

Special Meeting
Thursday, January 30, 2020
6:00 p.m.



Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
Thomas D. Bell
Darin Nicholson
David M. Gregory

UNALASKA CITY COUNCIL

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Council Members
Dennis M. Robinson
Alejandro R. Tungul
Shari Coleman

Vincent M. Tutiakoff Sr., Mayor
Erin Reinders, City Manager

MINUTES

1. Call to order

Mayor Tutiakoff, Sr. called the Special Meeting of the Unalaska City Council to order on Thursday, January 30, 2020 at 6:00pm.

2. Roll call

Present:

Vincent Tutiakoff, Sr., Mayor
Dennis Robinson, Vice Mayor
Darin Nicholson
Thomas D. Bell
Alejandro Tungul
David Gregory
Shari Coleman

Absent:

None

3. Pledge of allegiance

Vice Mayor Robinson led the Pledge of Allegiance

4. Adoption of agenda

Bell made a motion to adopt agenda; Robinson seconded.
No objection.
Motion passed by consensus.

5. Work session

Robinson made a motion to go adjourn to Work Session; Tungul seconded.

Recognition of Visitors:

Michael Hubbard, Financial Engineering Company
Brooks Chandler, Boyd, Chandler, Falconer, LLP, City Attorney – Telephonic

a. Update on Ounalashka/Chena Power, LLC geothermal project

o City Manager gave a brief background:

- On November 26, 2019, at the Regular City Council meeting, Chris Salts, CEO of Ounalashka Corporation, which is the majority member of Ounalashka/Chena Power, LLC, provided an overview of the Geothermal Project

- In order for Ounalashka/Chena Power, LLC (OCP) to receive funding for this project through the Department of Energy, OCP needs the City's formal support indicated in the form of a Power Purchase Agreement
- Disclosures were made on the record by:
 - Vincent Tutiakoff, Sr., Mayor
 - Chair of the Ounalashka Corporation Board of Directors
 - Shareholder of Ounalashka Corporation
 - Dennis Robinson, Vice Mayor
 - Member of Board of Directors of Ounalashka Corporation
 - Shareholder of Ounalashka Corporation
 - David Gregory, Council Member
 - Employee of Ounalashka Corporation
 - Spouse a shareholder of Ounalashka Corporation
- City Manager introduced city consultant, Mike Hubbard, Financial Engineering Company.
- Mike Hubbard presented a report on the Geothermal Project from the City's standpoint that included information on potential risk and reward for the City and provided an update on meetings between City and OCP regarding project planning and project development.

Mike Hubbard answered Council questions regarding:

- Potential for new industry commitment
 - Level of commitment from Processors
 - Space Heating
 - Electric Loads
 - Upgrade to City Powerhouse to accommodate increased load if needed
 - Costs/Losses per kWh
 - Move from municipal power to private energy company
 - Backup generation
 - Specified minimum amount of energy requirements
 - Commitment timeframe
 - Concerns regarding Submarine Cable
 - Financing
 - More information from OCCP, LLC
- The following community members provided Public Comment and Testimony:
 - Chris Salts, CEO of Ounalashka Corporation
 - Travis Swangel
 - Jim Paulin
 - Matt Scott
 - Andy Dietrick
- Brooks Chandler, City Attorney, answered questions regarding:
 - Engineering plan and pricing included a redundant line from Makushin to the city
 - Modular Project consists of 3-4 megawatt units
 - Contract would include:
 - Power Purchase Agreement
 - Technical Documents that would specify how the new source of electricity would tie into the city's system that may include types of equipment

- Operating Agreement that would specify how decisions would be made about when units are turned on and off who would control the dispatch of power
- Timelines
 - Mid-February 2020
 - City was informed that OCP was asking for a decision on a commitment from the City by mid-February
 - Mid-February deadline is integrated with deadline for OCP to file for financing through DOE
 - May 2020
 - Final determination if City wanted more power
 - 30 year commitment

6. **Adjournment**

Gregory made a motion to adjourn; Tungul seconded.

No objection.

Motion passed by consensus.

The meeting adjourned at 7:45pm.



Marjie Veeder, CMC
City Clerk



rfw