

Regular Meeting
Tuesday, April 13, 2021
6:00 p.m.



Unalaska City Hall
Council Chambers
43 Raven Way

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

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

UNALASKA CITY COUNCIL

P. O. Box 610 • Unalaska, Alaska 99685
Tel (907) 581-1251 • Fax (907) 581-1417 • www.ci.unalaska.ak.us

Vincent M. Tutiakoff Sr., Mayor
Erin Reinders, City Manager
Roxanna Winters, Acting City Clerk rwinters@ci.unalaska.ak.us

COUNCIL MEETING ATTENDANCE

The community is encouraged to attend meetings of the City Council:

- Attend in person (socially-distanced seating available; coverings over the nose and mouth are required to be worn upon entering City Hall until seated, and again when exiting)
- Participate online via ZOOM (link, meeting ID & password below)
- Participate by telephone (toll and toll free numbers, meeting ID & password below)
- Listen on KUCB TV Channel 8 or Radio Station 89.7

PUBLIC COMMENT

The Mayor and City Council value and encourage community input at meetings of the City Council. There is a time limit of 3 minutes per person, per topic. Options for public comment:

- In person at the meeting
- By telephone or ZOOM - notify the City Clerk if you'd like to provide comment using ZOOM features (chat message or raise your hand); or *9 by telephone; or during regular business hours in advance of the meeting
- Written comment is accepted up to one hour before the meeting begins by email, regular mail, fax or hand delivery to the City Clerk, which will be read during the meeting; include your name

ZOOM MEETING LINK: <https://us02web.zoom.us/j/85203975430>

Meeting ID: 852 0397 5430 / **Passcode:** 977526

TELEPHONE: Meeting ID: 852 0397 5430 / **Passcode:** 977526

Toll Free numbers: (833) 548-0276; or (833) 548-0282; or (877) 853-5247; or (888) 788-0099

Non Toll Free numbers: (253) 215-8782; or (346) 248-7799; or (669) 900-9128

AGENDA

1. **Call to order**
2. **Roll call**
3. **Pledge of allegiance**
4. **Adoption of agenda**
5. **Approve minutes of previous meeting:** [March 23](#) and [March 30, 2021](#)
6. **Reports**
 - a. [City Manager](#)
7. **Community Input & Announcements** *Members of the public may provide information to council and make announcements of interest to the community.*

8. **Public comment on agenda items** *Time for members of the public to provide information to Council regarding items on the agenda. Members of the public may also speak when the issue comes up on the regular agenda by notifying the City Clerk.*
9. **Work session** *Work sessions are for planning purposes, or studying and discussing issues before the Council.*
 - a. [Community Support Grant Overview](#)
 - b. [Wastewater and Solid Waste Utility Rate Increases - Aldrich CPAs + Advisors LLP](#)
10. **Regular agenda** *Persons wishing to speak on regular agenda items must notify the City Clerk.*
 - a. [Resolution 2021-18: Continuing Measures to Protect Public Health](#)
 - b. [Resolution 2021-19: Army Corps of Engineers Memorandum of Agreement \(MOA\)](#)
 - c. [Ordinance 2021-06: \(1st Reading\) Amending Title 11 of the Unalaska Code of Ordinances to Establish an Enhanced 911 System and Establish Enhanced 911 Customer Surcharges](#)
 - d. [Ordinance 2021-08: \(1st Reading\): Creating Budget Amendment #6 to the Fiscal Year 2021 Budget, recognizing State DHSS Grant Revenue of \\$210,171.93 and increasing expenditures by \\$210,171.93 in the Coronavirus Relief Special Revenue Fund to improve access to COVID-19 vaccine and decrease health inequities](#)
11. **Council Directives to City Manager**
12. **Community Input & Announcements** *Members of the public may provide information to council; and make announcements of interest to the community.*
13. **Adjournment**

Regular Meeting
Tuesday, March 23, 2021
6:00 p.m.



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Erin Reinders, City Manager
Marjie Veeder, City Clerk mveeder@ci.unalaska.ak.us

MINUTES

1. Call to order

Mayor Tutiakoff called the regular meeting of the Unalaska City Council to order on Tuesday, March 23, 2021 at 6:00 pm.

2. Roll call

<u>Present in chambers:</u>	<u>Present Via Telephone or Zoom:</u>	<u>Absent/Excused:</u>
Vincent Tutiakoff, Sr., Mayor	Shari Coleman	None
Thomas D. Bell	Darin Nicholson	
David Gregory	Dennis Robinson	
	Alejandro Tungul	

3. Pledge of allegiance – Council Member Gregory led the Pledge of Allegiance

4. Adoption of agenda

Gregory made a motion to adopt agenda; Bell seconded
Roll Call Vote: Gregory – yes; Coleman – yes; Tungul – yes; Nicholson – yes; Robinson – yes; Bell – yes
Motion passed 6-0

5. Approve minutes of previous meeting

Gregory made a motion to approve the March 9, 2021 meeting minutes; Bell seconded
Roll Call Vote: Tungul – yes; Gregory – yes; Robinson – yes; Bell – yes; Nicholson – yes; Coleman – yes
Motion passed 6-0

6. Reports:

- a. City Manager – Report is in the packet. City Manager thanked PCR and staff for their work on the grand opening of the UCSD park, and provided highlights from her report.
- b. Financials – Finance Director Ed Keough presented the Financial Report for February 2021 and answered Council questions.

7. Community Input & Announcements

Council Member Robinson made disclosure about his connection with Ounalashka Corporation related to agenda item 12b.

8. Public comment on agenda items – None

9. Public hearing

Mayor Tutiakoff opened the public hearing on Ordinance 2021-02: Amending Title 6 of the Unalaska Code of Ordinances to adopt a new chapter 6.56 Excise Tax on Tobacco Products

Hearing no testimony, the Public Hearing closed.

10. Work session

Gregory made a motion to go into Work Session; Bell seconded. Adopted by consensus

- a. Presentation: Innovative Readiness Training (IRT) Program in Unalaska - Summary of the August 2020 Civil Affairs Assessment and Planning for Next Steps - Joint Presentation by the City, Ounalashka Corporation and Qawalangin Tribe.

Chris Price, Executive Director of Q-Tribe; Chris Salts, CEO of OC; and City Manager provided information and answered Council questions/comments.

- b. Presentation: Proposed FY22 Capital & Major Maintenance Plan (CMMP) - Planning Director Bil Homka

Finance Director Bil Homka provided information and answered Council questions. Public Utilities Director Dan Winters and Public Works Director Tom Cohenour answered Council questions.

- c. Presentation: Proposed E911 Surcharge - Police Chief Jay King

Chief King presented information and answered Council questions.

11. Consent Agenda

- a. Resolution 2021-16: Approving the Mayor's Appointment of Virginia Hatfield to the Planning Commission and Platting Board, and the Historic Preservation Commission

Gregory made a motion to adopt Resolution 2021-16; Bell seconded

Roll Call Vote: Tungul – yes; Robinson – yes; Nicholson – yes; Gregory – yes; Bell – yes; Coleman – yes

Motion passed 6-0

12. Regular agenda

- a. Ordinance 2021-02: Amending Title 6 of the Unalaska Code of Ordinances to adopt a new chapter 6.56 Excise Tax on Tobacco Products

Bell made a motion to recess until 6:00 pm on Wednesday, March 24, 2021; Tungul seconded.

Roll Call Vote: Coleman – no; Gregory – no; Nicholson – no; Robinson – no; Tungul – no; Bell – no

Motion failed 0-6

Robinson made a motion to postpone item 12a and 12b to Tuesday meeting, March 30, 2021 at 6:00 pm; Coleman seconded

Roll Call Vote: Bell – yes; Nicholson – yes; Gregory – yes; Robinson – yes; Coleman – yes; Tungul – yes
Motion passed 6-0

b. Resolution 2021-14: Amendment of the Power Purchase Agreement between the City of Unalaska and Ounalashka Chena Power, LLC

c. Resolution 2021-15: Continuing measures to protect public health

Bell made a motion to adopt Resolution 2021-15; Gregory seconded

City Manager provided an introduction and mentioned the two primary changes to the resolution.

Gregory made a motion to amend the expiration date on Resolution 2021-15 from April 7 to April 14, 2021; Bell seconded

Roll Call Vote: Bell – yes; Coleman – yes; Nicholson – yes; Robinson – yes; Tungul – yes; Gregory – yes

Motion passed 6-0

Roll Call Vote on main motion as amended: Coleman – yes; Bell – yes; Gregory – yes; Nicholson – yes; Robinson – yes; Tungul – yes

Motion passed 6-0

13. Council Directives to City Manager – None

14. Community Input & Announcements – None

15. Adjournment

Mayor Tutiakoff Sr., adjourned the meeting at 10:44 pm.

Roxanna Winters, CMC
Acting City Clerk

EPM

**Continue March 23 Meeting
Tuesday, March 30, 2021
6:00 p.m.**



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MINUTES – Continuation of March 23 Meeting

1. Call to order

Mayor Tutiakoff Sr., called the regular meeting of the Unalaska City Council to order on Tuesday, March 30, 2021 at 6:03 pm.

2. Roll call

<u>Present in chambers:</u>	<u>Present Via Telephone or Zoom:</u>	<u>Absent/Excused</u>
Vincent Tutiakoff, Sr., Mayor	Dennis Robinson	Darin Nicholson
Thomas D. Bell	Shari Coleman	
David Gregory		
Alejandro Tungul		

3. Pledge of allegiance – Council Member Tungul led the Pledge of Allegiance

4. Continue March 23 Work session: Presentation of Proposed FY22 Capital & Major Maintenance Plan (CMMP) - Planning Director Bil Homka

Tungul made a motion to go into Work Session; Gregory seconded
Roll Call Vote: Bell – yes; Coleman – yes; Robinson – yes; Tungul – yes; Gregory – yes
Motion passed 5-0

City Manager provided introduction for the continuation of the work session item regarding the presentation of FY22 CMMP.

Planning Director Bil Homka provided information and answered Council questions.

The following supervisor/directors also provided information and answered Council questions:

- Jake Whitaker, Information Systems Supervisor
- Dan Winters, Public Utilities Director
- Tom Cohenour, Public Works Director
- Peggy McLaughlin, Ports Director

5. Continue March 23 Regular agenda

Tungul made a motion to adjourn into Regular Session; Gregory seconded
Roll Call Vote: Robinson – yes; Tungul – yes; Coleman – yes; Gregory – yes; Bell – yes
Motion passed 5-0

- a. Ordinance 2021-02: Amending Title 6 of the Unalaska Code of Ordinances to adopt a new chapter 6.56 Excise Tax on Tobacco Products**

City Clerk Veeder provided an overview of the Ordinance 2021-02.

She also introduced Caroline Nevak, who is with APIA Health department as their Tobacco Prevention Coordinator; Emily Nenon, Alaska Government Relations Director for the American Cancer Society – Cancer Action Network, as well as Sue Unger also from APIA who were present in the meeting via Zoom.

City Clerk Veeder read into record a letter signed by Jamie Morgan with the American Heart Association; Emily Nenon with the American Cancer Society – Cancer Action Network; Carrie Nyssen with the American Lung Association.

Daneen Looby provided comment into record.

Gregory made a motion to adopt Ordinance 2021-02; Bell seconded

Council discussion

Robinson made a motion to amend Ordinance 2021-02, at section 6.56.010(B), striking the language of paragraph (B) and replacing it with: (B) the revenue generated by the tax levied under this chapter is dedicated to the City of Unalaska Community Support Grant Program for the benefit of public health programs or tobacco education and cessation programs in Unalaska; Coleman seconded

Council discussion

Roll Call Vote on the Amendment #1: Gregory – yes; Coleman – yes; Tungul – yes; Robinson – yes; Bell – yes

Motion passed 5-0

Coleman made a motion to amend § 6.56.030 Levy of Excise Tax on Tobacco to \$2 per pack and excise tax on tobacco products at the rate of 60%; Robinson seconded.

Council discussion

Coleman made a motion to amend § 6.56.030 Levy of Excise Tax on Tobacco to \$2 per pack and excise tax on tobacco products at the rate of 40%; Robinson seconded.

Roll Call Vote on the Amendment #2: Tungul – yes; Gregory – yes; Bell – no; Coleman – yes; Robinson – yes

Motion passed 4-1

Robinson made a motion to amend Ordinance 2021-02, at section 6.56.010 Purpose, paragraph (A), to strike the words “generate revenue and” from the first line; Gregory seconded.

Council discussion

Roll Call Vote on the Amendment #3: Coleman – yes; Bell – yes; Gregory – yes; Robinson – yes; Tungul – yes

Motion passed 5-0

Roll Call Vote on the Main Motion as Amended: Robinson – yes; Tungul – yes; Coleman – yes; Bell – no; Gregory – yes

Motion passed 4-1

b. Resolution 2021-14: Amendment of the Power Purchase Agreement between the City of Unalaska and Ounalashka Chena Power, LLC

Council Members Gregory, Robinson, and Mayor Tutiakoff provided their conflict declarations on record.

Gregory made a motion to adopt Resolution 2021-14; Tungul seconded

City Manager provided an overview for the resolution and answered Council questions.

Council discussion

Bell made a motion to postpone Resolution 2021-14 until April 27, 2021 so the City Manager can negotiate a removal of a clause in section 5a that each successive year during the term of fixed payment shall increase by 1%. No second was heard.

Motion failed due to lack of a second.

City Clerk read into record a letter written by Christina Chamberlain.

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

Motion passed 4-1

6. Council Directives to City Manager

Coleman made a motion to direct the City Manager to implement a Cost/Benefit Analysis for the proposed road improvement and utility expansion for Captains Bay Road; Robinson seconded.

Council discussion

Roll Call Vote: ell – yes; Coleman – yes; Robinson – yes; Tungul – yes; Gregory – yes

Motion passed 5-0

7. Adjournment

Mayor Tutiakoff, Sr. adjourned the meeting at 8:32 pm

Roxanna Winters, CMC
Acting City Clerk

EPM

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: April 13, 2021
Re: City Manager Report

Upcoming Deadlines: The following filing and application deadlines and events are coming up.

- April 30, 2021 Deadline to submit property tax appeals
- May 11, 2021 Board of Equalization hearing on property tax appeals
- August 12 & 13, 2021 City Council Strategic Planning Sessions (Thursday, August 12 planned for 9:00-3:30 & Friday, August 13 planned for 9:00-1:00)

Regional Military Activity: Unalaska Trilateral Group has extended an invitation to General Johnson and the 351 Civil Affairs Command, welcoming them to Unalaska and requesting their collaboration with the Military Base Feasibility Study. After presenting to and hearing from our respective Boards and Councils the week of March 22, 2021, it was clear that there was much support for this effort. We are awaiting a reply.

Separate from that, the City has been contacted by staff of Commander Submarine Force U.S. Pacific Fleet in Pearl Harbor, Hawaii. They are sending a team of about 10 military and civilian personnel to conduct a site assessment in Unalaska from May 2 – 4, 2021. This assessment is in support of potential future submarine force operations. The last visit conducted like this to Unalaska was in 2019, and they revisit periodically in order to update their information. They have scheduled meetings with the Ports Department as well as with the Mayor and me on May 3, 2021. Additionally, I have worked to set up a meeting with Unalaska Trilateral Group on that same day.

Finally, we have been informed that the U.S. Navy is planning a joint training exercise with the U.S. Marine Corps and U.S. Air Force in the Cold Bay, Alaska over a two week time period in May of 2021. Focus seem to be on the Cold Bay area, but I am not sure of this exercise's level of impact to Unalaska. Seems to be minimal. Even so, I have ensured that Port and Public Safety Departments are aware.

Airport Master Plan: The State's Airport Master Plan update is still underway, and the focus at this point is on a refined alternative chapter addressing financials and implementation. A Stakeholder Advisory Committee meeting was tentatively scheduled for March 24, but that has been postponed. The consultant team is waiting on input from FAA (the primary funding entity for projected identified in the Master Plan). They will then need to work up an updated schedule with AK DOT&PF. Sounds like the next committee meetings won't be for at least another couple of weeks. As you may recall, City Staff posed the question to the consultant team prior to their meeting with the FAA about the impacts on potential projects in the Master Plan if there were some sort of local contribution. I am meeting with the consultant team to learn more about what that might look like and how that might play out.

Virtual State Legislative Fly In: The Mayor and I will meet with Diane Blumer to sketch out a plan and timing for a virtual state legislative fly in, after additional feedback from City Council this evening.

Diane has provided the following comments, stressing the value of such an event: *As we all know, participation in advocacy and communicating with government, especially lawmakers, is the essential foundation of democracy. While COVID-19 has brought many challenges, it is still important to engage with lawmakers, even if it be a virtual fly-in format.*

Hosting an event virtually can be a bit challenging but it works well if we try keeping the agenda as close to the same "in-person" format as possible; a handful of meetings with pertinent legislators and 1 or 2 group presentations related to items of interest. This will broaden the City's advocacy efforts and allow the Mayor, City Manager and Council articulate priorities and areas of concern in addition to asking specific questions of the Legislators.

Diane is already thinking through what the agenda might look like. A virtual event structure much like an in person visit works best. Meaning a day or so of back to back meetings. Diane says that Tuesday and Thursday mornings are best.

Tuesday, April 27; Thursday, April 29; Tuesday, May 4, and/or Thursday, May 6 mornings are good potential times identified by Diane. Given that we have a big Council Meeting on April 27, and BOE Training on May 4, focusing in on the **Thursday dates (April 27 and May 6)** may be best. I welcome your feedback on the dates and Council members that might be available.

State Budget Public Testimony: As noted in the last Manager Report, the City provided public testimony for the Senate Finance committee on the proposed operating budget on March 18, 2021. Now is round two. The House Finance committee is receiving public testimony between April 8 and 10. Our State Lobbyist, Diane Blumer, highlighted this as an important opportunity to provide input, and Nils Andreassen echoed this in an email sent on behalf of AML. I am outlining the City of Unalaska's priorities and areas of concern that are associated the State's potential operating budget once again.

Emergency Operation Survey: City Council requested a follow up online survey and for staff to make stronger efforts to reach more people in the community. The results may assist us with understanding the effects of COVID-19 on the community; to examine the impact on people's daily routines; to gauge public perception about local mandates; and finally, to determine what percentage of the community intends to receive the vaccine. The survey was available in English, Spanish, Tagalog and Russian. The survey period was March 8-April 8, 2021. A summary of the responses is provided below. Complete results will be posted on the City's website. Thank you to the Planning Department for their work on this project.

- 150 responses. The previous COVID survey had 100 responses.
- Effect of COVID mandates on employment
 - 45% were not affected
 - 44% had their work schedule altered
 - 8% were not at the usual job in order to take care of children not in school
 - 4% were laid off temporarily
- Local mandates were generally easy to understand.

- Respondents were split on whether they would visit public facilities were there no protective measures in place, most responded either “Not Likely” or “Very Likely.” They were generally more likely to visit the school, restaurants and City facilities than bars.
- IFHS
 - 72% visited the clinic since the pandemic began. Most felt safe because of protective measures, like masking and plexiglass barriers, there.
- Contact Tracing
 - 9% were notified by contact tracers that they may have been exposed to someone who tested positive.
 - Of those, 76% chose to get tested and 84% isolated afterwards.
- Vaccine
 - 70% already received the vaccine
 - 20% do not intend to receive it
 - 6% intend to receive it once available
 - 3% intend to wait before receiving it
- Travel
 - 75% have travelled off-island since the pandemic began.
 - Opinions of the airport arrival process were generally positive.
 - Most received an informational sheet about local protective measures and completed a contact tracing form at the airport.
- Quarantine
 - 75% have quarantined at some point
 - Very few visited public facilities during their quarantine
 - Many were able to work remotely during their quarantine. Many also spent time outdoors away from others.

Directives to the City Manager: One outstanding directive currently exists:

- *Cost Benefit Analysis for Captains Bay Road Project (March 30, 2021). Underway.* The directive reads, “Implement a cost-benefit analysis for the proposed road improvements and utility expansion for Captains Bay Road.” The Public Works Director is working on a scope of work for this effort. As discussed at the meeting, we will be sure to work in potential funding opportunities.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: William Homka, Planning Director
Through: Erin Reinders, City Manager
Date: April 13, 2021
Re: Community Support Grant & Capital Grant Program

SUMMARY: This year the formula amount of funding available is \$ 1,344,368 for the City of Unalaska's Community Support Grant & Capital Grant Program (Community Support program). Nine (9) organizations submitted applications totaling \$ 1,492,539 and exceeds the grants formula amount by \$ 148,171. The formula is a guide and calculated using 3.5% of a five-year general fund revenue balance plus the bed tax amount collected the previous year.

All applications have been reviewed by Staff and are provided to Council for review. Staff does not make recommendations; City Council decides how to fund the requests. To aid in the decision making process the council packet includes a summary review sheet for each applicant and a spreadsheet that summarizes grant requests and awards for the last five years. This material should help communicate the Community Support program's financial impact on the FY22 budget.

City Council typically decides funding awards for the Community Support program at its second meeting in April each year to per the city budgeting process calendar. This year a resolution will be presented at the April 27, 2021 meeting along with a memo containing any additional information requested by the Council.

PREVIOUS COUNCIL ACTION: Each year from FY06 through FY17 Council established a special committee charged with reviewing and scoring the applications using the Council-approved evaluation tool. On December 27, 2016 Council passed Resolution 2016-78 eliminating the Grant Review Committee, allowing Staff to do a preliminary review of all applications and then pass the application reviews and other information documents to Council. In December 2019 Council passed Resolution 2019-64 to increase the funding percentage from 3.4642% to 3.5% of the city's general fund revenue average for the past five (5) years. The purpose of the increase was to round the percentage up to a simple decimal number. The award amounts have varied over the years from 3.03% to 3.91%.

BACKGROUND: The City of Unalaska received nine Community Support Grant Requests and zero (0) capital requests. All submissions have been reviewed and summarized by staff. All requests were completed and submitted in a timely manner. All application summaries are included in the Council Packet.

DISCUSSION: The funding amount available to be awarded this year is \$ 1,344,368 (\$ 1,178,057) from the General Fund average of the past five years x 3.5% plus \$ 166,311 collected from the city bed tax). The FY22 total funding request is \$ 1,492,539 and exceeds the FY22 funding formula amount by \$ 148,171. The applicant agencies are identified in the FY22 Community Grant Application Summary Table.

FY22 Community Grant Application Summary Table

Organization	Request
APIA	\$145,000
IFHS	\$180,000
Unalaska Visitors Bureau	\$210,000
Museum of the Aleutians	\$317,813
Q-Tribe Culture Camp	\$86,062
Q-Tribe Food Bank	\$129,857
UCB/KUCB	\$106,350
Unalaska Senior Citizens	\$65,000
<u>USAFV</u>	<u>\$252,457</u>
TOTAL	\$1,492,539

No Application This Year

Two organizations did not apply for funding. These are The University of Alaska Fairbanks and Aleutian Arts Council. Staff reached out to both agencies and they confirmed they did not intend to apply.

Additional Increase This Year

The Q-tribe Culture Camp made two applications for funding. Each year it submits a request for funds to support the Culture Camp. This year the Q-tribe Culture Camp program is requesting a funding increase of \$ 62,062 over the FY21 award amount. The additional funding is due to a decrease in donations caused from economic hardships that many community and local tribal members are experiencing.

New Program This Year

The Q-tribe is also seeking funds in the amount of \$ 129,857 to support a new Food Bank program. The Tribe's food bank will be associated with the Food Bank of Alaska as an official food bank. It will provide food staples such as dry and canned food, fresh produce, and packaged meats and dairy products. There will not be a charge for this assistance, but recipients will need to qualify. The emergency food support will be available to low income households, the general community, and tribal members. It's meant to be available for all who are experiencing food insecurity or a food emergency in our community.

The Emergency Food Assistance Program (TEFAP) income eligibility requirements. The Program hopes to be able to purchase food and have other food donated from local vendors and SeaShare that would support others who might need emergency food support, but whose income may be too high for the TEFAP eligible programs. The local need is estimated be 35 households or 100 people per month.

The present model for the food bank is based on pre-packaged portions ready for distribution. The Food Bank will be licensed as a food establishment. Applicable permits for handling food are in process. The Q Tribe is also in the process of developing a commercial kitchen to provide prep space for traditional foods to be available later this year. The space will be licensed to prepare traditional foods to support distribution by the food bank, especially to those tribal members or elders who don't have access to traditional foods.

Organization Participation

Typically we invite the applicants to attend this City Council meeting and make brief 3-5 minute presentations about how their organizations use the money from the Community Grants Program. Depending on the number of questions from Council, the presentations can take up to one hour. This year City Council meetings are being held in person and using ZOOM meeting software to respect COVID-19 social distancing measures. Staff requested applicants attend via ZOOM. Rather than make individual presentations, we recommend City Council direct questions to each organization.

ALTERNATIVES: Council may choose to fund the requests as submitted or make changes where it deems necessary.

FINANCIAL IMPLICATIONS: Financial implications depend on the amount Council chooses to fund the grant requests.

LEGAL: N/A

STAFF RECOMMENDATION: Staff is providing the attached documents and reports for informational purposes.

PROPOSED MOTION: None required.

CITY MANAGER COMMENTS: As noted above, no formal Council action is required at this point, but direction is needed for staff in preparation of the April 27, 2021 meeting. This is the time where the non-profits in our community typically come and discuss their requests with City Council. This year, we are providing this information in your packet for your review. Council will be asked to take action on this item at the April 27, 2021 City Council Meeting.

ATTACHMENTS:

- Community Grant Requests and Awards – Spreadsheet of Last Five Years
- Community Support Grant Application Review Summary Sheets

COMMUNITY SUPPORT GRANT APPLICANTS

List of FY20 Achievements

(Note: Currently in FY21 Budget Year)

Aleutian Pribilof Islands Association (APIA):

1. Stable Behavioral Health services available with targeted programming such as the Men's Group focused on recovery services
2. Worked with the community to convene a Community Action Group. The group of Unalaskans met to generate ideas to support a healthy community
3. Partnered on a Safety Committee in Unalaska to address gaps in services and fostered strengthened collaboration with IFHS, USAFV, and Public Safety
4. Hosted the Emotional Trauma Life Support Training.

Iliuliuk Family Health Services (IFHS):

1. Implemented COVID testing with Cepheid and Abbott
2. Initiated COVID drive thru to accommodate residents, industry and travelers on island
3. Served and supported work by City of Unalaska's Emergency Operations Center
4. Provided 24/7 care, 356 after hours care visits between January 1 and June 30, 2020

Museum of the Aleutians (MOTA):

1. Hosted the Lost Villages exhibition which opened in June of 2019 in partnership with KUCB who premiered a video about the Lost Villages, and a reunion of people who were from the lost villages, related to people from these villages, and people who had visited the lost villages courtesy of NPS. We had overall about 100 people over the opening weekend. We also hosted the Community Art Show. We had 3,920 visitors throughout the exhibition
2. About 4,000 visitor attendance in FY20, predominantly cruise ship and ferry passengers
3. Hosted several events including the Choc-O-Lot competition. A chocolate tasting competition held on Valentine's Day, a language lab that we hosted monthly, and a bird club we started a few months prior to the onset of the pandemic. Took education programs to St Paul and Atka for Bering Sea Days.
4. We received a National Endowment for the Humanities Grant which helped us digitize a sizable portion of our photographic collection in FY21. This project is ongoing and we have uploaded roughly 1,000 images of our photographic collection to VILDA, hosted by the Alaska Digital Archives.

Qawalangin Tribe (Q-tribe):

1. Camp Qungaayuġ was held in summer 2019 and brought Unangan Elders, mentors, and western scientists together with the youth of the region in order to teach cultural practices and natural resource management
2. Funding for camp is achieved by soliciting grants, local donations from other entities, and fundraisers. Every year we hold an auction on the last day of camp. In 2019, the auction raised a total of \$2,655. Donated items consisted of things cultural art such as, drums, beadwork, and even smoked fish

Unalaskans Against Sexual Assault and Family Violence (USAFV):

1. Served 360 program participants; 118 unduplicated (unique)
2. Held "Teen Talks" and "Back to school" Bonfire for Unalaska students and faculty
3. Sent 2 staff to attend the "Emotional Trauma Life Support" workshop sponsored by APIA

Unalaska Community Broadcasting (KUCB):

1. FY20 was exceptionally successful where membership is concerned membership income goal, raising \$55,000 over the \$42,000 in FY19
2. Channel 8 Auction was cancelled due to COVID-19, but our Tundra Golf Classic was successful in FY20 and is on schedule for early August of 2020
3. KUCB was pleased to bring Unalaska basketball games from around the state when the Raider basketball teams traveled. This year, we were excited to share video feeds over Channel 8 from some of the tournaments
4. In the second half of FY20, we worked hard to bring increased programming to KUCB and Channel 8 during social distancing, including distance delivery education

Unalaska Senior Center (USC):

1. With the closing of our programs in the last quarter of FY20 our staff was able to change gears to still provide the vital services needed to our seniors and protect them from this pandemic
2. Switching from a congregate meal setting for daily lunches to home delivered meals
3. Seniors to still receive a daily nutritional meal without gathering and potentially exposing them to this virus
4. Changed our transportation program from taking seniors to stores, banks & post offices to our staff doing these errands for our seniors

Unalaska Visitors Bureau (UVB):

1. Facilitated 18 cruise ship visits with about 8,000 passengers/visitors to Unalaska
2. Nearly \$ 230,000 in revenue recorded during 2019 for local organizations including MOTA, Holy Ascension Cathedral, WWII Visitor Center and local transportation
3. Initiated office move from Burma Road Chapel to new space in Safeway plaza
4. Distributed about 10,000 Unalaska Visitor Guides worldwide

FY21 COMMUNITY GRANT REQUESTS & AWARDS - LAST FIVE YEARS

AGENCY NAME	FY17 REQ	FY17 AWARD	FY18 REQ	FY18 Award	FY19 REQ	FY19 Award	FY20 REQ	FY20 Award	FY21 REQ	FY21 Award	FY22 REQ
APIA	\$ 122,825	\$ 122,825	\$ 124,932	\$ 124,932	\$ 120,500	\$ 120,500	\$ 205,350	\$ 205,350	\$ 145,000	\$ 145,000	\$ 145,000
Iliuliuk Family Health Services	\$ 170,000	\$ 170,000	\$ 170,000	\$ 170,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 161,260	\$ 180,000
Museum of the Aleutians	\$ 294,106	\$ 294,106	\$ 294,196	\$ 294,196	\$ 308,146	\$ 308,146	\$ 328,146	\$ 317,813	\$ 317,813	\$ 317,813	\$ 317,813
UCB/KUCB	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 96,600	\$ 115,350	\$ 108,642	\$ 106,350	\$ 106,350	\$ 106,350
Unalaska Senior Citizens	\$ 49,800	\$ 49,800	\$ 49,800	\$ 49,800	\$ 55,000	\$ 55,000	\$ 65,000	\$ 57,467	\$ 65,000	\$ 65,000	\$ 65,000
UVB	\$ 190,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 210,000	\$ 210,000	\$ 210,000
USAFV	\$ 216,516	\$ 216,516	\$ 229,506	\$ 229,506	\$ 229,506	\$ 229,506	\$ 252,457	\$ 252,457	\$ 252,457	\$ 252,457	\$ 252,457
Aleutian Arts Council	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 15,000	\$ 15,000	\$ 15,000
Q-Tribe Culture Camp	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 50,000	\$ 24,000	\$ 86,062
Q-Tribe Food Bank											\$ 129,857
UAF - Alaska Sea Grant							\$ 13,508	\$ 13,508	\$ 14,728	\$ 14,728	
TOTALS	\$ 1,173,847	\$ 1,158,847	\$ 1,174,034	\$ 1,174,034	\$ 1,223,752	\$ 1,223,752	\$ 1,393,811	\$ 1,369,237	\$ 1,356,348	\$ 1,311,608	\$ 1,492,539

****FY22 Funding Target** \$ 1,344,368
Total FY22 Requests \$ 1,492,539
Difference \$ 148,171

**The Funding Target is based on 3.5% of the average revenue for the General Fund for the last five full fiscal years plus the last full year of Bed Tax revenue

FY22 City of Unalaska Community Support Grant Application Review Summary Sheet

Organization Name: Aleutian Pribilof Islands Association (APIA)

APIA is requesting \$3,000 less than FY21

FY21 Award	Amounts	FY22 Request	Amounts
Masters Level BH Provider (.60 FTE) Salary	\$50,310	Behavioral Health Clinician (1FTE)	\$86,000.00
Behavioral Health Aide (.75 FTE) Salary	\$34,822	Behavioral Health Clinician	\$34,000.00
Behavioral Health Clinician (.30 FTE) Fringe Benefits	\$20,124	Program Costs/Supplies	\$5,000.00
Behavioral Health Aide (.75 FTE) Fringe Benefits	\$13,929	Commodities (food, cleaning products)	\$4,500.00
Program Costs/Supplies	\$5,000	Travel	\$10,000.00
Commodities	\$4,815	Training	\$2,500.00
Travel	\$12,000		
Training	\$2,500		
Other/Misc.	\$1,500		
Total FY21 Award	\$145,000	Total FY22 Request	\$142,000.00

Application Highlights

- **APIA is requesting a total of \$142,000** to meet the staffing needs and targeted activities plan that will have a direct benefit to residents of Unalaska. This is a decrease of \$3,000 from FY21.
- Aleutian Pribilof Islands Association, Inc. (APIA) Integrated Health Department, Community Health Services Division provides behavioral health care, community wellness activities, healthy relationship services, youth programs, and eldercare programs services in Unalaska. the most frequently requested services in Unalaska are around substance abuse prevention and treatment, diabetes awareness/access to healthy foods, and services for Elders.
- APIA offers these services at two locations in Unalaska: Oonalaska Wellness Center (OWC) and the APIA Biorka Clinic as well as collaborating with community partners to meet the behavioral health demands in the community.
- A vital part of services in Unalaska includes our behavioral health providers responding to unforeseen crisis situations.
- *Eldercare Program:* Provides an additional resource for local Unalaska Elder residents to remain in their community rather than relocating to a nursing home, thereby reducing psychological and physical distress.
- *Youth Services Program:* With youth-informed programming, we anticipate targeted, peer-driven youth services.
- *Healthy Relationships Program:* The Healthy Relationships Program aims to not duplicate services in Unalaska, rather we want to collaborate with USAFV and enhance outreach and educational efforts to Unalaskans.
- *Administration:* Provides support for and direction of development and expansion of services identified as needed in Unalaska. Blaine Shaishnikoff is the Qawalangin Tribe representative from Unalaska. Our CFO reviews all budget document associated with this award. Also, our Travel Coordinator assists with arranging travel for staff from Unalaska to attend trainings and travel for Anchorage based staff to travel to Unalaska.

- During the FY 2022 grant year, APIA plans to:
 - 1.) Offer well-rounded behavioral health services that align with needs of the entire community.
 - 2.) Enhance prevention and outreach efforts in topic areas that align with community request (e.g., anti-bullying, suicide prevention, and healthy lifestyle choices such as pro-social activities, nutrition/traditional foods, cultural values and safe partner relationships). These events will comply with local mandates related to COVID-19.
 - 3.) Network with community partners in Unalaska to prevent and decrease drug use in the community

Application Findings/Other Information:

- Application submitted on time;
- All application requirements were met. Letters of Support are optional;
- All FY21 has been timely and is current.

FY22 City of Unalaska Community Support Grant Application Review Summary Sheet

Organization Name: Iliuliuk Family Health Services (IFHS)

IFHS is requesting same as FY20.

FY21 Award	Amounts	FY22 Request	Amounts
On Call Providers	\$ 116,921.00	On Call Providers	\$ 132,779.00
On Call Staff	\$ 41,632.00	On Call Staff	\$ 44,440.00
On Call Providers and Staff Benefits	\$ 21,447.00	Supplies	\$ 2,821.00
Total FY21 Award	\$ 180,000.00	Total FY21 Request	\$ 180,000.00

Application Highlights

"To Provide Quality Integrated Health Care and to Promote Health and Well-Being."

- IFHS is the only health care available for the island and surrounding area that provides 24/7 coverage, thus creating huge costs with little return.
- 24/7 staff roles are as follows:
 - Medical Provider (Physician, Nurse Practitioner, or Physician's Assistant) on-call daily
 - Registered Nurse (RN)/Paramedic/Emergency Medical Technician (EMT)- Level 3 providing assistance with patient care
 - Lab/Radiology Tech to perform lab and x-ray support
- From January through December 2020, IFHS provided 485 after-hours and emergency visits (not including after-hours COVID testing). We also coordinated 102 medivacs in CY2020. We are most proud of the fact that IFHS was able to treat 79% of emergent patients locally, which not only saved financial resources but also significantly reduced the stress and anxiety of patients and their loved ones.
- The target population of IFHS is anyone in need of medical care while visiting, working, or residing in Unalaska/Dutch Harbor, or working in the fishing fleets of the North Pacific Ocean and Bering Sea.
- In FY22, IFHS will respond to all appropriate (anticipating a minimum of 550 with COVID care) after hours/emergency calls.
- IFHS consistently seeks support from the local fishing and shipping industries, and while we have received donations through the wall of support, such contributions have decreased significantly in recent years. The facility also receives FQHC funding which does not include funds for after-hours care, as most communities have the support of an emergency room or hospital.
- This request for funding is to offset a portion of the expense incurred by IFHS to provide this access to urgent/emergent care on the island, and is consistent with the FY21 request.

Application Findings/Other Information:

- Application submitted on time;
- Letters of Support are optional;
- Midyear report was on time

FY22 City of Unalaska Community Support Grant Application Review Summary Sheet

Organization Name: Museum of the Aleutians (MOTA)

MOTA is requesting same as FY21.

City In kind Contributions: Museum building, building insurance, maintenance and repairs, inside and out

FY21 Award	Amounts	FY22 Request	Amounts
Executive Director (FT)	\$ 54,254.67	Executive Director (FT)	\$ 54,255.00
Collections Manager	\$ 46,100.00	Collections Manager	\$ 46,100.00
Education and Outreach Manager	\$ 48,262.00	Education and Outreach Manager	\$ 48,262.00
Store and Visitor Manager	\$ 24,000.00	Store and Visitor Manager	\$ 24,000.00
Benefits-Health Insurance	\$ 30,000.00	Part time Assistant	\$ 5,000.00
Payroll-Liabilities-IRS & State	\$ 15,144.00	Health Insurance	\$ 30,000.00
Communications	\$ 11,000.00	Personnel Related Expenses	\$ 15,144.00
Utilities (Electricity, Fuel, & Trash Disposal)	\$ 45,000.00	Communications	\$ 11,000.00
Facilities Maintenance	\$ 1,000.00	Utilities (Electricity, Fuel, & Trash Disposal)	\$ 40,000.00
Program Supplies	\$ 2,000.00	Facilities Maintenance	\$ 1,000.00
Dues, Fees, Subscriptions	\$ 1,000.00	Program Supplies	\$ 2,000.00
Equipment Purchase/Lease/Maintenance	\$ 5,000.00	Dues, Fees, Subscriptions	\$ 1,000.00
Office and Janitorial Supplies	\$ 2,000.00	Equipment Purchase/Lease/Maintenance	\$ 5,000.00
Travel-Staff	\$ 5,500.00	Office and Janitorial Supplies	\$ 2,000.00
Training - Staff	\$ 4,552.00	Travel-Staff	\$ 5,500.00
Audit	\$ 5,000.00	Training - Staff	\$ 4,552.00
Financial Manager	\$ 15,000.00	Audit	\$ 5,000.00
Insurance	\$ 5,000.00	Financial Manager	\$ 10,000.00
Janitor	\$ 3,000.00	Insurance	\$ 5,000.00
		Janitor	\$ 3,000.00
Total FY21 Award	\$ 317,812.67	Total FY22 Request	\$ 317,812.00

Application Highlights

- In a *normal* year, the Museum curates an average of three exhibits, hosts a variety of in-person events, such as the Annual Membership Drive and Auction, as well as our chocolate tasting competition, talks by visiting researchers, community archaeology, and other events.
- The FY22 Community Support grant request is for \$317,813, or 39.06% of our overall budget, and will cover a portion of personnel costs, utility expenses, travel and training for the Board and staff for professional development. Although the MOTA staff has been very successful in securing grants for educational projects, exhibits, collections work, and technological improvements, we rely heavily on the support of the City of Unalaska Community Support program funds for the majority of our operations, because granting agencies typically do not fund museum operational expenses. Without the Community Support Grant assistance, the Museum will have to close its doors. We are dedicated to providing professional care for our collections and improving the quality of life in our community by providing full access to the Aleutian Islands' history, culture, and art through exhibits, research, and

education programs. The services offered to the community by the Museum are unique and are not duplicated by any other organization in the community or region.

- Services offered to the community by MOTA are unique and are not duplicated by any other organization in the community or the region!
- The MOTA staff works in cooperation with the Unalaska City School District (USCD) to expand educational opportunities for students. The Museum offers USCD education programs such as internships, field trips, lectures, hands-on classes, exhibits, and special events. We also offer internship programs and volunteer opportunities in archaeology and museum studies for USCD high school students.
- MOTA collaborates with Unalaska City School District (USCD), Ounalashka Corporation, Qawalangin Tribe, University of Alaska, Fairbanks, US Fish and Wildlife, Alaska Volcano Observatory, Unalaska Community Broadcasting (UCB), Unalaska Visitor's Bureau, Grand Aleutian Hotel, Iliuliuk Family and Health Services, and Aleutian Islands Worlds War II National Monument-Visitor Center.

Application Findings/Other Information:

- Application was on time;
- All application requirements were met; Letters of Support are optional
- All FY21 reporting has been timely and is current;

FY22 City of Unalaska Community Support Grant Application Review Summary Sheet

Organization Name: Qawalangan Tribe (Q-Tribe)

Q-Tribe is requesting \$62,062 more than what was awarded in FY21 to facilitate the natural expansion of the camp due to increased demand by students.

City In kind Contributions: Road maintenance to Humpy Cove and waste removal from the sanitation facilities located at Humpy Cove campsite.

FY21 Award	Amounts	FY22 Request	Amounts
Executive Director FT	\$ 5,400.00	Camp Coordinator	\$ 7,280.00
Payroll Taxes	\$ 467.10	Camp Mentors	\$ 12,800.00
Workman's Comp	\$ 162.00	Camp Staff	\$ 8,000.00
Program Supplies	\$ 14,058.90	Camp Laborers	\$ 1,800.00
Travel- Mentors	\$ 10,000.00	Camp Coordinator - Benefits	\$ 1,092.00
Lodging & Food	\$ 5,000.00	Camp Staff - Benefits	\$ 1,200.00
Indirect Expenses (Administrative Expenses)	\$ 14,912.00	Camp Laborers - Benefits	\$ 270.00
		Payroll Expenses	\$ 1,708.00
		Program Supplies	\$ 12,000.00
		Equipment Purchase/Lease	\$ 12,000.00
		Miscellaneous	\$ 27,912.00
Total FY21 Award	\$ 24,000.00	Total FY22 Request	\$ 86,062.00

Application Highlights

- The Qawalangan Tribe of Unalaska (QTU, Tribe) is proud of our cultural values and history. There is a strong desire by adults and youth in our community to connect with Unangan cultural values and practices. One mechanism that supports this need is the annual culture camp, Camp Qungaayux (Camp Q), organized by the Tribe and available to the community. The focus of Camp Q is to sustain and share cultural values through education, celebration, and the sharing of Unangan culture.
- This year, like last, has been a challenging environment to offer an in-person culture camp experience. As a result of the global pandemic and challenging economic climate in 2020, the Tribe cancelled the inperson traditional program offered by Camp Q and adapted the cultural programming to include the documentation and production of culturally relevant videos, film, pictures, and narratives that were shared with the community virtually.
- Volunteers and office staff support Camp Q as the needs arise and can cover a variety of responsibilities from supporting activities, cleaning up after meals, or just making sure everything works out smoothly.
- Prior to training, all staff hired from Camp Q will meet general employment qualifications and will be screened (criminal background check) as part of the standard Tribe hiring policy. Individuals will be paired to jobs and responsibilities based on their qualifications and experience.
- The Qawalangan Tribal Council consists of seven members. Members hold three-year terms and elections are held each year at the Tribe's Annual Meeting, at which time they elect officers. The officer positions include President, Vice President, and a combined Secretary/Treasurer. The role of Tribal Council is to provide strategic leadership to Tribal Administration and tribal members.

- At the close of camp each year, the Camp Q Planning Committee, the Tribal Council, and tribal staff have an evaluation meeting to review and evaluate the effectiveness of camp.
- The focus of Camp Q is to sustain and share cultural values through education, celebration, and the sharing of Unangan culture. The QTU holds Camp Q among its highest priorities in serving the community and visitors of our island home. This program is typically a seven-day annual cultural event that opens up Unangan culture to the community and creates a special shared experience in maintaining our cultural heritage.
- Camp Q goals and objectives:
 - Goal 1: Continue to provide Camp Q programming –
 1. With consider changes in the world in 2020 and uncertainty in improvements for 2021, providing camp programming in a safe and supportive way is critical.
 2. An evaluation meeting will occur following the close of camp. This meeting will be organized and run by the camp coordinator and Tribal Administration. This meeting will cover reviewing evaluations from campers, mentors, and others.
 - Goal 2: Improve and expand Camp Q carrying capacity
 1. Supplies will need to be purchased early in the year and maintenance of equipment must happen prior to field deployment. A section of the Tribe’s warehouse is dedicated to housing supplies and equipment to ensure that materials are easily accessible that supplies and quantities can be easily tracked and inventoried before and during camp to ensure no shortages.
- The goals and objectives set in previous year’s grants have been met, with the exception of our programming for the summer of 2020. We were unable to hold a traditional in-person camp experience during the summer of 2020 due to the global pandemic. Our Camp Coordinator for 2020, Shayla Shaishnikoff, adapted Camp Q goals to respond to the difficulties resulting from a global pandemic

Application Findings/Other Information:

- Application was on time;
- All application requirements were met; Letters of Support are optional;

FY22 City of Unalaska Community Support Grant Application Review Summary Sheet

Organization Name: Qawalangin Tribe of Unalaska (QTU- Food Bank)

Q-Tribe Food Bank is a new Non-profit for FY22.

FY21 Award	Amounts	FY22 Request	Amounts
		Personal – Salaries / Benefits	\$ 36,710.00
		Facilities	\$ 9,600.00
		Program Cost	\$ 9,000.00
		Equipment	\$ 2,225.00
		Commodities	\$ 30,000.00
		Training	\$ 200.00
		Miscellaneous	\$ 42,116.07
Total FY21 Award		Total FY22 Request	\$ 129,857.07

Application Highlights

The Qawalangin Tribe of Unalaska, a federally recognized sovereign nation, vows to exercise its powers to further the economic and social well-being of all its members, and in so doing, will safeguard and support the Unangan language, culture, customs, and traditions for generations to come.

- Research done in 2018 by the Council for Community and Economic Research revealed that grocery costs are highest in Unalaska, among the 267 participating communities. In addition to the cost of groceries, housing, transportation, and utilities costs were analyzed and the data concluded that Unalaska placed 7th for highest cost of living.
- The QTU Food Bank is the result of multi-agency collaboration. The initial funding was procured from a CARES grant from the Department of Housing and Urban Development, applied for by our Tribally Designated Housing Entity, Aleutian Housing Authority.
- QTU has developed partnerships with robust hunger-relief programs beyond Unalaska, including SeaShare and Food Bank of Alaska, and is a member of the Alaska Food Coalition.
- The number of people seeking food services from USAFV has increased this year over last. The QTU Food Bank will strive to meet these rising demands and eradicate hunger and nutritional gaps for adults and children in Unalaska by providing food, education, and advocacy to our clients.
- USAFV has been Unalaska’s unofficial food bank. The QTU Food Bank will be different than the food services USAFV provides. For example: The main mission of the QTU Food Bank will be to serve clients who are experiencing food and/or nutrition insecurity, they will be an official food establishment licensed with the State of Alaska, they will deliver food directly to clients, and they will provide nutritious and culturally significant food to clients, including traditional and subsistence foods.
- QTU staff have been in contact with USAFV staff about the project. QTU staff remain in regular contact with USAFV regarding common goals and services and plan to work collaboratively to meet the needs of Unalaskans.
- This operation will be managed by Lands and Infrastructure and Operations and Finance Director, Elena Ramirez.
- Emergency Response and Community Safety Coordinator, Alysha Richardson, will oversee compliance, conduct record keeping, order food and supplies, communicate with partners, and supervise

operations. Alysha Richardson has received her Food Protection Manager certification. This training is an advanced food safety and handling course for managers of food establishments.

- all employees of the QTU food bank will receive training to obtain a Food Worker Card, as required by the State of Alaska for food establishments.
- QTU Food Bank volunteers will also receive food handling and safety training.
- QTU Food Bank staff and volunteers will conduct an annual evaluation questionnaire and have an evaluation meeting to review and evaluate the effectiveness of services. This meeting will provide a reflective opportunity to give and receive feedback, analyze programing and deployment success, determine areas for improvement, and develop strategies for improving future operations.

Application Findings/Other Information:

- Application submitted on time;
- Applicant has attended a recent city Grant Workshop;
- All application requirements were met. Letters of Support included, but these are optional;
- New Non-profit;

FY22 City of Unalaska Community Support Grant Application Review Summary Sheet

Organization Name: Unalaska Community Broadcasting (UCB)

UCB is requesting the same amount as awarded in FY21.

City In kind Contributions: Studio and Office space in Burma Road Chapel

FY21 Award	Amounts	FY22 Request	Amounts
General Manager	\$ 35,380.00	General Manager	\$ 35,380.00
Arts & Culture - Producers	\$ 5,800.00	Arts & Culture - Producers	\$ 7,000.00
General Manager - Benefits	\$ 7,047.00	General Manager - Benefits	\$ 7,047.00
Payroll-FICA	\$ 2,790.00	Payroll-FICA	\$ 2,790.00
Facilities	\$ 12,500.00	Facilities	\$ 12,500.00
Development	\$ 11,450.00	Development	\$ 11,450.00
Administration	\$ 32,798.00	Administration	\$ 30,183.00
Total FY21 Award	\$ 106,350.00	Total FY22 Request	\$ 106,350.00

Application Highlights

- In FY22 Unalaska Community Broadcasting, with full support of the KUCB Board of Directors, requests \$106,350 from the City of Unalaska. Funds will be used on administrative and fundraising expenses. Specifically, city funds will pay half of the general manager’s salary, benefits, and payroll expenses; janitorial, telephone, and insurance for our office facility in the Burma Road Chapel; fundraising and development overhead; and administrative costs of bookkeeping, postage, and office supplies.
- There were so many changes to our community and our world in FY21. At KUCB, we focused much of our attention on increasing our services in order to service Unalaska during a pandemic. Highlights include:
 - Increased live coverage of municipal meetings to include School Board and City Council.
 - Live public meeting coverage including the DOT airport master plan updates and a USACE presentation on Chernofski Harbor and Unalaska FUDS
 - Virtual community events in collaboration with the Museum of the Aleutians, the Aleutian Arts Council, the piano students of Lynda Lybeck-Robinson, the City of Unalaska PCR Department, and the Unalaska Senior Parents.
 - Increased health programming to include weekly updates from the IFHS Clinic.
 - Increased public service announcements on the topic of COVID-19 precautions, vaccinations, and community alert level. This included messages from Unalaska’s City Clerk, Mayor and City Manager.
 - Children's literacy programming with various teachers and librarians during distance education.
 - Collaboration with the Ounalashka Corporation and the National Park Service on virtual tours of the WWII visitor center and national historic area
 - Collaboration with the Qawalangin Tribe on a project documenting the construction of a traditional-style Iqyax (kayak) and banya.
- During the COVID-19 pandemic, KUCB exemplified our strong commitment to our mission. In the past year, our organization significantly increased services in order to serve Unalaska during a challenging time. Creative new programming included health updates, virtual arts and culture events, radio theatre, live public meetings, fundraisers, and distance delivery education. We also worked to keep community members connected through music, cooking, and interview programming.

Application Findings/Other Information:

- Application submitted on time;
- All application requirements were met. Letters of Support are optional;
- FY21 reporting has been timely and is current.

FY22 City of Unalaska Community Support Grant Application Review Summary Sheet

Organization Name: Unalaskans Against Sexual Abuse and Family Violence (USAFV)

USAFV is requesting the same amount as FY21.

FY21 Award	Amounts	FY22 Request	Amounts
Personnel-Salaries	\$ 120,792.00	Personnel-Salaries	\$ 123,852.00
Personnel-Benefits	\$ 30,531.00	Personnel-Benefits	\$ 28,135.00
Payroll Expenses	\$ 166,409.00	Payroll Expenses	\$ 21,503.00
Facilities	\$ 16,424.00	Facilities	\$ 14,250.00
Program Costs/Supplies	\$ 17,000.00	Program Costs/Supplies	\$ 15,500.00
Equipment	\$ 3,500.00	Equipment	\$ 3,000.00
Commodities	\$ 24,754.00	Commodities	\$ 21,833.00
Travel	\$ 6,475.00	Travel	\$ 6,775.00
Training	\$ 2,500.00	Training	\$ 2,500.00
Personal Services	\$ 11,895.00	Personal Services	\$ 11,610.00
Other/Misc.	\$ 3,500.00	Other/Misc.	\$ 3,500.00
Total FY21 Award	\$ 252,457	Total FY22 Request	\$ 252,457

Application Highlights

- USAFV is requesting \$252,457.00 from the City to fund salaries, benefits, facilities, program costs/supplies, equipment, commodities, travel, training, professional services and other/miscellaneous expenses.
- Documentation around the world has demonstrated that under the conditions provided by COVID-19 (isolation, financial insecurity, etc.) rates of domestic violence, including child and elder abuse, have been rising. Unlike some shelters USAFV has not experience an increase in peoples seeking immediate shelter. Over the last year USAFV has experienced increase in demand for food assistance and, especially, for homeless prevention services for those negatively impacted by COVID-19 shutdowns.
- USAFV has operated a 24-hour crisis line and a shelter for survivors of domestic violence, sexual assault, child or elder abuse, stalking, incest and others in crisis. USAV provides crisis intervention, shelters women and men due to abuse, homelessness, or being stranded, assist with safety planning, legal, criminal, medical and other systems advocacy, information, referrals, food assistance, emergency transportation, education, and outreach services.
- USAFV serves all members of the community. USAFV provides shelter and assistance for those in need either at the center or at facilities other than USAFV.
- Because of their long history in the community USAFV is viewed as a “catchall” for people in crisis. Because of this USAFV is often the first point of contact for people in crisis. No matter what the problem, when people call upon USAFV they do their best to support them in accessing the resources and services they need.
- USAFV has a full-tome staff of three people, including the Executive Director. All staff members answer the crisis line and rotate being on 24-hour call. Even with a small staff USAFV provides consistent and reliable services.
- USAFV works closely with other agencies in the community, such as APIA, IFHSBH, DPS, faith-based organizations, etc., to refer people to the appropriate agency for assistance. USAFV has a long history of collaboration with other local agencies and led the way in establishing the Unalaska Interagency Cooperative (UIC), an informal group that meets for the sole purpose of sharing information, resources and coordinating services to the community

- USAFV operates as Unalaska's food bank providing hundreds of food boxes to individuals and families every year. When boats or other entities donate large quantities of food, USAFV ensures it is distributed throughout the community to those groups and individuals who need it the most.
- USAFV recognizes that outreach and education are the keys to preventing future violence and creating a safer community and to that end focus on outreach and education whenever funding and staffing allows.

- **Application Findings/Other Information:**

- Application submitted on time;
- Applicant has attended a recent city grant workshop;
- All application requirements were met. Letters of Support are optional;

FY22 City of Unalaska Community Support Grant Application Review Summary Sheet

Organization Name: Unalaska Senior Citizens (USC) – Nutrition & Transportation Services

USC is requesting the same amount awarded in FY21.

FY21 Award	Amounts	FY22 Request	Amounts
Program Director (FT)	\$ 18,590.00	Program Director (FT)	\$ 18,590.00
Program Director (FT)	\$ 18,590.00	Program Director (FT)	\$ 18,590.00
Homemaker (FT)	\$ 1,140.00	Homemaker (FT)	\$ 1,140.00
Payroll and Taxes (8.65%)	\$ 3,314.68	Payroll and Taxes (9.28%)	\$ 3,330.75
Workman's Comp (4%)	\$ 1,532.80	Workman's Comp	\$ 1,532.80
Phones	\$ 800.00	Communications	\$ 600.00
Congregate Meals	\$ 9,250.00	Congregate Meals	\$ 8,162.50
Congregate Food Services Supplies	\$ 3,885.00	Congregate Food Services Supplies	\$ 2,162.50
Transportation Cost	\$ 1,500.00	Transportation Cost	\$ 675.00
Office Supplies	\$ 74.80	Office Supplies	\$ 70.23
Bookkeeping	\$ 5,771.00	Annual Audit	\$ 4,000.00
Insurance (vehicle, General Liability, etc.)	\$ 551.00	Bookkeeping	\$ 5,771.22
		Insurance (vehicle, General Liability, etc.)	\$ 375.00
Total FY21 Award		Total FY22 Request	\$ 65,000.00

Application Highlights

- USC Requested the same amount as FY21.
- The Unalaska Senior Citizens (USC) mission is to provide Nutrition, Transportation and Support services; promote the health and well-being of the senior citizens of Unalaska; assist in their ability to live independently and remain active in the community.
- This request is for the nutrition and transportation program and will fund salaries, facilities, program costs, office supplies and professional services. The nutrition and transportation program is primarily funded through the City of Unalaska Community Support Grant funds and the State of Alaska, with minimal Federal dollars. USC also receives generous donations and contributions from local businesses, other non-profits and local residents.
- During the Covid-19 pandemic USC staff has worked with the Qawalangin Tribe to provide weekly groceries to residents of the Father Ishmael Gromoff Senior Center to mitigate the centers exposure to the virus. Another example is the help that the IFHS and APIA Clinics provide with health care presentations, free blood pressure checkups, blood sugar screenings and flu shots. USC assists other agencies in the community by offering accessible transportation to handicapped individuals younger than age 60 and has provided access to the van for large group transportation upon request.
- Unalaska Senior Citizens has a small but dedicated staff of two full-time Program Directors, a contracted Bookkeeper and a part-time Homemaker. Staff is evaluated annually by the program directors. Since the training in 2019 there have been changes to our program staffing and Board and we hope to seek out new training opportunities as soon as the pandemic is over.
- The Unalaska Senior Citizens serves all senior citizens age 60 and over, specifically targeting those socially and economically challenged.
- In addition to helping the qualifying members of our community, USC extends services to senior citizens visiting from other parts of Alaska and the US. The Congregate Lunch Program is also available to those

under the age of 60, at a cost of \$8.00 per meal, to promote interactions with community members of all ages. The benefits of serving lunch five days a week have proven to be multiple, not only are our seniors receiving nutritional meals on a regular basis, but we have seen an increase in their level of participation in all events and improvements to their overall quality of life.

- **Nutritional Services:** Nutritional Services is the primary service that USC offers. The lunch program assists senior citizens in meeting nutritional needs by providing them with meals five days a week that meets 1/3 of their daily dietary allowance. Prior to the pandemic, meals were served at the Father Ishmael Gromoff Senior Center at a minimum of 240 days out of the year. Those meals are currently being home delivered but we are hopeful that our Congregate Meal program will be able to resume in the near future. The meals are prepared and purchased from UniSea Galley at a cost of \$5.00 per meal.
- **Unalaska Senior Citizens** works closely with other community entities for volunteerism and donations including: **Ounalashka Corporation** provides financial support and promotes awareness of the organization and programs available among OC shareholders.

IFHS provides yearly flu shots and speakers on nutrition, behavioral health and other educational workshops as well as monthly blood pressure and blood sugar checks.

APIA provides speakers on nutrition, behavioral health and other educational workshops. They offer senior citizens yearly flu shots during the fall months in addition to blood pressure checks. APIA also hosts the Elder Tea event each month.

Qawalangin Tribe refers Alaska Natives and American Indians to our organization as well as organizes cultural activities, donates food and other in-kind items for gatherings and provides volunteer help with the lunch program.

USAFV often coordinates the receipt and distribution of food donations from fishing vessels. They refer people to our organization along with offering educational materials on senior citizen abuse and other issues faced by seniors and their families.

Ballyhoo Lions Club provides financial assistance to senior citizens in need.

Unalaska Senior Citizens FY22 Community Support Application 8

Aleutian Housing Authority provides Unalaska Senior Citizens with in-kind rent for offices, use of a jointly owned kitchen and the common room for the congregate lunches, craft sessions, lecture/workshops and social gatherings. Donations of labor, free maintenance of the kitchen equipment, upkeep of the common area, electricity and heat are also provided.

UniSea, a major seafood processing plant, provides meals at discounted cost of \$5.00 per meal.

Safeway grocery store donates bread, cakes and other food items several times during the year and offers a senior citizens' discount to seniors shopping at the store.

Unalaska Community Broadcasting provides coverage of special events, as well as free advertising of upcoming events and programs taking place for seniors.

PCR works with USC staff to create programs for senior citizens. The pool has been used by seniors for recreational and fitness activities. The PCR facilities are provided at no cost to the seniors.

Application Findings/Other Information:

- Application submitted on time;
- All application requirements were met. Letters of support are optional;
- All FY21 reporting has been timely and is current.

FY22 City of Unalaska Community Support Grant Application Review Summary Sheet

Organization Name: Unalaska Visitors Bureau (UVB)

UVB is requesting the same amount as FY21.

FY21 Award	Amounts	FY22 Request	Amounts
Executive Director FT	\$ 60,000.00	Executive Director FT	\$ 60,000.00
Operations Assistant PT	\$ 25,000.00	Operations Assistant PT	\$ 30,000.00
Seasonal Employees	\$ 6,000.00	Seasonal Employees	\$ 6,000.00
Executive Director - Benefits	\$ 4,000.00	Executive Director - Benefits	\$ 4,000.00
Payroll Taxes	\$ 10,000.00	Payroll Taxes	\$ 10,500.00
Facilities-Rent, Communications, Utilities/Telephone/Internet, Insurance	\$ 30,000.00	Facilities-Rent, Communications, Utilities/Telephone/Internet, Insurance	\$ 30,000.00
Program/Supplies- Printing, Advertising, Dues, Fees, community Outreach	\$ 21,700.00	Program/Supplies- Printing, Advertising, Dues, Fees, community Outreach	\$ 23,700.00
Equipment purchase/Maintenance	\$ 6,000.00	Equipment purchase/Maintenance	\$ 4,000.00
Office Supplies	\$ 2,000.00	Office Supplies	\$ 2,000.00
Travel	\$ 6,000.00	Travel	\$ 4,500.00
Training	\$ 2,000.00	Training	\$ 4,000.00
Professional Svcs.-Audit, Bookkeeper, Brochures, Website	\$ 30,000.00	Professional Svcs.-Audit, Bookkeeper, Brochures, Website	\$ 30,000.00
Other/Misc. - Fundraising Overhead	\$ 1,300.00	Other/Misc. - Fundraising Overhead	\$ 1,300.00
Total FY21 Award	\$ 210,000.00	Total FY22 Request	\$ 210,000.00

Application Highlights

- The Unalaska/Port of Dutch Harbor Convention & Visitors Bureau (Unalaska Visitors Bureau) is established to promote and encourage tourism and to support the development and sustainability of tourism infrastructure in the Unalaska/Port of Dutch Harbor region.
- The UVB is the sole entity that promotes and encourages travel to Unalaska. UVB works closely with multiple businesses, as well as the City of Unalaska, to successfully draw attention to our island for future visitors as well as potential community members.
- Staff is trained through on-the-job training, and also attend conventions or conferences when able. The E. D. continues to mentor staff on policy, procedures and providing excellent customer service. The UVB Board and staff have yearly board training in addition to access for online training through The Foraker Group.
- We predominantly gauge our success through our ability to attain our goals: financial, partnerships (number of memberships, strength of business and industry relationships), event turnout, and variety of what we can offer visitors to the island. We further measure our success through community, business, partner, and visitor feedback or critique.
- UVB's main mission is to encourage tourism in Unalaska through promotion of our region. There is no other organization that works to market Unalaska nor provides the services that UVB provides for the community. UVB serves the residents of Unalaska, 5,000+ transient workers, business travelers, visiting friends and families, cruise ship and ferry passengers, scientific researchers, and other travelers who choose Unalaska as their destination.
- A majority of our marketing targets travelers, but the entire community is able to benefit from our various efforts to promote travel to Unalaska
- **Goal I:** UVB will maintain the organization's structure, programs, and partnerships in the midst of COVID-19 pandemic impacts

Objective 1.1: Work on COVID-19 guidelines and protocols for potential cruise ship visits that adhere to local COVID mandates

Timeline: Beginning of FY22

Objective 1.2: Work with an increasingly conservative and potentially limited budget to maintain the core of the organization

Timeline: Year round

Objective 1.3: Review strategic plan with the Board of Directors with the assistance of the Foraker Group

Timeline: Mid-Year FY22

Objective 1.4: Seek possible COVID relief grants for 501(c)6 nonprofits

Timeline: Year round

Objective 1.5: Maintain memberships and partnerships with key tourism industry associations and other DMO organizations

Timeline: Year round

- **Goal II:** UVB will expand its presence online by adding to our website, advertising through more online media, and offering virtual experiences for visitors and the local community

Objective 2.1: Continue updating UVB website and add virtual tourism features

Timeline: Year round

Objective 2.2: Create and update existing online media on third party tourism websites.

Timeline: Year round

Objective 2.3: Participate in virtual/online trainings related to tourism, destination marketing and nonprofit management

Timeline: Year round

Objective 2.4: Work on creating online revenue opportunities including virtual fundraising event(s) and adding an online store to our website

Timeline: Year round

- There was no way to expect or predict the impact of this pandemic, and UVB is not exception to that. While we met our goal of acquiring a new office space and relocating our office, we haven't been able to work in the office consistently or host any in-person events at the new office location. Essentially, our biggest overall goal moving into FY22 is to do what we can to maintain the UVB as an operational organization while we move through the pandemic. This will include working on a stricter budget and reviewing our strategic plan to include a "minimal operations" aspect if we are unable to secure funds beyond the City Grant.
- The most significant change is our office location. Program changes will reflect in our move towards proving virtual and online events.

Application Findings/Other Information:

- Application submitted on time;
- All application requirements were met. Letters of Support are optional;

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Dan Winters, Director of Public Utilities
Through: Erin Reinders, City Manager
Date: April 13, 2021
Re: Wastewater and Solid Waste Rate Adjustments

SUMMARY: At this evening's Council Meeting, Staff and Aldrich LLP presents options to Council for the Wastewater and Solid Waste Proprietary Fund's rate increases. Staff is seeking direction from Council on which option or options to use to implement the rate increases. Staff recommends Option 1B, which will increase the Wastewater Utility Rates by 40%, evenly across all customer classes, and achieve a Debt Services Coverage Ratio (DSC) of 1.40. Option 1B will also increase the Solid Waste Utility Rates by 33% evenly across all material classes and realize a 1.43 DSC ratio. If Council so chooses, the rate increases can be phased in over four years, and the first-year rate increase will take effect July 1, 2021. Staff also recommends Council adopt Option 3, increasing the sales tax by 1%, which will create a Utility Infrastructure Fund, supplementing the Utility Proprietary Funds.

PREVIOUS COUNCIL ACTION: At the February 28, 2017 Council Meeting, Council adopted Resolution 2017-14. Through Resolution 2017-14, Council approved a consecutive four-year rate increase in the Wastewater Proprietary Fund and a consecutive three-year rate increase in the Solid Waste Proprietary Fund.

At the June 9, 2020 Council Meeting, Council adopted Fiscal Year 2021 Operating and Capital Budget through Resolution 2020-10.

At the February 23, 2021 Council Work Session, James Keen and Amber Miller of Aldrich LLP presented the FY2021 Rate Study to Council.

At the March 9, 2021 Council Work Session, conversations focused on the cost of service and rates for electric and water. Council's general consensus was for a one-time 6.1% increase in electrical rates to all customer classes, and a one-time 3.6% increase in water rates to all customer classifications. Council had general consensus to proceed with an increase to the sales tax by 1%, which will create a Utility Infrastructure Fund, supplementing the Utility Proprietary Funds.

BACKGROUND: Department of Public Utilities Staff performs a rate study on each of the Utility Proprietary Funds approximately every three years. In 2012, Staff contracted Mike Hubbard of the Financial Engineering Company to perform a High-Level Rate Study, which depicted a rate increase of 29% for the Water Fund, 68% for the Wastewater Fund, and 75% for the Solid Waste Fund was needed by 2016. Rates increased consecutively

for three years starting in FY2013. The sum of these rate increases was 21.3% for Water, 42.3% for Wastewater, and 32.1% for Solid Waste. These rate increases brought the difference between expenses and revenues closer to the budget before the new Water, and Wastewater Plants became operational. However, the rate increases did little to make up for the budget shortfall after the new plants were online.

Staff performed the last rate study in 2016. A rate increase of 15% for the Wastewater Proprietary Fund over four years, and a rate increase of 13.5% for the Solid Waste Proprietary Fund, over three years, was initiated on July 1, 2017. During Staff’s discussion with Council, there was a clear consensus that another monetary source was necessary to reduce impacts on needed rate increases. Council decided that using a portion of the 1% Sales Tax Special Revenue Fund was the most logical approach. Council approved using an amount not to exceed \$1,300,000 to supplement the Water, Wastewater, and Solid Waste Proprietary Funds. This supplement from the 1% Special Revenue Fund helped slow the timing of the inevitable rate increases. However, the lack of a rate increase to fully meet the revenue requirements, increased costs of chemicals, personnel, and inflation, we are again looking at extreme rate increases for the Utility Proprietary Funds.

DISCUSSION: As was presented at February 23, 2021, Council Meeting, the Wastewater and Solid Waste Proprietary Funds need significant rate increases to meet their complete revenue requirements. As shown in Table 1 below, the Wastewater Utility has an annual deficit of (\$1,851,293) in revenue. The Solid Waste Utility has a yearly revenue deficit of (\$1,540,289). This deficit equates to a 75% rate increase for the Wastewater Utility and a 60.1% rate increase for the Solid Waste Utility to meet the complete revenue requirements.

TABLE 1

	Wastewater	Solid Waste
Budgeted Customer Revenues	\$ 2,468,212	\$ 2,562,531
Full Revenue Requirements	\$ 4,319,505	\$ 4,102,820
Surplus (Deficit)	\$ (1,851,293)	\$ (1,540,289)
Revenue Increase Required	75.00%	60.10%

Aldrich LLP and Staff have developed three options that we believe are the most logical for the rate increases. At this evening's Council Meeting, Staff is seeking direction from Council that is twofold. To provide guidance on which option, or options, to implement the rate increases for the Wastewater and Solid Waste Proprietary Funds. Staff also needs Council's direction concerning implementing Council's chosen options evenly across all customer classes or implementing the rate increases according to the cost causer is the cost payer, following the Cost of Service Study (COSS). These options are:

Option 1A: This option consists of increasing the rates according to the Cost of Study-Based Rates. The rate increase will be different for each customer class over four years. This rate increase will obtain the needed revenues required to complete the Debt Services

Coverage Ratio (DSC) of 1.25 for each Proprietary Fund. The DSC ratio is the amount of net cash recovered from operations before debt service divided by debt service. Currently, the Wastewater Proprietary fund's DSC ratio is -0.55%, and the DSC ratio for the Solid Waste Proprietary Fund is -1.36%.

Table 2 below shows the Wastewater current revenue, the proposed revenue, the deficit from the required revenue, and the rate increase for each customer class. This rate increase will realize an overall revenue increase of 40% and a DSC of 1.34.

TABLE 2
Wastewater Cost of Study Based Rates Increase

	Total	Unmetered		
		Residential	Commercial	Metered Industrial
Current:	\$ 2,468,212	\$ 470,187	\$ 1,909,490	\$ 88,536
Proposed:	\$ 3,455,497	\$ 661,723	\$ 2,093,640	\$ 700,134
Surplus/Deficit:	\$ (987,285)	\$ (191,536)	\$ (184,150)	\$ (611,598)
% Increase/(Decrease):	40.0%	40.7%	9.6%	690.8%
DSC:	1.34			

Solid Waste Utility is different from Wastewater Utility because Solid Waste does not have customer classes. The Solid Waste Utility charges by the material brought to the Landfill. Table 3 below describes the current revenue, the proposed revenue, the deficit from the required revenue, and the rate increase for each material class. This rate increase will realize an overall revenue increase of 33% and a DSC of 1.43. The material classes with a current revenue deficit show a rate increase. The material classes that offer a current revenue surplus show a rate decrease. This rate increase management exercise will place the monetary gain toward those material classes where needed. This rate increase would be phased in over four years.

TABLE 3
Solid Waste Cost of Study Based Rate Increase

Total	LF20 Gen	LF23	LF24 Scrap	LF51 Misc STL	LF52 Nets	LF53 Fish	LF54	LF01	
	Waste	Equipment	Metal HM	(Labor)		Waste	Refrigerant	Maintenance	
Current:	\$ 1,641,558	\$ 42,484	\$ 274,041	\$ 22,310	\$ 109,616	\$ 109,616	\$ 8,769	\$ 354,137	
Proposed:	\$ 2,504,793	\$ 89,534	\$ 161,754	\$ 44,145	\$ 59,296	\$ 197,722	\$ 7,377	\$ 343,547	
Surplus/Deficit:	\$ (863,235)	\$ (47,050)	\$ 112,286	\$ (21,834)	\$ 50,320	\$ (88,106)	\$ 1,392	\$ 10,590	
% Increase/(Decrease):	33.0%	52.6%	110.7%	-41.0%	97.9%	-45.9%	80.4%	-15.9%	-3.0%

Option 1B: Across the Board Increases to meet the DSC requirement. If Council selects Option 1B, across the board rate increases would be implemented over four years.

Table 4 below shows the annual revenue increase, the DSC, and percentage rate increase per year for the Wastewater Proprietary Fund to realize a 40% rate increase.

Table 4
Wastewater 40% Rate Increase Phased in Over Four-Years

Phased-In 40% Rate Increase	FY2021	FY2022	FY2023	FY2024	FY2025
Annual Revenues	\$ 2,468,212	\$ 2,715,034	\$ 2,961,855	\$ 3,208,676	\$ 3,455,497
Debt Service Coverage (DSC) Ratio	-0.55	-0.08	0.40	0.90	1.40
Rate Increase (%) to meet DSC	0.0%	10.0%	9.1%	8.3%	7.7%

Table 5 below shows the annual revenue gains, the DSC yearly increase, and the annual percentage increase over a four-year period, for the Solid Waste Proprietary fund to realize a 33% rate increase.

Table 5
Solid Waste Four-Year Rate Increase

Phased-In 33% Rate Increase	FY2021	FY2022	FY2023	FY2024	FY2025
Annual Revenues	\$ 2,562,531	\$ 2,773,940	\$ 2,985,349	\$ 3,196,757	\$ 3,408,166
Debt Service Coverage (DSC) Ratio	-1.36	-0.69	0.00	0.70	1.43
Rate Increase (%) to meet DSC	0.0%	8.3%	7.6%	7.1%	6.6%

Option 1C: This option is only for the Wastewater proprietary Fund. The Wastewater Industrial Class ratepayers are paying 41.5% less their fair share of the rates. Option 1C is a modified rate design that increases the Wastewater industrial rates more than the other classes. This option will reduce the increase needed from the other classes but short of the increase indicated by Option 1B. For example, the industrial class has an 80% increase phased in over four years. The other classes would have a minor increase, also phased in over four years. Table 3 below shows the Wastewater current rate, the proposed rate, the rate increase per rate class, and the total revenue increase for Option 1C.

TABLE 6

1.34 DSC: 80% Industrial Increase, Equal increase for other classes

	Total	Unmetered	Metered	
		Residential	Commercial	Industrial
Current:	\$ 2,468,212	\$ 470,187	\$ 1,909,490	\$ 88,536
Proposed:	\$ 3,455,497	\$ 651,264	\$ 2,644,869	\$ 159,364
Surplus/Deficit:	\$ (987,285)	\$ (181,077)	\$ (735,379)	\$ (70,829)
% Increase/(Decrease):	40.0%	38.5%	38.5%	80.0%

Option 2: Increase rates to meet the full income-based revenue requirement. According to the Income-Based Cost of Services, this option will increase the Wastewater and Solid Waste Proprietary Funds rates to complete the full revenue requirements. Also included is net revenue for capital expenditures.

The Wastewater Proprietary Fund requires a 75% rate increase to meet the full revenue requirements. The Solid Waste Proprietary Fund will require a 60.1% rate increase. Typically, these types of more significant rate increases are implemented consecutively over four years. Table 7 shows the rate increase for each customer class.

Table 7
Wastewater Rate Increase to Meet the Full Revenue Requirement

	Total	Unmetered		
		Residential	Commercial	Metered Industrial
Current:	\$ 2,468,212	\$ 470,187	\$ 1,909,490	\$ 88,536
Proposed:	\$ 4,319,505	\$ 827,179	\$ 2,617,131	\$ 875,195
Surplus/Deficit:	\$ (1,851,292)	\$ (356,992)	\$ (707,641)	\$ (786,659)
% Increase/(Decrease):	75.0%	75.9%	37.1%	888.5%

The Solid Waste Proprietary Fund will need a 60.1% rate increase to satisfy the total revenue requirement. As with the other rate increase options, Staff would implement this rate increase over four years. Table 8 shows the Option 2 monetary impact on charges for material brought to the Landfill.

Table 8
Solid Waste Rate Increase to Meet the Full Revenue Requirement

Total	LF20 Gen	LF23	LF24 Scrap	LF51 Misc STL	LF52 Nets	LF53 Fish	LF54	LF01	
	Waste	Equipment	Metal HM	(Labor)	Waste	Refrigerant	Maintenance		
Current:	\$ 1,641,558	\$ 42,484	\$ 274,041	\$ 22,310	\$ 109,616	\$ 109,616	\$ 8,769	\$ 354,137	
Proposed:	\$ 3,015,319	\$ 107,783	\$ 194,723	\$ 53,142	\$ 71,382	\$ 238,022	\$ 8,881	\$ 413,568	
Surplus/Deficit:	\$ (1,540,289)	\$ (1,373,762)	\$ (65,299)	\$ 79,318	\$ (30,832)	\$ 38,234	\$ (128,405)	\$ (112)	\$ (59,432)
% Increase/(Decrease):	60.1%	83.7%	153.7%	-28.9%	138.2%	-34.9%	117.1%	1.3%	16.8%

Option 3: Create a Utility Infrastructure Fund through a 1% Sales Tax increases. This option consists of increasing the sales tax by 1%. Doing so would create a Utility Infrastructure Fund that will supplement the Utility Proprietary Funds. An increase in the sales tax will require a vote of the residents of Unalaska.

Table 9 below illustrates the FY21 projected revenue generated from the 1% Sales Tax Special Revenue of \$2,666,667. It is the opinion of Staff that a 1% sale tax increase will generate the same revenue.

TABLE 9

	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Budget	Adopted Budget
1% Sales Tax Special Revenue					
REVENUES					
11010040 - 41310 1% Capital Sales tax	3,705,737	3,522,767	3,629,169	3,500,000	2,666,667

ALTERNATIVES: Staff and Aldrich LLP have researched all options concerning the needed rate increases and believe the options brought forward to Council are the most logical approach. However, the staff is always willing to research other options that Council may consider are viable.

FINANCIAL IMPLICATIONS: The economic implications vary between the different options to increase the utility rates. Currently, the Wastewater Rates achieve revenues of \$2,468,212. The revenue requirements for the Wastewater Proprietary Fund are \$4,319,505. The difference between the actual revenue and the needed revenue leaves a revenue deficit of (\$1,851,293) or 75% rate deficiency, as Table 10 below illustrates.

Table 10

Budgeted Customer Revenues:	\$	2,468,212
Income-Based Revenue Requirement:		<u>4,319,505</u>
Revenue Increase:	\$	1,851,293
Overall % Increase:		75.0%

Currently, the Solid Waste rates realize revenues of \$2,562,531. The revenue requirements for the Solid Waste Proprietary Fund are \$4,102,820. The difference between the actual and needed revenue leaves a revenue deficiency of (\$1,540,289) or 60.1% rate deficiency, as Table 11 depicts.

Table 11

Budgeted Customer Revenues:	\$	2,562,531
Income-Based Revenue Requirement:		<u>4,102,820</u>
Revenue Increase:	\$	1,540,289
Overall % Increase:		60.1%

Suppose Council selects Option 1B, as Staff has recommended. In that case, this will increase the Wastewater Revenue by 40% and the Solid Waste Revenue by 33%. The tables in Table 12 below show the monetary growth and the rate increases phased in over four years. This economic growth does not meet the total revenue need for both proprietary funds. Option 1b will meet the DSC ratio of 1.25 for both proprietary funds. A DSC ratio above 1.25 will be needed when applying for bonds or low-interest loans for future projects in the proprietary funds.

Table 12

Wastewater Rate Increases and Monetary Growth Based on Option 1b

Phased-In 40% Rate Increase	FY2021	FY2022	FY2023	FY2024	FY2025
Annual Revenues	\$ 2,468,212	\$ 2,715,034	\$ 2,961,855	\$ 3,208,676	\$ 3,455,497
Debt Service Coverage (DSC) Ratio	-0.55	-0.08	0.40	0.90	1.40
Annual Rate Increase (%) Required	0.0%	10.0%	9.1%	8.3%	7.7%

Solid Waste Rate Increases and Monetary Growth Based on Option 1b

Phased-In 33% Rate Increase	FY2021	FY2022	FY2023	FY2024	FY2025
Annual Revenues	\$ 2,562,531	\$ 2,773,940	\$ 2,985,349	\$ 3,196,757	\$ 3,408,166
Debt Service Coverage (DSC) Ratio	-1.36	-0.69	0.00	0.70	1.43
Annual Rate Increase (%) Required	0.0%	8.3%	7.6%	7.1%	6.6%

LEGAL: None needed at this time.

STAFF RECOMMENDATION: No formal action is taking place at this time. Staff is seeking feedback and guidance in preparation of formal action, currently planned for April 27. Staff recommends Council adopt Option 1b for the Wastewater and Solid Waste rate increases. In doing so, the Wastewater Utility Rates will be increased by 40%, evenly across all customer classes. The Solid Waste Utility Rates will also be increased by 33% across all material and service charges. Staff also recommends Council adopt Option 3, increasing the sales tax by 1%, which will create a Utility Infrastructure Fund, supplementing the Utility Proprietary Funds.

PROPOSED MOTION: No motion is necessary at this time, as no formal action is taking place. Staff is seeing feedback and guidance in preparation of formal action, currently planned for the April 27, 2021 Council Meeting.

CITY MANAGER COMMENTS: City Staff works with consultants to conduct utility rate studies and cost of service analysis about every three years. I thank Aldrich LLP for their professionalism and collaboration, as well as city staff for their hard work on this complex project. This is the third of four planned meetings on these topics, each building from the last. The consultant team, with the support of staff, continue working with Council to identify a path forward.

ATTACHMENTS:

- Attachment 1: Impact to Residential and Commercial Customers due to the Rate Increases.
- City of Unalaska Wastewater & Solid Waste Utilities Cost of Service Study Results & Recommendation.

ATTACHMENT 1

Impact to Residential and Commercial Customers due to the Rate Increases.

Option 1a: Wastewater Cost of Service Study Based Rates Phased in Over Four-Years

Class	Charge	Unit	Current	FY2022	FY2023	FY2024	FY2025
Unmetered Residential:	Customer	\$/month	\$ 114.04	\$ 125.65	\$ 137.27	\$ 148.88	\$ 160.50
	Volume	\$/000 Gal	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Rate Increase:			0.0%	10.2%	9.2%	8.5%	7.8%
Rate Increase From FY2021			0.0%	10.2%	20.4%	30.6%	40.7%
Metered Commercial:	Customer	\$/month	\$ 20.87	\$ 21.37	\$ 21.88	\$ 22.38	\$ 22.88
	Volume	\$/000 Gal	\$ 17.79	\$ 18.22	\$ 18.65	\$ 19.08	\$ 19.51
Annual Rate Increase:			0.0%	2.4%	2.4%	2.3%	2.2%
Rate Increase From FY2021			0.0%	2.4%	4.8%	7.2%	9.6%
Metered Industrial:	Customer	\$/month	\$ 20.87	\$ 56.91	\$ 92.95	\$ 129.00	\$ 165.04
	Volume	\$/000 Gal	\$ 1.13	\$ 3.08	\$ 5.03	\$ 6.98	\$ 8.94
Annual Rate Increase:			0.0%	172.7%	63.3%	38.8%	27.9%
Rate Increase From FY2021			0.0%	172.7%	345.4%	518.1%	690.8%

Option 1a: Solid Waste Cost of Service Study Based Rates Phased in Over Four-Years

Class	Unit	Current	FY2022	FY2023	FY2024	FY2025
LF20 Gen Waste - Sch B Tipping Fees:	Per Ton	\$ 251.20	\$ 284.22	\$ 317.25	\$ 350.27	\$ 383.30
Annual Rate Increase:		0.0%	13.1%	11.6%	10.4%	9.4%
Rate Increase From FY21:		0.0%	13.1%	26.3%	39.4%	52.6%
LF23 Equipment:	Per Hour	\$ 166.43	\$ 212.51	\$ 258.59	\$ 304.67	\$ 350.75
Annual Rate Increase:		0.0%	27.7%	21.7%	17.8%	15.1%
Rate Increase From FY21:		0.0%	27.7%	55.4%	83.1%	110.7%
LF24 Scrap Metal HM:	Per Ton	\$ 1,073.54	\$ 963.57	\$ 853.60	\$ 743.63	\$ 633.66
Annual Rate Increase:		0.0%	-10.2%	-11.4%	-12.9%	-14.8%
Rate Increase From FY21:		0.0%	-10.2%	-20.5%	-30.7%	-41.0%
LF51 Misc STL (Labor):	Per Hour	\$ 87.40	\$ 108.78	\$ 130.17	\$ 151.55	\$ 172.93
Annual Rate Increase:		0.0%	24.5%	19.7%	16.4%	14.1%
Rate Increase From FY21:		0.0%	24.5%	48.9%	73.4%	97.9%

Option 1b: Wastewater Across the Board Rate Increase Phased in Over Four-Years

Class	Charge	Unit	Current	FY2022	FY2023	FY2024	FY2025
Unmetered Residential:	Customer	\$/month	\$ 114.04	\$ 125.44	\$ 136.85	\$ 148.25	\$ 159.66
	Volume	\$/000 Gal	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Rate Increase:			0.0%	10.0%	9.1%	8.3%	7.7%
Rate Increase From FY2021			0.0%	10.0%	20.0%	30.0%	40.0%
Metered Commercial:	Customer	\$/month	\$ 20.87	\$ 22.96	\$ 25.04	\$ 27.13	\$ 29.22
	Volume	\$/000 Gal	\$ 17.79	\$ 19.57	\$ 21.35	\$ 23.13	\$ 24.91
Annual Rate Increase:			0.0%	10.0%	9.1%	8.3%	7.7%
Rate Increase From FY2021			0.0%	10.0%	20.0%	30.0%	40.0%
Metered Industrial:	Customer	\$/month	\$ 20.87	\$ 22.96	\$ 25.04	\$ 27.13	\$ 29.22
	Volume	\$/000 Gal	\$ 1.13	\$ 1.24	\$ 1.36	\$ 1.47	\$ 1.58
Annual Rate Increase:			0.0%	10.0%	9.1%	8.3%	7.7%
Rate Increase From FY2021			0.0%	10.0%	20.0%	30.0%	40.0%

Option 1b: Solid Waste Across the Board Rate Increase Phased in Over Four-Years

Class	Unit	Current	FY2022	FY2023	FY2024	FY2025
LF20 Gen Waste - Sch B Tipping Fees:	Per Ton	\$ 251.20	\$ 271.92	\$ 292.65	\$ 313.37	\$ 334.10
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF23 Equipment:	Per Hour	\$ 166.43	\$ 180.16	\$ 193.89	\$ 207.62	\$ 221.35
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF24 Scrap Metal HM:	Per Ton	\$ 1,073.54	\$ 1,162.11	\$ 1,250.67	\$ 1,339.24	\$ 1,427.81
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF51 Misc STL (Labor):	Per Hour	\$ 87.40	\$ 94.61	\$ 101.82	\$ 109.03	\$ 116.24
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
Class	Unit	Current	FY2022	FY2023	FY2024	FY2025
LF52 Trawl Nets:	Per Cubic Yard	\$ 1,073.54	\$ 1,162.11	\$ 1,250.67	\$ 1,339.24	\$ 1,427.81
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF53 Fish Waste:	Per Ton	\$ 536.77	\$ 581.05	\$ 625.34	\$ 669.62	\$ 713.90
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF54 Appliance with Refrigerant:	Each	\$ 107.35	\$ 116.21	\$ 125.06	\$ 133.92	\$ 142.78
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF01 Sch A Landfill Maintenance Fee:	Per Utility Bill	\$ 27.97	\$ 30.28	\$ 32.59	\$ 34.89	\$ 37.20
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%

Option 1c: Wastewater Only Hybrid Cost of Service Based/ Across the Board Rate Increase

Class	Charge	Unit	Current	FY2022	FY2023	FY2024	FY2025
Unmetered Residential:	Customer	\$/month	\$ 114.04	\$ 125.02	\$ 136.00	\$ 146.98	\$ 157.96
	Volume	\$/000 Gal	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Rate Increase:			0.0%	9.6%	8.8%	8.1%	7.5%
Rate Increase From FY2021:			0.0%	9.6%	19.3%	28.9%	38.5%
Metered Commercial:	Customer	\$/month	\$ 20.87	\$ 22.88	\$ 24.89	\$ 26.90	\$ 28.91
	Volume	\$/000 Gal	\$ 17.79	\$ 19.50	\$ 21.22	\$ 22.93	\$ 24.64
Annual Rate Increase:			0.0%	9.6%	8.8%	8.1%	7.5%
Rate Increase From FY2021:			0.0%	9.6%	19.3%	28.9%	38.5%
Metered Industrial:	Customer	\$/month	\$ 20.87	\$ 25.04	\$ 29.22	\$ 33.39	\$ 37.57
	Volume	\$/000 Gal	\$ 1.13	\$ 1.36	\$ 1.58	\$ 1.81	\$ 2.03
Annual Rate Increase:			0.0%	20.0%	16.7%	14.3%	12.5%
Rate Increase From FY2021:			0.0%	20.0%	40.0%	60.0%	80.0%

Option 2: Wastewater Rate Increase to Meet the Full Revenue Requirements

Class	Charge	Unit	Current	FY2022	FY2023	FY2024	FY2025
Unmetered Residential:	Customer	\$/month	\$ 114.04	\$ 135.69	\$ 157.33	\$ 178.98	\$ 200.63
	Volume	\$/000 Gal	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Rate Increase:			0.0%	19.0%	16.0%	13.8%	12.1%
Rate Increase From FY2021:			0.0%	19.0%	38.0%	56.9%	75.9%
Metered Commercial:	Customer	\$/month	\$ 20.87	\$ 22.80	\$ 24.74	\$ 26.67	\$ 28.60
	Volume	\$/000 Gal	\$ 17.79	\$ 19.44	\$ 21.09	\$ 22.73	\$ 24.38
Annual Rate Increase:			0.0%	9.3%	8.5%	7.8%	7.2%
Rate Increase From FY2021:			0.0%	9.3%	18.5%	27.8%	37.1%
Metered Industrial:	Customer	\$/month	\$ 20.87	\$ 67.23	\$ 113.59	\$ 159.95	\$ 206.30
	Volume	\$/000 Gal	\$ 1.13	\$ 3.64	\$ 6.15	\$ 8.66	\$ 11.17
Annual Rate Increase:			0.0%	222.1%	69.0%	40.8%	29.0%
Rate Increase From FY2021:			0.0%	222.1%	444.3%	666.4%	888.5%

Option 2: Solid Waste Rate Increase to Meet the Full Revenue Requirements

Class	Unit	Current	FY2022	FY2023	FY2024	FY2025
LF20 Gen Waste - Sch B Tipping Fees:	Per Ton	\$ 251.20	\$ 303.76	\$ 356.31	\$ 408.87	\$ 461.42
Annual Rate Increase:		0.0%	20.9%	17.3%	14.7%	12.9%
Rate Increase From FY21:		0.0%	20.9%	41.8%	62.8%	83.7%
LF23 Equipment:	Per Hour	\$ 166.43	\$ 230.38	\$ 294.33	\$ 358.28	\$ 422.23
Annual Rate Increase:		0.0%	38.4%	27.8%	21.7%	17.8%
Rate Increase From FY21:		0.0%	38.4%	76.9%	115.3%	153.7%
LF24 Scrap Metal HM:	Per Ton	\$ 1,073.54	\$ 995.86	\$ 918.18	\$ 840.50	\$ 762.82
Annual Rate Increase:		0.0%	-7.2%	-7.8%	-8.5%	-9.2%
Rate Increase From FY21:		0.0%	-7.2%	-14.5%	-21.7%	-28.9%
LF51 Misc STL (Labor):	Per Hour	\$ 87.40	\$ 117.60	\$ 147.79	\$ 177.99	\$ 208.18
Annual Rate Increase:		0.0%	34.5%	25.7%	20.4%	17.0%
Rate Increase From FY21:		0.0%	34.5%	69.1%	103.6%	138.2%
Class	Unit	Current	FY2022	FY2023	FY2024	FY2025
LF52 Trawl Nets:	Per Cubic Yard	\$ 1,073.54	\$ 979.93	\$ 886.32	\$ 792.70	\$ 699.09
Annual Rate Increase:		0.0%	-8.7%	-9.6%	-10.6%	-11.8%
Rate Increase From FY21:		0.0%	-8.7%	-17.4%	-26.2%	-34.9%
LF53 Fish Waste:	Per Ton	\$ 536.77	\$ 693.96	\$ 851.16	\$ 1,008.35	\$ 1,165.55
Annual Rate Increase:		0.0%	29.3%	22.7%	18.5%	15.6%
Rate Increase From FY21:		0.0%	29.3%	58.6%	87.9%	117.1%
LF54 Appliance with Refrigerant:	Each	\$ 107.35	\$ 107.69	\$ 108.03	\$ 108.37	\$ 108.72
Annual Rate Increase:		0.0%	0.3%	0.3%	0.3%	0.3%
Rate Increase From FY21:		0.0%	0.3%	0.6%	1.0%	1.3%
LF01 Sch A Landfill Maintenance Fee:	Per Utility Bill	\$ 27.97	\$ 29.14	\$ 30.32	\$ 31.49	\$ 32.66
Annual Rate Increase:		0.0%	4.2%	4.0%	3.9%	3.7%
Rate Increase From FY21:		0.0%	4.2%	8.4%	12.6%	16.8%

City of Unalaska

Wastewater & Solid Waste Utilities Cost of Service Study Results & Recommendations

April 13, 2021

James Keen, CDP; Michelle Barnett, CRRRA; & Amber Miller, CPA - Aldrich Advisors + CPAs

Our Scope of Work

- Rate Review for Electric, Water & Wastewater and Solid Waste Utilities
- Phase 1: Determine the appropriate Revenue Requirement for each utility.
 - FY2021 Budget was used as the basis for the study
 - ✓ • Results were presented on February 23rd
- Phase 2: Develop cost-based rates for each utility and perform rate design
 - ✓ • Electric & Water: Presented on March 9th
 - • Wastewater & Solid Waste: Presented today – April 13th

Recap of Prior Presentations

- General reviews performed periodically, most recently in 2012 and 2016.
- There are two different ways to develop a revenue requirement:
 1. Income Basis (a bottom-up approach)
 - Used in traditional ratemaking
 - Includes all operating expenses and interest on debt and depreciation (a non-cash expense)
 2. Cash Basis (a top-down approach)
 - Includes all operating expenses, interest on debt, principal payments, and an additional cash requirement defined by a Debt Service Coverage (DSC) ratio.

What is a Cost of Service Study (COSS)?

- How to slice the “Revenue Requirement Pie”
- An analytical method of allocating costs between groups of customers and determining how those costs will be collected in rate elements.



Overview of Results (Income Basis Revenue Requirement)

	Electric	Water	Wastewater	Solid Waste
Budgeted Customer Revenues:	\$ 7,248,373	\$ 2,616,686	\$ 2,468,212	\$ 2,562,531
Full Revenue Requirement:	<u>9,762,823</u>	<u>3,530,573</u>	<u>4,319,505</u>	<u>4,102,820</u>
Surplus/(Deficit):	\$ (2,514,450)	\$ (913,887)	\$ (1,851,293)	\$ (1,540,289)
Revenue Increase/(Decrease) Required:	34.7%	34.9%	75.0%	60.1%

Most Favored Electric & Water Recommendations from March 9, 2021:

- **Electric Option 1 b:** Increase Rates to Meet a 1.25 DSC (+6.1%) and apply on an Across-the-Board Basis
- **Water Option 1 b:** Increase Rates to Meet a 2.00 DSC (+3.6%) and apply on an Across-the-Board Basis
- **Electric & Water Option 3:** Seek implementation of a 1.0% Utility Infrastructure Tax (+\$2.7M estimated)

Results and Recommendations will be presented two ways:

1. Applying the revenue requirement to the Cost of Service Study results.
 - For example, an overall revenue increase of 30% would be split differently between customer groups, based upon cost-causation.
2. Applying the revenue requirement equally to all customer groups.
 - A rate increase will be shared equally by all customer classes (across-the-board) and be reflected equally in each billing component (e.g. customer charge, demand charge, volumetric charge)

Overview of Recommended Options

1. Increase rates to meet a cash-based revenue requirement with a target 1.25 DSC ratio for the wastewater and solid waste utilities, with the overall rate increase rounded up to allow for some inflation.
2. Increase rates to meet the full income-based revenue requirement.
3. Create a Utility Infrastructure Fund through a 1% Sales Tax increase.

NOTE: Options 1 and 3 could be combined.

Overview:

- **Income-Based:** includes \$100,000 in margins.
- **Cash-Based:** 1.25 DSC Target with increase rounded up from 38.2 to 40.0%

Wastewater

Income-Based Revenue Requirement

Budgeted Customer Revenues:	\$	2,468,212
Income-Based Revenue Requirement:		<u>4,319,505</u>
Revenue Increase:	\$	1,851,293
Overall % Increase:		75.0%

Cash-Based Revenue Requirement

Budgeted Customer Revenues:	\$	2,468,212
Cash-Based Revenue Requirement:	\$	<u>3,455,497</u>
Revenue Increase:	\$	987,285
Overall % Increase:		40.0%

Wastewater Option 1: **Cash-Based Revenue Requirement that will achieve a 1.25 DSC**

Option 1: Cash-Based Revenue Requirement with 1.25 DSC

- Why 1.25 DSC?
 - Municipal ordinance requires meeting a minimum 1.25 DSC
 - Achieved DSC is currently -0.55 and rate study results support a rate increase
 - Using a higher target DSC will provide more security and allow the utility to generate more cash towards capital expenditures
- Advantages:
 - The minimum DSC requirement would be met through rates.
 - Rate increase is mitigated.
- Disadvantages:
 - It remains almost \$909,000 below the income-based revenue requirement

COU Wastewater Cost of Service Study

Wastewater Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1a: Cost of Service Study Based Rates Revenue Requirement Results

	Total	Unmetered Residential	Metered	
			Commercial	Industrial
Current:	\$ 2,468,212	\$ 470,187	\$ 1,909,490	\$ 88,536
Proposed:	\$ 3,455,497	\$ 661,723	\$ 2,093,640	\$ 700,134
Surplus/Deficit:	\$ (987,285)	\$ (191,536)	\$ (184,150)	\$ (611,598)
% Increase/(Decrease):	40.0%	40.7%	9.6%	690.8%
DSC:	1.34			

COU Wastewater Cost of Service Study

Wastewater Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1a: Cost of Service Study Based Rates

Class	Charge	Unit	Current	FY2022	FY2023	FY2024	FY2025
Unmetered Residential:	Customer	\$/month	\$ 114.04	\$ 125.65	\$ 137.27	\$ 148.88	\$ 160.50
	Volume	\$/000 Gal	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Rate Increase:			0.0%	10.2%	9.2%	8.5%	7.8%
Rate Increase From FY2021			0.0%	10.2%	20.4%	30.6%	40.7%
Metered Commercial:	Customer	\$/month	\$ 20.87	\$ 21.37	\$ 21.88	\$ 22.38	\$ 22.88
	Volume	\$/000 Gal	\$ 17.79	\$ 18.22	\$ 18.65	\$ 19.08	\$ 19.51
Annual Rate Increase:			0.0%	2.4%	2.4%	2.3%	2.2%
Rate Increase From FY2021			0.0%	2.4%	4.8%	7.2%	9.6%
Metered Industrial:	Customer	\$/month	\$ 20.87	\$ 56.91	\$ 92.95	\$ 129.00	\$ 165.04
	Volume	\$/000 Gal	\$ 1.13	\$ 3.08	\$ 5.03	\$ 6.98	\$ 8.94
Annual Rate Increase:			0.0%	172.7%	63.3%	38.8%	27.9%
Rate Increase From FY2021			0.0%	172.7%	345.4%	518.1%	690.8%

COU Wastewater Cost of Service Study

Wastewater Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1b: Across-the-Board Rate Increase Revenue Requirement Results

	Total	Unmetered Residential	Metered	
			Commercial	Industrial
Current:	\$ 2,468,212	\$ 470,187	\$ 1,909,490	\$ 88,536
Proposed:	\$ 3,455,497	\$ 658,262	\$ 2,673,286	\$ 123,950
Surplus/Deficit:	\$ (987,285)	\$ (188,075)	\$ (763,796)	\$ (35,414)
% Increase/(Decrease):	40.0%	40.0%	40.0%	40.0%
DSC:	1.34			

COU Wastewater Cost of Service Study

Wastewater Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1b: Across-the-Board Rate Increase

Class	Charge	Unit	Current	FY2022	FY2023	FY2024	FY2025
Unmetered Residential:	Customer	\$/month	\$ 114.04	\$ 125.44	\$ 136.85	\$ 148.25	\$ 159.66
	Volume	\$/000 Gal	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Rate Increase:			0.0%	10.0%	9.1%	8.3%	7.7%
Rate Increase From FY2021			0.0%	10.0%	20.0%	30.0%	40.0%
Metered Commercial:	Customer	\$/month	\$ 20.87	\$ 22.96	\$ 25.04	\$ 27.13	\$ 29.22
	Volume	\$/000 Gal	\$ 17.79	\$ 19.57	\$ 21.35	\$ 23.13	\$ 24.91
Annual Rate Increase:			0.0%	10.0%	9.1%	8.3%	7.7%
Rate Increase From FY2021			0.0%	10.0%	20.0%	30.0%	40.0%
Metered Industrial:	Customer	\$/month	\$ 20.87	\$ 22.96	\$ 25.04	\$ 27.13	\$ 29.22
	Volume	\$/000 Gal	\$ 1.13	\$ 1.24	\$ 1.36	\$ 1.47	\$ 1.58
Annual Rate Increase:			0.0%	10.0%	9.1%	8.3%	7.7%
Rate Increase From FY2021			0.0%	10.0%	20.0%	30.0%	40.0%

COU Wastewater Cost of Service Study

Wastewater Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1c: Hybrid Cost of Service Based/Across-the-Board Rate Increase Revenue Requirement Results

	Total	Unmetered Residential	Metered	
			Commercial	Industrial
Current:	\$ 2,468,212	\$ 470,187	\$ 1,909,490	\$ 88,536
Proposed:	\$ 3,455,497	\$ 651,264	\$ 2,644,869	\$ 159,364
Surplus/Deficit:	\$ (987,285)	\$ (181,077)	\$ (735,379)	\$ (70,829)
% Increase/(Decrease):	40.0%	38.5%	38.5%	80.0%
DSC:	1.34			

COU Wastewater Cost of Service Study

Wastewater Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1c: Hybrid Cost of Service Based/Across-the-Board Rate Increase

Class	Charge	Unit	Current	FY2022	FY2023	FY2024	FY2025
Unmetered Residential:	Customer	\$/month	\$ 114.04	\$ 125.02	\$ 136.00	\$ 146.98	\$ 157.96
	Volume	\$/000 Gal	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Rate Increase:			0.0%	9.6%	8.8%	8.1%	7.5%
Rate Increase From FY2021			0.0%	9.6%	19.3%	28.9%	38.5%
Metered Commercial:	Customer	\$/month	\$ 20.87	\$ 22.88	\$ 24.89	\$ 26.90	\$ 28.91
	Volume	\$/000 Gal	\$ 17.79	\$ 19.50	\$ 21.22	\$ 22.93	\$ 24.64
Annual Rate Increase:			0.0%	9.6%	8.8%	8.1%	7.5%
Rate Increase From FY2021			0.0%	9.6%	19.3%	28.9%	38.5%
Metered Industrial:	Customer	\$/month	\$ 20.87	\$ 25.04	\$ 29.22	\$ 33.39	\$ 37.57
	Volume	\$/000 Gal	\$ 1.13	\$ 1.36	\$ 1.58	\$ 1.81	\$ 2.03
Annual Rate Increase:			0.0%	20.0%	16.7%	14.3%	12.5%
Rate Increase From FY2021			0.0%	20.0%	40.0%	60.0%	80.0%

COU Wastewater Cost of Service Study

Wastewater Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1: Average Monthly Customer Impact Comparison

	Current Rates	Option 1a: Cost-Based Rates	Options 1b: Across-the- Board Increase	Options 1c: Hybrid
Unmetered Residential	\$ 114.04	\$ 160.50	\$ 159.66	\$ 157.96
% Change:	0.0%	40.7%	40.0%	38.5%
Metered Commercial	\$ 611.04	\$ 669.96	\$ 855.45	\$ 846.36
% Change:	0.0%	9.6%	40.0%	38.5%
Metered Industrial	\$ 1,475.59	\$ 11,668.90	\$ 2,065.83	\$ 2,656.07
% Change:	0.0%	690.8%	40.0%	80.0%

Wastewater Option 2: **Income-Based Revenue Requirement**

Option 2: Income-Based Revenue Requirement

- Advantages:
 - It is the traditional, nationally-accepted approach to ratemaking
 - It will more than amply meet all DSC requirements
 - It will provide a cash flow that can be used to reinvest in new projects
- Disadvantages:
 - It is a significant rate increase overall (75.0%)
 - It would hit some classes of customers harder than others
 - It would likely need to be phased-in

COU Wastewater Cost of Service Study

Wastewater Utility Option 2: Income-Based

Option 2: Cost of Service Study Based Rates Revenue Requirement Results

	Total	Unmetered Residential	Metered	
			Commercial	Industrial
Current:	\$ 2,468,212	\$ 470,187	\$ 1,909,490	\$ 88,536
Proposed:	\$ 4,319,505	\$ 827,179	\$ 2,617,131	\$ 875,195
Surplus/Deficit:	\$ (1,851,292)	\$ (356,992)	\$ (707,641)	\$ (786,659)
% Increase/(Decrease):	75.0%	75.9%	37.1%	888.5%

COU Wastewater Cost of Service Study

Wastewater Utility Option 2: Income-Based

Option 2: Cost of Service Study Based Rates

Class	Charge	Unit	Current	FY2022	FY2023	FY2024	FY2025
Unmetered Residential:	Customer	\$/month	\$ 114.04	\$ 135.69	\$ 157.33	\$ 178.98	\$ 200.63
	Volume	\$/000 Gal	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Rate Increase:			0.0%	19.0%	16.0%	13.8%	12.1%
Rate Increase From FY2021			0.0%	19.0%	38.0%	56.9%	75.9%
Metered Commercial:	Customer	\$/month	\$ 20.87	\$ 22.80	\$ 24.74	\$ 26.67	\$ 28.60
	Volume	\$/000 Gal	\$ 17.79	\$ 19.44	\$ 21.09	\$ 22.73	\$ 24.38
Annual Rate Increase:			0.0%	9.3%	8.5%	7.8%	7.2%
Rate Increase From FY2021			0.0%	9.3%	18.5%	27.8%	37.1%
Metered Industrial:	Customer	\$/month	\$ 20.87	\$ 67.23	\$ 113.59	\$ 159.95	\$ 206.30
	Volume	\$/000 Gal	\$ 1.13	\$ 3.64	\$ 6.15	\$ 8.66	\$ 11.17
Annual Rate Increase:			0.0%	222.1%	69.0%	40.8%	29.0%
Rate Increase From FY2021			0.0%	222.1%	444.3%	666.4%	888.5%

COU Wastewater Cost of Service Study

Wastewater Utility Option 2: Income-Based

Option 2: Average Monthly Customer Impact Comparison

	Option 2: Cost-Based	
	Current Rates	Rates
Unmetered Residential	\$ 114.04	\$ 200.63
% Change:	0.0%	75.9%
Metered Commercial	\$ 611.04	\$ 837.48
% Change:	0.0%	37.1%
Metered Industrial	\$ 1,475.59	\$ 14,586.58
% Change:	0.0%	888.5%

Wastewater Option 3: **Implement Utility Infrastructure Tax**

Option 3: Utility Infrastructure Tax

- Receipts from a 1% increase in Sales Tax could provide a cash flow to be used for funding utility infrastructure needs and directed towards specific projects at the direction of the City Council

	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Budget	Adopted Budget
1% Sales Tax Special Revenue					
REVENUES					
11010040 - 41310 1% Capital Sales tax	3,705,737	3,522,767	3,629,169	3,500,000	2,666,667

\$2,666,667 estimated
FY2021 receipts

Overview:

- **Income-Based:** includes \$100,000 in margins.
- **Cash-Based:** 1.25 DSC Target with increase rounded up from 31.7 to 33.0%

Solid Waste

Income-Based Revenue Requirement

Budgeted Customer Revenues:	\$	2,562,531
Income-Based Revenue Requirement:		<u>4,102,820</u>
Revenue Increase:	\$	1,540,289
Overall % Increase:		60.1%

Cash-Based Revenue Requirement

Budgeted Customer Revenues:	\$	2,562,531
Cash-Based Revenue Requirement:	\$	<u>3,408,166</u>
Revenue Increase:	\$	845,635
Overall % Increase:		33.0%

Solid Waste Option 1: **Cash-Based Revenue Requirement that will achieve a 1.25 DSC**

Option 1: Cash-Based Revenue Requirement achieving 1.25 DSC

- Why 1.25 DSC?
 - Municipal ordinance requires meeting a minimum 1.25 DSC
 - Achieved DSC is currently -1.36 and rate study results support a rate increase
 - Using a higher target DSC will provide more security and allow the utility to generate more cash towards capital expenditures
- Advantages:
 - The minimum DSC requirement would be met through rates.
 - Rate increase is mitigated.
- Disadvantages:
 - It remains almost \$695,000 below the income-based revenue requirement

COU Solid Waste Cost of Service Study

Solid Waste Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1a: Cost of Service Study Based Rates Revenue Requirement Results

	Total	LF20 Gen Waste	LF23 Equipment	LF24 Scrap Metal HM	LF51 Misc STL (Labor)	LF52 Nets	LF53 Fish Waste	LF54 Refrigerant	LF01 Maintenance
Current:	\$ 2,562,531	\$ 1,641,558	\$ 42,484	\$ 274,041	\$ 22,310	\$ 109,616	\$ 109,616	\$ 8,769	\$ 354,137
Proposed:	\$ 3,408,168	\$ 2,504,793	\$ 89,534	\$ 161,754	\$ 44,145	\$ 59,296	\$ 197,722	\$ 7,377	\$ 343,547
Surplus/Deficit:	\$ (845,637)	\$ (863,235)	\$ (47,050)	\$ 112,286	\$ (21,834)	\$ 50,320	\$ (88,106)	\$ 1,392	\$ 10,590
% Increase/(Decrease):	33.0%	52.6%	110.7%	-41.0%	97.9%	-45.9%	80.4%	-15.9%	-3.0%

COU Solid Waste Cost of Service Study

Solid Waste Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1a: Cost of Service Study Based Rates

Class	Unit	Current	FY2022	FY2023	FY2024	FY2025
LF20 Gen Waste - Sch B Tipping Fees:	Per Ton	\$ 251.20	\$ 284.22	\$ 317.25	\$ 350.27	\$ 383.30
Annual Rate Increase:		0.0%	13.1%	11.6%	10.4%	9.4%
Rate Increase From FY21:		0.0%	13.1%	26.3%	39.4%	52.6%
LF23 Equipment:	Per Hour	\$ 166.43	\$ 212.51	\$ 258.59	\$ 304.67	\$ 350.75
Annual Rate Increase:		0.0%	27.7%	21.7%	17.8%	15.1%
Rate Increase From FY21:		0.0%	27.7%	55.4%	83.1%	110.7%
LF24 Scrap Metal HM:	Per Ton	\$ 1,073.54	\$ 963.57	\$ 853.60	\$ 743.63	\$ 633.66
Annual Rate Increase:		0.0%	-10.2%	-11.4%	-12.9%	-14.8%
Rate Increase From FY21:		0.0%	-10.2%	-20.5%	-30.7%	-41.0%
LF51 Misc STL (Labor):	Per Hour	\$ 87.40	\$ 108.78	\$ 130.17	\$ 151.55	\$ 172.93
Annual Rate Increase:		0.0%	24.5%	19.7%	16.4%	14.1%
Rate Increase From FY21:		0.0%	24.5%	48.9%	73.4%	97.9%

COU Solid Waste Cost of Service Study

Solid Waste Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1a: Cost of Service Study Based Rates, cont.

Class	Unit	Current	FY2022	FY2023	FY2024	FY2025
LF52 Trawl Nets:	Per Cubic Yard	\$ 1,073.54	\$ 950.34	\$ 827.13	\$ 703.93	\$ 580.73
Annual Rate Increase:		0.0%	-11.5%	-13.0%	-14.9%	-17.5%
Rate Increase From FY21:		0.0%	-11.5%	-23.0%	-34.4%	-45.9%
LF53 Fish Waste:	Per Ton	\$ 536.77	\$ 644.63	\$ 752.49	\$ 860.35	\$ 968.21
Annual Rate Increase:		0.0%	20.1%	16.7%	14.3%	12.5%
Rate Increase From FY21:		0.0%	20.1%	40.2%	60.3%	80.4%
LF54 Appliance with Refrigerant:	Each	\$ 107.35	\$ 103.09	\$ 98.83	\$ 94.57	\$ 90.31
Annual Rate Increase:		0.0%	-4.0%	-4.1%	-4.3%	-4.5%
Rate Increase From FY21:		0.0%	-4.0%	-7.9%	-11.9%	-15.9%
LF01 Sch A Landfill Maintenance Fee:	Per Utility Bill	\$ 27.97	\$ 27.76	\$ 27.55	\$ 27.34	\$ 27.13
Annual Rate Increase:		0.0%	-0.7%	-0.8%	-0.8%	-0.8%
Rate Increase From FY21:		0.0%	-0.7%	-1.5%	-2.2%	-3.0%

COU Solid Waste Cost of Service Study

Solid Waste Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1b: Across-the-Board Rate Increase

	Total	LF20 Gen Waste	LF23 Equipment	LF24 Scrap Metal HM	LF51 Misc STL (Labor)	LF52 Nets	LF53 Fish Waste	LF54 Refrigerant	LF01 Maintenance
Current:	\$ 2,562,531	\$ 1,641,558	\$ 42,484	\$ 274,041	\$ 22,310	\$ 109,616	\$ 109,616	\$ 8,769	\$ 354,137
Proposed:	\$ 3,408,168	\$ 2,183,273	\$ 56,504	\$ 364,474	\$ 29,673	\$ 145,790	\$ 145,790	\$ 11,663	\$ 471,002
Surplus/Deficit:	\$ (845,637)	\$ (541,715)	\$ (14,020)	\$ (90,434)	\$ (7,362)	\$ (36,173)	\$ (36,173)	\$ (2,894)	\$ (116,865)
% Increase/(Decrease):	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%	33.0%

COU Solid Waste Cost of Service Study

Solid Waste Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1b: Across the Board Rate Increase

Class	Unit	Current	FY2022	FY2023	FY2024	FY2025
LF20 Gen Waste - Sch B Tipping Fees:	Per Ton	\$ 251.20	\$ 271.92	\$ 292.65	\$ 313.37	\$ 334.10
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF23 Equipment:	Per Hour	\$ 166.43	\$ 180.16	\$ 193.89	\$ 207.62	\$ 221.35
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF24 Scrap Metal HM:	Per Ton	\$ 1,073.54	\$ 1,162.11	\$ 1,250.67	\$ 1,339.24	\$ 1,427.81
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF51 Misc STL (Labor):	Per Hour	\$ 87.40	\$ 94.61	\$ 101.82	\$ 109.03	\$ 116.24
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%

COU Solid Waste Cost of Service Study

Solid Waste Utility Option 1: Cash-Based achieving 1.25 DSC

Option 1b: Across the Board Rate Increase, cont.

Class	Unit	Current	FY2022	FY2023	FY2024	FY2025
LF52 Trawl Nets:	Per Cubic Yard	\$ 1,073.54	\$ 1,162.11	\$ 1,250.67	\$ 1,339.24	\$ 1,427.81
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF53 Fish Waste:	Per Ton	\$ 536.77	\$ 581.05	\$ 625.34	\$ 669.62	\$ 713.90
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF54 Appliance with Refrigerant:	Each	\$ 107.35	\$ 116.21	\$ 125.06	\$ 133.92	\$ 142.78
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%
LF01 Sch A Landfill Maintenance Fee:	Per Utility Bill	\$ 27.97	\$ 30.28	\$ 32.59	\$ 34.89	\$ 37.20
Annual Rate Increase:		0.0%	8.3%	7.6%	7.1%	6.6%
Rate Increase From FY21:		0.0%	8.3%	16.5%	24.8%	33.0%

COU Solid Waste Cost of Service Study

Solid Waste Utility Option 1: Cash-Based achieving 1.25 DSC

Average Customer Impact Comparison

	Current Rates	Option 1a: Cost-Based Rates	Options 1b: Across-the- Board Increase
LF01 Sch A Landfill Maintenance Fee	\$ 27.97	\$ 27.13	\$ 37.20
% Change:	0.0%	-3.0%	33.0%

Solid Waste Option 2: Income-Based Revenue Requirement

Option 2: Income-Based Revenue Requirement

- Advantages:
 - It is the traditional, nationally-accepted approach to ratemaking
 - It will more than amply meet all DSC requirements
 - It will provide a cash flow that can be used to reinvest in new projects
- Disadvantages:
 - It is a significant rate increase overall (60.1%)
 - It would likely need to be phased-in

COU Solid Waste Cost of Service Study

Solid Waste Utility Option 2: Income-Based

Option 2: Cost of Service Study Based Rates Revenue Requirement Results

	Total	LF20 Gen Waste	LF23 Equipment	LF24 Scrap Metal HM	LF51 Misc STL (Labor)	LF52 Nets	LF53 Fish Waste	LF54 Refrigerant	LF01 Maintenance
Current:	\$ 2,562,531	\$ 1,641,558	\$ 42,484	\$ 274,041	\$ 22,310	\$ 109,616	\$ 109,616	\$ 8,769	\$ 354,137
Proposed:	\$ 4,102,820	\$ 3,015,319	\$ 107,783	\$ 194,723	\$ 53,142	\$ 71,382	\$ 238,022	\$ 8,881	\$ 413,568
Surplus/Deficit:	\$ (1,540,289)	\$ (1,373,762)	\$ (65,299)	\$ 79,318	\$ (30,832)	\$ 38,234	\$ (128,405)	\$ (112)	\$ (59,432)
% Increase/(Decrease):	60.1%	83.7%	153.7%	-28.9%	138.2%	-34.9%	117.1%	1.3%	16.8%

COU Solid Waste Cost of Service Study

Solid Waste Utility Option 2: Income-Based

Option 2: Cost of Service Study Based Rates

Class	Unit	Current	FY2022	FY2023	FY2024	FY2025
LF20 Gen Waste - Sch B Tipping Fees:	Per Ton	\$ 251.20	\$ 303.76	\$ 356.31	\$ 408.87	\$ 461.42
Annual Rate Increase:		0.0%	20.9%	17.3%	14.7%	12.9%
Rate Increase From FY21:		0.0%	20.9%	41.8%	62.8%	83.7%
LF23 Equipment:	Per Hour	\$ 166.43	\$ 230.38	\$ 294.33	\$ 358.28	\$ 422.23
Annual Rate Increase:		0.0%	38.4%	27.8%	21.7%	17.8%
Rate Increase From FY21:		0.0%	38.4%	76.9%	115.3%	153.7%
LF24 Scrap Metal HM:	Per Ton	\$ 1,073.54	\$ 995.86	\$ 918.18	\$ 840.50	\$ 762.82
Annual Rate Increase:		0.0%	-7.2%	-7.8%	-8.5%	-9.2%
Rate Increase From FY21:		0.0%	-7.2%	-14.5%	-21.7%	-28.9%
LF51 Misc STL (Labor):	Per Hour	\$ 87.40	\$ 117.60	\$ 147.79	\$ 177.99	\$ 208.18
Annual Rate Increase:		0.0%	34.5%	25.7%	20.4%	17.0%
Rate Increase From FY21:		0.0%	34.5%	69.1%	103.6%	138.2%

COU Solid Waste Cost of Service Study

Solid Waste Utility Option 2: Income-Based

Option 2: Cost of Service Study Based Rates, cont.

Class	Unit	Current	FY2022	FY2023	FY2024	FY2025
LF52 Trawl Nets:	Per Cubic Yard	\$ 1,073.54	\$ 979.93	\$ 886.32	\$ 792.70	\$ 699.09
Annual Rate Increase:		0.0%	-8.7%	-9.6%	-10.6%	-11.8%
Rate Increase From FY21:		0.0%	-8.7%	-17.4%	-26.2%	-34.9%
LF53 Fish Waste:	Per Ton	\$ 536.77	\$ 693.96	\$ 851.16	\$ 1,008.35	\$ 1,165.55
Annual Rate Increase:		0.0%	29.3%	22.7%	18.5%	15.6%
Rate Increase From FY21:		0.0%	29.3%	58.6%	87.9%	117.1%
LF54 Appliance with Refrigerant:	Each	\$ 107.35	\$ 107.69	\$ 108.03	\$ 108.37	\$ 108.72
Annual Rate Increase:		0.0%	0.3%	0.3%	0.3%	0.3%
Rate Increase From FY21:		0.0%	0.3%	0.6%	1.0%	1.3%
LF01 Sch A Landfill Maintenance Fee:	Per Utility Bill	\$ 27.97	\$ 29.14	\$ 30.32	\$ 31.49	\$ 32.66
Annual Rate Increase:		0.0%	4.2%	4.0%	3.9%	3.7%
Rate Increase From FY21:		0.0%	4.2%	8.4%	12.6%	16.8%

COU Solid Waste Cost of Service Study

Solid Waste Utility Option 2: Income-Based

Average Customer Impact Comparison

	Current Rates	Option 2: Cost-Based Rates
LF01 Sch A Landfill Maintenance Fee	\$ 27.97	\$ 32.66
% Change:	0.0%	16.8%

Solid Waste Option 3: **Implement Utility Infrastructure Tax**

Option 3: Utility Infrastructure Tax

- Receipts from a 1% increase in Sales Tax could provide a cash flow to be used for funding utility infrastructure needs and directed towards specific projects at the direction of the City Council

	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Budget	Adopted Budget
1% Sales Tax Special Revenue					
REVENUES					
11010040 - 41310 1% Capital Sales tax	3,705,737	3,522,767	3,629,169	3,500,000	2,666,667

\$2,666,667 estimated
FY2021 receipts

Combining Options 1 & 3: **Overall Impact**

Combining Options 1 & 3

The table below estimates the impact of combining Option 1 (cash-based DSC target revenue requirement) and Option 3 (1% Utility Infrastructure Tax) in comparison to the income-based revenue requirement (after phased increase).

	Electric	Water	Wastewater	Solid Waste	Total
Achieved DSC:	1.25	2.00	1.40	1.43	N/A
Budgeted Customer Revenues:	\$ 7,248,373	\$ 2,616,686	\$ 2,468,212	\$ 2,562,531	\$ 14,895,802
Cash-Based Revenue Requirement:	\$ 7,692,809	\$ 2,711,218	\$ 3,455,497	\$ 3,408,166	\$ 17,267,691
Revenue Increase:	\$ 444,436	\$ 94,532	\$ 987,285	\$ 845,635	\$ 2,371,888
Overall % Increase:	6.1%	3.6%	40.0%	33.0%	15.9%
Income-Based Revenue					
Requirement:	\$ (2,514,450)	\$ (913,887)	\$ (1,851,293)	\$ (1,540,289)	\$ (6,819,919)
Increased Revenues from Option 1:	\$ 444,436	\$ 94,532	\$ 987,285	\$ 845,635	\$ 2,371,888
	\$ (2,070,014)	\$ (819,355)	\$ (864,008)	\$ (694,654)	\$ (4,448,030)
Income from 1% Infrastructure Tax:	\$ 666,667	\$ 666,667	\$ 666,667	\$ 666,667	\$ 2,666,667 *
Outstanding Deficit:	\$ (1,403,347)	\$ (152,688)	\$ (197,341)	\$ (27,987)	\$ (1,781,363)

* Assumes even distribution of infrastructure tax for the purpose of illustration

City Staff Recommendations

City Staff Recommendations:

- **Wastewater Option 1b:** Increase Rates to achieve over 1.25 DSC (+40.0%) and apply on an Across-the-Board Basis, phased in over 4 years
- **Solid Waste Option 1b:** Increase Rates to achieve over 1.25 DSC (+33.0%) and apply on an Across-the-Board Basis, phased in over 4 years
- **Electric & Water Option 3:** Seek implementation of a 1.0% Utility Infrastructure Tax (+\$2.7M estimated)

Rates for City Staff Recommended Options:

- Rates based on Wastewater Option 1 b:

Phased-In 40% Rate Increase	FY2021	FY2022	FY2023	FY2024	FY2025
Annual Revenues	\$ 2,468,212	\$ 2,715,034	\$ 2,961,855	\$ 3,208,676	\$ 3,455,497
Debt Service Coverage (DSC) Ratio	-0.55	-0.08	0.40	0.90	1.40
Annual Rate Increase (%) Required	0.0%	10.0%	9.1%	8.3%	7.7%

- Rates based on Solid Waste Option 1 b:

Phased-In 33% Rate Increase	FY2021	FY2022	FY2023	FY2024	FY2025
Annual Revenues	\$ 2,562,531	\$ 2,773,940	\$ 2,985,349	\$ 3,196,757	\$ 3,408,166
Debt Service Coverage (DSC) Ratio	-1.36	-0.69	0.00	0.70	1.43
Annual Rate Increase (%) Required	0.0%	8.3%	7.6%	7.1%	6.6%

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-18

A RESOLUTION OF THE UNALASKA CITY COUNCIL CONTINUING MEASURES TO PROTECT PUBLIC HEALTH

WHEREAS, the COVID-19 pandemic has generated a public health emergency that threatens to overwhelm the City of Unalaska health system and the economy of our community, endangering the lives and wellbeing of our citizens; and

WHEREAS, on March 11, 2020, the World Health Organization (WHO) declared the virus a pandemic; and

WHEREAS, on March 13, 2020, President Donald J. Trump declared a national emergency in response to the virus pandemic; and

WHEREAS, on March 15, 2020, Mayor Vincent M. Tutiakoff, Sr. declared a local emergency in the City of Unalaska, authorizing the City Manager to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 through the City of Unalaska; and

WHEREAS, on March 18, 2020, the Unalaska City Council passed Resolution 2020-16, declaring a local emergency to remain in effect for so long as the declaration of a Public Health Disaster in the State of Alaska Remains in effect; and

WHEREAS, on November 10, 2020, the Unalaska City Council passed Resolution 2020-71, extending the local emergency declaration through June 30, 2021, to allow the City to continue to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 in the City of Unalaska; and

WHEREAS, on February 14, 2021, Governor Dunleavy issued four Health Advisories with guidance and recommendations on general safety and best practices, international and interstate travel, intrastate travel, and critical infrastructure; and

WHEREAS, the Centers for Disease Control and Prevention (CDC) have issued public health guidance, including social distancing measures, the recommendation that everyone wear a cloth face covering when in public settings where social distancing measures are difficult to maintain, and that certain individuals take greater precautions; and

WHEREAS, local health officials have advised that in addition to practicing social distancing and staying at home as much as possible, additional measures that include the covering of an individual's nose and mouth will prevent asymptomatic individuals with COVID-19 from unknowingly spreading the disease; and

WHEREAS, local health officials have advised that stronger protective measures are required given Unalaska's remoteness, lack of road access to the mainland, and because the majority of our community's businesses are designated as essential, critical or support critical infrastructure; and

WHEREAS, the State of Alaska has specifically recommended communities with limited health care infrastructure or high-risk populations should consider limiting all non-essential travel;

WHEREAS, local health officials have advised that stronger protective measures are required to conserve limited local healthcare resources, as they strive to meet the needs of all community members and essential workforce employees; and

WHEREAS, as of April 8, 2021, there were 64,303 (residents and non-residents) cumulative known COVID-19 cases in the state, including travel-related cases in geographically isolated and remote communities; and

WHEREAS, as of April 8, 2021, 732 persons have tested positive for the virus in Unalaska; and

WHEREAS, Unalaska has been able to keep multiple cases or outbreaks limited and isolated, and has been successful in stopping community transmission of the virus in the past; and

WHEREAS, as of March 1, 2021, Unalaska's Local Risk Level was changed to Medium in accordance with Unalaska's COVID-19 Response Plan; and

WHEREAS, COVID-19 continues to pose a grave and imminent threat to the health, safety, order and welfare to the residents of the City; and

WHEREAS, as of April 8, 2021, at least 1,715 persons are known to have been fully vaccinated for the virus by IFHS & Eastern Aleutian Tribes and APIA/Oonalaska Wellness in Unalaska; and

WHEREAS, although the COVID-19 vaccine serves as a vital tool in our efforts to slow the spread of the virus and keep our schools and businesses open, the vaccine rollout will take time and it is important that communities remain vigilant in practicing mitigation strategies and safety measures; and

WHEREAS, this resolution shall have the same effect as a rule issued by the City Manager pursuant to Unalaska Code of Ordinances § 2.96.040.

NOW THEREFORE BE IT RESOLVED:

1. State Health Advisories. Everyone in the City of Unalaska (the City) must follow all current Health Advisories issued by the State of Alaska related to COVID-19. Review this resolution carefully, as some local requirements are more restrictive than state regulations.

2. Face Coverings. All customers and visitors of businesses and organizations that are open and operating must wear face coverings over their nose and mouth to provide additional protection for employees and customers. Additionally, employees and volunteers of open businesses and organizations must wear face coverings when interacting with customers and visitors. The face coverings need not be medical-grade masks or N95 respirators, but can be cloth face coverings. Face coverings may be temporarily removed as necessary and incidental to utilizing the business or service.

A cloth face covering is a material that covers the nose and mouth. It can be secured to the head with ties or straps or simply wrapped around the lower face. It can be made of a variety of materials, such as cotton, silk, or linen. A cloth face covering may be factory-made or sewn by hand, or can be improvised from household items such as scarfs, T-shirts, sweatshirts or towels.

A business owner or operator may refuse admission or service to any individual who fails to wear a face covering as required by this resolution.

3. Reserved.

4. Traveler Quarantine. A person traveling into the City by vessel or airplane, from another community or port, must self-quarantine for 10 days upon arriving at their destination and monitor for symptoms of illness. A quarantine period of 7 days is permitted with a negative PCR test result. Under the 7-day option, the test must be taken no sooner than the 6th day of quarantine. A person may not exit quarantine until results are known. The self-quarantine period of 10 days or 7 days and a negative test is referred to as the traveler quarantine period.

No quarantine is required for travelers who have tested positive for COVID-19 within the past 3 months and who have recovered, as long as no new symptoms develop. No quarantine is required for travelers who have been fully vaccinated for at least 14 days prior to the date of travel.

People traveling for critical business purposes are required to follow their approved plan according to State Health Advisory No. 4 and Section 5 of this Resolution.

- a. Employees of businesses engaged in Essential Services or Critical Infrastructure industries, traveling to Unalaska to provide such services, must self-quarantine immediately upon arrival, but may work during the traveler quarantine period, subject to the requirements in this section.

If their employer has filed the required protocol with the City as required at Section 5, critical workforce employees may work during their self-quarantine period in accordance with that protocol.

For essential workers in the fishing industry who are covered by Health Advisory No. 4, Appendix 01 (Seafood Processing Workers), Appendix 02 (Independent Commercial Fishing Vessels) or Appendix 03 (Independent Commercial Harvesters) the worker's Entry Quarantine must meet or exceed the recommendations of Health Advisory No. 4 and any related appendices.

All workers under this critical workforce exception are required to self-quarantine during non-work hours within the traveler quarantine period. During the traveler quarantine period, workers are not permitted to have contact with City residents that is not strictly necessary to perform their work, must follow the self-quarantine requirements at section d., below, and are otherwise restricted to the campus, bunkhouse, or vessel where they reside.

- b. Patients or travelers arriving in Unalaska/Dutch Harbor, whose final destination is not Unalaska/Dutch Harbor, are required to self-quarantine during their stopover, but not remain here for the entire traveler quarantine period. This includes, but is not limited to, air travel.
- c. For individuals arriving on a vessel, time spent at sea is credited to the traveler quarantine period. The time at sea is counted from the time of departure from the last port of call, provided that no one has embarked or disembarked since that time. Commercial fishing vessel captains shall maintain a ship's log or equivalent record demonstrating compliance

with State Health Advisories, including on board protective measures, and detailing all activities for which they seek credit for time at sea. For vessels subject to Health Advisory 4 and appendices, the Entry Quarantine standards must have been met in order to qualify for credit for time spent at sea.

For vessels that have been at sea over 10 days and no one has disembarked or boarded the vessel, no additional quarantine is required unless individuals are showing symptoms of COVID-19, including, but not limited to fever, chills, or respiratory symptoms. Vessels at sea for less than 10 days, where no one has disembarked or boarded the vessel, may complete their quarantine in port as long as quarantine is not broken for the remainder of the 10 days.

A positive COVID-19 test result from any crew member will negate any previously acquired at-sea credit, and all crew will be required to quarantine again if returning to Unalaska.

- d. Anyone who is required to self-quarantine must adhere to the following:
 - 1) A person in self-quarantine may leave the designated quarantine location for:
 - i. medical emergencies or to seek medical care;
 - ii. to travel in the person's personal vehicle or vessel, individually or with members of the person's household, without contacting others, so long as the person goes directly from the quarantine location to the vehicle or vessel and directly back to the quarantine location; and
 - iii. to participate in outdoor recreational activities (i.e. fishing, hiking) individually or with members of the person's household, without contacting others, so long as the person goes directly from the quarantine location to the recreational activity and directly back to the quarantine location.
 - 2) A person in self-quarantine may not visit any public spaces, including, but not limited to stores, pools, meeting rooms, fitness centers or restaurants.
 - 3) Visitors are not allowed in or out of the designated quarantine location other than a physician, healthcare provider, or individual authorized to enter the designated quarantine location by Unified Command.
 - 4) Comply with all rules or protocols related to your quarantine as set forth by your hotel or rented lodging.
 - 5) If a person is required to self-quarantine and there are other individuals in their residence, hotel room, or rented lodging, all persons in the quarantine location must comply with social distancing guidelines, sanitize regularly touched surfaces, and follow CDC best practices for hand washing.
- e. Travelers from other Alaskan communities, traveling to Unalaska on the Alaska Marine Highway System for critical personal needs, are exempt from the requirements of Section 4(d)(2) in that they may enter stores or businesses for critical personal needs. When not engaged in meeting critical personal needs, ferry travelers are required to follow self-quarantine requirements. Critical personal need is defined in State Health Advisory No. 3, issued February 14, 2021.

5. Essential Services/Critical Infrastructure Safety Plans and Protocols. Businesses identified as “essential services” or as “critical infrastructure” that are recommended to submit plans or protocols to the State under Health Advisory No. 4 are required to submit COVID-19 plans directly to the City if they are operating in Unalaska. The plans shall be in a format substantially similar to that recommended by State Health Advisory No. 4, or in a format approved by the City. Such businesses shall submit their plans, protocols, or relevant notifications to the City by email to COVID19PLANS@ci.unalaska.ak.us.

The City has adopted by reference the Alaska Essential Services and Critical Workforce Order, Amended May 5, 2020 for purposes of defining “Critical Workforce,” “Essential Services,” and “Critical Infrastructure.” The definitions in the May 5 Order apply regardless of the revocations of the State Health Mandates 10, 10.1 and 18. The definition of Essential Services and Critical Infrastructure in Resolution 2020-73, § 4 is extended and remains effective as long as the local emergency declaration is in place.

6. Business COVID-19 Protection Measures and Protocols. All businesses and organizations open and operating within the City shall comply with all relevant State of Alaska Health Advisories. By remaining open during the COVID-19 pandemic, organizations and businesses are expressly granting consent for entry during business hours under Unalaska Code of Ordinances § 1.16.010. This consent is limited to inspections of the public portions of the business and is for the limited purpose of enforcing state and local laws related to COVID-19. It does not alter UCO § 1.16.010 with regard to other violations or investigations.

All businesses and organizations, other than state, federal or municipal government facilities, which are open to members of the public at a physical location within the City shall post “COVID-19 Protection Measures and Procedures” on all entrances to and exits from the business. The “COVID-19 Protection Measures and Procedures” shall include, at minimum:

- a. The sanitation measures taken by the business or organization to prevent the spread of COVID-19.
- b. The social distancing measures taken by the business or organization to prevent the spread of COVID-19.
- c. A description of a process for obtaining goods or services from the business or organization without entering the business, if such a process is at all feasible.
- d. A contact number for individuals to report any violations of these measures to the owner or designee.
- e. Clearly state that any person with symptoms consistent with COVID-19 may not enter the premises.

7. Marine Tourism. Marine tourism includes travel to Unalaska for non-essential purposes by state ferry, a cruise ship of any kind, or private vessel. Marine tourism passengers and providers are required to adhere to resolutions, ordinances, orders of the City Manager, or any other local mandates related to public safety during the COVID-19 pandemic. Such mandates include, but are not limited to, the face covering requirement, traveler self-quarantine requirements, gathering size limitations, and industry safety protocol requirements. Local requirements are in addition to any laws, regulations, agreements or plans that apply to travelers, vessels, or businesses through the State of Alaska, the Center for Disease Control and Prevention (CDC), or the US Department of Homeland Security.

8. Penalties. Violation of this resolution is punishable as a misdemeanor under Unalaska Code of Ordinances § 2.96.090 and is a Public Nuisance, subject to the remedies in Unalaska Code of Ordinances, Title 11, Chapter 8, including prosecution as a minor offense.

9. Effective Date; Expiration. This resolution shall be effective at noon on Wednesday, April 14, 2021, and expires at noon on Wednesday, April 28, 2021. The City Council may extend it as necessary, or the City Manager may extend it or amend it pursuant to the emergency management powers under Unalaska Code of Ordinances § 2.96, and Resolution 2020-71. This resolution repeals and replaces any other inconsistent resolution or ordinance.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on April 13, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Roxanna Winters, CMC
Acting City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: April 13, 2021
Re: Resolution 2021-18: Continuing measures to protect public health

SUMMARY: On March 1, 2021 the local Risk Level was reduced to Medium and remains at Medium to date. Focus remains on what we can do to protect the health of our community and not overwhelm our health care system. By doing so, we also protect our local economy. We have demonstrated that mitigation strategies work, and it is important that we remain diligent in our efforts. Additionally, the vaccine availability is on the rise, and now all those over the age of 16 are eligible for the vaccine. This resolution continues the community wide protective measures currently in place.

PREVIOUS COUNCIL ACTION: On March 18, 2020, the Unalaska City Council passed Resolution 2020-16, declaring a local emergency to remain in effect for so long as the declaration of a Public Health Disaster in the State of Alaska remains in effect.

Council approved Resolution 2020-17 on March 24, 2020. The focus of Resolution 2020-17 was on hunkering down, traveler quarantine and the closure of non-essential business. The resolution expired April 15.

Council approved Resolution 2020-19 on April 14, extending and clarifying the orders outlined in Resolution 2020-17, and instituted additional measures protecting the public health. The resolution expired April 29, 2020.

Council approved Resolution 2020-25 on April 28, extending the orders in Resolution 2020-19. This resolution expired May 13, 2020.

Council approved Resolution 2020-34 on May 12, extending the orders in Resolution 2020-25 and replacing the "Hunker Down" section with a "Social Distancing" section. This resolution expired May 27, 2020. Also on May 12, Council discussed the topic of Cruise Ships and the Alaska Marine Highway System passengers.

Council approved Resolution 2020-36 on May 26, extending and clarifying the orders in Resolution 2020-34 and specifically addressing the Alaska Marine Highway System. This resolution expired June 10, 2020.

Council approved Resolution 2020-38 on June 9, extending and clarifying the orders in Resolution 2020-36 and removed the reference to the Alaska Marine Highway System. This resolution expired June 24, 2020.

Council approved Resolution 2020-41 on June 23, extending the orders in Resolution 2020-38 and allowing for individuals in traveler self-quarantine to go outside or in their personal vehicles and vessels with certain limitations. This resolution expired July 15, 2020.

Council approved Resolution 2020-45 on July 14, extending the orders in Resolution 2020-41 and clarified that time at sea counted toward the 14 day traveler self-quarantine time period. This resolution expired July 29, 2020.

Council approved Resolution 2020-49 on July 28, extending the orders in Resolution 2020-45, and removed a number of the “whereas” background statements to focus on the mitigation strategies and reduce the length of the document. This resolution expired August 12, 2020.

Council approved Resolution 2020-51 on August 11, extending the orders in Resolution 2020-49. This resolution expired August 26, 2020.

Council approved Resolution 2020-54 on August 25, extending the orders in Resolution 2020-51. This resolution expired September 9, 2020.

Council approved Resolution 2020-58 on September 8, extending the orders in Resolution 2020-54. This resolution expired September 23, 2020.

Council approved Resolution 2020-63 on September 22, extending the orders in Resolution 2020-58. This resolution expired October 14, 2020.

Council approved Resolution 2020-66 on October 13, extending the orders in Resolution 2020-63. This resolution expired October 28, 2020.

Council approved Resolution 2020-70 on October 27, extending the orders in Resolution 2020-66. This resolution expired November 11, 2020.

Council approved Resolution 2020-71 on November 10, 2020 extending the local declaration of the public health emergency through June 30, 2021. On that same date, Council approved Resolution 2020-72, extending the orders in Resolution 2020-70 and revising it to provide additional clarity if there is a change the State’s declaration of emergency. This resolution expired November 25, 2020.

Council approved Resolution 2020-73 on November 24, 2020, extending and further clarifying the orders in Resolution 2020-72. This resolution was set to expire on December 9 so that Council could reconsider the action at the December 8 Council Meeting.

In response to the change in the local risk level, Council approved Resolution 2020-74 at a Special meeting on December 1, 2020 extending the orders in Resolution 2020-73 and adding sections addressing a hunker down order, limits to public gatherings, and temporarily closing in person service at bars and restaurants.

Council approved Resolution 2020-77 on December 15, 2020 extending the orders in Resolution 2020-73 and revising it to provide additional clarity if there is a change the State’s declaration of emergency. This resolution was set to expire on January 13, 2021. Council decided it would call a Special Meeting to reconsider the restrictions if the local risk level was changed before then. The allowance for time spent at sea to count toward the local traveler self-quarantine was removed.

In response to the change in the local risk level, Council approved Resolution 2020-79 at a Special meeting on December 30, 2020. This resolution removed the hunker down order and public gathering size restriction, allowed for in person service at bars and restaurants to open to 50% capacity, and added back in the allotment for time at sea to count toward the local traveler self-quarantine. Additional clarification was also included for critical infrastructure industries in the traveler quarantine section.

In response to the increase in the local risk level to High, Council approved Resolution 2021-01 at a Special meeting on January 8, 2021. This resolution reinstated the hunker down order and the limit to public gathering size, and temporarily stopped in person service at bars and restaurants.

Council approved Resolution 2021-04 at their regular meeting on January 12, 2021. This resolution removed the hunker down order; removed the temporary closure of in-person dining, allowed for exceptions to the public gather size for schools, places of worship, and bars/restaurants.

Council approved Resolution 2021-05 at their regular meeting on January 26, 2021. The resolution clarified that police and other city employee may enter businesses for the purposes of monitoring compliance with the resolution or state health orders.

Council approved Resolution 2021-09 at their regular meeting on February 9, 2021. The resolution addressed marine tourism and Alaskan residents traveling on the Ferry to access critical needs. This was set to expire February 24, 2021 and will be revisited at the Council Meeting on February 23, 2021.

On February 10, 2021 the local Risk Level was reduced to Medium from High. A special meeting was scheduled for Council to consider Resolution 2021-10 removing the capacity restrictions currently in place. Council voted that resolution down given new information that would likely result in an increased risk level once again.

On February 23, 2021, Council approved Resolution 2021-11 extending previous protective measures, updating references to State Health Advisories and treating them as requirements, and updating Traveler Self Quarantine requirements to align with CDC guidance.

On March 3, 2021, Council approved Resolution 2021-13 at a Special Meeting extending many of the protective measures, removing limit to public gatherings because in response to the decreased Local Risk level, and updating Traveler Self Quarantine requirements to align with CDC guidance.

On March 23, 2021 Council approved Resolution 2021-15 extending previous protective measures. The resolution removed the three month time limitation for fully vaccinated individuals in the traveler quarantine section, based on updated guidance; and removed the passenger limit in taxis, consistent with the opening up of other business and gatherings.

BACKGROUND: The COVID-19 pandemic continues. Since November, the City has anticipated the state emergency declaration and regulations may lapse and has drafted its resolutions with this in mind. The resolution is currently designed to protect the City similarly if the state has no COVID-19 protections in place. There may be unforeseen consequences borne out through experience. Those variables will continue to be assessed and appropriate changes will be made in local regulations.

On November 10, the City Council declared a local state of emergency through June 30, 2021, and has continued passing resolutions addressing local public health protective measures for the community.

The State of Alaska's COVID-19 disaster declaration was allowed to expire on February 14, 2021. However, the support infrastructure of the State's Unified Command remains. The State Legislature continues discussing a disaster declaration of some sort, but nothing final has been approved.

The State has issued four health advisories, listed below, addressing general safety, travel and critical infrastructure, with appendices focusing on the seafood industry. The advisories are based on the latest epidemiological data and expertise within the Alaska Department of Health and Social Services and outline best practices to continue mitigating the spread of COVID-19.

Health Advisory 1 – Recommendations to Keep Alaskans Safe – Addresses the safety measures Alaskans can take to mitigate the spread of COVID-19.

Health Advisory 2 – International and Interstate Travel – While Alaska resident and nonresident travelers will no longer be required to have pre-travel negative tests upon arrival, it is still considered one of the best mechanisms to track the virus and prevent community spread. The existing airport testing infrastructure will remain in place to protect Alaskans and visitors alike.

Health Advisory 3 – Intrastate Travel – Outlines expectations of communities for allowing travel Critical Infrastructure personnel, as well as for community members and Critical Personal needs. The advisory recommends COVID testing three days prior to travel to locations on the road system and the Alaska Marine Highway System. For locations off the road system and the Alaska Marine Highway System, a test is recommended for trips lasting longer than 72 hours before returning to a rural community. Without a test, strict social distancing should be followed.

Health Advisory 4 – Critical Infrastructure – The advisory provides clear guidance for Critical Infrastructure businesses operating in Alaska to protect both communities and industries. There are appendices for Seafood Processing Workers; Independent Commercial Fishing Vessels; and Independent Commercial Harvesters.

On March 1, 2021 the local Risk Level was reduced to Medium. Since the pandemic began the risk level and the community wide protective measures have been addressed in a two-step process. Risk level is determined by Unified Command based on cases and related information. The community wide protective measures are approved by City Council resolution. Ultimately, the decisions on what is contained in the resolutions and when those details change are policy decisions made by Council.

Together, Unalaska has been able to keep multiple cases or outbreaks limited and isolated since the beginning of this pandemic. We have demonstrated that mitigation strategies work. No single tool is enough. Hand washing, face coverings, getting the flu shot, keeping social circles small, and social distancing measures are effective strategies and things we can all do to help. These strategies are further complimented by other tools such as testing and contact tracing. The mitigation strategies outlined in local resolutions (face coverings, quarantine, and safety protocols) are other tools aimed to help us keep our community and economy healthy. As exposure to this virus increases locally, additional mitigation strategies (hunkering down, limits to gathering sizes, and closure of in person service at bars and restaurants) are also warranted and effective. All of these are further strengthened by statewide Health Advisories and the local protective measures instituted by other municipalities throughout the state.

We remain optimistic about the COVID-19 vaccine rollout and cooperative efforts that are underway. The vaccine is a game changing tool in our efforts to slow the spread of the virus, and keep our schools and businesses open. The vaccine rollout takes time, however, and it is important that we remain vigilant in practicing other mitigation strategies and safety measures while more is learned about the benefits and additional guidance is provided by CDC and the State.

DISCUSSION: As of the drafting of this memo and resolution, the local Risk Level remains at Medium. This Resolution 2021-18 is set expire April 28, 2021 and will be revisited at the Council Meeting on April 27, 2021. The following protective measures from the previous resolution remain in this resolution, with any revisions noted:

- **State Health Advisories** - This section references and requires everyone in the City to follow the State's Health Advisories. This section has not changed.

- **Face Coverings** - Customers and visitors of businesses and organizations must wear a covering over their nose and mouth. Additionally, employees or volunteers of businesses and organizations to wear a face covering when interacting with customers or visitors. This section has not changed.
- **Traveler Self Quarantine** - Individuals traveling into the City by vessel or airplane must self-quarantine, with limited exceptions. This section has not changed.
- **Essential Services/Critical Infrastructure Safety Plans** - Businesses that are recommended to submit plans to the State as a result of Health Advisory 4, are required to submit those to the City if they are operating in Unalaska. This section has not changed.
- **Protective Protocols** - All business open to the public must post their basic measures to protect the public health on their doors. This section has not changed.
- **Marine Tourism** – This section provides guidance for those traveling for non-essential purposes on the state ferry, cruise ships or private vessels and clarifies that local safety protocols in this resolution do apply. This section has not changed.

ALTERNATIVES: Council may choose to approve, amend or disapprove this resolution. Ultimately, the decisions on what is contained in the resolutions addressing community wide protective measures – regardless of risk level – are policy decisions made by Council.

FINANCIAL IMPLICATIONS: Unknown at this time.

LEGAL: This resolution, like all the other resolutions protecting public health that Council has considered during this pandemic, was drafted in close collaboration with Sam Severin, one of our City Attorneys.

STAFF RECOMMENDATION: The City Manager recommends approval of the form of this resolution, as it has been developed based on Council discussions. Council may wish to alter some of the details based on further discussion.

PROPOSED MOTION: I move to approve Resolution 2021-18.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-19

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER ENTER IN TO THE MEMORANDUM OF AGREEMENT AMONG THE U.S. ARMY CORP. OF ENGINEERS ALASKA DISTRICT, THE OUNALASHKA /CHENA POWER, LLC AND THE ALASKA STATE HISTORIC PRESERVATION OFFICER REGARDING COMPONENTS OF THE MAKUSHIN GEOTHERMAL PROJECT LOCATED IN THE MAKUSHIN VALLEY, UNALASKA, ALASKA

WHEREAS, Ounalashka/Chena Power, LLC (OCCP) seeks to construct a geothermal plant and sell power to the City of Unalaska; and

WHEREAS, the Unalaska City Council approved the PPA, and authorized the City Manager to enter into the agreement on August 25, 2020 through Resolution 2020-55; and

WHEREAS, the Unalaska City Council approved the Amendment Number 1 to the PPA, and authorizes the City Manager to sign the amendment on March 30, 2021 through Resolution 2021-14; and

WHEREAS, OCCP is working through the permitting process with the Army Corps of Engineers for construction of their access road in Makushin Valley; and

WHEREAS, Army Corps of Engineers, selected as the lead federal agency, and the Alaska State Historic Preservation Office has determined that the project will have an adverse effect on the Makushin Valley WWII Historic District; and

WHEREAS, Army Corps of Engineers has invited the City of Unalaska to be signatory on a Memorandum of Agreement (MOA) for the project, allowing the City the opportunity to provide input on potential mitigation measures; and

WHEREAS, Army Corps of Engineers has developed the MOA in consultation with the signatories including the City of Unalaska and the MOA is currently being finalized; and

WHEREAS, given the magnitude of the Makushin Geothermal Project, City Council's formal authorization to sign onto the MOA for this component of the project is warranted;

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes enter into the MOA with the Army Corps of Engineers, and other signatories, regarding components of the Makushin Geothermal Project.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on April 13, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Roxanna Winters, CMC
Acting City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: April 13, 2021
Re: Resolution 2021-19: Army Corps of Engineers MOA

SUMMARY: Ounalashka/Chena Power, LLC (OCCP) is working through the permitting process with the Army Corps of Engineers for construction of their access road in Makushin Valley. Army Corps of Engineers has invited the City of Unalaska to be signatory on a Memorandum of Agreement (MOA) for the project, allowing the City the opportunity to provide input on potential mitigation measures. Army Corps of Engineers has developed the MOA in consultation with the signatories including the City of Unalaska and is finalizing the MOA now. Given the magnitude of the Makushin Geothermal Project, City Council's formal authorization to sign onto the MOA for this component of the project is warranted. Staff recommends approval.

PREVIOUS COUNCIL ACTION: The City continues to support efforts and programs for reliable and cost effective alternate energy sources, including geothermal. City Council has identified this support as a federal priority.

August 25, 2020

- Regular Meeting, City Council approved Resolution 2020-55, approving the PPA with OCCP and authorizing the City Manager to enter into the agreement.

March 9, 2021

- Work Session, OCCP provided City Council with an update on the project in preparation of considering an amendment to the PPA at the March 23, 2021 meeting. This presentation included information on a request for an amendment to the PPA to extend the deadline outlined in the PPA to obtain financing as well as the roadwork permitting through the Army Corps of Engineers and the associated MOA.

March 30, 2021

- Special Meeting continued from the Regular Meeting on March 23, City Council approves Resolution 2021-14, approving the PPA Amendment and authorizing the City Manager to sign said amendment. The amendment extended the deadline for OCCP to obtain financing and adjust the deadlines related to the Interconnection/Integration Plan.

BACKGROUND: OCCP is working through the permitting process with the Army Corps of Engineers, in hopes to begin access road construction. The Army Corps of Engineers was selected as the lead federal agency, and the Alaska State Historic Preservation Office has determined that the access road project will have an adverse effect on the Makushin Valley WWII Historic District, particularly the runway. The City of Unalaska was invited by the Corps to be a signatory on a Memorandum of Agreement for the project. The Tribe and OC have also been invited and agreed to be signers of the MOA. After consulting with the City Attorney, we communicated our interest in signing onto the MOA, but noted that the City Council would be asked to authorize the City Manager into signing the MOA given the magnitude of the Geothermal

Project as a whole. Being a signatory on the MOA would allow for the City to be engaged in defining how the Makushin Geothermal Project's adverse impacts might be mitigated. The Tribe and OC have also agreed to be signers of the MOA.

DISCUSSION: The Army Corps of Engineers provided the first draft of the MOA on March 1, 2021 (see the attachment). City staff reviewed the document and provided comments by the deadline of March 16, 2021. We had three primary areas of questions/comments, namely Ownership and Consultation Flow, Project Scope and Area Limits, and Right of Way designation. I also shared these comments with OC and the Tribe, who are also signatories of the MOA.

The Army Corps of Engineers provided the second draft and response to questions on March 25, 2021 (see the attachment). Staff reviewed these documents, and provided comments by the deadline of April 5, 2021. The Corps clarified that the MOA was focused on the roadway portion of the project and that the City owned the adjacent tidelands. They also corrected a statement in the MOA that OCCP owned land, when it is OC that owns the land. We also provided additional questions/comments, focused solely on the roadway being identified as Right of Way in the exhibit. This roadway is intended to be an access road on private property (owned by Ounalashka Corporation), and some of the roadway does align with an existing 17b easement. These comments were again shared with both OC and the Tribe.

To clarify this situation, OCCP has proposed the following wording that will be worked into the MOA: "***WHEREAS*** the USACE has consulted with the OC and the City of Unalaska, who own the land within the Makushin Valley WWII Historic District (UNL-00623) ***that includes a 17B easement on which a portion of the pending private access road will be routed, and has invited them to sign this MOA as an invited signatory; and***". This addresses our concern for clarity in the MOA and the City has let OCCP and the Army Corps of Engineers know were agreeable to this revision. The OC owns the land in this area, the City of Unalaska owns the adjacent tidelands.

The Army Corps of Engineers is currently putting together the final versions for signatures. This will include addressing additional feedback from Alaska State Historic Preservation Office. I am prepared to sign this final version as all our concerns for clarification in the MOA have been addressed.

FINANCIAL IMPLICATIONS: There are no direct financial implication with the approval of this resolution, other than staff time.

ALTERNATIVES: Council can choose approve or disapprove this resolution.

LEGAL: City Attorney Brooks Chandler has been engaged in discussions with OCCP from the beginning and remains so.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to approve Resolution 2021-19.

ATTACHMENTS:

- March 1, 2021 DRAFT MOA (with exhibits)
- March 25, 2021 Revised DRAFT MOA

MARCH 1, 2021 DRAFT

MEMORANDUM OF AGREEMENT

**AMONG THE U.S. ARMY CORP. OF ENGINEERS ALASKA DISTRICT, THE
OUNALASHKA CORPORATATION CHENA POWER, LLC AND THE ALASKA
STATE HISTORIC PRESERVATION OFFICER**

REGARDING

COMPONENTS OF THE MAKUSHIN GEOTHERMAL PROJECT

LOCATED IN THE

MAKUSHIN VALLEY, UNALASKA, ALASKA

WHEREAS the Ounalashka Corporation Chena Power, LLC (OCCP) proposes to carry out components of the Makushin Geothermal Project in the Makushin Valley (Project); and

WHEREAS the Project consists of components located in the Makushin Valley, Unalaska, Alaska, including the construction of a geothermal extraction area in the upper Makushin Valley, an access road and transmission line between the upper Makushin Valley and extraction area, and facilities at the mouth of the Makushin Valley; and

WHEREAS the Project requires a Section 404 permit under the regulations set forth in the Clean Water Act; and

WHEREAS the Project constitutes an Undertaking subject to review under Section 106 of the National Historic Preservation Act (NHPA) (54 USC 306108); and

WHEREAS the USACE is hereby designated as the lead Federal agency for the Undertaking under the provisions of 36 CFR 800.2(a)(2); and

WHEREAS USACE, in consultation with the Alaska State Historic Preservation Officer (AKSHPO), has defined the Undertaking's area of potential effects (APE), as defined in 36 CFR 800.16. The APE description is contained in Appendix A and B of this MOA; and

WHEREAS UNL-00556 (including a WWII-era dock), WWII Road, and WWII Airstrip located within the APE are contributing elements to the Makushin Valley WWII Historic District (UNL-00623), which is eligible for listing in the National Register of Historic Places (NRHP); and

WHEREAS the USACE, in consultation with the AKSHPO pursuant to 36 CFR Part 800, the regulations implementing Section 106 of the National Historic Preservation Act (54 U.S.C. §306108) has determined that construction of access roads will have an adverse effect on the Makushin Valley WWII Historic District (UNL-00623); and

WHEREAS the USACE has consulted with the OCCP and the City of Unalaska, who own the land within the Makushin Valley WWII Historic District (UNL-00623) and has invited them to sign this MOA as an invited signatory; and

WHEREAS the USACE has consulted with the Ounalashka Corporation and the Qawalangin Tribe and has invited them to sign this MOA as invited signatories; and

WHEREAS in accordance with 36 CFR § 800.6(a)(1), the USACE has notified the Advisory Council on Historic Preservation (ACHP) of its adverse effect determination with specified documentation, and the ACHP has chosen not to participate in the consultation pursuant to 36 CFR § 800.6(a)(1)(iii); and

NOW, THEREFORE, the USACE, AKSHPO, OCCP, the City of Unalaska, Ounalashka Corporation, and the Qawalangin Tribe agree that the Undertaking shall be implemented in accordance with the following stipulations to mitigate the adverse effects of the Undertaking on historic properties.

STIPULATIONS

The USACE shall ensure that the following measures are carried out:

I. Applicability

- A. This MOA applies only to the Project activities described in Appendix A, or as amended per Section VIII below.

II. Mitigation

- A. A qualified professional meeting the Secretary of the Interior's Professional Qualifications Standards in archaeology as per 36 CFR Part 61 (Qualified Archaeologist), will:
 1. Complete a Condition Assessment of the portion of the Makushin Valley WWII Historic District (UNL-00623) located within the APE, including: photo documentation and mapping of previously identified contributing elements to the Makushin Valley WWII Historic District (UNL-00623) within the APE.
 2. Complete an Evaluation Phase survey as defined in State of Alaska Historic Preservation Series No. 11, (*Standards and Guidelines for Investigating and Reporting Archaeological and Historic Properties in Alaska*) of identified contributing elements within the APE to collect sufficient information to determine if previously identified contributing elements within the APE are individually eligible for listing on the NRHP.
 3. Complete Historic American Landscape Survey (HAL) level photographic documentation of the WWII Airstrip and WWII Road section that will be adversely affected by Project.
 4. Conduct primary research of publicly-available references (i.e., historic aerial photographs, as-builts, etc.) to define the full extent of the WWII Road, including the portion outside of the APE.

III. Submittals

- A. The following products of mitigation activities will be submitted:
 1. A draft report for the district and contributing element, shall be submitted to AKSHPO within six months after the completion of all fieldwork. The USACE shall ensure that the report meets the guidelines established in the Cultural

Resources Investigations and Report Outline, Alaska Historic Preservation Series No. 11 (*Standards and Guidelines for Investigating and Reporting Archaeological and Historic Properties in Alaska*), and the Secretary of the Interior's Format Standards for Final Reports of Data Recovery Programs (42 FR 5377-79). The report will include new and/or updated Alaska Heritage Resource Survey (AHRS) cards. Upon receipt, AKSHPO shall have 30 calendar days to review the draft and submit comments to the USACE.

2. The USACE shall take into consideration AKSHPO's comments. Submittal of the final mitigation report shall consist of two printed copies and one electronic copy sent to AKSHPO no later than 60 days after receipt of comments.
3. Upon completion of the final mitigation report, USACE will have a public report written that summarizes the information included in the mitigation report. One bound copy and one electronic copy of the public report will be provided to the AKSHPO, the City of Unalaska, the Museum of the Aleutians, the WWII Visitor Center (ran by Ounalashka Corporation), the Unalaska Public Library, the Unalaska City School, and Eagle's View Elementary for use by the public.
4. An electronic version of the public report will also be made available on the Project website.
5. A short format HALS history documentation that will be submitted to HALS office and finally transmitted to the Library of Congress.

IV. Curation

- A. Any artifacts, human remains, and other cultural materials collected pursuant to this agreement will remain the property of the landowner. The landowner may designate a curation facility for the artifacts, human remains, and other cultural materials and the project will pay for any curation costs.

V. Unanticipated Discoveries

- A. The USACE, in coordination with the OCCP, shall ensure that the following stipulations are carried out in the case of an unanticipated discovery during construction:
 1. All work that might adversely affect the newly discovered cultural resource shall cease, no less than 50 feet from the find, and the location secured, until a Qualified Archaeologist examines the find and makes a recommendation on its eligibility for listing on the NRHP. Project personnel will photograph, document, and provide a GPS point of the newly discovered cultural resource and send the data to the Qualified Archaeologist for review. USACE will notify Signatories of an unanticipated discovery within one business day. The Qualified Archaeologist may make their initial recommendation by telephone and will follow up with a letter within 5 calendar days of examining the find. If the find appears to be significant or the archaeologist is unable to make a recommendation based on the materials provided by the project personnel, the Qualified Archaeologist will be brought to the site to conduct additional survey and documentation and, if appropriate monitoring of ground disturbing activities.

2. The Qualified Archaeologist, the USACE, and the OCCP will consult with the AKSHPO, the landowner, and any other appropriate consulting parties to reach an official NRHP determination of eligibility. Additional consulting parties will be determined by USACE, in consultation with AKSHPO.
 3. Consultation with AKSHPO and any other parties will be carried out in an expeditious manner so as to avoid unnecessary delays to the Undertaking. AKSHPO may provide the USACE with initial comments by telephone and will follow up with a letter within 5 business days of the request for comments.
 4. If the newly discovered resource is determined to be eligible for listing on the NRHP, the USACE, OCCP, AKSHPO, and the other parties included in the discovery consultation will develop a mitigation plan for the newly discovered historic property.
- B. The USACE will request the ACHP's comments on discoveries if the USACE fails to reach agreement with AKSHPO on appropriate mitigation actions.
- C. The OCCP will not resume work in the vicinity of newly discovered cultural resource until the AKSHPO concurs in writing that the find is not a historic property, or the agreed upon on-site mitigation measures have been completed.

VI. Inadvertent Discovery of Human Remains and/or Grave Goods

- A. Procedures for the Treatment of Alaska Native or Non-Alaska Native remains, recent, or unknown remains inadvertently discovered on State, Private, or Public Lands.
1. The OCCP will follow standard operating procedures for the inadvertent discovery of human remains on non-Federal lands in accordance with Alaska Statutes 12.65.005(a)(1), 18.50.250, and the Memorandum of Understanding between the Alaska Office of History and Archaeology, State medical examiner, and Alaska State Troopers (Appendix C).
 2. Upon discovery all activity in the vicinity of the human remains must cease and the site must be secured against further intrusion.
 3. The person making the discovery shall immediately contact the OCCP by phone and follow up with written notification.
 4. The OCCP will immediately notify a Qualified Archaeologist with forensic expertise, who will examine the remains to determine if they are human.
 5. If the remains are determined to be human, the OCCP will immediately notify a peace officer of the State, the State medical examiner, the Alaska State Troopers, the Alaska Bureau of Investigation, and the AKSHPO, per AS 12.65.005(a)(1). In addition, the USACE will notify Alaska Native organizations including but not limited to The Qawalangin Tribe of Unalaska.
 6. A qualified person with the appropriate level of expertise as decided by the State medical examiner, or the AKSHPO, must examine the remains to determine postmortem interval.

7. Remains determined to be ancient (>100 years) will be reported to the AKSHPO by phone and in writing along with the location coordinates and a basic inventory.
8. If the remains are determined to be non-Native, the USACE will notify the descendants, if known. If no descendants are found, the OCCP shall have the remains re-interred in a designated area, following all applicable state laws.
9. If the racial identity of any human remains is in question, an anthropologist experienced in the analysis of human remains shall examine them. The anthropologist shall be afforded no more than 30 days to conduct his or her analysis.
10. If the human remains are determined to be Native, the USACE will coordinate consultation with Alaska Native organizations (including but not limited to the The Qawalangin Tribe of Unalaska), the AKSHPO, and other entities with affiliations with Native human remains to develop a written, binding treatment plan.
11. Should human remains need to be removed, relocated, transported, or reburied, the OCCP will contact the Alaska Bureau of Vital Statistics, Alaska Department of Health and Social Services to obtain a disinterment-reinternment permit and/or burial-transit permit as per AS 18.50.250.
12. The OCCP and their contractors will follow the direction of the Alaska State Troopers, State Medical Examiner, or local peace officer for treatment and disposition of human remains determined to be recent (<100 years).

VII. Dispute Resolution

Should any signatory or consulting party to this MOA object at any time to any actions proposed or the manner in which terms of this MOA are implemented, the USACE shall consult with such party to resolve the objection. If the USACE determines the objection cannot be resolved, the USACE shall:

- A. Forward all documentation relevant to the dispute including the USACE's proposed resolution to the ACHP. The ACHP shall provide the USACE with its advice on the resolution of the objection within thirty (30) days of receiving adequate documentation. Prior to reaching a final decision on the dispute, the USACE shall prepare a written response that takes into account any timely advice or comments regarding the dispute from the ACHP, signatories and consulting parties, and provide them with a copy of this written response. The USACE will then proceed according to its final decision.
- B. If the ACHP does not provide its advice regarding the dispute within the thirty (30)-day period, the USACE may make a final decision on the dispute and proceed accordingly. Prior to reaching such a final decision, the USACE shall prepare a written response that takes into account any timely comments regarding the dispute from the signatories and consulting parties to the MOA and provide them and the ACHP with a copy of such written response.

- C. The responsibility of USACE, in coordination with OCCP, to carry out all other actions subject to the terms of this MOA that are not the subject of the dispute remain unchanged.

VIII. Amendments

This MOA may be amended when such an amendment is agreed to in writing by all signatories. The amendment will be effective on the date it is signed by all the signatories and a copy will be filed with the ACHP by USACE.

IX. Termination

If any signatory to this MOA determines that its terms will not or cannot be carried out prior to the expiration, that party shall immediately consult with the other signatories to attempt to develop an amendment per *Stipulation VIII: Amendments*. If within thirty (30) days (or another time period agreed to by all signatories) an amendment cannot be reached, any signatory may terminate the MOA upon written notification to the other signatories.

Once the MOA is terminated, and prior to work continuing on the Undertaking, USACE must either (a) execute a MOA pursuant to 36 CFR § 800.6 or (b) request, take into account, and respond to the comments of the ACHP under 36 CFR § 800.7. The USACE shall notify the signatories as to the course of action it will pursue.

X. Failure to Carry Out Agreement

In the event the USACE, in coordination with the OCCP, does not carry out the terms of this MOA or if the ACHP determines under 36 CFR 800.14(b)(2)(v) that the terms of this MOA are not being carried out, the USACE will comply with 36 CFR 800.3 through 800.7 with regard to individual Undertakings covered by this MOA.

XI. Anti-Deficiency Act

All requirements set forth in this MOA requiring the expenditure of funds are expressly subject to the availability of appropriations and the requirements of the Anti-Deficiency Act (31 U.S.C. Section 1341). No obligation undertaken by the USACE, in coordination with OCCP, under the terms of this MOA will require or be interpreted to require a commitment to expend funds not obligated for a particular purpose.

- A. If the USACE, in coordination with the OCCP, cannot perform any obligations set forth in the MOA due to the unavailability of funds, the USACE, OCCP, the AKSHPO, and the ACHP intend the remainder of the agreement to be executed.
- B. In the event that any obligation under the MOA cannot be performed due to the unavailability of funds, the USACE agree to utilize their best efforts to renegotiate the provision and may require that the parties initiate consultation to develop an amendment to this MOA when appropriate.

XII. Execution in Counterparts

This MOA may be executed in counterparts, with a separate page for each Signatory and Invited Signatory.

Execution of this MOA by the USACE, the OCCP, and AKSHPO, and implementation of its terms, serve as evidence that the USACE has taken into account the effects of this Undertaking on historic properties and afforded the ACHP an opportunity to comment.

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MEMORANDUM OF AGREEMENT
AMONG THE U.S. ARMY CORP. OF ENGINEERS ALASKA DISTRICT, THE
OUNALASHKA CORPORATATION CHENA POWER, LLC AND THE ALASKA
STATE HISTORIC PRESERVATION OFFICER
REGARDING
COMPONENTS OF THE MAKUSHIN GEOTHERMAL PROJECT
LOCATED IN THE
MAKUSHIN VALLEY, UNALASKA, ALASKA

U.S. Army Corps. Engineers, Alaska District

Date: _____

Shannon Johnson
South Branch Chief

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MEMORANDUM OF AGREEMENT
AMONG THE U.S. ARMY CORP. OF ENGINEERS ALASKA DISTRICT, THE
OUNALASHKA CORPORATATION CHENA POWER, LLC AND THE ALASKA
STATE HISTORIC PRESERVATION OFFICER
REGARDING
COMPONENTS OF THE MAKUSHIN GEOTHERMAL PROJECT
LOCATED IN THE
MAKUSHIN VALLEY, UNALASKA, ALASKA

The Ounalashka Corporation Chena Power, LLC

Date: _____

Bernie Karl
President

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MEMORANDUM OF AGREEMENT
AMONG THE U.S. ARMY CORP. OF ENGINEERS ALASKA DISTRICT, THE
OUNALASHKA CORPORATATION CHENA POWER, LLC AND THE ALASKA
STATE HISTORIC PRESERVATION OFFICER
REGARDING
COMPONENTS OF THE MAKUSHIN GEOTHERMAL PROJECT
LOCATED IN THE
MAKUSHIN VALLEY, UNALASKA, ALASKA

Alaska State Historic Preservation Officer

Date: _____

Judith Bittner
Alaska State Historic Preservation Officer

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MEMORANDUM OF AGREEMENT
AMONG THE U.S. ARMY CORP. OF ENGINEERS ALASKA DISTRICT, THE
OUNALASHKA CORPORATATION CHENA POWER, LLC AND THE ALASKA
STATE HISTORIC PRESERVATION OFFICER
REGARDING
COMPONENTS OF THE MAKUSHIN GEOTHERMAL PROJECT
LOCATED IN THE
MAKUSHIN VALLEY, UNALASKA, ALASKA

The City of Unalaska

Date: _____

Erin Reinders
City Manager

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MEMORANDUM OF AGREEMENT
AMONG THE U.S. ARMY CORP. OF ENGINEERS ALASKA DISTRICT, THE
OUNALASHKA CORPORATATION CHENA POWER, LLC AND THE ALASKA
STATE HISTORIC PRESERVATION OFFICER
REGARDING
COMPONENTS OF THE MAKUSHIN GEOTHERMAL PROJECT
LOCATED IN THE
MAKUSHIN VALLEY, UNALASKA, ALASKA

Ounalashka Corporation

Date: _____

Natalie A. Cole
Chief Operating Officer/General Counsel

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MEMORANDUM OF AGREEMENT
AMONG THE U.S. ARMY CORP. OF ENGINEERS ALASKA DISTRICT, THE
OUNALASHKA CORPORATATION CHENA POWER, LLC AND THE ALASKA
STATE HISTORIC PRESERVATION OFFICER
REGARDING
COMPONENTS OF THE MAKUSHIN GEOTHERMAL PROJECT
LOCATED IN THE
MAKUSHIN VALLEY, UNALASKA, ALASKA

Qawalangin Tribe

Date: _____

Christopher Price

CEO

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Appendix A: Makushin Geothermal Project Description: Makushin Valley Components

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The Makushin Geothermal Project is located on Unalaska Island, Alaska with Project components in both the Makushin Valley and Amaknak Island. These components will be connected by an underwater cable across Unalaska Bay. This Memorandum of Agreement (MOA) applies to the Makushin Valley segment of the Project (Figure 1, Figure 2, and Appendix B).

The Makushin Valley segment includes construction of the following components:

- 1) Lower Makushin Valley
 - a) Transmission station measuring 40-feet (ft) by 60-ft in the lower Makushin Valley
 - b) A 20-person camp with a preferred location near Material Site A, and the alternative site located on the WWII airstrip.
 - i) The camp consists of Atco type structures (12 ft by 50 ft) on steel skids with no foundations. Water and sewage are provided by A/G tankage and serviced with pump trucks.
 - c) Docks
 - i) Two nonpermanent floating docks (50 ft by 10 ft) will be constructed with wide flange steel beam stringers connected together with steel piping. Railroad flat cars will comprise the deck of the floating dock. A 175-ton crane will move the floating dock into position, drive the four studs into position, and be used to remove the dock.
 - d) Material site
 - i) Two 400-ft by 400-ft material sites located between the Access Road right-of-way and the Makushin River.
- 2) Upper Makushin Valley
 - a) Production and injection wells
 - i) Three production wells and three injection wells, each 100 ft by 100 ft.
 - ii) Large production drill rigs will be used to installation.
 - b) 50-person camp near power house at the head of Makushin Valley
 - i) Gravel pad footprint is 5,000 square (sq) ft. The pad will be constructed over geotextile fabric with no excavation into undisturbed ground. Thirty units of 12-ft by 50-ft self-supporting modular units comprise the camp. The units sit directly on the gravel pad using timber sleepers for leveling and support.
 - c) Water will be hauled or a well may be developed. Trash will be hauled out by truck.
 - d) A below ground septic system for the camp will be constructed consisting of a septic camp and a 50-ft by 15-ft leach field.
 - e) Pipeline
 - i) Project will have 2.5 miles (mi) of pipeline. Project will use 24-inch (in)-diameter pipe narrowing to 12-in to 16-in-diameter. Pipelines are above ground on steel pilings or are on ground gravel pads supported by wooden sleepers to allow for expansion and contraction.
 - f) Power plant
 - i) Seven modular power units and two lines of heat exchangers around the perimeter of the gravel pad (1,000 ft by 400 ft). Pre-fabricated power units will be on skids capable of self-supporting but will likely be on pile-driven foundations. The gravel pad will be constructed over geotextile fabric with no excavation into ground surface.
 - g) Material site

- i) Material Site St-1 is 400 ft by 400 ft and located near the 50-person camp.
- 3) Access Road
- a) A gravel road 9.629-mi-long between the Upper and Lower Makushin Valley. The road will have a 30-ft crown with ditches on each side. Construction will be balanced-cut and fill in 95% of route, and fill in the other 5%.
 - b) Railroad car bridges at four locations.
 - i) Concrete abutments on each end of span will support the bridge. The abutments will be pre-cast concrete blocks brought to the site and set into prepared ground.
 - ii) Culverts will vary from 12 in to 36 in CMP's. Inverts will be laid just below natural grade and sloped in with cut/fill balance to match natural grade.
- 4) Transmission line
- a) The subsurface transmission line is located under the Access Road.

Known AHRS sites in the Makushin Valley portion of the APE include the Makushin Valley WWII Historic District (UNL-00623) and its contributing elements: UNL-00556 (including a WWII-era dock), a WWII Road system, and a WWII Airstrip. The Makushin Valley WWII Historic District (UNL-00623) is eligible for listing on the NRHP under Criterion A for its association with WWII activity in the Aleutian Islands.

A 3,838.29-ft section of the WWII road in the lower Makushin Valley was surveyed in 2020 (Sweeney 2020). Based on aerial imagery the road ascends the valley, and crossed the Makushin River several times, with some segments washed out by the river. The recorded portion of the WWII road is 23.95-ft wide and consists of a 5.5-ft thick gravel lens on top of the ground surface. The gravel used in the construction of the WWII airstrip and road appears to have come from a gravel source located between two beach ridges, near UNL-00556.

The WWII airstrip runs east-west and is 2,008.57-ft long and 101.38-ft wide. The airstrip was constructed by applying a 5.5-ft thick gravel lens on top of the ground surface. There are ditches around the perimeter of the airstrip. There is no apron or turn-around areas associated with the airstrip. The WWII road enters the runway on the eastern end and exits it at the western end.

UNL-00556 is a WWII installation that had its own power, water, communications and housing. The exact function of the facility is not apparent from the physical remains. The remains of a WWII dock, is a feature associated with UNL-00556. The dock is located in the intertidal zone, extending out from the beach grass area for approximately 30-ft. The dock does not extend into the surf. At one time it probably did extend into the water, but storms may have damaged the dock. The remaining dock measured 29-ft long by 12-ft wide, and consisted of five round wood pilings (13-in diameter) with 13-in by 13-in square cross beams, and was covered by 4-in by 12-in decking. Most of the decking is missing. The timbers and hardware utilized in the construction of the dock were consistent with those used during the WWII-era, though they were not definitively dateable.

Projects activities planned within the boundaries of UNL-00623 include access road construction over a section of the WWII road and WWII airstrip, and the installation of two temporary docks adjacent to the WWII dock associated with UNL-00556.

The Project will install two temporary docks measuring 50-ft by 10-ft. The docks will be installed by a 175-ft crane moving the docks into position and driving four studs to secure the docks. One of the temporary docks is 81-ft away from the WWII dock associated with UNL-00556 and UNL-00623. Although there is no direct impact on the WWII dock, the Project will establish a buffer around the WWII dock with flagging and avoid impacting the WWII dock during construction activities in the Makushin Valley.

The Project is constructing a 9.6287-mi-long access road in the Makushin Valley. The first 0.7269 mi of the access road will overlap the WWII road. Currently, the WWII road extends from UNL-00556 along a beach ridge to the WWII airstrip and west up the Makushin Valley for an approximate length of 7.17 mi. The WWII road in the lower Makushin Valley is 23.95-ft wide and consists of a 5.5-ft-thick gravel lens on top of the ground surface. The access road will be wider than the current WWII road; gravel will be applied so there will be a 30-ft crown with ditches on each side. In addition, a railroad car bridge will be installed within the first 0.7269 mi which consists of installing concrete abutments on each span of the bridge. The abutments will be placed on prepared ground. Culverts will be installed with diameters ranging from 12 to 36 inches.

The access road will also be constructed over the WWII airstrip. The WWII airstrip is located along the WWII road. The WWII airstrip runs east-west and is wider than the WWII road; 101.38-ft-wide by 2,008.57-ft-long. The WWII airstrip was constructed by the application of a 5.5-ft-thick gravel lens on top of the ground surface. There are drainage ditches around the perimeter of the airstrip. The access road construction will have an impact on the original construction elements of the WWII airstrip. The WWII airstrip will be covered with gravel fill to create a 50-ft-wide crown and there will be ditching on either side of the road. The access road will become the predominate feature and the WWII airstrip will be almost completely built over.

Access road construction will have an adverse effect on the integrity of the WWII road as a contributing element to the Makushin Valley WWII Historic District (UNL-00623). The location of the WWII road will remain the same as will the WWII road's association and setting in the surrounding landscape. The design of the WWII Road will be impacted since it will be covered by the new construction and disturbed by the bridge abutments and installation of culverts. The feeling the WWII Road evokes of the WWII defense activities on Unalaska will also be diminished due to the new construction.

Access road construction will have an adverse effect on the integrity of the WWII airstrip as a contributing element to the Makushin Valley WWII Historic District (UNL-00623). The WWII airstrip will be covered with gravel fill to create a 50-ft-wide crown and there will be ditching on either side of the road. The access road will become the predominate feature and the WWII

airstrip will be almost completely built over. Although the location of the WWII airstrip remains the same, there will be little design, setting, feeling or association remaining for the WWII airstrip.

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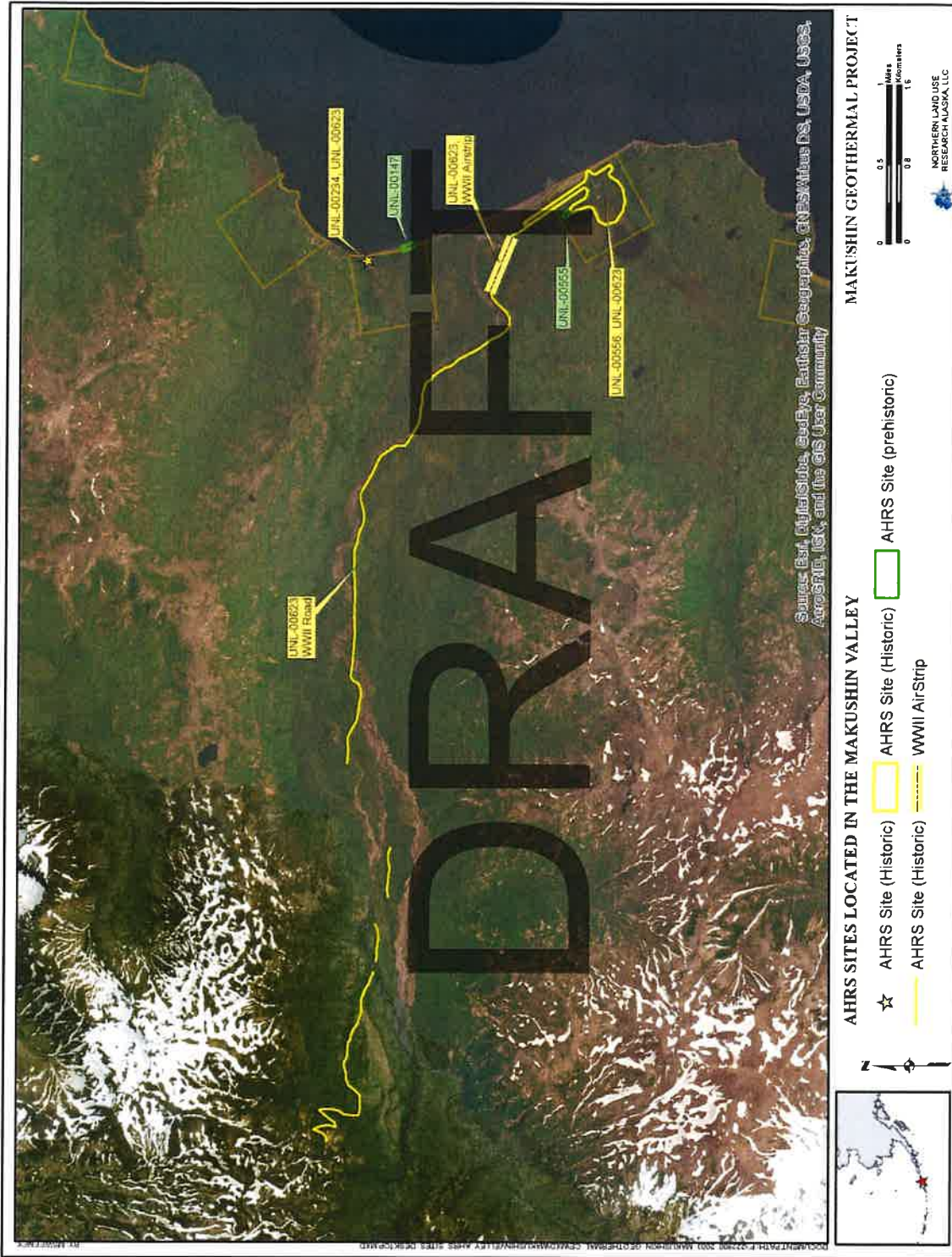


Figure 2. AHRs sites located in the Makushin Valley, Unalaska, Alaska.

Appendix B: Project APE Maps

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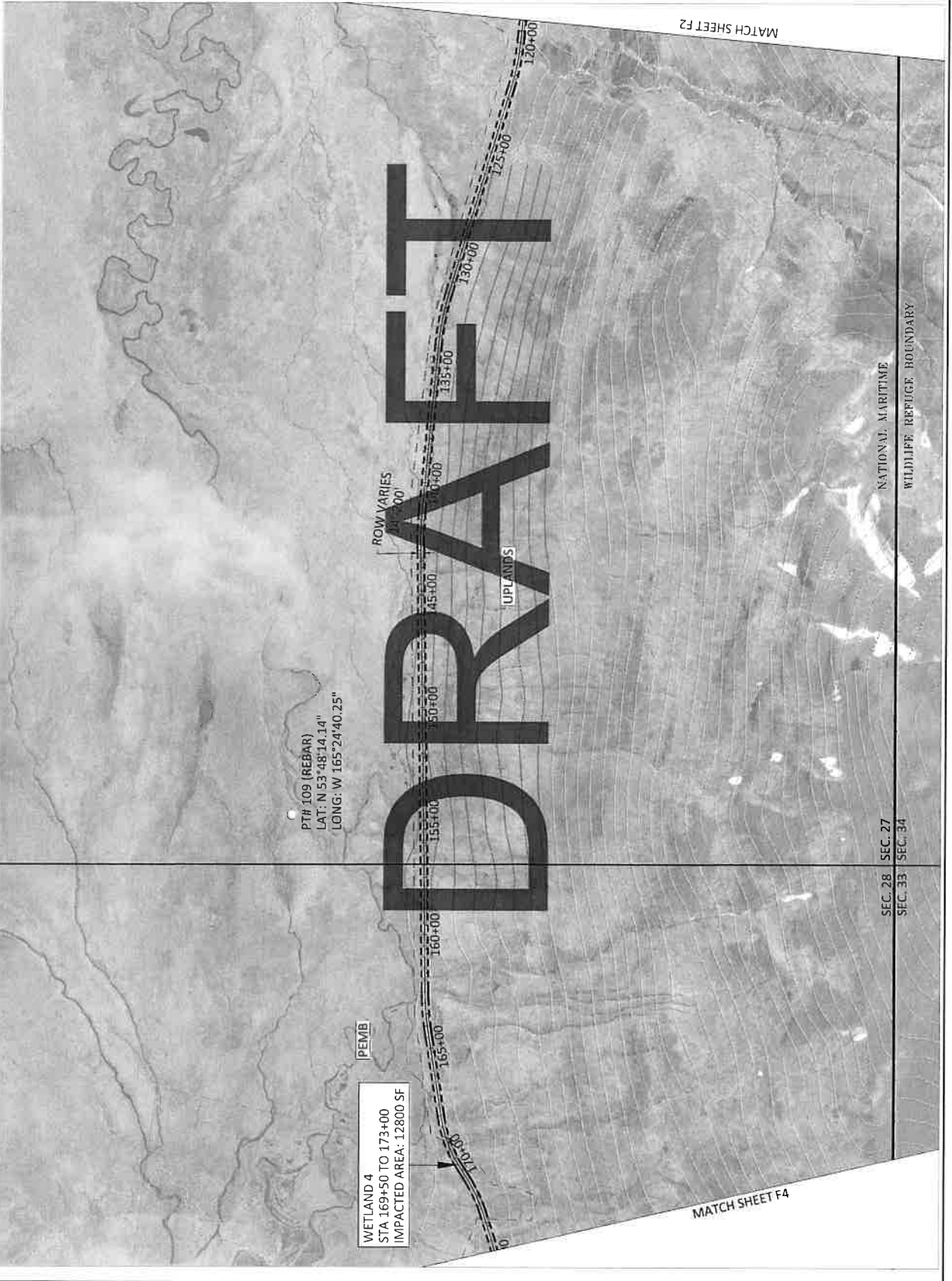
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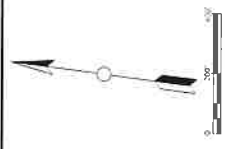
GENERAL NOTES

- Wetlands
- Boundary
- Existing WW2
- Road
- Proposed Road
- ROW
- Cultural Resource
- Wetlands Impact
- Found BLM Monument

1	2018	10/10/2018	REVISED PER
2	2018	10/10/2018	REVISED PER
3	2018	10/10/2018	REVISED PER
4	2018	10/10/2018	REVISED PER
5	2018	10/10/2018	REVISED PER
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11	2018	10/10/2018	REVISED PER
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24	2018	10/10/2018	REVISED PER
25	2018	10/10/2018	REVISED PER
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100	2018	10/10/2018	REVISED PER



GENERAL NOTES

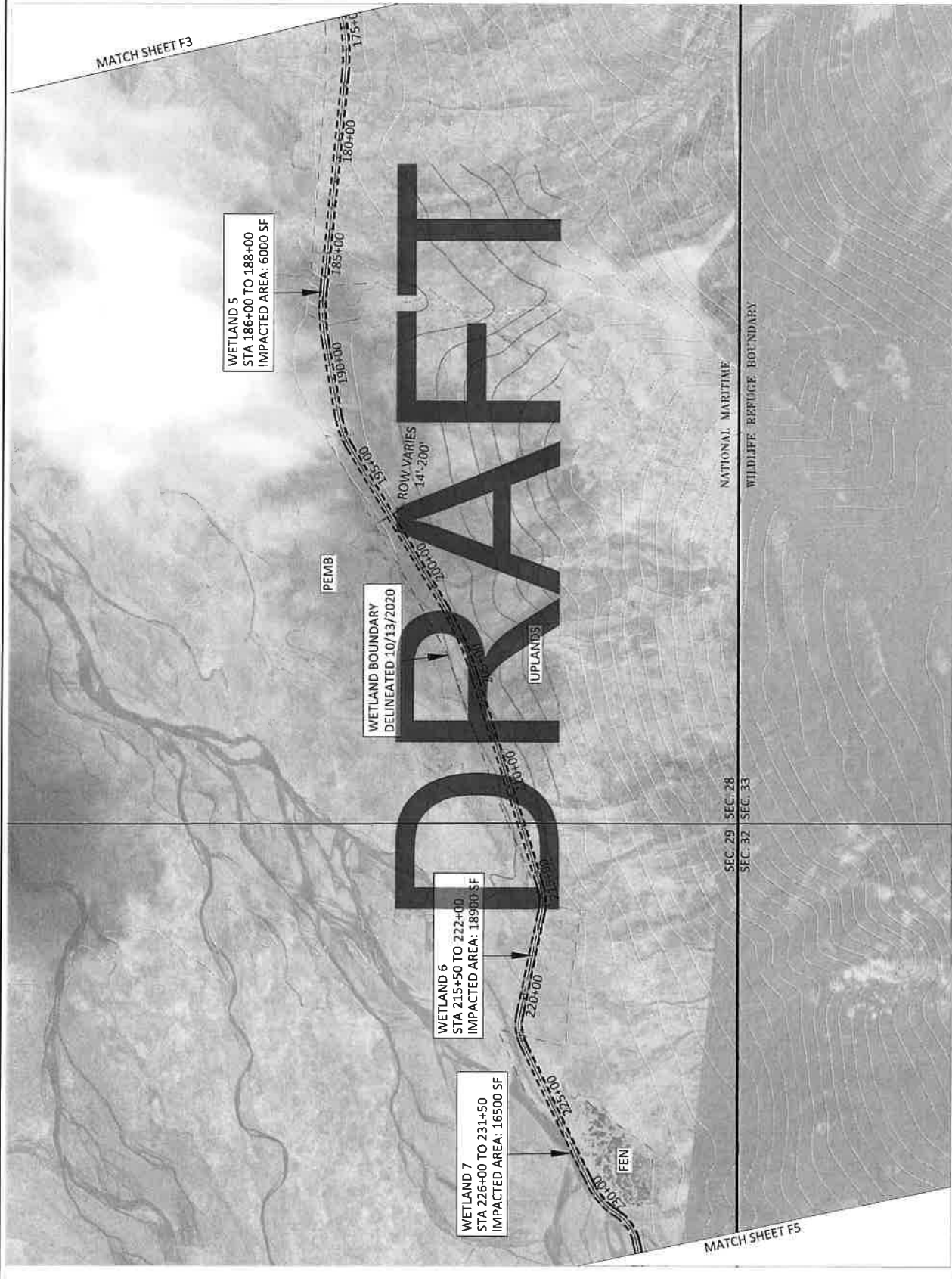


- Wetlands Boundary
- Existing WW2 Road
- Proposed Road
- ROW
- Cultural Resource
- Wetlands Impact
- Found BLM Monument

1	1719 - Malaga Wetlands, Inc. - 1719 Malaga Wetlands, Inc.
2	1778 - Malaga Cultural Resources - 1778 Malaga Cultural Resources
PREP	DRH/Donnellson

PROJECT	QUADRAH GROUNDWATER PROJECT
FILE NO.	20-1121
WETLANDS	WETLANDS
PERMITS/REGULATION	FIL
LOCATION	WETLANDS BOUNDARY, 1719 MALAGA WETLANDS, 1719 MALAGA WETLANDS
COORDINATES	4471 10780

SHEET	F4
DATE	12/15/2020
SCALE	1" = 400'



SEC. 29 SEC. 28
SEC. 32 SEC. 33

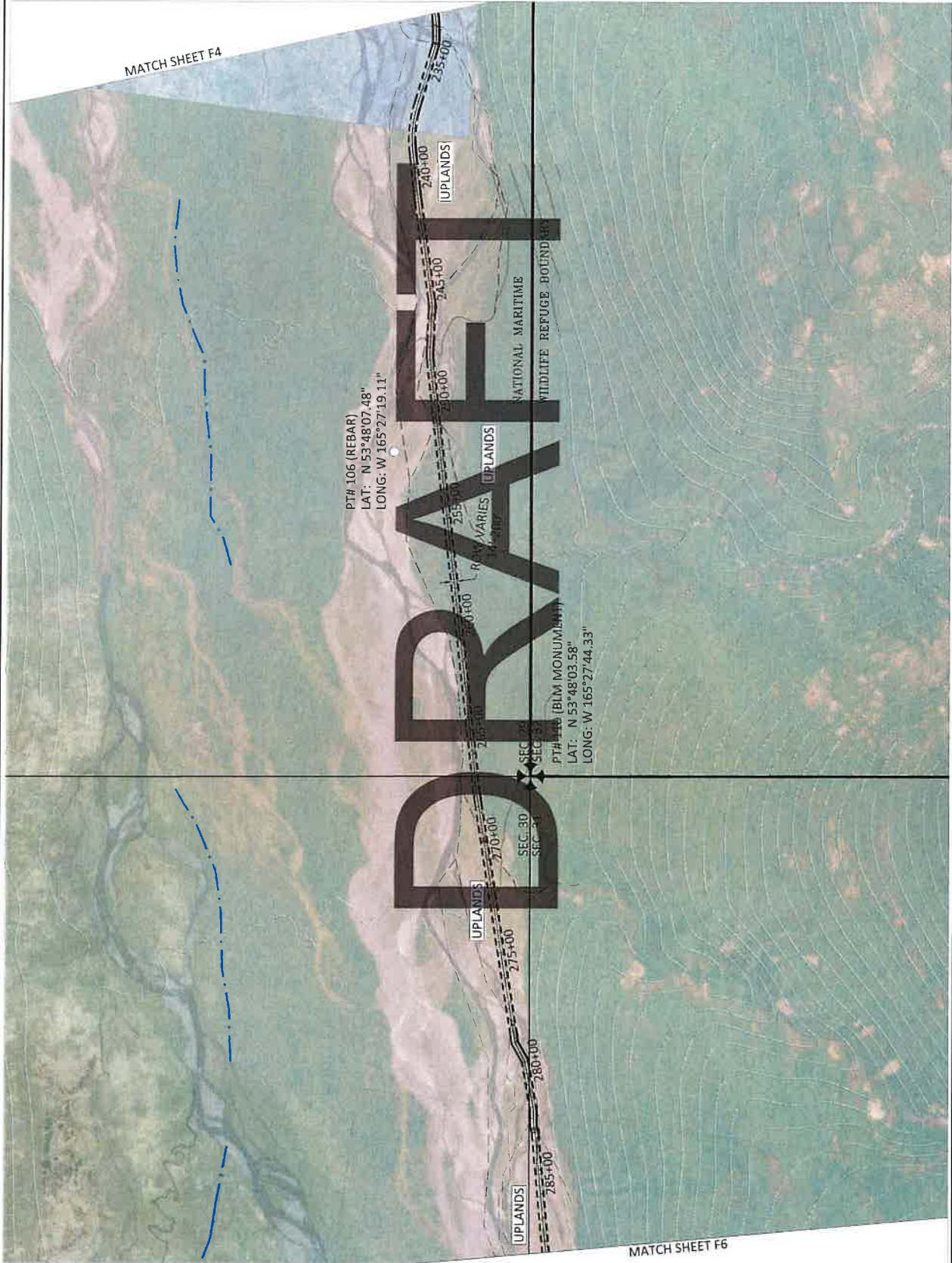
MATCH SHEET F5

GENERAL NOTES

- Wetlands Boundary
- Existing WW2 Road
- Proposed Road
- ROW
- Cultural Resource
- Wetlands Impact
- Found BLM Monument

1	100% REBAR TO MATCH DATA
2	100% REBAR TO MATCH DATA
3	100% REBAR TO MATCH DATA
4	100% REBAR TO MATCH DATA
5	100% REBAR TO MATCH DATA

PROJECT	CHANDLER
OWNER	CHANDLER
DESIGNER	CHANDLER
DATE	11/15/2022
SCALE	1" = 400'
SHEET	F5



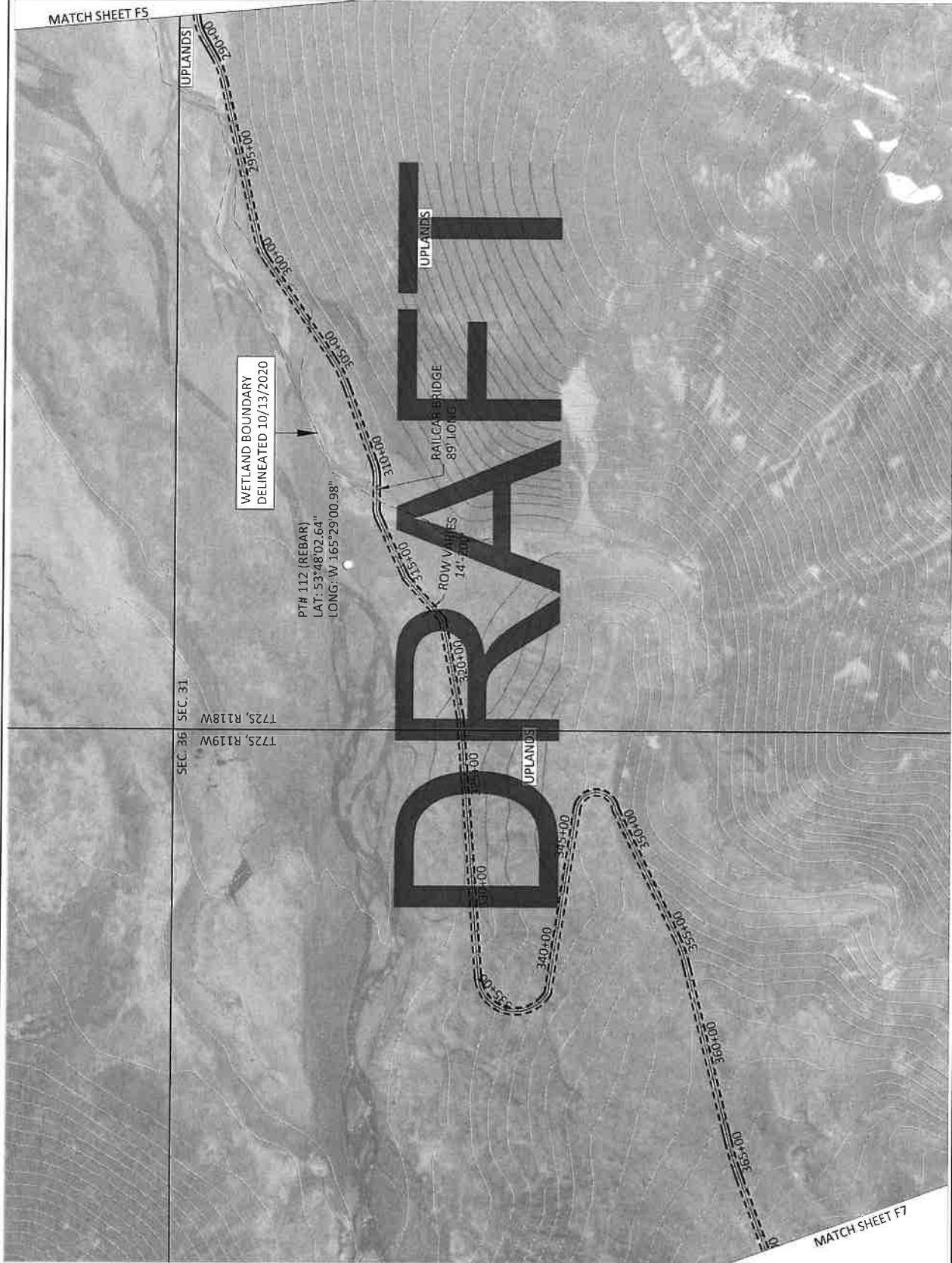
GENERAL NOTES

- Wetlands Boundary
- Existing WW2
- Road
- Proposed Road
- ROW
- Cultural Resource
- Wetlands Impact
- Found BLM Monument

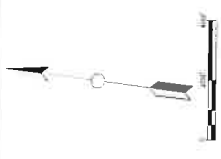
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2	DATE: 10/13/2020	BY: [Signature]
3	DATE: 10/13/2020	BY: [Signature]

PROJECT:	AMALGAMATED FEDERAL & STATE WETLANDS
DATE:	10/13/2020
SCALE:	1" = 400'

F6



GENERAL NOTES

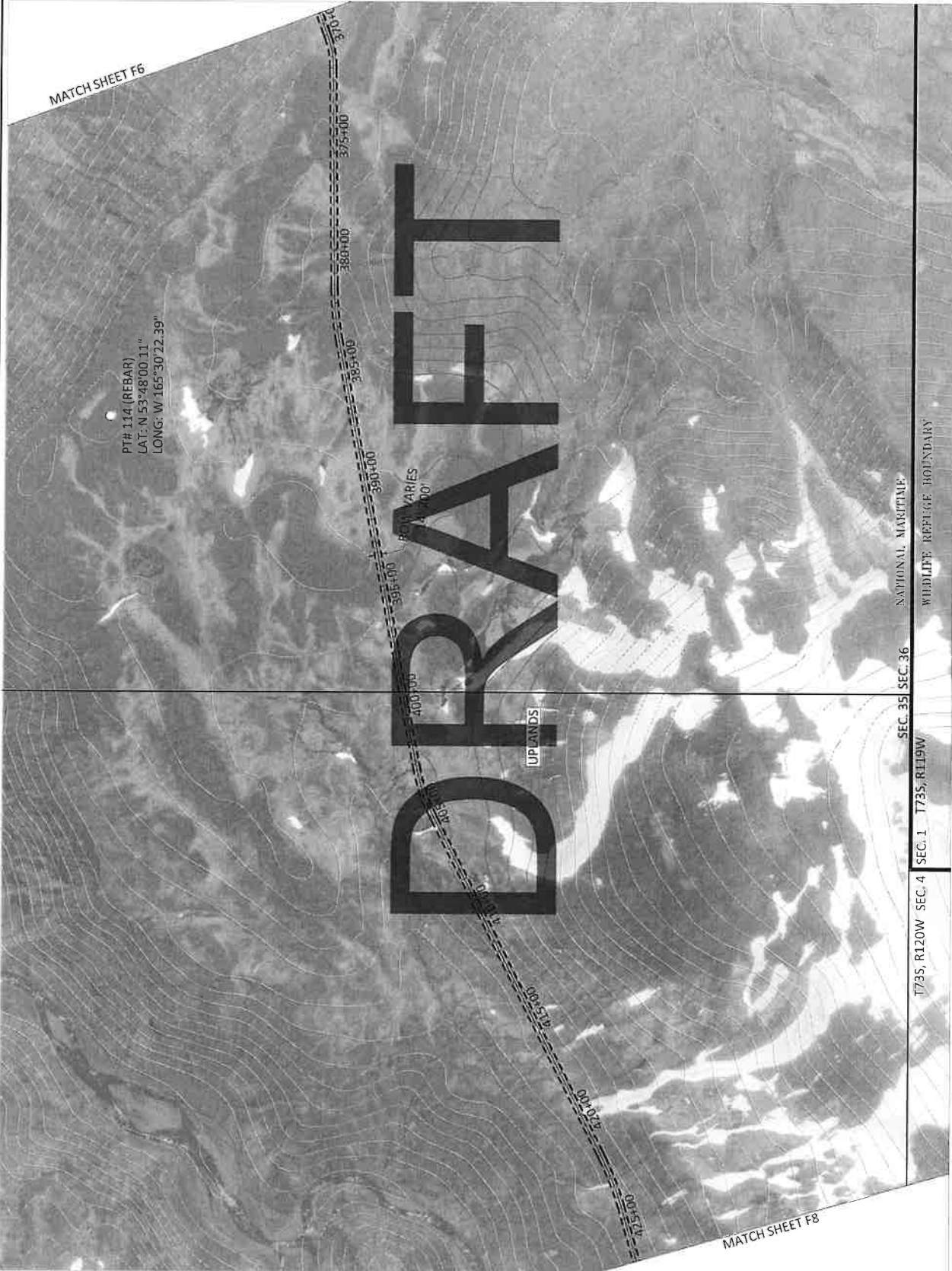


- Wetlands Boundary
- Existing WW2 Road
- Proposed Road ROW
- Cultural Resource
- Wetlands Impact
- Found BLM Monument

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2	2014 Aerial Imagery
3	2014 Aerial Imagery
4	2014 Aerial Imagery
5	2014 Aerial Imagery
6	2014 Aerial Imagery
7	2014 Aerial Imagery
8	2014 Aerial Imagery
9	2014 Aerial Imagery
10	2014 Aerial Imagery

PROJECT	MAKULSON CORPORA... CORPORATION & OFFICE
DATE	05/11/2021
PROJECT	WETLANDS
PROJECT	WETLANDS
PROJECT	WETLANDS
PROJECT	WETLANDS
PROJECT	WETLANDS
PROJECT	WETLANDS
PROJECT	WETLANDS
PROJECT	WETLANDS
PROJECT	WETLANDS

F7	
DATE	05/11/2021
SCALE	1" = 400'



PT# 114 (REBAR)
 LAT: N 53°48'00.11"
 LONG: W 165°30'22.39"

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UPLANDS

MATCH SHEET F6

MATCH SHEET F8

SEC. 35 SEC. 36 NATIONAL MARITIME WILDLIFE REFUGE BOUNDARY
 SEC. 1 T735, R119W SEC. 4 T735, R120W

GENERAL NOTES

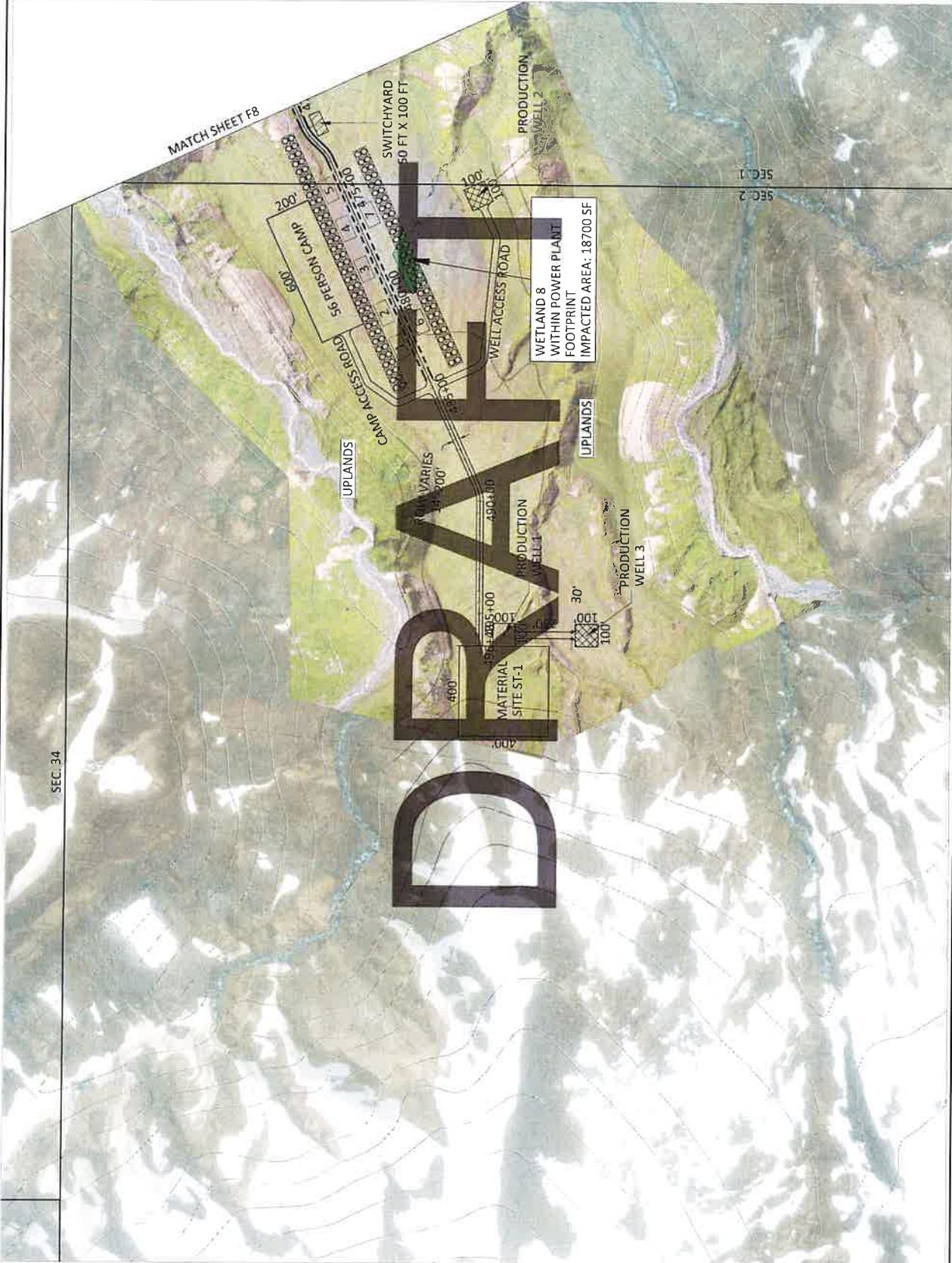


- Wetlands Boundary
- Existing WW2 Road
- Proposed Road ROW
- Cultural Resource
- Wetlands Impact
- Found BLM Monument

1	2018 - 2019 Wetlands Data
2	2018 - 2019 Cultural Resource Data
3	2018 - 2019 Cultural Resource Data
4	2018 - 2019 Cultural Resource Data
5	2018 - 2019 Cultural Resource Data

PROJECT	GRAND
MANAGER	QUANAHUA CORPORATION & OPERATIONS
DATE	05/11/21
LOCATION	WETLANDS
SCALE	1" = 400'

DATE	05/11/21
SCALE	1" = 400'
F9	



**Appendix C: Laws and Protocols Pertaining to the Discovery of Human Remains in
Alaska**

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Inadvertent Discovery Plan for Archaeological Resources

If archaeological features or artifacts (not including human remains) are encountered, Project personnel should follow the steps below to avoid further effects:

1. Stop work in the immediate vicinity of the suspected cultural resources and avoid construction activities that may affect remains and artifacts until required coordination has been completed.
2. Mark the area in which the resources are located as well as a buffer area appropriate to the find and the terrain. The buffer may be larger if there is the possibility of more resources in the area or in case of slopes or trenches where ongoing work may affect the resource. Ensure that all cultural materials will be protected from possible effects during the required coordination.
3. The discovery shall be investigated by a professional meeting the Secretary of Interior Professional Qualification Standards for Archaeology (36 CFR 61). This investigation shall take place no longer than 72 hours after discovery.
4. The Project Manager will initiate coordination with the following to determine if the materials or features warrant a recovery effort or additional consultation:

a. Sarah Meitl

Review and Compliance Coordinator
Alaska Office of History and Archaeology
Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1310
Anchorage, AK 99501-3565
Phone (907) 269-8720
Fax (907) 269-8908

b. Judith Bittner

Chief, Alaska Office of History and Archaeology
Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1310
Anchorage, AK 99501-3565
Phone (907) 269-8721
Fax (907) 269-8908

Inadvertent Discovery Plan for Human Remains and Graves

As set forth in the Native American Graves Protection and Repatriation Act regulation (43 CFR 10), a specific plan of action is required in the event that human remains are uncovered on federal lands during construction.

The following steps must be taken if human remains or suspected human remains are discovered:

5. A professional archaeologist meeting the Secretary of Interior Professional Standards for Archaeology (36 CFR 61) will be engaged to assess the extent and age of the discovery and ensure that construction activities have been halted and the remains are protected and treated with respect and dignity.
6. If human remains appear recent in the judgment of the archaeologist, the Project Manager shall defer to the opinion of the Alaska State Troopers (AST) and Alaska State Medical Examiner (ASME) for a determination of whether the remains are of a forensic nature and/or subject to criminal investigation.
7. If the human remains appear archaeological or ancient in the judgment of the archaeologist, the Project Manager will engage a qualified physical anthropologist experienced in the analysis of human remains to evaluate the discovery and document the remains in order to make an independent assessment of cultural affiliation. The physical anthropologist shall be afforded no more than 30 days' time to conduct his or her analysis.
8. If the physical anthropologist believes the remains to be Native American in origin, the Project Manager will consult with the local federally recognized Tribe regarding respectful treatment of the remains.
9. If human remains are not Native American, and a determination has been made by the AST and ASME that a death investigation is not warranted, then the Project Manager, in consultation with the ASME, local government officials and applicable community officials will make a reasonable and good faith effort to identify, locate, and inform descendants of the deceased.
10. The Project Manager will contact the following people and agencies within 24 hours of uncovering the remains:
 - a. Alaska State Troopers
Communications Center Manager
Phone (907) 451-5100
Fax (907) 451-5165
 - b. Alaska State Medical Examiner
Dr. Gary Zientek, Chief Medical Examiner
Phone (907) 344-2200
Fax (907) 451-2216
 - c. Dr. Ken Gallager, Assistant Medical Examiner
Phone (907) 344-2200
Fax (907) 451-2216
 - d. Alaska Office of History and Archaeology
Richard VanderHoek

State Archaeologist, Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1310
Anchorage, AK 99501-3565
Phone (907) 269-8728
Fax (907) 269-8908

- e. The Qawalangin Tribe of Unalaska
Blaine Shaishnikoff
President
Phone (907)581.2920

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MEMORANDUM OF AGREEMENT
AMONG THE U.S. ARMY CORP. OF ENGINEERS ALASKA DISTRICT, THE
OUNALASHKA /CHENA POWER, LLC AND THE ALASKA STATE HISTORIC
PRESERVATION OFFICER
REGARDING
COMPONENTS OF THE MAKUSHIN GEOTHERMAL PROJECT
LOCATED IN THE
MAKUSHIN VALLEY, UNALASKA, ALASKA

WHEREAS the Ounalashka /Chena Power, LLC (OCCP) proposes to carry out components of the Makushin Geothermal Project in the Makushin Valley (Project); and

WHEREAS the Project consists of components located in the Makushin Valley, Unalaska, Alaska, including the construction of a geothermal extraction area in the upper Makushin Valley, an access road and transmission line between the upper Makushin Valley and extraction area, and facilities at the mouth of the Makushin Valley; and

WHEREAS the Project requires a Section 404 permit under the regulations set forth in the Clean Water Act; and

WHEREAS the Project constitutes an Undertaking subject to review under Section 106 of the National Historic Preservation Act (NHPA) (54 USC 306108); and

WHEREAS the USACE is hereby designated as the lead Federal agency for the Undertaking under the provisions of 36 CFR 800.2(a)(2); and

WHEREAS USACE, in consultation with the Alaska State Historic Preservation Officer (AKSHPO), has defined the Undertaking's area of potential effects (APE), as defined in 36 CFR 800.16. The APE description is contained in Appendix A and B of this MOA; and

WHEREAS UNL-00556 (including a WWII-era dock), WWII Road, and WWII Airstrip located within the APE are contributing elements to the Makushin Valley WWII Historic District (UNL-00623), which is eligible for listing in the National Register of Historic Places (NRHP); and

WHEREAS the USACE, in consultation with the AKSHPO pursuant to 36 CFR Part 800, the regulations implementing Section 106 of the National Historic Preservation Act (54 U.S.C. §306108) has determined that construction of access roads will have an adverse effect on the Makushin Valley WWII Historic District (UNL-00623); and

WHEREAS the USACE has consulted with the Ounalashka Corporation and the City of Unalaska, who own the land within the Makushin Valley WWII Historic District (UNL-00623) and has invited them to sign this MOA as an invited signatory; and

WHEREAS the USACE has consulted with the Ounalashka Corporation and the Qawalangin Tribe and has invited them to sign this MOA as invited signatories; and

WHEREAS in accordance with 36 CFR § 800.6(a)(1), the USACE has notified the Advisory Council on Historic Preservation (ACHP) of its adverse effect determination with specified documentation, and the ACHP has chosen not to participate in the consultation pursuant to 36 CFR § 800.6(a)(1)(iii); and

NOW, THEREFORE, the USACE, AKSHPO, OCCP, the City of Unalaska, Ounalashka Corporation, and the Qawalangin Tribe agree that the Undertaking shall be implemented in accordance with the following stipulations to mitigate the adverse effects of the Undertaking on historic properties.

STIPULATIONS

The USACE shall ensure that the following measures are carried out:

I. Applicability

- A. This MOA applies only to the Project activities described in Appendix A, or as amended per Section VIII below.

II. Mitigation

- A. A qualified professional meeting the Secretary of the Interior's Professional Qualifications Standards in archaeology as per 36 CFR Part 61 (Qualified Archaeologist), will:
 1. Complete a Condition Assessment of the portion of the Makushin Valley WWII Historic District (UNL-00623) located within the APE, including: photo documentation and mapping of previously identified contributing elements to the Makushin Valley WWII Historic District (UNL-00623) within the APE.
 2. Complete an Evaluation Phase survey as defined in State of Alaska Historic Preservation Series No. 11, (*Standards and Guidelines for Investigating and Reporting Archaeological and Historic Properties in Alaska*) of identified contributing elements within the APE to collect sufficient information to determine if previously identified contributing elements within the APE are individually eligible for listing on the NRHP.
 3. Complete Historic American Landscape Survey (HAL) level photographic documentation of the WWII Airstrip and WWII Road section that will be adversely affected by Project.
 4. Conduct primary research of publicly-available references (i.e., historic aerial photographs, as-builts, etc.) to define the full extent of the WWII Road, including the portion outside of the APE.

III. Submittals

- A. The following products of mitigation activities will be submitted:
 1. A draft report for the district and contributing element, shall be submitted to AKSHPO within six months after the completion of all fieldwork. The USACE shall ensure that the report meets the guidelines established in the Cultural

Resources Investigations and Report Outline, Alaska Historic Preservation Series No. 11 (*Standards and Guidelines for Investigating and Reporting Archaeological and Historic Properties in Alaska*), and the Secretary of the Interior's Format Standards for Final Reports of Data Recovery Programs (42 FR 5377-79). The report will include new and/or updated Alaska Heritage Resource Survey (AHRS) cars. Upon receipt, AKSHPO shall have 30 calendar days to review the draft and submit comments to the USACE.

2. The USACE shall take into consideration AKSHPO's comments. Submittal of the final mitigation report shall consist of two printed copies and one electronic copy sent to AKSHPO no later than 60 days after receipt of comments.
3. Upon completion of the final mitigation report, USACE will have a public report written that summarizes the information included in the mitigation report. One bound copy and one electronic copy of the public report will be provided to the AKSHPO, the City of Unalaska, the Museum of the Aleutians, the WWII Visitor Center (ran by Ounalashka Corporation), the Unalaska Public Library, the Unalaska City School, and Eagle's View Elementary for use by the public.
4. An electronic version of the public report will also be made available on the Project website.
5. A short format HALS history documentation that will be submitted to HALS office and finally transmitted to the Library of Congress.

IV. Curation

- A. Any artifacts, human remains, and other cultural materials collected pursuant to this agreement will remain the property of the landowner. The landowner may designate a curation facility for the artifacts, human remains, and other cultural materials and the project will pay for any curation costs.

V. Unanticipated Discoveries

- A. The USACE, in coordination with the OCCP, shall ensure that the following stipulations are carried out in the case of an unanticipated discovery during construction:
 1. All work that might adversely affect the newly discovered cultural resource shall cease, no less than 50 feet from the find, and the location secured, until a Qualified Archaeologist examines the find and makes a recommendation on its eligibility for listing on the NRHP. Project personnel will photograph, document, and provide a GPS point of the newly discovered cultural resource and send the data to the Qualified Archaeologist for review. USACE will notify Signatories of an unanticipated discovery within one business day. The Qualified Archaeologist may make their initial recommendation by telephone and will follow up with a letter within 5 calendar days of examining the find. If the find appears to be significant or the archaeologist is unable to make a recommendation based on the materials provided by the project personnel, the Qualified Archaeologist will be brought to the site to conduct additional survey and documentation and, if appropriate monitoring of ground disturbing activities.

2. The Qualified Archaeologist, the USACE, and the OCCP will consult with the AKSHPO, the landowner, and any other appropriate consulting parties to reach an official NRHP determination of eligibility. Additional consulting parties will be determined by USACE, in consultation with AKSHPO.
 3. Consultation with AKSHPO and any other parties will be carried out in an expeditious manner so as to avoid unnecessary delays to the Undertaking. AKSHPO may provide the USACE with initial comments by telephone and will follow up with a letter within 5 business days of the request for comments.
 4. If the newly discovered resource is determined to be eligible for listing on the NRHP, the USACE, OCCP, AKSHPO, and the other parties included in the discovery consultation will develop a mitigation plan for the newly discovered historic property.
- B. The USACE will request the ACHP's comments on discoveries if the USACE fails to reach agreement with AKSHPO on appropriate mitigation actions.
- C. The OCCP will not resume work in the vicinity of newly discovered cultural resource until the AKSHPO concurs in writing that the find is not a historic property, or the agreed upon on-site mitigation measures have been completed.

VI. Inadvertent Discovery of Human Remains and/or Grave Goods

- A. Procedures for the Treatment of Alaska Native or Non-Alaska Native remains, recent, or unknown remains inadvertently discovered on State, Private, or Public Lands.
1. The OCCP will follow standard operating procedures for the inadvertent discovery of human remains on non-Federal lands in accordance with Alaska Statutes 12.65.005(a)(1), 18.50.250, and the Memorandum of Understanding between the Alaska Office of History and Archaeology, State medical examiner, and Alaska State Troopers (Appendix C).
 2. Upon discovery all activity in the vicinity of the human remains must cease and the site must be secured against further intrusion.
 3. The person making the discovery shall immediately contact the OCCP by phone and follow up with written notification.
 4. The OCCP will immediately notify a Qualified Archaeologist with forensic expertise, who will examine the remains to determine if they are human.
 5. If the remains are determined to be human, the OCCP will immediately notify a peace officer of the State, the State medical examiner, the Alaska State Troopers, the Alaska Bureau of Investigation, and the AKSHPO, per AS 12.65.005(a)(1). In addition, the USACE will notify Alaska Native organizations including but not limited to The Qawalangin Tribe of Unalaska.
 6. A qualified person with the appropriate level of expertise as decided by the State medical examiner, or the AKSHPO, must examine the remains to determine postmortem interval.

7. Remains determined to be ancient (>100 years) will be reported to the AKSHPO by phone and in writing along with the location coordinates and a basic inventory.
8. If the remains are determined to be non-Native, the USACE will notify the descendants, if known. If no descendants are found, the OCCP shall have the remains re-interred in a designated area, following all applicable state laws.
9. If the racial identity of any human remains is in question, an anthropologist experienced in the analysis of human remains shall examine them. The anthropologist shall be afforded no more than 30 days to conduct his or her analysis.
10. If the human remains are determined to be Native, the USACE will coordinate consultation with Alaska Native organizations (including but not limited to the The Qawalangin Tribe of Unalaska), the AKSHPO, and other entities with affiliations with Native human remains to develop a written, binding treatment plan.
11. Should human remains need to be removed, relocated, transported, or reburied, the OCCP will contact the Alaska Bureau of Vital Statistics, Alaska Department of Health and Social Services to obtain a disinterment-reinternment permit and/or burial-transit permit as per AS 18.50.250.
12. The OCCP and their contractors will follow the direction of the Alaska State Troopers, State Medical Examiner, or local peace officer for treatment and disposition of human remains determined to be recent (<100 years).

VII. Dispute Resolution

Should any signatory or consulting party to this MOA object at any time to any actions proposed or the manner in which terms of this MOA are implemented, the USACE shall consult with such party to resolve the objection. If the USACE determines the objection cannot be resolved, the USACE shall:

- A. Forward all documentation relevant to the dispute including the USACE's proposed resolution to the ACHP. The ACHP shall provide the USACE with its advice on the resolution of the objection within thirty (30) days of receiving adequate documentation. Prior to reaching a final decision on the dispute, the USACE shall prepare a written response that takes into account any timely advice or comments regarding the dispute from the ACHP, signatories and consulting parties, and provide them with a copy of this written response. The USACE will then proceed according to its final decision.
- B. If the ACHP does not provide its advice regarding the dispute within the thirty (30)-day period, the USACE may make a final decision on the dispute and proceed accordingly. Prior to reaching such a final decision, the USACE shall prepare a written response that takes into account any timely comments regarding the dispute from the signatories and consulting parties to the MOA and provide them and the ACHP with a copy of such written response.

- C. The responsibility of USACE, in coordination with OCCP, to carry out all other actions subject to the terms of this MOA that are not the subject of the dispute remain unchanged.

VIII. Amendments

This MOA may be amended when such an amendment is agreed to in writing by all signatories. The amendment will be effective on the date it is signed by all the signatories and a copy will be filed with the ACHP by USACE.

IX. Termination

If any signatory to this MOA determines that its terms will not or cannot be carried out prior to the expiration, that party shall immediately consult with the other signatories to attempt to develop an amendment per *Stipulation VIII: Amendments*. If within thirty (30) days (or another time period agreed to by all signatories) an amendment cannot be reached, any signatory may terminate the MOA upon written notification to the other signatories.

Once the MOA is terminated, and prior to work continuing on the Undertaking, USACE must either (a) execute a MOA pursuant to 36 CFR § 800.6 or (b) request, take into account, and respond to the comments of the ACHP under 36 CFR § 800.7. The USACE shall notify the signatories as to the course of action it will pursue.

X. Failure to Carry Out Agreement

In the event the USACE, in coordination with the OCCP, does not carry out the terms of this MOA or if the ACHP determines under 36 CFR 800.14(b)(2)(v) that the terms of this MOA are not being carried out, the USACE will comply with 36 CFR 800.3 through 800.7 with regard to individual Undertakings covered by this MOA.

XI. Anti-Deficiency Act

All requirements set forth in this MOA requiring the expenditure of funds are expressly subject to the availability of appropriations and the requirements of the Anti-Deficiency Act (31 U.S.C. Section 1341). No obligation undertaken by the USACE, in coordination with OCCP, under the terms of this MOA will require or be interpreted to require a commitment to expend funds not obligated for a particular purpose.

- A. If the USACE, in coordination with the OCCP, cannot perform any obligations set forth in the MOA due to the unavailability of funds, the USACE, OCCP, the AKSHPO, and the ACHP intend the remainder of the agreement to be executed.
- B. In the event that any obligation under the MOA cannot be performed due to the unavailability of funds, the USACE agree to utilize their best efforts to renegotiate the provision and may require that the parties initiate consultation to develop an amendment to this MOA when appropriate.

XII. Execution in Counterparts

This MOA may be executed in counterparts, with a separate page for each Signatory and Invited Signatory.

Execution of this MOA by the USACE, the OCCP, and AKSHPO, and implementation of its terms, serve as evidence that the USACE has taken into account the effects of this Undertaking on historic properties and afforded the ACHP an opportunity to comment.

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MEMORANDUM OF AGREEMENT
AMONG THE U.S. ARMY CORP. OF ENGINEERS ALASKA DISTRICT, THE
OUNALASHKA /CHENA POWER, LLC AND THE ALASKA STATE HISTORIC
PRESERVATION OFFICER
REGARDING
COMPONENTS OF THE MAKUSHIN GEOTHERMAL PROJECT
LOCATED IN THE
MAKUSHIN VALLEY, UNALASKA, ALASKA

U.S. Army Corps. Engineers, Alaska District

Date: _____

Shannon Johnson
South Branch Chief

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LOCATED IN THE
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The Ounalashka/Chena Power, LLC

Bernie Karl
President

Date: _____

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Alaska State Historic Preservation Officer

Judith Bittner

Alaska State Historic Preservation Officer

Date: _____

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LOCATED IN THE
MAKUSHIN VALLEY, UNALASKA, ALASKA

The City of Unalaska

Date: _____

Erin Reinders
City Manager

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LOCATED IN THE
MAKUSHIN VALLEY, UNALASKA, ALASKA

Ounalashka Corporation

Date: _____

Natalie A. Cale
Chief Operating Officer/General Counsel

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LOCATED IN THE
MAKUSHIN VALLEY, UNALASKA, ALASKA

Qawalangin Tribe

Date: _____

Christopher Price

CEO

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Appendix A: Makushin Geothermal Project Description: Makushin Valley Components

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The Makushin Geothermal Project is located on Unalaska Island, Alaska with Project components in both the Makushin Valley and Amaknak Island. These components will be connected by an underwater cable across Unalaska Bay. This Memorandum of Agreement (MOA) applies to the Makushin Valley segment of the Project (Figure 1, Figure 2, and Appendix B).

The Makushin Valley segment includes construction of the following components:

- 1) Lower Makushin Valley
 - a) Transmission station measuring 40-feet (ft) by 60-ft in the lower Makushin Valley
 - b) A 20-person camp with a preferred location near Material Site A, and the alternative site located on the WWII airstrip.
 - i) The camp consists of Atco type structures (12 ft by 50 ft) on steel skids with no foundations. Water and sewage are provided by A/G tankage and serviced with pump trucks.
 - c) Docks
 - i) Two nonpermanent floating docks (50 ft by 10 ft) will be constructed with wide flange steel beam stringers connected together with steel piping. Railroad flat cars will comprise the deck of the floating dock. A 175-ton crane will move the floating dock into position, drive the four studs into position, and be used to remove the dock.
 - d) Material site
 - i) Two 400-ft by 400-ft material sites located between the Access Road right-of-way and the Makushin River.
- 2) Upper Makushin Valley
 - a) Production and injection wells
 - i) Three production wells and three injection wells, each 100 ft by 100 ft.
 - ii) Large production drill rigs will be used to installation.
 - b) 50-person camp near power house at the head of Makushin Valley
 - i) Gravel pad footprint is 5,000 square (sq) ft. The pad will be constructed over geotextile fabric with no excavation into undisturbed ground. Thirty units of 12-ft by 50-ft self-supporting modular units comprise the camp. The units sit directly on the gravel pad using timber sleepers for leveling and support.
 - c) Water will be hauled or a well may be developed. Trash will be hauled out by truck.
 - d) A below ground septic system for the camp will be constructed consisting of a septic camp and a 50-ft by 15-ft leach field.
 - e) Pipeline
 - i) Project will have 2.5 miles (mi) of pipeline. Project will use 24-inch (in)-diameter pipe narrowing to 12-in to 16-in-diameter. Pipelines are above ground on steel pilings or are on ground gravel pads supported by wooden sleepers to allow for expansion and contraction.
 - f) Power plant
 - i) Seven modular power units and two lines of heat exchangers around the perimeter of the gravel pad (1,000 ft by 400 ft). Pre-fabricated power units will be on skids capable of self-supporting but will likely be on pile-driven foundations. The gravel pad will be constructed over geotextile fabric with no excavation into ground surface.
 - g) Material site

- i) Material Site St-1 is 400 ft by 400 ft and located near the 50-person camp.
- 3) Access Road
- a) A gravel road 9.629-mi-long between the Upper and Lower Makushin Valley. The road will have a 30-ft crown with ditches on each side. Construction will be balanced-cut and fill in 95% of route, and fill in the other 5%.
 - b) Railroad car bridges at four locations.
 - i) Concrete abutments on each end of span will support the bridge. The abutments will be pre-cast concrete blocks brought to the site and set into prepared ground.
 - ii) Culverts will vary from 12 in to 36 in CMP's. Inverts will be laid just below natural grade and sloped in with cut/fill balance to match natural grade.
- 4) Transmission line
- a) The subsurface transmission line is located under the Access Road.

Known AHRS sites in the Makushin Valley portion of the APE include the Makushin Valley WWII Historic District (UNL-00623) and its contributing elements: UNL-00556 (including a WWII-era dock), a WWII Road system, and a WWII Airstrip. The Makushin Valley WWII Historic District (UNL-00623) is eligible for listing on the NRHP under Criterion A for its association with WWII activity in the Aleutian Islands.

A 3,838.29-ft section of the WWII road in the lower Makushin Valley was surveyed in 2020 (Sweeney 2020). Based on aerial imagery the road ascends the valley, and crossed the Makushin River several times, with some segments washed out by the river. The recorded portion of the WWII road is 23.95-ft wide and consists of a 5.5-ft thick gravel lens on top of the ground surface. The gravel used in the construction of the WWII airstrip and road appears to have come from a gravel source located between two beach ridges, near UNL-00556.

The WWII airstrip runs east-west and is 2,008.57-ft long and 101.38-ft wide. The airstrip was constructed by applying a 5.5-ft thick gravel lens on top of the ground surface. There are ditches around the perimeter of the airstrip. There is no apron or turn-around areas associated with the airstrip. The WWII road enters the runway on the eastern end and exits it at the western end.

UNL-00556 is a WWII installation that had its own power, water, communications and housing. The exact function of the facility is not apparent from the physical remains. The remains of a WWII dock, is a feature associated with UNL-00556. The dock is located in the intertidal zone, extending out from the beach grass area for approximately 30-ft. The dock does not extend into the surf. At one time it probably did extend into the water, but storms may have damaged the dock. The remaining dock measured 29-ft long by 12-ft wide, and consisted of five round wood pilings (13-in diameter) with 13-in by 13-in square cross beams, and was covered by 4-in by 12-in decking. Most of the decking is missing. The timbers and hardware utilized in the construction of the dock were consistent with those used during the WWII-era, though they were not definitively dateable.

Projects activities planned within the boundaries of UNL-00623 include access road construction over a section of the WWII road and WWII airstrip, and the installation of two temporary docks adjacent to the WWII dock associated with UNL-00556.

The Project will install two temporary docks measuring 50-ft by 10-ft. The docks will be installed by a 175-ft crane moving the docks into position and driving four studs to secure the docks. One of the temporary docks is 81-ft away from the WWII dock associated with UNL-00556 and UNL-00623. Although there is no direct impact on the WWII dock, the Project will establish a buffer around the WWII dock with flagging and avoid impacting the WWII dock during construction activities in the Makushin Valley.

The Project is constructing a 9.6287-mi-long access road in the Makushin Valley. The first 0.7269 mi of the access road will overlap the WWII road. Currently, the WWII road extends from UNL-00556 along a beach ridge to the WWII airstrip and west up the Makushin Valley for an approximate length of 7.17 mi. The WWII road in the lower Makushin Valley is 23.95-ft wide and consists of a 5.5-ft-thick gravel lens on top of the ground surface. The access road will be wider than the current WWII road; gravel will be applied so there will be a 30-ft crown with ditches on each side. In addition, a railroad car bridge will be installed within the first 0.7269 mi which consists of installing concrete abutments on each span of the bridge. The abutments will be placed on prepared ground. Culverts will be installed with diameters ranging from 12 to 36 inches.

The access road will also be constructed over the WWII airstrip. The WWII airstrip is located along the WWII road. The WWII airstrip runs east-west and is wider than the WWII road; 101.38-ft-wide by 2,008.57-ft-long. The WWII airstrip was constructed by the application of a 5.5-ft-thick gravel lens on top of the ground surface. There are drainage ditches around the perimeter of the airstrip. The access road construction will have an impact on the original construction elements of the WWII airstrip. The WWII airstrip will be covered with gravel fill to create a 50-ft-wide crown and there will be ditching on either side of the road. The access road will become the predominate feature and the WWII airstrip will be almost completely built over.

Access road construction will have an adverse effect on the integrity of the WWII road as a contributing element to the Makushin Valley WWII Historic District (UNL-00623). The location of the WWII road will remain the same as will the WWII road's association and setting in the surrounding landscape. The design of the WWII Road will be impacted since it will be covered by the new construction and disturbed by the bridge abutments and installation of culverts. The feeling the WWII Road evokes of the WWII defense activities on Unalaska will also be diminished due to the new construction.

Access road construction will have an adverse effect on the integrity of the WWII airstrip as a contributing element to the Makushin Valley WWII Historic District (UNL-00623). The WWII airstrip will be covered with gravel fill to create a 50-ft-wide crown and there will be ditching on either side of the road. The access road will become the predominate feature and the WWII

airstrip will be almost completely built over. Although the location of the WWII airstrip remains the same, there will be little design, setting, feeling or association remaining for the WWII airstrip.

DRAFT



Figure 1. Makushin Geothermal Project Location on Unalaska Island, Alaska.

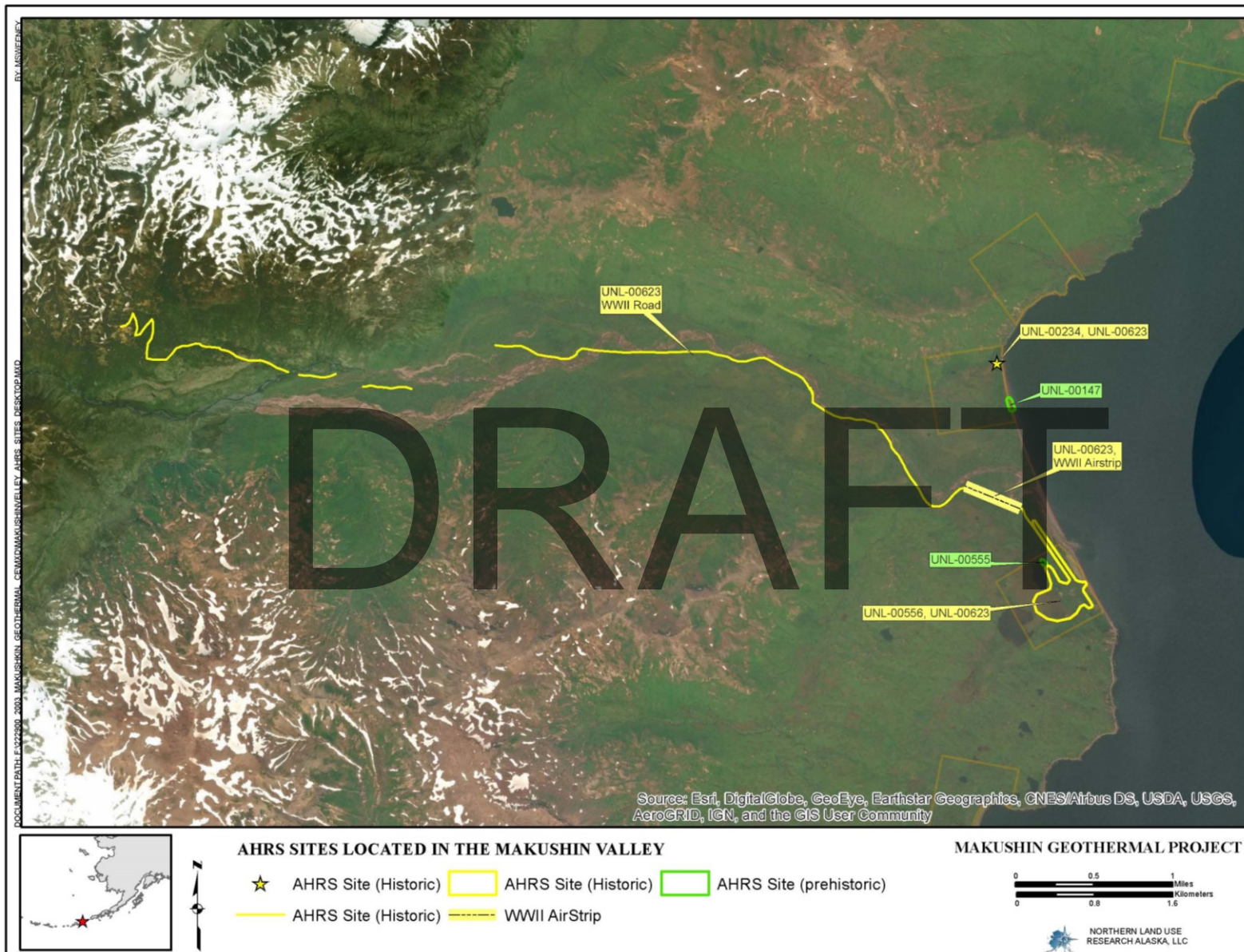


Figure 2. AHRs sites located in the Makushin Valley, Unalaska, Alaska.

Appendix B: Project APE Maps

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Once MOA is finalized, insert pdf file: 20-1121 Makushin_AlignmentF1-F10_18Dec2020

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**Appendix C: Laws and Protocols Pertaining to the Discovery of Human Remains in
Alaska**

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Inadvertent Discovery Plan for Archaeological Resources

If archaeological features or artifacts (not including human remains) are encountered, Project personnel should follow the steps below to avoid further effects:

1. Stop work in the immediate vicinity of the suspected cultural resources and avoid construction activities that may affect remains and artifacts until required coordination has been completed.
2. Mark the area in which the resources are located as well as a buffer area appropriate to the find and the terrain. The buffer may be larger if there is the possibility of more resources in the area or in case of slopes or trenches where ongoing work may affect the resource. Ensure that all cultural materials will be protected from possible effects during the required coordination.
3. The discovery shall be investigated by a professional meeting the Secretary of Interior Professional Qualification Standards for Archaeology (36 CFR 61). This investigation shall take place no longer than 72 hours after discovery.
4. The Project Manager will initiate coordination with the following to determine if the materials or features warrant a recovery effort or additional consultation:

a. Sarah Meitl

Review and Compliance Coordinator
Alaska Office of History and Archaeology
Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1310
Anchorage, AK 99501-3565
Phone (907) 269-8720
Fax (907) 269-8908

b. Judith Bittner

Chief, Alaska Office of History and Archaeology
Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1310
Anchorage, AK 99501-3565
Phone (907) 269-8721
Fax (907) 269-8908

Inadvertent Discovery Plan for Human Remains and Graves

As set forth in the Native American Graves Protection and Repatriation Act regulation (43 CFR 10), a specific plan of action is required in the event that human remains are uncovered on federal lands during construction.

The following steps must be taken if human remains or suspected human remains are discovered:

5. A professional archaeologist meeting the Secretary of Interior Professional Standards for Archaeology (36 CFR 61) will be engaged to assess the extent and age of the discovery and ensure that construction activities have been halted and the remains are protected and treated with respect and dignity.
6. If human remains appear recent in the judgment of the archaeologist, the Project Manager shall defer to the opinion of the Alaska State Troopers (AST) and Alaska State Medical Examiner (ASME) for a determination of whether the remains are of a forensic nature and/or subject to criminal investigation.
7. If the human remains appear archaeological or ancient in the judgment of the archaeologist, the Project Manager will engage a qualified physical anthropologist experienced in the analysis of human remains to evaluate the discovery and document the remains in order to make an independent assessment of cultural affiliation. The physical anthropologist shall be afforded no more than 30 days' time to conduct his or her analysis.
8. If the physical anthropologist believes the remains to be Native American in origin, the Project Manager will consult with the local federally recognized Tribe regarding respectful treatment of the remains.
9. If human remains are not Native American, and a determination has been made by the AST and ASME that a death investigation is not warranted, then the Project Manager, in consultation with the ASME, local government officials and applicable community officials will make a reasonable and good faith effort to identify, locate, and inform descendants of the deceased.
10. The Project Manager will contact the following people and agencies within 24 hours of uncovering the remains:
 - a. Alaska State Troopers
Communications Center Manager
Phone (907) 451-5100
Fax (907) 451-5165
 - b. Alaska State Medical Examiner
Dr. Gary Zientek, Chief Medical Examiner
Phone (907) 344-2200
Fax (907) 451-2216
 - c. Dr. Ken Gallager, Assistant Medical Examiner
Phone (907) 344-2200
Fax (907) 451-2216
 - d. Alaska Office of History and Archaeology
Richard VanderHoek

State Archaeologist, Alaska Department of Natural Resources
550 W. 7th Avenue, Suite 1310
Anchorage, AK 99501-3565
Phone (907) 269-8728
Fax (907) 269-8908

- e. The Qawalangin Tribe of Unalaska
Blaine Shaishnikoff
President
Phone (907)581.2920

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CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2021-06

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING TITLE 11 OF THE UNALASKA CODE OF ORDINANCES TO ESTABLISH AN ENHANCED 911 SYSTEM AND ESTABLISH ENHANCED 911 CUSTOMER SURCHARGES.

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF UNALASKA, as follows:

Section 1: Classification. This Ordinance is a Code Ordinance.

Section 2: Amendment of Title 11. Title 11 of the Unalaska Code of Ordinances is hereby amended by adding a new Chapter 11.32 to read as follows:

Chapter 11.32
ENHANCED 911 SYSTEM

Sections

- 11.32.010 Enhanced 911 Emergency Reporting System**
- 11.32.020 Definitions**
- 11.32.030 Designation of Selective Router Demarcation Point**
- 11.32.040 Enhanced Emergency Reporting Equipment or Service**
- 11.32.050 Enhanced 911 Customer Surcharge**
- 11.32.060 Remittance**

11.32.010 Enhanced 911 Emergency Reporting System

A. Any local exchange telephone company or wireless telephone company providing service within the city shall cooperate with the City in the establishment of an enhanced 911 emergency reporting system to serve the entire City of Unalaska.

B. The city council designates the entire city as the enhanced 911 service area for the City of Unalaska.

11.32.020 Definitions

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

- A. “911 service area” or “enhanced 911 service area” means the entire city that has been designated to receive an enhanced 911 system.
- B. “Enhanced 911 equipment” means any equipment dedicated to the operation of, or use in, the establishment, operation or maintenance of an enhanced 911 system, including customer premises equipment, automatic number identification or automatic location identification controllers and display units, printers, cathode ray tubes, recorders, software, and other essential communication equipment.
- C. “Enhanced 911 system” or “system” means a telephone system consisting of network, database and enhanced 911 equipment that uses the single three-digit number, 911, for reporting a medical, fire, police, or other emergency situation, and which enables the users of a public telephone system to reach a public safety answering point to report emergencies by dialing 911. An enhanced 911 system includes the personnel required to acquire, install, operate, and maintain the system.
- D. “Local exchange access line” means a telephone line that connects a local exchange service customer to the wireline telephone company switching office and that has the capability of reaching local public safety agencies, but does not include a line used by a carrier to provide inter-exchange services. However, the local exchange access lines shall not include public pay phones, inter-office trunks, toll trunks, and direct inward dialing trunks.
- E. “Local exchange service” means the transmission of two-way interactive switched voice communications furnished by a local exchange telephone company within the City of Unalaska including access to enhanced 911 systems.
- F. “Local exchange Telephone Company” or “wireline Telephone Company” means a telephone utility certified to provide local exchange service or wireline telephone service in the City of Unalaska by the Regulatory Commission of Alaska.
- G. “Public safety answering point” means a 24-hour local communications facility that receives 911 service calls and directly dispatches emergency response services or that relays calls to the appropriate public or private safety agency.
- H. “Surcharge” means an enhanced 911 system surcharge imposed on wireline and wireless telephones for support of an enhanced 911 system.
- I. “Wireless Telephone Company” means any telephone company that provides wireless telephone service through cellular, satellite, broadband, radio-based telephone or data transport service, and bills or sells wireless telephone service to a customer with an address within the City of Unalaska.

J. “Wireless telephone” means any telephone that is not a wireline telephone that is capable of communication with another device by use of radio waves or satellite signal, which includes cellular, mobile, radio-based, and broadband telephones. Each wireless telephone number is considered a separate wireless telephone for purposes of the surcharge.

K. “Wireline telephone” means any telephone that uses a local exchange access line.

11.32.030 Designation of Selective Router Demarcation Point

The City of Unalaska hereby designates 29 Safety Way in the City of Unalaska as the 911 PSAP selective router demarcation point solely for the purposes of 911 call delivery by telecommunications carriers.

11.32.040 Enhanced Emergency Reporting Equipment or Services

A. The city may purchase, lease or contract for any enhanced 911 equipment or services reasonably necessary to further enhance the existing 911 system at public safety answering points.

B. If the enhanced 911 system is to be provided for an area that is included in more than one telephone company service area, the City of Unalaska Department of Public Safety, with the approval of the City Manager, may enter into agreements necessary to establish and operate the system.

11.32.050 Enhanced 911 Customer Surcharge

1. A surcharge in the amount of \$2.00 per month, shall be levied on each local access line and each wireless telephone number that is billed or sold to a customer with an address within the City of Unalaska.
2. The Finance Director shall annually review this surcharge to determine whether the level of surcharge is adequate, excessive or insufficient to meet the anticipated enhanced 911 system needs.
3. A wireline telephone or wireless telephone customer may not be subject to more than one 911 surcharge per local exchange access line and wireless telephone. A customer that has more than 100 wireline access lines from a wireline telephone company in the city is liable for the 911 surcharge only on 100 wireline access lines.
4. The local exchange telephone company and the wireless telephone company, shall bill and collect the 911 surcharge. The 911 surcharge billed shall be accounted for separately from other charges.

5. The local exchange telephone company and the wireless telephone company, shall remit that portion of the surcharge receipts allocable to the City of Unalaska no later than 60 days after the end of the month in which the amount was collected. From each remittance made in a timely manner, the company is entitled to deduct the greater of one percent of the amount collected or a total of \$150 per month as the cost of administration for collecting the 911 surcharge. In addition, a wireless telephone company is entitled to full recovery of the recurring and nonrecurring costs associated with implementation and operation of Phase I E911 service as allowed under Federal Communications Commission proceedings entitled "Revision of the Commission's Rules to Ensure Compatibility with Enhanced 9-1-1 Emergency Calling Systems" (CC Docket No. 94-102; RM-8143). The local exchange telephone company and the wireless telephone company shall annually furnish a complete list of amounts due for nonpayment of surcharges, together with the names and addresses of those customers who carry a balance of what can be determined by the company to be for nonpayment of the surcharge.
6. The City of Unalaska may, at its own expense, require an annual audit of a telephone company's books and records concerning collection and remittance of the surcharge.
7. A wireline or wireless telephone customer is liable for payment of the enhanced 911 surcharge in the amounts billed by the telephone company until the amounts have been paid to the telephone company. A local exchange telephone company or wireless telephone company is not obligated to take legal action to enforce collection of the 911 surcharge. However, if a company is attempting to collect an unpaid debt from a customer, the company shall also attempt to collect any unpaid 911 surcharge that the customer owes. If a customer pays a portion of a bill that includes a 911 surcharge, the amount paid shall be prorated between the company and the 911 surcharge.

11.32.060 Remittance

A. On or before 60 days following the end of the month in which the surcharge was billed, the local exchange telephone company and the wireless telephone company shall submit to the City of Unalaska a return, upon forms provided by the city, and submit payment for the surcharge due the City of Unalaska.

- B. The return shall be signed by the agent of the company and include:
- a. the name and address of the company;
 - b. the name and title of the person preparing the return;
 - c. the month being reported for which the surcharges were billed;
 - d. the amount of gross surcharges billed for the month of the return;

- e. the deduction claimed for the surcharges previously billed and remitted, but charged off as uncollectible during the month being reported;
- f. the prorated recoveries representing the month's collection of surcharges previously written off as uncollectible;
- g. the amount of deduction claimed for the company's administrative costs to collect the surcharges, which may be the greater of \$150 or one percent of amounts collected;
- h. the net amount of remittance due to the City of Unalaska; and
- i. other information and supporting documentation which may be required by the city

Section 2: Effective Date. This ordinance shall take effect on 1 July 2021.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on Month DD, YYYY.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Roxanna Winters, CMC
Acting City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Director J.E. King #2235, Public Safety
Through: Erin Reinders, City Manager
Date: 7 April 2021
Re: Ordinance 2021-06: Amending Title 11 of the Unalaska Code of Ordinances to Establish an Enhanced 911 System and Establish Enhanced 911 Customer Surcharges

SUMMARY: The City of Unalaska does not have a Computer Aided Dispatch (CAD) System that allows for the integration of Enhanced 911 capabilities. This downfall results in lengthy call taking times and pushes back the dispatch times for emergency services. It is the recommendation that Public Safety upgrade its Public Safety Answering Point capability to include Enhanced 911 and to assist with the cost of the implementation, maintenance and operation of the Enhanced 911 System, the City Council should enact an Ordinance that would impose a 911 Surcharge in compliance with current Alaska State Statute.

PREVIOUS COUNCIL ACTION: Council discussed this years ago as a potential funding source for projects currently underway to improve our 911 system. Council discussed this ordinance during their March 23, 2021 Work session. The power point shared in this Work Session is included in the packet for your reverence again tonight, it is full of useful information.

During the Work Session, a question was posed as to if the surcharge could be utilized for expenditures that have already been incurred. So follow-up conversations were had with the City Attorney to confirm this was the case. Also it was mentioned that with impact of COVID and utility increases possible how much negative impact would be caused to the community financially verses the benefits the service provides to the community. Some discussion took place as to what was the overall expected revenue compared to the cost of implementation, maintenance and operation of the project as a whole.

BACKGROUND: Unalaska has a very diverse community along with the existence of a multi-language community. Typically, the presence of a multi-language often poses unique challenges during normal day to day conversation and interaction. When you add in the stress of an emergency situation and the crucial need to immediately share or convey specific information, the results can be an usually long dialogue resulting in the rapid passage of time. The benefit of having an Enhanced 911 system takes seconds off of the dispatch time of emergency services. These seconds saved can result in the saving of a life. 911 was introduced in the 1960's and Enhanced 911 was introduced in the 1970's. A review of the current shortfalls of the Communications System as it is and the potential integration of existing technology was conducted. The Department of Public Safety has undertaken the process of upgrading its Radio, Repeater Site and CAD Systems. Phase III of this project incorporates the move to VESTA. VESTA is a CAD System that supports the Enhanced 911 features desperately needed to provide a high level of services for the best quality of life for the members of the community.

DISCUSSION: The passage of the Enhanced 911 Surcharge, in accordance to Alaska State Statute, will provide funding to assist with the cost of the implementation, maintenance and operation of the Enhanced 911 System. This fund will go towards sustaining the Enhanced 911 system for the life of the program. This includes the cost of training personnel and the time spent towards handling 911 calls. This fund will cover the cost of Computer Aided Dispatch software which periodically requires upgrades, patches or replacement altogether. This fund will allow for the purchase for various elements of equipment when the needs arise.

This is a much needed service. There are countless situations that have, do and may occur that limit the sharing of verbal communications during emergency situations. Enhanced 911 supports the ability of the Communications Division to dispatch Emergency Services even in the absence of verbal communications in life threatening situations when someone dials 911.

ALTERNATIVES: Four main options exist, and our outlined below.

1. The Council may elect to set a reduced rate for the surcharge at the onset and raise it at a later date upon conducting an analysis of the annual review of the program
2. The Council may elect to pass the Ordinance as written then conduct a review of the program upon the annual review and adjust the surcharge to a lower amount
3. The Council may elect to pass the Ordinance as written then conduct a review of the program upon the annual review and adjust the surcharge to a higher amount by placing the proposal as a ballot measure for the community to vote on in accordance to current Alaska State Statute
4. The Council may elect to refuse the proposed Ordinance and fund the project strictly out of the General Fund

FINANCIAL IMPLICATIONS: City staff reached out to local telecommunication providers to estimate the financial impact of the surcharge. Annually, the expected income from the 911 Surcharge (if set at \$2) should generate an estimated \$75-\$85 thousand dollars. This is outlined below.

Expected Surcharge Revenue

TeleCom 1	2000 Cellular Customers	2000 x \$2 x 12 = \$48,000.00
TeleCom 2	1300 Wired + 100 Cellular	1400 x \$2 x 12 = \$33,600.00
TeleCom 3	Projected to pull from existing customer base without additions	
TeleCom 4	Working agreement with partner provider resulting in no additions	

Surcharges would be dedicated to assist with the cost of the implementation, maintenance and operation of the Enhanced 911 System. Related qualifying costs and activities are outlined below.

The CMMP Radio Project is a 3 phase project. This project has a \$1,500,000.00 overall budget. The first phase deals with the repeater and console. The second phase focuses on the radio site. Phase III is geared towards the CAD VESTA implementation.

Phase III Project Costs

Avtek Dispatch Console	\$98,548.87
ErgoFlex Work Stations	\$37,798.00
VESTA CAD Software	\$39,531.44
Network Support Server	<u>\$38,000.00</u>

Estimated Total \$213,878.31

Projected Support Equipment and Man-Hours

(These expenses are associated to the implementation and maintenance of the E-911 System)

Implementation tasks left to be completed include:

- COU Planning: Automatic number identification database integration preparation
- COU Planning: Automatic location identification database integration preparation

Equipment left to purchase includes:

- Public Safety Answering Point backup power systems
- 911 telecommunications systems
- Call answering equipment
- Call transfer equipment
- Automatic number identification controllers and displays
- Automatic location identification controllers and displays
- Tele-printers
- Logging recorders
- Instant playback recorders
- Telephone devices for the deaf
- Automatic call distributors

Expected Long Term Recurring Costs

Communications Personnel Training Cost (for new employees)

Note: CEU's covered with an annual subscription

- ETI estimated \$4500 per employee
- ETC covered by on-site instructor
- EFD estimated \$4300 per employee
- EMD estimated \$4300 per employee
- EPD estimated \$4300 per employee
- EFDQAC estimated \$4500 per employee
- EMDQAC estimated \$4500 per employee
- EPDQAC estimated \$4500 per employee

Communications Personnel Training Cost (every other year per employees)

- EFD estimated \$50 per employee
- EMD estimated \$50 per employee
- EPD estimated \$50 per employee
- EFDQAC estimated \$100 per employee
- EMDQAC estimated \$100 per employee
- EPDQAC estimated \$100 per employee

Salaries can be funded for time spent handling 911 calls

LEGAL: The City Attorney has reviewed this ordinance and adjustments have been made based on his guidance. Additionally, the City Attorney was asked to review Alaska State Statute 29.35.131 as it pertains to the proper use of funds raised by the 911 Surcharge. The City was advised that the funds from the 911 Surcharge can be applied to the costs directly attributed the establishment, maintenance and operation of the E-911 system. This includes costs that have been accrued prior to the enactment of the City Ordinance.

STAFF RECOMMENDATION: Staff recommends adoption of Ordinance 2021-06.

PROPOSED MOTION: I move to adopt Ordinance 2021-06.

CITY MANAGER COMMENTS: I support adoption of this Ordinance, and appreciate Chief King's leadership in these efforts.

ATTACHMENTS:

- Power Point from March 23, 2021 Work Session
- Ordinance 2021-06

Enhanced 9-1-1



What is 9-1-1

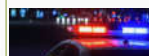
- The first 911 system was installed in Haleyville, Alabama, in February 1968, as a way to quickly connect a subscriber to the local police station.
- It was not until 1999 that the United States Congress directed the FCC to make 911 the universal emergency number in the United States for all telephone services.
- The 911 network is now a vital part of our nation's emergency response and disaster preparedness system.
- Emergency personnel and others often learn about emergencies through 911 calls.

What is 9-1-1



- Dialing 911 quickly connects a caller to a nearby Public Safety Answering Point (PSAP), which is a call center operated by the local government
- At the PSAP, the call is answered by a specially trained official known as a 9-1-1 dispatcher, who routes your call to local emergency medical, fire, and law enforcement agencies.
- 911 lines are designated for emergency calls, such as reporting a crime in progress, reporting a fire, or requesting an ambulance.

What is Enhanced 9-1-1



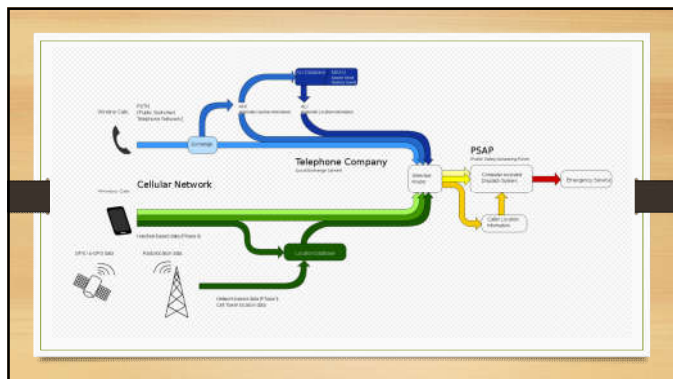
- Enhanced 911, E-911 or E911 is a system used in North America to automatically provide the caller's location to 911 dispatchers.
- A pioneering system was in place in Chicago by the mid-1970s, providing both police and fire departments access to the source location of emergency calls.
- The dispatcher's computer receives information from the telephone company about the physical address (for landlines) or geographic coordinates (for wireless) of the caller.
- This information is used to dispatch police, fire, medical, and other services as needed.

Call Routing

- **Landline routing**
- Calls to 911 over the public switched telephone network (PSTN) are routed to a special router (known as Selective Router, or 9-1-1 Tandem).
- The router looks for the address associated with the caller's telephone number in a database. The caller's phone number is known as an ANI.
- The database relating ANIs to addresses is known as ALI (Automatic Location Identification).
- The router then uses the address to search in the Master Street Address Guide (MSAG) for the Emergency Service Number (ESN) of the appropriate PSAP for that area, and connects the call to it.

Call Routing

- **Wireless routing**
- Calls from cellular phones are received via cell towers by mobile switching centers (MSC).
- The switching center automatically assigns a unique identifier to each cellular 911 call, known as a "pseudo ANI".
- The Selective Router connects the call to a PSAP based on the cell tower's location.



Why?

- Automated Location Information is crucial in situations
 - When a person is suffering a medical emergency and is unable to speak
 - When a person needs assistance but cant hold the phone because they are rendering CPR
 - When a person is the victim of an assault (such as Domestic Violence) and needs help but cannot risk the call being known
 - When a criminal act (Burglary, Robbery, etc.) is taking place and help is needed but the caller cannot risk the call being known

Federal Communications Commission

- The U.S. Federal Communications Commission (FCC) has made several requirements applicable to 911
 - Basic 911: All 911 calls must be relayed to a call center, regardless of whether or not the mobile phone user is already a customer of the network being used.
 - In 1996, the FCC issued an order requiring wireless carriers to determine and transmit the location of callers who dial 911 in two Phases.
 - The Wireless Communications and Public Safety Act of 1999, also known as the 911 Act, mandated the use of E911 and designated 911 as the universal emergency number, including both wireline and wireless phone devices.

Federal Communications Commission

- E911 Phase 1
 - Phase I involved sending the location of the receiving antenna for 911 calls
 - Wireless network operators must identify the phone number and cell phone tower used by callers, within six minutes of a request by a PSAP

Federal Communications Commission

- E911 Phase 2
 - Phase II involved sending the location of the calling telephone for 911 calls
 - 95% of a network operator's in-service phones must be E911 compliant ("location capable") by December 31, 2005. (Numerous carriers missed this deadline and were fined by the FCC).
 - Wireless network operators were to provide the latitude and longitude of callers within 300 meters, within six minutes of a request by a PSAP.
 - Accuracy rates were to meet FCC standards on average within any given participating PSAP service area by 11 September 2012 (deferred from 11 September 2008).

Kari's Law & Ray Baum's Act August 2019

- Under the provisions outlined in KARI'S LAW, new and upgraded MLTS systems after February 17, 2020 must:
 - Enable the public to dial 911 from MLTS directly, without having to dial additional numbers, such as a "9," to reach an outside line.
 - Require MLTS to send a notification to a location where someone is likely to hear or see it when a 911 call has been made.
 - Establish dispatchable location information requirements for 911 calls from MLTS, fixed telephone services, interconnected Voice over Internet Protocol (VoIP) services, mobile text, and Internet-based Telecommunications Relay Services (TRS)

Official Letter of Notification

TeleCom

- Verbal Communications have been ongoing with local TeleCom providers
- Letters have been drafted for
 - TelAlaska
 - GCI
 - OptiMera

Multi-Line Telephone Systems

- Private Telecommunications Networks
 - Business (i.e. Hotels etc) with internal switchboard
- **Dispatchable location is defined as:**
 - The street address of the calling party. Information such as room number, floor number, or similar information necessary to adequately identify the location of the calling party.

E911 Fund

- Annual Report on the Collection and Use of 911 Fees
 - The New and Emerging Technologies 911 Improvement Act of 2008 (NET 911 Act) requires the Commission to submit an annual report to Congress on the collection and distribution of 911 and Enhanced 911 fees and charges by the states, the District of Columbia, U.S. territories, and Tribal Nations (states and other reporting entities).
 - NET 911 Act requires the Commission to report whether 911 fees and charges collected by states and other reporting entities are being used for any purpose other than to support 911 and Enhanced 911 (E911) services

Why?

- Funding is crucial for:
 - Personnel
 - Training
 - Equipment (hardware & software)
- The implementation and maintenance of the program

Address signage standards

- In addition to upgrading communications systems, most counties and communities in the United States have established ordinances (e.g. IRC section [R.319.1](#)) requiring property owners to standardize the display of house numbers on buildings and along streets and roadways, to allow emergency personnel to more easily identify a given address day or night, even in poor weather.
- These are normally composed of reflective characters, at least 3 to 6 inches high, on a contrasting reflective background.
- It is necessary for the address number to be affixed to the building or to a separate structure such as a post, wall, fence, or mailbox, provided that such separate structure is located in front of the building and on the building's side of the street.
- Compliant signage systems are often advertised as being "E911 compliant".

International Residential Code for One- and Two-Family Dwellings

- **R319.1 Address numbers.**
- Buildings shall have *approved* address numbers, building numbers or *approved* building identification placed in a position that is plainly legible and visible from the street or road fronting the property.
- These numbers shall contrast with their background.
- Address numbers shall be Arabic numbers or alphabetical letters.
- Numbers shall be a minimum of 4 inches (102 mm) high with a minimum stroke width of $\frac{1}{2}$ inch (12.7 mm).
- Where access is by means of a private road and the building address cannot be viewed from the public way, a monument, pole or other sign or means shall be used to identify the structure.

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE NO. 2021-08

CREATING BUDGET AMENDMENT #6 TO THE FISCAL YEAR 2021 BUDGET, RECOGNIZING STATE DHSS GRANT REVENUE OF \$210,171.93 AND INCREASING EXPENDITURES BY \$210,171.93 IN THE CORONAVIRUS RELIEF SPECIAL REVENUE FUND TO IMPROVE ACCESS TO COVID-19 VACCINE AND DECREASE HEALTH INEQUITIES

BE IT ENACTED BY THE UNALASKA CITY COUNCIL

Section 1. Classification: This is a non-code ordinance.
Section 2. Effective Date: This ordinance becomes effective upon adoption.
Section 3. Content: The City of Unalaska FY21 Budget is amended as follows:

- A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.
- B. The following are the changes by account line item:

Amendment No. 6 to Ordinance #2020-10

I. OPERATING BUDGETS

A. Coronavirus Relief Special Revenue Fund

Sources:

	Current	Requested	Revised
<i>State of Alaska DHSS Grant</i>	\$ -	\$ 210,172	\$ 210,172

Uses:

	Current	Requested	Revised
<i>COVID-19 Recovery and Prevention - DHSS:</i>			
Personnel	\$ -	\$ 93,000	\$ 93,000
Other Professional Services	\$ -	\$ 105,000	\$ 105,000
Supplies	\$ -	\$ 12,172	\$ 12,172

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS ____ DAY OF ____ 2021

MAYOR

ATTEST:

CITY CLERK

City of Unalaska
Summary of Budget Amendment and Schedule of Proposed Accounts
Budget Amendment 6 to the FY21 Budget

1) **Coronavirus Relief Special Revenue Fund**

Add \$210,171.93 to Misc.State Operating Grants to recognize revenue from a State of Alaska Dept. of Health and Social Services COVID-19 grant

Add \$93,000.00 to personnel expenditures for COVID-19 testing and vaccination activities

Add \$117,171.93 to operating expenditures for COVID-19 testing and vaccination activities

1) **Coronavirus Relief Special Revenue Fund**

Sources:

Misc. State Operating Grants

Org	Object	Project	Current	Requested	Revised
130A1941	42199	EM005	\$ -	\$ 210,171.93	\$ 210,171.93

Uses:

Personnel

Salaries and Wages

Temporary Employees

Overtime

Health Insurance

FICA

PERS

Unemployment Insurance

Worker's Compensation

Other

130A1951	51100	EM005	\$ -	\$ 45,000.00	\$ 45,000.00
130A1951	51200	EM005	\$ -	\$ 6,099.00	\$ 6,099.00
130A1951	51300	EM005	\$ -	\$ 5,000.00	\$ 5,000.00
130A1951	52100	EM005	\$ -	\$ 15,810.00	\$ 15,810.00
130A1951	52200	EM005	\$ -	\$ 4,185.00	\$ 4,185.00
130A1951	52300	EM005	\$ -	\$ 13,950.00	\$ 13,950.00
130A1951	52400	EM005	\$ -	\$ 259.00	\$ 259.00
130A1951	52500	EM005	\$ -	\$ 2,325.00	\$ 2,325.00
130A1951	52900	EM005	\$ -	\$ 372.00	\$ 372.00

Operating

Other Professional Services

130A1952	53300	EM005	\$ -	\$ 105,000.00	\$ 105,000.00
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MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Edward Keough, Finance Director
Through: Erin Reinders, City Manager
Date: April 13, 2021
Re: Ordinance 2021-08, creating budget amendment #6 to the fiscal year 2021 budget, recognizing state DHSS grant revenue of \$210,171.93 and increasing expenditures by \$210,171.93 in the Coronavirus Relief Special Revenue Fund to improve access to COVID-19 vaccine and decrease health inequities

SUMMARY: This ordinance will amend the fiscal year 2021 operating budget to accept a grant in the amount of \$210,171.93 from the State of Alaska Department of Health and Social Services Division of Public Health and provide for expenditures of the same amount to implement community-driven strategies that support COVID-19 vaccination efforts.

PREVIOUS COUNCIL ACTION: On June 9, 2020 Council adopted the FY21 budget with Ordinance 2020-10. Council has passed 5 previous amendments to the FY21 budget.

BACKGROUND: On March 12, 2021, the City of Unalaska applied for funding from the State of Alaska Department of Health and Social services to implement COVID-19 prevention strategies in the community. Alaska DHSS has notified the City that we have qualified for \$210,171.93, contingent upon compliance with the Memorandum of Agreement. The Memorandum of Agreement is in the process of being signed at the state level.

DISCUSSION: The stated purpose of the DHSS grant program is to improve efforts and increase access to COVID testing, build capacity to increase access to COVID vaccines, and implement strategies that decrease health inequities.

In order meet the program goals the City has engaged with a local vaccine coordination committee in conjunction with the Qawalangin Tribe, the IFHS Clinic, and the APIA – Oonalaska Wellness Center. The community-wide scope of these mass vaccination clinics addresses the need to decrease health inequities within Unalaska in addition to increasing access to the COVID vaccine.

The grant funds will be used to cover costs incurred to provide mass vaccination clinics in our community. The clinics are staffed by a combination of City Fire/EMS and PCR employees and medical personnel from IFHS and the APIA - Oonalashka Wellness Center. \$198,000 of the grant funds will be used for these staffing costs. The additional grant funds will be used for supplies and equipment rental required to stage the clinics. If funding remains after mass vaccination clinics are no longer necessary, remaining funds may be used to support other vaccination and testing efforts.

ALTERNATIVES: Council could elect to not agree to the terms of the grant agreement and forfeit the opportunity to recover costs incurred as a result of the City's efforts in responding to the COVID-19 pandemic

FINANCIAL IMPLICATIONS: Adds \$210,171.93 of grant revenue and authorizes the same amount of expenditures in the Coronavirus Relief Special Revenue Fund.

LEGAL: None

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to schedule Ordinance 2021-08 for public hearing and second reading on April 27, 2021.

CITY MANAGER COMMENTS: I support approval of this ordinance.

ATTACHMENTS: Memorandum of Understanding



Memorandum of Understanding Between
State of Alaska - Department of Health and Social Services
Division of Public Health – COVID-19 Emergency Operations Center (DPH-EOC)
- and -
City of Unalaska

I. PURPOSE AND SCOPE

The purpose of this MOA is to provide funding to government entities to implement community-driven strategies that support COVID-19 related activities. These activities include improving efforts and increase access to COVID-19 testing in the community, building capacity to increase access to COVID-19 vaccine in the community and implementing strategies that decrease health inequities, as well as other COVID-19 related recovery and prevention strategies.

II. THE DPH AGREES TO:

Provide support to the community on COVID-19 vaccine administration, testing, and other COVID-19 related activities. The COVID-19 EOC Team is available to consult and provide technical assistance to government entities and to pre-approved pass-through recipients of award funding. The team will also ensure that approved activities meet the funding requirements.

III. THE CITY OF UNALASKA AGREES TO:

Expand access to COVID-19 vaccinations, provide mobile COVID-19 vaccine administration, and implement strategies to reduce COVID-19 related health inequities.

Recipient must establish/maintain/provide electronic reporting of SARS-CoV2/COVID-19 laboratory data to CDC daily per the guidance provided by CDC (e.g., CELR). This includes all testing (e.g., positive/negative, PCR, Point-of-Care, etc.) and complete data elements (e.g., race/ethnicity) per CARES legislation and ELC performance measures.

Any additional activities not specifically stated in the application must be received prior to approval from the COVID-19 EOC Team.

IV. JOINT RESPONSIBILITIES:

Both parties will make a good faith effort to communicate about any issues that might arise that will impact the timeliness of activities, reporting, or payment.

V. PERIOD OF AGREEMENT AND TERMINATION:

This agreement will terminate on March 31, 2022 and receipts must be for activities prior to this date. Funds are intended to be used to support staff time (including overtime), supplies, and other materials as needed to support COVID-19 related activities.

VI. TERMS OF PAYMENT

The State agrees to pay the City of Unalaska up to \$210,171.93 over the term of this agreement.

The Contractor will submit monthly invoices detailing services performed in accordance with appendix A.

The invoice must:

- reference the contractor's name, address and phone number
- reference the contract number: C0621-540-L (actual contract number);
- include an invoice number
- Reference the Alaska Division of Public Health – COVID Admin

The Contractor shall submit final invoices to the address specified below no later than 30 days after March 31, 2022. Failure to include the required information on the invoice may cause an unavoidable delay to the payment process. The State will pay all invoices within thirty (30) days of invoice approval by the Project Director.

Email invoices to:

covidadmin@alaska.gov

(please reference *Community MOA Reimbursement Request* in the subject line)

Notwithstanding any other provision of this contract, it is understood and agreed that the State shall withhold reimbursement at any time the Contractor fails to comply with the terms of the MOA.

VII. GRANT COMPLIANCE FROM THE FEDERAL NOTICE OF GRANT AWARD

- Recipients must comply with the Terms and Conditions of this award, all Code of Federal Regulations, and the Alaska Administrative Manual.
- In addition to the federal laws, regulations, policies, and CDC General Terms and Conditions for Non-research awards at <https://www.cdc.gov/grants/federalregulationspolicies/index.html>, the Centers for Disease Control and Prevention (CDC) hereby incorporates Notice of Funding Opportunity (NOFO) number CK19-1904 entitled "Cooperative Agreement for Epidemiology and Laboratory Capacity (ELC), which is hereby made a part of this non-research award, hereinafter referred to as the Notice of Award (NoA).
- Coronavirus Disease 2019 (COVID-19) Funds: A recipient of a grant or cooperative agreement awarded by the Department of Health and Human Services (HHS) with funds made available under the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (P.L. 116-123); the Coronavirus Aid, Relief, and Economic Security Act, 2020 (the "CARES Act") (P.L. 116-136); the Paycheck Protection Program and Health Care Enhancement Act (P.L. 116-139); and/or the Consolidated Appropriations Act,

2021, Division M – Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (P.L. 116-260), agrees, as applicable to the award, to: 1) comply with existing and/or future directives and guidance from the Secretary regarding control of the spread of COVID-19; 2) in consultation and coordination with HHS, provide, commensurate with the condition of the individual, COVID-19 patient care regardless of the individual's home jurisdiction and/or appropriate public health measures (e.g., social distancing, home isolation); and 3) assist the United States Government in the implementation and enforcement of federal orders related to quarantine and isolation.

- To achieve the public health objectives of ensuring the health, safety, and welfare of all Americans, Recipient must distribute or administer vaccine without discriminating on non-public-health grounds within a prioritized group. This includes, but is not limited to, immigration status, criminal history, incarceration, or homelessness. To this end, and to help achieve the public health imperative of widespread herd immunity to COVID-19, Recipient must administer or distribute vaccine to any and all individuals within a prioritized group in the same timeframe, taking into account available vaccine doses. For example, if meatpacking plant workers are a prioritized group, then all workers in that group, including undocumented immigrants, must be vaccinated to help assure that the plant is in a position to safely resume essential functions. In addition, to the extent applicable, Recipient will comply with Section 18115 of the CARES Act, with respect to the reporting to the HHS Secretary of results of tests intended to detect SARS-CoV-2 or to diagnose a possible case of COVID-19. Such reporting shall be in accordance with guidance and direction from HHS and/or CDC. HHS laboratory reporting guidance is posted at: <https://www.hhs.gov/sites/default/files/covid-19-laboratory-data-reporting-guidance.pdf>.
- Further, consistent with the full scope of applicable grant regulations (45 C.F.R. 75.322), the purpose of this award, and the underlying funding, the recipient is expected to provide to CDC copies of and/or access to COVID-19 data collected with these funds, including but not limited to data related to COVID-19 testing. CDC will specify in further guidance and directives what is encompassed by this requirement.
- This award is contingent upon agreement by the recipient to comply with existing and future guidance from the HHS Secretary regarding control of the spread of COVID-19. In addition, recipient is expected to flow down these terms to any subaward, to the extent applicable to activities set out in such subaward.

Unallowable Costs:

- Resources funded by another HSS Contract or HSS-Cares source
- Purchase of vehicles
- Reimbursement of pre-award costs
- Research
- Indirect costs associated with the award
- Food and/or water for events
- Hospital bill or insurance claims
- Clinical care (except as otherwise noted in Domain 5 and as may be provided in further guidance from CDC)
- Publicity and propaganda (lobbying):
- Other than for normal and recognized executive-legislative relationships, no funds may be used for:
 - publicity or propaganda purposes, for the preparation, distribution, or use of any material designed to support or defeat the enactment of legislation before any legislative body
 - the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive order proposed or pending before any legislative body
 - See Additional Requirement (AR) 12 for detailed guidance on this prohibition and additional guidance on lobbying for CDC recipients: https://www.cdc.gov/grants/documents/Anti-Lobbying_Restrictions_for_CDC_Grantees_July_2012.pdf
 - All unallowable costs cited in CDC-RFA-TP18-1802 remain in effect, unless specifically amended in this guidance, in accordance with 45 CFR Part 75 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards.

VII. CONTACT INFORMATION

DPH-EOC primary point of contact: Marie Jackman
Division of Public Health, COVID Public Health Specialist
3601 C Street, Suite 722
Anchorage AK 99503
Office: 907-310-6092
Email: marie.jackman@alaska.gov

City of Unalaska primary point of contact: Patrick Shipp
City of Unalaska, Fire Chief
Office: 907-581-5330
Email: pshipp@ci.unalaska.ak.us


City of Unalaska finance contact: Edward Keough
City of Unalaska, Finance Director
Office: 907-581-1251 Ext. 3111
Email: ekeough@ci.unalaska.ak.us

City of Unalaska additional contact: Erin Reinders
City of Unalaska, City Manager
Office: 907-581-1251
Email: ereinders@ci.unalaska.ak.us

VIII. SIGNATURES

By signature of the below, both parties agree to the terms of this MOA.

City of Unalaska

By:  _____ Date: 4/6/21
Erin Reinders, City Manager, City of Unalaska

State of Alaska

By: _____ Date: _____
Marie Jackman, DPH-EOC Program Contact

By: _____ Date: _____
Heidi Hedberg, EOC/Unified Commander & DPH Director

By: _____ Date: _____
Jason Grove, Procurement Manager