

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2022-46
CORRECTING RESOLUTION 2021-38

A RESOLUTION OF THE UNALASKA CITY COUNCIL RENEWING THE CITY'S POLICY ON PARTICIPATION IN FUNDING ELECTRIC PRIMARY AND SECONDARY UTILITY LINE EXTENSIONS FOR A FOUR-YEAR PERIOD STARTING FISCAL YEAR 2022 AND ENDING FISCAL YEAR 2025

WHEREAS, there exists in the community the need for industrial, commercial and residential construction; and

WHEREAS, the costs of extension of electric utilities is often the deciding factor when determining the feasibility of a construction project; and

WHEREAS, the Unalaska City Council wishes to provide financial participation for each customer class at a level that makes the extension affordable for the customer, but also allows a reasonable return on investment for the utility; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Industrial, Large General and Small General primary electrical line extensions; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Residential primary and secondary electrical line extensions; and

WHEREAS, it is reasonable for the electric utility to invest in a service if the annual revenue raised from that service is equal to or greater than the City's investment; and

WHEREAS, the Unalaska City Council has determined that City funding shall not, in any event, exceed seventy-five percent (75%) of the cost of extension of primary and secondary electric lines and shall not exceed the following:

Industrial Primary Line Extension:	\$90,000.00
Large General Primary Line Extension:	\$36,000.00
Small General Primary Line Extension:	\$5,300.00
Residential Primary and Secondary Line Extension:	\$1,400.00
Subdivisions and Line Extensions:	Provide section cans and transformers free of charge

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves the renewal of the City's policy on participation in funding electric primary and secondary utility line extensions for a four-year period starting July 1, 2021; and

BE IT FURTHER RESOLVED that this policy of funding utility extensions will continue until June 30, 2025, at which time the Unalaska City Council will reconsider whether to continue such funding.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on November 22, 2022.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Steve Tompkins, Director of Public Utilities
Through: Chris Hladick, Interim City Manager
Date: November 22, 2022
Re: Resolution 2022-46 (Correcting Resolution No. 2021-38) Renewing the City's policy on participation in funding electric primary and secondary utility line extensions for a four-year period starting July 1, 2021 and ending July 1, 2025

SUMMARY: Resolution 2021-38 authorized continuation of the City's policy of financial participation in electric primary and secondary utility line extensions. The resolution defined the City's policy on participation in the cost of the extension of primary Electric services for Industrial ratepayers, and for the extension of primary and secondary Electric lines for Residential ratepayers. Resolution 2022-46 corrects a typographical error discovered by Staff, and removes some wordage as advised by the Municipal Attorney. These corrections are highlighted below. In FY 2020, the City reimbursed four residential customers for utility line installations for a total amount of \$6,626.35. If adopted, these resolutions will expire on July 1, 2025.

PREVIOUS COUNCIL ACTION: Council first enacted the policy of financial participation in Water and Wastewater primary lines in FY1991.

In FY2000, Council expanded the policy to include Residential, Small General, Large General, and Industrial Electric primary line extensions.

Each year since their inception, Council has approved resolutions allowing the City to participate financially in Utility line extensions.

At the May 26, 2020 Council Meeting, Council adopted Resolutions 2020-31 and Resolution 2020-32, renewing the City's policy on participation in the cost of the extension of Electric, Water and Sewer services for residential and Industrial ratepayers. At this meeting, Council's general consensus was to explore ways to lengthen the time period of this program so the policy need not be revisited on an annual basis.

Council passed and adopted Resolution 2021-38 on June 8, 2021, renewing the City's policy on participation in funding electric primary and secondary utility line extensions for a four-year period starting July 1, 2021. This resolution contained a typographical error that was not detected until recently.

BACKGROUND: The City recognized that the extensions of primary and secondary line utilities are very expensive for property owners in Unalaska. These programs were designed to help defray these costs and encourage development.

DISCUSSION: These resolutions are brought forward for Council's consideration each Fiscal Year to identify the City's policy on financial participation in Electric utility extension costs. This resolution, if approved, will expire June 30, 2025. In keeping with Council's wishes to extend this

policy out more, this expiration date coincides with the end of the recent rates study implementation.

Through these resolutions, Council is approving financial participation in the funding of Electric utilities extension costs for primary lines for Industrial, Large General, and Small General ratepayers, and primary and secondary electrical service line extensions for Residential ratepayers.

City funding shall ~~be on a case by case basis and City funding shall~~ not, in any event, exceed seventy-five percent (75%) of the cost of extension of primary and secondary electric lines, and shall not exceed the following:

Industrial Primary Line Extension:	\$90,000.00
Large General Primary Line Extension:	\$36,000.00
Small General Primary Line Extension:	\$5,300.00
Residential Primary and Secondary Line Extension:	\$14,000.00 \$1,400.00

For all line extensions including subdivisions, the City will provide section cans and transformers free of charge.

Resolutions 2015-30, 2016-35, 2017-47 and 2018-44, are attached to this Memo to show historical background. Staff listened to the audio recording of the July 10, 2018, City Council meeting and there was no discussion about why the Residential Primary and Secondary Line Extension had been increased tenfold. Council member Gregory proposed an amendment to raise the amount higher than \$14,000 but did not get a second.

Staff also examined the original Word version of Resolution 2018-44 and the accompanying Memo that were provided to the City Clerk by DPU/DPW and found the typographical error present.

ALTERNATIVES: Council could choose to not adopt the wording deletion proposed by the Municipal Attorney. Council can elect to not correct the typographical error, or may amend the resolution to adopt a different amount.

FINANCIAL IMPLICATIONS: In Fiscal Year 2021, the City reimbursed two customers for extensions for the cost of installing utilities. The total cost of FY2021 reimbursements for utility installation is \$6,626.35, as Table 1 below depicts.

Table 1

FY2020 Utility Reimbursements		
Customer Name	Reimbursement Amount	Utility Dept.
McCracken	\$455.08	Electric
Optimera	\$6,171.27	Electric
Total	\$6,626.35	

LEGAL: Municipal Attorney Brooks Chandler has reviewed this proposed course of corrective action.

STAFF RECOMMENDATION: Staff recommends adopting Resolution 2022-46.

PROPOSED MOTION: Move to adopt Resolution 2022-46.

CITY MANAGER'S COMMENTS: I support staff's recommendation.

Attachments:

Resolution 2015-30 w/ Memo

Resolution 2016-35 w/ Memo

Resolution 2017-47 w/ Memo

Resolution 2018-44 w/ Memo

**CITY OF UNALASKA
UNALASKA, ALASKA
RESOLUTION NO. 2015-30**

**A RESOLUTION OF THE UNALASKA CITY COUNCIL DEFINING THE CITY'S
POLICY ON PARTICIPATION IN FUNDING OF ELECTRIC UTILITY EXTENSION
COSTS FOR PRIMARY AND SECONDARY LINE EXTENSIONS**

WHEREAS, there exists in the community the need for industrial, commercial, and residential construction; and

WHEREAS, the costs of extension of electric utilities is often the deciding factor when determining the feasibility of a construction project; and

WHEREAS, the Unalaska City Council wishes to provide financial participation for each customer class at a level that makes the extension affordable for the customer, but also allows a reasonable return on investment for the utility; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Industrial, Large General and Small General primary electrical line extensions; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Residential primary and secondary electrical line extensions; and

WHEREAS, it is reasonable for the electric utility to invest in a service if the annual revenue raised from that service is equal to or greater than the City's investment; and

WHEREAS, the Unalaska City Council has determined that City funding shall be on a case by case basis and City funding shall not, in any event, exceed 75% of the cost of extension of primary and secondary electric lines and shall not exceed the following:

Industrial Primary Line Extension:	\$90,000
Large General Primary Line Extension:	\$36,000
Small General Primary Line Extension:	\$ 5,300
Residential Primary and Secondary Line Extension:	\$ 1,400
Subdivisions and Line Extensions:	Provide section cans and transformers free of charge; and

WHEREAS, the City of Unalaska will participate in funding only those projects that are non-discriminatory in nature;

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council will fund electric utility extensions, on a case-by-case basis, to a maximum of 75% of the cost of the extension of primary lines, not to exceed \$90,000 for each Industrial Service Connection, \$36,000 for each Large General Service Connection, and \$5,300 for each Small General Service Connection; for primary and secondary line extension to a maximum of 75%, not to exceed \$1,400 for each Residential Connection; and for subdivisions and line extensions, the section cans and transformers will be provided free of charge; and

BE IT FURTHER RESOLVED that this policy of funding utility extensions will continue until June 30, 2016, at which time the Unalaska City Council will reconsider whether to continue such funding on a year to year basis.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 14th DAY OF APRIL 2015.

ATTEST:


CITY CLERK


MAYOR Pro Tem



MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: DAN WINTERS, DIRECTOR OF PUBLIC UTILITIES
THRU: DON MOORE, CITY MANAGER
DATE: APRIL 14, 2015
RE: **RESOLUTION NO. 2015- 29:** RENEWING THE CITY'S POLICY ON PARTICIPATION IN FUNDING WATER AND WASTEWATER PRIMARY AND SECONDARY UTILITY LINE EXTENSIONS.

RESOLUTION NO. 2015-30: RENEWING THE CITY'S POLICY ON PARTICIPATION IN FUNDING ELECTRIC PRIMARY AND SECONDARY UTILITY LINE EXTENSIONS.

SUMMARY: Resolutions 2015-29 and 2015-30 authorizes continuation of the City's policy of financial participation in Utility service extensions. They define the City's policy on participation in the cost for the extension of primary Electric, Water, and Sewer services for Industrial rate payers, and for the extension of primary and secondary Electric, Water, and Sewer lines for Residential rate payers. In FY 2015, the City has reimbursed four Residential customers and one Small General customer for utility line installations for a total amount of \$11,134.72.

PREVIOUS COUNCIL ACTION: Council first enacted the policy of financial participation in Water and Wastewater primary lines in FY1991.

In FY2000, Council expanded the policy to include Residential, Small General, Large General, and Industrial Electric primary line extensions.

Each year since its inception, Council has approved resolutions allowing the City to participate financially in Electric utility line extension program.

At the June 4, 2012 Council Meeting, Staff brought forward Resolution 2012-49, with a recommendation to not include Industrial customers in the primary or secondary line extension funding participation, and continue the funding participation for Residential primary line extension only. Council, however, rejected this recommendation and chose to continue the Industrial, Large General, and Small General funding participation for primary Electric line extensions, and to continue Residential funding participation for primary and secondary Electric line extensions.

BACKGROUND: The City recognized that the extensions of primary line utilities could be very expensive for property owners in Unalaska. These programs were designed to assist with these costs.

DISCUSSION: These resolutions are brought forward for Council consideration each year to identify the City's policy on financial participation in funding Water, Sewer, and Electric utility extension costs. These resolutions, if approved, will expire June 30, 2016.

Through these resolutions, Council is approving financial participation in funding of Electric utility extension costs for primary lines for Industrial, Large General, and Small General rate payers, and primary and secondary electrical utility line extensions for Residential rate payers.

ALTERNATIVES: Council could choose to not renew the policies, and allow them to expire on June 30, 2015.

FINANCIAL IMPLICATIONS: In Fiscal Year 2015, the City reimbursed customers for four Residential extensions and one Small General customer for the cost of installing utilities. The total cost of FY2015 reimbursements for utilities installation is \$11,134.72, as Table 1 below depicts.

Table 1
FY2015 Reimbursements

	Water	Sewer	Electrical	Totals
McLaughlin	\$ 1,082.95			\$ 1,082.95
Miranda			\$ 1,164.41	\$ 1,164.41
M&M Holdings	\$ 446.25		\$ 5,300.00	\$ 5,746.25
Nettleton			\$ 1,400.00	\$ 1,400.00
Whittern	\$ 341.11		\$ 1,400.00	\$ 1,741.11
TOTALS	\$ 1,870.31		\$ 9,264.41	\$ 11,134.72

LEGAL: The City Manager will determine whether a legal opinion is required.

STAFF RECOMMENDATION: Staff recommends adopting Resolutions 2015-29 and 2015-30.

PROPOSED MOTION: Move to adopt Resolutions 2015-29 and Resolution 2015-30.

CITY MANAGER'S COMMENTS:

CITY OF UNALASKA
UNALASKA, ALASKA
RESOLUTION NO. 2016-35

A RESOLUTION OF THE UNALASKA CITY COUNCIL DEFINING THE CITY'S POLICY
ON PARTICIPATION IN FUNDING OF ELECTRIC UTILITY EXTENSION COSTS FOR
PRIMARY AND SECONDARY LINE EXTENSIONS

WHEREAS, there exists in the community the need for industrial, commercial, and residential construction; and

WHEREAS, the costs of extension of electric utilities is often the deciding factor when determining the feasibility of a construction project; and

WHEREAS, the Unalaska City Council wishes to provide financial participation for each customer class at a level that makes the extension affordable for the customer, but also allows a reasonable return on investment for the utility; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Industrial, Large General and Small General primary electrical line extensions; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Residential primary and secondary electrical line extensions; and

WHEREAS, it is reasonable for the electric utility to invest in a service if the annual revenue raised from that service is equal to or greater than the City's investment; and

WHEREAS, the Unalaska City Council has determined that City funding shall be on a case by case basis and City funding shall not, in any event, exceed 75% of the cost of extension of primary and secondary electric lines and shall not exceed the following:

Industrial Primary Line Extension:	\$90,000
Large General Primary Line Extension:	\$36,000
Small General Primary Line Extension:	\$ 5,300
Residential Primary and Secondary Line Extension:	\$ 1,400
Subdivisions and Line Extensions:	
Provide section cans and transformers free of charge; and	

WHEREAS, the City of Unalaska will participate in funding only those projects that are non-discriminatory in nature;

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council will fund electric utility extensions, on a case-by-case basis, to a maximum of 75% of the cost of the extension of primary lines, not to exceed \$90,000 for each Industrial Service Connection, \$36,000 for each Large General Service Connection, and \$5,300 for each Small General Service Connection; for primary and secondary line extension to a maximum of 75%, not to exceed \$1,400 for each Residential Connection; and for subdivisions and line extensions, the section cans and transformers will be provided free of charge; and

BE IT FURTHER RESOLVED that this policy of funding utility extensions will continue until June 30, 2016, at which time the Unalaska City Council will reconsider whether to continue such funding on a year to year basis.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 24th DAY OF May 2016.

ATTEST:
CITY CLERK

MAYOR



MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: DAN WINTERS, DIRECTOR OF PUBLIC UTILITIES
THRU: DAVE MARTINSON, CITY MANAGER
DATE: MAY 24, 2016
RE: **RESOLUTION NO. 2016-35:** RENEWING THE CITY'S POLICY ON PARTICIPATION IN FUNDING ELECTRIC PRIMARY AND SECONDARY UTILITY LINE EXTENSIONS.

RESOLUTION NO. 2016-36: RENEWING THE CITY'S POLICY ON PARTICIPATION IN FUNDING WATER AND WASTEWATER PRIMARY AND SECONDARY UTILITY LINE EXTENSIONS.

SUMMARY: Resolutions 2016-35 and 2016-36 authorizes a continuation of the City's policy of financial participation in Utility service extensions. They define the City's policy on participation in the cost of the extension of primary Electric, Water, and Sewer services for Industrial ratepayers, and for the extension of primary and secondary Electric, Water, and Sewer lines for Residential ratepayers. In FY 2016, the City has reimbursed four Residential customers for utility line installations for a total amount of \$3,452.96.

PREVIOUS COUNCIL ACTION: Council first enacted the policy of financial participation in Water and Wastewater primary lines in FY1991.

In FY2000, Council expanded the policy to include Residential, Small General, Large General, and Industrial Electric primary line extensions.

Each year since its inception, Council has approved resolutions allowing the City to participate financially in Electric utility line extension program.

BACKGROUND: The City recognized that the extensions of primary line utilities could be very expensive for property owners in Unalaska. These programs were designed to assist with these costs.

DISCUSSION: These resolutions are brought forward for Council consideration each year to identify the City's policy on financial participation in funding Water, Sewer, and Electric utility extension costs. These resolutions, if approved, will expire June 30, 2017.

Through these resolutions, Council is approving financial participation in the funding of Electric utility extension costs for primary lines for Industrial, Large General and Small

General ratepayers, and primary and secondary electrical service line extensions for Residential ratepayers.

ALTERNATIVES: Council could choose to not renew the policies, and allow them to expire on June 30, 2016.

FINANCIAL IMPLICATIONS: In Fiscal Year 2016, the City reimbursed customers for four Residential extensions and one Small General customer for the cost of installing utilities. The total cost of FY2016 reimbursements for utility installation is \$3,452.96, as Table 1 below depicts.

Table 1

FY2016 Reimbursements		
Customer Name	Reimbursement Amount	Utility Dept.
1. Gregory, Dave	\$1,400.00	Electric
2. Holy Ascension Cathedral	\$1,400.00	Electric
3. Gilman, James	\$451.16	Water
4. Nettleton, Danielle	\$201.80	Water
Total	\$3,452.96	

LEGAL: The City Manager will determine whether a legal opinion is required.

STAFF RECOMMENDATION: Staff recommends adopting Resolutions 2016-35 and 2016-36.

PROPOSED MOTION: Move to adopt Resolutions 2016-35 and Resolution 2016-36.

CITY MANAGER'S COMMENTS: Recommend Council Approve both Resolutions.

CITY OF UNALASKA
UNALASKA, ALASKA
RESOLUTION NO. 2017-47

A RESOLUTION RENEWING THE CITY'S POLICY ON PARTICIPATION IN FUNDING ELECTRIC PRIMARY AND SECONDARY UTILITY LINE EXTENSIONS FOR FISCAL YEAR 2018.

WHEREAS, there exists in the community the need for industrial, commercial, and residential construction; and

WHEREAS, the costs of extension of electric utilities is often the deciding factor when determining the feasibility of a construction project; and

WHEREAS, the Unalaska City Council wishes to provide financial participation for each customer class at a level that makes the extension affordable for the customer, but also allows a reasonable return on investment for the utility; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Industrial, Large General and Small General primary electrical line extensions; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Residential primary and secondary electrical line extensions; and

WHEREAS, it is reasonable for the electric utility to invest in a service if the annual revenue raised from that service is equal to or greater than the City's investment; and

WHEREAS, the Unalaska City Council has determined that City funding shall be on a case by case basis and City funding shall not, in any event, exceed 75% of the cost of extension of primary and secondary electric lines and shall not exceed the following:

Industrial Primary Line Extension:	\$90,000
Large General Primary Line Extension:	\$36,000
Small General Primary Line Extension:	\$ 5,300
Residential Primary and Secondary Line Extension:	\$ 1,400
Subdivisions and Line Extensions:	Provide section cans and transformers free of charge;

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves the renewal of City's policy on participation in funding electric primary and secondary utility line extensions for Fiscal Year 2018; and

BE IT FURTHER RESOLVED that this policy of funding utility extensions will continue until June 30, 2018, at which time the Unalaska City Council will reconsider whether to continue such funding on a year to year basis.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 27th DAY OF June 2017.


MAYOR

ATTEST:


CITYCLERK



MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: DAN WINTERS, DIRECTOR OF PUBLIC UTILITIES
THRU: DAVE MARTINSON, CITY MANAGER
DATE: JUNE 27, 2017
RE: **RESOLUTION NO. 2017-47:** RENEWING THE CITY'S POLICY ON PARTICIPATION IN FUNDING ELECTRIC PRIMARY AND SECONDARY UTILITY LINE EXTENSIONS FOR FISCAL YEAR 2018.

RESOLUTION NO. 2017-48: RENEWING THE CITY'S POLICY ON PARTICIPATION IN FUNDING WATER AND WASTEWATER PRIMARY AND SECONDARY UTILITY LINE EXTENSIONS FOR FISCAL YEAR 2018.

SUMMARY: Resolutions 2017-47 and 2017-48 authorizes continuation of the City's policy of financial participation in Utility service extensions. They define the City's policy on participation in the cost of the extension of primary Electric, Water, and Sewer services for Industrial ratepayers, and for the extension of primary and secondary Electric, Water, and Sewer lines for Residential ratepayers. In FY 2017, the City reimbursed four Residential customers for utility line installations for a total amount of \$9,290.

PREVIOUS COUNCIL ACTION: Council first enacted the policy of financial participation in Water and Wastewater primary lines in FY1991.

In FY2000, Council expanded the policy to include Residential, Small General, Large General, and Industrial Electric primary line extensions.

Each year since their inception, Council has approved resolutions allowing the City to participate financially in Utility line extension.

BACKGROUND: The City recognized that the extensions of primary line utilities are very expensive for property owners in Unalaska. These programs were designed to help defray these costs.

DISCUSSION: These resolutions are brought forward for Council's consideration each Fiscal Year to identify the City's policy on financial participation in Water, Sewer, and Electric utility extension costs. These resolutions, if approved, will expire June 30, 2018.

Through these resolutions, Council is approving financial participation in the funding of Electric, Water, and Wastewater utilities extension costs for primary lines for Industrial,

Large General, and Small General ratepayers, and primary and secondary electrical service line extensions, for Residential ratepayers, and for Water and Wastewater primary and secondary services.

ALTERNATIVES: Council could choose to not renew either or both of the policies, and allow them to expire on June 30, 2017.

FINANCIAL IMPLICATIONS: In Fiscal Year 2017, the City reimbursed customers for four Residential extensions and one Small General customer for the cost of installing utilities. The total cost of FY2017 reimbursements for utility installation is \$9,290.92, as Table 1 below depicts.

Table 1

FY2017 Utility Reimbursements		
Customer Name	Reimbursement Amount	Utility Dept.
Jim Gilman	\$ 1,236.60	Electric
Billy Jo Deffendall	\$ 1,400.00	Electric
Pac Steve	\$ 3,383.01	Electric
Roger Deffendall	\$ 1,134.73	Water
Roger Deffendall	\$ 287.63	Water
Roger Deffendall	\$ 448.95	Water
Amy & NK Purevsuren	\$ 1,400.00	Water
Total	\$ 9,290.92	

LEGAL: The City Manager will determine whether a legal opinion is required.

STAFF RECOMMENDATION: Staff recommends adopting Resolutions 2017-47 and 2017-48.

PROPOSED MOTION: Move to adopt Resolutions 2017-47 and Resolution 2017-48.

CITY MANAGER'S COMMENTS: I recommend Council approve both resolutions.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION NO. 2018-44

A RESOLUTION OF THE UNALASKA CITY COUNCIL RENEWING THE CITY'S POLICY ON PARTICIPATION IN FUNDING ELECTRIC PRIMARY AND SECONDARY UTILITY LINE EXTENSIONS FOR FISCAL YEAR 2019.

WHEREAS, there exists in the community the need for industrial, commercial, and residential construction; and

WHEREAS, the costs of extension of electric utilities is often the deciding factor when determining the feasibility of a construction project; and

WHEREAS, the Unalaska City Council wishes to provide financial participation for each customer class at a level that makes the extension affordable for the customer, but also allows a reasonable return on investment for the utility; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Industrial, Large General and Small General primary electrical line extensions; and

WHEREAS, the Unalaska City Council wishes to participate in funding of Residential primary and secondary electrical line extensions; and

WHEREAS, it is reasonable for the electric utility to invest in a service if the annual revenue raised from that service is equal to or greater than the City's investment; and

WHEREAS, the Unalaska City Council has determined that City funding shall be on a case by case basis and City funding shall not, in any event, exceed seventy-five percent (75%) of the cost of extension of primary and secondary electric lines and shall not exceed the following:

Industrial Primary Line Extension:	\$90,000.00
Large General Primary Line Extension:	\$36,000.00
Small General Primary Line Extension:	\$5,300.00
Residential Primary and Secondary Line Extension:	\$14,000.00
Subdivisions and Line Extensions:	Provide section cans and transformers free of charge.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves the renewal of City's policy on participation in funding electric primary and secondary utility line extensions for Fiscal Year 2019; and

BE IT FURTHER RESOLVED that this policy of funding utility extensions will continue until June 30, 2019, at which time the Unalaska City Council will reconsider whether to continue such funding.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on July 10, 2018.



Frank Kelty
Mayor

ATTEST:



Marjie Veeder
City Clerk



MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Dan Winters, Director of Public Utilities
Through: Thomas Thomas, City Manager
Date: July 10, 2018

Re: Resolution No. 2018-44: A Resolution of the Unalaska City Council renewing the City's policy on participation in funding electric primary and secondary utility line extensions for Fiscal Year 2019

Resolution No. 2018-45: A Resolution of the Unalaska City Council renewing the City's policy on participation in funding water and sewer utility extension costs for primary and secondary line extension for Fiscal Year 2019

SUMMARY: Resolutions 2018-44 and 2018-45 authorize continuation of the City's policy of financial participation in Utility service extensions. The resolutions define the City's policy on participation in the cost of the extension of primary Electric, Water and Sewer services for Industrial ratepayers, and for the extension of primary and secondary Electric, Water and Sewer lines for Residential ratepayers. In FY 2018, the City reimbursed four residential customers for utility line installations for a total amount of \$5,917.22.

PREVIOUS COUNCIL ACTION: Council first enacted the policy of financial participation in Water and Wastewater primary lines in FY1991.

In FY2000, Council expanded the policy to include Residential, Small General, Large General, and Industrial Electric primary line extensions.

Each year since their inception, Council has approved resolutions allowing the City to participate financially in Utility line extension.

BACKGROUND: The City recognized that the extensions of primary line utilities are very expensive for property owners in Unalaska. These programs were designed to help defray these costs.

DISCUSSION: These resolutions are brought forward for Council's consideration each Fiscal Year to identify the City's policy on financial participation in Water, Sewer and Electric utility extension costs. These resolutions, if approved, will expire June 30, 2019.

Through these resolutions, Council is approving financial participation in the funding of Electric, Water and Wastewater utilities extension costs for primary lines for Industrial, Large General, and Small General ratepayers, and primary and secondary electrical service line extensions, for Residential ratepayers, and for Water and Wastewater primary and secondary services.

ALTERNATIVES: Council could choose to not renew either or both of the policies, and allow them to expire on June 30, 2018.

FINANCIAL IMPLICATIONS: In Fiscal Year 2018, the City reimbursed customers for four Residential extensions and one Small General customer for the cost of installing utilities. The total cost of FY2018 reimbursements for utility installation is \$5,917.22, as Table 1 below depicts.

Table 1

FY2018 Utility Reimbursements		
Customer Name	Reimbursement Amount	Utility Dept.
Killian Baker	\$ 805.32	Water
Enkhbat Purevsuren	\$ 458.11	Water
Pete Doctor	\$ 575.55	Water
Rod Hester	\$ 1,316.24	Electric
Blain Shaishnikoff	\$ 724.52	Water
Jamie Stippel	\$ 653.22	Water
Jamie Stippel	\$ 671.94	Electric
Rod Hester	\$ 712.32	Water

Total \$ 5,917.22

LEGAL: The City Manager will determine whether a legal opinion is required.

STAFF RECOMMENDATION: Staff recommends adopting Resolutions 2018-44 and 2018-45.

PROPOSED MOTION: Move to adopt Resolution 2018-44 and Resolution 2018-45.

CITY MANAGER'S COMMENTS: The City Manager recommends Council approval of these resolutions.