

City of Unalaska
UNALASKA CITY COUNCIL

P. O. Box 610 • Unalaska, Alaska 99685
(907) 581-1251 • www.ci.unalaska.ak.us

Regular Meeting
Tuesday, December 11, 2018
6:00 p.m.

Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
James Fitch
Roger Rowland
David Gregory

Frank Kelty, Mayor

Council Members
Dennis Robinson
Alejandro Tungul
Shari Coleman

AGENDA

1. Call to order
2. Roll call
3. Pledge of allegiance
4. Recognition of visitors
5. Adoption of agenda
6. Approval of minutes from previous meeting, November 27, 2018
7. Reports
 - a. City Manager
 - b. Financials
8. Community Input and Announcements
9. Public testimony on agenda items
10. Public hearing
 - a. Ordinance 2018-11: An Ordinance amending Unalaska Municipal Code Title 2 by adding Chapter 2.46 creating the Department of Fire and Emergency Medical Services; to amend various sections of 2.44 to update the Department of Public Safety, Chief of Police and Deputy Chief of Police provisions; to amend Sections 2.96.050 and 2.96.060 to update titles in regard to Emergency Management Coordination and succession; to amend subsection 13.04.060(E) to make the Department of Fire and Emergency Medical Services responsible for the issuance of burn permits; to amend subsection 2.04.010(C) to update the list of City Manager appointees; to amend section 2.04.020 to update the list of City Officers required to take an oath of office; to amend Sections 2.20.110, 9.12.010(G), 12.04.010(D) and 14.04.010(E) to update the title of Chief of Police; and to authorize the transfer of FY2019 appropriations from the Department of Public Safety to the Department of Fire and Emergency Medical Services
11. Work session
 - a. Presentation and discussion: Proposed Schedule and Process for FY20 Budget, CMMP and Community Grants program
 - b. Presentation and discussion: Process for Terminal Services Agreements at the Unalaska Marine Center
12. Regular agenda
 - a. Unfinished Business
 - i. Ordinance 2018-11, Second Reading: An Ordinance amending Unalaska Municipal Code Title 2 by adding Chapter 2.46 creating the Department of Fire and Emergency Medical Services; to amend various sections of 2.44 to update the Department of Public Safety, Chief of Police and Deputy Chief of Police provisions; to amend Sections 2.96.050 and 2.96.060 to update titles in regard to Emergency Management

Coordination and succession; to amend subsection 13.04.060(E) to make the Department of Fire and Emergency Medical Services responsible for the issuance of burn permits; to amend subsection 2.04.010(C) to update the list of City Manager appointees; to amend section 2.04.020 to update the list of City Officers required to take an oath of office; to amend Sections 2.20.110, 9.12.010(G), 12.04.010(D) and 14.04.010(E) to update the title of Chief of Police; and to authorize the transfer of FY2019 appropriations from the Department of Public Safety to the Department of Fire and Emergency Medical Services

b. New Business

- i. Resolution 2018-63: Authorizing the City Manager to enter into an Agreement with Jensen Yorba Lott, Inc. to perform the DPS Building Assessment Project for \$97,000
- ii. Resolution 2018-64: Authorizing the City Manager to enter into an Agreement with Itron, Inc. to perform the Automatic Meter Reading Project: Phase 1 Electric Utility for \$98,096.00
- iii. Resolution 2018-65: Authorizing the City Manager to enter into an Agreement with Puffin Electric, Inc. to perform the Powerhouse 125 VDC Battery Station Replacement Project for \$547,300.00
- iv. Resolution 2018-66: Establishing dates for the Fiscal Year 2020 Real Property and Business Personal Property tax collection effort
- v. Resolution 2018-67: Adopting an alternative allocation method for the FY 2019 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in the Aleutians Islands Fisheries Management Area
- vi. Resolution 2018-70: Authorizing an expenditure in the amount of \$_____ from the Council Contingency Budget to sponsor the Aleut International Association
- vii. Resolution 2018-71: Confirming the Mayor's appointment of Michelle Murdock to the Parks, Culture and Recreation Committee
- viii. Resolution 2018-72: Authorizing the City Manager to enter into an agreement with HDL Engineering to perform the Causeway Culvert Replacement project (PW19B) design for \$65,415

13. Executive Session

- a. Discuss negotiation of a lease agreement with Airport Restaurant, LLC

14. Reconvene to Regular Session

- a. Resolution 2018-69: Authorizing sole source negotiations with Airport Restaurant LLC for a lease of space at the Tom Madsen Airport Terminal Building for a period of sixty days

15. Executive Session

- a. City Manager Performance Evaluation

16. Council Directives to City Manager

17. Community Input / Announcements

18. Adjournment

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Regular Meeting
Tuesday, November 27, 2018
6:00 p.m.

Council Members

James Fitch
Roger Rowland
David Gregory

Frank Kelty, Mayor

MINUTES

Unalaska City Hall
Council Chambers
43 Raven Way

Council Members

Dennis Robinson
Alejandro Tungul
Shari Coleman

1. Call to order
Mayor Kelty called the Regular Council meeting to order at 6:00pm, November 27, 2018, in the Unalaska City Hall council chambers
2. Roll call
Present:
Frank Kelty, Mayor
Dennis Robinson, Vice Mayor
Roger Rowland
James Fitch (Telephonic)
David Gregory (Telephonic)
Shari Coleman (Telephonic)

Absent:
None
3. Pledge of Allegiance
Mayor Kelty led the Pledge of Allegiance
4. Recognition of visitors
 - Caroline Nevak, Tobacco Prevention Coordinator, APIA
 - Lottie Roll, APIA
 - Brian Meissner and Karen Zaccaro, ECI Alaska Architecture
 - David Bacher, Deputy Commissioner, DOC (Telephonic)
 - Brooks Chandler, City Attorney (Telephonic)
5. Adoption of agenda
Rowland made a motion to adopt the agenda; Tungul seconded.
Motion passed by consensus.
6. Awards / Presentations – None.
7. Approve minutes of previous meetings: October 23, 2018 and October 30, 2018
Robinson made a motion to adopt October 23, 2018 and October 30, 2018 meeting minutes; Tungul seconded. Motion passed by consensus.
8. Reports: The City Manager gave his report.
9. Community Input / Announcements
 - Library
Unalaska Library Improvements update - Brian Meissner, ECI Alaska Architecture. ECI has a website where updated will be posted: www.unalaskalibraryimprovements.com

- PCR
 - Holiday Bazaar
 - Christmas tree lighting
 - St. Jude Run
 - Library Improvements Open House
 - New Flag Pole
- Public Safety – weather caution
- Fire Fighters Ball

10. Public testimony on agenda items – None.

11. Work session

Tungul made a motion to adjourn to Work Session; Robinson seconded.
Motion passed by consensus.

- a. Presentation from the Unalaska Department of Public Safety regarding the Alaska Shield Exercise scheduled for April 10-13, 2019; and emergency management issues

Jennifer Shockley, Acting Public Safety Director, presented information and answered council questions.
- b. Presentation from Caroline Nevak, Tobacco Prevention Coordinator from the Aleutian Pribilof Islands Association, requesting that the City of Unalaska increase sales tax on tobacco products

Caroline Nevak, Tobacco Prevention Coordinator, APIA and Lottie Roll, APIA presented information and answered council questions.
- c. Department of Corrections Transition to Work program in Unalaska

David Bacher, Deputy Commissioner, DOC participated by telephone and answered council questions and responded to public comments.

Public Comment/Testimony given by:
 - Daniel Loy
 - Patrick Bliss
 - Rachelle Hatfield

12. Regular agenda

- a. Resolution 2018-60: A Resolution of the Unalaska City Council expressing conditional support of the State of Alaska Department of Corrections Transition to Work program in Unalaska

Rowland made a motion to adopt Resolution 2018-60; Robinson seconded.
Roll Call Vote: Gregory – no; Fitch – yes; Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes.
Motion passed 5-1.
- b. Resolution 2018-68: A Resolution of the Unalaska City Council supporting the United States Army Corps of Engineers (USACE) proposed dredging of the Iliuliuk Entrance Channel to a depth of 58 feet plus a margin of 2 additional feet

Robinson made a motion to adopt Resolution 2018-68; Tungul seconded.
Roll Call Vote: Fitch – yes; Coleman – yes; Rowland – yes; Robinson – yes; Tungul – yes; Gregory – yes
Motion passed 6-0.

- c. Ordinance 2018-11, First Reading: An Ordinance amending Unalaska Municipal Code Title 2 by adding Chapter 2.46 creating the Department of Fire and Emergency Medical Services; to amend various sections of 2.44 to update the Department of Public Safety, Chief of Police and Deputy Chief of Police provisions; to amend Sections 2.96.050 and 2.96.060 to update titles in regard to Emergency Management Coordination and succession; to amend subsection 13.04.060(E) to make the Department of Fire and Emergency Medical Services responsible for the issuance of burn permits; to amend subsection 2.04.010(C) to update the list of City Manager appointees; to amend section 2.04.020 to update the list of City Officers required to take an oath of office; to amend Sections 2.20.110, 9.12.010(G), 12.04.010(D) and 14.04.010(E) to update the title of Chief of Police; and to authorize the transfer of FY2019 appropriations from the Department of Public Safety to the Department of Fire and Emergency Medical Services

Tungul made a motion to move Ordinance 2018-11 to Second Reading and Public Hearing on December 11, 2018; Rowland seconded.

Public Comment/Testimony given by:

- Rachelle Hatfield
- Peggy McLaughlin

Roll Call Vote: Coleman – no; Rowland – yes; Robinson – no; Tungul – yes; Gregory – yes; Fitch – yes

Motion passed 4-2

13. Council Directives to City Manager

- a. Robinson made a motion to direct the City Manager to bring back information on a tax increase for tobacco products; Rowland seconded.
Motion passed 6-0.
- b. Rowland made a motion to direct the City Manager to explore options for local first time and minor offenders to serve their sentences locally with an ankle bracelet or a similar program; Tungul seconded.
Motion passed 6-0.

14. Community Input / Announcements – None.

15. Adjournment – The meeting adjourned at 8:57pm.

Marjie Veeder
City Clerk

rfw

TO: Mayor and Council
FROM: Thomas Thomas, City Manager
SUBJECT: City Manager's Report
DATE: December 11, 2018

PLASTIC BAG BAN

The City Council approved amending Titles 11 and 1 of City Code to prohibit sellers from distributing disposable plastic shopping bags. The ordinance also defines seller, buyer and disposable plastic shopping bags for future clarification. The ordinance defines a violation as a minor offense and sets the fine at \$100 for each violation. The ordinance becomes effective on January 1, 2019.

"Disposable plastic shopping bag" means a bag made from plastic, including plastic marketed or labeled as "biodegradable" or "compostable", that is not suitable for repeated reuse if made of or containing plastic that is less than .004" (4 mils) thick, is unable to be cleaned and disinfected regularly, and is designed to carry buyer purchases from a seller's premises.

"Disposable plastic shopping bag" does not include bags used by buyers inside stores to package bulk items such as fruit, vegetables, nuts, grains, candy, or small hardware items, such as washers and bolts; bags used to contain dampness or leaks from items such as frozen foods, meat or fish, flowers or potted plants; bags used to protect prepared foods or bakery goods; bags provided by pharmacists to contain prescription drugs; laundry or dry cleaning bags; bags sold for buyer's use off a seller's premises for such purposes as the collection and disposal of garbage, pet waste, or yard waste, or newspaper bags;

LIBRARY BUILDING IMPROVEMENT PROJECT

The Library organized a series of public and staff meetings. At the public meetings, the community requested a larger meeting space that would not require children and teens to move out of those spaces during a larger event. Some design options incorporating this idea will cost more than initially budgeted for this project, since the square footage will be higher. The Project Team will ask for direction from Council on this point during the next site visit.

The next step is to survey the public on several points, including glass walls in children's and teen spaces, coffee, and event spaces.

The second site visit with Council will happen at the end of January or first half of February.

CITY OF UNALASKA
INTERIM FINANCIAL REPORTS
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2018

TABLE OF CONTENTS

Memorandum to Council	1
Graphical results	2
General Government Revenue – Annual Budget vs. YTD Collected	
Percentage of General Government Revenue Collected	
General Government Expenditures – Annual Budget vs. YTD Actual	
Cash and Investments – Last twelve months	
Enterprise Funds – Budgeted vs. Actual Net Change without transfers	
Enterprise Funds – Budgeted vs. Actual Net Change with transfers	
General Fund	
Monthly Operating Summary	3
Comparative Balance Sheet	4
1% Sales Tax Fund – Comparative Balance Sheet	5
Bed Tax Fund - Comparative Balance Sheet	6
Enterprise Funds	
Monthly Operating Summaries	7-8
Utility Revenue Recap Report	9
Revenue Detail Reports	
Electric Fund	10
Water Fund	11
Wastewater Fund	12
Solid Waste Fund	13
Ports & Harbors Fund	14
Airport Fund	15
Housing Fund	16
Comparative Balance Sheets	
Electric Funds	17
Water Funds	18
Wastewater Funds	19
Solid Waste Funds	20
Ports & Harbors Funds	21
Airport Funds	22
Housing Funds	23
Open Capital Projects Detail Report	24
General Fund Summary Financial Information – Projected to FYE	25
Enterprise Funds Summary Financial Information – Projected to FYE	27

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: CLAY DARNELL, FINANCE DIRECTOR
THRU: THOMAS THOMAS, CITY MANAGER
DATE: DECEMBER 6, 2018
RE: INTERIM FINANCIAL REPORTS FOR THE
FOUR MONTHS ENDED OCTOBER 31, 2018

In an effort to keep the Council informed about the financial activity of the City of Unalaska, the Finance Department has prepared interim financial reports for the four months ended October 31, 2018.

Fund/Departmental Highlights

General Fund:

- AK Fisheries Business Tax \$3,306,990 and the AK Fishery Resource Landing Tax \$4,855,139 were received this month. The DCCED portion of \$587,329 should be received in the spring of 2019. (Ref page 1)

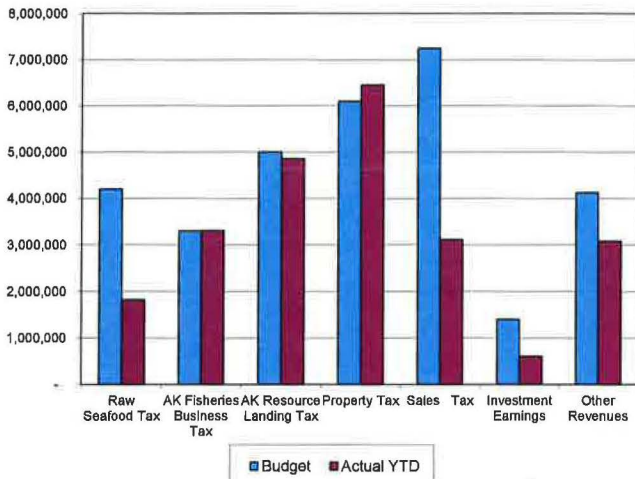
Proprietary Funds:

- The projections to year end use the four fiscal months elapsed to estimate the remainder of the year. Based on this method several departments indicate a projected over budget condition by year end. There is no cause for concern this early in the fiscal year. We will use this to identify areas to review. (Ref page 27)

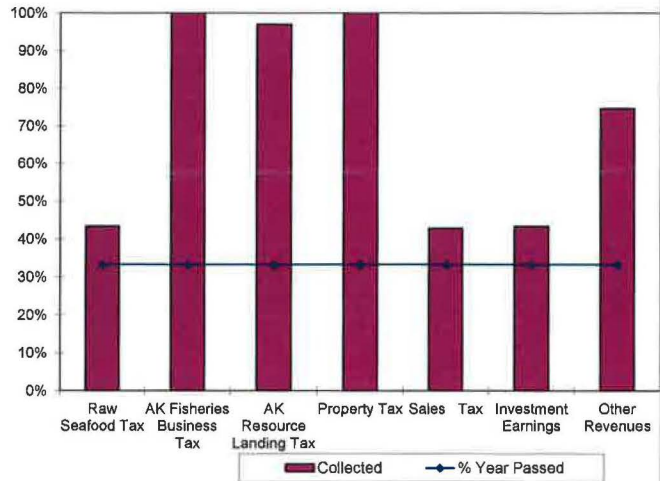
City of Unalaska

October, 2018

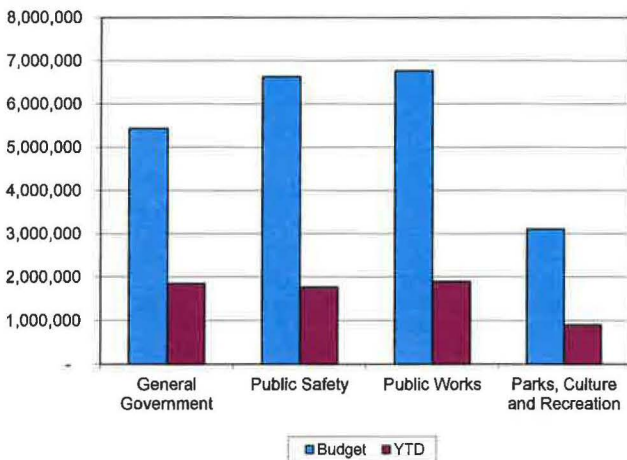
General Government Revenues
Annual Budget vs. YTD Collected



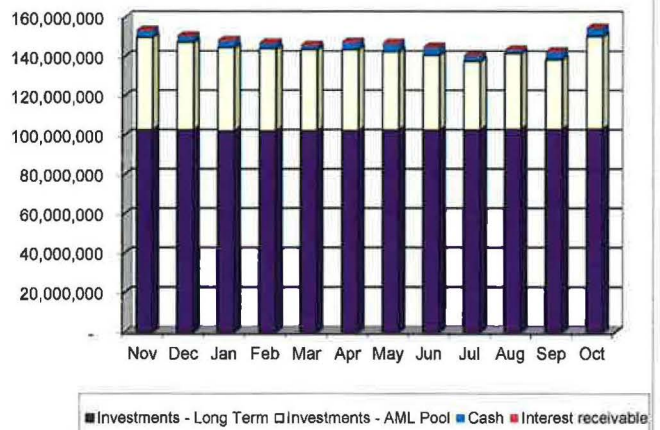
Percentage of General Government Revenue Collected



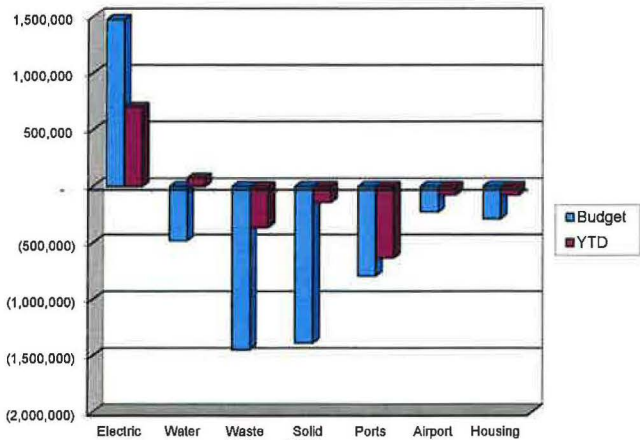
General Government Expenditures
Annual Budget vs. YTD Actual



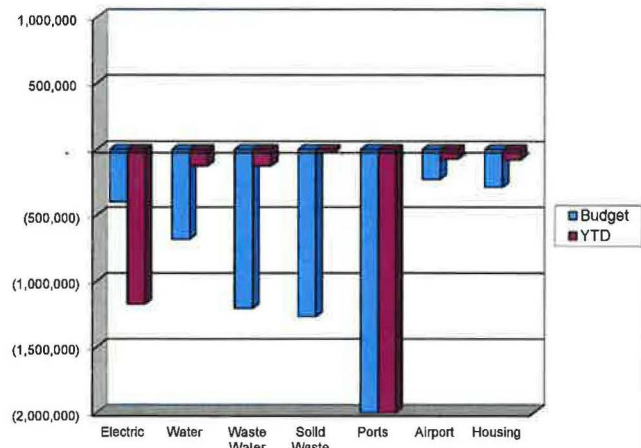
Investments and Cash
Last 12 Months



Proprietary Funds
Budgeted vs. Actual Net Increase/Decrease
Before Capital and Transfers



Proprietary Funds
Budgeted vs. Actual Net Increase/Decrease
WITH Capital and Transfers



FUND - General Fund

Data Date: 12/6/2018

General Fund Operating Monthly Summary - Month Ending October 2018

Page 1 of 1

	FY2019 Budget	October	FY2019 YTD	% OF BUD	FY2018 YTD	INC/(DEC) Last Year
REVENUES						
Raw Seafood Tax	4,200,000	378,283	1,824,350	43%	1,293,829	530,521
AK Fisheries Business	3,300,000	3,306,990	3,306,990	100%	3,649,322	(342,332)
AK Fisheries Resource Landing	5,000,000	4,855,139	4,855,139	97%	4,291,531	563,608
Property Taxes	6,100,000	2,894,974	6,453,857	106%	6,065,752	388,105
Sales Tax	7,250,000	957,453	3,114,340	43%	3,436,110	(321,770)
Investment Earnings	1,400,000	179,405	825,469	59%	386,492	438,977
Other Revenues	4,124,158	83,415	1,286,177	31%	1,348,921	(62,745)
Appropriated Fund Balance	0	0	0	0%	0	0
Total General Fund Revenues	31,374,158	12,655,658	21,666,320	69%	20,471,957	1,194,363
EXPENDITURES						
Mayor & Council	502,081	33,706	122,963	24%	165,284	(42,321)
City Administration						
City Manager's Office	400,628	30,004	109,547	27%	132,069	(22,523)
Administration	1,189,557	51,741	499,451	42%	458,611	40,840
Total City Administration	1,590,185	81,745	608,997	38%	590,680	18,317
City Clerk	511,038	36,632	154,842	30%	159,236	(4,394)
Finance						
Finance	1,041,484	150,528	316,927	30%	312,300	4,627
Information Systems	1,008,047	64,815	437,870	43%	327,473	110,397
Total Finance	2,049,531	215,343	754,798	37%	639,773	115,024
Planning	779,748	43,895	209,353	27%	177,476	31,876
Public Safety						
Police and Admin	3,712,633	210,030	952,411	26%	918,579	33,832
Corrections	959,625	69,681	272,213	28%	264,198	8,014
Fire, EMS, and Communications	1,961,069	140,859	545,553	28%	460,092	85,461
Total Public Safety	6,633,327	420,570	1,770,177	27%	1,642,869	127,308
Public Works						
DPW Admin & Engineering	743,328	50,752	206,432	28%	212,588	(6,157)
Streets and Roads	3,162,618	185,487	667,367	21%	749,608	(82,241)
Receiving and Supply	275,288	21,598	80,176	29%	77,713	2,463
Veh & Equip Maintenance	1,180,176	78,720	298,518	25%	271,608	26,910
Facilities Maintenance	1,402,168	75,673	642,099	46%	447,585	194,513
Total Public Works	6,763,578	412,229	1,894,592	28%	1,759,103	135,489
Parks, Culture & Recreation						
PCR Administration	226,534	19,244	78,579	35%	71,839	6,739
Recreation Programs	709,316	46,893	187,095	26%	204,144	(17,049)
Community Center Operations	957,434	72,587	253,584	26%	259,452	(5,868)
Library	792,975	67,014	233,589	29%	225,698	7,891
Aquatics Center	383,849	30,157	121,229	32%	93,813	27,416
Parks	39,500	4,312	31,028	79%	26,011	5,016
Total Parks, Culture & Recreation	3,109,608	240,207	905,104	29%	880,958	24,146
Other Expenses	6,146,890	425,381	2,188,432	36%	2,083,531	104,901
Total Operating Expenditures	28,085,985	1,909,708	8,609,257	31%	8,098,911	510,346
Transfers To General Fund	0	0	0	0%	0	0
Transfers To Special Revenue	0	0	0	0%	0	0
Transfers To Capital Projects	2,651,665	0	2,651,665	100%	793,000	1,858,665
Transfers To Enterprise Funds	0	0	0	0%	0	0
Transfers To Enterprise Capital	495,006	220,000	495,006	100%	1,173,994	(678,988)
	3,146,671	220,000	3,146,671	100%	1,966,994	1,179,677
	31,232,656	2,129,708	11,755,928	38%	10,065,905	1,690,023
Surplus/(Deficit)	141,502	10,525,950	9,910,393	53%	10,406,052	(495,660)

CITY OF UNALASKA, ALASKA
GENERAL FUND
COMPARATIVE BALANCE SHEET
October 31, 2018 and October 31, 2017

	Totals	
	2019	2018
ASSETS		
Cash and Cash Equivalents	1,550	1,450
Receivables		
Accounts	9,392	4,630
Intergovernmental	-	-
Taxes	1,799,472	2,025,647
Equity in Central Treasury	84,090,450	77,424,997
Inventory	808,594	781,218
Prepaid Items	210,581	222,268
Advances To Other Funds	976,480	1,184,720
TOTAL ASSETS	<u>87,896,519</u>	<u>81,644,931</u>
LIABILITIES		
Accounts Payable	-	432
Accrued Payroll & Related Liabilities	638,355	397,191
Intergovernmental	715	539
Retainage Payable	-	-
Deferred Revenue	382,328	543,286
Other Current Liabilities	4,509	1,753
Customer Deposits	2,373	3,895
TOTAL LIABILITIES	<u>1,028,279</u>	<u>947,095</u>
FUND BALANCE		
Fund Balance - Non Spendable	2,155,806	2,155,806
Fund Balance - Committed	14,000,000	14,000,000
Fund Balance - Assigned for Encumbrances	5,401,058	5,290,434
Undesignated (deficit)	65,311,376	59,251,596
TOTAL FUND BALANCE	<u>86,868,240</u>	<u>80,697,836</u>
TOTAL LIABILITIES & FUND BALANCE	<u>87,896,519</u>	<u>81,644,931</u>

CITY OF UNALASKA, ALASKA
1% SALES TAX
COMPARATIVE BALANCE SHEET
October 31, 2018 and October 31, 2017

	Totals	
	2019	2018
ASSETS		
Receivables		
Sales Tax Full Accrual	2,500	2,500
Taxes	531,215	586,730
Equity in Central Treasury	12,519,114	9,662,538
TOTAL ASSETS	13,052,829	10,251,768
LIABILITIES		
Accounts Payable	-	-
Deferred Revenue	2,500	2,500
TOTAL LIABILITIES	2,500	2,500
FUND BALANCE		
Undesignated (deficit)	13,050,329	10,249,268
TOTAL FUND BALANCE	13,050,329	10,249,268
TOTAL LIABILITIES & FUND BALANCE	13,052,829	10,251,768

CITY OF UNALASKA, ALASKA
BED TAX
COMPARATIVE BALANCE SHEET
October 31, 2018 and October 31, 2017

	Totals	
	2019	2018
ASSETS		
Receivables		
Accounts	-	-
Taxes	12,103	11,217
Equity in Central Treasury	250,622	263,061
TOTAL ASSETS	262,725	274,278
LIABILITIES		
Accounts Payable	-	-
TOTAL LIABILITIES	-	-
FUND BALANCE		
Fund Balance - Assigned for Encumbrances	133,333	116,667
Undesignated (deficit)	129,392	157,612
TOTAL FUND BALANCE	262,725	274,278
TOTAL LIABILITIES & FUND BALANCE	262,725	274,278

	FY2019 Budget	October	FY2019 YTD	% OF BUD	FY2018 YTD	INC/(DEC) Last Year
Electric Proprietary Fund						
REVENUES	19,043,708	1,350,405	7,119,988	37%	6,390,750	729,238
Electric Line Repair & Maint	1,407,537	74,653	279,162	20%	253,089	26,073
Electric Production	10,394,452	866,425	3,949,613	38%	3,400,032	549,581
Facilities Maintenance	131,805	3,073	15,770	12%	75,055	(59,285)
Utility Administration	5,575,408	375,135	2,150,397	39%	1,987,262	163,135
Veh & Equip Maintenance	60,915	3,919	27,027	44%	14,675	12,352
Transfers Out	1,871,402	250,000	1,871,402	100%	1,386,668	484,734
EXPENSES	19,441,518	1,573,205	8,293,371	43%	7,116,782	1,176,590
NET EARNINGS/(LOSS)	(397,810)	(222,801)	(1,173,383)		(726,032)	(447,352)

Water Proprietary Fund

REVENUES	2,646,584	104,399	1,098,027	41%	986,608	111,419
Transfers Out	200,000	0	200,000	100%	21,600	178,400
Facilities Maintenance	61,047	1,154	31,375	51%	19,323	12,052
Utility Administration	1,765,567	135,811	650,927	37%	598,491	52,436
Veh & Equip Maintenance	37,833	736	6,596	17%	3,864	2,732
Water Operations	1,263,282	120,741	335,193	27%	360,979	(25,786)
EXPENSES	3,327,729	258,443	1,224,092	37%	1,004,258	219,834
NET EARNINGS/(LOSS)	(681,145)	(154,044)	(126,065)		(17,650)	(108,415)

Wastewater Proprietary Fund

REVENUES	2,648,412	208,489	847,719	32%	770,339	77,381
Transfers Out	792,400	0	792,400	100%	415,000	377,400
Facilities Maintenance	44,478	3,977	18,570	42%	19,591	(1,020)
Utility Administration	1,983,714	148,414	770,616	39%	649,337	121,279
Veh & Equip Maintenance	28,376	5,422	8,839	31%	5,578	3,262
Wastewater Operations	2,037,509	147,873	413,956	20%	438,040	(24,084)
EXPENSES	4,886,477	305,686	2,004,381	41%	1,527,545	476,837
NET EARNINGS/(LOSS)	(2,238,065)	(97,197)	(1,156,662)		(757,206)	(399,456)
Transfers In	1,032,021	0	0	0%	1,072,156	(1,072,156)

Solid Waste Proprietary Fund

REVENUES	2,600,500	184,504	797,180	31%	854,485	(57,305)
Facilities Maintenance	80,454	2,408	16,790	21%	17,110	(320)
Solid Waste Operations	2,134,892	89,948	376,944	18%	392,040	(15,096)
Utility Administration	1,634,202	126,737	531,861	33%	514,889	16,972
Veh & Equip Maintenance	136,505	3,609	13,343	10%	17,202	(3,859)
Transfers Out	0	0	0	0%	1,029,950	(1,029,950)
EXPENSES	3,986,053	222,702	938,939	24%	1,971,191	(1,032,252)
NET EARNINGS/(LOSS)	(1,385,552)	(38,198)	(141,759)		(1,116,706)	974,947
Transfers In	116,612	0	0	0%	184,704	(184,704)

	FY2019 Budget	October	FY2019 YTD	% OF BUD	FY2018 YTD	INC/(DEC) Last Year
Ports & Harbors Proprietary Fund						
REVENUES	8,255,601	528,412	2,320,718	28%	2,801,170	(480,452)
Bobby Storrs Small Boat Harbor	151,057	7,551	48,933	32%	42,358	6,575
CEM Small Boat Harbor	678,581	47,917	202,018	30%	196,859	5,159
Facilities Maintenance	40,260	3,425	10,273	26%	3,280	6,992
Harbor Office	6,365,904	465,410	1,996,080	31%	1,547,830	448,250
Ports Security	81,515	3,598	13,787	17%	11,325	2,462
Spit & Light Cargo Docks	638,411	44,026	200,780	31%	187,011	13,769
Unalaska Marine Center	1,028,211	72,987	461,438	45%	371,513	89,925
Veh & Equip Maintenance	64,620	2,938	20,587	32%	12,848	7,739
Transfers Out	5,552,000	4,315,000	4,467,000	80%	10,000,000	(5,533,000)
EXPENSES	14,600,559	4,962,850	7,420,896	51%	12,373,025	(4,952,129)
NET EARNINGS/(LOSS)	(6,344,958)	(4,434,438)	(5,100,178)		(9,571,855)	4,471,677
Airport Proprietary Fund						
REVENUES	558,341	40,067	160,232	29%	159,658	574
Airport Admin/Operations	629,870	43,260	210,197	33%	214,660	(4,463)
Facilities Maintenance	156,384	4,562	24,008	15%	30,456	(6,448)
EXPENSES	786,254	47,822	234,205	30%	245,116	(10,911)
NET EARNINGS/(LOSS)	(227,913)	(7,755)	(73,974)		(85,458)	11,484
Housing Proprietary Fund						
REVENUES	254,168	20,163	82,764	33%	85,953	(3,189)
Facilities Maintenance	182,901	10,719	46,559	25%	18,840	27,719
Housing Admin & Operating	358,322	26,890	115,711	32%	118,085	(2,374)
EXPENSES	541,223	37,609	162,270	30%	136,926	25,344
NET EARNINGS/(LOSS)	(287,056)	(17,447)	(79,506)		(50,973)	(28,533)

City of Unalaska
Utility Revenue Report
Summary

10/31/18

FY19 Budget Month	Electric	Water	Waste Water	Solid Waste	Monthly Revenue	FY19 Revenue	FY18YTD Revenue	YTD Inc/(Dec)
Jul-18	1,975,144	306,593	187,607	205,711	2,675,055	2,675,055	2,135,511	539,544
Aug-18	2,281,048	459,630	213,474	228,830	3,182,982	5,858,037	4,433,764	1,424,272
Sep-18	1,476,796	227,405	238,150	174,435	2,116,785	7,974,822	6,750,620	1,224,202
Oct-18	1,350,405	104,399	208,489	179,604	1,842,896	9,817,718	8,512,726	1,304,993
Nov-18	0	0	0	0	0	0	10,210,214	0
Dec-18	0	0	0	0	0	0	11,590,601	0
Jan-19	0	0	0	0	0	0	13,017,150	0
Feb-19	0	0	0	0	0	0	15,083,600	0
Mar-19	0	0	0	0	0	0	17,269,914	0
Apr-19	0	0	0	0	0	0	18,727,753	0
May-19	0	0	0	0	0	0	20,066,872	0
Jun-19	0	0	0	0	0	0	21,512,492	0
YTD Totals	7,083,392	1,098,027	847,719	788,580	9,817,718			
FY19 Budget	17,109,506	2,560,559	2,507,646	2,541,442	24,719,153			
% to budget	41.4	42.9	33.8	31.0	39.7			

City of Unalaska
Electric Revenue Report
Electric Fund

10/31/18

FY19 Budget Month	Residential	Small General	Large General	Industrial	P.C.E. Assist	Other Revenues	Monthly Revenue	FY19YTD Revenue	FY18 YTD Revenue	YTD Inc/(Dec)
Jul-18	108,905	95,019	155,477	1,551,966	60,704	3,072	1,975,144	1,975,144	1,094,351	880,792
Aug-18	108,581	95,773	157,192	1,857,267	55,513	6,722	2,281,048	4,256,192	3,021,833	1,234,358
Sep-18	91,693	107,020	134,806	1,072,176	61,269	9,831	1,476,796	5,732,988	4,489,276	1,243,712
Oct-18	123,068	92,506	157,668	908,461	64,121	4,579	1,350,405	7,083,392	5,721,951	1,361,442
Nov-18							0	0	6,922,880	0
Dec-18							0	0	8,167,038	0
Jan-19							0	0	9,450,826	0
Feb-19							0	0	11,283,887	0
Mar-19							0	0	13,277,258	0
Apr-19							0	0	14,596,019	0
May-19							0	0	15,939,357	0
Jun-19							0	0	17,266,272	0
YTD Totals	432,246	390,319	605,143	5,389,871	241,608	24,205	7,083,392			
FY19 Budget	1,127,831	1,266,314	2,538,359	11,488,785	627,396	60,821	17,109,506			
% of Budget	38.3	30.8	23.8	46.9	38.5	39.8	41.4			

Kwh Sold

FY19 Month	Residential	SM. Gen (Includes Street lights)	Large General	Industrial	Total FY19 Kwh Sold	Total FY18 Kwh Sold	Increase (Decrease)
July	293,495	261,157	431,275	4,310,855	5,296,782	6,247,552	(950,770)
August	291,341	267,455	446,032	5,276,995	6,281,823	6,473,191	(191,368)
September	254,200	325,053	383,334	3,081,025	4,043,612	3,946,418	97,194
October	340,093	282,002	458,322	2,664,010	3,744,427	3,712,638	31,789
November					0	3,425,618	0
December					0	3,852,377	0
January					0	5,047,121	0
February					0	5,003,360	0
March					0	5,264,050	0
April					0	4,874,296	0
May					0	4,044,650	0
June					0	3,459,496	0
Total	1,179,129	1,135,667	1,718,963	15,332,885	19,366,644	55,350,767	(1,013,155)
Percent Sold	6.1%	5.9%	8.9%	79.2%	100.0%		

Generator Fuel

FY19 Average Price Fuel	FY18 Average Price Fuel
2.7133	2.0050
2.5517	1.7797
2.6189	1.9143
	1.9047
	2.0043
	1.9799
	2.1193
	2.0840
	2.0177
	2.0589
	2.0609
	2.0047
2.6280	1.9945

FY19 Cumulative kwh Sold	FY18 Cumulative kwh Sold
5,296,782	3,601,248
11,578,605	9,754,803
15,622,217	14,526,560
19,366,644	18,653,603
19,366,644	22,624,514
19,366,644	26,621,443
19,366,644	30,627,625
19,366,644	36,345,361
19,366,644	42,865,841
19,366,644	47,118,232
19,366,644	51,520,805
19,366,644	55,836,263

31.76%
% Change from Prior Year

City of Unalaska
Water Revenue Report
Water Fund

10/31/18

FY19 Month	Unmetered Sales	Metered Sales	Other Revenues	Monthly Revenue	FY19 YTD Revenue	FY18 YTD Revenue	YTD Inc/(Dec)
Jul-18	12,536	281,877	12,180	306,593	306,593	347,751	(41,158)
Aug-18	12,430	447,496	(296)	459,630	766,223	705,591	60,632
Sep-18	12,512	214,072	821	227,405	993,628	933,574	60,054
Oct-18	12,367	92,060	(28)	104,399	1,098,027	1,049,789	48,238
Nov-18				0	0	1,143,042	0
Dec-18				0	0	1,231,114	0
Jan-19				0	0	1,428,640	0
Feb-19				0	0	1,871,993	0
Mar-19				0	0	2,318,097	0
Apr-19				0	0	2,482,622	0
May-19				0	0	2,551,069	0
Jun-19				0	0	2,812,592	0
YTD Totals	49,846	1,035,504	12,676	1,098,027			
FY18 Budget	158,393	2,373,486	28,680	2,560,559			
% of Budget	31.5	43.6	44.2	42.9			

Million Gallons Produced

FY19 Month	FY19 Water Produced	FY18 Water Produced	Increase (Decrease)
July	149.496	161.160	(11.664)
August	165.530	163.498	2.032
September	98.852	64.047	34.805
October	57.040	59.855	(2.815)
November		49.181	0.000
December		35.082	0.000
January		92.600	0.000
February		161.542	0.000
March		166.470	0.000
April		84.395	0.000
May		34.044	0.000
June		82.751	0.000
Total	470.918	1154.625	22.358

FY19 Water Cumulative	FY18 Water Cumulative
149.496	149.478
315.026	306.182
413.878	409.811
470.918	467.821
0.000	520.221
0.000	566.323
0.000	669.107
0.000	854.344
0.000	1043.148
0.000	1122.017
0.000	1165.902
0.000	1284.147

City of Unalaska
Wastewater Revenue Report
Wastewater Fund

10/31/18

FY19 Month	Unmetered Sales	Metered Commercial	Metered Industrial	Other Revenues	Monthly Revenue	FY19 YTD Revenue	FY18 YTD Revenue	YTD Inc/(Dec)
Jul-18	38,382	137,836	8,713	2,676	187,607	187,607	202,091	(14,484)
Aug-18	38,064	160,064	10,836	4,511	213,474	401,081	432,923	(31,842)
Sep-18	38,316	186,161	7,907	5,766	238,150	639,231	646,453	(7,223)
Oct-18	37,870	163,541	6,954	124	208,489	847,719	847,978	(258)
Nov-18					0	0	1,028,280	0
Dec-18					0	0	1,169,143	0
Jan-19					0	0	1,377,536	0
Feb-19					0	0	1,605,812	0
Mar-19					0	0	1,825,352	0
Apr-19					0	0	2,020,719	0
May-19					0	0	2,174,024	0
Jun-19					0	0	2,361,223	0
YTD Totals	152,632	647,601	34,410	13,076	847,719			
FY18 Budget	464,010	1,942,985	44,255	56,396	2,507,646			
% of Budget	32.9	33.3	77.8	23.2	33.8			

FY19 Month	FY19 Effluent (Gal)	FY18 Effluent (Gal)	Increase (Decrease)
July	11,334,000	10,650,000	684,000
August	12,167,000	11,466,000	701,000
September	11,085,000	9,824,000	1,261,000
October	13,286,000	12,304,000	982,000
November		10,671,000	0
December		11,461,000	0
January		15,360,000	0
February		16,496,000	0
March		13,894,000	0
April		12,296,000	0
May		10,461,000	0
June		10,759,000	0
Total	47,872,000	145,642,000	3,628,000

FY19 Cumulative	FY18 Cumulative
11,334,000	11,309,000
23,501,000	23,138,000
34,586,000	35,185,000
47,872,000	50,123,000
0	62,318,000
0	74,333,000
0	89,070,000
0	102,984,000
0	116,435,000
0	127,820,000
0	137,887,000
0	148,848,000

City of Unalaska
Solid Waste Revenue Report
Solid Waste Fund

10/31/18

FY19 Month	Residential Fees	Tipping Fees	Other Revenue	Monthly Revenue	FY19 YTD Revenue	FY18 YTD Revenue	YTD Inc/(Dec)
Jul-18	27,728	159,041	18,942	205,711	205,711	207,477	(1,766)
Aug-18	27,706	176,725	24,399	228,830	434,541	438,109	(3,569)
Sep-18	27,716	124,172	22,546	174,435	608,975	640,101	(31,126)
Oct-18	27,698	128,548	23,358	179,604	788,580	845,016	(56,436)
Nov-18				0	0	983,865	0
Dec-18				0	0	1,111,239	0
Jan-19				0	0	1,288,626	0
Feb-19				0	0	1,525,726	0
Mar-19				0	0	1,771,790	0
Apr-19				0	0	1,955,660	0
May-19				0	0	2,103,790	0
Jun-19				0	0	2,269,245	0
YTD Totals	110,848	588,487	89,245	788,580			
FY18 Budget	261,982	1,966,240	313,220	2,541,442			
% of Budget	42.3	29.9	28.5	31.0			

FY19 Month	FY19 Tons of Waste	FY18 Tons of Waste	Increase (Decrease)
July	691.90	676.63	15.27
August	792.71	722.85	69.86
September	559.25	621.56	(62.31)
October	497.11	562.92	(65.81)
November		414.12	0.00
December		392.14	0.00
January		663.00	0.00
February		786.07	0.00
March		764.11	0.00
April		572.44	0.00
May		460.53	0.00
June		521.19	0.00
Total	2540.97	7157.56	(42.99)

Cumulative	
FY19 Tons of Waste	FY18 Tons of Waste
691.90	676.63
1484.61	1399.48
2043.86	2021.04
2540.97	2583.96
0.00	2998.08
0.00	3390.22
0.00	4053.22
0.00	4839.29
0.00	5603.40
0.00	6175.84
0.00	6636.37
0.00	7157.56

CITY OF UNALASKA
FY19 PORTS REVENUE

		UMC Dock				Spit Dock		Small Boat Harbor		Cargo Dock		CEM							
Month	Year	Docking/ Moorage	Wharfage Fees	Rental Fees	Utility Fees	Docking / Moorage	Utility Fees	Docking / Moorage	Utility Fees	Dockage / Moorage	Wharfage Rental/Util	Docking/ Moorage	Utility Fees	Other Rev&Fees	Monthly Revenue	FY19 YTD Revenue	% of Budget	FY18 YTD Revenue	YTD Inc(Dec)
Jul	2018	116,276	236,239	42,718	22,591	20,511	2,052	5,609	601	6,660	8,470	8,092	6,586	2,235	478,638	478,638	6.2%	518,793	(40,155)
Aug	2018	130,015	307,038	42,897	41,263	37,601	3,875	7,414	610	12,636	22,837	45,250	9,380	2,528	663,343	1,141,981	14.7%	1,253,883	(111,901)
Sept	2018	120,444	233,234	42,615	54,677	81,656	9,131	2,947	529	6,454	20,711	26,858	12,040	8,861	620,156	1,762,137	22.7%	2,092,146	(330,009)
Oct	2018	124,423	127,823	42,576	28,754	46,577	13,424	7,463	603	8,572	24,105	80,356	18,887	4,848	528,412	2,290,550	29.5%	2,773,587	(483,037)
Nov	2018														0	0	0.0%	3,152,220	0
Dec	2018														0	0	0.0%	3,677,460	0
Jan	2019														0	0	0.0%	4,301,666	0
Feb	2019														0	0	0.0%	4,983,808	0
Mar	2019														0	0	0.0%	5,744,524	0
Apr	2019														0	0	0.0%	6,387,247	0
May	2019														0	0	0.0%	6,793,697	0
Jun	2019														0	0	0.0%	7,114,489	0
Totals		491,157	904,335	170,806	147,285	186,345	28,481	23,433	2,343	34,322	76,123	160,555	46,892	18,472	2,290,550				
Loc total		1,713,584				214,826		25,776		110,445		207,447							
Loc percent		74.8%				9.4%		1.1%		4.8%		9.1%							
FY19 Budget		1,735,300	3,125,950	600,000	360,000	434,730	125,000	87,000	14,290	120,000	122,500	635,000	313,500	97,500	7,770,770				
% to Budget		28.3%	28.9%	28.5%	40.9%	42.9%	22.8%	26.9%	16.4%	28.6%	62.1%	25.3%	15.0%	18.9%	29.5%				

PORTS RECEIVABLES

Month		Year	Current	Over 30 Days	Over 60 Days	Over 90 Days	Total Due	% Past Due 90 Days +	Cash Received
Jul	2018		471,133	108,933	109,462	21,005	710,532	3.0%	384,782
Aug	2018		559,241	185,589	20,742	14,438	780,011	1.9%	621,536
Sept	2018		777,912	31,494	48,900	15,109	873,415	1.7%	896,247
Oct	2018		486,811	147,886	31,577	38,751	705,025	5.5%	664,352
Nov	2018						0	0.0%	
Dec	2018						0	0.0%	
Jan	2019						0	0.0%	
Feb	2019						0	0.0%	
Mar	2019						0	0.0%	
Apr	2019						0	0.0%	
May	2019						0	0.0%	
Jun	2019						0	0.0%	
YTD Cash Received									2,566,916

**CITY OF UNALASKA
FY19 AIRPORT REVENUE**

MONTH	YEAR	MONTHLY LEASES	MISC INCOME	LATE FEES	MONTHLY REVENUE	FY19 YTD REVENUE	% OF BUDGET	FY18 YTD REVENUE	YTD INC/(DEC)
JUL	2018	39,006	20	1,024	40,050	40,050	7.3%	39,733	317
AUG	2018	39,006	19	1,028	40,052	80,102	14.5%	79,781	321
SEP	2018	38,010	26	1,032	39,068	119,169	21.6%	119,765	(596)
OCT	2018	39,006	22	1,040	40,067	159,236	28.9%	159,658	(422)
NOV	2018				0	0	0.0%	199,434	0
DEC	2018				0	0	0.0%	242,128	0
JAN	2019				0	0	0.0%	284,767	0
FEB	2019				0	0	0.0%	327,422	0
MAR	2019				0	0	0.0%	368,631	0
APR	2019				0	0	0.0%	405,544	0
MAY	2019				0	0	0.0%	445,578	0
JUN	2019				0	0	0.0%	485,620	0
TOTAL		155,027	87	4,123	159,236		0.0%		
FY19 BUDGET		544,000	3,500	4,000	551,500				
% TO BUDGET		28.5%	2.5%	103.1%	28.9%				

RECEIVABLE BALANCES

MONTH	YEAR	CURRENT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL DUE	% PAST DUE 90 DAYS +	CASH RECEIVED
JUL	2018	23,834	6,808	6,242	118,148	155,032	76.2%	56,245
AUG	2018	40,469	6,150	5,601	119,324	171,544	69.6%	24,985
SEP	2018	41,152	6,501	5,877	120,356	173,886	69.2%	39,838
OCT	2018	38,061	6,636	5,599	121,395	171,692	70.7%	48,206
NOV	2018					0	0.0%	
DEC	2018					0	0.0%	
JAN	2019					0	0.0%	
FEB	2019					0	0.0%	
MAR	2019					0	0.0%	
APR	2019					0	0.0%	
MAY	2019					0	0.0%	
JUN	2019					0	0.0%	
YTD TOTAL								169,275

FY 19 HOUSING RENTAL REVENUE

MONTH	YEAR	HOUSING RENTALS	MISC. REVENUE	MONTHLY REVENUE	FY19 YTD REVENUE	% OF BUDGET	FY18 YTD REVENUE	YTD INC/(DEC)
JUL	2018	12,896		12,896	12,896	5.2%	20,000	(7,104)
AUG	2018	27,542		27,542	40,437	16.3%	42,168	(1,730)
SEP	2018	20,189		20,189	60,627	24.4%	63,768	(3,141)
OCT	2018	20,163		20,163	80,789	32.5%	85,953	(5,164)
NOV	2018			0	0	0.0%	105,778	0
DEC	2018			0	0	0.0%	133,278	0
JAN	2019			0	0	0.0%	145,191	0
FEB	2019			0	0	0.0%	171,091	0
MAR	2019			0	0	0.0%	189,791	0
APR	2019			0	0	0.0%	203,016	0
MAY	2019			0	0	0.0%	222,659	0
JUN	2019			0	0	0.0%	242,325	0
TOTAL		80,789	0	80,789				
FY19 Budget		248,500	0	248,500				
% TO BUDGET		32.5%		32.5%				

CITY OF UNALASKA, ALASKA
ELECTRIC ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
October 31, 2018 and October 31, 2017

	Totals	
	2019	2018
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	1,176,209	1,132,015
Intergovernmental	125,391	109,404
Equity in Central Treasury	12,294,304	9,505,849
Inventory	1,141,189	1,163,972
Restricted Assets	3,189,033	4,243,004
TOTAL Current Assets	<u>17,926,126</u>	<u>16,154,244</u>
Property, Plant & Equipment		
Land	212,598	212,598
Buildings, Net	28,320,414	29,220,588
Other Improvements, Net	8,223,867	6,937,670
Equipment, Net	20,567,461	21,172,681
Construction in Progress	174,647	630,009
TOTAL Property, Plant & Equipment	<u>57,498,987</u>	<u>58,173,547</u>
Deferred Outflows		
Pension Related	397,032	854,140
Deferred Charge on Refunding	2,170,913	2,320,631
TOTAL Deferred Outflows	<u>2,567,945</u>	<u>3,174,771</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>77,993,058</u>	<u>77,502,562</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accounts Payable	558,784	264,096
Accrued Payroll & Related Liabilities	246,151	221,108
Accrued Interest Payable	266,275	282,035
Revenue Bonds - Current	835,000	-
Unamortized Premium (Rev Bonds)	117,181	117,181
Customer Deposits	113,683	102,051
Current Portion of Long Term Debt	208,240	208,240
TOTAL Current Liabilities	<u>2,345,314</u>	<u>1,194,711</u>
Non-Current Liabilities		
Pension Obligations - LT	2,668,232	3,422,704
TOTAL Non-Current Liabilities	<u>2,668,232</u>	<u>3,422,704</u>
Deferred Inflows		
Pension Related	294,126	36,717
TOTAL Deferred Inflows	<u>294,126</u>	<u>36,717</u>
Long Term Debt		
Revenue Bonds - Long Term	24,035,000	25,120,000
Unamortized Premium - Long Term	1,678,715	1,795,897
Bonds and Loans Payable	768,240	976,480
TOTAL Long Term Debt	<u>26,481,955</u>	<u>27,892,377</u>
Undefined	573,440	-
TOTAL	<u>573,440</u>	<u>-</u>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>32,363,067</u>	<u>32,546,508</u>
NET POSITION		
TOTAL NET POSITION	<u>45,629,991</u>	<u>44,956,054</u>

CITY OF UNALASKA, ALASKA
WATER ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
October 31, 2018 and October 31, 2017

	Totals	
	2019	2018
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	89,661	102,608
Intergovernmental	-	(367,895)
Special assessments	726	712
Equity in Central Treasury	9,756,783	9,551,319
Inventory	333,022	325,494
TOTAL Current Assets	<u>10,180,192</u>	<u>9,612,237</u>
Property, Plant & Equipment		
Land	125,074	125,074
Buildings, Net	13,167,021	13,556,065
Other Improvements, Net	7,001,465	7,608,051
Equipment, Net	219,099	191,260
Construction in Progress	525,883	502,045
TOTAL Property, Plant & Equipment	<u>21,038,542</u>	<u>21,982,496</u>
Deferred Outflows		
Pension Related	126,468	326,983
TOTAL Deferred Outflows	<u>126,468</u>	<u>326,983</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>31,345,202</u>	<u>31,921,716</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	94,124	98,617
Retainage Withheld	-	-
Accrued Interest Payable	28,184	28,433
Notes Payable	181,963	181,963
Customer Deposits	48,749	50,961
TOTAL Current Liabilities	<u>353,020</u>	<u>359,974</u>
Non-Current Liabilities		
Pension Obligations - LT	997,707	1,328,664
TOTAL Non-Current Liabilities	<u>997,707</u>	<u>1,328,664</u>
Deferred Inflows		
Pension Related	120,979	8,064
TOTAL Deferred Inflows	<u>120,979</u>	<u>8,064</u>
Long Term Debt		
Bonds and Loans Payable	3,043,856	3,275,332
TOTAL Long Term Debt	<u>3,043,856</u>	<u>3,275,332</u>
Undefined	251,541	-
TOTAL	<u>251,541</u>	<u>-</u>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>4,767,103</u>	<u>4,972,033</u>
NET POSITION		
TOTAL NET POSITION	<u>26,578,099</u>	<u>26,949,683</u>

CITY OF UNALASKA, ALASKA
WASTEWATER ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
October 31, 2018 and October 31, 2017

	Totals	
	2019	2018
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	177,690	178,542
Special assessments	19,393	22,260
Equity in Central Treasury	5,149,614	6,429,011
Inventory	29,126	32,860
TOTAL Current Assets	<u>5,375,823</u>	<u>6,662,673</u>
Property, Plant & Equipment		
Land	12,883	12,883
Buildings, Net	27,997,744	28,146,204
Other Improvements, Net	5,985,122	6,031,808
Equipment, Net	83,722	127,754
Construction in Progress	15,265	597,410
TOTAL Property, Plant & Equipment	<u>34,094,735</u>	<u>34,916,060</u>
Deferred Outflows		
Pension Related	114,191	336,907
TOTAL Deferred Outflows	<u>114,191</u>	<u>336,907</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>39,584,748</u>	<u>41,915,639</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	36,995	130,362
Retainage Withheld	-	600,124
Accrued Interest Payable	85,916	-
Notes Payable	432,843	471,791
Customer Deposits	24,235	23,244
TOTAL Current Liabilities	<u>579,989</u>	<u>1,225,522</u>
Non-Current Liabilities		
Pension Obligations - LT	932,998	1,300,598
TOTAL Non-Current Liabilities	<u>932,998</u>	<u>1,300,598</u>
Deferred Inflows		
Pension Related	128,391	2,974
TOTAL Deferred Inflows	<u>128,391</u>	<u>2,974</u>
Long Term Debt		
Bonds and Loans Payable	6,853,280	7,242,658
TOTAL Long Term Debt	<u>6,853,280</u>	<u>7,242,658</u>
Undefined	279,394	-
TOTAL	<u>279,394</u>	<u>-</u>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>8,774,052</u>	<u>9,771,752</u>
NET POSITION		
TOTAL NET POSITION	<u>30,810,697</u>	<u>32,143,888</u>

CITY OF UNALASKA, ALASKA
SOLIDWASTE ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
October 31, 2018 and October 31, 2017

	Totals	
	2019	2018
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	140,627	153,537
Equity in Central Treasury	8,332,544	9,051,951
Inventory	37,374	59,868
TOTAL Current Assets	<u>8,510,546</u>	<u>9,265,356</u>
Property, Plant & Equipment		
Land	651,474	651,474
Buildings, Net	1,040,303	1,147,719
Other Improvements, Net	16,011,420	16,696,510
Equipment, Net	480,660	310,439
Construction in Progress	623,293	4,852
TOTAL Property, Plant & Equipment	<u>18,807,150</u>	<u>18,810,994</u>
Deferred Outflows		
Pension Related	124,607	313,576
TOTAL Deferred Outflows	<u>124,607</u>	<u>313,576</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>27,442,303</u>	<u>28,389,926</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	81,369	88,266
Retainage Withheld	54,015	-
Accrued Interest Payable	22,567	22,567
Notes Payable	254,232	254,232
Customer Deposits	7,743	7,743
TOTAL Current Liabilities	<u>419,926</u>	<u>372,807</u>
Non-Current Liabilities		
Pension Obligations - LT	911,556	1,223,455
TOTAL Non-Current Liabilities	<u>911,556</u>	<u>1,223,455</u>
Deferred Inflows		
Pension Related	119,127	12,714
TOTAL Deferred Inflows	<u>119,127</u>	<u>12,714</u>
Long Term Debt		
Bonds and Loans Payable	4,321,936	4,576,167
Landfill Closure	5,160,704	5,538,392
TOTAL Long Term Debt	<u>9,482,640</u>	<u>10,114,559</u>
Undefined	237,056	-
TOTAL	<u>237,056</u>	<u>-</u>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>11,170,304</u>	<u>11,723,536</u>
NET POSITION		
TOTAL NET POSITION	<u>16,271,998</u>	<u>16,666,391</u>

CITY OF UNALASKA, ALASKA
PORTS & HARBORS ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
October 31, 2018 and October 31, 2017

	Totals	
	2019	2018
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Cash and Cash Equivalents	150	150
Receivables		
Accounts	727,861	784,356
Intergovernmental	-	367,894
Equity in Central Treasury	15,842,741	28,209,512
Restricted Assets	2,451,749	2,592,782
TOTAL Current Assets	<u>19,022,502</u>	<u>31,954,694</u>
Property, Plant & Equipment		
Land	2,037,870	2,037,870
Buildings, Net	1,122,746	1,165,032
Other Improvements, Net	72,518,633	73,028,698
Equipment, Net	92,042	75,366
Construction in Progress	35,905,977	24,274,449
TOTAL Property, Plant & Equipment	<u>111,677,268</u>	<u>100,581,414</u>
Deferred Outflows		
Pension Related	212,594	533,099
TOTAL Deferred Outflows	<u>212,594</u>	<u>533,099</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>130,912,364</u>	<u>133,069,208</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	189,945	166,246
Intergovernmental AP	2,097,013	2,097,013
Retainage Withheld	-	-
Accrued Interest Payable	306,314	85,250
Revenue Bonds - Current	225,000	220,000
Unamortized Premium (Rev Bonds)	60,454	60,454
TOTAL Current Liabilities	<u>2,878,725</u>	<u>2,628,963</u>
Non-Current Liabilities		
Pension Obligations - LT	1,544,425	2,073,430
TOTAL Non-Current Liabilities	<u>1,544,425</u>	<u>2,073,430</u>
Deferred Inflows		
Pension Related	199,642	19,158
TOTAL Deferred Inflows	<u>199,642</u>	<u>19,158</u>
Long Term Debt		
Revenue Bonds - Long Term	32,865,000	33,090,000
Unamortized Premium - Long Term	1,425,158	1,485,612
TOTAL Long Term Debt	<u>34,290,158</u>	<u>34,575,612</u>
Undefined	402,074	-
TOTAL	<u>402,074</u>	<u>-</u>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>39,315,025</u>	<u>39,297,163</u>
NET POSITION		
TOTAL NET POSITION	<u>91,597,339</u>	<u>93,772,044</u>

CITY OF UNALASKA, ALASKA
AIRPORT ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
October 31, 2018 and October 31, 2017

	Totals	
	2019	2018
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	86,038	161,406
Equity in Central Treasury	1,607,240	1,522,012
TOTAL Current Assets	<u>1,693,277</u>	<u>1,683,418</u>
Property, Plant & Equipment		
Buildings, Net	2,286,878	2,494,921
Other Improvements, Net	335,702	440,898
Construction in Progress	40	-
TOTAL Property, Plant & Equipment	<u>2,622,619</u>	<u>2,935,819</u>
Deferred Outflows		
Pension Related	23,602	54,731
TOTAL Deferred Outflows	<u>23,602</u>	<u>54,731</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>4,339,499</u>	<u>4,673,968</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	5,434	4,781
Intergovernmental AP	3,752	3,752
Retainage Withheld	-	-
Customer Deposits	11,000	11,000
TOTAL Current Liabilities	<u>20,186</u>	<u>19,533</u>
Non-Current Liabilities		
Pension Obligations - LT	166,609	217,988
TOTAL Non-Current Liabilities	<u>166,609</u>	<u>217,988</u>
Deferred Inflows		
Pension Related	19,875	2,346
TOTAL Deferred Inflows	<u>19,875</u>	<u>2,346</u>
Undefined	39,047	-
TOTAL	<u>39,047</u>	<u>-</u>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>245,717</u>	<u>239,867</u>
NET POSITION		
TOTAL NET POSITION	<u>4,093,782</u>	<u>4,434,101</u>

CITY OF UNALASKA, ALASKA
HOUSING ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
October 31, 2018 and October 31, 2017

	Totals	
	2019	2018
ASSETS and DEFERRED OUTFLOWS		
Current Assets		
Receivables		
Accounts	3,650	3,650
Equity in Central Treasury	756,725	544,576
TOTAL Current Assets	<u>760,375</u>	<u>548,226</u>
Property, Plant & Equipment		
Land	269,577	269,577
Buildings, Net	3,800,491	3,979,884
Other Improvements, Net	68,627	71,399
Construction in Progress	8,489	-
TOTAL Property, Plant & Equipment	<u>4,147,184</u>	<u>4,320,861</u>
Deferred Outflows		
Pension Related	12,177	41,119
TOTAL Deferred Outflows	<u>12,177</u>	<u>41,119</u>
TOTAL ASSETS and DEFERRED OUTFLOWS	<u>4,919,736</u>	<u>4,910,206</u>
LIABILITIES and DEFERRED INFLOWS		
Current Liabilities		
Accrued Payroll & Related Liabilities	5,393	3,828
Customer Deposits	15,815	18,110
TOTAL Current Liabilities	<u>21,208</u>	<u>21,938</u>
Non-Current Liabilities		
Pension Obligations - LT	103,153	150,922
TOTAL Non-Current Liabilities	<u>103,153</u>	<u>150,922</u>
Deferred Inflows		
Pension Related	19,465	3,167
TOTAL Deferred Inflows	<u>19,465</u>	<u>3,167</u>
Undefined	36,311	-
TOTAL	<u>36,311</u>	<u>-</u>
TOTAL LIABILITIES and DEFERRED INFLOWS	<u>180,137</u>	<u>176,027</u>
NET POSITION		
TOTAL NET POSITION	<u>4,739,599</u>	<u>4,734,179</u>

OPEN CAPITAL PROJECTS AS OF 10/26/18

General Fund		Budget	Expensed	Encumbered	Available	Pending	Actual Available
D0810	S-Curves Pathway	\$ 174,000	\$ 65,706	\$ -	\$ 108,294	\$ -	\$ 108,294
PR19A	Town Park Improvements	\$ 340,000	\$ 14	\$ 2,070	\$ 337,916	\$ -	\$ 337,916
PR19B	Sitka Spruce Tree Park Improvements	\$ 70,000	\$ 6,480	\$ 44,436	\$ 19,084	\$ -	\$ 19,084
PR601	Public Library Improvements	\$ 400,000	\$ 3,543	\$ 163,451	\$ 233,006	\$ -	\$ 233,006
PS18A	Repeater Site & Radio Upgrade	\$ 310,000	\$ -	\$ -	\$ 310,000	\$ -	\$ 310,000
PS18B	Records Management System	\$ 500,000	\$ 213,162	\$ 250,442	\$ 36,396	\$ -	\$ 36,396
PS18C	Haystack Security Fence	\$ 295,665	\$ 2,300	\$ 30,700	\$ 262,665	\$ -	\$ 262,665
PS19A	Fire Training Facility	\$ 12,000	\$ 6,400	\$ -	\$ 5,600	\$ -	\$ 5,600
PS19B	ALS Defibrillators	\$ 65,500	\$ -	\$ 63,542	\$ 1,958	\$ -	\$ 1,958
PS19C	DPS Building Assessment	\$ 100,000	\$ 37	\$ -	\$ 99,963	\$ -	\$ 99,963
PW004	Iluluaq Lake Drainage	\$ 1,078,312	\$ 254,162	\$ 720,808	\$ 103,341	\$ -	\$ 103,341
PW19A	Captain's Bay Road & Utilities	\$ 1,250,000	\$ 328,542	\$ 159,265	\$ 762,193	\$ -	\$ 762,193
PW19B	Causeway Culver Replacement	\$ 100,000	\$ 7	\$ -	\$ 99,993	\$ -	\$ 99,993
PW203	City Wide Multiple Location Drainage	\$ 3,450,000	\$ 3,115,409	\$ 168,385	\$ 166,207	\$ -	\$ 166,207
PW301	Shore Protection & Erosion Control	\$ 265,000	\$ 264,862	\$ -	\$ 138	\$ -	\$ 138
SS601	UCSD Playground	\$ 300,000	\$ 38,192	\$ 25,300	\$ 236,508	\$ -	\$ 236,508
General Fund Totals		\$ 8,710,477	\$ 4,298,817	\$ 1,628,400	\$ 2,783,260	\$ -	\$ 2,783,260

Electric Fund		Budget	Expensed	Encumbered	Available	Pending	Actual Available
EL17B	Old Powerhouse Battery Replacement	\$ 763,070	\$ 73,891	\$ 55,917	\$ 633,261	\$ -	\$ 633,261
EL18B	Automatic Meter Read	\$ 119,362	\$ 13	\$ -	\$ 119,349	\$ -	\$ 119,349
EL18C	Wind Power Development	\$ 420,000	\$ 100,796	\$ 97,120	\$ 222,084	\$ -	\$ 222,084
EL19A	Generator Sets Rebuild (FY19)	\$ 1,292,652	\$ -	\$ 287,579	\$ 1,005,073	\$ -	\$ 1,005,073
EL19B	Flywheel Energy Storage	\$ 78,750	\$ 10	\$ 75,478	\$ 3,262	\$ -	\$ 3,262
EL302	Powerhouse Engine 4	\$ 8,575,088	\$ 8,012,550	\$ 48,766	\$ 513,773	\$ -	\$ 513,773
Electric Fund Totals		\$ 11,248,922	\$ 8,187,260	\$ 564,860	\$ 2,496,802	\$ -	\$ 2,496,802

Water Fund		Budget	Expensed	Encumbered	Available	Pending	Actual Available
WA17B	Fiber Optic Development	\$ 59,127	\$ -	\$ -	\$ 59,127	\$ -	\$ 59,127
WA17C	Pyramid Micro Turbines	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
WA18A	Generals Hill Water Booster Pump	\$ 221,600	\$ 23	\$ -	\$ 221,577	\$ -	\$ 221,577
WA304	Water Supply Development Phase II	\$ 560,020	\$ 398,814	\$ 116,785	\$ 44,421	\$ -	\$ 44,421
WA501	Pyramid Water Storage Tank	\$ 625,000	\$ 93,662	\$ -	\$ 531,338	\$ -	\$ 531,338
WA504	Water Utility Auto Meter Read	\$ 106,052	\$ 33,384	\$ -	\$ 72,668	\$ -	\$ 72,668
Water Fund Totals		\$ 1,621,799	\$ 525,883	\$ 116,785	\$ 979,131	\$ -	\$ 979,131

Wastewater Fund		Budget	Expensed	Encumbered	Available	Pending	Actual Available
J0519	Wastewater Treatment Plant	\$ 31,747,827	\$ 30,346,722	\$ 183,927	\$ 1,217,178	\$ -	\$ 1,217,178
WW17B	Fiber Optic Infrastructure Development	\$ 59,127	\$ -	\$ -	\$ 59,127	\$ -	\$ 59,127
WW17C	Lift Stations 2&5 Discharge Pipe	\$ 422,250	\$ 5,007	\$ 358,000	\$ 59,243	\$ -	\$ 59,243
WW19A	Eastpoint Road Sewer Repair	\$ 492,400	\$ 4,568	\$ 434,800	\$ 53,033	\$ -	\$ 53,033
Wastewater Fund Totals		\$ 32,721,604	\$ 30,356,297	\$ 976,727	\$ 1,388,580	\$ -	\$ 1,388,580

Solid Waste Fund		Budget	Expensed	Encumbered	Available	Pending	Actual Available
SW18A	Composting Project	\$ 105,000	\$ 55	\$ 4,643	\$ 100,303	\$ -	\$ 100,303
SW18B	Cells 3&4 Partial Closure	\$ 1,346,000	\$ 623,238	\$ 568,098	\$ 154,664	\$ -	\$ 154,664
Solid Waste Fund		\$ 1,451,000	\$ 623,293	\$ 572,741	\$ 254,967	\$ -	\$ 254,967

Ports Fund		Budget	Expensed	Encumbered	Available	Pending	Actual Available
PH17B	UMC Security Fencing	\$ 479,078	\$ 178,730	\$ 189,128	\$ 111,220	\$ -	\$ 111,220
PH17C	CEM Breakwater Repair	\$ 150,000	\$ 110,000	\$ -	\$ 40,000	\$ -	\$ 40,000
PH17D	UMC Positions 3&4 Replacement	\$ 38,889,640	\$ 31,507,604	\$ 4,964,388	\$ 2,417,648	\$ -	\$ 2,417,648
PH19A	Harbor Office Communication Line	\$ 152,000	\$ -	\$ -	\$ 152,000	\$ -	\$ 152,000
PH19B	UMC Laydown Area	\$ 5,400,000	\$ 14,792	\$ 142,952	\$ 5,242,256	\$ -	\$ 5,242,256
PH201	Entrance Channel Dredging	\$ 1,500,000	\$ 1,016,387	\$ -	\$ 483,613	\$ -	\$ 483,613
PH602	Light Cargo Dock & UMC Dredging	\$ 109,650	\$ -	\$ -	\$ 109,650	\$ -	\$ 109,650
PH905	Robert Storrs SBH Improvements A&B	\$ 50,000	\$ -	\$ 22,360	\$ 27,640	\$ -	\$ 27,640
Ports Fund Totals		\$ 46,730,368	\$ 32,827,513	\$ 5,318,828	\$ 8,584,027	\$ -	\$ 8,584,027

Airport Fund		Budget	Expensed	Encumbered	Available	Pending	Actual Available
AP18A	Airport Terminal Roof	\$ 140,000	\$ 40	\$ 32,803	\$ 107,157	\$ -	\$ 107,157
Airport Fund Totals		\$ 140,000	\$ 40	\$ 32,803	\$ 107,157	\$ -	\$ 107,157

Housing Fund		Budget	Expensed	Encumbered	Available	Pending	Actual Available
EH18A	LEAR RD DUPLEX KITCHEN/BATH RENO.	\$ 400,000	\$ 8,508	\$ 4,930	\$ 386,562	\$ -	\$ 386,562
Housing Fund Totals		\$ 400,000	\$ 8,508	\$ 4,930	\$ 386,562	\$ -	\$ 386,562

Grand Totals	\$ 103,024,170	\$ 76,827,611	\$ 9,216,073	\$ 16,980,487	\$ -	\$ 16,980,487
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City of Unalaska
General Fund - Budget to Actual & Projected Revenue Detail by Source and Expense Summary
For the Four Months Ending October 31, 2018, Projected to June 30, 2019

	Actual		%	Projected		%	Estimate - Budget
	Budget	YTD		Remaining	Total		
Raw Seafood Tax	\$ 4,200,000	\$ 1,824,350	43%	\$ 2,685,090	\$ 4,509,440	107%	\$ 309,440
AK Fisheries Business Tax	3,300,000	3,306,990	100%	225,000	3,531,990	107%	231,990
AK Fishery Resource Landing Tax	5,000,000	4,855,139	97%	225,000	5,080,139	102%	80,139
Property Taxes	6,100,000	6,453,857	106%	-	6,453,857	106%	353,857
Sales Tax	7,250,000	3,114,340	43%	2,685,090	5,799,430	80%	(1,450,570)
Investment Earnings - Cash Basis	1,400,000	734,085	52%	1,001,365	1,735,450	124%	335,450
Other Revenues	4,124,158	3,079,581	75%	1,714,954	4,794,535	116%	670,377
Totals revenues	<u>31,374,158</u>	<u>23,368,342</u>	74%	<u>8,536,498</u>	<u>31,904,840</u>	102%	<u>530,682</u>
Total expenditures	<u>31,232,656</u>	<u>11,755,928</u>	38%	<u>17,218,514</u>	<u>28,974,442</u>	93%	<u>(2,258,214)</u>
Change in fund balance	<u>\$ 141,502</u>	<u>\$ 11,612,414</u>		<u>\$ (8,682,016)</u>	<u>\$ 2,930,398</u>	2071%	<u>\$ 2,788,896</u>

City of Unalaska
General Fund - Budget to Actual & Projected Expense Summary by Department and Revenue Summary
For the Four Months Ending October 31, 2018, Projected to June 30, 2019

	Budget	YTD	%	Projected		%	Estimate - Budget
				Remaining	Total		
Total revenues	\$ 31,374,158	\$ 23,368,342	74%	\$ 8,536,498	\$ 31,904,840	102%	\$ 530,682
Mayor & Council	502,081	122,963	24%	245,926	368,889	73%	(133,192)
City Administration	1,590,185	608,997	38%	1,217,994	1,826,991	115%	236,806
City Clerk	511,038	154,842	30%	309,684	464,526	91%	(46,512)
Finance	2,049,531	754,798	37%	1,509,596	2,264,394	110%	214,863
Planning	779,748	209,353	27%	418,706	628,059	81%	(151,689)
Public Safety	6,633,327	1,770,177	27%	3,540,354	5,310,531	80%	(1,322,796)
Public Works	6,763,578	1,894,592	28%	3,789,184	5,683,776	84%	(1,079,802)
PCR	3,109,608	905,104	29%	1,810,208	2,715,312	87%	(394,296)
Other Expenses	6,146,890	2,188,432	36%	4,376,864	6,565,296	107%	418,406
Transfers	3,146,671	3,146,671	100%	-	3,146,671	100%	-
Totals expenditures	31,232,657	11,755,929	38%	17,218,516	28,974,445	93%	(2,258,212)
Change in fund balance	\$ 141,501	\$ 11,612,413		\$ (8,682,018)	\$ 2,930,395		\$ 2,788,894

City of Unalaska
Enterprise Funds - Budget to Actual & Projected Revenues & Expenses
For the Four Months Ending October 31, 2018, Projected to June 30, 2019

		Budget		YTD	%	Projected		%	Actual - Budget
						Remaining	FYTD		
Electric Proprietary Fund									
REVENUES	90%	\$	19,043,708	\$	7,119,988	37%	\$ 12,815,978	\$ 19,935,966	105% \$ 892,258
	Electric Line Repair & Maint		1,407,537		279,162	20%	558,324	837,486	60% (570,051)
	Electric Production		10,394,452		3,949,613	38%	7,899,226	11,848,839	114% 1,454,387
	Facilities Maintenance		131,805		15,770	12%	31,540	47,310	36% (84,495)
	Utility Administration		5,575,408		2,150,397	39%	4,300,794	6,451,191	116% 875,783
	Veh & Equip Maintenance		60,915		27,027	44%	54,054	81,081	133% 20,166
EXPENSES			17,570,117		6,421,969	37%	12,843,938	19,265,907	110% 1,695,790
	Operating income/(loss)		1,473,591		698,019		(27,960)	670,059	(803,532)
	Transfers Out		(1,871,402)		(1,871,402)	100%	-	(1,871,402)	-
Change in Net Position			(397,811)		(1,173,383)		(27,960)	(1,201,343)	(803,532)
Water Proprietary Fund									
REVENUES			2,646,584		1,098,027	41%	1,976,449	3,074,476	116% 427,892
	Facilities Maintenance		61,047		31,375	51%	62,750	94,125	154% 33,078
	Utility Administration		1,765,567		650,927	37%	1,301,854	1,952,781	111% 187,214
	Veh & Equip Maintenance		37,833		6,596	17%	13,192	19,788	52% (18,045)
	Water Operations		1,263,282		335,193	27%	670,386	1,005,579	80% (257,703)
EXPENSES			3,127,729		1,024,091	33%	2,048,182	3,072,273	98% (55,456)
	Operating income/(loss)		(481,145)		73,936		(71,733)	2,203	483,348
	Transfers In		-		-		-	-	-
	Transfers Out		(200,000)		(200,000)	100%	-	(200,000)	-
Change in Net Position			(681,145)		(126,064)		(71,733)	(197,797)	483,348
Wastewater Proprietary Fund									
REVENUES			2,648,412		847,719	32%	1,525,894	2,373,613	90% (274,799)
	Facilities Maintenance		44,478		18,570	42%	37,140	55,710	125% 11,232
	Utility Administration		1,983,714		770,616	39%	1,541,232	2,311,848	117% 328,134
	Veh & Equip Maintenance		28,376		8,839	31%	17,678	26,517	93% (1,859)
	Wastewater Operations		2,037,509		413,956	20%	827,912	1,241,868	61% (795,641)
EXPENSES			4,094,077		1,211,981	30%	2,423,962	3,635,943	89% (458,134)
	Operating income/(loss)		(1,445,665)		(364,262)		(898,068)	(1,262,330)	183,335
	Transfers In		1,032,021		-		-	-	(1,032,021)
	Transfers Out		(792,400)		(792,400)	100%	-	(792,400)	-
Change in Net Position			(1,206,044)		(1,156,662)		(898,068)	(2,054,730)	(848,686)
			0		0		0	0	0
Solid Waste Proprietary Fund									
REVENUES			2,600,500		797,180	31%	1,434,924	2,232,104	86% (368,396)
	Facilities Maintenance		80,454		16,790	21%	33,580	50,370	63% (30,084)
	Utility Administration		2,134,892		376,944	18%	753,888	1,130,832	53% (1,004,060)
	Veh & Equip Maintenance		1,634,202		531,861	33%	1,063,722	1,595,583	98% (38,619)
	Wastewater Operations		136,505		13,343	10%	26,686	40,029	29% (96,476)
EXPENSES			3,986,053		938,938	24%	1,877,876	2,816,814	71% (1,169,239)
	Operating income/(loss)		(1,385,553)		(141,758)		(442,952)	(584,710)	800,843
	Transfers In		116,612		-		-	-	(116,612)
	Transfers Out		-		-		-	-	#DIV/0!
Change in Net Position			(1,268,941)		(141,758)		(442,952)	(584,710)	684,231
			-		-		-	-	0
Ports & Harbors Proprietary Fund									
REVENUES			8,255,601		2,320,718	28%	4,177,292	6,498,010	79% (1,757,591)
	Bobby Storrs Small Boat Harb		151,057		48,933	32%	97,866	146,799	97% (4,258)
	CEM Small Boat Harbor		678,581		202,018	30%	404,036	606,054	89% (72,527)
	Facilities Maintenance		40,260		10,273	26%	20,546	30,819	77% (9,441)
	Harbor Office		6,365,904		1,996,080	31%	3,992,160	5,988,240	94% (377,664)
	Ports Security		81,515		13,787	17%	27,574	41,361	51% (40,154)
	Spit & Light Cargo Docks		638,411		200,780	31%	401,560	602,340	94% (36,071)
	Unalaska Marine Center		1,028,211		461,438	45%	922,876	1,384,314	135% 356,103
	Veh & Equip Maintenance		64,620		20,587	32%	41,174	61,761	96% (2,859)
EXPENSES			9,048,559		2,953,896	33%	5,907,792	8,861,688	98% (186,871)
	Operating income/(loss)		(792,958)		(633,178)		(1,730,500)	(2,363,678)	(1,570,720)
	Transfers In		-		-		-	-	-
	Transfers Out		(5,552,000)		(4,467,000)	80%	(1,085,000)	(5,552,000)	-
Change in Net Position			(6,344,958)		(5,100,178)		(2,815,500)	(7,915,678)	(1,570,720)
			-		-		-	-	-
Airport Proprietary Fund									
REVENUES			558,341		160,232	29%	288,418	448,650	80% (109,691)
	Airport Admin/Operations		629,870		210,197	33%	420,394	630,591	100%
	Facilities Maintenance		156,384		24,008	15%	48,016	72,024	46%
EXPENSES			786,254		234,205	30%	468,410	702,615	89% (83,639)
Change in Net Position			(227,913)		(73,973)		(179,992)	(253,965)	(26,052)
			-		-		-	-	-
Housing Proprietary Fund									
REVENUES			254,168		82,764	33%	148,975	231,739	91% (22,429)
	Facilities Maintenance		182,901		46,559	25%	93,118	139,677	76%
	Housing Admin & Operating		358,322		115,711	32%	231,422	347,133	97%
EXPENSES			541,223		162,270	30%	324,540	486,810	90% (54,413)
Change in Net Position			(287,055)		(79,506)		(175,565)	(255,071)	31,984

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2018-11

AN ORDINANCE AMENDING UNALASKA MUNICIPAL CODE TITLE 2 BY ADDING CHAPTER 2.46 CREATING THE DEPARTMENT OF FIRE AND EMERGENCY MEDICAL SERVICES; TO AMEND VARIOUS SECTIONS OF 2.44 TO UPDATE THE DEPARTMENT OF PUBLIC SAFETY, CHIEF OF POLICE AND DEPUTY CHIEF OF POLICE PROVISIONS; TO AMEND SECTIONS 2.96.050 AND 2.96.060 TO UPDATE TITLES IN REGARD TO EMERGENCY MANAGEMENT COORDINATION AND SUCCESSION; TO AMEND SUBSECTION 13.04.060(E) TO MAKE THE DEPARTMENT OF FIRE AND EMERGENCY MEDICAL SERVICES RESPONSIBLE FOR THE ISSUANCE OF BURN PERMITS; TO AMEND SUBSECTION 2.04.010(C) TO UPDATE THE LIST OF CITY MANAGER APPOINTEES; TO AMEND SECTION 2.04.020 TO UPDATE THE LIST OF CITY OFFICERS REQUIRED TO TAKE AN OATH OF OFFICE; TO AMEND SECTIONS 2.20.110, 9.12.010(G), 12.04.010(D) AND 14.04.010(E) TO UPDATE THE TITLE OF CHIEF OF POLICE; AND TO AUTHORIZE THE TRANSFER OF FY2019 APPROPRIATIONS FROM THE DEPARTMENT OF PUBLIC SAFETY TO THE DEPARTMENT OF FIRE AND EMERGENCY MEDICAL SERVICES

BE IT ENACTED by the City Council of the City of Unalaska:

Section 1: Form. Sections 2-21 of this Ordinance contain Code Ordinances; Section 22 is a Non-Code Ordinance.

Section 2: Amendment of Title 2. Title 2 of the Unalaska Code of Ordinances is hereby amended by the addition of a new Chapter 2.46 to read as follows:

2.46.010 DEPARTMENT OF FIRE AND EMERGENCY MEDICAL SERVICES.

There is created a Department of Fire and Emergency Medical Services, the head of which shall be the Fire Chief.

2.46.020 FIRE CHIEF.

The City Manager shall hire and supervise a Fire Chief to administer the Department of Fire and Emergency Medical Services.

2.46.030 DUTIES OF THE FIRE CHIEF.

Under the supervision of the City Manager, the Fire Chief shall have the following duties:

(A) Develop and manage the budget, operation and personnel of the Department of Fire and Emergency Medical Services;

(B) Appoint and supervise fire officers as needed for effective operation of the Department;

(C) Maintain adequate volunteer membership in the Department;

(D) Direct and manage all activities of the Department;

(E) Direct and manage the investigation of the cause, origin and circumstances of all fires;

(F) Establish Standard Operating Guidelines necessary to govern the discipline, training, and operation of the Department.

(G) Report Department status and activities to the City Manager; and

(H) Perform other such duties as may be necessary to ensure compliance with the requirements of applicable Alaska Statutes and Alaska Administrative Code including but not limited to 13 AAC 52.030, or as required by the City Manager.

2.46.040 DUTIES OF THE DEPARTMENT OF FIRE AND EMERGENCY MEDICAL SERVICES.

It shall be the duty of the Department of Fire and Emergency Medical Services to do the following:

(A) Provide fire suppression, fire prevention, rescue, and emergency medical services;

(B) Enforce ordinances relating to fires, fire prevention, and safety of persons from fire;

(C) Investigate fires to determine cause and origin as required by 13 AAC 52.030;

(D) Coordinate emergency response to hazardous materials incidents and natural or manmade disasters;

(E) Coordinate and perform search and rescue functions undertaken by the City of Unalaska;

(F) Provide fire safety, fire prevention, health, and safety education to attempt to reduce the risk and consequences of emergencies;

(G) Assist in the review of building plans and permits to include code inspections as requested by the Planning Director or the Alaska State Fire Marshal;

(H) Provide other services intended to protect life and property;

(I) Perform such other duties as shall be required of the Department by the City Manager.

2.46.050 OATH OF OFFICE.

The following members of the Department of Fire and Emergency Medical Services will be required to take and sign an Oath of Office prior to assuming duties of the position:

- (A) Fire Chief;
- (B) Fire Officers.

2.46.060 CODE OF ETHICS.

The fire and EMS service is founded on mutual respect and trust between responders and the citizens they serve. To ensure the continuing integrity of the fire and EMS service, the highest standards of ethical conduct must be maintained at all times. Therefore, all members of the Department of Fire and Emergency Medical Services must attest and subscribe to the Firefighter/EMT Code of Ethics as adopted by the Department.

Section 3: **Amendment of Section 2.44.010.** Section 2.44.010 of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

2.44.010 DEPARTMENT OF PUBLIC SAFETY.

There is created a Department of Public Safety, the head of which shall be the Chief of Police ~~Director of Public Safety~~.

Section 4: **Amendment of Section 2.44.020.** Section 2.44.020 of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

2.44.020 CHIEF OF POLICE ~~DIRECTOR OF PUBLIC SAFETY~~.

The Chief of Police ~~Director of Public Safety~~ shall be appointed by the City Manager and shall hold office at the discretion of the City Manager. The Chief of Police ~~Director of Public Safety~~ shall also hold the title of Chief of Police and serve as the Sergeant at Arms during City Council meetings.

Section 5: Amendment of Section 2.44.030. Section 2.44.030 of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

2.44.030 DUTIES OF THE CHIEF OF POLICE ~~DIRECTOR OF PUBLIC SAFETY~~.

Under the supervision of the City Manager, the Chief of Police ~~Director of Public Safety~~ shall have the following duties:

(A) Supervise all activities of the Department;

(B) Establish a set of rules and regulations governing the discipline, training, and operation of the Department, including Standard Operating Guidelines necessary to govern the discipline, training, and operation of the Division of Police Services;

(C) Direct and manage dispatch services;

(D) Direct and manage the community contract jail;

(E) Direct and manage contract DMV services;

(F) Report Department status and activities to the City Manager;

(GG) Perform other such duties as may be specified in this Code or by the City Manager.

Section 6: Amendment of Section 2.44.040. Section 2.44.040 of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

2.44.040 SUCCESSION TO THE ~~DIRECTOR OF PUBLIC SAFETY~~ CHIEF OF POLICE.

Should the Chief of Police ~~Director of Public Safety~~ position become vacant or should the Chief of Police ~~Director~~ be absent or unable to perform the duties of the office, the order of interim succession of the Chief of Police ~~Director of Public Safety~~ shall be as follows:

(A) The Deputy Chief of Police;

~~(B) The Fire Chief~~

(BG) The Police Sergeants in order of seniority.

Section 7: Amendment of Section 2.44.060. Section 2.44.060 of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

2.44.060 DEPUTY CHIEF OF POLICE.

The Chief of Police ~~Director of Public Safety~~ shall hire and supervise a Deputy Chief of Police to administer the Division of Police Services.

Section 8: Amendment of Section 2.44.070. Section 2.44.070 of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]:

2.44.070 DUTIES OF THE DEPUTY CHIEF OF POLICE.

Under the supervision of the Chief of Police ~~Director of Public Safety~~, the Deputy Chief of Police shall have the following duties:

- (A) Manage the budget, operation and personnel of the Division of Police Services;
- (B) Direct and manage all activities of the Division;
- ~~(C) Direct and manage the community contract jail;~~
- ~~(DC)~~ Direct and manage Animal Control;
- ~~(E) Direct and manage contract DMV services;~~
- ~~(F) Establish Standard Operating Guidelines necessary to govern the discipline, training, and operation of the Division;~~
- ~~(GD)~~ Report Division status and activities to the Chief of Police ~~Director of Public Safety~~; and
- ~~(HE)~~ Perform other such duties as may be necessary to ensure compliance with the requirements of applicable Alaska Statutes and Alaska Administrative Code, or as required by the Chief of Police ~~Director of Public Safety~~.

Section 9: Amendment of Subsection 2.44.080(J). Subsection 2.44.080(J) of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

(J) Perform such other duties as shall be required of the Division by the Chief of Police ~~Director~~.

Section 10: Repeal of Sections 2.44.100-2.44.130. Sections 2.44.100, 2.44.110, 2.44.120, and 2.44.130 are hereby repealed and deleted in their entirety.

Section 11: Amendment of Section 2.44.140. Section 2.44.140 of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

2.44.140 OATH OF OFFICE.

The following members of the Department of Public Safety will be required to take and sign an Oath of Office prior to assuming duties of the position:

- (A) ~~Deputy~~ Chief of Police;
- (B) ~~Fire~~ Deputy Chief of Police;
- (C) Police Officers;
- (D) Corrections Officers;
- ~~(E) Fire Officers.~~

Section 12: Amendment of Section 2.44.150. Section 2.44.150 is hereby amended to read as follows: [deletions are overstruck]

2.44.150 CODE OF ETHICS.

Certain members of the Department of Public Safety will be required to attest and subscribe to a Code of Ethics:

(A) In accordance with 13 AAC 85.040 members required to hold a basic, intermediate, or advanced police certificate must attest and subscribe to the law enforcement Code of Ethics.

(B) In accordance with 13 AAC 85.235 members required to hold a basic, municipal correctional officer certificate must attest and subscribe to the municipal correctional officer Code of Ethics.

~~(C) The fire and EMS service is founded on mutual respect and trust between responders and the citizens they serve. To ensure the continuing integrity of the fire and EMS service, the highest standards of ethical conduct must be maintained at all times. Therefore, all members of the Division of Fire and EMS must attest and subscribe to the Firefighter/EMT Code of Ethics as adopted by the City of Unalaska Department of Public Safety.~~

Section 13: Amendment of Section 2.96.050. Section 2.96.050 of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

2.96.050 EMERGENCY MANAGEMENT COORDINATOR.

(A) The City Manager shall appoint an Emergency Management Coordinator who shall be a person well versed and trained in planning operations involving the activities of many different agencies which will operate to protect the public health, safety, and welfare in the event of danger from enemy action or disaster as defined in this Chapter.

(B) If the City Manager elects to appoint someone other than the Chief of Police ~~Director of Public Safety~~ as Emergency Management Coordinator, the Chief of Police ~~Director of Public Safety~~ will assist the appointed individual in the planning operations of Emergency Management including mitigation, preparedness, response, and recovery procedures.

(C) The Emergency Management Coordinator shall be responsible to the City Manager in regard to all phases of emergency preparedness activity in the city. Under the supervision of the City Manager, the Emergency Management Coordinator shall maintain liaison with the state and federal authorities and the authorities of other nearby political preparedness plans, and, during a proclaimed disaster emergency, shall maintain operational control of emergency activities from an Emergency Operations Center.

Section 14: Amendment of Section 2.96.060. Section 2.96.060 of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

2.96.060 SUCCESSION TO OFFICE OF EMERGENCY MANAGEMENT COORDINATOR.

Should the Office of Emergency Management Coordinator become vacant or should the Coordinator be absent or unable to perform their duties, the order of interim succession of the office of Emergency Management Coordinator shall be determined as follows:

- (A) The Chief of Police ~~Director of Public Safety~~;
- (B) The Deputy Chief of Police ~~of the Department of Public Safety~~;
- (C) The Fire Chief ~~of the Department of Public Safety~~;
- (D) Such other person as may be designated by the City Council or the City Manager.

Section 15: Amendment of Subsection 13.04.060(E). Subsection 13.04.060(E) of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

(E) Permits may be obtained from the Department of Fire and Emergency Medical Services ~~Public Safety located at 29 Safety Way, in Unalaska.~~

Section 16: Amendment of Subsection 2.04.010(C). Subsection 2.04.010(C) of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

(C) The following employees shall be appointed by the City Manager and shall serve at the discretion of the City Manager:

- (1) Assistant City Manager;
- (2) City Clerk;
- (3) Director of Finance;
- (4) Director of the Department of Planning;
- (5) Chief of Police ~~Director of the Department of Public Safety~~;
- (6) Director of the Department of Public Works;
- (7) Director of the Department of Parks, Culture and Recreation;
- (8) Director of Public Utilities;
- (9) Fire Chief
- (~~9~~10) Port Director; and
- (~~10~~11) Such other employees as may be authorized by the City Council.

Section 17: Amendment of Section 2.04.020. Section 2.04.020 of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

2.04.020 OATH OF OFFICE.

City officers, before taking office, shall affirm in writing that they will honestly, faithfully, and impartially perform their duties. The oath shall be filed with the City Clerk. The following city officials are required to sign the oath:

- (A) All elected officials;
- (B) Planning Commission members;
- (C) City Manager;
- (D) Assistant City Manager;
- (E) City Clerk;
- (F) Director of Finance;
- (G) Public Safety employees identified in 2.44.140 ~~Director of the Department of Public Safety;~~
- (H) Fire and Emergency Medical Services employees identified in 2.46.050
- (~~H~~) City Attorney.

Section 18: Amendment of Section 2.20.110. Section 2.20.110 of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

2.20.110 DUTIES OF THE SERGEANT AT ARMS AT CITY COUNCIL MEETINGS.

The Sergeant At Arms shall maintain order during City Council meetings at the direction of the Mayor. If Council members or meeting attendees are disruptive, the Sergeant may warn them and, in extreme cases, escort them out of the meeting. The Sergeant At Arms is also responsible for security during the meeting. The Chief of Police ~~Director of Public Safety~~ shall serve as the Sergeant At Arms during Council meetings.

Section 19: Amendment of Subsection 9.12.010(G). Subsection 9.12.010(G) of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

(G) “Director of Department of Public Safety” or “Director” means the Chief of Police ~~Director of the Unalaska Department of Public Safety~~ or their his or her designee.

Section 20: Amendment of Subsection 12.04.010(D). Subsection 12.04.010(D) of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

12.04.010 DEFINITIONS.

In this chapter, unless the context otherwise requires:

(D) “Director” means the Chief of Police ~~Director of the Unalaska Department of Public Safety~~ or his or her designee

Section 21: Amendment of Subsection 14.04.010(E). Subsection 14.04.010(E) of the Unalaska Code of Ordinances is hereby amended to read as follows: [additions are underlined, deletions are overstruck]

(E) “DIRECTOR OF PUBLIC SAFETY” means the Chief of Police ~~Director of Public Safety~~ and any designee of the Chief of Police ~~Director of Public Safety~~.

Section 22: Authorization for Transfer of FY2019 Appropriations.

Pursuant to Section 6.12.050 of the Unalaska Code of Ordinances, the City Council authorizes and approves the transfer of previously appropriated money from the Department of Public Safety to the Department of Fire and Emergency Medical Services to the extent necessary to fund the Department of Fire and Emergency Medical Services for the balance of FY2019 without increasing the total amount of the FY2019 appropriation for the Department of Public Safety. The City Manager shall submit a more specific proposed budget amendment for the balance of FY2019 reflecting the amount of funds transferred to the Department of Fire and Emergency Medical Services for Council approval no later than January 31, 2019.

Section 23: Effective Date. This ordinance shall be effective upon adoption.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 11, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Thomas Thomas, City Manager
Date: November 27, 2018
Re: Ordinance 2018-11, Public Safety Organizational Structure

SUMMARY: Ordinance 2018-11 amends Title 2, creating a Fire and EMS Department separate from the Department of Public Safety, with the Fire Chief and Police Chief reporting directly to the City Manager. The City Manager recommends approval.

PREVIOUS COUNCIL ACTION: City Council has discussed various options for the future of the Department Public Safety over the last few years. City Council took formal action at their meeting on July 24 to move forward with creating a standalone Fire Department.

BACKGROUND: The Director of Public Safety position, who also serves as the Police Chief, is vacant. A vacancy in this position provides an opportunity to analyze the organizational structure of DPS and the role of the director.

Over the last few months the City Manager has discussed various organizational options for the Department of Public Safety internally with the Assistant City Manager, Acting Public Safety Director and Fire Chief. City Council's involvement is required for related code changes and amendments to existing plans and agreements (Emergency Operations). The City Manager and Assistant City Manager then met with members of Council to review the options and garner feedback.

DISCUSSION: The City Attorney prepared Ordinance 2018-11 amending Title 2 to create a Fire Department separate from the Department of Public Safety with the Fire Chief and Police Chief reporting directly to City Manager. Specifically, this Ordinance:

- 1) Adds Section 2.46 to form a Department of Fire and Emergency Medical Services, the head of which will be the Fire Chief;
- 2) Amends Section 2.44 to state that the Police Chief is the head of Public Safety, and updates the Public Safety Department, Police Chief and Deputy Chief of Police provisions;
- 3) Amends Sections 2.96.050 and 2.96.060 to update titles in regard to emergency management coordination and succession;
- 4) Amends Section 13.04.060 to make the Department of Fire and Emergency Medical Services responsible for the issuance of burn permits;
- 5) Amends Subsection 2.04.010(C) to update the list of City Manager appointees;
- 6) Amends Section 2.04.020 to update the list of city officers required to take an oath of office;

- 7) Amends Sections 2.20.110, 9.12.010(G), 12.04.010(D) and 14.04.010(E) to update the title to Chief of Police; and
- 8) Authorizes the transfer of FY19 appropriations from the Department of Public Safety to the Department of Fire and Emergency Medical Services.

This memo highlights the benefits, the challenges, and outlines some of the necessary actions associated with the implementation of this Title 2 change.

The development of a new or improved facility will help address the challenges associated with the current building and improve the effectiveness of the departments and security requirements. The new or improved building could be designed to better meet the unique needs of all divisions and provide for the efficient use of shared resources.

Benefits. The Director of Public Safety (Police Chief) and Fire Chief would be on equal footing organizationally. This reporting structure would provide a direct line of communication from both Police and Fire to the City Manager. The potential exists for cost savings if the reorganization results in reclassification of the pay scale of the Director of Public Safety (Police Chief) due to shifting supervisory responsibility for the Fire Department. The Fire Department would be able to specifically set goals, budget and CMMP Projects with the City Manager catered to the Department's needs.

Challenges. This option would need to address the reporting structure for the Office Manager, who currently reports to the Director of Public Safety (Police Chief) and has the DMV agent reporting to the Office Manager. The reporting structure of Dispatch and Communications, currently under the Fire Division but mostly handling enforcement calls, would be better suited in the Police Division.

Actions. Suggested refinements and necessary actions associated with implementing these Title 2 changes include:

- 1) Address Security Issues
 - a. Consider additional technical or physical limitations to restrict access to certain computer systems.
 - b. Assist Fire Department full time employees to have individual security clearances from the State.
 - c. Coordinate escorts for Fire personnel and volunteers without security clearance with the Police Chief when necessary.
- 2) Revise Organization Chart
 - a. Director of Public Safety (Police Chief) and Fire Chief reporting to City Manager.
 - b. Office Manager technically reporting to the Director of Public Safety (Police Chief). For evaluation purposes, this would be the same as the Office Manager for DPU and DPW. That Officer Manager technically reports to the DPW Director.
 - c. Dispatch/Communications Division shifts from the Fire Division to the Police Division.
- 3) Revise and Develop Job Descriptions
 - a. Update who the Dispatch Sergeant and the Office Manager report to in their job descriptions.

FINANCIAL IMPLICATIONS: The costs associated with the development of a new or improved facility would be determined on the specific needs and a defined scope of work. Attorney fees for assistance in drafting, interpreting and reviewing documents, programs and agreements are likely. The Finance Director will provide a proposed budget amendment regarding creating a standalone Fire Department.

LEGAL: The City Attorney prepared the proposed Ordinance, and has provided legal opinions regarding the City's obligations to PERS and security issues. The City Attorney will assist with the development, interpretation, and review of related documents and agreements.

PROPOSED MOTION: I move to approve Ordinance 2018-11 and schedule it for a second reading and public hearing on December 11, 2018.

CITY MANAGER'S COMMENTS: I recommend approval of Ordinance 2018-11.

ATTACHMENTS:

City Attorney's memo of October 2, 2018 regarding security issues

City Attorney's memo of July 11, 2018 regarding impact on city's obligation to PERS

Proposed Organizational Chart

BOYD, CHANDLER & FALCONER, LLP

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MEMORANDUM

CONFIDENTIAL
ATTORNEY-CLIENT COMMUNICATION

TO: Thomas Thomas
Unalaska City Manager



FROM: Brooks W. Chandler
City Attorney

RE: Security Issues Related to Potential Title 2 Amendments

DATE: October 2, 2018 [update of September 18, 2018 memorandum]

In response to general concerns about “security” raised during consideration of proposed amendments to Title 2 you asked whether there were any legal impediments to reorganizing fire/EMS services from a division of the public safety department to an independent city department. Provided dispatch services are transferred from the fire division to the police department (as proposed by the current draft ordinance), in our opinion, the answer is NO. The reasons for this conclusion are set forth in greater detail below.

Facts

The City of Unalaska currently combines firefighting, EMS and police services within a single public safety department. The director/police chief supervises the fire department and hires the fire chief. The fire chief is responsible for dispatch services covering both police services and fire/EMS services.

The City of Unalaska is considering reorganizing the public safety department by making what is currently the fire division a separate fire department. Instead of being supervised by the public safety director, the fire chief would be supervised by the city manager. There could still be a public safety director who will serve as the department head of the public safety department. The public safety director may supervise up to four divisions (police, dispatch, animal control and corrections) depending on the final form of the reorganization ordinance. Alternatively, references to the public safety director could be deleted from the code. In either instance, the City will continue to employ a police chief, dispatchers and operate a community jail.

The City participates in the State of Alaska Public Safety Information Network (APSIN). APSIN stores criminal history and related information in a computer database application and also serves as a “portal” to access criminal justice information stored on databases maintained by other states. Nearly all of this information is treated as confidential in varying degrees.

Authorization to use APSIN is on an “employee by employee” basis. Employees authorized to use APSIN must be individually approved by the State. Once approved access requires an individual password.

Currently fire division personnel and police services division personnel share the same building. That would continue regardless of whether this ordinance was adopted. When entering the police station fire division personnel could theoretically have physical access to computer terminals used to access APSIN or could have an opportunity to see information printed out from the APSIN system.

Law

State Law. AS 12.62 provides authorization for the State of Alaska Department of Public Safety to operate and maintain a criminal justice information system “in a manner that protects victims of crime, allows the proper administration of justice, and avoids vigilantism.”¹ The Unalaska Public Safety Department is required to input information regarding crimes committed in Unalaska to the system (known as APSIN)². The department is required to:

provide adequate procedures and facilities to protect criminal justice information from unauthorized access and from accidental or deliberate damage by theft, sabotage, fire, flood, wind, or power failure;

¹ AS 12.62.005.

² AS 12.62.120(b).

provide procedures for screening, supervising, and disciplining agency personnel in order to minimize the risk of security violations;

provide training for employees working with or having access to criminal justice information

AS 12.62.150(3),(4),(5).

There are specific limitations on the use of this information and who may be provided criminal justice system information³. There is no specific prohibition on use of APSIN information in connection with non-criminal missions such as fire or EMS services, however, release in connection with life-saving activities is limited to situations involving “imminent danger to life or extensive damage to property”⁴.

State Regulation. In order to be able to directly access APSIN the city must agree “to abide by applicable state and federal statutes and regulations and other mandatory federal requirements relating to criminal justice information systems”⁵. A city employee cannot use APSIN unless the state has given the city “a security clearance for that person”⁶. In order to obtain the necessary security clearance the city employee must be an employee of “a criminal justice agency” of the city⁷. A “criminal justice agency” is defined under state law as a “subdivision of a government entity that allocates a substantial portion of its budget to a criminal justice activity”.⁸ Criminal justice activity is defined as “investigation, identification, apprehension, detention, pretrial or post-trial release, prosecution, adjudication, or correctional supervision or rehabilitation of a person accused or convicted of a crime”⁹.

Federal Standards. Federal standards more specifically address physical security of criminal justice information. Federal standards reference a “physically secure location” under the

³ AS 12.62.160.

⁴ AS 12.62.160(b)(1).

⁵ 13 AAC 68.215(a). We presume Unalaska has signed such an agreement.

⁶ 13 AAC 68.215(b).

⁷ 13 AAC 68.215(a),(b).

⁸ AS 12.62.900(11)(b); 13 AAC 68.905(14).

⁹ AS 12.62.900(10)(a).

“control” of the police department which includes limited access¹⁰. The FBI policies have not been specifically adopted by the state via regulation. The federal standards envision separate rooms or “wings” of a building which may have restricted access to computers used to access APSIN even among employees of a police department.

In particular the following federal standards set “guidelines” which local law enforcement are expected to observe as a condition for obtaining access to a federal criminal database.

1. Access to Information- as previously mentioned the State administers who is granted access to what the federal government calls “CJI” (criminal justice information) which has multiple subparts. There is no additional federal requirement that would impact the City. (See pages 63-65 of federal guidelines). The federal standards also provide guidance regarding what types of CJI are considered public and what are protected. None of these guidelines impacts establishment of a separate fire department other than the dispatch function. In addition there are guidelines for the mechanical steps to be followed by authorized users to gain access to CJI. (see pages 31-34 of federal guidelines). Again none of these would ordinarily be applicable to firefighters who should have virtually no need currently to access CJI and would not suddenly have a need to do so because an independent fire department was established. Any issue related to access is addressed by having dispatchers remain within the police department. There are guidelines for passwords, personal identification numbers and advanced authentication. (see pages 34-46 of federal guidelines).

2. Access to Hardware and Software- there are federal guidelines regarding who has access to make software and hardware changes to a system used to access CJI. This should have no impact as we assume the City’s IT department would take the lead in these situations whether there is or is not an independent fire department. Other technical guidelines relate to “connectivity” between systems, spam and spyware protection, encryption, and drive partitioning and would similarly be within the expertise of the IT department. (Federal guidelines pages 53-60). There are also technical standards for mobile devices and tablets which again should be an IT issue and could possible require reconfiguration of such devices currently issued to employees of the fire division. (Federal guidelines pages 66-72).

3. Media Protection- there are guidelines for protection of digital and physical media. (Federal guidelines pages 49-50).

4. Physical layout- hardware used to access CJI must be located in a “physically secure location”. Assuming the city already meets this guideline establishing an independent fire department would not create noncompliance. But this “physically secure location” must be within the control of the police department not the fire department. So if the current system used

¹⁰ Policy 5.9.1, Criminal Justice Information Services Security Policy (FBI).

to access CJI is currently located in an area of the building shared by the fire and police divisions the city may need to install additional locks or otherwise restrict access within the shared physical space. (See federal guidelines pages 51-52).

Alternatively, or in addition to additional physical restrictions, the City will need to make sure individual fire department members who will frequently be entering the shared police station/fire station have been given security clearance by the State (which involves a background check), and participated in security training led by the State. Fire department personnel who will not frequent the police station should be made aware that when they do enter the police station they will need to be escorted by police department personnel. These requirements are not specified in regulation or statute but are part of the State's policy on security of APSIN information. We have forwarded the form used for the security clearance. These same requirements currently apply to city employees or contractors that clean the police station so should be familiar to DPS.

City Code. UCO 2.44.130(I) states the Division of Fire and Emergency Medical Services is responsible to "provide dispatch services for the Department, Alaska State Troopers, and other emergency response agencies". The fire chief is to "Direct and manage dispatch services".¹¹ There are no code provisions specific to APSIN.

Analysis

We do not believe a stand alone fire department meets the state law definition of a criminal justice agency. So if dispatchers are part of a stand alone fire department it is unlikely dispatchers will qualify for the necessary security clearance to use APSIN. If dispatchers currently employed by the City have been authorized to access APSIN we believe the dispatch function must be part of the police department.

We do not believe the requirement to provide "adequate facilities" or a "physically secure location" to protect criminal justice system information from unauthorized access presents a legal impediment to establishing a separate fire department. To the extent fire department members without APSIN security clearances continue to need to use police department facilities a proposed reorganization does not create a situation any different than exists today. The City is already required to limit access. But some consideration on either a technical level (restricting access to certain parts of a computer system which could be used to access APSIN to a broader range of persons or terminals) or a physical level (an additional locked room for instance) should be considered during any transition process if a stand alone fire department is created. And certain fire department employees who have not previously been provided individual security

¹¹ UCO 2.44.120(E).

clearances by the State should obtain security clearance. Finally, other fire department employees who infrequently enter the police station should be informed they will need to be escorted to the fire department “side” of the building by police personnel. This escort policy should be coordinated with the police chief.


Let me know if you have any additional questions on this topic.

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MEMORANDUM

CONFIDENTIAL
ATTORNEY-CLIENT COMMUNICATION

TO: Thomas Thomas
Unalaska City Manager

FROM: 
Brooks W. Chandler
City Attorney

RE: Impact of Potential Title 2 Amendments on City Obligations to PERS

DATE: July 11, 2018

You asked whether amending Title 2 to reorganize the fire department as a stand alone city department would result in the City being required to amend its participation agreement with PERS and conduct a "termination study" for the position of public safety director. In our opinion, the answer is NO. The reasons for this conclusion are set forth in greater detail below.

Facts

The City of Unalaska police chief has two titles. Police chief and director of the public safety department. The director/police chief supervises the fire department and hires the fire chief.

The City of Unalaska is considering reorganizing the public safety department by making what is currently the fire division a separate fire department. Instead of being supervised by the public safety director, the fire chief would be supervised by the city manager. There could still be a public safety director who will serve as the department head of the public safety department. The public safety director may supervise up to four divisions (police, dispatch, animal control and corrections) depending on the final form of the reorganization ordinance. Alternatively, references to the public safety director could be deleted from the code. In either instance, the City will continue to employ a police chief.

The City participates in the State of Alaska Public Employees Retirement System (PERS). The participation agreement between the City and PERS identifies employees in the

plan as all city employees who work at least 30 hours per week and are not seasonal employees¹.

In 2013, the City adopted a classification plan as part of a compensation study intended to evaluate the City's pay scale. The classification of positions in that study was organized using "Bands", "Grades" and "Subgrades". The public safety director is not specifically mentioned in the 2013 classification plan, however the DPS Director is classified as Band E, Grade 8, Subgrade 3. There are 5 city employees within this pay classification².

Law

State Law. AS 39.35.625 requires municipal employers to make a payment to PERS whenever the employer "terminates participation of a department, group, or other classification of employees in the plan". The amount of the payment is determined based upon a "study" and is a mechanism for PERS to reduce its unfunded liability for future payments to retirees. 2 AAC 35.235(a). The phrase "classification of employees" is not defined in either state statute or regulation.

City Code. UCO 2.44.020 states the Director of the Department of Public Safety "shall be appointed by the City Manager and shall hold office at the discretion of the City Manager. The Director of Public Safety shall also hold the title of Chief of Police . . .",

Chapter 3.16 establishes the city's classification plan described as the "grouping of positions into appropriate classes which are sufficiently similar with respect to duties and responsibilities." The classification plan is set by city council resolution and "shall be periodically updated"³.

UCO 3.56.010 requires executive positions to be "included in the classification plan and allocated to an executive pay level as defined in the pay plan". The code section also states, "Should the City Manager reassign the duties of an executive position in such a manner as to necessitate placement at a higher or lower executive pay level, such action shall require approval of the City Council."

Some positions are "wholly or partially exempt" from the "classified service". Whether a position is exempt depends on whether the person holding the position serves "at

¹ Amendment 1 to PERS Agreement - May 26, 1999; Resolution No. 99-01.

² 7/11/18 email from Ms. Reinders. The others are also department heads.

³ UCO 3.16.010

the discretion of the appointing authority” and whether the position has been established by ordinance⁴.

Analysis

The purpose of the AS 39.35.625 termination study requirement is to prevent increases in the PERS unfunded liability that would otherwise result from reducing the number of city employees covered by PERS. The most common examples are “contracting out” the functions of a city department or declaring that one particular position will no longer be covered by a city’s participation agreement.

The plan to reorganize the Department of Public Safety does not terminate the participation of the director of public safety in PERS. The DPS director has always served as the chief of police and will continue to do so. The City will have the same number of employees in PERS if the proposed reorganization takes place as it does today. Changing the duties of a chief of police is not the equivalent of the termination of a classification of employees under AS 39.65.625. Requiring a termination study when a city employee with two titles has their job description changed to hold one title would not be consistent with the purpose of AS 39.35.625.

In addition, the Director of Public Safety is not a distinct “classification” under the city’s pay plan. There are presently 5 employees in classification E(8)(3) in the executive pay plan. Even if the change in duties results in a reclassification to a lower pay scale at least 4 employees will remain in classification E(8)(3). Therefore the City is not terminating participation of the E(8)(3) employee classification in PERS. AS 39.35.625 is not applicable to this potential reorganization.

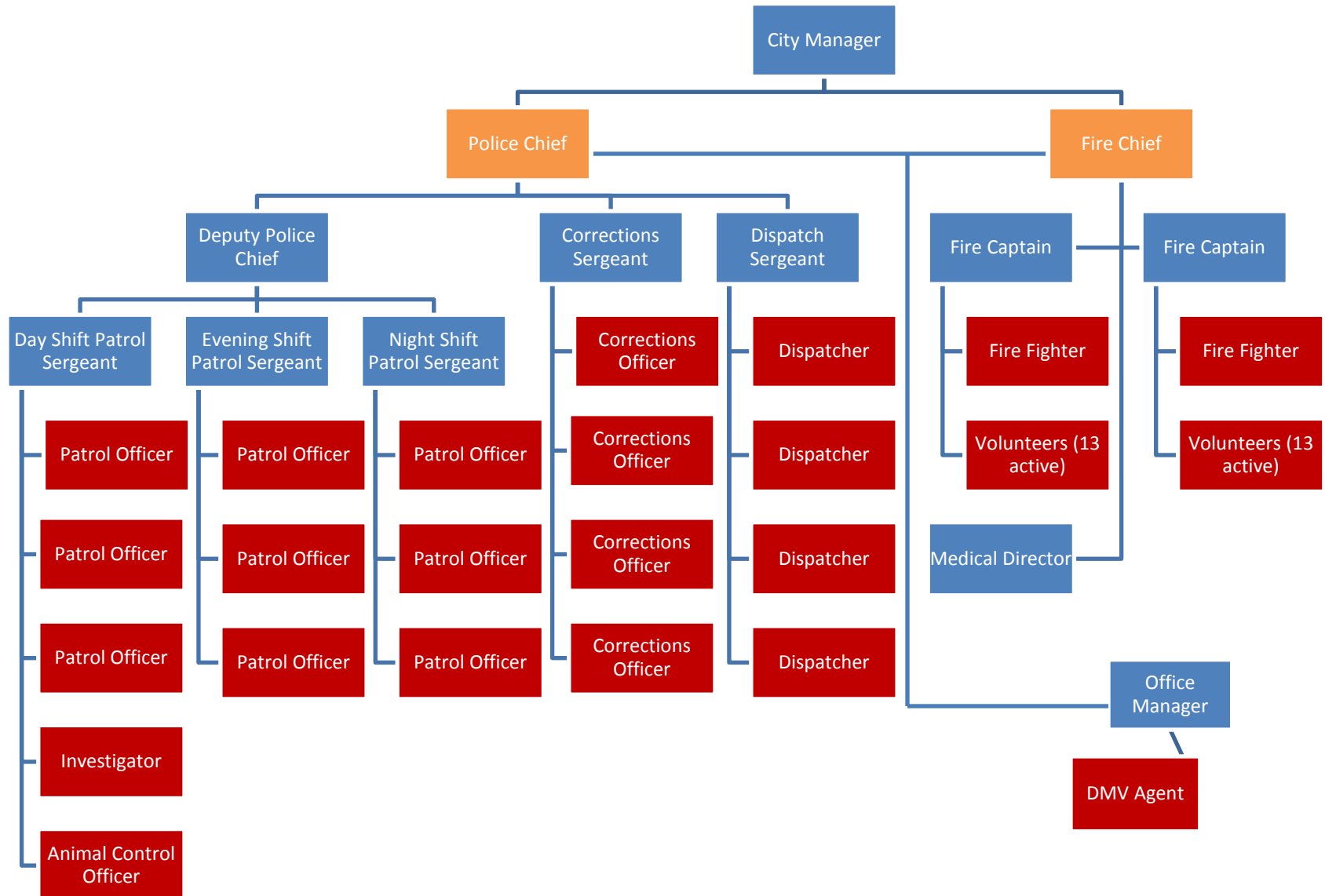
Recommendation

If the City remains concerned about possible termination study requirements resulting from reorganization it is possible to amend Chapter 2.44 in a manner that allows the police chief to retain two titles. This can be done by creating another division within the Department of Public Safety (such as the Dispatch Division or the Corrections Division). Proceeding in this fashion will add to what we believe is already an ironclad case should the PERS administrator assert a termination study is required.

Let me know if you have any additional questions on this topic.

⁴ UCO 3.16.010.

Proposed Organizational Structure



MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Bil Homka, Planning Director
Through: Thomas Thomas, City Manager
Date: December 11, 2018
Re: Annual Council review of the CMMP, Budget Schedule and Community Support program

SUMMARY: Every year, City Council reviews the Capital and Major Maintenance Plan (CMMP) schedule. New this year is that the Planning Department will be administering the Community Support Program, including the process, application review, and program monitoring.

No revisions were made to the CMMP review process, but we changed the manner in which Directors submit the projects to the Planning Department. Past years required projects to be submitted using Microsoft Word, Power Point, Excel and Publisher. This year we combined all of the information within PowerPoint and have spreadsheets and project description areas within that software and nomination sheets.

We kicked off the FY20 cycle in September and the deadline for new CMMP nominations and updates to existing projects is Wednesday December 12, 2018. City Council will see the first draft of the CMMP and its projects on February 12, 2019. City Council will see any project revisions and hear more about the applications at its meeting on March 26, 2019. About one month later City Council will review and hopefully adopt the CMMP budget and its projects on April 23, 2019. The attached schedule lists the important dates for the CMMP as well as the City's Community Grants Program. No Council action is required on the CMMP program this evening.

No revisions were made to the Community Support Program process or documents and staff requests concurrence for the FY20 grant cycle as to the application availability date of Thursday, December 27, 2018, and the completed application due date of Friday, February 1, 2019, by 4:00 p.m. No Council action on the Community Support Program is required this evening.

PREVIOUS COUNCIL ACTION: Council reviews the CMMP and Community Support Program process each year and subsequently the proposed Budget Schedule. This is the Budget Schedule which is typically heard at City Council's first meeting in December each year.

BACKGROUND: Last year City Council reviewed and approved the **FY19 CMMP**, with 34 projects. Fourteen (14) projects were identified primarily as General Fund projects. Four (4) projects were funded primarily by Electrical Proprietary funds. Other proprietary

funds provided the basis for two projects each in the Water and Wastewater categories. There were three (3) new water distribution projects. The Ports Proprietary fund proposes or funds another seven (7) projects and the Housing Proprietary funds pay for two (2) projects. The total value of all projects contained in the FY19 5 Year CMMP was \$84,916,763. The projects proposed to be undertaken in FY19 amounted to \$11,191,507.

Over the years, the **Community Support Program** has grown in popularity, cost, and administrative complexity. In FY90, for example, the Council gave a total of \$103,381 to five organizations and by FY18 the total support given to ten non-profits totaled \$1,177,944. Last year Council awarded \$1,274,552 to 11 community organizations. Prior to 1996, Council made the funding decisions on requests submitted by non-profits as they came in. From 1996 through 2005, Council appointed special committees to review and evaluate the applications and to make funding recommendations to Council. Due to growing difficulty in finding people to serve on the review committee and in an effort to streamline the process, Council chose to appoint smaller three-member committees which consisted of the Mayor, Assistant City Manager, and a Member of the Public from FY06 through FY17. On December 22, 2016 Council passed Resolution 2016-78 which requires Community Support applicants to present their funding requests directly to Council instead of using a review committee.

DISCUSSION: Revisions to the Community Support Program approved by Council in December of 2016 were helpful in further streamlining the application process and improving the efficiency and effectiveness of the Community Support Program. No revisions are needed or recommended at this time. Staff set the application availability date of Thursday, December 27, 2018, and the due date for completed applications for Friday, February 1, 2019, by 4:00 p.m.

ALTERNATIVES: The memo and presentation are for informational purposes only. If Council wishes to see changes in the existing CMMP and Community Support program processes or documents, Staff can bring forward suggested revisions at a future meeting for additional discussion and formal Council action.

FINANCIAL IMPLICATIONS: Council sets the annual funding level for the Community Support Program with their budget goals in January. The total community support funding available is calculated using an established formula which is 3.4642% of the average revenue for the General Fund and Bed Tax fund for the five most recently completed fiscal years. There are no financial implications due to changes in the Community Support Program guidelines, processes or documents. Any implications depend on the amount Council sets as the FY20 funding goal for the program. Last year the formula derived **\$1,141,871** as the Community Support Program funding goal.

City Council reviews the CMMP each year for an opportunity to have input and subsequently adopt the CMMP as part of the overall budgeting process. Title 6 of the Unalaska City Code requires the City Manager to submit a five-year capital improvement plan and budget of the proposed projects each year in conjunction with

the City's operating budget. Each year, the City Council adopts the CMMP to help identify needs and set spending priorities for the coming five-year period.

LEGAL: Not applicable.

STAFF RECOMMENDATION: Staff recommends no changes to the Community Support Program or the CMMP processes. Changes to the CMMP documents and submission process are internal to streamline the process and reduce the number of software programs required to make a complete submission.

PROPOSED MOTION: No council action required.

CITY MANAGER COMMENTS: The CMMP and Community Support Program process and supporting documents have been working well and no further revision is recommended at this time.

ATTACHMENTS: FY20-24 CMMP and Budget Schedule

FY 20-24 Budget, CMMP & Community Grant Schedule

8/1/2018 Planning Distribute CMMP information on to all departments

11/7/2018 Staff Directors discuss 10 Year Plan Period

12/11/2018 Council Council review and comment on Budget Schedule; Process for CMMP and Community Grants

12/12/2018 Staff Deadline for new CMMP Nominations, Updates to Existing CMMP Projects for 5 Year Plan

1/9/2019 Staff Directors rank and prioritize nominations

1/22/2019 Council Presentation of Revenue Projections and Determination of Budget Goals

1/23/2019 Planning Distribute questions/feedback to CMMP Staff for additional research and documentation

1/30/2019 Staff Deadline for updated CMMP Nominations & Supporting Documentation

2/12/2019 Council Present proposed CMMP to City Council

2/28/2019 Planning Distribute proposed CMMP to Review Committee and CMMP Staff

FY 20-24 Budget, CMMP & Community Grant Schedule - *Continued*

3/4/2019 Staff CMMP Staff and City Manager review proposed CMMP for comments and suggestions

3/22/2019 Staff Distribute proposed CMMP, city and school budgets Council with meeting packet

3/26/2019 Council Budget presentation: Overview, City departments

3/27/2019 Council Special Meeting - Present CMMP and Community Grant applicant presentations

4/19/2019 Staff Final CMMP to Council with meeting packet

4/23/2019 Council Determine UCSD contribution amount; Adopt FY 19-23 CMMP

4/23/2019 Council Budget follow-up questions, comments, direction

4/30/2019 Council Special budget meeting (if needed)

5/14/2019 Council First reading of FY19 Budget Ordinance; Set property mill rate by resolution

5/28/2019 Council Public hearing and adoption of FY19 Budget Ordinance

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-63

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH JENSEN YORBA LOTT, INC. TO PERFORM THE DEPARTMENT OF PUBLIC SAFETY BUILDING ASSESSMENT PROJECT FOR \$97,000

WHEREAS, the City of Unalaska has determined that it is necessary to perform an Assessment of the Department of Public Safety (DPS) facility; and

WHEREAS, the DPS Building Assessment Project is an approved component of the CMMP; and

WHEREAS, the City of Unalaska let a request for qualifications to certain Engineering and Architectural Firms to perform the work and received three proposals in response; and

WHEREAS Jensen Yorba Lott, Inc., an experienced design firm, was found to be the highest scoring proposer; and

WHEREAS staff has negotiated a scope of work and price agreeable to the parties; and

WHEREAS, funding is available in the Capital Budget to award and complete the work.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes the City Manager to enter into an agreement with Jensen Yorba Lott, Inc. to perform the DPS Building Assessment Project in the amount of \$97,000.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 11, 2018.

Frank Kelty
Mayor

ATTEST:

Marjorie Veeder
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Tom Cohenour, Director, Department of Public Works
Through: Thomas Thomas, City Manager
Date: December 11, 2018
Re: Resolution 2018-63 authorizing the City Manager to enter into an Agreement with Jensen Yorba Lott, Inc. to Perform the DPS Building Assessment in the Amount of \$97,000

SUMMARY: Resolution 2018-63 will award the Department of Public Safety Building Assessment Project to Jensen Yorba Lott, Inc. for \$97,000.

PREVIOUS COUNCIL ACTION: Council funded this project via the FY2019 Capital & Operating Budget Ordinance 2018-04, adopted May 22, 2018, and has taken no other action on this Project.

BACKGROUND: The Department of Public Safety (DPS) structure, constructed in 1987, is unable to serve as a modern day Public Safety Complex due to the physical structure's failure to support all of the operational needs of the Department. Some of the issues that will be addressed by this Project include the expansion and separation of multiple shared spaces, crowded to the point of inefficiency and creating safety and confidentiality issues, as well as building access restrictions that impede response times.

DISCUSSION: The work to be performed under this agreement is a pre-development design phase similar to the Library expansion work performed in 2017. The work will include an assessment of the physical condition of the building and a public investigation into the functional needs of Fire, Emergency Medical Services, Police, Corrections, Animal Control, Dispatch and DMV through several meetings held in Unalaska. Multiple alternatives will be explored including a retrofit and expansion of the existing building or a retrofit plus an additional building. The cost implications of both will be presented to Council.

In 2018 staff let a Request for Qualifications for Architectural and Engineering Pre-Design Services to the 6 architectural firms that previously submitted proposals in response to the RFQ for the Airport Terminal Roof Project. Staff conducted interviews with the top three responding firms. After scoring their proposals and interviewing the project teams from the three companies, the results were a tie between ECI Hyer, Inc. and Jensen Yorba Lott, Inc. Staff further evaluated the strengths of both firms and, considering the full schedule of the other firms, recommended an award to Jensen Yorba Lott, Inc. Jensen Yorba Lott, Inc. has successfully performed multiple similar public safety investigations for other communities in Alaska and is well-qualified to

perform the work. Resolution 2018-63 awards the Building Assessment and Pre-Development work to Jensen Yorba Lott, Inc.

ALTERNATIVES: Alternatives to awarding this resolution include postponing the work until a later date or not performing the work at all.

FINANCIAL IMPLICATIONS: The Engineering & Architectural Services line item of the project's budget is funded at \$99,963 as of this writing.

LEGAL: Not applicable.

STAFF RECOMMENDATION: Given the implications of Ordinance 2018-11, which will create a Department of Fire and Emergency Medical Services, staff recommends moving ahead with this project and awarding the work to Jensen Yorba Lott, Inc. for \$97,000.

PROPOSED MOTION: I move to approve Resolution 2018-63.

CITY MANAGER COMMENTS: I recommend approval of Resolution 2018-63.

ATTACHMENTS:

Procurement Memo from City Engineer

Scoring Sheet

Jensen Yorba Lott, Inc. Fee Proposal

Standard Form of Agreement



MEMORANDUM

TO: Thomas Thomas
CC: Jennifer Shockley, Ramona Thompson, Clay Darnell, Tom Cohenour
FROM: Robert Lund, City Engineer
DATE: August 10, 2018
SUBJECT: A&E Procurement - DPS Building Assessment Project (DPW 19103)

The Department of Public Safety (DPS) has a FY2019 capital project for a building assessment of the shared Public Safety Facility. Those services are normally provided by an architect who has performed similar work and is selected through a Request for Qualifications (RFQ) process per the City Purchasing Policy. DPW recently let a Request for Qualifications for an architect to evaluate the Airport Terminal Roof. DPW received 7 Statements of Qualifications (SOQs). On July 2, 2018 the 7 firms were asked to provide a 3 page Memorandum of Interest for the DPS Building Assessment Project. Memorandums were received from the following 3 firms who, incidentally, were also the 3 highest scored firms from the Airport Terminal Roof Project.

- GDM Inc.
- Jensen Yorba Lott, Inc.
- ECI Alaska

On July 26, 2018 the responding 3 firms were scored based on their SOQs and Memorandums by DPS Fire, DPS Police and DPW. The initial round of scoring showed Jensen Yorba Lott ranked 1st with GDM and ECI tied for 2nd place.

Subsequently, per the RFQ, all three firms were invited to a 1 hour interview with pre-determined interview questions on August 8, 2018. After the interview, the firms were again scored and Jensen Yorba Lott and ECI tied for first place. Removing GDM from the scoring matrix did not break the tie as all of GDM's scores were ranked 3rd.

Both Jensen Yorba Lott, Inc. and ECI are very well qualified to complete the work.

Scoring Sheet

Proposal Evaluation

DPS Building Assessment Interviews

Technical Attributes

	Weight	%
Professional Qualifications	40	40.0%
Experiences and References	30	30.0%
Narrative	30	30.0%
Technical Proposal Raw Score	100	--
Technical Proposal Adjusted Score	--	100%

JYL	GDM	ECI						
97.5	90.0	97.5						
97.5	90.0	97.5						
97.5	90.0	97.5						
97.5	90.0	97.5						
97.5	90.0	97.5						
97.5%	90.0%	97.5%						

Enter the Price Proposal (if any) in USD

Cost Attributes

	Weight	%
Cost USD	--	--
Price Proposal Score	--	0%

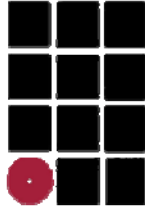
JYL	GDM	ECI						
0.0%	0.0%	0.0%						

Total Score Ranking

97.500%	90.000%	97.500%						
1	3	1						

8/8/18


**Jensen
Yorba
Lott
Inc**



Jensen Yorba Lott, Inc. Fee Proposal

Architecture

Interiors

November 21, 2018

**Construction
Management**

Robert Lund
City Engineer
City of Unalaska
PO Box 610
Unalaska, AK 99685

1935

Founded as
H.B. Foss Company

RE: DPS – Pre-Design Proposal

1945

Foss & Malcolm

Dear Robert:

1949

Foss, Malcolm &
Olsen

Attached is the revised Design approach incorporating edits as discussed at the meeting yesterday and the proposed fee for the Pre-Design phase of the project.

1956

Foss, Olsen & Sands

We are available to discuss the approach and the proposal at your convenience.

1958

Olsen & Sands

We appreciate this opportunity to collaborate with the city on this important project and look forward to working together in the coming months.

1969

Sands & Ackley

Sincerely,

1974

Ackley &
Associates, Inc.

Wayne Jensen

1979

Ackley/Jensen
Architects, Inc.

Enclosure(s)

1985

Jensen Douglas
Architects, Inc.

1997

Jensen Yorba Lott,
Inc.

522 West 10th Street
Juneau, AK 99801
Tel: 907.586.1070
Fax: 907.586.3959
www.jensenyorbalott.com

DESIGN SERVICES PROPOSAL



SUMMARY

Project: **Unalaska Department of Public Safety**

SERVICES	FEE	EXPENSES	TYPE	TAX	TOTAL
Pre-Development	\$78,000	\$19,000	Time/Expense	\$0	\$97,000
Site Analysis	\$0	\$0		\$0	\$0
Schematic Design	\$0	\$0		\$0	\$0
Design Development	\$0	\$0		\$0	\$0
Construction Documents	\$0	\$0		\$0	\$0
Bidding and Negotiations	\$0	\$0		\$0	\$0
Construction Administration	\$0	\$0		\$0	\$0
Construction Observations	\$0	\$0		\$0	\$0

TOTAL						\$97,000
--------------	--	--	--	--	--	-----------------

DESIGN SERVICES PROPOSAL



PRE-DEVELOPMENT SERVICES

Project: Unalaska Department of Public Safety

STAFF:	Architect						Interior Design			Construction Manage			Drafter		Exec A	Cler A	ACC	TOTAL
	PMgr	A-III	A-II	A-I	Int III	Int II	ID-III	ID-II	ID-I	CM-III	CM-II	CM-I	D-II	D-I	EA	CA	A	
	\$170	\$140	\$125	\$110	\$95	\$85	\$140	\$115	\$65	\$140	\$120	\$95	\$95	\$85	\$80	\$40	\$85	
ARCHITECTURE:																		
Project Management																		
Task 1:																		
Preparation	8	16		8									24					
Task 2:																		
Program meetings	4	4																
Condition Survey	4	4																
Concept Options	8	8																
Travel	16	16		16														
Task 3:																		
Draft space Program	4	16		16														
Draft Concept Options	8	24		24														
Travel	16	16																
Task 4:																		
Present Concept Design	16	16																
Travel	16	16																
Subtotal Hours	100	136	0	64	0	0	0	0	0	0	0	0	24	0	0	0	0	324
Subtotal Dollars \$	17,000	19,040	0	7,040	0	0	0	0	0	0	0	0	2,280	0	0	0	0	45,360

CONSULTANTS:

Civil Engineering, Geotech Investigation	
Structural Engineering	\$6,080
Mechanical Engineering	\$9,410
Electrical Engineering	\$9,410
Hazardous Materials Investigation	
Landscape Architecture	
Cost Estimating	\$5,000
Energy Analysis	
Subtotal	\$29,900
Overhead/Profit 10%	\$2,990
Total	\$32,890

TOTAL PRE-DEVELOPMENT SERVICES FEE (Rounded)

\$78,000

PND Engineers Inc.
 9360 Glacier Highway Suite 100
 Juneau, Alaska 99801

November 7, 2018
 PND 18J 124

**Unalaska Public Safety Building
 JYL- City of Unalaska
 Structural Engineering Fee Proposal**

**Engineering Services
 LABOR**

		Professional					Technical		Administrative	Task Costs	Phase Subtotal
		Struct. Eng. Principal	Senior Engineer II	Senior Engineer I	Senior Land Surveyor	Staff Engineer V	CADD Tech. V		Tech V		
Task	Hourly Rate	\$190.00	\$130.00	\$120.00	\$125.00	\$115.00	\$105.00		\$115.00		
A Site Visit											
Travel and Site Visit	20									\$3,800	
Analysis	8									\$1,520	
Report	4									\$760	\$6,080
Total Labor	32									\$6,080	\$6,080

EXPENSES

Site Visit Air Fare - Anc - Dutch Harbor	1 RT At	\$1,220	
Site Visit Transportation by Others			
Site Visit Perdiem	1 Day at	\$240	\$240
Airport Parking	1 Day at	\$15	\$15
Expenses Mark up	10%		-\$30 148
Total Expenses			\$285 1623

Total Structural Engineering Design Services ~~\$6,365~~ 7,703

MECHANICAL ENGINEERING

#	TASK	Principal Mechanical Engineer	Lead Mechanical Engineer	Project Mechanical Engineer	Mechanical EIT	Staff Engineering Technician		
	Billing Rate (\$/hr)	\$225.00	\$160.00	\$145.00	\$105.00	\$105.00		
10	Pre-Design/Planning						Hourly Subtotal	Subtotal Cost
	Project Set Up, Review Reference Material		3				3	\$ 480.00
	Site Visit		28				28	\$ 4,480.00
	Narrative - Condition Survey		6				6	\$ 960.00
	Prelim Calcs, Review Codes, Equipment Selection		5				5	\$ 800.00
	Narrative - System Description		8				8	\$ 1,280.00
	Project Coordination		2				2	\$ 320.00
	Project Meeting		2				2	\$ 320.00
	Respond to Comments		2				2	\$ 320.00
	QC/QA	2					2	\$ 450.00
							0	\$ -
							0	\$ -
	Hourly Subtotal	2	56	0	0	0	58	
Cost		\$ 450	\$ 8,960	\$ -	\$ -	\$ -		\$ 9,410.00

ELECTRICAL ENGINEERING

#	TASK	Principal Electrical Engineer	Lead Electrical Engineer	Project Electrical Engineer	Electrical EIT	Staff Engineering Technician		
		Billing Rate (\$/hr)	\$225.00	\$160.00	\$145.00	\$105.00	\$105.00	
10	Pre-Design/Planning						Hourly Subtotal	Subtotal Cost
	Project Set Up, Review Reference Material		3				3	\$ 480.00
	Site Visit		28				28	\$ 4,480.00
	Narrative - Condition Survey		6				6	\$ 960.00
	Prelim Calcs, Review Codes, Equipment Selection		5				5	\$ 800.00
	Narrative - System Description		8				8	\$ 1,280.00
	Project Coordination		2				2	\$ 320.00
	Project Meeting		2				2	\$ 320.00
	Respond to Comments		2				2	\$ 320.00
	QC/QA	2					2	\$ 450.00
							0	\$ -
	Hourly Subtotal	2	56	0	0	0	58	
Cost		\$ 450	\$ 8,960	\$ -	\$ -	\$ -		\$ 9,410.00

11/8/2018

REIMBURSABLE EXPENSES

#

10 Pre-Design/Planning			Mechanical		Electrical		Total
Item	unit	unit cost	#	subtotal	#	subtotal	
Copies/Prints/Scans (Letter)	ea	\$ 0.10		\$ -		\$ -	\$ -
Copies/Prints/Scans (11x17)	ea	\$ 0.20		\$ -		\$ -	\$ -
Copies/Prints/Scans (Full Size Drawing)	ea	\$ 1.00		\$ -		\$ -	\$ -
Teleconference Costing	hr/line	\$ 3.00		\$ -		\$ -	\$ -
Airfare	ea	\$ 1,150.00	1	\$ 1,150	1	\$ 1,150	\$ 2,300.00
Rentals	day	\$ -		\$ -		\$ -	\$ -
Survey GPS Rental	day	\$ 309.00		\$ -		\$ -	\$ -
Shipping	ea	\$ 25.00		\$ -		\$ -	\$ -
Parking	day	\$ 13.00	3	\$ 39	3	\$ 39	\$ 78.00
Hotel	day	\$ 175.00	2	\$ 350	2	\$ 350	\$ 700.00
Per Diem	man day	\$ 65.00	3	\$ 195.00	3	\$ 195.00	\$ 390.00
Subtotal				\$ 1,734		\$ 1,734	\$ 3,468

CITY OF UNALASKA

Consultant Agreement

City of Unalaska Department of Public Safety Building Assessment

PROJECT / FILE NO. 19103

Prepared By:

**City of Unalaska
P.O. Box 610
Unalaska, Alaska 99685
907.581.1260**

TABLE OF CONTENTS

I.	Agreement	
II.	Scope of Services	Exhibit “A”
III.	Contract Schedule	Exhibit “B”
IV.	Fee Proposal	Exhibit “C”

AGREEMENT FOR CONSULTING AND RELATED SERVICES

THIS AGREEMENT is entered into this _____, 2018, by and between **Jensen Yorba Lott, Inc.** (hereinafter called "Consultant"), and the **CITY OF UNALASKA** (hereinafter called "City").

WITNESSETH THAT:

WHEREAS City desires to engage Consultant to render consulting and related services for the performance of an **City of Unalaska Department of Public Safety Building Assessment**; and

WHEREAS Consultant represents that it has the experience and ability to perform such services; and

WHEREAS the parties hereto desire to enter into a basic agreement setting forth the terms under which Consultant will, as requested, perform such work;

NOW THEREFORE the parties hereto do mutually agree as follows:

1. Employment of Consultant

Consultant agrees to provide professional services in accordance with the provisions of this Agreement. A written description of the work to be performed, schedule and compensation is set out in **Exhibits A-C** of this Agreement.

2. Performance

Consultant agrees to perform the work described in **Exhibit A- Scope of Services**; however, the Consultant is not authorized to perform any work or incur any expense which would cause the amount for which he is entitled to be paid under this Agreement to exceed the amount set forth in **Exhibit C – Fee Proposal** without the prior written approval of the City. All services shall be rendered in accordance with the schedule set forth in **Exhibit B – Contract Schedule**.

The work shall include but not be limited to the following: furnishing all equipment, transportation, per diem, travel, and supplies to perform all scopes of work that are authorized under the State of Alaska's Professional Engineering License, in connection with the **City of Unalaska Department of Public Safety Building Assessment**.

3. Fee

After receipt of a periodic billing for said services, the City agrees to pay Consultant as compensation for the services under this Agreement such sums of money as set forth in **Exhibit C** of this Agreement. The amount payable to the Consultant shall not exceed the amount specified in **Exhibit C**.

4. Payments

City agrees to make monthly payments to Consultant as services are performed and costs are incurred, provided Consultant submits a proper invoice for each payment, in such form accompanied by such evidence in support thereof as may be reasonably required by the City. City may, at its option, withhold ten percent (10%) from each monthly payment pending satisfactory completion of the work by Consultant. All invoices are otherwise due

and payable within thirty (30) days of receipt by City. City shall pay Consultant for the services identified in **Exhibit A** the **Not to Exceed Total Fee of \$97,000 (Ninety Seven Thousand Dollars)**. The Not to Exceed Total Fee is based on the distribution of the Not to Exceed Total Fee between tasks set forth in **Exhibit A**. The portion of the Not to Exceed Total Fee billed and paid for Consultant's services shall be equal to the proportion of services actually completed for each task set forth in **Exhibit A** during the billing period to the fee total specified for that task.

5. Personnel

Consultant agrees to furnish all personnel necessary for expeditious and satisfactory performance of this Agreement, each to be competent, experienced, and well qualified for the work assigned. No person objected to by the City shall be employed by Consultant for work hereunder.

6. Independent Contractor Status

In performing under this Agreement, Consultant acts as an independent contractor and shall have responsibility for and control over the details and means for performing the consulting services required hereunder.

7. Indemnification

Consultant shall defend and save harmless City or any employee, officer, insurer, or elected official thereof from and against losses, damages, liabilities, expenses, claims, and demands but only to the extent arising out of any negligent act or negligent omission of Consultant while performing under the terms of this contract.

City shall defend and save harmless Consultant or any employee, officer, or insurer thereof from and against losses, damages, liabilities, expenses, claims, and demands but only to the extent arising out of any negligent act or negligent omission of City while performing under the terms of this contract.

8. Assignment

Consultant shall not assign this Agreement or any of the monies due or to become due hereunder without the prior written consent of City.

9. Subcontracting

Consultant may not subcontract its performance under this Agreement without prior written consent of City. Any subcontractor must agree to be bound by terms of this Agreement.

10. Designation of Representatives

The Parties agree, for the purposes of this Agreement, the City shall be represented by and may act only through the Director of Public Works or such other person as he may designate in writing. Consultant shall advise City in writing of the name of its representative in charge of the administration of this Agreement, who shall have authority to act for and bind Consultant in connection with this Agreement.

11. Termination

Either party shall have the right to terminate this Agreement in whole or in part at any time and for reasonable cause, by delivery of thirty (30) days written notice, specifying the extent

and effective date thereof. After receipt of such notice, Consultant shall stop work hereunder to the extent and on the date specified in such notice, terminate all subcontracts and other commitments to the extent they relate to the work terminated, and deliver to City all designs, computations, drawings, specifications and other material and information prepared or developed hereunder in connection with the work terminated.

In the event of any termination pursuant to this clause, Consultant shall be entitled to be paid as provided herein for direct labor hours expended and reimbursable costs incurred prior to the termination pursuant to Section 3 hereof, and for such direct labor hours and reimbursable costs as may be expended or incurred thereafter with City's approval in concluding the work terminated, it being understood that Consultant shall not be entitled to any anticipated profit on services not performed. Except as provided in this clause, any such termination shall not alter or affect the rights or obligations of the parties under this Agreement.

12. Ownership and Use of Documents

Work products produced under this Agreement, except items which have pre-existing copyrights, are the property of the City. Payments to the Consultant for services hereunder include full compensation for all work products produced by the Consultant and its Subcontractors and the City shall have royalty free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, such work products.

Should the City elect to reuse work products provided under this Agreement for other than the original project and/or purpose, the City will indemnify the Consultant and its Subcontractors against any responsibilities or liabilities arising from such reuse. Additionally, any reuse of design drawings or specifications provided under this Agreement must be limited to conceptual or preliminary use for adaptation and the original Consultant or Subcontractor's signature, professional seals and dates removed. Such reuse of drawings and specifications, which require professional seals and dates removed, will be signed, sealed and dated by the professional who is in direct supervisory control and responsible for all adaptation.

13. Insurance

- A. During the term of the contract, the Consultant shall obtain and maintain in force the insurance coverage specified in these requirements. Such coverage shall be with an insurance company rated "Excellent" or "Superior" by A. M. Best Company, or a company specifically approved by the City.
- B. The Consultant shall carry and maintain throughout the life of this contract, at its own expense, insurance not less than the amounts and coverage herein specified, and the City of Unalaska, its employees and agents shall be named as additional insured under the insurance coverage so specified and where allowed, with respect to the performance of the work. There shall be no right of subrogation against the City or its agents performing work in connection with the work, and this waiver of subrogation shall be endorsed upon the policies. Insurance shall be placed with companies acceptable to the City of Unalaska; and these policies

providing coverage thereunder shall contain provisions that no cancellation or material changes in the policy relative to this project shall become effective except upon 30 days prior *written* notice thereof to the City of Unalaska.

- C. Prior to commencement of the work, the Consultant shall furnish certificates to the City of Unalaska, in duplicate, evidencing that the Insurance policy provisions required hereunder are in force. Acceptance by the City of Unalaska of deficient evidence does not constitute a waiver of contract requirements.
- D. The Consultant shall furnish the City of Unalaska with certified copies of policies upon request. The minimum coverages and limits required are as follows:
 - 1. Workers' Compensation insurance in accordance with the statutory coverages required by the State of Alaska and Employers Liability insurance with limits not less than \$1,000,000 and, where applicable, insurance in compliance with any other statutory obligations, whether State or Federal, pertaining to the compensation of injured employees assigned to the work, including but not limited to Voluntary Compensation, Federal Longshoremen and Harbor Workers Act, Maritime and the Outer Continental Shelf's Land Act.
 - 2. Commercial General Liability with limits not less than \$1,000,000 per Occurrence and \$2,000,000 Aggregate for Bodily Injury and Property Damage, including coverage for Premises and Operations Liability, Products and Completed Operations Liability, Contractual Liability, Broad Form Property Damage Liability and Personal Injury Liability.
 - 3. Commercial Automobile Liability on all owned, non-owned, hired and rented vehicles with limits of liability of not less than \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage per each accident or loss.
 - 4. Umbrella/Excess Liability insurance coverage of not less than \$1,000,000 per occurrence and annual aggregate providing coverage in excess of General Liability, Auto Liability, and Employers Liability.
 - 5. If work involves use of aircraft, Aircraft Liability insurance covering all owned and non-owned aircraft with a per occurrence limit of not less than \$1,000,000.
 - 6. If work involves use of watercraft, Protection and Indemnity insurance with limits not less than \$1,000,000 per occurrence.

7. Professional Liability insurance with limits of not less than \$1,000,000 per claim and \$1,000,000 aggregate, subject to a maximum deductible \$10,000 per claim. The City of Unalaska has the right to negotiate increase of deductibles subject to acceptable financial information of the policyholder.
- E. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expense.
- F. All insurance policies as described above are required to be written on an "occurrence" basis. In the event occurrence coverage is not available, the Consultant agrees to maintain "claims made" coverage for a minimum of two years after project completion.
- G. If the Consultant employs subcontractors to perform any work hereunder, the Consultant agrees to require such subcontractors to obtain, carry, maintain, and keep in force during the time in which they are engaged in performing any work hereunder, policies of insurance which comply with the requirements as set forth in this section and to furnish copies thereof to the City of Unalaska. This requirement is applicable to subcontractors of any tier.

14. Claims Recovery

Claims by City resulting from Consultant's failure to comply with the terms of and specifications of this contract and/or default hereunder may be recovered by City by withholding the amount of such claims from compensation otherwise due Consultant for work performed or to be performed. City shall notify Consultant of any such failure, default or damage therefrom as soon as practicable and no later than 10 days after discovery of such event by written notice. Nothing provided herein shall be deemed as constituting an exclusive remedy on behalf of City, nor a waiver of any other rights hereunder at law or in equity. Design changes required as a result of failure to comply with the applicable standard of care shall be performed by the Consultant without additional compensation.

15. Performance Standard

Services performed under this Agreement will be performed with reasonable care or the ordinary skill of the profession practicing in the same or similar location and under similar circumstances and shall comply with all applicable codes and standards.

16. Compliance with Applicable Laws

Consultant shall in the performance of this Agreement comply with all applicable federal, state, and local laws, ordinances, orders, rules, and regulations applicable to its performance hereunder, including without limitation, all such legal provisions pertaining to social security, income tax withholding, medical aid, industrial insurance, workers' compensation,

and other employee benefit laws. Consultant also agrees to comply with all contract provisions pertaining to grant or other funding assistance which City may choose to utilize to perform work under this Agreement. The Consultant and all subcontractors must comply with state laws related to local hire and prevailing wages.

17. Records and Audit

Consultant agrees to maintain sufficient and accurate records and books of account, including detailed time records, showing all direct labor hours expended and all reimbursable costs incurred and the same shall be subject to inspection and audit by City at all reasonable times. All such records and books of account pertaining to any work performed hereunder shall be retained for a period of not less than six (6) years from the date of completion of the improvements to which the consulting services of this Agreement relate.

18. Reporting of Progress and Inspection

Consultant agrees to keep City informed as to progress of the work under this Agreement by providing monthly written progress reports, and shall permit City to have reasonable access to the work performed or being performed, for the purpose of any inspection City may desire to undertake.

19. Form of City Approval

Except as otherwise provided in this Agreement, City's requests and approvals, and Consultant's cost estimates and descriptions of work to be performed, may be made orally where necessary, provided that the oral communication is confirmed immediately thereafter in writing.

20. Duration of Agreement

This agreement is effective for a period of **two (2) years** from the date first shown above. The agreement may be extended by the mutual written agreement of City and Consultant.

21. Inspections by City

The City has the right, but not the duty, to inspect, in the manner and at reasonable times it considers appropriate during the period of this Agreement, all facilities and activities of the Consultant as may be engaged in the performance of this Agreement.

22. Endorsements on Documents

Endorsements and professional seals, if applicable, must be included on all final plans, specifications, estimates, and reports prepared by the Consultant. Preliminary copies of such documents submitted for review must have seals affixed without endorsement (signature).

23. Notices

Any official notice that either party hereto desires to give the other shall be delivered through the United States mail by certified mail, return receipt requested, with postage thereon fully prepaid and addressed as follows:

To City:

Tom Cohenour, Dir. of Public Works
City of Unalaska
Box 610
Unalaska, Alaska 99685

To Consultant:

Wayne Jensen, Principal Architect
Jensen Yorba Lott, Inc.
522 West 10th Street
Juneau, Alaska 99801

The addresses hereinabove specified may be changed by either party by giving written notice thereof to the other party pursuant to this paragraph.

24. Venue/Applicable Law

The venue of any legal action between the parties arising as a result of this Agreement shall be laid in the Third Judicial District of the Superior Court of the State of Alaska and this contract shall be interpreted in accordance with the laws of the State of Alaska.

25. Attorney's Fees

In the event either party institutes any suit or action to enforce its right hereunder, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in such suit or action and on any appeal therefrom.

26. Waiver

No failure on the part of City to enforce any covenant or provisions herein contained, nor any waiver of any right hereunder by City, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same or any other provision in the event of any subsequent breach or default.

27. Binding Effect

The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of, and bind the parties and their respective successors.

28. Entire Agreement/Modification

This agreement, including Exhibits A-C, and the Consultant's proposal dated 3/15/2018 constitutes the entire Agreement between the parties with respect to the subject matter hereof, and all prior negotiations and understandings are superseded and replaced by this Agreement and shall be of no further force and effect. No modification of this Agreement shall be of any force or effect unless reduced to writing, signed by both parties and expressly made a part of this Agreement.

In witness whereof, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in duplicate on the respective date indicated below.

JENSEN YORBA LOTT, INC.

CITY OF UNALASKA, ALASKA

By: _____
Wayne Jensen, Its _____

By: _____
Thomas Thomas, City Manager

State of Alaska)
) ss.
First Judicial District)

State of Alaska)
) ss.
Third Judicial District)

The foregoing instrument was acknowledged
before me on the ____ day of _____,
2018, by Wayne Jensen, the _____
of JENSEN YORBA LOTT, INC., an Alaska
Corporation, on behalf of the corporation.

The foregoing instrument was acknowledged
before me on the ____ day of _____,
2018, by Thomas Thomas, City Manager for
the City of Unalaska, a First Class Alaska
Municipal Corporation, on behalf of the City
of Unalaska.

Notary Public, State of Alaska
My Commission Expires _____

Notary Public, State of Alaska
My Commission Expires _____

CITY OF UNALASKA

**EXHIBIT “A”
SCOPE OF SERVICES**

CITY OF UNALASKA

**EXHIBIT “B”
SCHEDULE**

CITY OF UNALASKA

**EXHIBIT “C”
FEE PROPOSAL**

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-64

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH ITRON, INC. TO PERFORM THE AUTOMATIC METER READING PROJECT: PHASE 1 ELECTRIC UTILITY FOR \$98,096

WHEREAS, Automatic Meter Reading for the Electric and Water Utilities are approved components of the City of Unalaska Capital & Major Maintenance Program; and

WHEREAS, staff has let a request for qualifications for the design of and specification of equipment for the Electric and Water Automatic Meter Reading Projects; and

WHEREAS, Boreal Controls, Inc., the firm awarded the design and specification of the equipment, has determined that Itron, Inc. is the best supplier of the needed equipment for both Electric and Water Utilities; and

WHEREAS, staff has negotiated a Scope of Work, three phase approach, and price for the Electric and Water Utility's needs with Itron, Inc.; and

WHEREAS, the Scope of Work and form of Agreement have been reviewed by the City Attorney; and

WHEREAS, funding is available in the Electric Automatic Meter Reading Project to award the Phase 1 component to Itron, Inc. before moving forward with the Phase 2 and 3 components in FY20.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes the City Manager to enter into an Agreement with Itron, Inc. to construct the Automatic Meter Reading Project: Phase 1 Electric Utility for \$98,096.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 11, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Dan Winters, Director, Department of Public Utilities
Through: Thomas Thomas, City Manager
Date: December 11, 2018
Re: Resolution 2018-64 Authorizing the City Manager to Enter Into an Agreement with Itron, Inc., to perform the Automatic Meter Reading Project: Phase 1 Electric Utility for \$98,096.

SUMMARY: Resolution 2018-64 will award the procurement of equipment, software, and support services for the City's Automatic Meter Reading Project - Phase 1 Electric Utility to Itron, Inc. for \$98,096.

PREVIOUS COUNCIL ACTION: Council funded the Electric Utility Automatic Meter Reading Project (EL18B) via the FY2018 Capital and Operating Budget Ordinance 2017-07, adopted May 24, 2017. In related action, Council funded the Water Utility Automatic Meter Reading Project (WA504) via the FY2019 Capital and Operating Budget Ordinance 2018-04, adopted May 22, 2018.

BACKGROUND: The Automatic Meter Reading (AMR) System for the Electric and Water Utilities will replace the present manual reading system with an automated radio system that will provide consumption data directly to the City's Munis accounting system, as well as capture data that will assist in identifying tampering or other system problems. Staff has been working toward the goal of automating meter reading for the Electric and Water Utilities for the past 5 years.

In June of 2015, Staff issued a Request for Qualifications (RFQ) for the design of the Water Automatic Meter Reading Project. Boreal Controls, Inc. (Boreal) was awarded the work; results and recommendations thereof are directly applicable to the Electric Utility as well. Since that time, utility crews have been updating infrastructure in anticipation of the AMR System. Our financial software, Munis, as well as our communication technology, is now capable of processing the meter readings into invoices.

DISCUSSION: In 2017, Boreal developed a final AMR design to include both Electric and Water Utilities, solicited pricing, and received price quotes from three suppliers:

- | | |
|-----------------|------------|
| 1. Sensus | \$541,436. |
| 2. Itron | \$316,867. |
| 3. Anixer | \$584,996. |

Boreal recommended Itron, Inc. as the best supplier in terms of quality and price for our automatic meter reading equipment, software, and support services. However, Itron's price of \$316,867 exceeded the total available budget of \$192,017.

Available Project Budgets:

EL18B Electric Automatic Meter Read Project	\$119,349
<u>WA504 Water Automatic Meter Read Project</u>	<u>\$72,668</u>
Total Available Budget	\$192,017

With the budget shortfall, Staff negotiated directly with Itron and reached an agreement on revised Scope of Work utilizing a three phased approach which included the Electric Utility being the first of the two Utilities to transition to Automatic Meter Reading since the Electric Utility has both a more robust infrastructure and budget at this time. Additional funding will be requested during the FY20 CMMP process.

Scope of Work to be performed in the three phases includes:

Phase 1	FY19 Electric Utility purchases their automatic meters and handheld meter reader thru EL18B budget.	\$98,096
	Phase 1 is the subject of this resolution.	
Phase 2	FY20 Installation of Electric and Water AMR network automating the meter reading. Cost split between EL18B and WA504	\$178,943
Phase 3	FY20 Water Utility purchases their automatic meters.....	\$19,638
	Construction administration, inspection, contingency	\$20,190
Total Project Cost Phases 1-3		\$316,867

Phase 1 is a reasonable and logical step towards automating the meter reading and aligned with the intent of the CMMP. Should Council decide not to fund the remainder of the project in FY20, Phase 1 is still a substantial stand-alone improvement. It allows reading electrical meters from the vehicle as the employee drives by rather than walking up to each meter, reading, and recording by hand. All of the equipment provided in Phase 1 is necessary for the subsequent Phases. For example, the hand-held reader is a backup if the AMR network is down.

ALTERNATIVES: Council could choose to postpone this work or choose not to authorize this work at all. However, given the need and extent to which we've already proceeded with the design and establishing infrastructure to make use of the automatic meter reading system, it is preferable to continue.

FINANCIAL IMPLICATIONS: The Automatic Meter Reading System Project, Phase 1: Electric Utility is able to support this contract award. As of this writing, there is \$119,347 available in the project's budget. A Line Item transfer will be initiated to move funds into the construction services line item. A current budget snapshot is shown below.

EL18B	AUTOMATIC METER READ SYSTEM PHASE 1: ELECTRIC UTILITY			
50125053	53240	EL18B	Engineering & Architectural	\$ 118,812.00
50125053	55310	EL18B	Telephone/TV/FAX	\$ 186.67
50125053	55901	EL18B	Advertising	\$ 350.00
			Available budget:	\$ 119,348.67

LEGAL: Not applicable.

STAFF RECOMMENDATION: The Departments of Public Works and Public Utilities fully support this Phase 1 contract award. Automatic meter reading will bring the Utilities into the 21st century and pay for itself in a few years by reduced labor costs in manual meter reading and data entry.

PROPOSED MOTION: I move to approve Resolution 2018-64 and award the work to Itron, Inc.

CITY MANAGER COMMENTS: I support approval of this Resolution

ATTACHMENTS:

Attachment #1: Procurement Memo from City Engineer

Attachment #2: Form of Agreement; reviewed by the City Attorney



MEMORANDUM

TO: Thomas Thomas, City Manager
CC: Clay Darnell, Director of Finance
FROM: Robert Lund, City Engineer
DATE: August 31, 2018
SUBJECT: Automatic Meter Reading DPW Proj. 15403 - Procurement

Digitally signed by Robert Lund
DN: cn=Robert Lund, o=Department of Public
Works, ou, email=rlund@ci.unalaska.ak.us, c=US
Date: 2018.08.31 17:39:16 -08'00'

This memorandum elaborates on the procurement mechanism used to source an automatic meter reading system to be shared by the Electric and Water Divisions. This procurement is for equipment, software and support services.

Available Budgets:

EL18B Electric Automatic Meter Read	-	\$119,349
WA504 Water Automatic Meter Read	-	\$72,668

In 2017 Boreal Controls developed a thorough design memorandum with scoping and solicited costs from two suppliers Sensus and Itron. Subsequently DPW also received a third cost from another Supplier Anixer. The cost breakdowns are as follows:

1. Sensus	-	\$541,436
2. Itron	-	\$316,867
3. Anixer	-	\$584,996

As the budget is not sufficient at this time Electric discussed the issue with Itron and split the Itron proposal into 3 phases.

1. Phase 1 FY2019. Electric Department purchases new auto electric meters and the handheld meter reader only. \$98,096 on EL18B.
2. Phase 2 FY2020 should funding allow. Installation of the AMR network automating the meter reading. \$178,943 split to EL18B and WA504.
3. Phase 3 FY2020 should funding allow. Purchase of water meters. \$19,638.

The methodology employed seems fair and reasonable for acquiring this technology and Itron is a reputable supplier. A hard bid process was not used because it is difficult to compare "apples to apples" among the various suppliers and provide a master

specification they can bid against. Boreal also contacted other suppliers who were not communicative likely because our market is small.

Phase 1 is a reasonable and logical step towards automating the electric meter reading in-line with the intent of the CMMP. Should council not elect to fund the remainder of the project in the FY2020 CMMP it is still a substantial standalone improvement. It allows reading electrical meters from the vehicle as you drive by rather than reading and recording them by hand. All of the equipment provided is necessary for the subsequent phases e.g. the handheld reader is a backup if the AMR network went down.

Please indicate below if you approve or disapprove.

- ☒ Approved
☐ Not Approved

City Manager



Date

9-6-18

MASTER SALES AGREEMENT TERMS AND CONDITIONS

This Master Sales Agreement (the “**Agreement**”) is made and entered into as of _____, 2018 (the “**Effective Date**”) by and between Itron, Inc., a Washington corporation with a principal place of business at 2111 N. Molter Road, Liberty Lake, Washington 99019 (“**Itron**”), and _____ a _____ corporation with a principal place of business at _____ (“**Customer**”). Itron and Customer may each be referred to as a “**Party**” and together as the “**Parties**.”

1. Scope. This Agreement sets forth the terms governing all Technology & Services Addenda under this Agreement. The attached Transaction Summary identifies which Addenda are made a part of this Agreement.

2. Technology & Services Addenda. Technology & Services Addenda may set forth additional terms and conditions applicable to specific products and services purchased by Customer. In the event of a conflict between this Agreement and an Addendum, the Addendum will control to the extent necessary to resolve the conflict.

3. Purchase Orders. All purchase orders will be governed by the terms of this Agreement. Pre-printed terms on a purchase order will be null and void, and no contingency, addition, or conflicting term contained on any purchase order will be binding upon Itron.

4. Fees, Taxes, and Payment.

4.1. Fees. Fees will be specified in a pricing summary made a part of this Agreement. Itron reserves the right to modify the pricing summary from time-to-time during the term of this Agreement upon thirty (30) days’ prior written notice to Customer for any new purchase orders.

4.2. Taxes. Prices and charges for products and services are exclusive of taxes, levies, duties and similar governmental assessments (“**Taxes**”), all of which are the responsibility of Customer to pay. Customer is responsible for paying all Taxes applicable to transactions. If Itron has the legal obligation to pay or collect Taxes for which Customer is responsible, the appropriate amount shall be invoiced to and paid by Customer, unless Customer provides a valid tax exemption certificate or direct pay permit authorized by the appropriate taxing authority. Itron is solely responsible for taxes assessable against Itron based on its income, property and employees.

4.3. Payment. All purchase orders are subject to credit approval. Payment terms are net thirty (30) days from the date of invoice. All payments shall be made in US currency. Late payments shall accrue interest from the due date at the rate of 1.0% of the outstanding balance per month, or the maximum rate permitted by law until the date paid, and Itron may condition future renewals and purchase orders on payment terms shorter than thirty (30) days.

5. Term and Termination.

5.1. Term. The term of this Agreement begins on the Effective Date and continues for a period of five (5) years and shall automatically renew for one (1) year periods – up to three (3) years’ renewal of annual renewal terms in total – unless either Party provides ninety (90) days’ prior written notice by either Party of intent not to renew prior to the applicable expiration date.

5.2. Termination for Convenience. Either Party may terminate this Agreement for convenience upon

ninety (90) days' prior written notice to the other.

5.3. Termination for Cause. Other than Customer's nonpayment which shall constitute a breach of this Agreement if full payment is not received within five (5) days of written notice, either Party may terminate this Agreement by providing the other Party with written notice if the other Party (i) becomes insolvent, executes a general assignment for the benefit of creditors or becomes subject to bankruptcy or receivership proceedings; (ii) breaches its obligations related to the other Party's confidential information; or (iii) commits a material breach of this Agreement that remains uncured for thirty (30) days following delivery of written notice of such breach (including, but not necessarily limited to, a statement of the facts relating to the breach or default, the provisions of this Agreement that are in breach or default and the action required to cure the breach or default).

5.4. Surviving Provisions. Any provision of this Agreement that contemplates performance or observance subsequent to termination or expiration of this Agreement shall survive termination or expiration and continue in full force and effect for the period so contemplated.

6. Confidentiality.

6.1. Definitions. (A) "**Confidential Information**" means (1) this Agreement and the discussions, negotiations and proposals related to this Agreement and (2) information, whether provided directly or indirectly from the other Party in writing, orally, by electronic or other data transmission or in any other form or media or obtained through on-site visits at Itron or Customer facilities and whether furnished or made available before or after the date of this Agreement, that is confidential, proprietary or otherwise not generally available to the public. Confidential Information does not include information that is: (a) rightfully known to the receiving Party before negotiations leading up to this Agreement; (b) independently developed by the receiving Party without relying on the disclosing Party's Confidential Information; (c) part of the public domain or is lawfully obtained by the receiving Party from a third party not under an obligation of confidentiality; or (d) free of confidentiality restrictions by agreement of the disclosing party. (B) "**Receiving Party**" means the Party receiving Confidential Information of the other. (C) "**Disclosing Party**" means the Party disclosing Confidential Information to the other Party.

6.2. Obligations. The Receiving Party will keep Confidential Information of the Disclosing Party strictly confidential and will not disclose it to any third party during the term of this Agreement and for a period of three (3) years after termination or expiration of this Agreement.

6.3. Permitted Disclosure. The Receiving Party may disclose Confidential Information to its affiliates, agents, contractors, and legal representatives, but only if they have a need to know and an obligation to protect the Disclosing Party's Confidential Information that is at least as restrictive as the confidentiality provisions of this Agreement. The Receiving Party may disclose Confidential Information as required by law, including public record disclosure laws, provided that the Receiving Party shall give the Disclosing Party written notice of any anticipated disclosure in advance of making such disclosure.

6.4. Return of Confidential Information. The Receiving Party will destroy or return the Disclosing Party's Confidential Information within fourteen (14) days after receipt of the Disclosing Party's written request. With the exception of Customer Data (as defined in Section 7), the Receiving Party may retain a copy of Confidential Information as part of archival records (including backup systems) the Receiving Party keeps in the ordinary course of business, or if required by law or regulation; provided however, that any Confidential Information so retained will continue to be Confidential Information pursuant to the terms of this Agreement and the Receiving Party will continue to be bound by the terms of this Agreement with respect to such Confidential Information.

7. Privacy.

7.1. General. If, in the course of providing any services, Itron has or obtains, to any extent and for any reason, any access to Customer Data, then the terms and conditions of this Section 7 will apply.

7.2. Definition of Customer Data. “*Customer Data*” means any information about Customer’s existing or prospective customers that Itron acquires, develops, or derives under this Agreement. Customer Data may include, without limitation, any personally identifying information relating to an existing or prospective customer, or any other information that, either individually or when combined with other information could be used to derive information specific to a particular customer or prospective customer, which information is not generally available to the public and which Itron acquires or derives in carrying out its obligations under this Agreement. Customer Data includes, but is not limited to, information regarding a User’s identity social security number, telephone number, credit card number, e-mail address, account information, service purchase and usage information.

7.3. Use of Customer Data. Itron may only collect, access, use, maintain, or disclose Customer Data to fulfill its obligations under this Agreement. Customer exclusively owns all Customer Data and Itron agrees to return, or at the election of Customer, destroy (and confirm in writing the destruction) all Customer Data upon the termination or expiration of this Agreement, or earlier if requested to do so in writing by Customer.

7.4. Reservation of Rights to Customer. Subject to the limited rights granted by Customer hereunder, Itron acquires no right, title or interest from Customer or its licensors under this Agreement in or to Customer Data, including any Intellectual Property (defined below) rights in that Customer Data.

7.5. Safeguards. Itron will employ administrative, physical, and technical safeguards that are reasonably designed to prevent unauthorized collection, access, disclosure, and use of Customer Data while in its custody (“*Safeguards*”). The Safeguards Itron employs must: (1) meet, at a minimum, industry practice; and (2) be reasonably designed to ensure that only Itron personnel with a need to know the Customer Data have access to it. Itron will promptly notify Customer of any known breach of any Safeguards, and Itron and Customer will cooperate to investigate and remedy any such breach and any related dispute, inquiry, or claim.

7.6. Miscellaneous. This Section 7 supplements Section 6 (“Confidentiality”), and the provisions of this Section 7 control if they conflict with Section 6 (“Confidentiality”). A breach of any Customer Data provision may result in irreparable harm to Customer, for which monetary damages may not provide a sufficient remedy, Customer may seek both monetary damages and equitable relief.

8. Publicity. Neither Party shall disclose, advertise, or publish the detailed terms and conditions of this Agreement without the prior written consent of the other Party, except as part of any budgetary process occurring in the standard course of business. Any press release or publication regarding this Agreement or deliverables under it are presumed by the Parties to contain Confidential Information and is subject to prior review and written approval of the Parties.

9. Warranties.

9.1. Services & Deliverables Warranties. Express warranties for products and services (the “*Express Warranties*”) will be stated in the applicable Addenda for the period stated therein (the “*Express Warranty Period*”).

9.2. CERTAIN WARRANTY EXCLUSIONS. THE WARRANTIES UNDER THIS AGREEMENT AND THE ADDENDA DO NOT COVER PROBLEMS CAUSED BY EXTERNAL CAUSES, INCLUDING ACCIDENTS, ACTS OF VANDALISM, ABUSE, MISUSE, INADEQUATE MAINTENANCE, UNKNOWN OR UNFORESEEN ELECTROMAGNETIC DISTURBANCES ON THE NETWORK, PROBLEMS WITH ELECTRICAL POWER, OR WITH THE QUALITY OF THE

WATER, THE ENERGY OR THE NETWORK, ACTS OF GOD, SERVICE (INCLUDING INSTALLATION OR DE-INSTALLATION) NOT PERFORMED OR AUTHORIZED BY ITRON.

9.3. DISCLAIMER OF WARRANTIES. WARRANTIES UNDER THIS AGREEMENT, TOGETHER WITH ALL EXPRESS WARRANTIES CONTAINED IN ANY ADDENDUM, STATEMENT OF WORK, OR OTHERWISE INCORPORATED IN THIS AGREEMENT, CONSTITUTE AND EXPRESS THE ENTIRE STATEMENT OF THE PARTIES WITH RESPECT TO WARRANTIES. THE PARTIES DISCLAIM ALL EXPRESS OR IMPLIED WARRANTIES, CONDITIONS OR REPRESENTATIONS INCLUDING, WITHOUT LIMITATION, (I) IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, (II) WARRANTIES OF TITLE AND AGAINST INFRINGEMENT AND (III) WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. TO THE EXTENT ANY IMPLIED WARRANTY CANNOT BE EXCLUDED, SUCH WARRANTY IS LIMITED IN DURATION TO THE EXPRESS WARRANTY PERIOD.

10. Insurance. During the term of this Agreement, Itron will maintain the following minimum levels of insurance (i) workers' compensation insurance for Itron employees equal to applicable statutory limits and an employer's liability policy in an amount not less than \$1,000,000.00; (ii) an occurrence form commercial general liability policy or policies in an amount not less than \$1,000,000 per occurrence and \$2,000,000.00 aggregate; (iii) an automobile liability policy or policies in an amount not less than \$1,000,000.00 combined single limit; and (iv) a professional liability policy or policies insuring against liability for errors and omissions covering professional activities contemplated under this Agreement in an amount not less than \$1,000,000.00. Upon written request, Itron will provide Certificates of Insurance evidencing the coverage described in this Section.

11. Limitation of Liability.

11.1. NO CONSEQUENTIAL DAMAGES. NEITHER PARTY WILL BE LIABLE HEREUNDER FOR CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES (INCLUDING LOST PROFITS OR SAVINGS) FOR ANY CAUSE OF ACTION, WHETHER IN CONTRACT, TORT OR OTHERWISE, EVEN IF THE PARTY WAS OR SHOULD HAVE BEEN AWARE OF THE POSSIBILITY OF THESE DAMAGES, EXCEPT THAT THE FOREGOING WILL NOT RESTRICT A PARTY'S ABILITY TO RECOVER ACTUAL DAMAGES FOR BREACH OF THIS AGREEMENT, INCLUDING THE COSTS OF OBTAINING REPLACEMENT SERVICES AND DELIVERABLES COMPLYING WITH THE TERMS OF THIS AGREEMENT.

11.2. LIMITATION. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR DAMAGES IN EXCESS OF FIFTY PERCENT (50%) OF THE FEES PAID BY CUSTOMER TO SUPPLIER FOR THE SERVICES OR DELIVERABLES IN THE TWELVE (12) MONTH PERIOD PRIOR TO THE DATE OF ANY CLAIM. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION IN THE AGGREGATE.

12. Indemnification Against Third Party Claims.

12.1. General Claims. Itron agrees to defend Customer and Customer's successors and assigns, officers, directors, employees, representatives, and agents ("***Customer Indemnitees***") from and against any and all third-party claims, demands, suits, actions, causes of action, of any kind whatsoever (together a "***Claim***"), and Itron will indemnify and hold harmless Customer Indemnitees from and against all damages, losses, costs and/or expenses (including legal fees and disbursements) awarded against Customer in any such Claim, or those costs and damages agreed to by Itron in a monetary settlement of such Claim, to the extent resulting from damages to persons or real or tangible property, bodily injury or death caused by Itron's negligence, gross negligence or intentional misconduct (including that of its employees, agents, and

contractors) arising in connection with this Agreement.

12.2. Infringement Claims. Itron shall defend the Customer Indemnitees from and against any and all claims, demands, suits, actions, causes of action, of any kind whatsoever, for damages, losses, costs and/or expenses (including legal fees and disbursements) by an unaffiliated third party to the extent resulting from any allegation that any Itron Deliverables and/or Services constitute a direct infringement, violation or misappropriation of any such third party's Intellectual Property rights. The foregoing does not apply to products that are not manufactured by Itron or to software licensed by third parties. As Itron's sole obligation with respect to infringement claims relating to Third-Party Equipment and/or Third-Party Software, Itron shall make commercially reasonable efforts to enforce any available infringement protections provided to Itron by the applicable third-party manufacturer or licensor on behalf of the Customer Indemnitees.

12.3. Conditions to Infringement Claim Defense. Itron's infringement defense obligations under Section 12.2 are conditioned on Customer's agreement that if the applicable product or service becomes, or in Itron's opinion is likely to become, the subject of such a claim, Itron will have the right, at Itron's sole option and expense, either to procure the right for Customer to continue using the affected product or service or to replace or modify the same so that it becomes non-infringing. Such replacements or modifications will be functionally equivalent to the replaced product or service. If the foregoing alternatives are not available on terms that are commercially reasonable in Itron's sole judgment, Itron shall have the right to require Customer to cease using the affected product or service in which case Itron will refund to Customer the depreciated value of the affected product or the unused portion of the service, as the case may be.

12.4. Exclusions to Infringement Claim Defense. Itron shall have no obligation under this Agreement to the extent any claim of infringement or misappropriation results from: (i) use of a product or service, other than as permitted under this Agreement or as intended by Itron, if the infringement would not have occurred but for such use; (ii) use of any product or service in combination with any other product, equipment, software or data, if the infringement would not have occurred but for such combination; (iii) any use of any release of a software or any firmware other than the most current release made available to Customer, (iv) any claim based on Customer's use of a product after Itron has informed Customer of modifications or changes to the product required to avoid such claims and offered to implement those modification or changes, if such claim would have been avoided or mitigated by the implementation of Itron's suggestions, (v) any modification to a product made by a person other than Itron or an authorized representative of Itron, or (vi) compliance by Itron with specifications or instructions supplied by Customer. Itron shall not be liable hereunder for enhanced or punitive damages that could have been avoided or reduced by actions within the control of Customer.

12.5. Conditions to Defense. As a condition to Itron's defense obligations under this Agreement, Customer will provide Itron with prompt written notice of the claim, permit Itron to control the defense, settlement, adjustment or compromise of the claim and provide Itron with reasonable assistance in connection with such defense; however, Itron shall not consent to any judgment or settlement of the foregoing, that creates an obligation on any Customer Indemnitee without first obtaining such indemnitee's prior written consent. Customer may employ counsel at its own expense to assist it with respect to any such claim.

12.6. THIRD PARTY CLAIM DISCLAIMER. THIS SECTION CONSTITUTES ITRON'S SOLE AND EXCLUSIVE OBLIGATION WITH RESPECT TO THIRD PARTY CLAIMS BROUGHT AGAINST CUSTOMER.

13. Intellectual Property.

13.1. Definition. “*Intellectual Property*” means intellectual and industrial property rights, and moral rights or similar or analogous proprietary rights, pertaining to a particular invention, work of authorship, symbol or other mark or designation indicative of source or quality, or other particular item of tangible or intangible property, arising under statutory or common law or by contract, in the United States or another country that recognizes such rights, whether or not perfected, now existing or hereafter filed, issued, or acquired, including: (i) patent rights associated with an invention and processes (including business processes), methods and apparatuses entailed by such invention (including, as applicable, the rights to make, use, sell, offer to sell, import, or have made, and the rights to file and prosecute patent applications and provisional patent applications); (ii) rights associated with works of authorship, including copyrights and mask work rights (including the rights to copy, adapt, distribute, display, perform, and create derivative works); (iii) rights relating to the protection of trade secrets and confidential information (including the rights to use and disclose); (iv) trademarks, service marks, trade dress, trade names, and design patent rights (including the right to goodwill appertaining thereto); (v) moral rights; and (vi) other rights analogous, similar, or comparable to those described by the foregoing clauses (i) through (v), and other proprietary rights relating to intangible property (including licensing rights and shop rights).

13.2. Reservation of Intellectual Property Rights. Itron reserves all rights, title and interest in and to all of its Intellectual Property. Customer reserves all rights, title and interest in and to all of its Intellectual Property.

13.3. Suggestions. Itron shall have a royalty-free, worldwide, irrevocable, perpetual license to use and incorporate into its products and services any suggestions, enhancement requests, recommendations or other feedback provided by Customer.

14. Change Requests & Change Orders.

14.1. Request. Customer may at any time, and from time to time, propose changes to services or services deliverables or request that Itron perform additional services for Customer (each a “*Change Request*”). Within a reasonable period after receiving a written Change Request from Customer, Itron will prepare and submit a written proposal in the form of a statement of work to Customer that: (i) if applicable, assesses the expected impact of the Change Request on any services or services deliverables being provided at the time of the request; (ii) defines and describes how Itron would fulfill or satisfy the Change Request, and describes any additional services or services deliverables to be provided by Itron in reasonable detail; (iii) sets forth pricing, specifications, implementation plans and time schedules, with appropriate milestone and completion dates, anticipated by Itron in connection with fulfilling the Change Request; (iv) contains proposed completion and acceptance criteria; and (v) sets forth any other information required by this Agreement and any Technology & Services Addendum.

14.2. Response. If Itron timely submits a response to the Change Request, the Parties will attempt in good faith to negotiate a mutually acceptable resolution. Mutually agreed upon Change Requests will take the form of a written order (each a “*Change Order*”). Following the issuance of any Change Request and during any negotiation, Itron will continue to provide the services and services deliverables, unless otherwise agreed to by Itron and Customer in writing.

14.3. Failure to Respond to Change Request. If Itron fails to respond to Customer’s Change Request within five (5) business days, the Change Request will be deemed to be rejected.

14.4. Authorized Approvals. No Change Order will be binding upon Customer or Itron unless executed and delivered by an authorized signatory of both parties. All Change Orders and all statements of work under a Change Order will be governed by the terms and conditions of this Agreement and the applicable Technology & Services Addendum.

15. Dispute Resolution.

15.1. Dispute Resolution Procedure. The Parties will resolve any dispute between the Parties regarding the interpretation of this Agreement or Itron's performance using the procedures in this Section.

15.1.1. Either Party may give the other Party written notice of any dispute not resolved in the normal course of business. Upon delivery of the notice, each of the Parties will appoint a designated representative who does not devote substantially all of his or her time to performance under this Master Sales Agreement and who, in the case of Customer, will be a director (or more senior corporate officer), and in the case of Itron, a director (or more senior corporate officer), to meet for the purpose of resolving the dispute.

15.1.2. The representatives will discuss the problem and negotiate in good faith to resolve the dispute promptly and without the necessity of any formal proceeding. If either Party intends to have an attorney attend a meeting, it will notify the other Party at least two (2) business days before the meeting to enable the other Party to also be accompanied by an attorney. All negotiations pursuant to this Section are confidential and will be treated as compromise and settlement negotiations for purposes of evidentiary rules.

15.1.3. If the disputed matter has not been resolved by the designated representatives within ten (10) business days after delivery of the written notice by one Party to the other, or such longer period as agreed to in writing by the Parties, each Party will have the right to commence any legal proceeding as permitted by law.

15.2. Agreements in writing. No agreement achieved under this dispute resolution process will be binding on either Party unless set forth in a writing executed by both Parties by duly authorized signatories.

15.3. No Termination or Suspension of Services. During the pendency of any dispute, Itron will not interrupt or delay the provision of Services, disable any Deliverable in whole or in part, or perform any other action that prevents, slows down, or reduces in any way the provision of Services or Customer's ability to conduct its business, unless Customer agrees in writing or terminates this Master Sales Agreement.

15.4. Injunctive relief. Neither Party will be obligated to follow the procedures set forth in this Section when seeking injunctive relief.

16. Miscellaneous.

16.1. Entire Agreement. This Agreement and any attachments hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements pertaining to such subject matter. All prior agreements, representations, warranties, statements, negotiations, understandings, and undertakings are superseded hereby and Customer represents and acknowledges that it has not relied on any representation or warranty other than those explicitly set forth in this Agreement in connection with its execution of this Agreement. Neither Party shall be bound by terms and conditions imprinted on or embedded in purchase orders, order acknowledgments, statements of work not expressly made a part hereof or other communications between the Parties.

16.2. Waivers. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision. No waiver granted under this Agreement as to any one provision herein shall constitute a subsequent waiver of such provision or of any other provision herein, nor shall it constitute the waiver of any performance other than the actual performance specifically waived.

16.3. No Assignment. This Agreement is personal to each Party, and none of the rights of a Party hereunder shall be sold, transferred, assigned or sublicensed by a Party; provided, however, that upon written notice to Customer, Itron shall have the right to assign, by contract or by operation of law, any or all of its rights and obligations under this Agreement to a Itron Affiliate without any requirement that Itron seek or obtain the approval of Customer. “*Itron Affiliate*” means an entity controlled by or under common control with Itron.

16.4. Captions; Section Numbers. Article, section and paragraph numbers and captions are provided for convenience of reference and do not constitute a part of this Agreement. Any references to a particular Section of this Agreement will be deemed to include reference to any and all subsections thereof.

16.5. Neither Party Deemed Drafter. Despite the possibility that one Party or its representatives may have prepared the initial draft of this Agreement or any provision or played a greater role in the preparation of subsequent drafts, the parties agree that neither of them will be deemed the drafter of this Agreement and that, in construing this Agreement, no provision hereof will be construed in favor of one Party on the ground that such provision was drafted by the other.

16.6. Expenses. Each Party will be responsible for, and will pay, all expenses paid or incurred by it in connection with the planning, negotiation, and consummation of this Agreement.

16.7. Anti-Corruption. Customer has not received or been offered any illegal or improper bribe, kickback, payment, gift, or thing of value from an Itron employee or agent in connection with this Agreement. Reasonable gifts and entertainment provided in the ordinary course of business do not violate the above restriction. If Customer learns of any violation of the above restriction, it will use reasonable efforts to promptly notify Itron’s Law Department via the contact information in the notices section.

16.8. Relationship of the Parties. The Parties are independent contractors for all purposes and at all times. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties. Itron has the responsibility for, and control over, the methods and details of performing services and providing products under this Agreement. Itron will provide all tools, materials, training, hiring, supervision, work policies and procedures, and be responsible for the compensation, discipline and termination of Itron personnel. Neither Party has any authority to act on behalf of, or to bind the other to any obligation.

16.9. Compliance with Law. Itron and Customer will at all times perform their respective obligations under this Agreement in compliance in all material respects with all applicable foreign, domestic, state, and local laws and regulations of all applicable foreign and domestic jurisdictions, and in such a manner as not to cause the other to be in material violation of any applicable laws or regulations including any applicable requirements of any foreign, domestic, state, or local authority regulating health, safety, employment, the environment, consumer protection, security, exportation, information services, or telecommunications.

16.10. Governing Law. This Agreement and performance hereunder will be governed by and construed in accordance with the laws of the State of Alaska without reference to their conflicts of law principles or the United Nations Convention on Contracts for the Sale of Goods.

16.11. Forum Selection. The Parties agree that all actions and proceedings arising out of or related to this Agreement, except as necessary to enforce indemnity or defense obligations, will be brought only in a state court located in Anchorage, Alaska or in the United States District Court for the Eastern District of Alaska. The Parties hereby consent to such venue and to the jurisdiction of such courts over the subject matter of such proceeding and themselves.

16.12. Jury Trial Waiver.

16.12.1. EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL IN ANY COURT ACTION ARISING AMONG THE PARTIES UNDER THIS AGREEMENT OR OTHERWISE RELATED TO THIS AGREEMENT, WHETHER MADE BY CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR OTHERWISE.

16.12.2. If the jury waiver is held to be unenforceable, the Parties agree to binding arbitration for any dispute arising out of this Agreement or any claim arising under any federal, state or local statutes, laws, or regulations. The arbitration will be conducted in accordance with the arbitration rules promulgated under the CPR Institute for Dispute Resolution's ("CPR") Rules for Non-Administered Arbitration of Business Disputes then prevailing. To the extent that the provisions of this Agreement and the prevailing rules of CPR conflict, the provisions of this Agreement will govern. The arbitrator(s) will be required to furnish, promptly upon conclusion of the arbitration, a written decision, setting out the reasons for the decision. The arbitration decision will be final and binding on the parties, and the decision may be enforced by either Party in any court of competent jurisdiction. Each Party will bear its own expenses and an equal share of the expenses of the third arbitrator and the fees, if any, of the CPR.

16.12.3. The Parties agreement to waive their right to a jury trial will be binding on their respective successors and assignees.

16.13. Notices. Except as otherwise specified in this Agreement, all notices, permissions and approvals hereunder shall be in writing and shall be deemed to have been given upon: (i) personal delivery, (ii) the second business day after mailing, (iii) the second business day after sending by overnight delivery, (iv) the second business day after sending by confirmed facsimile, or (v), except for legal notices, the first business day after sending by email. All legal notices shall be clearly identified as such.

16.14. Severability. If any provision of this Agreement or its applications to particular circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, that provision (or its application to those circumstances) will be deemed stricken and the remainder of this Agreement (and the application of that provision to other circumstances) will continue in full force and effect insofar as it remains a workable instrument to accomplish the intent and purposes of the parties; the parties will replace the severed provision with the provision that will come closest to reflecting the intention of the parties underlying the severed provision but that will be valid, legal, and enforceable.

16.15. Force Majeure. Except for the obligation to pay monies due and owing, neither Party shall be liable for any delay or failure in performance due to events outside the defaulting Party's reasonable control, including without limitation acts of God, earthquake, labor disputes, industry wide shortages of supplies, actions of governmental entities, riots, war, terrorism, fire, epidemics, or delays of common carriers or other circumstances beyond its reasonable control. The obligations and rights of the defaulting Party shall be extended for a period equal to the period during which such event prevented such Party's performance.

16.16. No Third Party Rights. This Agreement is entered into only for the benefit of Customer and Itron and no other person or entity shall have the right to enforce any of its terms.

16.17. Authorization. Each Party represents and warrants that the signing, delivery and performance of this Agreement has been properly authorized.

16.18. Counterparts. This Agreement may be executed by facsimile or scan and in counterparts, which taken together shall form one legal instrument.

[Signature Page Follows]

**SIGNATURE PAGE
TO
MASTER SALES AGREEMENT
TERMS AND CONDITIONS**

AGREED:

Itron, Inc.

Customer

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

**TRANSACTION SUMMARY
TO
MASTER SALES AGREEMENT**

Technology & Services Addendum to Master Sales Agreement	
1. Equipment Purchase & Warranty Schedule Addendum	<input checked="" type="checkbox"/>
2. Software License Addendum	<input checked="" type="checkbox"/>
3. Maintenance & Support Services Addendum	<input checked="" type="checkbox"/>
4. Installation/Implementation Services Addendum	<input checked="" type="checkbox"/>
5. Cloud Infrastructure Service Addendum	<input type="checkbox"/>
6. Software-as-a-Service Addendum	<input checked="" type="checkbox"/>
7. Managed Services Addendum	<input type="checkbox"/>
8. Managed Services In-Field Maintenance Option	<input type="checkbox"/>
9. Itron Mobile Addendum	<input checked="" type="checkbox"/>

Pricing Summary (Attached)
BMR# 14722-18 Ver2 March

Additional Attachments (if applicable)

Software-as-a-Service Term / Managed Services Term / Cloud Infrastructure Service Term
<u>Minimum 3-Year Term Commitment Required; Minimum Monthly Fee Required</u>
<input checked="" type="checkbox"/> Other: Click here to enter text. Years
<i>[Important Note Regarding Minimum Commitment: If Customer terminates the service for convenience prior to the expiration of the minimum commitment period, services fees for the balance of minimum commitment period will be owed by Customer and must be paid within 30 days after the effective date of termination.]</i>
<i>[Renewal: The initial services term will renew automatically without requirement of notice for additional 1-year periods – not to exceed three renewal periods – until either party provides 90-days prior written notice of intent not to renew.]</i>

Additional Support Services (if applicable)
In addition to standard Maintenance & Support Services:

☐ Advanced Services

*[**Note:** Requires attachment of Advanced Services Addendum.]*

Identification of Licensed Software *(if applicable)*

Application Name

Field Collection Services

Network Software

License Term

☒ Perpetual

☐ Fixed Term (Click here to enter text. Years)

(☐ Check if fixed term license requires purchase of software maintenance and support services for term of license)

License Type

☒ Tier Limitation (Maximum Usage: FCS up to 2,500 ERTs, Network Software Up to 10,000 ERTs)

☐ Other (Description: Click here to enter text.) (Maximum Usage: Click here to enter text.)

Cloud Infrastructure

(☐ Check if Cloud Infrastructure Service Option has been selected for this software application.)

TECHNOLOGY & SERVICES ADDENDUM
– Equipment Purchase & Warranty Schedule –

- 1. Ordering of Equipment.** During the term of the Agreement, Customer shall order quantities of equipment by issuing a purchase order to Itron, with a requested ship date agreeable to both Parties – in each case specifying the type and quantity of equipment, the shipment destination and the requested ship date.
- 2. Firmware.** The purchase of equipment manufactured by Itron includes a perpetual, irrevocable license to use and execute any software embedded in the equipment. The license to any software embedded in third party equipment purchased by Customer through Itron shall be between Customer and the manufacturer of such third party equipment.
- 3. Equipment Invoicing.** Itron will invoice Customer for equipment upon shipment.
- 4. Ordering Lead Time & Ship Date.** The required lead time for equipment manufactured by Itron shall be ninety (90) days between the date Itron receives the purchase order and the ship date, unless (a) otherwise provided in an agreed-upon purchase order, or (b) Itron has notified Customer in advance that a different lead time is required for specific Itron equipment. The required lead time for third party equipment shall be the applicable third party manufacturer's then-current, standard lead time. Itron shall have no obligation to accept any requested ship date that is sooner than the required lead time.
- 5. Order Cancellation & Rescheduling.** Unless otherwise provided in an agreed-upon purchase order, a purchase order for equipment may not be canceled or rescheduled by Customer.
- 6. Forecasts.** Itron may condition the ninety (90) day order lead time or such other lead time required by Itron under Section 4 ("Ordering Lead Time & Ship Date") upon Customer providing binding forecasts, at intervals requested by Itron, of Customer's equipment demand.
- 7. Delivery & Risk of Loss.**
 - 7.1 Delivery.** Itron shall cause the equipment to be delivered to Customer (or Customer's authorized agent) at customer's expense in accordance with the purchase order and by the specified ship date, provided that all purchase order content and lead time requirements have been met.
 - 7.2 Title and Risk of Loss.** Title to equipment and risk of loss or damage will transfer to Customer on the ship date, with the exception that title and risk of loss will transfer to Customer upon delivery where the ship-to location is in Canada.
- 8. Documentation.** Itron shall make its standard product documentation available via download. Itron will provide Customer with download instructions.
- 9. Inspection by Customer.** Customer shall inspect a shipment within a reasonable period of time after receiving shipment – and in all events no longer than seven (7) days – to confirm that the items delivered are the equipment ordered and that the quantity received is the same as the quantity ordered.
- 10. Limited Equipment Warranty.**
 - 10.1. Limited Warranty.** Itron warrants to Customer that the Itron-manufactured equipment will be free from defects in materials and workmanship and will conform to the applicable specifications for a period of one (1) year from the date of shipment, unless otherwise stated in the attached warranty schedule for

Itron-manufacture equipment. For avoidance of doubt, components parts of Itron-manufactured equipment that are provided by third-party manufacturers and developers – and which are integrated into Itron-manufactured equipment – are covered by this Section 10 warranty.

10.2. Repair or Replacement.

10.2.1. Itron reserves the option to repair or replace the Itron-manufactured equipment after Customer has returned non-conforming Itron-manufactured equipment under warranty properly packaged and prepaid to a repair facility designated by Itron in accordance with Itron's then-current RMA procedures. Itron's warranty under this Section, does not include freight to the Itron designated facilities; however, it does include return freight to Customer's location in the event that the returned unit of Itron-manufactured equipment is determined to be faulty and under warranty.

10.2.2. Labor costs associated with removal or reinstallation of failed equipment at Customer location, after the initial deployment of equipment, is not included in Itron's warranty under this Section.

10.3. Warranty on Repaired or Replaced Equipment. Repaired and replacement Itron-manufactured equipment will be warranted for the remainder of the original warranty period set forth above, but no less than six (6) months from repair or replacement.

11. Exclusions to Warranty on Itron-Manufactured Equipment. The above Section 10 warranty on Itron-manufactured equipment does not cover damage due to external causes, including accident, abuse, misuse, inadequate maintenance, problems with electrical power, acts of God; service (including installation or de-installation) not performed or authorized by Itron; usage not in accordance with product instructions or in a configuration not approved by Itron; normal wear and tear; and problems caused by use of parts and components that are not supplied by Itron. The warranty provided herein shall be void if the equipment is modified in a way not authorized in writing by Itron.

12. Pass-Through Warranties on Third-Party Equipment. ITRON IS NOT THE MANUFACTURER OF THE EQUIPMENT SPECIFICALLY IDENTIFIED IN THE THIRD PARTY EQUIPMENT WARRANTY SCHEDULE AS THIRD PARTY EQUIPMENT AND MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO THE SUITABILITY, DURABILITY, FITNESS FOR USE, MERCHANTABILITY, CONDITION, QUALITY, PERFORMANCE OR NON-INFRINGEMENT OF THE THIRD PARTY EQUIPMENT. WITH RESPECT TO ITRON, CUSTOMER PURCHASES THIRD PARTY EQUIPMENT "AS IS." THIRD PARTY EQUIPMENT SHALL BE SUBJECT TO ANY WARRANTIES PROVIDED BY THE THIRD PARTY EQUIPMENT MANUFACTURER. MODIFICATIONS MAY VOID OR OTHERWISE LIMIT ANY WARRANTY APPLICABLE TO THIRD PARTY EQUIPMENT. See the attached Third Party Equipment Warranty Schedule, if applicable, for an informational use only summary of third party warranties for Third Party Equipment. Itron will act as a liaison with the Third Party Equipment providers in regard to the Third Party Equipment warranties and will make commercially reasonable efforts to assist Customer in enforcing those warranties.

[Warranty Schedule Follows]

**Itron Equipment Warranty Schedule
To
Supplemental Equipment Purchase Terms**

Product	Warranty Terms
Centron and Sentinel electricity meters	3 years from shipment
Repairs for out-of-warranty electricity meters	Itron shall perform the repairs with reasonable care and in a diligent and competent manner. Itron's sole obligation in connection with repair warranty failures shall be, at its option, to correct or re-perform repairs or refund to Customer the amount paid for the repairs. Customer must report any deficiencies in repair work to Itron in writing within 90 days of shipment to receive the remedies described herein.
OpenWay Riva Water Module (including battery)	<p>Full warranty consistent with the warranty terms in the Agreement for the first 10 years from shipment.</p> <p>For warranty claims in years 11 through 15, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 50 percent of its then-current list price for the replacement product.</p> <p>For warranty claims in years 16 through 20, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 25 percent of its then-current list price for the replacement product.</p> <p>The warranty on Itron water endpoints shall be void if the endpoint is used in connection with a third party reading system that is not approved by Itron.</p>
100W and 100W+ series water endpoints (including battery)	<p>Full warranty consistent with the warranty terms in the Agreement for the first 10 years from shipment.</p> <p>For warranty claims in years 11 through 15, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 50 percent of its then-current list price for the replacement product.</p> <p>For warranty claims in years 16 through 20, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 25 percent of its then-current list price for the replacement product.</p> <p>The warranty on Itron water endpoints shall be void if the endpoint is used in connection with a third party reading system that is not approved by Itron.</p>
OpenWay Riva Leak Sensor	Full warranty consistent with the warranty terms in the Agreement for the first 5 years from shipment.

Leak Sensor (Non-OpenWay Riva)	<p>Full warranty consistent with the warranty terms in the Agreement for the first 10 years from shipment.</p> <p>For warranty claims in years 11 through 15, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 50 percent of its then-current list price for the replacement product.</p> <p>For warranty claims in years 16 through 20, Itron's sole obligation will be to provide Customer with a discount on replacement product equal to 25 percent of its then-current list price for the replacement product.</p>
Upgraded handhelds or Mobile Collectors	90 days from shipment.
METRIS Meters and I-250 Meters	<p>Itron warrants that eighty five percent (85%) or more of the METRIS Meters and I-250 Meters shipped to Customer during any calendar year will be free from defects in materials and workmanship such that they maintain set point calibration that is within two percent of their original factory set point calibration (open and check) ("Calibration Warranty"). The foregoing Calibration Warranty is valid until the earlier of (i) 15 years from shipment to Customer of the METRIS Meter and I-250 Meter for which warranty coverage is sought, (ii) the measurement of more than one million cubic feet of gas measured by such meter, or (iii) until such meter is replaced by Customer in connection with a periodic meter change-out.</p> <p>Itron's sole obligation and Customer's exclusive remedy in connection with the breach of a warranty provided under this Section shall be for Itron, at its option, to repair any non-conforming METRIS Meters and I-250 Meters, provided that if Itron determines that it is unable to repair a non-conforming METRIS Meter and I-250 Meter, Itron will refund to Customer the depreciated value of such non-conforming METRIS Meter and I-250 Meter. At the request of Itron, Customer will provide evidence of a meter's service history to verify warranty coverage.</p>

[End of Warranty Schedule]

TECHNOLOGY & SERVICES ADDENDUM

– Software License –

- 1. The Licensed Software.** The Itron software licensed under this Addendum (the “*Licensed Software*”) is identified in the Transaction Summary.
- 2. Software Maintenance & Support.** Note: Customers licensing Licensed Software in connection with Cloud Infrastructure service are required to purchase software Maintenance & Support Services for term of the Cloud Infrastructure service.
- 3. License Grant.** Itron hereby grants to Customer a non-exclusive, non-transferable, non-assignable, non-sublicensable, revocable right and license – within the Territory and for the Software License Term, subject to payment of license fees and compliance with the terms and conditions of this Addendum and the Agreement – to: (i) use, make, execute, display, and perform the Licensed Software in object code form for Customer’s own internal business purposes and only in connection with the number of specified endpoints. The “*Territory*” shall be the United States of America – or Canada, if Customer is a Canadian company that will be operating the Licensed Software in Canada. The Software License Term is identified in the Transaction Summary.
- 4. Third-Party Software.** All software developed by a third-party and sublicensed by Itron is subject to the licensing terms of the third-party developer, a copy of which terms shall be given to Customer. Such third-party software does not include software incorporated or embedded into hardware and software manufactured or developed by Itron.
- 5. Restrictions.** In addition to those restrictions, terms, and conditions set forth in the Agreement – and as a condition to the license grant under Section 3, above – Customer shall not (a) modify or create any derivative works from the Licensed Software or the documentation provided with the Licensed Software (“*Documentation*”), (b) include or combine the Licensed Software with any software or with any equipment or hardware other than as authorized by Itron, (c) use the Licensed Software to provide processing services to third-parties or on a service bureau basis, (d) reverse assemble, decompile, reverse engineer the Licensed Software or otherwise attempt to derive its source code, (e) transfer any copy of the Licensed Software from the authorized system to any other computer hardware or system, except in case of malfunctioning or defective computer hardware or system – and then only temporarily and with the consent of Itron; or (viii) export the Licensed Software or any copy or direct product thereof out of the United States except in compliance with applicable export laws and regulations. Customer may only make copies of Documentation as reasonably necessary for the use contemplated under the Agreement; provided, however, that Customer may not copy the Licensed Software other than to make one machine readable copy for disaster recovery or archival purposes. Installation of the Licensed Software shall be limited to one production environment and one test environment. The Licensed Software and Documentation is the Confidential Information of Itron. Customer recognizes and agrees that any breach of the preceding restrictions by Customer shall constitute a material breach of this Addendum by Customer, and, at the option of Itron, shall result in revocation and immediate termination of all rights and licenses granted hereunder. Customer further recognizes and agrees that nothing in this Section shall be construed as prohibiting Itron from pursuing any and all remedies in the event of such breach or violation, and Itron hereby expressly reserves such rights and remedies.
- 6. Reservation of Intellectual Property Rights by Itron.** Itron (and third party developer in the case of sublicensed software) retains all right, title and interest, and all ownership, in and to the Licensed Software and Documentation, including but not limited to all patent, copyright, trade secret, proprietary and other intellectual property rights in the Licensed Software and Documentation and in any modifications and derivative works. Itron (and third party developer in the case of sublicensed software) reserves the sole right to modify and update the Licensed Software. Customer will not take any action that

might impair or challenge in any way any right, title or interest of Itron (or the applicable third party developers in the case of sublicensed software) in any such intellectual property rights. Customer must not alter or remove trade names, trademarks, services marks, or copyright notices and any other proprietary notices or trademarks on any Licensed Software or Documentation.

7. Software Delivery. Licensed Software will be delivered on the date and in the manner agreed to by the Parties.

8. Limited Warranties. The following warranties are the sole and exclusive warranties offered by Itron in connection with the Licensed Software.

8.1. Itron Software. Itron represents and warrants that for a period of ninety (90) days from the date of delivery to Customer, the Itron Software will operate substantially in conformance with the applicable Specifications. Customer's sole remedy for a breach of this warranty – if Itron has failed to cure the breach of warranty within a reasonable period – will be the refund of license fees for the Licensed Software. Itron Software that is repaired or replaced pursuant to this Section will be warranted for the remainder of the original warranty period or thirty (30) days, whichever is longer. Customer's license to Itron Software for which it has received a refund hereunder shall terminate upon its receipt of a refund. The foregoing warranty does not cover third party software.

8.2. Third Party Software. ITRON IS NOT THE OWNER OF THE THIRD PARTY SOFTWARE AND MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO THE SUITABILITY, DURABILITY, AND FITNESS FOR USE, MERCHANTABILITY, CONDITION, QUALITY, PERFORMANCE OR NON-INFRINGEMENT OF THE THIRD PARTY SOFTWARE. WITH RESPECT TO ITRON, CUSTOMER IS PROVIDED THIRD PARTY EQUIPMENT "AS IS." THIRD PARTY SOFTWARE SHALL BE SUBJECT TO ANY WARRANTIES PROVIDED BY THE THIRD PARTY SOFTWARE LICENSOR. MODIFICATIONS MAY VOID OR OTHERWISE LIMIT ANY WARRANTY APPLICABLE TO THIRD PARTY SOFTWARE.

Itron agrees to act as a liaison with the third party software licensors in regard to the third party software warranties, if any, and will use its commercially reasonable efforts to assist Customer in enforcing those warranties.

9. Exclusions from Liability. Itron shall have no obligation to Customer to the extent any Licensed Software is adversely affected by: (i) use of the Licensed Software in combination with any equipment, computer hardware and peripheral devices, operating system software, device drivers, third party software programs, computer graphic elements, and the like that are not authorized by Itron; (ii) any modification, fix, update or upgrade to the Licensed Software that is made other than by Itron; (iii) the use of a version of Licensed Software that is not supported by Itron; (iv) Customer's failure to implement a fix, update, or upgrade to Licensed Software provided by Itron; (v) the maintenance or support of Licensed Software other than by Itron; (vi) viruses introduced through no fault of Itron; or (vii) Customer's failure to follow installation, set up, and configuration instructions as described in the Documentation.

10. Effect of Termination for Cause. Upon termination of this Addendum for cause, Customer shall immediately discontinue use of the Licensed Software and Documentation and will destroy or return to Itron any and all copies of the Licensed Software and Documentation and certify to Itron in writing within fourteen (14) days after such termination that Customer has destroyed or has returned to Itron the Licensed Software and Documentation. This requirement applies to copies in all forms, partial and complete, in all types of media and computer memory, and whether or not modified or merged into other materials. Termination of this Addendum for cause will not restrict either Party from pursuing any other remedies available to it, including injunctive relief, nor will such termination relieve Customer of its

obligation to pay all fees that accrued prior to such termination. Upon termination of this Addendum for cause, Itron will have no further obligations to Customer in any respect whatsoever with respect to the Licensed Software. For avoidance of doubt – notwithstanding the foregoing, upon termination of this Addendum for cause no license, express or implied, is granted to Customer to any Itron intellectual property rights in the Licensed Software and Documentation.

11. Open Source. In the event that Itron identifies open source components within the Itron Software and provides Customer with the applicable license(s), Customer is required to accept and will comply with all such licenses.

12. License Compliance Verification.

12.1. Records. Customer agrees to create, retain, and provide to Itron and its auditors accurate written records, system tool outputs, and other system information sufficient to provide auditable verification that Customer's use of all Licensed Software is in compliance with the license terms and conditions of this Addendum and the Agreement, including, without limitation, all of Itron's applicable licensing and pricing terms. Customer is responsible for 1) ensuring that it does not exceed its authorized use, and 2) remaining in compliance with the license terms and conditions of this Addendum. Customer, at Itron's request, will provide records and other information to demonstrate compliance with license terms and conditions of this Addendum and the Agreement.

12.2. Verification Process. Upon reasonable notice, Itron may verify Customer's compliance with the license terms and conditions of this Addendum at all sites and for all environments in which Customer uses (for any purpose) Licensed Software. Such verification will be conducted in a manner that minimizes disruption to Customer's business and may be conducted on Customer's premises, during normal business hours. Itron may use an independent auditor to assist with such verification, provided Itron has a written confidentiality agreement in place with such auditor.

12.3. Resolution. Itron will notify Customer in writing if any such verification indicates that Customer has used any Licensed Deliverable in excess of its authorized use or is otherwise not in compliance with the licensing terms and conditions of this Addendum or the Solution Document. Customer agrees to promptly pay directly to Itron the charges that Itron specifies in an invoice for 1) any such excess use, 2) support for such excess use for the lesser of the duration of such excess use or two years, and 3) any additional charges and other liabilities determined as a result of such verification.

12.4. No Restriction on Seeking Injunctive Relief. Nothing in this Section 12 in any way limits or restricts Itron's right to seek injunctive relief for Customer's non-compliance with licensing terms and conditions of this Software Licensed Agreement Document.

13. Invoices. Itron will invoice Customer one hundred percent (100%) of the license fees for the Licensed Software upon delivery to Customer in the manner agreed upon.

14. Surviving Provisions. In addition to the Sections identified in the survival provisions of the Agreement, the following sections of this Addendum will survive expiration and termination of this Addendum and the Agreement: 6 ("Reservation of Intellectual Property Rights by Itron"), 9 ("Exclusions from Liability"), 10 ("Effect of Termination"), 12 ("License Compliance Verification").

[End of Addendum]

TECHNOLOGY & SERVICES ADDENDUM
– Maintenance & Support Services (Hardware & Software) –

1. Additional Definitions. The following defined terms are in addition to those defined in the Agreement:

“Annual Adjustment” means Itron’s standard annual price increase.

“Annual Fee” means the annual fee identified on Attachment A to this M&S Addendum (Maintenance and Support Services Pricing) for each category of Covered Product plus the Annual Adjustment, if any. The Annual Fee for any partial Maintenance Year (i.e., for Covered Products with a Maintenance Commencement Date that falls after the beginning of the Maintenance Year) shall be prorated based on the applicable number of months Customer is to receive Services under this Addendum during such Maintenance Year.

“Contact Documents” means the “Itron Support Services Contacts” document, which can be obtained by calling (877) 487-6602, including for example, the Itron Equipment Repair Table and Working Effectively with Itron Client Services documents.

“Covered Product” means Covered Software and Covered Equipment.

“Covered Software” means the software identified in the Transaction Summary and/or the pricing summary to this Agreement.

“Covered Equipment” means the equipment identified in the pricing summary to this Addendum which is Itron Equipment. (Itron Equipment is distinguished from equipment manufactured by a third-party that Customer may purchase through Itron under an Equipment Purchase Agreement Document or other commercial sales agreement.

“End of Support” means a commercial decision by Itron to discontinue maintenance and support services for specific Covered Products or to discontinue offering a particular Covered Product to Itron customers in general, along with that Covered Product’s associated maintenance and support.

“Error” means a failure of the Covered Software or Covered Software platform to substantially comply with the applicable Specifications.

“Fix” means a correction of an Error, including a work-around, in order for Covered Software to function in accordance with the applicable Specifications.

“Improvement” means an update, modification, enhancement, extension, new version (regardless of name or number), new module, or other change to Covered Software that is developed or otherwise provided by Itron.

“M&S Commencement Date” means the date upon and after which a Covered Product is entitled to receive Services under this Addendum in accordance with the terms of this Addendum, which – unless otherwise stated in the pricing summary – is (a) for Covered Software that is an Itron product, the first day of the month following delivery by agreed-upon method of the Covered Software (e.g., electronic or physical medium), except that the Maintenance Commencement Date for MV-RS Software is the warranty expiration date; and (2) for Covered Equipment that is Itron Equipment, the warranty expiration date.

“M&S Services Option” means the maintenance and support services option for Covered Equipment or Covered Software, including Service Levels, as set forth in Attachment B-1.

“Maintenance Year” means, for each Covered Product, a period of one (1) year beginning on the Effective Date, any anniversary thereof, or agreed-upon coverage start date.

“Mandatory Revision” means a software revision that Customer is required to accept in order to correct or address any one of the following issues: a material Error or a material security breach; or third party infringement claim.

“Operating Condition” means that the Covered Equipment performs in accordance with the applicable Specifications.

“Principal Services Contacts” means the Customer personnel that Customer is required to designate to serve as Customer’s principal relationship contacts for all Services under this Addendum.

“Loaned Mobile/Handheld Equipment” means Mobile Collector and/or Handheld units loaned by Itron to Customer, under the terms of this Addendum while Services are being performed on Customer’s Mobile Collector and/or Handheld.

“Service Levels” means, with respect to this Addendum, the response time, effort level, and escalation path procedures and guidelines described in Attachment B to this M&S Addendum (Software Maintenance & Support Service Levels).

“Software Release” means a collection of Fixes or Improvements made available to Itron customers (either via physical media or electronic download access).

“Service Request” means a request initiated by Customer for a technical support service within the scope of the applicable maintenance and support Services option purchased by Customer.

“Technical Support Services” means Itron technical support services provided by technical representatives by telephone, email or other remote means to assist Customer’s Principal Service Contacts with questions related to the operation of the Covered Products.

2. Effect of Termination.

2.1. Effect of Termination of Agreement. Except as otherwise provided in Section 2.1.2 below, Itron shall not be obligated to provide any Services under this Addendum upon termination of this Addendum.

2.1.1. If either Party terminates the Agreement Customer shall not be entitled to a prorated refund of the applicable Fee.

2.1.2. Unless Itron terminates the Agreement for breach or default by Customer, Itron will continue to provide Services under this Addendum that were purchased by Customer prior to the termination date – and the terms and conditions of this Addendum will continue to govern such Services.

2.2. End of Support. Itron may discontinue Services for any Covered Product, effective as of the end of the current Maintenance Year, by giving Customer written notice of such discontinuance no less than ninety (90) days prior to the end of such Maintenance Year. If the End of Support date is scheduled within a subsequent Maintenance Year, Fees for that subsequent term will be pro-rated through the appropriate End of Support date. At Customer’s request, Itron may elect to provide custom support for products for which Maintenance Services have been discontinued at Itron’s then-current rates. Unless otherwise agreed by the Parties in accordance with the foregoing sentence, Itron shall have no obligation to provide Services under this Addendum with respect to Covered Products for which Itron has discontinued Services pursuant to this Section.

3. Principal Services Contacts.

3.1. Designation by Customer. Customer shall designate no more than two (2) Principal Services Contacts for each Covered Product, as identified in the Contract Documents, to serve as administrative liaisons for all matters pertaining to the Services provided under this Addendum for such Covered Product line, and shall provide their contact information to Itron's customer account representative. Principal Services Contacts shall report problems with Covered Products (each such report, a "***Service Request***") as soon as practicable for entry into Itron's support tracking system. Although it is Customer's sole right to choose its Principal Services Contacts, Customer and Itron acknowledge that each Principal Services Contact should have the appropriate technical skills and training for the position. If Customer replaces a Principal Services Contact, Customer will provide updated contact information to Itron, and the new Principal Services Contact will undergo the same initial training as described in Section 3.2.

3.2. Training of Principal Services Contacts. Before a Principal Services Contact interfaces with Itron, the Principal Services Contact must attend training sessions offered by Itron, an Itron approved trainer, or Customer's training program approved by Itron to ensure that the Principal Services Contact is (a) knowledgeable about the operation of the Covered Products, and (b) qualified to perform problem determination and remedial functions with respect to the Covered Products. Such training sessions will be at Itron's then-current rates. Customer will be solely responsible for all travel and other expenses incurred in connection with each Principal Services Contact's attending the training sessions. The Principal Services Contact should have the skills and capabilities to train other Customer personnel on Covered Products ("train-the-trainer").

3.3. Additional Training. If Itron notifies Customer that additional training of a Principal Services Contact is necessary, Customer will promptly ensure that the Principal Services Contact receive such training.

4. Technical Support Services & Service Requests.

4.1. Support Services. Itron will provide Technical Support Services during its then-current normal business hours. Technical Support Services include troubleshooting, problem diagnosis, release or system management, and recommendations for fully utilizing the Covered Products. Customer acknowledges and agrees that Technical Support Services are not intended as a substitute for training of Customer personnel, field support, or Itron professional services – all of which can be purchased separately. Nor will Customer use Technical Support Services in lieu of having qualified and trained support personnel of its own. Itron's current Technical Support Services contact and support hours are described in the Contacts Document.

4.2. Service Request Process. Customer shall submit Service Requests in the manner required by the Contact Documents and Service Levels.

4.3. Field Support. Upon mutual agreement of the Parties, Itron will dispatch support personnel to Customer's location to provide technical support. Such support will be billed at Itron's then-current hourly rates (with reasonable travel and living expenses invoiced at Itron's cost without markup), unless the cause of the reported problem is found to be the fault of Itron.

5. Software Maintenance.

5.1. Fixes. Itron shall make commercially reasonable efforts to provide a Fix in accordance with the Service Levels. Itron's obligations with respect to Service Levels are contingent upon Customer (i) devoting the same level of effort to resolving the Error as is required of Itron, (ii) responding to requests made by Itron within the applicable Response Time, and (iii) assigning its most qualified personnel to help Itron address the Error.

5.2. Documentation. Itron will make an electronic copy of the Documentation available to Customer at no additional charge via physical media or download access. Itron will maintain a copy of its most recent supported version of the executable Covered Software to be made available to Customer as necessary in the event of corrupted or inoperative Covered Software.

5.3. Improvements. Itron shall provide Improvements, if any, at its then-current price for such Improvements (or at no charge if such Improvements are made available to Itron customers generally at no charge).

5.4. Software Releases.

5.4.1 Release Numbering Convention. Fixes and/or Improvements are made available to customers through periodic Software Releases. For informational purposes, Itron's current typical practice (which may be changed at any time in Itron's discretion) is to provide Software Releases using the numbering convention "XX.YY.ZZ."

- The "XX" in Itron's numbering convention refers to a "**System Release**," which is a new version of the item of Covered Software. A System Release may include Fixes, Improvements or interfaces to new functional modules or platforms not previously supported by Itron.
- The "YY" in Itron's numbering convention refers to a "**Service Pack Release**," which is an update to a System Release. Service Pack Releases may include Fixes or Improvements and are provided to Itron customers generally on a periodic basis.
- The "ZZ" in Itron's numbering convention refers to a "**Hot Fix Release**," which is an unscheduled release provided to one or more customers as a short-term, temporary fix to a Severity Level 1 Error. While not utilized by all Itron software product lines, Hot Fix Releases are not made available to Itron customers generally but may be included in the next scheduled Service Pack for general release.

5.4.2 Support for Releases of Itron Enterprise Edition and Openway Software. This Section 5.4.2 applies only to Covered Software that are Itron Enterprise Edition or OpenWay software products. Services for Itron Enterprise Edition and OpenWay software products under this Addendum shall be limited to the most recent System Release and the prior System Release (and the most current Service Pack Release associated with such System Release). Customer will test and install Service Pack Releases associated with the System Release in use by Customer within twelve (12) months of such Service Pack Releases being made available to Customer. Customer will fully test and upgrade to the latest System Release at least every twenty-four (24) to thirty-six (36) months.

5.4.2.1 Itron may elect to provide Services under this Addendum for an unsupported Software Release of Covered Software at its then-current rates for customer support.

5.4.3 Support for Releases of all Other Covered Software. This Section 5.4.3 applies to all Covered Software *other than* Itron Enterprise Edition and OpenWay Software products. Services under this Addendum for all Covered Software other than Itron Enterprise Edition and OpenWay software products shall be limited to the most recent System Release and the two prior Service Pack Releases. Customer will test and install System Releases and Service Pack Releases within twelve (12) months of such Releases being made available to Customer. Itron may elect to provide Services under this Addendum for an unsupported Software Release of Covered Software at its then-current rates for customer support.

5.4.4 Installation Services for Software Releases. This Section 5.4.4 applies to all Covered Software. Installation services under this Addendum will include limited, remote phone support, for all Covered Software, on Itron certified server configurations, are applicable for one production server and one non-production server owned (test, training, or back-up – for example) / operated by the Customer. At Customer's request, Itron may provide Software Release installation services for install of System Releases or Service Packs on additional production or non-production servers at Itron's then-current hourly rates.

5.4.4.1 Itron may elect to provide Services under this Addendum for installation of System Release of Covered Software on uncertified server configurations at its then-current rates for customer support.

5.5 Mandatory Revision. In the event that Itron, in its sole reasonable discretion, determines that any Covered Software is, or may (as applicable) be: (i) subject to a material Error; (ii) the subject of a material security breach; or, (iii) be subject to a third party infringement claim or suit of any kind, Itron may issue a Mandatory Revision.

5.6 DISCLAIMER OF LIABILITY. ITRON DISCLAIMS ALL LIABILITY AND OBLIGATIONS THAT ARISE DUE TO, OR ARE RESULT OF, CUSTOMER'S FAILURE TO TEST AND INSTALL A MANDATORY REVISION IN A TIMELY FASHION.

5.7 Interoperability. Itron makes no representation or warranty regarding the ability of the Covered Software to interoperate with third party hardware or software other than software or hardware identified as compatible with the Covered Software in Itron's Documentation for the applicable Covered Software.

5.8 Restoring Software to Maintenance Services. If Customer declines Services under this Addendum after the end of warranty or discontinues Services under this Addendum for any Covered Software, and thereafter wishes to resume such Services for the most recent Software Release of that Covered Software, Customer shall, prior to receiving Services, notify Itron in writing of its request for Services and pay Itron's then-current re-initiation fee.

5.9 Exclusions. Itron shall have no obligation to Customer for any Services under this Addendum to the extent any Covered Software is adversely affected by: (i) use of the Covered Software in combination with other software, equipment or communications networks that are not referenced in the Documentation; (ii) any modification to the software, operating environment, system installation, operating instructions, scripts, or database configuration that is made other than by Itron; (iii) the use of a version of the Covered Software that is not supported by Itron; (iv) Customer's failure to implement a Fix provided by Itron; (v) the maintenance and/or support of the Covered Software other than by Itron; (vi) viruses introduced through no fault of Itron; (vii) use of the Covered Software other than as authorized by Itron and the applicable license, including Covered Software operated on Covered Equipment that has been serviced or repaired by a third party that is not Itron certified; or (viii) Customer's failure to perform Customer responsibilities in accordance with this Addendum.

5.10 Customer Software Responsibilities.

5.10.1 Support Tools. Customer will support remote access to the Covered Software by Itron Personnel assigned to provide Services under this Addendum for purposes of remote diagnosis and troubleshooting of the Covered Software.

5.10.2 System Configuration and Administration. Customer will ensure that its equipment, system peripherals, operating system, and data communications environment associated with the Covered Software is configured, operated, and maintained in accordance with the Documentation and any applicable third party documentation. These administrative activities shall include but not be limited to: checking audit logs, clearing discovered exceptions, and performing daily, weekly, and monthly operational tasks and system responsibilities. Customer is responsible for any change they make to the software system, operating system, database or network configuration or change to installation procedures, scripts, and provisions that may affect the usability or operation of the Software or Data. Customer will consult with Itron prior to making changes that may affect the operation of the Covered Software.

5.10.3 Network Administration. Customer will monitor and maintain, repair, replace and upgrade its local, and wide area network components (if any)—including network servers, network clients, network hubs, routers, modems, and other software components necessary for efficient and reliable network operations associated with the Covered Software—to ensure continued conformance with the Documentation and any applicable third party documentation. In addition, Customer will administer related host names, Internet Protocol addresses, network interfaces, access, security, communications, and equipment and software version control.

5.10.4 Database Administration. Customer will administer the agreed upon database(s) associated with the Covered Software, including hardware and software components, in accordance with the Documentation or any applicable third party documentation, which administration shall include, monitoring the database server, backing up electrical power sources, and configuring and administering of database schema, application interfaces, networking operating system, communications, and file transfer software. Customer will maintain database files (e.g., truncate, cleanup, and delete files consistent with industry standard practices) and perform regular data backup and data archiving.

5.10.5 Data Review. If Itron determines that it is necessary to evaluate Customer data in order to reproduce error conditions not reproducible with Itron's standard test data sets, Customer will provide Itron with access to such data. Itron will manage such data in a secure manner while in use and delete the data from Itron systems upon completion of the investigation. Itron shall not be liable for any delay or failure to resolve the problem if access to such production data is denied to Itron.

6. Equipment Maintenance.

6.1. Preventive and Corrective Maintenance. Upon receipt of an item of Covered Equipment, Itron shall (i) perform the preventive Services under this Addendum that Itron determines are reasonably necessary to maintain the Covered Equipment in Operating Condition, and (ii) diagnose and correct any failure in such Covered Equipment as necessary to meet Operating Condition (excluding minor cosmetic deficiencies such as blemishes, dents or scratches).

6.2. Maintenance Procedures. Customer shall initiate a request under this Addendum for Services for Covered Equipment by delivering the item in question to the applicable Itron address identified on the Itron Equipment Repair Table (the "**Repair Table**"), which can be obtained by calling (877) 487-6602. Return of the Covered Equipment shall be at Customer's expense and in accordance with the applicable Return Material Authorization ("**RMA**") procedures. Upon receipt of Covered Equipment (with the required information) under Itron's RMA procedures, Itron shall assess the item to determine (a) whether it is in fact Covered Equipment and (b) whether the maintenance requested is included within the Services ordered by Customer and not otherwise excluded from coverage as provided herein. If the returned equipment is determined to be Covered Equipment and the maintenance requested is in fact included in the Services ordered by Customer, Itron shall then provide the applicable Services and shall make commercially reasonable efforts to return the item of Covered Itron Equipment to Customer at Itron's

expense within the applicable turnaround time identified on the Repair Table. Returned equipment that is found not to be Covered Equipment, or if maintenance or support that is requested is determined not to be included in the Service ordered by Customer, then Itron will provide a quote to Customer under Section 6.4, below.

6.3. Exclusions. The Services described herein do not include repairs related to: (i) damage due to external causes, including accident, abuse, misuse, inadequate maintenance, problems with electrical power, acts of God; usage not in accordance with product instructions or in a configuration not approved by Itron; (ii) service or repair processes (including installation or de-installation of equipment, parts, or firmware/software) not performed or authorized by Itron; (iii) use of parts, configurations or repair depots not certified by Itron; or (iv) Customer's failure to perform Customer responsibilities in accordance with this Addendum, including caring for Products in accordance with System Documentation.

6.4. Estimation Fees. Itron will provide Customer with a price quote for the estimated cost, including labor, materials and shipping, for any repairs that are requested, but not included under this Addendum (whether because the item is not covered or because the nature of the repair is not included). If Customer elects to have Itron proceed with the requested maintenance on any such item, Itron shall provide such services at Itron's then-current rates. If Customer elects not to proceed with the requested repair, Itron will return the item of equipment at Customer's expense. Itron may charge Customer its then-current handling, inspection and shipping fees for any such returned equipment.

6.5. Adding/Restoring Equipment to Maintenance Services. Following the effective date of this M&S Addendum, additional Covered Equipment purchased by Customer, of a similar type and model already covered by Services under this Addendum, shall automatically be deemed to be Covered Equipment following expiration of the warranty for such equipment. If Customer declines coverage after the end of warranty, discontinues Services for any Covered Equipment or has Covered Equipment serviced or repaired by a third party that is not Itron certified, and thereafter wishes to add such equipment as Covered Equipment, Itron may, prior to such equipment being included as Covered Equipment, (i) inspect such equipment at its then-current rates to determine whether it is in Operating Condition and/or (ii) charge its then-current re-certification fee, in addition to the Covered Equipment's first term maintenance fee.

6.6. Customer Equipment Responsibilities. Itron shall make available, and Customer shall obtain, a copy of Itron's user documentation for Covered Equipment and Customer shall perform regular preventive maintenance for each such item in accordance with such documentation. Customer shall also keep accurate records of Covered Equipment serial numbers and locations to assist Itron with the Services.

6.7. Loaner Equipment Program. Subject to the requirements below, Itron shall make commercially reasonable efforts to provide Customer Loaned Mobile/Handheld Equipment for the Customer to use (each an item of while a Mobile Collector or Handheld unit that is Covered Equipment is receiving Services under this Loaned Mobile/Handheld Equipment. Itron shall provide Loaned Mobile/Handheld Equipment if all the following criteria are satisfied:

6.7.1. Customer has maintained an inventory of spare Mobile Collectors or Handheld units equal to at least ten (10) percent of the number of Mobile Collectors or Handheld units deployed in Customer's service territory (having at least one spare Mobile Collector) and such inventory has been depleted;

6.7.2. Itron has provided preventive Maintenance Services for each of Customer's Mobile Collectors or Handheld Devices (as applicable) that are Covered Equipment in the 12-month period prior to Customer's request for Loaned Mobile/Handheld Equipment; and

6.7.3. Itron is unable to return the Mobile Collector or Handheld Devices, as applicable, receiving Services within the applicable turnaround time set forth in the Repair Table.

6.7.4. Loaned Mobile/Handheld Equipment will remain the property of Itron and shall be returned to Itron promptly upon receipt of the corresponding item of Covered Equipment. For Loaned Mobile/Handheld Equipment that is not returned within fourteen (14) days from shipment of the corresponding item of Covered Equipment, Itron may charge a late fee equal to ten (10) percent of the then-current list price for the item of Loaned Mobile/Handheld Equipment for each thirty (30) day period during which the item of Loaned Mobile/Handheld Equipment remains unreturned. Itron shall pay the cost of delivering Loaned Mobile/Handheld Equipment to Customer and Customer shall pay the cost of returning Loaned Mobile/Handheld Equipment to Itron.

7. Fees and Invoicing. As compensation for the Services under this Addendum, Customer shall, in advance, pay to Itron the Annual Fee for each Maintenance Year in which it receives Services under this Addendum. Itron shall invoice Customer for Services to be provided during the first Maintenance Year as soon as practicable following the Effective Date. For Services provided during any subsequent Maintenance Year, including Services for newly purchased or licensed Covered Products, Itron shall provide Customer with a renewal notice at least one-hundred twenty (120) days prior to the commencement of each Maintenance Year. Customer may discontinue Maintenance Services for a Product by providing Itron with written notice of non-renewal for such Product no less than ninety (90) days prior to the commencement of any subsequent Maintenance Year. Approximately twenty (20) days prior to the commencement of any subsequent Maintenance Year, Itron shall provide Customer with an invoice for the Annual Fee payable by Customer for the forthcoming Maintenance Year (including the Annual Adjustment). Itron may, in its discretion, invoice Customer for Services for a Covered Product that is added during the course of any Maintenance Year as soon as such Covered Product has been added or at the beginning of the next Maintenance Year.

8. Support For Third Party Products. For any Covered Product that is a “Third-Party Product” (each, a “*Third Party Covered Product*”) Itron shall provide first-tier Customer support by handling all initial Customer inquiries, identifying the component involved in the problem and obtaining appropriate documentation of such inquiry or problem. In addition, Itron shall make commercially reasonable efforts to facilitate Customer's receipt of maintenance and support for such Third Party Products consistent with the maintenance terms identified on the Order Document for such Third Party Products. Notwithstanding anything else to the contrary, Itron's sole obligation with respect to maintenance and support for Third Party Products shall be as set forth in this Section.

[Attachment A and B Follow]

Attachment A to the Maintenance & Support Services Addendum

– Software Maintenance and Support Service Pricing –

Attachment B to Maintenance & Support Services Addendum

– Software Maintenance & Support Service Levels –

Severity Level	Response Times	Effort Level and Escalation Path
<p>Severity Level 1. Critical Business Impact / System Down: An Error for which there is no work-around, which causes the Product / Software or a critical business function / process of the Itron system to be unavailable. System use and operation cannot continue.</p> <p>*Severity 1 errors must be reported by phone to initiate the Severity 1 response process. SRs initiated by email or web interface are logged as a Severity 3 until reviewed by Itron Technical Support Services and validated as a higher priority.</p>	<p>During after-hour periods, Itron will respond to a critical support voice messages within 15 minutes by a return call to Customer, which will validate receipt of the critical support call and begin the SR process. During regular business-hours Itron will begin the SR process during Customer's initial call.</p> <p>Following the start of the SR process Itron will respond to Customer's SR within 2 business hours with an investigation response.</p> <p>Following the investigation response, Itron will update Customer at three hour intervals during each day the SR remains unresolved, or as otherwise agreed by the Parties.</p> <p>Customer will respond to an Itron inquiry or request within three hours.</p>	<p>Itron will make diligent efforts on a 24x7 basis*, or as otherwise agreed by the Parties. A SR shall be escalated to Itron's TSS Management Team if a Fix is not provided within 1 business day of Itron's receipt of the Customers call and creation of the SR.</p> <p>*24X7 support for Severity Level 1 Errors is not currently available for Itron Meter Products, Energy Forecasting and Load Research Products, and Distribution Products.</p>

Severity Level	Response Times	Effort Level and Escalation Path
<p>Severity Level 2. Moderate Business Impact / Degraded Operation: An Error other than a Severity Level 1 Error, for which there is no work-around, which limits access or use of the software or a business function, causing the system to miss required business interface or deadlines. The system remains available for operation but in a restricted fashion.</p> <p>*Severity 2 errors must be reported by phone to initiate the Severity 2 response process. SRs initiated by email or web interface are logged as a Severity 3 until reviewed by Itron Technical Support Services and validated as a higher priority.</p>	<p>Itron will respond to Customer SR within 1 business day and will update the SR at least every other day.</p> <p>Customer will respond to an Itron inquiry or request within 1 business day.</p>	<p>Itron will make diligent efforts during normal business hours. SRs shall be escalated to Itron's TSS Management Team if a Fix is not provided within 3 business days of Itron's receipt of Customer's call and creation of the SR.</p>
<p>Severity Level 3. Minor Business Impact / Compromised Operation: An Error other than a Severity Level 1 or Severity Level 2 Error that has an inconvenient use of or access to a software function. (e.g., a feature is not working as documented but a work-around is available and significant business functions are not materially impaired).</p>	<p>Itron will respond to Customer SR within 2 business days.</p>	<p>Itron technical representatives will make diligent efforts during normal business hours.</p>
<p>Severity Level 4. No Business Impact / Standard Operation: An Error other than a Severity Level 1, Severity Level 2 or Severity Level 3 Error. Generally a cosmetic Error or an Error which does not degrade Customer's use of the system.</p>	<p>Itron will respond to Customer SR within 3 business days, or as otherwise agreed by the Parties.</p>	<p>Itron support representatives will devote commercially reasonable efforts during normal business hours.</p>
<p>Severity Level 5. Customer SR for an enhancement or new functionality.</p>	<p>N/A</p>	<p>The SR will be evaluated as a potential, future product enhancement. If the enhancement or new functionality requires more immediate attention for Customer, Itron will engage Itron's Professional Services Group to create a customized proposal for Customer, at Itron's then-current services rates.</p>

TECHNOLOGY & SERVICES ADDENDUM

– Installation/Implementation Services –

- 1. Scope.** This Addendum applies where: (a) Customer is purchasing installation services for Equipment, or (b) Customer is purchasing implementation services for the set-up, configuration, and validation of Licensed Software, Software-as-a-Service, Managed Services, or Cloud Infrastructure Service.
- 2. Invoicing.** Itron will invoice Customer for Services as set forth in the applicable SOW or pricing summary. Services performed on a time and materials basis will be invoiced at the end of the calendar month in which they are performed. Services performed on a fixed fee basis will be invoiced as set forth on the applicable SOW or, if not set forth on a SOW, upon completion.
- 3. Authorized Services.** Customer will not pay for, and Itron is not required to provide any services, for which both a statement of work and purchase order have not been issued by Customer and accepted by Itron. All changes to scope of work must be approved pursuant to the change request procedures of the Agreement or applicable statement of work.
- 4. Customer Responsibilities.** Customer shall timely perform all of its assigned, implied or assumed responsibilities under each statement of work using qualified personnel. Customer shall also provide Itron with reasonable cooperation in connection with the services, including for example, by providing Itron with reasonable access to Customer's facilities, service territory, personnel, systems, and information.
- 5. Reference Information.** If Customer provides Itron any reference information, designs, technical information, or other information required to be provided by Customer in connection with the services (collectively, the "**Reference Information**"), Itron shall be entitled to rely on the accuracy of such Reference Information.
- 6. Delays.** To the extent Customer's failure to adhere to Section 4 or Section 5 results in any delay or increases Itron's cost of performing the services, the delay shall be excused, and Itron reserves the right to increase its fees as necessary to offset its increased costs of performing the services. Itron will provide Customer with reasonable evidence of its increased costs of performing the services and will make commercially reasonable efforts to minimize such costs to the extent practicable under the circumstances.
- 7. Express Warranties for Professional Services.** The warranty period for services provided is ninety (90) days beginning from the completion date of the services. Unless otherwise expressly provided in a statement of work or other document expressly incorporated into the Agreement, as the sole and exclusive warranties offered by Itron in connection with this Addendum and each statement of work under it, Itron warrants to Customer that:
 - 7.1. Services.** Services will be provided in a timely, professional, and workmanlike manner.
 - 7.2. Itron Personnel.** Itron personnel will have the requisite experience, skills, knowledge, training and education to perform Services in a professional manner and in accordance with this Addendum and applicable statement of work.
 - 7.3. Remedies.** As Itron's sole and exclusive liability and Customer's sole and exclusive remedy for any material noncompliance by Itron with the warranties provided under this Section, Itron shall correct the noncompliance within a reasonable period of time under the circumstances, if Customer gives Itron written notice (which notice must describe the noncompliance in sufficient detail to enable Itron to

provide the required corrective action) within the applicable notice period. If Itron, in its sole discretion, is unable to correct the noncompliance, its sole obligation will be to refund to Customer the amount paid for the services. *[End of Addendum]*

TECHNOLOGY & SERVICES ADDENDUM

– *Software-as-a-Service* –

1. **Scope.** This Addendum sets forth the terms and conditions for Itron's Software-as-a-Service.
2. **Subscription Service.** Software-as-a-Service is offered as a monthly or annual subscription service. The subscription fee will be charged on the number of provisioned meters or endpoints. A minimum subscription fee may apply. Itron will begin invoicing Customer following validation of Software-as-a-Service implementation by Itron pursuant to the applicable statement of work. Customer payment of the invoiced subscription fee is due within thirty (30) days of receipt of invoice.
3. **Sizing.** The subscription fee for Software-as-a-Service may be based on system Sizing Criteria; if so, the Sizing Criteria will be specified in the Service Level attachment to this Addendum.
4. **No Contingency on Future Releases.** Customer acknowledges and agrees that its purchases under this Software-as-a-Service Addendum are neither contingent upon the delivery of any future functionality or features nor dependent on any oral or written public comments made by Itron regarding future functionality or features.
5. **Documentation.** Customer has the right to use and make a reasonable number of copies of the documentation solely for Customer's internal business purposes during the service term. Documentation will be made available to Customer by download.
6. **Reservation of Proprietary Rights by Itron.** Itron retains all right, title, and interest to and control, operation, and maintenance of all Itron network equipment, hardware, infrastructure, servers, platforms, and the like supporting its Software-as-a-Service.
7. **Certain Restrictions on Customer and Conditions on Use of Services.**
 - 7.1. **Restrictions.** Customer shall not: (a) remove or modify any program markings or any notice of Itron's or its licensors' proprietary and intellectual property rights; (b) make the programs or materials resulting from the Software-as-a-Service available in any manner to any third-party for use in the third-party's business operations; (c) modify, make derivative works of, disassemble, reverse compile, or reverse engineer any part of the Software-as-a-Service (the foregoing prohibition includes but is not limited to Itron data inputs, Itron system data exports, Itron database schema, and data structures), or access or use the Software-as-a-Service in order to build or support, and/or assist a third-party in building or supporting, products or services competitive to Itron; (d) disclose results of any services or program benchmark tests without Itron's prior written consent; and (d) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the Software-as-a-Service available, to any third-party other than, as expressly permitted under the terms the Agreement; (e) use the Software-as-a-Service to store or transmit infringing, libelous, or otherwise unlawful or tortious material, or to store or transmit material in violation of third-party privacy rights; (f) use the Software-as-a-Service to store or transmit malicious code; (g) interfere with or disrupt the integrity or performance of the Software-as-a-Service or third-party data contained therein; (h) attempt to gain unauthorized access to the Software-as-a-Service or their related systems or networks; or (i) combine the Software-as-a-Service with any application, software, hardware, equipment, product, or service, except as expressly authorized by Itron in advance, in writing.
 - 7.2. **Conditions.** The rights granted to Customer under this Software-as-a-Service Addendum are also conditioned on the following: (a) the rights of any user licensed to use the Software-as-a-

Service (e.g., on a “named user” basis) cannot be shared or used by more than one individual (unless such license is reassigned in its entirety to another authorized user, in which case the prior authorized user shall no longer have any right to access or use the license); (b) except as expressly provided herein, no part of the Software-as-a-Service may be copied, reproduced, distributed, republished, downloaded, displayed, posted or transmitted in any form or by any means, including but not limited to electronic, mechanical, photocopying, recording, or other means; (c) Customer agrees to make every reasonable effort to prevent unauthorized third-parties from accessing the Software-as-a-Service; and (d) Customer agrees to use of the Software-as-a-Service only in accordance with the this Software-as-a-Service Addendum, user guide, and applicable laws and government regulations.

8. Service Levels & Reporting.

8.1. Service Levels. Itron will use commercially reasonable efforts to provide the Software-as-a-Service to the Service Levels described in the Service Level attachment to this Addendum.

8.2. Service Level Reporting. Itron will provide regular Service Level reports to Customer.

9. Location of Services. Unless otherwise agreed to in writing between Itron and Customer in advance, Itron will provide the Software-as-a-Service hereunder from Itron locations within the United States.

10. Technical Support Services. Itron will make available technical representatives with the answer Customer questions related to the use of Software-as-a-Service, including assisting Customer with problems it may experience with using the Software-as-a-Service, and offering recommendations to Customer for fully utilizing the Software-as-a-Service. Training and professional services are not within the scope of technical support services.

11. Training. Customer may purchase training services for the Software-as-a-Service at Itron’s then-current training rate.

12. Customer Technical Responsibilities. Customer shall be responsible for selecting, acquiring, paying for, securing and maintaining any equipment and ancillary services needed to connect to, access, or otherwise use the Software-as-a-Service, including for example – and without limitation – modems, hardware, servers, software, operating systems, networking equipment, web servers, and communication services. Customer shall at all times during the Software-as-a-Service Term be responsible for ensuring compatibility with the Software-as-a-Service at Customer’s sole expense.

13. User Identifications and Passwords. Itron shall provide Customer with user identifications and passwords (“User IDs”) to access the Software-as-a-Service. Customer shall be solely responsible for all use of its Customer subscriptions and accounts. Customers shall maintain the confidentiality of all User IDs assigned to it. User IDs may not be shared or used by more than one user.

14. Use and Maintenance of Customer Data.

14.1. Customer Responsibilities. Customer shall have sole responsibility at all times during the Software-as-a-Service term for the accuracy, quality and legality of all Customer Data used with and by the Software-as-a-Service. In addition, Customer shall at all times during the Software-as-a-Service term be responsible for maintaining the confidentiality of all such Customer Data under its control. Customer acknowledges and agrees that Customer has implemented best practices within its industry to safeguard the security and privacy of Customer Data and in compliance with legal and regulatory requirements in the jurisdictions in which it operates and that Customer will continue to do so throughout the Software-as-a-Service term. During the Software-as-a-Service term, Customer will notify Itron of any breach of Customer

Data and of any breach of Customer's security safeguards affecting or potentially affecting the confidentiality, privacy, or security of Customer's Customer Data used in connection with or by the Software-as-a-Service.

14.2. Customer Warranty. Customer represents and warrants that the Customer Data does not and will not: (i) infringe or violate the rights of any third-party or any law or regulation, (ii) violate any privacy or data protection laws or regulations, or (iii) contain any virus or programming routine that has the effect of damaging, surreptitiously intercepting, or expropriating any system, data, or personal information. Itron may take any remedial action at its sole discretion to address any violation of this warranty, but is under no obligation to review Customer Data for accuracy, legality or potential liability, or otherwise take any action with regard to Customer Data under Customer's control. Customer agrees to indemnify and hold harmless Itron for any third-party claim, loss or damage in connection with the Customer Data or Customer's breach of its obligations under this warranty.

15. Security. With respect to Customer Data that Itron may have access to, transport, process, or use in providing Software-as-a-Service to Customer, Itron shall maintain a formal security program during the Software-as-a-Service term in accordance with Itron policies designed to: (i) protect the security and integrity of Customer Data; (ii) protect against threats or hazards to the security of the Software-as-a-Service, and to (iii) prevent unauthorized access to the Software-as-a-Service by third-parties and Itron personnel. It is Customer's obligation and responsibility to ensure that its use of Software-as-a-Service comply with any and all laws and regulations applicable to Customer, including without limitation, all such laws and regulations governing the privacy and security of Customer Data.

16. Suspension or Restriction of Service; Maintenance.

16.1. Service Suspension or Restriction. To protect the integrity and functionality of the Software-as-a-Service for the benefit of all Itron users and customers, Itron may suspend or restrict all or part of the Software-as-a-Service at any time until further notice to the Customer and provide notice of such suspension or restriction to Customer as soon as reasonably practicable if (i) the provision of the Software-as-a-Service would cause Itron to be in breach of any applicable law; or (ii) Itron reasonably determines that the Software-as-a-Service must be suspended in order for Itron to (a) carry out planned maintenance, repair or upgrading of any equipment or facility forming part of the Software-as-a-Service, on at least ten (10) days' notice; or (b) carry out unplanned maintenance, repair or upgrading of any equipment or facility forming part of the Software-as-a-Service with as much notice as is reasonably practicable; or (c) prevent material harm to the Software-as-a-Service arising from any activity originating from or through Customer's use of the Software-as-a-Service that could disrupt the use of or interfere with the ability of others to effectively use the Software-as-a-Service or any connected network, system, service, or equipment, including without limitation, Customer's noncompliance with this Software-as-a-Service Addendum.

16.2. Planned Maintenance. Planned maintenance whenever reasonably practicable will be performed during off-business hours between 12:00 p.m. to 6:00 a.m., with as little disruption to Customer's use of the Software-as-a-Service as possible, and unplanned maintenance, whenever reasonably practicable, shall also be performed during off-business hours between 6:00 p.m. and 6:00 a.m.

16.3. Minimum Disruption. If the Software-as-a-Service is suspended or restricted, Itron will use reasonable efforts to ensure that there is minimum disruption to the Software-as-a-Service and shall use its commercially reasonable efforts to promptly reinstate it after the condition has been alleviated, provided that if Itron reasonably determines that such action was necessitated by

Customer's fault or breach, and such fault or breach represents an uncurbable, continuing and material risk to the integrity of the Software-as-a-Service, then Itron may permanently suspend or restrict all or part of the Software-as-a-Service and provide notice of same to Customer as soon as reasonably practicable. Without limiting the exclusions or limitations of liability in the Agreement, Itron shall not be liable to Company or to any third person for any loss resulting from or in connection with a suspension, withdrawal or restriction of the Software-as-a-Service under this Section. The exercise of the Itron's right to suspend the Software-as-a-Service under this Section is without prejudice to any other remedy available to Itron under this Software-as-a-Service Addendum and the Agreement and does not constitute a waiver of Itron's right to terminate this Software-as-a-Service Addendum.

[Service Level Attachment Follows]

Service Level Attachment to Software-as-a-Service Addendum

1. System Sizing Criteria.

Sizing Criteria	Design Value
Iron Solution Application(s) (<i>name</i>)	Itron Analytics
System Endpoints (#)	Not to exceed 2500 Endpoints
System Collectors (#)	2
System Repeaters or Range Extenders (#)	4
Residential Meter configuration (#)	920 Registers, 2 Channels
C&I Meter Configuration (#)	250 Registers, 4 Channels
Interval Data (#)	275 endpoints at 60 minute intervals 250 endpoints at 15 minute intervals Click here to enter text. endpoints at daily intervals Click here to enter text. endpoints at monthly intervals
Historical Data (#)	No to exceed 13 months for Production
Web Portal Users (#)	Not to exceed 20 End Users

Sizing Criteria is a baseline assumption of the scope of Software-as-a-Service agreed to by Customer and Itron – and upon which the agreed-upon pricing is dependent. Modifications to Sizing Criteria may require an amendment to the pricing summary. If Customer desires to increase subscriptions, Customer will be required to issue an additional purchase order. Additional fees will be required for exceeding the specified endpoint count, in accordance with Itron's then current price list.

2. Operations Monitoring. Tier One Operator is onsite at Data Center 24 by 7 monitoring production systems.

3. Application Upgrades and Hot Fixes.

- Application upgrades containing new features and function is available will be performed annually to the latest Application General release.
- Application Hot Fixes will be performed at the discretion of Itron.
- Change Control authorization will be required for all Application upgrades and Hot Fixes.

4. KPI Reporting. KPI reporting will be made available to the customer monthly and include the following:

- Application Availability.
- System Changes and Updates that require Change Control Board authorization.
- Incident reporting including root cause analysis, resolution and preventive measures.

5. Application Availability Service Level.

5.1. Definition of Application Availability. “Application Availability” is a measure of the extent to which Software-as-a-Service is operational, functional and usable.

5.2. Application Availability Performance Metric.

Application	Production Performance Level
All applications for which Software-as-a-Service is provided (See Section 1, System Sizing Criteria).	99.5%

5.3. Application Availability Performance Formula. Application Availability in the live production-level environment is measured daily. Application Availability equals the hours Itron’s Software-as-a-Service platform is available divided by 24 hours.

5.4. Exclusions. The calculation of Application Availability shall not include scheduled maintenance periods, unscheduled emergency maintenance, incident investigations (e.g. accidents or other investigations that prohibit Customer or Itron in performing tasks to remedy any errors), outage time caused by declarations of force majeure, internet network delays or failures (including the restricted or denied access attributable to Customer’s internet service provider), telecommunications or network delays or failures, computer failures that could not reasonably have been prevented by Itron, acts of vandalism (such as network intrusions and denial of service attacks), or other causes beyond Itron’s reasonable control.

6. Performance Services Level Remedy.

6.1 Corrective Action. In the event that Itron fails to meet the Application Availability Service Level in any given month, Itron’s sole obligation is to (1) provide Customer with an incident report, and (2) bring the Software-as-a-Services into compliance with the Application Availability Service Level by the conclusion of the next measurement month.

6.2 Termination Option: Three Consecutive Failures. In the event Itron does not meet the Application Availability Service Level for three consecutive months, the Customer may terminate its Software-as-a-Service subscription upon seven (7) days’ prior written notice to Itron without any liability whatsoever, with the exception of fees for Software-as-a-Service rendered through the termination effective date.

7. Business Continuity. Business Continuity. All incidents requiring system recovery will be required to adhere to the incident handling and Itron’s Crisis Action Plan Standard Operating procedures.

7.1. On Site Recovery. Itron uses a fault tolerant architecture virtualized to providing high availability infrastructure maximizing system availability.

Daily system and database backups are performed and stored on-site and at a secure off-site facility. System backups and snapshots are taken after any change to the system. Weekly backup written to removable media remain on site and are overwritten after seven days and then stored off-site for two weeks. Monthly backups are stored off site for 13 months. The system can be easily recovered from the backup in an event of a failure.

Backup are handled and exchanged using a defined procedure and agreement with a storage partner. All outdated data are carefully disposed of according to our defined standard operating procedures.

7.2 Off Site Recovery. Standard off site recover is included with each production system made available to Customer. Itron has access to recovery sites with qualified infrastructure services. Customer Specific off-site recovery options are available and customized to meet recover point and recovery time objectives.

Incident recovery performance Service Levels are defined in the following table:

Business Continuity and Recovery	Production Performance Recover Objectives after Identification of the incident.
On Site Recovery Time for restore from on-site backup	4 hours
On Site Recovery Time for backup restore from Off-Site backup	12 hours
On Site Recovery Time for hardware failure	12 hours
Off-Site Recovery for Application Non-critical to Customer business operations	72 hours (OpenWay/Cisco) 15 business days (all others)
Off-Site Recovery for Application Critical to Customer business operations	72 hours (OpenWay/Cisco) TBD (fee-based option for all others)

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[End of Service Level Attachment]

TECHNOLOGY & SERVICES ADDENDUM

- Itron Mobile -

1. **Annual Subscription Term Commitment.** Itron Mobile requires a minimum one-year commitment. The initial Itron Mobile Subscription Term begins upon completion of Itron Mobile set-up, as validated by Itron. The Itron Mobile Subscription Term will renew automatically for one-year terms, unless either party gives the other 90 days' prior written notice of its intent not to renew.
2. **Relationship to Licensed FCS Software and Maintenance & Support.** In order to ensure full functionality of Itron Mobile, Customer may be required update or upgrade its licensed FCS software. In the event of termination or expiration of Customer's FCS software license, Customer's subscription and right to use Itron Mobile will terminate.
3. **Fee Adjustments.** The Itron Mobile Subscription Term fee is subject to annual adjustment. In addition, because the Itron Mobile Subscription Term fee is charged on the number of provisioned meters or endpoints in Customer's system (i.e., a tier limitation), any increase in that number during an Itron Mobile Subscription Term will result in additional charges. The additional charges will be invoiced to Customer, normally within thirty to sixty days depending on when the provisioning occurs.
4. **Compatible Mobile Devices.** Itron Mobile is designed to work in connection with mobile devices that meet Itron specifications. Itron will provide those specifications to Customer. Itron is not required to make Itron Mobile work with any other mobile devices.
5. **Customer's Obligation to Protect Customer Information On Mobile Devices.** Customer must take steps to protect customer information stored on Mobile Devices including secure access to Mobile Devices, whether purchased through Itron or a third-party. User identification codes, passwords, and any information provided to Customer as part of Itron's security procedures must be treated as confidential and must not be disclosed to any third party. Customer is at all times be responsible for its employees and subcontractors' use of Itron Mobile. Itron has the right to disable any user identification codes or passwords if, in Itron's opinion, Customer or its employees and contractors have failed to comply with any of the provisions of the Contract Documents.
6. **Internet Connectivity.** Itron Mobile requires Internet connectivity. Customer is solely responsible for obtaining and paying for Internet connectivity.
7. **Disclaimer of Liability.** ITRON ACCEPTS NO RESPONSIBILITY FOR ANY INTERNET SERVICES FAILURE, MOBILE DEVICE FAILURE, OR ITRON MOBILE SERVICE FAILURE, OR FOR ANY LOSS OR DAMAGE OF ANY KIND CAUSED BY SUCH FAILURE.
8. **Itron Mobile Set-Up.** Itron Mobile set-up is an activity separate and distinct from FCS software installation. In all cases where a Customer is subscribes to Itron Mobile, Itron will perform Itron Mobile set-up, for which Itron will charge a one-time set-up fee.

[End of Addendum]

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-65

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH PUFFIN ELECTRIC, INC. TO PERFORM THE POWERHOUSE 125 VDC BATTERY STATION REPLACEMENT PROJECT IN THE AMOUNT OF \$547,300.

WHEREAS, the City of Unalaska has determined that it is necessary to construct the Powerhouse 125 VDC Battery Station Replacement Project; and

WHEREAS, the Powerhouse 125 VDC Battery Station Replacement Project is an approved component of the CMMP; and

WHEREAS, the City of Unalaska has solicited bids for the work and received three bids to construct the Project; and

WHEREAS Puffin Electric, Inc., an experienced electrical contractor, was found to be the lowest responsive bidder; and

WHEREAS, funding is available in the Project's Capital Budget to award and complete the work.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes the City Manager to enter into an Agreement with Puffin Electric, Inc. to perform the Powerhouse 125 VDC Battery Station Replacement Project in the amount of \$547,300.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 11, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Tom Cohenour, Director of Public Works
Through: Thomas Thomas, City Manager
Date: December 11, 2018
Re: Resolution 2018-65 authorizing the City Manager to enter into an Agreement with Puffin Electric, Inc. to perform the Powerhouse 125 VDC Battery Station Replacement Project for \$547,300

SUMMARY: Resolution 2018-65 will award the construction of the Powerhouse 125 VDC Battery Station Replacement Project to Puffin Electric, Inc. for \$547,300.

PREVIOUS COUNCIL ACTION: Council approved Ordinance 2016-12 on May 24, 2016, adopting the FY17 Capital and Operating Budget, allocating \$263,070 for this project from the unrestricted retained earnings of the Electric Proprietary Fund. Council approved the FY18 Capital and Operating budget via Ordinance 2017-07, adopted May 23, 2017, adding another \$250,000 to the Project's budget from the same funding source. On January 24, 2017, Council awarded the design, bid-phase support and construction inspection to Electric Power Systems, Inc. for \$41,434. On October 23, 2018, Council approved Ordinance 2018-12, adding another \$250,000 to the Construction Services line item of the Project's budget in order to cover the low bid to construct the project.

BACKGROUND: The project consists of replacing the 60 batteries and accompanying equipment that make up the 125 VDC Station, installed in 1985. These batteries supply electricity to the existing switchgear and emergency equipment in the event of a power outage. They also provide energy to the main electrical breakers during normal run times.

DISCUSSION: Staff advertised for bids for the construction of the project for 30 days, and the three bids received on August 30, 2018 were each in excess of the entire project budget. A budget amendment request was approved on October 22, 2018 which allowed Staff to bring forward the contract award since funding had been secured. Puffin Electric, Inc. has been a subcontractor on several City of Unalaska projects, most recently at work on the UMC Positons 3 & 4 Expansion Project.

ALTERNATIVES: Council could decide to cancel or postpone this work. Either alternative will not only greatly increase the chance of more costly bids received in response to the next Invitation to Bid, since the first round is public information, it also increases the odds of a catastrophic failure at the Powerhouse.

FINANCIAL IMPLICATIONS: Since the passage of the Budget Amendment request on October 23, 2018, the Project's budget is able to support the award of the work.

LEGAL: Not applicable.

STAFF RECOMMENDATION: Approve this Resolution

PROPOSED MOTION: I move to approve Resolution 2018-65.

CITY MANAGER COMMENTS: I recommend approval of Resolution 2018-65.

ATTACHMENTS: Exhibit A, Bid Tab

City of Unalaska
Powerhouse Battery System Replacement
Bid Tab

August 30, 2018

Exhibit A

Bidder Name	Bid Form	Bid Bond	Addendum Acknowledgement (No. 1, 2 & 3)	Alaska Contractor and Business Licenses	Task 1: Base Bid (\$)	Task 2: Mob/Demobe (\$)	Grand Total
Puffin Electric (opened in Unalaska)	Yes	Yes	Yes	Yes	\$508,200.00	\$39,100.00	\$547,300.00
Premier Electric (opened in Anchorage)	Yes	Yes	Yes	Yes	\$450,000.00	\$200,000.00	\$650,000.00
Electric Power Constructors (opened in Anchorage)	Yes	Yes	Yes	Yes	\$505,476.00	\$65,628.00	\$571,104.00
							\$0.00
							\$0.00
							\$0.00
							\$0.00
							\$0.00

Witness Signature/Date *Jack S. Anderson* 8/30/18
 Witness Signature/Date *AMELA BOSNJAK* 8/30/18
 Witness Signature/Date *Benelle F. Harris* 8/30/18

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-66

A RESOLUTION ESTABLISHING DATES FOR THE FISCAL YEAR 2020 REAL PROPERTY TAX AND BUSINESS PERSONAL PROPERTY TAX COLLECTION EFFORT

WHEREAS, UCO 6.36.020 states that taxes become due and are delinquent on dates set yearly by resolution.

NOW THEREFORE, BE IT RESOLVED that the Unalaska City Council sets the following dates and deadlines for the FY20 real property tax and business personal property tax collection effort:

January 15, 2019	Mail Business Personal Property Declaration Forms
March 1, 2019	Deadline for return of Business Personal Property Declaration Forms
March 29, 2019	Mail Real Property and Business Personal Property Regular, Supplemental and Involuntary Assessment Notices
April 30, 2019	Deadline for filing appeal to the Board of Equalization
May 14, 2019	Board of Equalization meets
June 28, 2019	Final mailing date for Real and Business Personal Property statements
August 20, 2019	First payment due date for regular Real and Business Personal Property Tax rolls
August 20, 2019	Final payment due date for Supplemental and Involuntary Business Personal Property Tax rolls
August 21, 2019	Unpaid taxes become delinquent and subject to penalty and interest
October 21, 2019	Final payment due date for regular Real and Business Personal Property Tax rolls
October 22, 2019	Unpaid taxes become delinquent and subject to penalty and interest

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 11, 2019.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-67

A RESOLUTION OF THE UNALASKA CITY COUNCIL ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY 2019 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN THE FMA 2: ALEUTIAN ISLANDS AREA

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 2019 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2017 from fisheries business activities; and

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and

WHEREAS, the Unalaska City Council proposes to use an alternative allocation method for allocation of FY19 funding available within the FMA 2: Aleutian Islands Area in agreement with all other municipalities in this area participating in the FY 2019 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2017 of fisheries business activity in the municipalities within the FMA 2: Aleutian Islands Area:

1. All municipalities share equally 60% of the allocation; and
2. All municipalities but the Aleutians East Borough share remaining 40% on a per capita basis.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 11, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
Clerk

MEMORANDUM TO COUNCIL

To: Mayor and Council Members
From: Marjie Veeder, City Clerk
Through: Thomas Thomas, City Manager
Date: December 11, 2018
Re: Resolution 2018-67: A Resolution of the Unalaska City Council adopting an alternative allocation method for the FY 2019 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in the FMA 2: Aleutians Islands Area

SUMMARY: The purpose of this tax program is to provide for a sharing of State fish tax collected outside municipal boundaries with municipalities that have been affected by fishing industry activities. This resolution is submitted to Council with the assumption that the Alternate Method of distribution will be adopted as it has been for more than 20 years. Adak, Atka, Akutan, and the Aleutians East Borough, all of which are included in the fisheries management area, have agreed to the Alternate Method and are addressing or have addressed the same resolution.

PREVIOUS COUNCIL ACTION: Council has adopted the alternative allocation formula as outlined in Resolution 2018-67 for the last 25 years.

BACKGROUND: This program was created to recognize that there were municipalities that were affected by fishing activity outside their municipal boundaries, but that were not receiving a share of the State fish tax collected from these activities.

The Shared Fisheries Tax became law (AS 29.60.450) in 1962 with qualified municipalities sharing approximately 10% of the monies. The law evolved from a series of congressional and territorial legislation that originally taxed canned salmon receipts and later other fisheries for the purpose of funding fisheries-related activities in pre-territorial Alaska. Since becoming law, the amount of fisheries business tax shared with qualified municipalities has increased only twice, once in 1979 to 20% and in 1981 to the present 50% share.

DISCUSSION: The Shared Fisheries Tax Program provides two methods for applying for this funding. The first method is the Standard Method, which is very complicated and requires a great deal of coordinated effort among the affected communities. The second is the Alternate Method through which all municipalities within a fisheries management area agree to a formula for distribution of funds. This method is less complex and agreeable to all affected communities in the management area.

Atka, Adak, Akutan, and the Aleutians East Borough, all of which participate in this program with Unalaska, have been contacted for confirmation that they agree on the use of the Alternate Method and that they agree with the formula.

The attached spreadsheet was created using figures from the Alaska Department of Commerce, Community and Economic Development's formula and certified population figures from 2017.

ALTERNATIVES: Council could choose not to adopt the Alternate Method.

FINANCIAL IMPLICATIONS: The State of Alaska provided information showing allocation to Unalaska as follows:

Fisheries Business Tax	\$221,509.55
Resource Landing Tax	<u>\$365,819.38</u>
Total	<u>\$587,328.93</u>

This table shows the breakdown between the communities in our Fisheries Management Area:

FMA 2: Aleutian Islands Area	Total allocation:	60% Divided:	40% per capita:		FY 16 Landing Tax Allocation:	
	\$521,388.48	\$312,833.09	\$208,555.39		\$861,064.49	
Community	Population	60% divided share	40% per capita share	Calculated Allocation	Calculated Allocation	Total Distribution
City of Adak	308	\$ 62,566.62	\$ 11,277.22	\$ 73,843.84	\$ 121,951.89	\$ 195,795.73
Aleutians East Borough	2,015	\$ 62,566.62	\$ -	\$ 62,566.62	\$ 103,327.74	\$ 165,894.36
City of Akutan	993	\$ 62,566.62	\$ 36,358.06	\$ 98,924.68	\$ 163,372.47	\$ 262,297.15
City of Atka	54	\$ 62,566.62	\$ 1,977.18	\$ 64,543.80	\$ 106,593.01	\$ 171,136.81
City of Unalaska	4,341	\$ 62,566.62	\$ 158,942.93	\$ 221,509.55	\$ 365,819.38	\$ 587,328.93
Totals	7,711	\$ 312,833.09	\$ 208,555.39	\$ 521,388.48	\$ 861,064.49	\$ 1,382,452.97
Community Count	5					
* All municipalities share equally 60% of allocation; all but Aleutians East Borough share remaining 40% on a per capita basis.						

The allocation is down a bit compared to the prior year:

Fisheries Business Tax	\$240,574.99
Resource Landing Tax	<u>\$365,001.09</u>
Total	<u>\$605,576.08</u>

LEGAL: No legal opinion is necessary for this item.

STAFF RECOMMENDATION: Adoption of Resolution 2018-67.

PROPOSED MOTION: I move to adopt Resolution 2018-67.

CITY MANAGER'S COMMENTS: I recommend Council adopt this resolution.

ATTACHMENTS: Letter and Program Description from the State of Alaska.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737
Main: 907.451.2718
Programs fax: 907.451.2742

November 15, 2019 (8)

Dear Municipal Official:

The Department of Commerce, Community, and Economic Development is pleased to announce availability of the **FFY 2019 Shared Fisheries Business Tax Program**. The purpose of the program is to allocate a share of state fish tax collected outside municipal boundaries with municipalities affected by fishing industry activities. Municipalities around the state will share approximately \$1.6 million based on 2017 fisheries activity as reported by fish processors on their fish tax returns. Details of how the program works are included in the application under *Program Description*.

Historically, your municipality along with the other communities in your fisheries management area (FMA) has filed using the Alternative Method found on the last four pages of this application. A breakdown is included that details the communities in your FMA, in addition to the anticipated payment based on the agreed upon allocation method for your FMA. If this agreement is still in place with your FMA, you will only need to have your Council/Assembly pass the enclosed alternative method sample resolution in order to participate in the program.

If your FMA intends to change the alternative method of allocation, the new proposal must be submitted to our office no later than **January 15, 2019**. If an agreement cannot be made with all communities in your FMA, you will need to file using the standard method and claim your significant effects. Instructions on both of these methods are detailed in the application packet.

**DEADLINE FOR SUBMISSION OF COMPLETED APPLICATION IS
FEBRUARY 15, 2019.**

Applications can be scanned and emailed to caa@alaska.gov with the subject line **"Municipality Name, FY19, SFBT"**. If you have any questions about the program or require assistance in completing the application, please contact me at kimberly.phillips@alaska.gov or call (907) 451-2718.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kimberly Phillips".

Kimberly Phillips
Grants Administrator II

Enclosures



DCCED
Shared Fisheries Business
Tax Program
FY 19 Long-Form Application
For
FMA 2: Aleutians Islands Area



APPLICATION MUST BE SUBMITTED TO DCCED
NO LATER THAN FEBRUARY 15, 2019

State of Alaska
Bill Walker, Governor

Department of Commerce, Community, and
Economic Development
Mike Navarre, Commissioner

Division of Community and Regional Affairs
Katherine Eldemar, Director

FY 19 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

The purpose of the Shared Fisheries Business Tax Program is to provide for an annual sharing of fish tax collected outside municipal boundaries to municipalities that can demonstrate they suffered significant effects from fisheries business activities. This program is administered separately from the state fish tax sharing program administered by the Department of Revenue which shares fish tax revenues collected inside municipal boundaries.

Program Eligibility

To be eligible for an allocation under this program, applicants must:

1. Be a municipality (city or borough); and
2. Demonstrate the municipality suffered significant effects as a result of fisheries business activity that occurred within its respective fisheries management area(s).

Program Funding

The funding available for the program this year is equal to half the amount of state fisheries business tax revenues collected outside of municipal boundaries during calendar year 2017.

Program funding is allocated in two stages:

1st Stage: Nineteen Fisheries Management Areas (FMAs) were established using existing commercial fishing area boundaries. The available funding is allocated among these 19 FMAs based on the pounds of fish and shellfish processed in the whole state during the 2017 calendar year. For example, if an area processed 10% of all the fish and shellfish processed in the whole state during 2017, then that area would receive 10% of the funding available for the program this year. These allocations are calculated based on Fisheries Business Tax Return information for calendar year 2017.

2nd Stage: The funding available within each FMA will be allocated among the municipalities in that area based on the level of fishing industry significant effects suffered by each municipality compared to the level of effects experienced by the other municipalities in that FMA.

Some boroughs, because of their extensive area, are included in more than one fisheries management area. In these cases, the borough must submit a separate program application for each area.

FY 19 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

There are two possible application methods: Standard and Alternative

Standard Method: In the Standard Method, established by the department, each municipality in the FMA must determine and document the cost of fisheries business impacts experienced by the community in 2017. These impacts are submitted by each municipality in their applications. The department will review the applications and determine if the impacts submitted are valid. Once the impacts have been established for each of the municipalities in the FMA, the department will calculate the allocation for each municipality using the following formula:

One half of the funding available within a FMA is divided up among participating municipalities on the basis of the relative dollar amount of impact in each municipality. The other half of the funding available to that area is divided equally among all eligible municipalities.

Alternative Method: Alternative allocation methods may be proposed by the municipalities within the FMA. The department will consider approving the use of a proposed alternative method only if all the municipalities in the area agree to use the method, and if the method includes some measure of the relative effects of the fishing industry on the respective municipalities in the area.

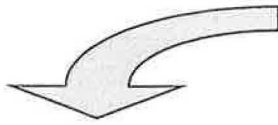
This application packet contains the instructions and forms applying under:

- STANDARD METHOD
- ALTERNATIVE METHOD

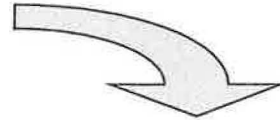
The chart on the following page summarizes the process for these two methods.

FY 19 SHARED FISHERIES BUSINESS TAX PROGRAM DESCRIPTION

PROCESS FOR METHODS



November 15
Commerce mails program
applications to municipalities



STANDARD METHOD

No later than February 15

Each municipality determines and documents the cost of fisheries impacts on the community and submits this information with their application.



No later than April 15

Commerce reviews applications, makes a determination as to the validity of the submitted impacts, and notifies the municipalities of this determination.



Within 30 days

Municipalities have 30 days in which to appeal Commerce's determinations regarding submitted impacts.



Within 20 days

Commerce will respond to appeals within 20 days after receiving them.



After all appeals are resolved

Commerce will perform the formula calculations for each FMA based on the relative impacts approved for each municipality in the FMA, and distribute the funding allocations.

ALTERNATE METHOD

No later than January 15

All municipalities in an FMA work together to develop an alternate allocation formula and submit their proposal to Commerce. Municipalities are encouraged to consult with Commerce during this effort regarding the acceptability of alternative methods.



No later than February 1

Commerce reviews alternate proposals, determines if proposals are acceptable, and notifies the municipalities of this determination. If the proposal is accepted, municipalities may then use the Alternative Method application. If the proposal is not acceptable to Commerce, the department will work with municipalities in an area to resolve problems. If the problems cannot be resolved, the municipalities in that FMA must apply using the Standard Method application.



No later than February 15

Each municipality must submit an Alternative Method application. Commerce will distribute allocations after all applications within that FMA have been received and verified.

FY 19 Shared Fisheries Business Tax Program Application Instructions

STANDARD METHOD

- In the standard method application process each municipality determines and documents the cost to the municipality of fisheries industry significant effects suffered by the community in 2017.
- Details for each of these effects are submitted by municipalities using the Declaration of Significant Effects application forms on the following pages.
- The municipality must also submit an approved resolution by the governing body certifying that the information submitted in the application is correct and complete.
A sample resolution is included in this packet.
- The department will review the applications and determine if the significant effects submitted are valid.
- Once the effects have been established for each of the municipalities in a Fisheries Management Area, the department will calculate the funding allocation for each municipality using the following formula:

One half of the funding available within a FMA is divided up among participating municipalities on the basis of the relative **dollar amount of impact** in each municipality. The **other half** of the funding available to that area is divided equally among all eligible municipalities.

Guidelines for Completing the Declaration of Significant Effects Forms

Some important definitions: The Shared Fisheries Business Tax Program provides for a sharing of State Fisheries Business Tax with municipalities that can demonstrate they suffered *significant effects* during the *program base year* from *fisheries business activity* in their respective fisheries management area.

For the purposes of this program, "fisheries business activity" means:

- activity related to fishing, including but not limited to the catching and sale of fisheries resources;
- activity related to commercial vessel moorage and commercial vessel and gear maintenance;
- activity related to preparing fisheries resources for transportation; and,
- activity related to processing fisheries resources for sale by freezing, icing, cooking, salting, or other method and includes but is not limited to canneries, cold storages, freezer ships, and processing plants.

And, "significant effects" means:

- municipal expenditures during the program base year demonstrated by the municipality to the department to be reasonable and necessary that are the result of fisheries business activities on the municipality's:
 - population;
 - employment;
 - finances;
 - air and water quality;
 - fish and wildlife habitats; and,
 - ability to provide essential public services, including health care, public safety, education, transportation, marine garbage collection and disposal, solid waste disposal, utilities, and government administration.

And, "program base year" means:

- calendar year 2017.

A municipality does not need to have actual expenditures in 2017 in order to include them as significant effects in the application. If a fishing business activity impacts a municipality in a manner that will result in a cost to the municipality, then the municipality can claim that impact as a significant effect. For example, a city's pier might have been damaged by an improperly docked fish processing vessel. The city might not have the funds to repair the pier during 2017, but the city has obtained final engineering estimates for the cost of repairs. In this case, the city could declare the repair cost estimates as significant effects on their application. However, **these costs may not be claimed again** if the city subsequently expended the monies to repair the pier at a later date (this would result in a double counting of significant effects).

If a significant effect claimed in the application reflects expenditures that were determined by the municipality to be necessary, but for which the municipality was unable to make an expenditure during the program base year, the application must include a finding by the municipal governing body which documents and clearly describes the procedures and methods by which the need and the estimated cost of such expenditures were determined.

Only that part of overall community impacts which are directly attributable to fishing business activity should be included as significant effects in the application. For example, a city water supply system may be impacted by the fresh water needs of the local fishing fleet and fish processing facilities. However, a city in this situation should not claim the entire cost of operating or maintaining the water system as a "significant effect" for the purposes of this program. In this case, the city must determine and document its estimate of the share of the use, and "wear and tear," of the water system that can reasonably be attributed to fisheries business activity. A place is provided on the *Declaration of Significant Effects* forms for municipalities to explain how they arrived at such estimates.

Examples of eligible significant effects. The kinds of negative effects which a municipality might possibly claim to have suffered are many. It is the responsibility of each municipality to describe, document and justify its particular claims of negative impacts during 2017 resulting from fisheries business activities. For the purposes of this program, all significant effects must be presented in terms of expenditures of municipal funds, either actual or determined necessary. For example, a sudden population increase of 1,000 people is not in itself a negative effect. It is the demonstrable impacts on the city budget of dealing with these extra people that may be considered as significant effects for this

program. The following examples represent the kinds of community impacts which are clearly eligible for inclusion in a city's *Declaration of Significant Effects* forms.

- a municipality's expenses during 2017 in repairing a dock damaged by a fishing vessel;
- a municipality's costs of hiring extra police, teachers or medical staff to cover periods during 2017 when fish processing workers or fishing crew and their families expanded the municipality's population;
- a city 2017 loan which was used to improve the city's water system to meet increased demands for fresh water by local fish processors. Only that part of the debt service which can be directly attributable to supporting the fishing industry may be counted as a significant effect.
- special expenditures made by a city during 2017 to assist or help re-train workers who lost their jobs in the fishing industry because of a downturn in fishing activity;
- a borough's expenditures for operating and maintaining harbor facilities during 2017;
- that part of operating and maintaining a city's water and sewer system or landfill during 2017 that is directly attributable to the fishing industry.

Examples of events which are not eligible to be significant effects

The following are examples of municipal expenditures or events which are **not eligible** for inclusion in a municipality's *Declaration of Significant Effects* forms:

- Municipal expenditures that occurred before or after 2017 which are the result of fishing business activities;
- Revenues which a city did not receive during 2017 because of a downturn in local fishing business activity.

If you're not sure whether an event is a valid "significant effect" or not, contact DCCED.

Instructions for Completing the Standard Method Application

The completed standard method application submitted by each municipality will contain three elements:

- a set of *Declaration of Significant Effects* forms (one separate form for each significant effect claimed by the municipality). **Three copies of this form are included in the application- please make as many additional copies of this form as you need.**
- a *Cover Page* that provides the total number and cost of the significant effects claimed by the municipality.
- an *approved resolution* by the governing body adopting the application as true and correct. A sample resolution is included in the application.

Instructions for the Cover Page/Summary

The *Cover Page* must be completed and submitted as part of the application. This form summarizes the information found in the application. The number of significant effects claimed should be equal to the number of *Declarations of Significant Effects* forms submitted with the application and the total dollar amount should equal the sum of all the dollar amounts stated in Part 2 on the *Declarations of Significant Effects* forms.

Instruction for the *Resolution* form

Municipalities may use this form, or a similar form, to comply with the requirement that the submitted application be certified by the municipality's governing body.

**Submit completed application
no later than February 15, 2019, to:**

E-mail
caa@alaska.gov

Subject Line
“Municipality Name, FY19, SFBT”

Or

Mail
State of Alaska DCCED
Shared Fisheries Business Tax Program
455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737

**If you have any questions regarding this program, contact
Kimberly Phillips at 451-2718**

FY 19 SHARED FISHERIES BUSINESS TAX PROGRAM

STANDARD METHOD APPLICATION for

FMA 2: ALEUTIANS ISLANDS AREA

Name of Municipality: _____

Address: _____

Contact Person: _____

Phone Number: _____

Total # of Significant Effects Claimed: _____

Total \$ of Significant Effects Claimed: \$ _____

Return cover page, Declaration of Significant Effects forms, and resolution

E-mail

caa@alaska.gov

Subject Line

“Municipality Name, FY19, SFBT”

Or

Mail

State of Alaska DCCED

Shared Fisheries Business Tax Program

455 3rd Avenue, Suite 140

Fairbanks, Alaska 99701-4737

FY 19 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM
(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2017 by the fisheries business activity listed in #1: \$

3. Municipal expenditure is: ☐ actual ☐ determined necessary
(Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
☐ yes ☐ no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

FY 19 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM
(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2017 by the fisheries business activity listed in #1: \$

3. Municipal expenditure is: ☐ actual ☐ determined necessary
(Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
☐ yes ☐ no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

FY 19 Shared Fisheries Business Tax Program
DECLARATION OF
SIGNIFICANT EFFECTS FORM
(One Separate Form for Each Significant Effect Claimed)

1. Provide a description of the fisheries business activity which resulted in the significant effect:

2. Total significant effect (municipal expenditure) made necessary during 2017 by the fisheries business activity listed in #1: \$

3. Municipal expenditure is: ☐ actual ☐ determined necessary
(Every municipal expenditure marked "determined necessary" must be supported by a resolution)

4. Describe how the municipal expenditure figure listed under Part 2 was determined:

5. Is the fisheries business activity part of a larger fiscal impact on the municipality?
☐ yes ☐ no

If yes, describe how the fisheries business-related part of the overall fiscal impact was determined.

6. Describe the documentation that supports the municipality's claim of this significant effect (this documentation must be readily available to the department upon request):

(City or Borough)

ATTEST _____
Clerk

FY 19 Shared Fisheries Business Tax Program Application Instructions

ALTERNATIVE METHOD

- In the alternative method application process all municipalities in a fisheries management area may work together to develop an alternative allocation formula for distributing the available program funding among municipalities in the area. It is advised that the department be consulted during this process if the municipalities have questions or concerns about what constitutes an acceptable alternative to the standard allocation method.
- All the municipalities in an area must reach an agreement in writing on an alternative allocation formula.
- By January 15, the department must receive the proposed alternative method. If the alternative method is not acceptable, the department will work with the municipalities to resolve the problems.
- If the municipalities in an area fail to satisfy the department regarding the acceptability of the alternative allocation method proposed, then each municipality in the region must return to the standard application process and submit separate applications as required by that process.
- If the department finds the alternative allocation method satisfactory, each municipality must then complete an alternative method application consisting of a cover page and resolution. The resolution must be adopted by the governing body and it must clearly describe the approved alternative allocation method within that area. After all alternative method applications within an area have been received and approved; the department will perform the allocations and distribute program funds.

Instructions for Alternative Method Application

In the alternative method application, an approved resolution constitutes the application. No other forms need to be submitted. A sample resolution has been attached for your use.

General Guidelines for Developing an Alternative Allocation Method

All municipalities in a fisheries management area must agree on the alternative method: There must be unanimous agreement among all eligible municipalities in a fisheries management area with regard to alternative allocation methods. It is the responsibility of community leaders in the area to work together to negotiate an alternative which is acceptable to all municipalities. The department may be consulted at any time regarding what kinds of formula approaches are considered acceptable by the department.

Alternative methods must incorporate some measure of the relative significant effects experienced by the respective municipalities in the area. The measure of significant effects may take many forms. One area might agree to use the number of commercial fishing boat visits-per-year per community as a measure of significant effects. Another area might use the linear foot-length of public docks as a measure. Another area might use community population figures as an indication of the significant effects of fisheries business activity. Another area might share one half of the funding equally between the respective municipalities and share the other half based upon community population figures. Areas may decide to use one measure, or may use a combination of measures.

**Submit your completed application
no later than
February 15, 2019 to:**

E-mail
caa@alaska.gov

Subject Line
“Municipality Name, FY19, SFBT”

Or

Mail
State of Alaska DCCED
Shared Fisheries Business Tax Program
455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737

**If you require assistance in completing this application, contact
Kimberly Phillips at 451-2718.**

FY 18 SHARED FISHERIES BUSINESS TAX PROGRAM

ALTERNATE METHOD APPLICATION For

FMA 2: ALEUTIANS ISLANDS AREA

Name of Municipality: ☐ City of Unalaska

Address: ☐ 43 Raven Way

☐ P.O. Box 610

☐ Unalaska, AK 99685

Contact Person: ☐ Marjie Veeder, City Clerk

Phone Number: ☐ (907) 581-1251

Return cover page, and resolution

E-mail
caa@alaska.gov

Subject Line
“Municipality Name, FY19, SFBT”

Or

Mail
State of Alaska DCCED
Shared Fisheries Business Tax Program
455 3rd Avenue, Suite 140
Fairbanks, Alaska 99701-4737

FY 19 Shared Fisheries Business Tax Program
Alternative Method Resolution

(City or Borough)

RESOLUTION NO. _____

A RESOLUTION ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY18 (9)
SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS
ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT
EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FMA 2: ALEUTIANS ISLANDS AREA

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 19 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2017 from fisheries business activities; and,

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and,

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and,

WHEREAS, The _____
(Governing Body) proposes to use an alternative allocation method for allocation of FY19 funding available within the FMA 2: Aleutians Islands Area in agreement with all other municipalities in this area participating in the FY19 Shared Fisheries Business Tax Program;

NOW THEREFORE BE IT RESOLVED THAT: The _____
(Governing Body) by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2017 of fisheries business activity in FMA 2: Aleutians Islands Area:

- **60% of allocation; all but Aleutians East Borough share remaining 40% on a per capita basis.**

PASSED and APPROVED by a duly constituted quorum of the _____ this _____ day
(Governing Body)
of _____ 20____.

SIGNED _____
Mayor

ATTEST _____
Clerk

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-70

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING AN EXPENDITURE IN THE AMOUNT OF \$_____ FROM THE COUNCIL CONTINGENCY BUDGET TO SPONSOR THE ALEUT INTERNATIONAL ASSOCIATION

WHEREAS, the Aleut International Association (AIA) was created in 1998 to address the environmental and cultural concerns of the Aleut people at the Arctic Council;

WHEREAS, the Arctic Council is an intergovernmental forum promoting cooperation, coordination and interaction among Arctic States, Arctic Indigenous communities and other Arctic inhabitants on common Arctic issues, in particular issues of sustainable development and environmental protection in the Arctic; and

WHEREAS, AIA provides representation of the Aleut people on the Arctic Council and various Arctic Council working groups; and

WHEREAS, AIA plays an important role in advancing the needs and aspirations of the Aleut people on the international stage through their status as a Permanent Participant of the Arctic Council; and

WHEREAS, the City of Unalaska has been asked to sponsor the Aleut International Association and believes this to be a worthy cause.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes expenditure from the Council Contingency budget in the amount of \$_____ to sponsor the Aleut International Association.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 11, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Date: December 11, 2018
Re: Resolution 2018-70, Sponsorship of the Aleut International Association

SUMMARY: The Aleut International Association (AIA) has requested funding from the City of Unalaska.

PREVIOUS COUNCIL ACTION: None.

BACKGROUND: The information provided by AIA is included in the Council Packet.

DISCUSSION: The available balance in Council sponsorship contingency budget is \$13,500.

ALTERNATIVES: It is Council's decision whether to provide funds, and if so, the amount. Council may also decline to sponsor AIA.

FINANCIAL IMPLICATIONS: If Council decides to sponsor AIA, the funds will come from the Council Sponsorships Contingency line item of the FY19 budget.

LEGAL: Not necessary.

STAFF RECOMMENDATION: None, this is a Council decision.

PROPOSED MOTION: If Council chooses to sponsor, a motion will need to be made to amend the proposed resolution to add a dollar amount.

ATTACHMENTS: Information provided by AIA.



November 15, 2018

Frank Kelty
City of Unalaska
P.O. Box 610
Unalaska, AK 99685

Subject: AIA Contribution

Dear Frank,

Aleut International Association is excited to celebrate its 20th Anniversary. I am also honored to share that in July 2018, the AIA Board of Directors asked me to remain in leadership as the Executive Director.

We continue to play a crucial role in putting the needs and aspirations of Aleut people on the international stage through its well-respected work as a Permanent Participant in the Arctic Council and with governments, business leaders, scientists, and NGOs around the world. Currently, we are managing multiple projects and initiatives. These include documenting a dialect of Unangam Tunuu in Russia and another aimed at increasing dialogue and tools for Aleuts to participate more in resource management and communication with policy makers in the State and Federal Government.

In the last year, we have worked hard to involve people and organizations in our region in the Arctic Council and our projects. There are six working groups, two task forces, two expert groups, as well as bi-annual Senior Arctic Officials meetings. There are also numerous tasks forces and expert groups in the working groups. Each one of these groups benefit from having Aleut people represented at the table especially as we are seeing an increase in Arctic ship traffic and are feeling the effects of climate change. We have Aleut representatives in four of the six working groups, one representing in the Task Force on Improved Connectivity in the Arctic (TFICA), and two representatives in working group expert groups. For more information, please see the included documents about us and our projects.

We are seeking funding to continue the important work we do at the Arctic Council and to expand the projects we have begun in our region. We would be very grateful for a financial contribution of between \$1,000 and \$5,000 to AIA. All contributions are tax deductible and will be recognized on our website and in our presentations that are given locally, regionally, nationally and internationally. Your contribution is imperative to ensuring that Aleut people, our communities and our culture is represented at this significant forum. If you have any questions or would like more information about AIA, please do not hesitate to contact me. Thanks in advance for your generous contribution.

Enclosed

Sincerely,

Dr. Liza Mack
Executive Director

THE ALEUT INTERNATIONAL ASSOCIATION, INC.
Permanent Participant of the Arctic Council
520 E 32nd Avenue, Anchorage, Alaska, United States, 99503
Phone: 1-907-332-5388 (33-ALEUT)
E-mail: liza.mack@aleut-international.org
www.aleut-international.org

Aleut International Association

October 2018

© Alvin Mercutof 2002

ABOUT ALEUT INTERNATIONAL:

- ♦ Created in 1998 to address the environmental and cultural concerns of the extended Aleut family at the Arctic Council
- ♦ Development of AIA was a joint project between the Aleutian/Pribilof Islands Association (APIA) in the United States, and the Association of the Indigenous Peoples of the North of the Aleut District of the Kamchatka Region (ANSARKO) in the Russian Federation
- ♦ Admitted as a Permanent Participant, with full consultation rights, to the Arctic Council in 1998
- ♦ Granted Special Consultative Status by the Economic and Social Council of the United Nations in 2004
- ♦ Accredited Non-Governmental Organization (NGO) with both the United Nations Framework Convention on Climate Change (UNFCCC) and the Global Environment Facility (GEF)
- ♦ Pursues collaboration with governments, scientists, and other organizations to develop research and policies which could improve the wellbeing of the Aleut People and their environment

ABOUT THE ARCTIC COUNCIL:

The Arctic Council is the leading intergovernmental forum promoting cooperation, coordination and interaction among the Arctic States, Arctic Indigenous communities and other Arctic inhabitants on common regional issues, in particular on issues of sustainable development and environmental protection.

The following countries are members of the Arctic Council: Canada, the Kingdom of Denmark, Finland, Iceland, Norway, the Russian Federation, Sweden and the United States.

In addition, six organizations representing Arctic Indigenous peoples have status as Permanent Participants (PPs), created to provide for active participation and full consultation with the Arctic Indigenous peoples within the Council. They include: [Aleut International Association](http://www.aieut.org), the Arctic Athabaskan Council, Gwich'in Council International, the Inuit Circumpolar Council,

Russian Association of Indigenous Peoples of the North and the Saami Council.

Council assessments and recommendations are the result of analysis and efforts of the Working Groups, and decisions are taken by consensus among the eight Arctic States, with full consultation and involvement of the PPs. The Council may also establish Task Forces or Expert Groups to carry out specific work.

The Council has also provided a forum for the negotiation of three important legally binding agreements among the Arctic States: the Agreement on Cooperation on Aeronautical and Maritime Search and Rescue in the Arctic was signed in 2011; the Agreement on Cooperation on Marine Oil Pollution Preparedness and Response in the Arctic was signed in 2013; and the Agreement on Enhancing International Arctic Scientific Cooperation was signed in Fairbanks, Alaska, at the 2017 Ministerial meeting.



520 East 32nd Avenue, Anchorage AK 99503
Phone: 907-332-5388

www.aieut.org
www.facebook.com/aieutinternational
www.arctic-council.org





ARCTIC COUNCIL WORKING GROUPS:

ACAP is an Arctic Council plan to address the Arctic pollution sources identified through AMAP. It became Arctic Council's sixth permanent Working Group in 2006. It acts as a strengthening and supporting mechanism to encourage national actions to reduce emissions and other releases of pollutants.

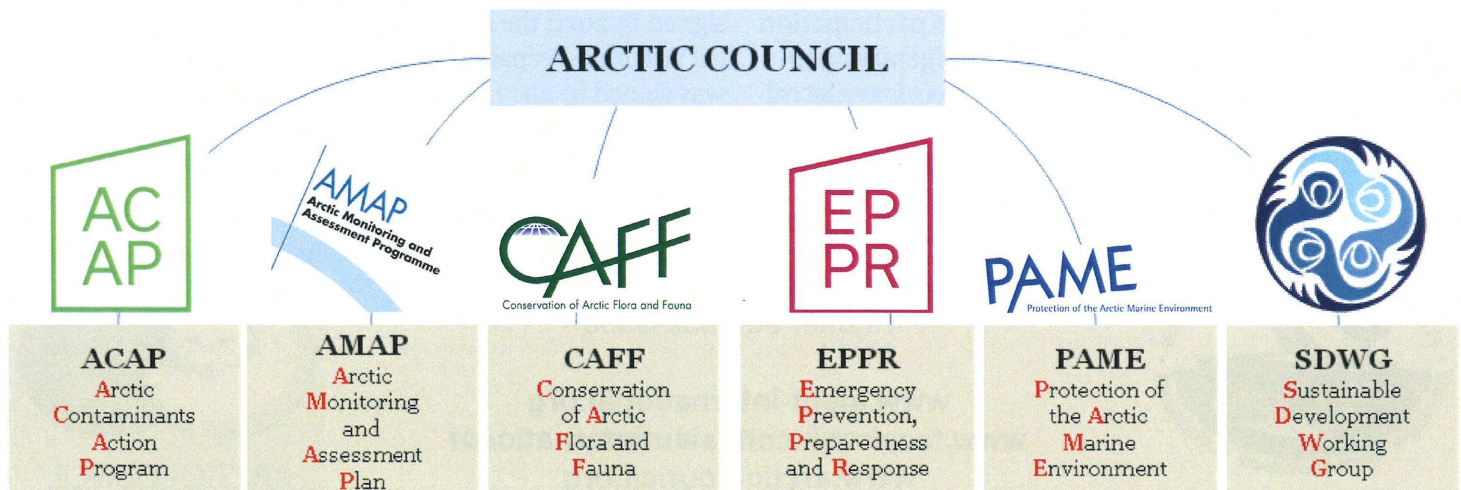
AMAP monitors and assesses the status of pollution and climate change issues in the Arctic region, and produces science-based assessments and public outreach products to inform policy and decision-making processes.

CAFF serves as a vehicle to cooperate on species and habitat management, to share information on management techniques and regulatory regimes, and to facilitate more knowledgeable decision-making.

EPPR's focus is prevention, preparedness and response to environmental emergencies in the Arctic, including the accidental release of pollutants or radionuclides, and the consequences of natural disasters.

PAME's activities are directed towards protection of the Arctic marine environment -- increasingly affected by significant climate changes, and the resulting economic activity -- through policy, and non-emergency pollution prevention related to both land and sea-based activities.

SDWG proposes and adopts steps to be taken by the Arctic States to advance sustainable development in the Arctic. This includes pursuing opportunities to protect and enhance the environment, economies, culture, and health of Indigenous peoples and the Arctic.



Aleut International Association

November 2018

ONGOING PROJECTS:

Community Observation Network for Adaptation and Security (CONAS) consists of systematic observations made by subsistence hunters, fishers, and elders from around the Bering Sea. This information is owned and controlled by the communities. It is used to generate dynamic maps and data products that both residents and policy makers can use to inform decisions for a rapidly changing Arctic. Survey efforts were recently completed in Sand Point, Gambell, Savoonga, and Togiak.

CONAS: Integrating Indigenous Values Into Planning and Policy Across the Aleutian Islands and Bering Sea

The network will expand through funding support from the U.S. Fish and Wildlife Service in collaboration with Aleutian Bering Sea Islands Landscape Conservation Cooperative and the U.S. National Park Service. Through these partnerships CONAS will add up to four new communities to the network from the Aleutian and Bering Sea Region. **Partners:** North Pacific Research Board (NPRB), the Alaska Native Fund (ANF), U.S. Fish and Wildlife Service, and the National Park Service.



Contact Us:

Dr. Liza Mack, Executive Director

liza.mack@aleut-international.org

(907) 332-5388 ext. 1

Jessica Veldstra, Executive Assistant

jessica.veldstra@aleut-international.org

(907) 332-5388 ext. 2

520 East 32nd Avenue, Anchorage AK 99503

Phone: 907-332-5388

www.aleut-international.org

www.facebook.com/aleutinternational

www.arctic-council.org

The Indigenous Use of Heavy Fuel Oils (HFOs) Project will conduct a survey of Indigenous Arctic Communities to assess the use of and reliance on HFOs. This will help to inform future policy recommendations by making clear the impacts on Arctic communities of banning HFOs. **Partners:** Ocean Conservancy with funding provided by the Gordon and Betty Moore Foundation.

Solid Waste Management in Small Arctic Communities will examine best practices, potential actions including recycling/reusing, education & outreach, and an assessment of contaminants related to solid waste. **Partners:** Canada and Finland.

Mednij Island Aleut Language Project

researches Aleut language adaptation related to the Mednij Island dialect through Aleut experts from Alaska and Russia. They are analyzing the nearly extinct dialect, a unique mixed language spoken only by a handful of elders. This research will gather the last available knowledge of Mednij Aleut and is exploring the historical background of the dialect with a special emphasis on language adaptation. Audio and video recordings will be archived in multiple locations, and the communities control the final products and their distribution. **Partners:** Aleutian Pribilof Islands Association (APIA), the Exchange for Local Observations and Knowledge of the Arctic (ELOKA), University of Alaska, Fairbanks (UAF), St. Petersburg University, Russian Federation, with funding provided by the National Science Foundation (NSF).

The Black Carbon Project will use data, self-assessment tools and instruments to collect information about black carbon pollutants. This project will encourage identification, mitigation and community awareness about black carbon pollutants in Alaska and Russia. **Partners:** University of Alaska, Anchorage (UAA), University of Alaska, Fairbanks (UAF), Naturvårdsverket (Swedish Environmental Protection Agency), Arctic Alliance, the Alaska Native Science Commission (ANSC)

AIA'S PROJECTS AND PEOPLE AT THE ARCTIC COUNCIL:

Arctic Contaminants Action Program:



AIA's Black Carbon Project is an ACAP approved project, and has been selected for funding support through the Arctic Council Project Support Instrument.

AIA's ACAP Representative: Aleut International's Executive Director, Dr. Liza Mack, currently represents AIA in ACAP and is also the chair for IPCAP.

Arctic Monitoring and Assessment Plan:



Aleut International does not currently have any projects with the AMAP working group.

AIA's AMAP Representative: This position is open.

Protection of the Arctic Marine Environment:



AIA's PAME Representative: Chantae Kochuten of Aleutian Pribilof Island Community Development Association represents AIA at PAME meetings. Dr.

Lauren Divine of the Tribal Government of St. Paul Island serves as Co-Chair of PAME's Marine Litter Expert Group.

Conservation of Arctic Flora and Fauna:



Aleut International's Community Observation Network on Adaptation & Security (CONAS) project is a CAFF-approved project.

AIA's CAFF Representative: Nadine Kochuten, of King Cove, represents AIA at CAFF meetings. Bruce Wright, senior scientist at APIA, represents AIA at CAFF and PAME's Arctic Invasive Alien Species Strategy and Action Plan.

Sustainable Development Working Group:



The Arctic Solid Waste Project and Indigenous Use of Heavy Fuel Oils Project has been approved at SDWG. AIA is co-leads along with the United States and Canada.

AIA's SDWG Representatives: Aleut International's Director, Dr. Liza Mack, is the Head of Delegation to the SDWG, and participates on the Social, Economic, and Cultural Expert Group (SECEG).

Emergency Preparedness, Prevention & Response:



Aleut International is currently co-lead on the Small Communities Preparedness and Response Project.

AIA's EPPR Representative: Karen Pletnikoff is the Environmental and Safety Program Manager for APIA, and represents AIA at the EPPR meetings.

The Permanent Participants' Algu Fund:



The Algu Fund is an endowment and project support mechanism created to provide stable, reliable, and predictable funding to support Permanent Participants, and their Arctic Council activities.

AIA's Algu Fund Representative: Aleut International is a participating organization of the Algu Fund, with Dr. Mack acting as the chair.

TASK FORCES:

Arctic Marine Cooperation (TFAMC):

The mandate is to consider future needs for strengthened cooperation on Arctic marine areas, as well as mechanisms to meet these needs, and to make recommendations on the nature and scope of any such mechanisms.

Improved Connectivity in the Arctic (TFICA):

The task force will compare the needs of those who live, operate, and work in the Arctic with available infrastructure, and work with the telecommunications industry and the Arctic Economic Council.

AIA's Representative: Jenifer Nelson

EXPERT GROUPS:

Expert Group on Black Carbon and Methane:

This group's objective is to periodically assess progress of the implementation of the Arctic Council's Framework for Action on Black Carbon and Methane, and to inform policy makers.

Ecosystem-Based Management Expert Group:

Policy commitment, a definition of principles for implementation, and high-priority activities for ecosystem-based management in the Arctic, were developed by this expert group.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-71

A RESOLUTION OF THE UNALASKA CITY COUNCIL CONFIRMING THE MAYOR'S APPOINTMENT OF MICHELLE MURDOCK TO THE PARKS, CULTURE AND RECREATION COMMITTEE

WHEREAS, there is a vacant seat on the Parks, Culture and Recreation Committee; and

WHEREAS, Unalaska City Code Section 2.60.040 states that each member of a city board or committee shall be appointed by the Mayor, subject to approval by the City Council; and

WHEREAS, Mayor Kelty has appointed Michelle Murdock to the Parks, Culture and Recreation Committee and submits this appointment to the City Council for approval.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council confirms the appointment of Michelle Murdock to the Parks, Culture and Recreation Committee.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 11, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk



BOARD, COMMITTEE & COMMISSION APPLICATION

APPLYING FOR (check one):

- | | |
|---|---|
| <input type="checkbox"/> Planning Commission, Platting Board and Historic Preservation Commission | <input type="checkbox"/> Museum of the Aleutians Board of Directors |
| <input checked="" type="checkbox"/> Parks, Culture & Recreation Committee | <input type="checkbox"/> Iliuliuk Family & Health Services Clinic Board |
| <input type="checkbox"/> Library Advisory Committee | |

Name: Michelle Murdock

Mailing Address: PO Box 921258, Dutch Harbor AK 99692

Telephone: 907-359-1978 Email: _____

Occupation: HR Manager Employer: City of Unalaska

Previous Board/Committee/Commission Experience (attach additional pages if necessary):

none

Check the primary reason(s) for your interest:

- ☐ I am a returning board, committee or commission member whose term recently expired.
- ☐ I have expertise I want to contribute.
- ☒ I am interested in the activities the board, committee or commission handles.
- ☐ I want to participate in local government.
- ☐ I want to make sure my segment of the community is represented.
- ☐ Other _____

Please explain in greater detail the reasons you checked above I am passionate in providing support in the community and this board in particular is of interest because of the involvement I have with the facilities and using them as a member of that community.

It is suggested you attach an outline of your education, work and volunteer experience, and other interests.

How did you learn of this vacancy (please check one):

- ☐ Media ☐ Word of Mouth ☐ Solicitation ☒ Other Referral

Date: 11/28/18.

Signature: Michelle

THANK YOU FOR YOUR INTEREST IN SERVING

Applications expire one year from date received by City Clerk

Please return completed Application to the City Clerk's Office in City Hall, 43 Raven Way, Unalaska
Or mail to City Clerk, City of Unalaska, P. O. Box 610, Unalaska, AK 99685

Dear Council,

I would like to express my interest for the position of a Board Member with Parks Culture and Recreation Committee. I am new to this community and it wasn't long after I had arrived that I felt strongly about learning, exploring and participating with my new community members while also utilizing the many available facilities. While I am a member of the City in the capacity of HR Manager, I would love the chance to give back to this community in this function by lending my advisory and visionary skills in.

The foundation of my skills is built upon my career in HR giving me opportunities to work closely with all types of individual's on multiple levels in order to achieve both personal and organizational goals. In addition I have a strong background and knowledge in counseling, negotiating and advising employees and managers through a variety of matters working towards a common ground and accomplishing objectives even when disagreements are present but I have and continue to grow and establish strong positive working relationships while maintaining a high level of professionalism.

Below is a list of my education and memberships which I actively hold, and a summary of work:

Education

- *Masters* In Human Resources and Employment Relations with a Minor in Employment Law
- *Bachelors* in Human Resource Management

Memberships

- Professional Membership of Society of Human Resources (SHRM) 2013 – Present
- Anchorage Human Resource Chapter
- National Association of Professional Women 2014 – Present

Professional Experience

Have worked as an HR Professional in industries such as; Government Sector, Non-Profit, Banking, University of Washington, Research.

I am confident you'll find me a good fit for your needs as a Board Member with Parks, Culture and Recreation Committee. Please contact me by phone or email at a convenient time for you if you like to have an in-person meeting. I look forward to hearing from you and thank you so much for your time.

Sincerely,

Michelle Murdock

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-72

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH HDL ENGINEERING CONSULTANTS, LLC TO PERFORM THE CAUSEWAY CULVERT REPLACEMENT PROJECT (PW19B) DESIGN FOR \$65,415

WHEREAS, the Causeway Culvert Replacement Project was identified in the 2013 Hazard Mitigation Plan; and

WHEREAS, the Causeway Culvert Replacement Project is an approved component of the CMMP; and

WHEREAS, funding has been appropriated for the design and construction of the Project; and

WHEREAS, HDL Engineering Consultants, LLC, an experienced design firm, has been awarded the design of the Captain's Bay Road & Utilities Project; and

WHEREAS, economies of scale can be achieved by awarding the design of the Causeway Culvert Project to HDL Engineering Consultants, LLC; and

WHEREAS, funding exists in the Project's budget to award the design to HDL Engineering Consultants, LLC.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes the City Manager to enter into an agreement with HDL Engineering Consultants, LLC to perform the Causeway Culvert Replacement Project (PW19B) design for \$65,415.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 11, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Tom Cohenour, Director, Department of Public Works
Through: Thomas Thomas, City Manager
Date: December 11, 2018
Re: Resolution 2018-72: Authorizing the City Manager to enter into an Agreement with HDL Engineering Consultants, LLC to perform the Causeway Culvert Replacement Project (PW19B) design for \$65,415

SUMMARY: Resolution 2018-72 will award the design of the Causeway Culvert Replacement Project to HDL Engineering Consultants, LLC for \$65,415. The purpose of the Project is to replace the aging metal culverts under the section of East Broadway Road that bisects Unalaska Lake to reduce the chance of catastrophic failure along one of our most heavily trafficked roads as well as to improve fish habitat.

PREVIOUS COUNCIL ACTION: Council funded this Project via the FY2019 Capital & Operating Budget Ordinance 2018-04, approved and adopted on May 22, 2018. Council has taken no other action on this Project.

BACKGROUND: Pages 7-8 of the City's Hazard Mitigation Plan, dated December 4, 2013, recommends the City work to "Improve water circulation along two sections of Unalaska Lake" to alleviate flooding and the potential for environmental and property damage. Currently, the existing metal culverts that allow drainage from Dutton Lake (that portion of Unalaska Lake on the North side of East Broadway) and the surrounding watershed into Unalaska Lake are old, rusted, and showing signs of collapse. Dutton Lake and the stream feeding into it have been documented by the Alaska Department of Fish & Game as anadromous and supporting fish habitat and spawning.

DISCUSSION: The project consists of design and permitting for the replacement of the culverts in FY2019, and performing the in-water road construction in FY2020. Resolution 2018-72 will award the Design of the Project to HDL Engineering Consultants, LLC (HDL). HDL was awarded the design of the Captain's Bay Road & Utilities Project via a Request for Qualifications. Because this Project is similar in nature to the Captain's Bay Road work, Staff requested a proposal from HDL for the design in lieu of letting another RFQ. The City Manager approved sole-sourcing the work to HDL as a cost savings measure in terms of staff hours that would be spent drafting, advertising, and scoring proposals received in response to an RFQ. It is also in the City's best interest to coordinate the design and construction of these two transportation infrastructure projects; utilizing the same project engineer will achieve that goal.

ALTERNATIVES: Council could choose to postpone this work or not award the work at all. However, to avoid problems associated with the failure of an important drainage culvert, acting to remediate the problem sooner rather than later is highly prudent.

FINANCIAL IMPLICATIONS: The Project's Budget (MUNIS PW19B) is able to support this Award. The Engineering & Architectural Line Item is funded at \$68,500 as of this writing.

LEGAL: Not applicable; this award complies with the City's Purchasing Policy.

STAFF RECOMMENDATION: Staff recommends awarding the design to HDL Engineering Consultants, LLC for \$65,145 via Resolution 2018-72.

PROPOSED MOTION: I move to approve Resolution 2018-72.

CITY MANAGER COMMENTS: I recommend approval of Resolution 2018-72.

ATTACHMENTS:

Exhibit A: Sole Source Memorandum

Exhibit B: Proposal from HDL Engineering Consultants, LLC

Exhibit C: Consultant Agreement



M E M O R A N D U M

TO: Thomas Thomas, City Manager

CC: Clay Darnell, Finance Department Director

FROM: Robert Lund, City Engineer

DATE: November 19, 2018

SUBJECT: Sole Sourcing Request – HDL Engineering Consultants, LLC – Causeway Culvert Replacement DPW Proj. No. 19202

Digitally signed by Robert Lund
 DN: cn=Robert Lund, o=Department of Public
 Works, ou, email=rlund@ci.unalaska.ak.us,
 c=US
 Date: 2018.11.19 09:18:49 -09'00'

The Department of Public Works (DPW) requests sole sourcing approval for engineering services for the Causeway Culvert Replacement Project (the Project) from HDL Engineering Consultants, LLC (HDL) per their attached time and expense proposal for professional services dated September 19, 2018, for \$65,415.

For procurement of professional services over \$20,000 the Purchasing Policy Article 4. Professional Services a. Source Selection allows a solicitation for Requests for Proposals through (B) 2. Article 4. also allows a statement of qualifications and qualifications based selection in sections c. Statements of Qualifications and e. Award where DPW may negotiate price with the most qualified offeror.

DPW proposes selection of HDL for the Project based on the results of a Request for Qualifications process followed for a similar heavy civil engineering project Captains Bay Road & Utilities Improvements DPW Project No. 19201 in April-June 2018. DPW received 3 Statements of Qualifications during that process and recommended award to HDL which was subsequently approved by council. Regan Engineering declined interest in the Project due to other obligations, so we would not expect more firms to offer Statements of Qualifications for the Causeway if a new solicitation was made.

Both designs are substantially similar. Also, should construction occur at the same time the Causeway project would severely impact haul of materials from the Ugadega Quarry to Captains Bay Road, so they should be coordinated to the extent practicable.

DPW appreciates your consideration of this Sole Sourcing Request. Please indicate your decision below and return this document to me for our files if disapproved and for backup for the Council Resolution and Purchase Requisition if approved.

☒ Approved
☐ Not Approved

City Manager

Date 11-19-18



September 19, 2018

Robert Lund, P.E., City Engineer
City of Unalaska
P.O. Box 610
Unalaska, AK 99685

RE: Proposed Scope and Cost
DPW Project PW19B - Iliuliuk Causeway Culvert Replacement

Dear Mr. Lund:

HDL Engineering Consultants, LLC (HDL) is pleased to present this scope letter to the City of Unalaska for engineering services for the replacement of three failing culverts. The three culverts are located in the causeway that separates Iliuliuk Lake and Unalaska Lake, between the intersections of East Broadway Avenue with Lake Drive and Dutton Road. The scope is in accordance with the Request sent by email on August 9, 2018.

SCOPE OF WORK

TASK 1—PRELIMINARY ENVIRONMENTAL REVIEW/PERMITTING

HDL's environmental staff will research readily available information regarding existing environmental resources located within and adjacent to the project corridor. A project stakeholder list will be developed to streamline the project scoping process. We highly recommend early scoping of the resource agencies to ensure an efficient permitting process. A project scoping letter will be drafted to each resource agency with jurisdiction over sensitive resources documented during the development of the preliminary environmental overview. The preliminary scoping letter, environmental overview, and reference figures will be used during scoping to determine permitting requirements for the proposed improvements.

Deliverables associated with this task will include:

- Project stakeholder list
- Preliminary environmental overview
- Agency outreach letter
- Record of agency feedback regarding level of permitting required

Assumptions. The following assumptions were used in developing the scope for this task:

1. Environmental field work will not be necessary during this phase of the project.
2. Draft permit applications will not be developed during this phase of the project.
3. Agency consultation will take place via email and phone conversations.

TASK 2—GEOTECHNICAL REVIEW

HDL's Geotechnical Services group will review the existing geotechnical information from previous investigations. They will work with the design team to identify the geotechnical challenges associated with alternatives considered and provide potential solutions.

The results of the geotechnical review will be included in the Preliminary Engineering Report (PER). A summary of existing geotechnical data will be provided in the PER. The PER will detail the geotechnical considerations of the options considered and provide recommendations for further geotechnical evaluation, if appropriate.

Assumptions. The following assumptions were used in developing the scope for this task:

1. Soil borings or test pits are not included in this scope of services. Additional geotechnical evaluation may be needed after a preferred alternative is selected.

TASK 3—PRELIMINARY HYDROLOGICAL AND HYDRAULIC ANALYSIS

Desktop Investigation and GIS Mapping

HDL will complete a desktop investigation of the area to identify major inflow and outflow points in the Unalaska Lake/Iliuliuk Lake basin. Elevation datasets will be obtained from USGS as well as state and local agencies. A watershed analysis will be performed using existing Geographical Information Systems (GIS) databases to delineate drainage basins and identify existing drainage patterns. Data collected from the desktop work will be used to verify the watershed analysis.

Determining Design Criteria

HDL will characterize the existing conditions at the Iliuliuk Causeway culverts. We will first perform a hydrologic analysis to calculate discharges at inflow points for the 2-year, 10-year, 50-year and 100-year recurrence intervals. Secondly, tide data will be analyzed to determine the maximum tidal range at the Iliulik Causeway. Our findings will be supplemented with local knowledge of seasonal water level fluctuations in Unalaska Lake and Iliuliuk Lake.

Hydrologic and Hydraulic Report

HDL will use the findings of the desktop investigations and hydrologic analysis to develop up to three replacement culvert alternatives. A hydraulic analysis will be performed for the culvert alternatives using applicable modeling software, such as USACE HEC-RAS and FHWA HY-8. The culvert alternatives will be evaluated for their ability to address site-specific hydraulic conditions as well as ADOT&PF design criteria. Additionally, the analysis will consider the relative fish passage performance of each alternative. The findings of the hydrologic and hydraulic analyses will be presented in a Hydrologic and Hydraulic (H&H) Report. Advantages and disadvantages for each alternative will be discussed in this report.

Assumptions. The following assumptions were used in developing the scope for this task:

1. A field investigation will not be necessary to perform the work for this task. If field work becomes necessary we can add it by amendment.

TASK 4—PRELIMINARY ENGINEERING REPORT

HDL will prepare a preliminary engineering report (PER) to include the following:

- A discussion on the existing conditions;
- Current design standards to be followed;
- Evaluation of up to three alternatives;
- Preferred alternative discussion;
- Discussion on erosion and sediment control requirements;
- Summary of the H&H analysis;
- Evaluation of the existing soil conditions;
- Traffic overview;
- Assessment of the existing right-of-way (ROW) and any potential ROW needs;
- Review of the existing utilities and potential conflicts;
- Evaluate work zone traffic control;
- Evaluation of structural section requirements for the roadway;
- A preliminary rough-order-of-magnitude construction cost estimate for the proposed alternative;
- Summary of the environmental commitments/potential permitting needs;
- Evaluate the need for structures needed;
- Evaluation of maintenance considerations;

We will prepare a set of preliminary design drawings for the preferred alternative and include them with the PER. These drawings will present the proposed improvements at an approximate 35 percent level. These plans will be useful for discussion and reference as the project moves into the next phase.

Assumptions. The following assumptions were used in developing the scope for this task:

1. A maximum of three alternatives will be evaluated for the culvert replacements.
2. HDL's survey group has reviewed the provided CAD drawing of the East Broadway Causeway. The drawing appears complete and contains topographic data, ROW and property lines, pipe inverts, and water depths sufficient to support this proposed preliminary engineering effort. If additional topographic survey is needed it can be added by amendment.

SCHEDULE

Assuming award of the contract by the end of October 2018, and allowing one week for processing of a contract, we should be able to complete this scope of work by January 15, 2019.

COST

We propose to provide the aforementioned services on a time and expenses basis for a cost not to exceed **\$65,415** as detailed on the attached worksheet. A separate fee proposal will be prepared for completing final bid documents once the City chooses a preferred alternative.

Thank you for your confidence and we look forward to working with you on another important project. Please contact me if you have any questions.

Sincerely,

HDL ENGINEERING CONSULTANTS, LLC



David Lundin, P.E.
Principal / Civil & Environmental Engineer

attach: Cost Worksheet, dated 9/19/2018 (5 pages)

CITY OF UNALASKA
Consultant Agreement
Causeway Culvert Replacement Project
FILE NO. 19202

Prepared By:
City of Unalaska
P.O. Box 610
Unalaska, Alaska 99685
907.581.1260

TABLE OF CONTENTS

I.	Agreement	
II.	Scope of Services	Exhibit “A”
III.	Contract Schedule	Exhibit “B”
IV.	Fee Proposal	Exhibit “C”

AGREEMENT FOR CONSULTING AND RELATED SERVICES

THIS AGREEMENT is entered into this _____ day of _____, 2018 by and between **HDL Engineering Consultants LLC**, (hereinafter called "Consultant"), and the **CITY OF UNALASKA** (hereinafter called "City").

WITNESSETH THAT:

WHEREAS City desires to engage Consultant to render consulting and related services for the performance of the **Causeway Culvert Replacement Project**, and

WHEREAS Consultant represents that it has the experience and ability to perform such services; and

WHEREAS the parties hereto desire to enter into a basic agreement setting forth the terms under which Consultant will, as requested, perform such work;

NOW THEREFORE the parties hereto do mutually agree as follows:

1. Employment of Consultant

Consultant agrees to provide professional services in accordance with the provisions of this Agreement. A written description of the work to be performed, schedule and compensation is set out in **Exhibits A-C** of this Agreement.

2. Performance

Consultant agrees to perform the work described in **Exhibit A- Scope of Services**; however, the Consultant is not authorized to perform any work or incur any expense which would cause the amount for which he is entitled to be paid under this Agreement to exceed the amount set forth in **Exhibit C – Fee Proposal** without the prior written approval of the City. All services shall be rendered in accordance with the schedule set forth in **Exhibit B – Contract Schedule**.

The work shall include but not be limited to the following: furnishing all equipment, transportation, per diem, travel, and supplies to perform all scopes of work that are authorized under the State of Alaska's Professional Engineering License, in connection with the **Causeway Culvert Replacement Project**.

3. Fee

After receipt of a periodic billing for said services, the City agrees to pay Consultant as compensation for the services under this Agreement such sums of money as set forth in **Exhibit C** of this Agreement. The amount payable to the Consultant shall not exceed the amount specified in **Exhibit C**.

4. Payments

City agrees to make monthly payments to Consultant as services are performed and costs are incurred, provided Consultant submits a proper invoice for each payment, in such form accompanied by such evidence in support thereof as may be reasonably required by the City. City may, at its option, withhold ten percent (10%) from each monthly payment pending satisfactory completion of the work by Consultant. All invoices are otherwise due and payable within thirty (30) days of receipt by City. City shall pay Consultant for the services identified in **Exhibit A** the Time and Material **Not to Exceed Total Fee of Sixty Five Thousand, Four Hundred Fifteen Dollars (\$65,415)**. The portion of the Not to Exceed Total Fee billed and paid for Consultant's services shall be equal to cost of labor and expenses for services actually completed for each task set forth in **Exhibit A** during the billing period to the fee total specified for that task.

5. Personnel

Consultant agrees to furnish all personnel necessary for expeditious and satisfactory performance of this Agreement, each to be competent, experienced, and well qualified for the work assigned. No person objected to by the City shall be employed by Consultant for work hereunder.

6. Independent Contractor Status

In performing under this Agreement, Consultant acts as an independent contractor and shall have responsibility for and control over the details and means for performing the consulting services required hereunder.

7. Indemnification

Consultant shall defend and save harmless City, its employees, officers, and elected officials from and against losses, damages, liabilities, expenses, claims and demands solely to the extent caused by the negligent acts or omissions of Engineer while performing under the terms of this Contract.

City shall defend and save harmless Consultant, its employees and officers from and against losses, damages, liabilities, expenses, claims and demands solely to the extent caused by the negligent acts or omissions of the City while performing under the terms of this Contract.

8. Assignment

Consultant shall not assign this Agreement or any of the monies due or to become due hereunder without the prior written consent of City.

9. Subcontracting

Consultant may not subcontract its performance under this Agreement without prior written consent of City. Any subcontractor must agree to be bound by terms of this Agreement.

10. Designation of Representatives

The Parties agree, for the purposes of this Agreement, the City shall be represented by and may act only through the Deputy Director of Public Utilities or such other person as he may designate in writing. Consultant shall advise City in writing of the name of its representative in charge of the administration of this Agreement, who shall have authority to act for and bind Consultant in connection with this Agreement.

11. Termination

Either party shall have the right to terminate this Agreement in whole or in part at any time and for reasonable cause, by delivery of thirty (30) days written notice, specifying the extent and effective date thereof. After receipt of such notice, Consultant shall stop work hereunder to the extent and on the date specified in such notice, terminate all subcontracts and other commitments to the extent they relate to the work terminated, and deliver to City all designs, computations, drawings, specifications and other material and information prepared or developed hereunder in connection with the work terminated.

In the event of any termination pursuant to this clause, Consultant shall be entitled to be paid as provided herein for direct labor hours expended and reimbursable costs incurred prior to the termination pursuant to Section 3 hereof, and for such direct labor hours and reimbursable costs as may be expended or incurred thereafter with City's approval in concluding the work terminated, it being understood that Consultant shall not be entitled to any anticipated profit on services not performed. Except as provided in this clause, any such termination shall not alter or affect the rights or obligations of the parties under this Agreement.

12. Ownership and Use of Documents

Consultant agrees that all original design reproducible drawings, all pertinent calculations, specifications, reports, data and other documents prepared for the City hereunder are the property of the City and the City shall have the right, without payment

of additional compensation, to disclose, reproduce and use such documents for this project

13. Insurance

- A. During the term of the contract, the Contractor shall obtain and maintain in force the insurance coverage specified in these requirements. Such coverage shall be with an insurance company rated “Excellent” or “Superior” by A. M. Best Company, or a company specifically approved by the City.
- B. The contractor shall carry and maintain throughout the life of this contract, at its own expense, insurance not less than the amounts and coverage herein specified, and the City of Unalaska, its employees and agents shall be named as additional insured under the insurance coverage so specified and where allowed, with respect to the performance of the work. There shall be no right of subrogation against the City or its agents performing work in connection with the work, and this waiver of subrogation shall be endorsed upon the policies. Insurance shall be placed with companies acceptable to the City of Unalaska; and these policies providing coverage thereunder shall contain provisions that no cancellation or material changes in the policy relative to this project shall become effective except upon 30 days prior *written* notice thereof to the City of Unalaska.
- C. Prior to commencement of the work, the contractor shall furnish certificates to the City of Unalaska, in duplicate, evidencing that the Insurance policy provisions required hereunder are in force. Acceptance by the City of Unalaska of deficient evidence does not constitute a waiver of contract requirements.
- D. The contractor shall furnish the City of Unalaska with certified copies of policies upon request. The minimum coverages and limits required are as follows:
 - 1. Workers’ Compensation insurance in accordance with the statutory coverages required by the State of Alaska and Employers Liability insurance with limits not less than \$1,000,000 and, where applicable, insurance in compliance with any other statutory obligations, whether State or Federal, pertaining to the compensation of injured employees assigned to the work, including but not limited to Voluntary Compensation, Federal Longshoremen and Harbor Workers Act, Maritime and the Outer Continental Shelf’s Land Act.

2. Commercial General Liability with limits not less than \$1,000,000 per Occurrence and \$2,000,000 Aggregate for Bodily Injury and Property Damage, including coverage for Premises and Operations Liability, Products and Completed Operations Liability, Contractual Liability, Broad Form Property Damage Liability and Personal Injury Liability.
 3. Commercial Automobile Liability on all owned, non-owned, hired and rented vehicles with limits of liability of not less than \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage per each accident or loss.
 4. Umbrella/Excess Liability insurance coverage of not less than \$1,000,000 per occurrence and annual aggregate providing coverage in excess of General Liability, Auto Liability, and Employers Liability.
 5. If work involves use of aircraft, Aircraft Liability insurance covering all owned and non-owned aircraft with a per occurrence limit of not less than \$1,000,000.
 6. If work involves use of watercraft, Protection and Indemnity insurance with limits not less than \$1,000,000 per occurrence.
 7. Professional Liability insurance with limits of not less than \$1,000,000 per claim and \$1,000,000 aggregate, subject to a maximum deductible \$10,000 per claim. The City of Unalaska has the right to negotiate increase of deductibles subject to acceptable financial information of the policyholder.
- E. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expense.
- F. All insurance policies as described above are required to be written on an "occurrence" basis. In the event occurrence coverage is not

available, the contractor agrees to maintain "claims made" coverage for a minimum of two years after project completion.

- G. If the contractor employs subcontractors to perform any work hereunder, the contractor agrees to require such subcontractors to obtain, carry, maintain, and keep in force during the time in which they are engaged in performing any work hereunder, policies of insurance which comply with the requirements as set forth in this section and to furnish copies thereof to the City of Unalaska. This requirement is applicable to subcontractors of any tier.

14. Claims Recovery

Claims by City resulting from Consultant's failure to comply with the terms of and specifications of this contract and/or default hereunder may be recovered by City by withholding the amount of such claims from compensation otherwise due Consultant for work performed or to be performed. City shall notify Consultant of any such failure, default or damage therefrom as soon as practicable and no later than 10 days after discovery of such event by written notice. Nothing provided herein shall be deemed as constituting an exclusive remedy on behalf of City, nor a waiver of any other rights hereunder at law or in equity. Design changes required as a result of failure to comply with the applicable standard of care shall be performed by the Consultant without additional compensation.

15. Performance Standard

Services performed under this Agreement will be performed with reasonable care or the ordinary skill of the profession practicing in the same or similar location and under similar circumstances and shall comply with all applicable codes and standards.

16. Compliance with Applicable Laws

Consultant shall in the performance of this Agreement comply with all applicable federal, state, and local laws, ordinances, orders, rules, and regulations applicable to its performance hereunder, including without limitation, all such legal provisions pertaining to social security, income tax withholding, medical aid, industrial insurance, workers' compensation, and other employee benefit laws. Consultant also agrees to comply with all contract provisions pertaining to grant or other funding assistance which City may choose to utilize to perform work under this Agreement. The Consultant and all subcontractors must comply with state laws related to local hire and prevailing wages.

17. Records and Audit

Consultant agrees to maintain sufficient and accurate records and books of account, including detailed time records, showing all direct labor hours expended and all reimbursable costs incurred and the same shall be subject to inspection and audit by City

at all reasonable times. All such records and books of account pertaining to any work performed hereunder shall be retained for a period of not less than six (6) years from the date of completion of the improvements to which the consulting services of this Agreement relate.

18. Reporting of Progress and Inspection

Consultant agrees to keep City informed as to progress of the work under this Agreement by providing monthly written progress reports, and shall permit City to have reasonable access to the work performed or being performed, for the purpose of any inspection City may desire to undertake.

19. Form of City Approval

Except as otherwise provided in this Agreement, City's requests and approvals, and Consultant's cost estimates and descriptions of work to be performed, may be made orally where necessary, provided that the oral communication is confirmed immediately thereafter in writing.

20. Duration of Agreement

This agreement is effective for a period of two (2) years from the date first shown above. The agreement may be extended by the mutual written agreement of City and Consultant.

21. Inspections by City

The City has the right, but not the duty, to inspect, in the manner and at reasonable times it considers appropriate during the period of this Agreement, all facilities and activities of the Consultant as may be engaged in the performance of this Agreement.

22. Endorsements on Documents

Endorsements and professional seals, if applicable, must be included on all final plans, specifications, estimates, and reports prepared by the Consultant. Preliminary copies of such documents submitted for review must have seals affixed without endorsement (signature).

23. Notices

Any official notice that either party hereto desires to give the other shall be delivered through the United States mail by certified mail, return receipt requested, with postage thereon fully prepaid and addressed as follows:

To City:
Tom Cohenour, DPW Director
City of Unalaska
Box 610
Unalaska, Alaska 99685

To Consultant:
David W. Lundin, P.E., President
HDL Engineering Consultants, LLC
301 West Elmwood Avenue
Palmer, Alaska 99645

The addresses hereinabove specified may be changed by either party by giving written notice thereof to the other party pursuant to this paragraph.

24. Venue/Applicable Law

The venue of any legal action between the parties arising as a result of this Agreement shall be laid in the Third Judicial District of the Superior Court of the State of Alaska and this contract shall be interpreted in accordance with the laws of the State of Alaska.

25. Attorney's Fees

In the event either party institutes any suit or action to enforce its right hereunder, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in such suit or action and on any appeal therefrom.

26. Waiver

No failure on the part of City to enforce any covenant or provisions herein contained, nor any waiver of any right hereunder by City, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same or any other provision in the event of any subsequent breach or default.

27. Binding Effect

The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of, and bind the parties and their respective successors.

28. Entire Agreement/Modification

This agreement, including **Exhibits A-C**, and the Consultant's proposal dated September 19, 2018 constitutes the entire Agreement between the parties with respect to the subject matter hereof, and all prior negotiations and understandings are superseded and replaced by this Agreement and shall be of no further force and effect. No modification of this Agreement shall be of any force or effect unless reduced to writing, signed by both parties and expressly made a part of this Agreement.

In witness whereof, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement in duplicate on the respective date indicated below.

HDL ENGINEERING CONSULTANTS, LLC

CITY OF UNALASKA, ALASKA

By: _____
David W. Lundin, President

By: _____
Thomas Thomas, City Manager

State of Alaska)
) ss.
Third Judicial District)

The foregoing instrument was acknowledged before me on the ____ day of December, 2018, by David W. Lundin, P.E., President of HDL Engineering Consultants, LLC, an Alaska Corporation, on behalf of the corporation.

Notary Public, State of Alaska
My Commission Expires _____

State of Alaska)
) ss.
Third Judicial District)

The foregoing instrument was acknowledged before me on the ____ day of December, 2018, by Thomas Thomas, City Manager for the City of Unalaska, a First Class Alaska Municipal Corporation, on behalf of the City of Unalaska.

Notary Public, State of Alaska
My Commission Expires _____

CITY OF UNALASKA

EXHIBIT “A” SCOPE OF SERVICES

The Consultant will work with the City to complete the **Causeway Culvert Replacement Project** per the Consultant’s Proposal dated September 19, 2018 attached. Tasks awarded under this Agreement are as below.

- | | |
|--------|--|
| Task 1 | Preliminary Environmental Review/Permitting |
| Task 2 | Geotechnical Review |
| Task 3 | Preliminary Hydrologic al and Hydraulic Analysis |
| Task 4 | Preliminary Engineering Report |

CITY OF UNALASKA

Causeway Culvert Replacement Project

EXHIBIT “B”

CONTRACT SCHEDULE

Schedule is as defined on Page 4 of 4 of the Consultants September 19, 2018 Proposal attached.

CITY OF UNALASKA

**EXHIBIT “C”
FEE PROPOSAL**

The Consultant will work with the City to complete the Causeway Culvert Replacement Project per the Consultant’s Proposal dated September 19, 2018 attached. Tasks and fees awarded under this Agreement are as below.

Task 1	Preliminary Environmental Review/Permitting	\$ 8,730
Task 2	Geotechnical Review	\$ 5,265
Task 3	Preliminary Hydrologic al and Hydraulic Analysis	\$16,380
Task 4	Preliminary Engineering Report	<u>\$35,040</u>
		\$65,415

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2018-69

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING SOLE SOURCE NEGOTIATIONS WITH AIRPORT RESTAURANT LLC FOR A LEASE OF SPACE AT THE TOM MADSEN AIRPORT TERMINAL BUILDING FOR A PERIOD OF SIXTY DAYS

WHEREAS, the City of Unalaska subleased 2,358 square feet of space at the Unalaska Airport commonly known as the Airport Restaurant plus certain accessory space in the basement of the Tom Madsen Airport Terminal Building to Airport Restaurant LLC ("the Lease"); and

WHEREAS, the Lease expires December 31, 2018; and

WHEREAS, UMC 7.08.040 states "[u]nless otherwise provided in this chapter, the city shall dispose of any interest in real property no longer required for municipal purposes through public bidding"; and

WHEREAS, UMC Section 7.08.090 states "[n]otwithstanding requirements of this title relating to terms, conditions, procedures or other requirements for the sale, lease or other disposal of city land or an interest therein, upon a determination by the Council that a particular use or class of uses of a parcel would benefit or compliment a municipal function, the Council may, by resolution, authorize a disposal of municipal land by negotiation"; and

WHEREAS, the Unalaska City Council believes operation of the Airport Restaurant by Airport Restaurant LLC compliments the municipal function of operation of the Tom Madsen Airport Terminal Building in accordance with the terms of the City's lease with the State of Alaska Department of Transportation and Public Facilities; and

WHEREAS, the Unalaska City Council believes improvements in lease terms are required to assure greater accountability for the collection and remission of sales tax on sales made at the Airport Restaurant; and

WHEREAS, the Unalaska City Council believes a sixty day negotiation period is an adequate amount of time to determine if the City and Airport Restaurant LLC can agree on lease terms.

NOW, THEREFORE, BE IT RESOLVED:

1. The Unalaska City Council determines that continuing use of the space occupied by Airport Restaurant LLC as opposed to attempting to find another tenant to use that space would compliment the municipal function of the City's operation of the Tom Madsen Airport Terminal.
2. The City Manager and the Department of Ports and Harbors are hereby authorized to attempt to negotiate a sole source lease with Airport Restaurant LLC for the space currently leased to Airport Restaurant LLC for a period commencing on the date this Resolution is adopted and ending sixty days thereafter ("the Negotiation Period").
3. During the Negotiation Period the terms of the Lease shall continue on a month to month basis.

4. Any lease to Airport Restaurant LLC shall include additional provisions to those contained in the Lease intended to assure greater accountability for the collection and remission of sales tax on sales made at the Airport Restaurant.
5. If a new proposed lease acceptable to Airport Restaurant LLC and the City of Unalaska has not been presented to the City Council for approval by the end of the Negotiation Period the City shall proceed to issue a Request for Proposals for lease of the space currently occupied by Airport Restaurant LLC.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on December 11, 2018.

Frank Kelty
Mayor

ATTEST:

Marjie Veeder
City Clerk