems.

4. ENACTMENT, NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Sections: 15.04.100A, 15.04.320, 15.05.240A, 15.05.620, 15.06.020, 15.06.030, 15.06.035, and 15.06.045 are amended to read as follows (new language underlined; deleted language stricken):

\* \* \*

Chapter 15.04
SEWER SYSTEM

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15.04.100 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 of seven hundred ~~thirty~~ forty dollars. 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 15.04.130.

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**15.04.320 Rates and Fees.**

- A. Base rate: ~~fifty three~~ six dollars and ~~sixty one~~ cents 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 ~~two~~ three dollars ~~eighty nine~~ two cents per one thousand metered gallons.
  - 2. Gary Paxton Industrial Park. Treated wastewater, metered: minimum charge of one hundred ~~five~~ ten dollars and ~~ninety five~~ seventy two cents per month.
    - a. Treated wastewater, metered: three dollars and ~~seventeen~~ thirty one cents per one thousand gallons water use.
- C. Connection Fee. Seven hundred ~~thirty~~ forty dollars per connection.

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**Chapter 15.05  
WATER SYSTEM**

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**15.05.240. 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 of seven hundred ~~thirty~~ forty dollars. This charge is to cover permit fees, inspection, and administrative costs.

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**15.05.620 Rates and fees.**

- A. Unmetered Water. Base rate: ~~thirty nine~~ forty dollars and ~~thirty five~~ fifty three cents per unit.
- B. Metered Water Service.
  - 1. General Metered Water Service

Meter Size	Allowance (GAL)	Minimum Charge
Up to 1"	15,000	<del>\$56.11</del> <u>\$57.79</u>
2"	50,000	<del>\$123.05</del> <u>\$126.74</u>
3"	100,000	<del>\$184.56</del> <u>\$190.10</u>
4"	250,000	<del>\$369.11</del> <u>\$380.18</u>

6" and above	500,000	<del>\$738.23</del> <u>\$760.38</u>
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81 All over allowance charged at minimum charge plus one dollar ~~twenty-two~~ six cents per one  
82 thousand gallons. The over allowance charged at minimum charge plus ~~fifty-seven~~ fifty-nine  
83 cents per one thousand gallons will apply to major fish processing plants (Seafood Producers  
84 Cooperative, Sitka Sound Seafoods, Inc., aka North Pacific Seafoods, and Stikine Holdings, LLC,  
85 aka Silver Bay Seafoods).

86 2. Gary Paxton Industrial Park.

87 a. Metered water: ~~one hundred twenty three dollars and five cents~~ one hundred twenty  
88 six dollars and seventy four cents per month minimum.

89 i. Treated water: ~~two dollars and forty six cents~~ two dollars and fifty three cents  
90 per one thousand gallons.

91 ii. Treated water, fish processing use: ~~one dollar and eighty six cents~~ one dollar  
92 and ninety two cents per one thousand gallons.

93 iii. Raw water for heating: ~~Seventy-eight~~ eighty cents per one thousand gallons.

94 iv. Raw water for industrial processing: One dollar and ~~eleven~~ fourteen cents  
95 per one thousand gallons.

96 v. Raw water for water bottling at Gary Paxton industrial park: in container  
97 sizes of five gallons or less: ~~One dollar and ninety six~~ two dollars and two cents  
98 per one thousand gallons.

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

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107 E. Connection Fee. ~~Seven hundred thirty dollars~~ Seven hundred forty dollars per  
108 connection.

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**15.06.020 Solid waste disposal policy and rates.**

A. In order to promote public health and reduce littering and illegal dumping, every residential unit, business, and live aboard vessel within one mile of the Sitka road system shall be required to pay a waste disposal fee as set by the assembly. There are no exceptions to paying a waste fee under these classifications regardless of the amount of waste generated and/or disposed. Failure to pay any amount of user and/or utility fees owed to the city and borough shall be grounds for disconnection of any or all services and utilities such as electrical service as provided for in Section 15.01.030.

B. Customers shall be permitted to dispose of acceptable waste in collection contractor-provided receptacles. "Acceptable waste" means all putrescible and nonputrescible waste including, but not limited to: garbage; refuse; ashes; paper and cardboard; and approved special waste. "Special waste" means any waste material which, because of its physical characteristics, chemical make-up, or biological nature, requires either special handling procedures and permitting, or poses an unusual threat to human health, equipment, property, or the environment. Customers shall not be permitted to dispose of unacceptable and/or special waste in collection contractor-provided receptacles. "Unacceptable waste" means waste that may not be disposed of at the disposal site under federal, state or local law, regulation, rule, code, permit or permit condition. Special waste shall be disposed of according to subsection (C)(10) of this section or at bi-annual city-sponsored collection events.

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 three cents per pound.
2. Trucks larger than three-quarter ton, larger vehicles, heavy equipment, and old trailers shall be billed at a rate of six cents per pound.
3. Scrap metals shall be billed at a rate of ~~six~~ eight cents per pound.
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 at a rate of twenty dollars each.

- 143 6. All other appliances or white goods besides freezers, refrigerators, and air conditioning  
144 units shall be billed at a rate of six cents per pound.
- 145 7. Recyclables including mixed paper, cardboard, and newsprint that are delivered to the GPIIP  
146 scrap yard shall be billed at a rate of four cents per pound.
- 147 8. Tires off of large trucks and heavy equipment may be delivered to the transfer station or  
148 GPIIP scrap yard and shall be billed at a rate of twenty-five six dollars each.
- 149 9. No construction and demolition debris shall be disposed of at any Sitka landfill unless  
150 otherwise authorized by the director of public works.
- 151 10. Household hazardous or special waste may be disposed of during normal business hours  
152 at the GPIIP scrap yard. Commercially generated household hazardous waste will not be  
153 accepted at any time.
- 154 11. Concrete and asphalt disposal shall be billed at a rate of twelve dollars per cubic yard.
- 155 12. Concrete and asphalt disposal is by appointment only with the public works  
156 superintendent.
- 157 13. Asbestos disposal shall be billed at a rate of fifty-five dollars per cubic yard.
- 158 14. Asbestos disposal is by appointment only with the public works superintendent.

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160 **15.06.030 Receptacles Available.** The refuse collection contractor will provide three sizes for  
161 refuse collection:

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163 A. A ~~thirty-two~~ forty-eight gallon container;  
164 B. A ninety-six gallon container; and,  
165 C. A three-hundred-fifty gallon container.

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167 **15.06.035 Rates for treatment and collection.**

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

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<del>32</del> <u>48</u> -gallon container	<del>\$30.32</del> <u>\$ 30.95</u> per month
<del>90</del> <u>96</u> -gallon container	<del>\$50.94</del> <u>\$51.99</u> per month
350-gallon container	<del>\$206.18</del> <u>\$210.45</u> per month

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173 B. These rates are for one container that the refuse collection contractor picks up once a  
174 week. For customers that fall into one of the following three categories, the rates for treatment  
175 and collection will be:

For those customers in apartment complexes or other unique situations identified on the list maintained by the finance director	<del>\$46.09</del> <u>\$47.04</u> per month
For those customers living within the harbor system	<del>\$46.09</del> <u>\$47.04</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	<del>\$23.04</del> <u>\$23.52</u> per month

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178 **15.06.045 Special refuse and treatment charges.**

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180 Customers requesting special refuse collection which is over and above the normal quantity and  
181 which cannot be collected during the normal schedule may call the collection contractor for a  
182 special collection. The collection contractor shall be obligated to collect this refuse as  
183 requested. It shall be the responsibility of the collection contractor to notify the customer of all  
184 charges prior to collection. All billing and collection for this service shall be administered by the  
185 ~~refuse collection contractor~~ CBS from documentation provided by the contractor.

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187 The customer is not obligated to utilize the refuse collection contractor for special request  
188 refuse collection. The customer may elect to haul the material to the transfer station.  
189 Customers may take up to two hundred pounds per month to the transfer station. All  
190 quantities shall be billed at a rate equivalent to the current disposal contract rate of eight cents  
191 per pound.

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193 **5. EFFECTIVE DATE.** This ordinance shall become effective on the day after the  
194 date of its passage.

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196 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,  
197 Alaska this 11<sup>th</sup> day of July 2017.

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ATTEST:

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**Matthew Hunter, Mayor**

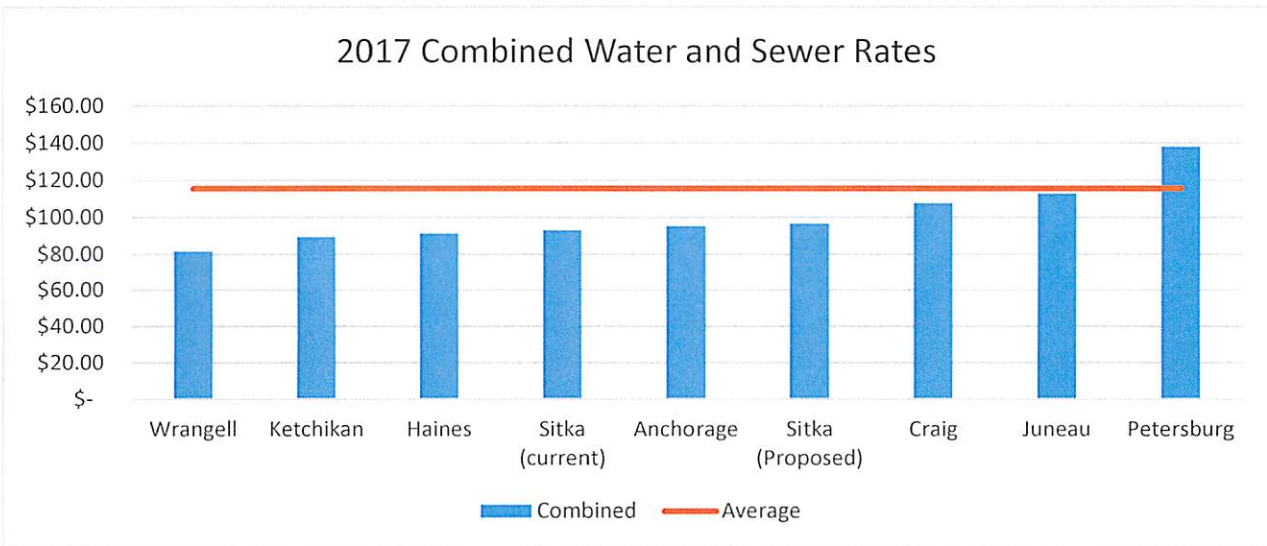
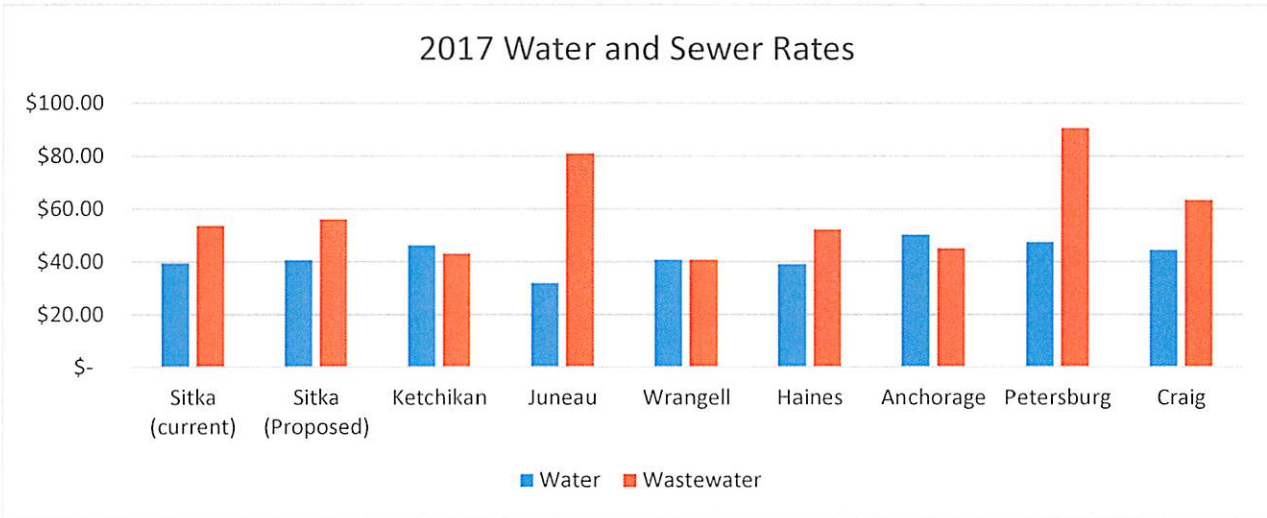
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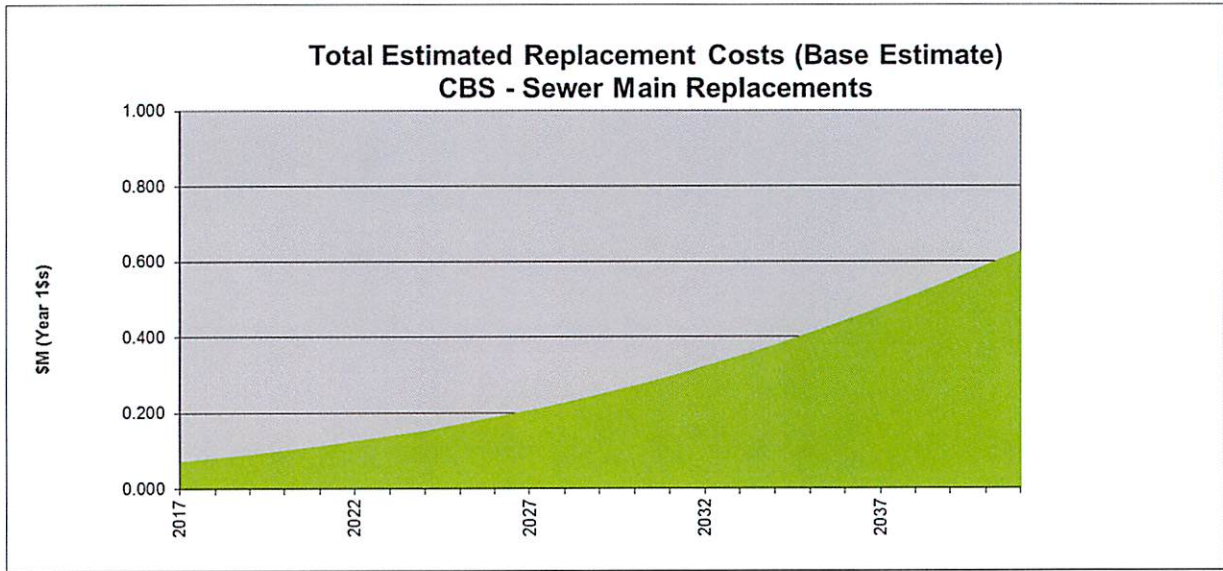
**Sara Peterson, CMC**  
**Municipal Clerk**

**1<sup>st</sup> reading 6/27**  
**2<sup>nd</sup> reading 7/11**

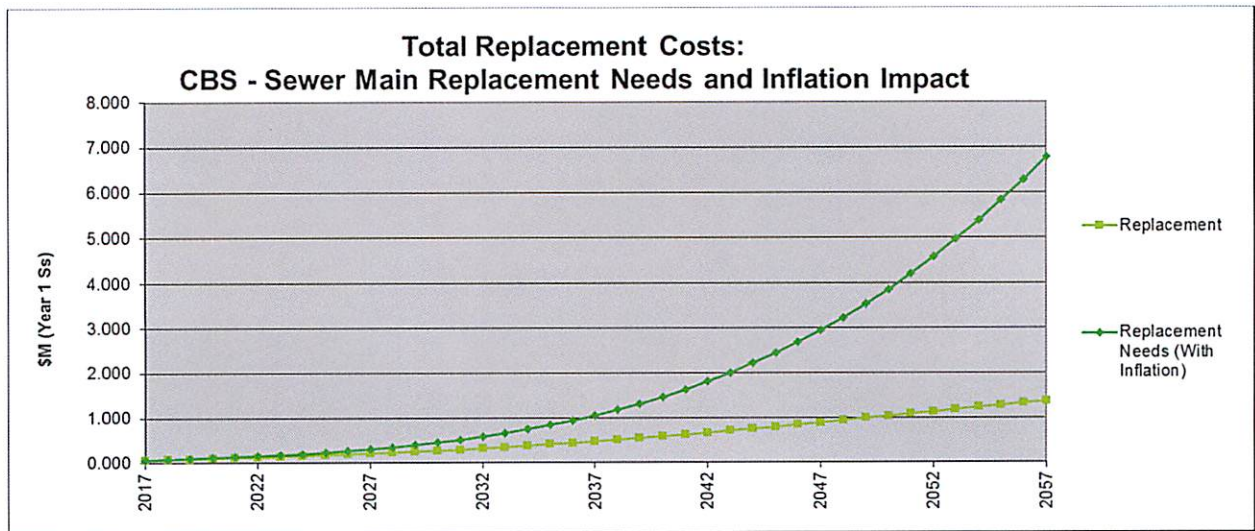


	Water	Wastewater	Combined		Combined	Average
Sitka (current)	\$ 39.35	\$ 53.60	\$ 92.95	Wrangell	\$ 81.49	\$ 115.44
Sitka (Proposed)	\$ 40.53	\$ 56.01	\$ 96.54	Ketchikan	\$ 89.20	\$ 115.44
Ketchikan	\$ 46.20	\$ 43.00	\$ 89.20	Haines	\$ 91.20	\$ 115.44
Juneau	\$ 31.89	\$ 80.79	\$ 112.68	Sitka (current)	\$ 92.95	\$ 115.44
Wrangell	\$ 40.75	\$ 40.74	\$ 81.49	Anchorage	\$ 95.10	\$ 115.44
Haines	\$ 39.05	\$ 52.15	\$ 91.20	Sitka (Proposed)	\$ 96.54	\$ 115.44
Anchorage	\$ 50.13	\$ 44.97	\$ 95.10	Craig	\$ 107.53	\$ 115.44
Petersburg	\$ 47.39	\$ 90.51	\$ 137.90	Juneau	\$ 112.68	\$ 115.44
Craig	\$ 44.28	\$ 63.25	\$ 107.53	Petersburg	\$ 137.90	\$ 115.44

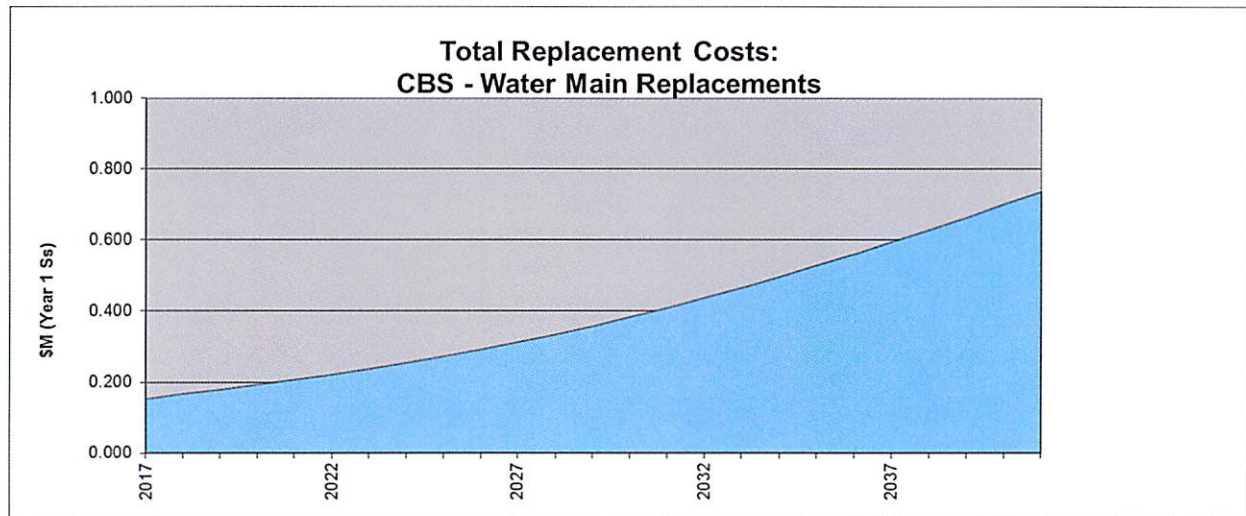




With inflation factored in, the estimate changes as noted below. The light green curve is the same curve as above, the dark green represents costs factoring in inflation at 4.07%/yr. over time.



Buried No Longer is a modeling software tool that the Environmental Superintendent used to provide a strategic outlook of replacement needs for water and wastewater mains. The graphs below represent Sitka's replacement needs over the next several decades.



The effect of inflation on this projection is illustrated below. The light blue curve is the same curve illustrated above; the dark blue curve illustrates actual reinvestment expense each year factoring in a long-term inflationary effect of 4.07%. For example, the amount of re-investment need in real terms (today's dollars) increases from about \$175,000/yr. in 2017 to \$1 Million/yr. in 2048; however, because of inflation, we estimate that the same amount of reconstruction would cost Sitka \$3.4 Million that year. Instead, Sitka would have to be budgeting \$1 Million for reinvestment in 2034.

