

Regular Meeting
Tuesday, July 27, 2021
6:00 p.m.



Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
Thomas D. Bell
Darin Nicholson
Daneen Looby

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

COUNCIL MEETING ATTENDANCE

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

- In person at City Hall
- Online via ZOOM (link, meeting ID & password below)
- 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
- 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 to raise your hand; or you may notify the City Clerk 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, and 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:** [June 22, 2021](#)
6. **Reports:** [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 signing up with the City Clerk.*

9. **Consent agenda** *Approval of non-controversial and routine items, accomplished without debate and with a single motion and vote. Council members may request an item be moved to the regular agenda for discussion purposes.*

- a. [Resolution 2021-51: Authorizing the city manager to sign an agreement with the US Army Corps of Engineers in an amount not to exceed \\$575,000 for plans and specifications for construction of the entrance channel dredging project](#)
- b. [Resolution 2021-52: Authorizing the City Manager to enter into an agreement with Procomm Alaska LLC for the construction of the repeater site and radio upgrades project in the amount of \\$755,568](#)
- c. [Resolution 2021-53: Acknowledging the closure and completion of various capital projects and purchases](#)
- d. [Resolution 2021-54: Authorizing financial support of aerial salmon surveys during calendar year 2021 by Aleutian Aerial LLC in the amount of \\$6,550 with funding from FY22 Council Contingency Budget](#)

10. **Regular agenda** *Persons wishing to speak on regular agenda items must sign up with the City Clerk.*

- a. [Ordinance 2021-11: Amending Unalaska Code of Ordinances Chapter 6.40, Sales Tax, to increase the rate of the sales tax levy from 3% to 4% for the purpose of creating a Utility Infrastructure Fund to supplement the Utility Proprietary Funds](#)
- b. [Ordinance 2021-12: Amending UCO 9.04, Business Licenses and Regulations, to clarify the due date for applications to renew business licenses and to add a late fee](#)
- c. [Ordinance 2021-13: Amending the Port of Dutch Harbor Unalaska Marine Center terminal tariff](#)
- d. [Ordinance 2021-14: Amending Unalaska Code of Ordinances, Chapter 4, City Elections, to establish that wages of non-employee Election Judges and Clerks shall be determined by council resolution, and to allow certification of election results at either a regular or a special meeting of the City Council](#)
- e. [Resolution 2021-55: Approving Amendment 2 to the Power Purchase Agreement with Ounalashka/Chena Power, LLC and authorizing the City Manager to sign the amendment](#)

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 June 22, 2021
6:00 p.m.



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Council Members
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MINUTES

1. **Call to order.** Mayor Tutiakoff called the meeting to order at 6:01 p.m. in City Council Chambers.
2. **Roll call.** City Clerk called the roll.

<u>Present</u>	<u>Absent (excused)</u>
Shari Coleman	Thomas Bell
Daneen Looby (telephonic)	
Darin Nicholson	
Dennis Robinson	
Alejandro Tungul	
Vincent Tutiakoff, Sr., Mayor	
3. **Pledge of allegiance.** Council Member Nicholson led the Pledge of Allegiance.
4. **Adoption of agenda.**

Robinson moved to adopt the agenda; Nicholson seconded.

Robinson made a motion to amend the agenda to move items 11(c) and 11(d) from the regular agenda to the consent agenda; Tungul seconded.

Roll call vote on the motion to amend: Tungul – yes; Robinson – yes; Nicholson – yes; Looby – yes; and Coleman – Yes. Motion to amend passes 5-0.

Roll call vote on the main motion: Looby – yes; Coleman – yes; Tungul – yes; Nicholson – yes; and Robinson – yes. Motion passes 5-0.
5. **Approve minutes of previous meeting:** June 8, 2021
Coleman moved to approve the minutes of June 8, 2021; Robinson seconded.
Roll call vote: Tungul – yes; Looby – yes; Robinson – yes; Nicholson – yes; and Coleman – yes. Motion passes 5-0.
6. **Reports**
 - a. City Manager's report was in the packet; Acting City Manager JR Pearson & staff responded to council inquiries.
 - b. Financial reports for April 2021 and May 2021. No questions from council.
7. **Community Input & Announcements:** Acting PCR Director Albert Burnham announced upcoming PCR activities (4th of July Parade; Water Exploration; Water Polo; Bunker Hill Challenge); Theo Greenley, a new reporter from KUCB introduced himself; Mayor Tutiakoff announced a Q-Tribe events for 4th of July at Tutiakoff Park and the City's fireworks display.
8. **Public comment on agenda items:** None.

9. **Public hearing.** Mayor Tutiakoff opened the public hearing on Ordinance 2021-10: Amending the Fee Schedule specifying the fees and charges for services, labor and equipment provided by the City. Hearing no testimony, the public hearing was closed.
10. **Consent agenda.** Robinson made a motion to adopt the items on the Consent Agenda; Nicholson seconded. Roll call vote: Tungul – yes; Looby – yes; Coleman – yes; Nicholson – yes; Robinson – yes. Motion passes 5-0.
- a. Ordinance 2021-10 (second reading): Amending the Fee Schedule specifying the fees and charges for services, labor and equipment provided by the City
 - b. Resolution 2021-45: Authorizing the City Attorney to bring suit quieting title to Lot 1, Block 6, USS 4988
 - c. Resolution 2021-49: Recognizing Juneteenth National Independence Day as a City Holiday and granting regular full time and part time city employees an additional paid floating holiday in 2021
 - d. Resolution 2021-50: Accepting Coronavirus Local Fiscal Recovery Funds Award to Non-Entitlement Units of Local Governments from the Alaska Department of Commerce, Community and Economic Development
11. **Regular agenda**
- a. Resolution 2021-47: Extending the Declaration of a Local Emergency and authorizing the City Manager to take necessary actions to reduce the impact and spread of the coronavirus known as COVID-19 throughout the City of Unalaska

Tungul moved to adopt Resolution 2021-47; Robinson seconded. Council discussion and questions to the Acting City Manager. No public comment offered.

Roll call vote: Coleman – yes; Looby – yes; Nicholson – yes; Robinson – yes; and Tungul – yes. Motion passed 5-0.
 - b. Resolution 2021-48: Continuing measures to protect public health

Robinson moved to adopt Resolution 2021-48; Coleman seconded. Council discussion and questions to the Acting City Manager. No public comment offered.

Roll call vote: Nicholson – yes; Looby – yes; Robinson – yes; Coleman – yes; and Tungul – yes. Motion passes 5-0.
 - c. Approve travel for Mayor and Council to the AML Summer Legislative Meeting, August 1-6, 2021, Fairbanks, Alaska

Coleman moved to approve travel for the Mayor and three council members to the AML Summer Legislative Conference in Fairbanks; Robinson seconded.

Council discussion.

Coleman moved to amend the motion to allow Mayor Tutiakoff and Council Member Robinson to travel; Tungul seconded. Roll call vote on the motion to amend: Nicholson – yes; Looby – yes; Coleman – yes; Tungul – yes; and Robinson; yes. Motion passes 5-0.

Roll call vote on the motion to amend: Nicholson – yes; Looby – yes; Coleman – yes; Tungul – yes; and Robinson; yes. Motion passes 5-0.
12. **Council Directives to City Manager.** None.
13. **Community Input & Announcements.** Steve Tompkins announced the City Fireworks show for midnight, July 3; and that the landfill may hold a spring cleanup event allowing residents to dispose of up to 500 lbs. of household waste at no additional charge.
14. **Adjournment.** Mayor Tutiakoff adjourned the meeting at 6:43 p.m.

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: July 27, 2021
Re: City Manager Report

State Legislative Fly-In to Unalaska: Fly-in is on July 29 and 30, and is a good follow-up up to the “Remote” Lobby trip earlier this year where Council Members advocated for Unalaska and Council’s priorities with legislators and others. This visit will provide an opportunity to see what was discussed first hand. We have confirmed with Sen. Lyman Hoffman, Rep. Bryce Edgmon, Rep. Kelly Merrick, Rep. Louise Stutes, DOT Commissioner MacKinnon, and Governor’s Office Staff Tyler Sachtleben and Rex Rock. Dianne Blumer, Mayor Tutiakoff, Administrative Coordinator and I have worked out the schedule for the compact visit. I thank staff for all their help with putting this together! Key events are outlined below:

- July 29 (11am-12:30pm) Lunch in Makushin Room with Mayor & Council (Including a Presentation of overview of Tour and Video of Captains Bay Road, highlighting priorities by City Staff)
- July 29 (12:30-4pm) Driving Tour by Mayor, City Manager & Planning Director
- **July 29 (5-7pm) Community Reception at Margaret’s Bay Cafe**
- July 30 (8-9:00am) Breakfast in Makushin Room with Mayor & Council (Including a Presentation of IRT activities by Trilateral Group)

Strategic Planning: As we have discussed previously, the in-person Strategic Planning facilitator is set to meet with the Mayor and City Council on **Thursday, August 12 (9:00-3:30) and Friday, August 13 (9:00-12:00)**. The facilitator will first meet with the Executive Team as a group and with their input, will then meet with the Mayor and City Council. This process will help Council set focus areas for the near future to best address community needs and your vision. With added focus, this will help us to use our resources more effectively. Meetings will take place in the Makushin Room. This has been postponed numerous times over the course of the last two years; looking forward to this time together.

Federal Lobby Trip: Council will need to decide if they want to participate in a federal lobby trip this fall, and if so then when. Brad Gilman, our Federal Lobbyist, has provided potential dates for Council to consider if there is interest. There is continued uncertainty as to the potential to meet in person and what the requirements might be. The Alaska Delegation has said that they will meet with constituents who are otherwise in town. However, there is a real risk of not being about to meet with any of the agencies in person. Our lobbyist team will continue trying to learn more.

Below for consideration is a list of possible three-day dates for a trip to DC. If Council wants to plan a trip, Brad and team will do their best to try and fill up the schedule. His guess is that coming later in the year will have greater odds of things being back to some sense of normalcy, but warns that there may be some periods of heightened concern. Brad also suggests bringing proof of vaccination, and getting refundable tickets in case the trip is canceled.

- September 13-15
- September 20-23 (any three consecutive days)
- September 28-30
- October 4-7 (any three consecutive days)
- November 1-4 (any three consecutive days)
- November 29-Dec. 2 (any three consecutive days)
- December 6-9 (any three consecutive days)

For some context, typically Council would approve travel for the federal lobby trip at the first meeting in September and approve legislative priorities during the second meeting in September. Another important date is October 5, our local election. I already removed the potential November dates that conflicted with AML's Annual Conference. Given these typical dates and guidance from Brad, if Council wants to plan on a trip, I would suggest the November or December dates.

Rescue Act (ARPA): We continue to wait for final details from DCRA regarding ARPA and what it will mean for Unalaska. What we know for sure at this point is that the City will receive a total of \$1,069,850, split into two payments over two years through the State. With this in mind, Staff has reviewed the guidance shared thus far and outlined a tentative spending plan. We plan on proposing that ARPA funds be used for a Residential Utility Credit and be focused on covering continuing COVID-19 and Emergency response efforts. Council approved a resolution from DCRA on June 22, 2021 to accept the funds when they become available. There has been no new information provided to municipalities since that time. As we communicated on June 22, we plan to bring a budget amendment to accept and utilize these funds when the details are known.

Fiscal Sustainability: Fiscal sustainability is on everyone's mind, as is the underlying responsibility to be good stewards of the tax payer's money. This is especially important as we see the decline in revenues from past years and growing needs in the future. Council voted to increase the City's emergency "rainy day" fund from \$13 million to \$25 million early in 2021, the concept being that this amount would be reconsidered annually. City Council has since requested criteria for use of the rainy day fund and triggers to assist with the City's overall fiscal sustainability. The Interim Finance Director and I have begun discussions with financial advisors from Alaska Permanent Capital Management (APCM) to see how they might assist.

We are exploring the concept of setting up a way to formally distinguish the City's emergency "rainy day" fund and allow for the creation of a specific investment strategy for this fund that would address Council's request. APCM also has extensive experience creating and managing longer term investment accounts that utilize equities to attain higher returns in addition to our fixed income management. We are also exploring the concept of a Permanent Fund that allows for this approach and help to supplement our revenues.

For some background, the City has a Key Bank account with roughly \$2.5 million for current operations; an Alaska Municipal League Investment Pool (AMLIP) money market account with roughly \$46 million for shorter term operations; and then the APCM account with roughly \$112 million for the longer term investments. Staff is currently evaluating our operational and administrative procedures to see how we could more effectively use these accounts to make better use of the APCM account for investments. APCM professionals are providing us with input and ideas on how we might approach that as well.

With all this in mind, we are also talking with APCM advisors on suggested changes to Council's overall investment policy for Council to consider. We plan on having a **Special Council Work**

Session on September 13th to discuss the strategy for the Rainy Day Fund and other investments with APCM. This will include an educational piece as well. APCM will be at the regular Council Meeting the following night, September 14, to provide their annual APCM Investment Presentation.

Finance Director: We continue working with AES on the search for a permanent Finance Director. Recruitment efforts are in progress, and we anticipate the process to take some time. We will have regular meetings with AES and remain engaged. No significant update at this time.

Current Directives to the City Manager:

- *Cost Benefit Analysis for Captains Bay Road Project (March 30, 2021). Progressing.* The directive reads, "Implement a cost-benefit analysis for the proposed road improvements and utility expansion for Captains Bay Road." Given the magnitude of the Captains Bay Road project, we are confident that this analysis will serve us well but we are unsure of the cost for such a service. An RFP was issued on Friday, June 11th with a due date of July 15th. The RFP outlines the project itself and what we are looking for in an analysis, which includes identifying potential funding opportunities. We received two proposals and DPW is currently reviewing the details.
- *Utility Infrastructure Fund (May 25, 2021). Complete.* The directive reads, "Work with the City Attorney to prepare an ordinance amending Chapter 6.40 of the Unalaska Code of Ordinances to increase the sales tax levy by one percent (1%) for the purpose of funding a Utility Infrastructure Fund to supplement the Utility Proprietary Funds." The Clerk has drafted the ordinance. This item is before Council for consideration this evening, and is set for final approval on August 10, in time for the October election.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-51

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO SIGN AN AGREEMENT WITH THE US ARMY CORPS OF ENGINEERS IN AN AMOUNT NOT TO EXCEED \$575,000 FOR PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF THE ENTRANCE CHANNEL DREDGING PROJECT

WHEREAS, the City of Unalaska entered into an agreement for a feasibility study for dredging the entrance channel to Iliuliuk Bay; and

WHEREAS, the US Army Corps of Engineers (USACE) completed the feasibility study including preliminary geotechnical information and a recommended depth; and

WHEREAS, the next phase is to develop plans and specifications for construction; and

WHEREAS, Congressional approval for funding of the plans and specifications for construction has been approved at 75% of the cost of this phase of the project; and

WHEREAS, the City of Unalaska has included funding for the plans and specification phase in the FY22 Capital project budget; and

WHEREAS, the City of Unalaska's cost for the plans and specification phase is 25% of the overall budget; and

WHEREAS, the USACE approved funding will not exceed \$2.53 million.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council Authorizes the City Manager to sign an agreement with the USACE for the Plans and Specifications for Construction of the Entrance Channel Dredging Project not to exceed \$575,000.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on July 27, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Peggy McLaughlin, Port Director
Through: Erin Reinders, City Manager
Date: July 27, 2021
Re: Resolution 2021-51: Authorizing the City Manager to sign an agreement with the United States Army Corps of Engineers for the plans and specification of the Dredging of the Entrance Channel in an amount not to exceed \$575,000

SUMMARY: Resolution 2021-51 authorizes the City Manager to sign an agreement with the United States Army Corps of Engineers (USACE) for the plans and specifications (design and engineering) of the dredging of the entrance channel to -58 feet. This is not to exceed \$575,000, which is 25% of the estimated cost. This money has been budgeted and approved by Council. This is the second phase. The first phase was the feasibility study and the last phase will be dredging or construction.

PREVIOUS COUNCIL ACTION: Through Resolution 2016-48, Council authorized the funding and contract for the feasibility study for the project. By Resolution 2018-68, Council supported dredging to a depth of -58 feet, plus a margin of 2 additional feet. Ordinance 2021-07 adopted the fiscal year 2022 Operating and Capital Budget for the City, approving the funding for the Design and Engineering of the Dredging of the Entrance Channel project.

BACKGROUND: The dredging of the entrance channel was identified as a needed project in a study conducted in 1995. This project was revisited in 2014 and the USACE received congressional approval of Entrance Channel Dredging as a start-up project in 2017. The USACE and the City of Unalaska have completed the feasibility study and the next step, plans and specifications, has been approved and funded.

DISCUSSION: The dredging of the entrance channel was identified in a study in 1995 as a future project that is beneficial to deep-draft shipping and provides benefits to commerce. It has been a Council priority for several years, and has been slowly moving through the phases of development. The first phase funded and completed was the feasibility phase. USACE conducted geotechnical data collection and analysis, hydrology simulations, navigation simulations and ultimately determined the dredging was feasible and would provide economic benefits to the City, State and Nation.

The second and next phase is the plans, engineering and design (PED) phase. The cost of the plans and specifications or engineering and design phase is not to exceed \$2.3 million. The City of Unalaska is obligated to fund 25% of that cost, in cash or in kind. City Council has funded the dredging project in anticipation of an expeditious PED phase and early construction (phase three) and the appropriated funding for the plans and specifications exceeds the City's requirement for the PED of the project. Engineering and Design kick-off meeting is scheduled for August 12, 2021.

Each phase of this project requires congressional funding and approval. It also requires the City of Unalaska to approve and certify funding for each phase of the project. This resolution

authorizes the City Manager to sign the agreement for phase 2. It also gives Council the opportunity to put the brakes on the project if their goals have changed.

Phase 2 is expected to last no more than two years. With the staggering fiscal years of the Federal government and the City of Unalaska, there will be no gap in funding between phases. Council will once again have the opportunity to review and approve the next phase if they choose to approve phase 2.

ALTERNATIVES: Council could approve the authorization of the project, Council could choose to not approve (essentially closing the project), or Council could propose an alternative to this contract (which may need additional federal approval).

FINANCIAL IMPLICATIONS: The City's portion of the Plans and specification stage is not to exceed \$575,000, which is budgeted.

LEGAL: Part of the contract paperwork identifies the Attorney of Record for the City of Unalaska.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to adopt Resolution 2021-51.

CITY MANAGER COMMENTS: I support staff's recommendation. Council has considered this project to be a federal priority for quite some time. The project is included in the CMMP and the associated funding is included in the budget.

ATTACHMENTS: Design Agreement

DESIGN AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
THE CITY OF UNALASKA, ALASKA
FOR
DESIGN
FOR THE
UNALASKA (DUTCH HARBOR) CHANNELS, UNALASKA, ALASKA

THIS AGREEMENT is entered into this _____ day of _____, _____, by and between the Department of the Army (hereinafter the “Government”), represented by the District Commander for Alaska District (hereinafter the “District Commander”) and the City of Unalaska, Alaska (hereinafter the “Non-Federal Sponsor”), represented by the City Manager.

WITNESSETH, THAT:

WHEREAS, Federal funds provided in the Energy and Water Development and Related Agencies Appropriations Act, 2018 (Division D of the Consolidated Appropriations Act, 2018, P.L. 115-141) were reallocated to initiate design of the Dutch Harbor entrance channel;

WHEREAS, Section 101 of the Water Resources Development Act of 1986, as amended (33 U.S.C. 2211), specifies the cost-sharing requirements applicable to construction of the Project, and Section 105(c) of the Water Resources Development Act of 1986 (33 U.S.C. 2215), provides that the costs of design shall be shared in the same percentages as construction of the Project;

WHEREAS, based on the Project’s primary project purpose of commercial navigation, the parties agree that the Non-Federal Sponsor shall contribute 25 percent of the total design costs under this Agreement; and

WHEREAS, the Government and Non-Federal Sponsor have the full authority and capability to perform in accordance with the terms of this Agreement.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I - DEFINITIONS

A. The term “Project” means a -58 feet mean lower low water entrance channel leading into Dutch Harbor, as generally described in the Unalaska (Dutch Harbor) Channels Final Feasibility and Final Environmental Assessment Unalaska, Alaska, dated November 2019 and approved by Chief of Engineers on February 7, 2020.

B. The term “Design” means perform detailed pre-construction engineering and design, including preparation of plans and specifications for the initial construction contract for the Project.

C. The term “total design costs” means the sum of all costs that are directly related to the Design and cost shared in accordance with the terms of this Agreement. Subject to the provisions of this Agreement, the term shall include, but is not necessarily limited to: the Government’s costs for engineering and design, economic and environmental analyses, and evaluation; for contract dispute settlements or awards; for supervision and administration; for Agency Technical Review and other review processes required by the Government; for response to any required Independent External Peer Review; and the Non-Federal Sponsor’s creditable costs for in-kind contributions, if any. The term does not include any costs for dispute resolution; participation by the Government and Non-Federal Sponsor in the Design Coordination Team to discuss significant issues and actions; audits; or an Independent External Peer Review panel, if required; or the Non-Federal Sponsor’s cost of negotiating this Agreement.

D. The term "in-kind contributions" means those materials or services provided by the Non-Federal Sponsor that are identified as being integral to design of the Project by the Division Commander for the Pacific Ocean Division (hereinafter the “Division Commander”). To be integral, the material or service must be part of the work that the Government would otherwise have undertaken for design of the Project. In-kind contributions also include any investigations performed by the Non-Federal Sponsor to identify the existence and extent of any hazardous substances that may exist in, on, or under real property interests required for the Project.

E. The term “fiscal year” means one year beginning on October 1st and ending on September 30th of the following year.

ARTICLE II - OBLIGATIONS OF THE GOVERNMENT AND THE NON-FEDERAL SPONSOR

A. In accordance with Federal laws, regulations, and policies, the Government shall conduct the Design using funds appropriated by the Congress and funds provided by the Non-Federal Sponsor. In carrying out its obligations under this Agreement, the Non-Federal Sponsor shall comply with all requirements of applicable Federal laws and implementing regulations. If the Government and non-Federal interest enter into a Project Partnership Agreement for construction of the Project, the Government shall include the total design costs in the calculation of construction costs for the Project in accordance with the terms and conditions of the Project Partnership Agreement.

B. The Non-Federal Sponsor shall contribute 25 percent of total design costs in accordance with the provisions of this paragraph and provide required funds in accordance with Article III.

1. After considering the estimated amount of credit for in-kind contributions, if any, that will be afforded in accordance with paragraph C. of this Article, the Government shall provide the Non-Federal Sponsor with a written estimate of the amount of funds required from the Non-Federal Sponsor to meet its cost share for the initial fiscal year of the Design. No later than 60 calendar days after such notification, the Non-Federal Sponsor shall provide the full amount of such funds to the Government in accordance with Article III.

2. No later than August 1st prior to each subsequent fiscal year of the Design, the Government shall provide the Non-Federal Sponsor with a written estimate of the amount of funds required from the Non-Federal Sponsor during that fiscal year to meet its cost share. No later than September 1st prior to that fiscal year, the Non-Federal Sponsor shall provide the full amount of such required funds to the Government in accordance with Article III.

C. The Government shall credit towards the Non-Federal Sponsor's share of total design costs, the costs, documented to the satisfaction of the Government, that the Non-Federal Sponsor incurs in providing or performing in-kind contributions integral to the Design, including associated supervision and administration. Such costs shall be subject to audit in accordance with Article VII to determine reasonableness, allocability, and allowability, and crediting shall be in accordance with the following procedures, requirements, and limitations:

1. As in-kind contributions are completed and no later than 60 calendar day after such completion, the Non-Federal Sponsor shall provide the Government appropriate documentation, including invoices and certification of specific payments to contractors, suppliers, and the Non-Federal Sponsor's employees. Failure to provide such documentation in a timely manner may result in denial of credit.

2. No credit shall be afforded for interest charges, or any adjustment to reflect changes in price levels between the time the in-kind contributions are completed and credit is afforded; for the value of in-kind contributions obtained at no cost to the Non-Federal Sponsor; for any items provided or performed prior to the effective date of this Agreement unless covered by an In-Kind Memorandum of Understanding; for any items not identified as integral in the integral determination report; or for costs that exceed the Government's estimate of the cost for such item if it had been performed by the Government.

3. No reimbursement will be provided for any in-kind contributions that exceed the Non-Federal Sponsor's share of the total design costs under this Agreement. As provided in Article II.A., total design costs, including credit for in-kind contributions, shall be included in the calculation of construction costs for the Project in accordance with the terms and conditions of the Project Partnership Agreement.

D. To the extent practicable and in accordance with Federal laws, regulations, and policies, the Government shall afford the Non-Federal Sponsor the opportunity to review and comment on solicitations for contracts prior to the Government's issuance of such solicitations; proposed contract modifications, including change orders; and contract claims prior to resolution thereof. Ultimately, the contents of solicitations, award of contracts, execution of contract modifications, and resolution of contract claims shall be exclusively within the control of the Government.

E. The Non-Federal Sponsor shall not use Federal program funds to meet any of its obligations under this Agreement unless the Federal agency providing the funds verifies in writing that the funds are authorized to be used for the Project. Federal program funds are those funds provided by a Federal agency, plus any non-Federal contribution required as a matching share therefor.

F. Except as provided in paragraph C. of this Article, the Non-Federal Sponsor shall not be entitled to any credit or reimbursement for costs it incurs in performing its responsibilities under this Agreement.

G. If Independent External Peer Review (IEPR) is required for the Design, the Government shall conduct such review in accordance with Federal laws, regulations, and policies. The Government's costs for an IEPR panel shall not be included in the total design costs.

H. In addition to the ongoing, regular discussions of the parties in the delivery of the Design, the Government and the Non-Federal Sponsor may establish a Design Coordination Team to discuss significant issues or actions. Neither the Government's nor the Non-Federal Sponsor's costs for participation on the Design Coordination Team shall be included in the total design costs. The Non-Federal Sponsor's costs for participation on the Design Coordination Team shall be paid solely by the Non-Federal Sponsor without reimbursement or credit.

ARTICLE III - PAYMENT OF FUNDS

A. As of the effective date of this Agreement, total design costs are projected to be \$2,300,000, with the Government's share of such costs projected to be \$1,725,000, the Non-Federal Sponsor's share of such costs projected to be \$575,000, which includes creditable in-kind contributions projected to be \$75,000 and the amount of funds required to meet its cost share projected to be \$500,000. These amounts are estimates subject to adjustment by the Government, after consultation with the Non-Federal Sponsor, and are not to be construed as the total financial responsibilities of the Government and the Non-Federal Sponsor.

B. The Government shall provide the Non-Federal Sponsor with monthly reports setting forth the estimated total design costs and the Government's and Non-Federal Sponsor's estimated shares of such costs; costs incurred by the Government, using both Federal and Non-Federal Sponsor funds, to date; the amount of funds provided by the Non-Federal Sponsor to date; the estimated amount of any creditable in-kind contributions; and the estimated remaining cost of the Design.

C. The Non-Federal Sponsor shall provide to the Government required funds by delivering a check payable to "FAO, USAED, Alaska (J4)" to the District Commander, or verifying to the satisfaction of the Government that the Non-Federal Sponsor has deposited such required funds in an escrow or other account acceptable to the Government, with interest accruing to the Non-Federal Sponsor, or by providing an Electronic Funds Transfer of such required funds in accordance with procedures established by the Government.

D. The Government shall draw from the funds provided by the Non-Federal Sponsor to cover the non-Federal share of the total design costs as those costs are incurred. If the Government determines at any time that additional funds are needed from the Non-Federal Sponsor to cover the Non-Federal Sponsor's required share of the total design costs, the Government shall provide the Non-Federal Sponsor with written notice of the amount of additional funds required. Within 60 calendar days of such notice, the Non-Federal Sponsor shall provide the Government with the full amount of such additional funds.

E. Upon completion of the Design and resolution of all relevant claims and appeals, the Government shall conduct a final accounting and furnish the Non-Federal Sponsor with the written results of such final accounting. Should the final accounting determine that additional funds are required from the Non-Federal Sponsor, the Non-Federal Sponsor, within 60 calendar days of written notice from the Government, shall provide the Government with the full amount of such additional funds. Should the final accounting determine that the Non-Federal Sponsor has provided funds in excess of its required amount, the Government shall refund the excess amount, subject to the availability of funds or if requested by the Non-Federal Sponsor, apply the excess amount towards the non-Federal share of the cost of construction of the Project in the event a Project Partnership Agreement is executed for the Project. Such final accounting does not limit the Non-Federal Sponsor's responsibility to pay its share of total design costs, including contract claims or any other liability that may become known after the final accounting.

ARTICLE IV - TERMINATION OR SUSPENSION

A. If at any time the Non-Federal Sponsor fails to fulfill its obligations under this Agreement, the Government may suspend or terminate Design unless the Assistant Secretary of the Army (Civil Works) determines that continuation of the Design is in the interest of the United States or is necessary in order to satisfy agreements with any other non-Federal interests in connection with the Project.

B. If the Government determines at any time that the Federal funds made available for the Design are not sufficient to complete such work, the Government shall so notify the Non-Federal Sponsor in writing within 30 calendar day, and upon exhaustion of such funds, the Government shall suspend Design until there are sufficient Federal funds appropriated by the Congress and funds provided by the Non-Federal Sponsor to allow Design to resume.

C. In the event of termination, the parties shall conclude their activities relating to the Design and conduct an accounting in accordance with Article III.E. To provide for this eventuality, the Government may reserve a percentage of available funds as a contingency to pay costs of termination, including any costs of resolution of contract claims and contract modifications.

D. Any suspension or termination shall not relieve the parties of liability for any obligation incurred. Any delinquent payment owed by the Non-Federal Sponsor pursuant to this Agreement shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the 13 week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3 month period if the period of delinquency exceeds 3 months.

ARTICLE V - HOLD AND SAVE

The Non-Federal Sponsor shall hold and save the Government free from all damages arising from the Design, except for damages due to the fault or negligence of the Government or its contractors.

ARTICLE VI - DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to the parties. Each party shall pay an equal share of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

ARTICLE VII - MAINTENANCE OF RECORDS AND AUDIT

A. The parties shall develop procedures for the maintenance by the Non-Federal Sponsor of books, records, documents, or other evidence pertaining to costs and expenses for a minimum of three years after the final accounting. The Non-Federal Sponsor shall assure that such materials are reasonably available for examination, audit, or reproduction by the Government.

B. The Government may conduct, or arrange for the conduct of, audits of the Design. Government audits shall be conducted in accordance with applicable Government cost principles and regulations. The Government's costs of audits for the Design shall not be included in total design costs.

C. To the extent permitted under applicable Federal laws and regulations, the Government shall allow the Non-Federal Sponsor to inspect books, records, documents, or other evidence pertaining to costs and expenses maintained by the Government, or at the request of the Non-Federal Sponsor, provide to the Non-Federal Sponsor or independent auditors any such information necessary to enable an audit of the Non-Federal Sponsor's activities under this Agreement. The costs of non-Federal audits shall be paid solely by the Non-Federal Sponsor without reimbursement or credit by the Government.

ARTICLE VIII - RELATIONSHIP OF PARTIES

In the exercise of their respective rights and obligations under this Agreement, the Government and the Non-Federal Sponsor each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the other. Neither party shall provide, without the consent of the other party, any contractor with a release that waives or purports to waive any rights a party may have to seek relief or redress against that contractor.

ARTICLE IX - NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and delivered personally or mailed by certified mail, with return receipt, as follows:

If to the Non-Federal Sponsor:

City Manager
P.O. Box 610
Unalaska, AK 99685-0610

If to the Government:

Chief, Civil Works Branch
ATTN: CEPOA-PM-C
U.S. Army Engineer District, Alaska
P.O. Box 6898
JBER, AK 99506-6898

B. A party may change the recipient or address for such communications by giving written notice to the other party in the manner provided in this Article.

ARTICLE X - CONFIDENTIALITY

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party.

ARTICLE XI - THIRD PARTY RIGHTS, BENEFITS, OR LIABILITIES

Nothing in this Agreement is intended, nor may be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever in any third person not party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Commander.

DEPARTMENT OF THE ARMY

CITY OF UNALASKA, ALASKA

BY: _____
DAMON A. DELAROSA
Colonel, U.S. Army
District Commander

BY: _____
ERIN REINDERS
City Manager

DATE: _____

DATE: _____

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-52

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH PROCOMM ALASKA LLC FOR THE CONSTRUCTION OF THE REPEATER SITE AND RADIO UPDGRADES PROJECT IN THE AMOUNT OF \$755,568

WHEREAS, the Repeater Site and Radio Upgrades Project is an approved component of the Capital & Major Maintenance Program; and

WHEREAS, the City of Unalaska has determined that it is in the best interests of the residents of the City of Unalaska to have such a Project; and

WHEREAS, the City of Unalaska has provided funding for the Project, which addresses issues of FCC compliance, equipment obsolescence and needed safety enhancements in the current Dispatch offices of the Department of Public Safety as well as the Haystack Repeater Site; and

WHEREAS, the City Manager has approved a sole source procurement of the Project's construction from ProComm Alaska LLC based upon the criteria set forth in the City's Purchasing Policy No. 14-0803 §1.h.A.3.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes the City Manager to enter into an Agreement with Procomm Alaska LLC to construct the Repeater Site and Radio Upgrades Project for \$755,568.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on July 27, 2021.

Vincent M. Tutiakoff
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jay King, Chief of Police, Department of Public Safety
Through: Erin Reinders, City Manager
Date: July 27, 2021
Re: Resolution 2021-52: Authorizing the City Manager to enter into an Agreement with ProComm Alaska LLC for the construction of the Repeater Site and Radio Upgrades Project in the amount of \$755,568

SUMMARY: Resolution 2021-52 will authorize the City Manager to enter into an Agreement with ProComm Alaska LLC, who employ Alaska's only Motorola certified technicians, for the construction of the Repeater Site and Radio Upgrades Project (MUNIS Project PS18A) for a total of \$755,568. Funding is available in the Project's budget.

PREVIOUS COUNCIL ACTION: Council approved the FY18 Budget, Ordinance 2017-07, on May 23, 2017, providing \$110,000 in initial funding for the Project. The FY19 Budget, Ordinance 2018-04, adopted May 22, 2018, added \$200,000 to the Project, and the FY20 Budget, Ordinance 2019-07, adopted May 28, 2021, added \$690,000. Budget Amendment #5 to the FY21 Budget, adopted via Ordinance 2021-04 on February 23, 2021, provided an additional \$500,000. The total amount appropriated for this project is \$1,500,000.

BACKGROUND: This project consists of the procurement and installation of Motorola and Motorola compatible equipment at both the Repeater Site on Haystack Hill as well as the Department of Public Safety Facility. In FY2016, ProComm Alaska LLC conducted an R56 Audit on the City's current Dispatch Center at the Department of Public Safety Facility as well as at the Repeater Station. Originally developed by Motorola to provide internal guidelines and requirements for the installation of communications equipment, infrastructure and facilities, the "Standards and Guidelines for Communications Sites" (R56) form the minimum standards required to provide expected system performance, reliability and equipment longevity, and have since become the recognized standard in the industry. R56 compliance audits provide a one-time, on-site evaluation of communication sites to determine compliance to minimum R56 standards. The results of the FY16 audit, conducted May 27, 2016, showed a spectacular fail for the City's system, and the Department began preparations for this project. This contract award is the culmination of those efforts.

DISCUSSION: The work under this contract award will cure the R56 Audit defects and consists of supplying equipment and technicians to upgrade, replace, and install radio system components as well as install the consoles, hardware, and software needed for both FCC required narrow-banding and E911 systems. Most of the current system's workings were manufactured prior to 2005 so parts are unavailable and components can no longer be programmed to the frequency ranges now required by the FCC. This work includes the purchase and installation of the E911 system as the final task of the Project.

Because ProComm Alaska LLC is the only Alaska-based distributor of Motorola equipment and trained technicians, sole sourcing was requested and approved by the City Manager as the procurement meets the criteria established in the City's Purchasing Policy #14-0802, §1.h.i.3.,

“Competition is determined inadequate after solicitation of a number of sources”. A copy of the proposed Construction Agreement with ProComm Alaska LLC is included with this Memorandum.

ALTERNATIVES: As this project brings the City’s current communications systems to industry standards and Federal compliance, there is no true alternative to this contract award. ProComm Alaska LLC is the only Alaska-based provider of these services and has been the City’s distributor and service agent for decades.

FINANCIAL IMPLICATIONS: There is \$1,072,842 available in the Project’s budget to be used to fund this Construction Agreement of \$755,568.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends approval of this contract award.

PROPOSED MOTION: I move to adopt Resolution 2021-52.

CITY MANAGER COMMENTS: I support staff’s recommendation.

ATTACHMENTS: Form of Agreement with ProComm Alaska LLC for \$755,568.



CITY OF UNALASKA
Professional Services Agreement
Repeater Site and Radio Upgrades Project

Project No. 17102

Prepared By:
City of Unalaska
P.O. Box 610
Unalaska, Alaska 99685
907.581.1260

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AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is entered into this _____ day of _____, 2021, by and between ProComm Alaska LLC (hereinafter called "Contractor"), and the CITY OF UNALASKA (hereinafter called "City").

WITNESSETH THAT:

WHEREAS City desires to engage Contractor to render the professional installation of Owner Furnished Materials, as set out in **Appendix 1** to this Agreement, and related services as set out in the Scope of Services to this Agreement, **Exhibit "A"**, for the City of Unalaska's **Repeater Site and Radio Upgrades Project**, and

WHEREAS Contractor represents that it has the experience, ability, licenses, and certifications to perform such services; and

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

NOW THEREFORE the parties hereto do mutually agree as follows:

1. The Work

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

The work shall include but not be limited to the following: furnishing all equipment, transportation, per diem, travel, and supplies to perform all scopes of work that are authorized under its State of Alaska Professional General Contractor and Electrical Administrator Licenses in connection with the City of **Unalaska Repeater Site and Radio Upgrades Project** as detailed in the attached **Exhibit A – Scope of Services**.

The Contractor shall submit a copy of their State of Alaska Contractor's License, State of Alaska Electrical Administrator's License, State of Alaska Business License, Certification of Insurance, and City of Unalaska Business License, and all Subcontractor City of Unalaska Business Licenses, prior to commencement of the Work. All Work shall be performed in accordance with the Laborers' and Mechanics' Minimum Rates of Pay as required by Title 36 AS 36.05 & AS 36.10 published by the Alaska Department of Labor.

2. Contract Times

The Work will be substantially complete on or before March 15, 2022, and completed and ready for final payment on or before June 30, 2022.

3. Contract Sum and Payments

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

of the work by Contractor. All invoices are otherwise due and payable within thirty (30) days of receipt by City. City shall pay Contractor for the services identified in Exhibit A the **Not to Exceed Contract Sum of Seven Hundred Fifty Five Thousand, Five Hundred Sixty Eight (\$755,568)**. The portion of the Not to Exceed Contract Sum billed and paid for Contractor's services as set out on **Exhibit C – Fee Schedule** shall be equal to the proportion of services actually completed for each task set forth in **Exhibit A – Scope of Services** during the billing period to the fee total specified for that task.

Contractor may make application for final payment after Contractor has satisfactorily completed all Work defined in the Agreement, including providing all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, approved Alaska Department of Labor Notice of Completion, annotated record documents, and other documents.

The making of final payment will not constitute a waiver by Owner of claims or rights against Contractor. The acceptance of final payment by Contractor will constitute a waiver by Contractor of all claims and rights against Owner other than those pending matters that have been duly submitted

4. Personnel

Contractor agrees to furnish all personnel necessary for expeditious and satisfactory performance of this Agreement, each to be competent, experienced, certified, and well qualified for the work assigned. No person objected to by the City shall be employed by Contractor for work hereunder. Contractor will submit courtesy copies of Alaska Department of Labor certified payroll documents to Owner at the time they are submitted to the State.

5. Insurance

Contractor shall provide insurance coverage for not less than the following amounts, or greater where required by Laws and Regulations:

- A. Commercial General Liability Insurance: \$1,000,000 per occurrence with a \$2,000,000 aggregate, including completed products and operations and personal liability insurance.
- B. Automobile Liability Insurance: \$1,000,000 Combined Single Limit Including owned, hired, and non-owned coverage.
- C. Statutory Workers' Compensation and Employer's Liability Insurance: \$1,000,000 Each Accident/Each Employee/Policy Limit.
- D. A Waiver of Subrogation on the Commercial General Liability Insurance, Automobile Liability Insurance, Statutory Workers Compensation and Employers Liability Insurance, Insurance: Contractor will hold the city harmless and provide a Waiver of Subrogation in favor of the Owner.

The Contractor is required to provide the Owner with a Certificate of Insurance naming the Owner as Additional Insured prior to the commencement of any Work or use of Owner facilities. The failure to object to contents of the Certificate of Insurance or the absence of same shall not be deemed a waiver of any and all rights held by the Owner. Additional Insured status on the Commercial General Liability shall be through ISO Additional Insured Endorsement CG2010 11/04 or equivalent.

In the event the Contractor utilizes a Subcontractor for any portion of the services outlined within the scope of its activities, the Subcontractor shall provide insurance of the same type or types and to the same extent of coverage as that provided by the Contractor. All insurance required of the Subcontractor shall

also name the Owner as an Additional Insured for all those activities performed within its contracted activities for the contract executed.

The Contractor acknowledges that failure to obtain such insurance on behalf of the City constitutes a material breach of Contract and subjects it to liability for damages, indemnification, and all other legal remedies available to the Owner.

6. Contractor's Responsibilities

Contractor shall supervise and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with this Agreement. Contractor shall be solely responsible for the means, methods, techniques, sequences, safety, and procedures of construction. Contractor shall assign a competent resident superintendent who is to be present at all times during the execution of the Work. Contractor shall at all times maintain good discipline and order at the Site. In addition to and apart from the Work of the Contractor, other work may occur at or adjacent to the Site. Contractor shall take reasonable and customary measures to avoid damaging, delaying, disrupting, or interfering with the work of Owner, any other contractor, or any utility owner performing other work at or adjacent to the Site.

Contractor shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work in accordance with Federal and State Departments of Labor Occupational Safety and Health Act (OSHA) and other local, state, and federal regulations. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury, or loss to:

- A. All persons on the Site or adjacent to the Site who may be affected by the Work;
- B. All the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
- C. Other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, other work in progress, utilities, and underground facilities not designated for removal, relocation, or replacement in the course of construction.

All damage, injury, or loss to any property caused, directly or indirectly, in whole or in part, by Contractor, or anyone for whose acts the Contractor may be liable, shall be remedied by Contractor at its expense.

7. Warranties, Guarantees, and Indemnification

Contractor warrants and guarantees to Owner that all Work will not be defective, and Owner and its officers, directors, members, partners, employees, agents, consultants, and subcontractors shall be entitled to rely on Contractor's warranty and guarantee.

Contractor warrants and guarantees that title to all Work, materials, and equipment furnished under the Agreement will pass to Owner free and clear of (1) all liens and other title defects, and (2) all patent, licensing, copyright, or royalty obligations, no later than seven days after the time of payment by Owner.

To the fullest extent permitted by Laws and Regulations, and in addition to any other obligations of Contractor under this Agreement or otherwise, Contractor shall indemnify and hold harmless Owner and its officers, directors, members, partners, employees, agents, consultants, and subcontractors from and

against all claims, costs, losses, and damages arising out of or relating to the performance of the Work, provided that any such claim, cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom but only to the extent caused by any negligent act or omission of Contractor, any subcontractor, any supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work or anyone for whose acts they may be liable.

All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with this Agreement, as well as all continuing obligations indicated in this Agreement, will survive final payment, completion, and acceptance of the Work or termination or completion of the Agreement or termination of the services of Contractor.

8. Owner's Responsibilities

Owner shall make payments to Contractor as provided in this Agreement, and provide Site and easements required to construct the Project.

Owner shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs, or for any failure of Contractor to comply with Laws and Regulations and Codes applicable to the performance of the Work. Owner will not be responsible for Contractor's failure to perform the Work in accordance with this Agreement.

While at the Site, Owner's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Owner has been informed, and Owner shall furnish copies of any applicable Owner safety programs to Contractor.

9. Changes in the Work

Without invalidating the Contract and without notice to any surety, Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work by issuing Change Orders. Owner and Contractor shall execute appropriate Change Orders covering changes in the Contract Price or Contract Times which are agreed to by the parties.

10. Claims and Dispute Resolution

The party submitting a claim shall deliver it directly to the other party to the Contract promptly (but in no event later than 10 days) after the start of the event giving rise thereto. The party receiving a claim shall review it thoroughly, giving full consideration to its merits. The two parties shall seek to resolve the claim through the exchange of information and direct negotiations. All actions taken on a claim shall be stated in writing and submitted to the other party. If efforts to resolve a claim are not successful, the party receiving the claim may deny it by giving written notice of denial to the other party. If the receiving party does not take action on the claim within 45 days, the claim is deemed denied. If the dispute is not resolved to the satisfaction of the parties, Owner or Contractor shall give written notice to the other party of the intent to submit the dispute to a court of competent jurisdiction unless the Owner and Contractor both agree to an alternative dispute resolution process.

11. Suspension of Work and Termination

At any time and without cause, Owner may suspend the Work or any portion thereof for a period of not more than 60 consecutive days by written notice to Contractor and Engineer. Such notice will fix the date on which Work will be resumed. Contractor shall resume the Work on the date so fixed. Contractor shall be entitled to an adjustment in the Contract Price or an extension of the Contract Times, or both, directly attributable to any such suspension

Contractor's failure to perform the Work in accordance with the Contract Documents or other failure to comply with a material term of the Contract Documents will constitute a default by Contractor and justify termination for cause. If Contractor defaults in its obligations, then after giving Contractor and any surety ten days written notice that Owner is considering a declaration that Contractor is in default and termination of the Contract, Owner may proceed to declare Contractor to be in default, and give Contractor and any surety notice that the Contract is terminated; and enforce the rights available to Owner under any applicable performance bond.

Owner may not proceed with termination of the Contract under Paragraph 15.02.B if Contractor within seven days of receipt of notice of intent to terminate begins to correct its failure to perform and proceeds diligently to cure such failure.

Subject to the terms and operation of any applicable performance bond, if Owner has terminated the Contract for cause, Owner may exclude Contractor from the Site, take possession of the Work, incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere, and complete the Work as Owner may deem expedient.

Upon seven days written notice to Contractor, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for, without duplication of any items:

- A. Completed and acceptable Work executed in accordance with this Agreement prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
- B. Expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by this Agreement in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses; and
- C. Other reasonable expenses directly attributable to termination, including costs incurred to prepare a termination for convenience cost proposal.

Contractor shall not be paid on account of loss of anticipated overhead, profits, or revenue, or other economic loss arising out of or resulting from such termination.

If, through no act or fault of Contractor, (1) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (2) Owner fails for 30 days to pay Contractor any sum finally determined to be due, then Contractor may, upon seven days written notice to Owner, and provided Owner does not remedy such suspension or failure within that time, either stop the Work until payment is received, or terminate the Contract and recover payment from the Owner.

12. Compliance with Applicable Laws

Contractor shall in the performance of this Agreement comply with all applicable Federal, State, and local laws, ordinances, orders, rules, and regulations applicable to its performance hereunder, including without limitation, all such legal provisions pertaining to social security, income tax withholding, medical aid, industrial insurance, workers' compensation, and other employee benefit laws. The Contractor and all subcontractors must comply with State laws related to local hire and prevailing wages.

13. Venue/Applicable Law

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

14. Entire Agreement/Modification

This agreement, including Exhibits A-C, and the Contractor's proposal dated December 2020 constitutes the entire Agreement between the parties with respect to the subject matter hereof, and all prior negotiations and understandings are superseded and replaced by this Agreement and shall be of no further force and effect. No modification of this Agreement shall be of any force or effect unless reduced to writing, signed by both parties and expressly made a part of this Agreement.

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

CONTRACTOR

CITY OF UNALASKA, ALASKA

By: _____
_____ Its _____

By: _____
Erin Reinders, City Manager

State of Alaska)
) ss.
Third Judicial District)

State of Alaska)
) ss.
Third Judicial District)

The foregoing instrument was acknowledged before me on the ____ day of _____, 2021, by _____, the _____ of ProComm Alaska, LLC, an Alaska Corporation, on behalf of the corporation.

The foregoing instrument was acknowledged before me on the ____ day of _____, 2021, by Erin Reinders, City Manager for the City of Unalaska, a First Class Alaska Municipal Corporation, on behalf of the City of Unalaska.

Notary Public, State of Alaska
My Commission Expires _____

Notary Public, State of Alaska
My Commission Expires _____

EXHIBIT “A” – SCOPE OF SERVICES

The Contractor will work with the City to construct the **Repeater Site and Radio Upgrades Project**.

The Scope of Services for this Agreement includes the following tasks as detailed in Contractor’s May 28, 2021 Comprehensive Communication System Upgrade Proposal, attached as part of this Exhibit “A”:

- Phase I – Site upgrades at the Unalaska Department of Public Safety facility
- Phase II – Site upgrades at the Repeater Site on Haystack and completion of R56 upgrades at Unalaska Department of Public Safety facility.
- Phase III – New Vesta E911 System at Unalaska Department of Public Safety facility.

COMPREHENSIVE COMMUNICATION SYSTEM UPGRADE

May 28, 2021

Proposal for:

**City of Unalaska Department of
Public Safety**



Presented by:

**Gary Peters & Jarek Grzeda
ProComm Alaska**

2100 E 63rd Avenue
Anchorage, AK 99507



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1. EXECUTIVE SUMMARY

The City of Unalaska has contacted ProComm Alaska with a request to develop a transition plan for upgrading communications systems used by Unalaska Department of Public Safety (UDOPS). The upgrade process has been divided into three Phases. This proposal will supersede and replace all previous proposal describing this scope of work.

Phase I – Required site upgrades and site readiness at the DOPS Building, a new Motorola/Avtec radio console system (including two (2) Operator Position configurations, and eight (8) new Motorola APX control station consolettes at the Unalaska Public Safety Building. These Consolettes will control the new Motorola GTR repeaters on the Haystack site.

In Phase I, the existing Motorola MCC5500 radio console will be replaced with new, IP based, Motorola Avtec radio console. The new system will have two (2) Operating Positions (2 OPs), redundant VPGates (servers responsible for managing radio transmissions), redundant LAN switches, and five (5) Outposts (RoIP Interface between radio and the network). Each Avtec Outpost supports operation of two (2) radios so with 5 Outposts, up to 9 radio resources can be managed by the radio console/dispatcher. The 10th radio port on the Outpost will be used as an interface between the NAWAS phone line and the Avtec console. New monitors, audio accessories, and training for dispatchers will be included in our quote.

In addition to the new radio console, seven (7) new APX radios will be installed at the COU Dispatch communications equipment room as replacements for the existing DIU (digital interface units) which are no longer supported. These new radios will be Motorola APX consolettes, VHF, 50-watts of power out, and will be controlled by the Avtec system radio console. The spectrum plan is that these seven radios/control stations will be dedicated to channels: TAC1, TAC2, TAC3, TAC5, Electrical, TONES, and Harbor. In addition to the seven radios described earlier, one (1) more APX consolette radio will be provided for the City/DOPS to use. The function of this 8th radio is yet to be defined.

To support operation of these new radios, the antenna system will have to be modified at the COU Department of Public Safety building. PCA is specifying an eight-port active combiner (control station combiner) to support operation of all 7 radios via a single transmit and a single receive antenna. The installation of the combiner, as well as replacement of existing antennas and coax on the tower will be part of our Scope of Work (SOW) and included in our quote for Phase I.

During Phase I installation PCA will also do some basic grounding of the new system, including antenna tower, wall penetration, bonding equipment rack to the building ground etc. During the Phase I installation work a site walk will be performed to review *in detail* - the site needs to bring all COU radio sites as closely as possible to Motorola's R56 communications site standards for Public Safety.

When Phase I is completed, COU will have a new two (2) Ops of radio console, a new antenna system at the Dispatch location, and up to eight (8) new radios working as control stations. New equipment will be grounded and protected. A report with further grounding requirements will be generated and a change order issued to the COU for Phase II Installation as required.

Phase II – Provide and install six (6) new Motorola GTR8000 public safety grade repeaters at the Haystack radio site. Finishing R56 upgrades in Unalaska Dispatch building and Haystack radio sites. Deployment of a new 48VDC system at Haystack (excluding COU’s deliverable of batteries).

In Phase II of the project the six (6) existing older Motorola Quantar repeaters at Haystack site will be replaced with six (6) new Motorola GTR8000 repeaters. In addition to radio replacement, the existing 24VDC power distribution will be replaced, as the GTR8000 repeaters require a 48VDC source. PCA will provide new chargers, new PDU (power distribution unit), and new related power system wiring. COU will be responsible for providing and installing the batteries. Note: The existing batteries, if in good condition, could be re-used, with an assumption that minimum of four (4) batteries are available to create 48VDC backup system.

It is assumed at this time that GTR8000 radios will be installed in the same rack space as the existing Quantars. The existing RF filtering system will be re-used (Combiner and multi-coupler) but a new antenna system will be deployed. Three (3) existing antennas will be replaced with new ones, lower gain but much sturdier and with better penetration capability for in-town signal distribution. With new antennas, new transmission lines will be installed as well as better cable management and better grounding. If necessary, PCA will modify RF coaxial jumpers to match the existing antenna system with RF ports on the new radios.

In Phase II, PCA will make further upgrades at COU Dispatch, via change order, that may have been identified and authorized per the above referenced (ROF) report of findings.

Phase III – New Vesta E911 system for City of Unalaska.

Phase III of this project will be dedicated to installation of a new Motorola Vesta E911 system. It is assumed that a total of two call taker positions will be installed - One at each radio console position.

The new system will be installed at the COU Dispatch. The 911 system will support NENA Phase I (local, wired phones) and NENA Phase II (wireless phones), ANI/ALI data collection and display. Monitors for both 911 system and mapping will be included in our offer.

It will be COU’s responsibility to arrange with local phone companies/Telco for delivery of four (4) analog CAMA (Call Aliasing and Message Accounting) Trunks to COU Dispatch demarcation point (punch block on the wall in the radio room, or room where Vesta 911 servers will be installed). If at the time of 911 system deployment, Unalaska infrastructure supports (National Emergency Number Association) NENA Phase II operation, two of the available CAMA trunks will be dedicated to receive and display caller data from wireless calls, and two trunks for landline caller information. Otherwise, if only NENA Phase I operation is supported at that time, all 4 trunks will be dedicated (and configured) to support NENA Phase I operation with limited ANI/ALI (Automatic Number Identification/Automatic Location Identification) information provided by the local telephone company. No software/hardware changes to Vesta 911 system will be required to support NENA Phase II, however routers or modems may need to be installed by third party vendors (wireless carriers or their vendors) and minor configuration changes to the VESTA system will likely be required to support NENA Phase 2 wireless location and mapping. ProComm engineers will work with the telephone companies and wireless carriers and database suppliers to interface this wired/wireless caller ID signaling to NENA standards.

COU will also be responsible for obtaining or developing the ANI/ALI database of the landline phone owners/addresses and for managing that data moving forward. COU will also be responsible for selecting and contracting with one of the providers of ANI/ALI information for wireless callers (such as Intrado) for implementation of NENA Phase 2 wireless caller ID and location mapping information.

SIP/VoIP interfaces will be used to connect Admin lines between Vesta E911 and the COU CISCO Call Manager Express system. 10 licenses for 10 simulcast voice conversations are included in our proposal.

2. STATEMENTS OF WORK

PCA presents Statements of Work (SOW) below for each phase of the project to summarize project deliverables and define project responsibilities. It is the intent of PCA that this document be a mutually agreed upon document and reflects the most current understanding of task responsibilities.

The SOW will express the actual work involved for the installation and optimization phase of the project, the installation standards that will be followed, and the responsibilities of both PCA and COU in the completion of the contract. A final SOW must be approved by COU prior to contract execution.

2.1. STATEMENT OF WORK AMENDMENT PROCEDURE

Changes to this document must be submitted by a written request from either COU or PCA and approved by the other party. A Change Request form is included in Appendix A of this document and will be used to identify the Scope of Work of the requested change. PCA will determine whether additional equipment, services, modification to the timeline, and relevant pricing changes are needed in order to implement the Change Request.

Approval for any additional expenditure must be obtained by the COU prior to the commencement of any additional work or ordering of equipment as a result of the Change Request.

COU will officially notify PCA of approval of the Change Request by providing a signed Change Request or a Notice-to-Proceed reflecting the changes.

PCA will proceed with all due diligence to incorporate the changes approved in the Change Request.

3. WARRANTY & LIMITATIONS

Multiple warranties apply to the equipment and services provided in this proposal, In summary they are the original Manufacturers' warranty on equipment and PCA's warranty on the installation of the system.

Equipment Warranty

ProComm Alaska shall make available to City of Unalaska all product warranties made by the manufacturer(s) of the software, products, or services utilized by ProComm Alaska in connection

with goods and services provided hereunder, to the extent transferable and without recourse. It shall be the sole discretion of the manufacturer under the terms of their warranty, to repair or replace equipment found to be defective and PCA provides no additional warranty for equipment beyond those provided by the OEM. OEM warranties are for a period of one year from the date the equipment is received.

To support this warranty, ProComm Alaska will provide field services to support the factory warranty. Field service will cover the key sub-systems from the primary vendors listed in this document.

Field support under a service agreement includes:

- On call service 8 to 5 with 24x7 available
- First level troubleshooting
- Factory technical support as needed
- Repairing or configuring the equipment on site if possible
- Replacement with spares if available
 - Reconfiguring, testing and placing equipment back in service
- If necessary, removing equipment and processing return to factory for service
 - Return repaired equipment to system
 - Reconfigure, test and place back in service
- Noting service conditions in customer database
- Updating customer on steps and status in the process
- Priority scheduling of all service and parts handling

Services beyond this date, including application of patches, trouble shooting, etc., requires a supplemental Managed Services Agreement (MSA). We have proposed years 2-5 pricing for these services in the proposal. All services provided under MSA contracts are provided as priority services 24/7/365 with a maximum 2 hour initiated response time.

Cost of field service to assist the End User with in-warranty support of OEM product shall be borne by the End User. These costs are included in this proposal for a period of one year. Such services may include troubleshooting, repair if possible, remove and return product to the OEM, re-install, configure and optimize, update documentation and return the system to normal usage.

Installation Warranty

ProComm Alaska shall warranty that the installation is free from defects in parts and labor for a period of 3 years from the date of installation provided such defects are communicated in writing within that period.

Limitations

Except as expressly set forth above or in a contract signed by an officer of ProComm Alaska LLC, ProComm Alaska makes no warranties, expressed or implied, including warranties of merchantability or fitness for a particular purpose, in connection with materials or work order and the transactions contemplated hereby.

ProComm Alaska is not responsible for any ancillary product or service applied to the system not supplied by ProComm Alaska.

ProComm Alaska is not responsible for damage due to weather, accident, vandalism, riot, or natural phenomena.

ProComm Alaska has no authority to make warranty policy on behalf of the OEM and bears no liability for performance and specifications stated by the OEM.

In no event shall ProComm Alaska be liable to COU for any indirect, special or consequential damage or lost profits arising out of or related to materials or work or the performance of breach hereof. Even if ProComm has been advised of the possibility thereof, ProComm's liability to COU hereunder, if any, shall in no event exceed the total of the charges paid to ProComm hereunder by the City of Unalaska.

OEM warranties may be void if the system is altered, neglected, or misused by End User or any third party.

4. PHASE I: UDOPS UPGRADES, AVTEC CONSOLE, & NETCLOCK

The objective of this proposal is to provide a quote to the City of Unalaska for the hardware and services required to prepare Unalaska Department of Public Safety (UDOPS) building for the communications system upgrades.

PCA will perform required upgrades at UDOPS building (grounding, cable management), will install new antenna system (an 8 port combiner with two antennas and two separate antennas for an additional two standalone radios). PCA will install up to eight (8) new control stations (Motorola APX consolettes purchased directly by COU from Motorola – under Q4001). This quote is for installation services and related hardware). Deploying the new antenna system and control stations will allow the elimination of DIU equipment at UDOPS which is no longer supported by the manufacturer. The new APX control stations will be capable of AES and ADP encryption (3 radios) while working in digital ASTRO/P25 mode (all 8 radios). Existing microwave link between Haystack repeater site and UDOPS building could be removed after transition (or used for some other purpose). PCA will also prepare Dispatch room and backroom locations for the proposed Avtec radio console equipment as part of the Customer responsibility described in the Avtec proposal.

A new NetClock (ethernet time server) will be deployed at UDOPS (with one GPS external antenna). Up to 4 disparate systems can be serviced by the single NetClock using dedicated LAN ports four each system. An accurate time server is required for proper inter-operation between radio console, Vesta 911 system and the voice Recorder.

4.1. CUSTOMER OBJECTIVES

It is understood that Unalaska DOPS has several specific objectives in mind with this phase of the project:

- Install the Avtec console system positions to integrate with radios and the telephone system

(Headset integration)

- Interface into the radio system via direct IP connections using Avtec Scout OUTPOST connecting to on-site and remote base/control stations (up to 9 radio resources)
- The Avtec console will be able to support (Via GUI) operation of one (1) NAWAS private phone line/circuit (in parallel to existing NAWAS terminal).
- Install the system with minimal disruption to daily operations.
- Train the Trainer for dispatch personnel for console features and use.

4.2. SYSTEM DESCRIPTION

Recommended as the console solution is the Motorola Avtec brand Scout Dispatch Console. Avtec is a 30-year old U.S. company that specializes in cost effective dispatch console solutions for rugged, reliable applications in the public safety, utility and transportation industries. Avtec is a certified partner with Motorola, meaning the Scout console platform has been formally integrated by the engineering teams of the two companies to provide functional operation of the dispatch console with the Motorola GTR 8000 repeaters and control stations for operating in the mixed mode analog/digital radio platform.

Scout consoles offer a true IP platform that is easy to customize and grow as requirements change or expand. Redundancy is a key element of the architecture for reliable performance.

Scout is a true VoIP console system; all components may be distributed over a LAN/WAN infrastructure using standard Ethernet. There is no backroom TDM switch.

- Users said they want a console that does everything a traditional console does yet operates on a network. Scout delivers this functionality today, and through active product development and customer feedback, new enhancements are continually incorporated into the feature set.
- Scout is Avtec's 4th Generation console product and was designed for a 10+ year lifecycle in mission-critical environments. Scout provides a dedicated media workstation with its own Ethernet connection and rugged peripherals. This allows customers the option to operate on standard PCs and benefit from reduced life-cycle support costs.
- Radio, Telephony, and I/O integration are supported via VPGate; multiple technologies such as MPT1327, MOTOTRBO, Public Safety P25 (DFSI and CSSI), iDEN, NXDN, and SIP can connect simultaneously. Furthermore, the Scout VPGate is N+1 redundant so there are no single points of failure to your critical communications assets. Non-VoIP capable radios can be connected with Avtec's Outpost, which allows advanced control of many radios through a serial port.
- Scout Benefits:
 - Scales from 1 to 100+ console positions
 - Dedicated Media Workstation for Audio; no PC Sound cards
 - Built-in N+1 Redundancy
 - Supports Disaster Recovery
 - Customizable Graphical User interfaces
 - Integrates Web and XML technologies
 - Scout Project Manager supports live system updates

- Integrates with third-party CAD
- Integrates with third party logging recorder

4.3. SOLUTION

Two Positions

For the Unalaska DOPS requirements, we are proposing a Scout console in two positions composed of the following key components:

- Tier 1 Scout Plus hardware audio package
- Media workstations to be provided by Avtec
- Two (2) 21.5” LED touch screen for PC console – 16x9 format – full HD
- Dual speakers
- PTT desk microphone (one per position)
- Two handsets / headset jack boxes
- Redundant VP Gate software license
- Radio controller for VoIP operation
- One VPGate Software License – Level 0, Supporting 24 Maximum Endpoints
- Two (2) VPGate dedicated hardware/software (Rack mountable servers)
- Five (5) Outpost Radio Controller (with power supplies)
- Rack mount equipment

Not Included

- Backup batteries are not included in this proposal.
- Voice Logging Recorder is not included in this proposal.

Avtec software and hardware support/maintenance for the first year of installation are included. Additional years of factory support are available (quoted as Recommended Options.)

4.4. SYSTEM DRAWINGS

The following drawing is a pictorial representation of a proposed Avtec Scout architecture.

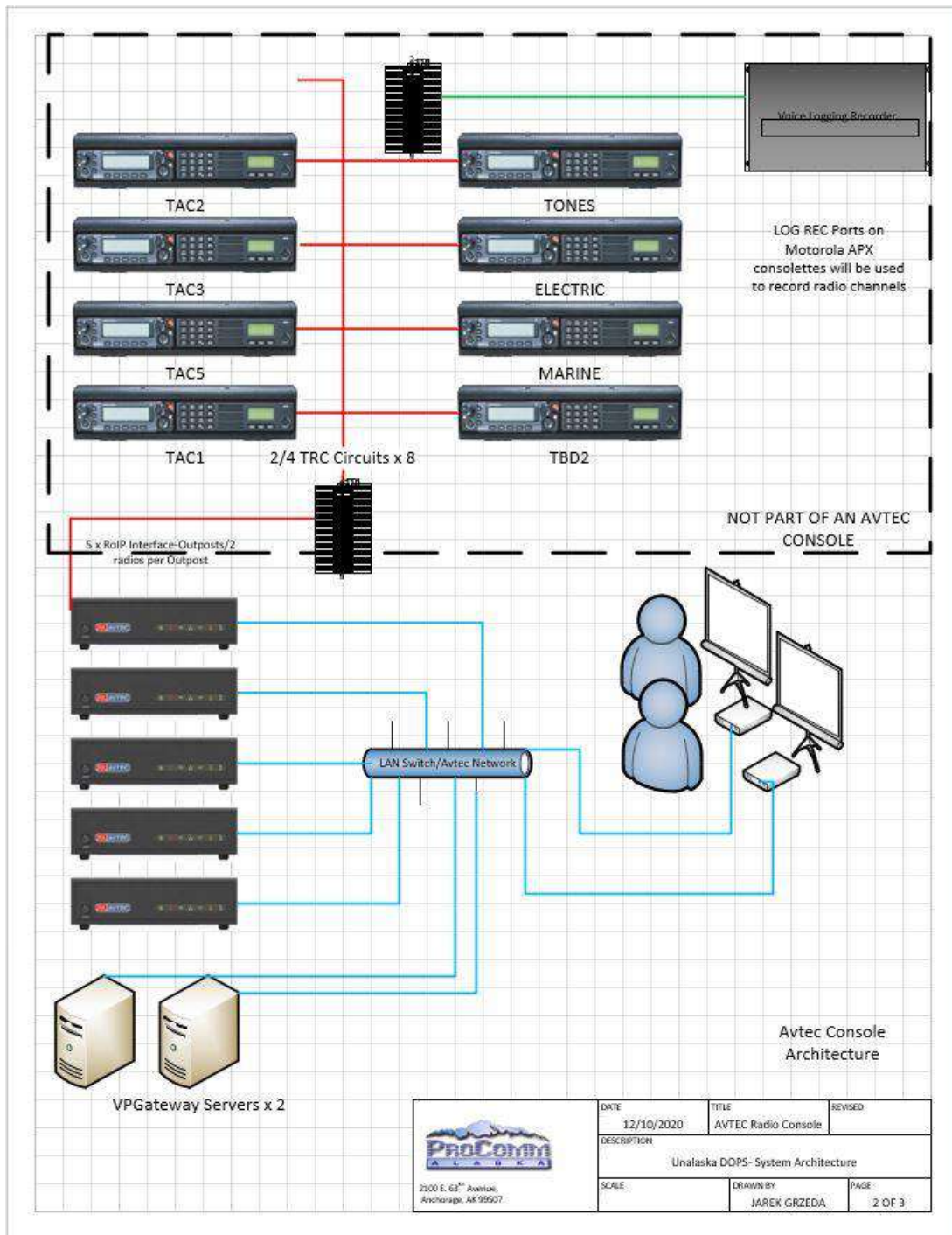
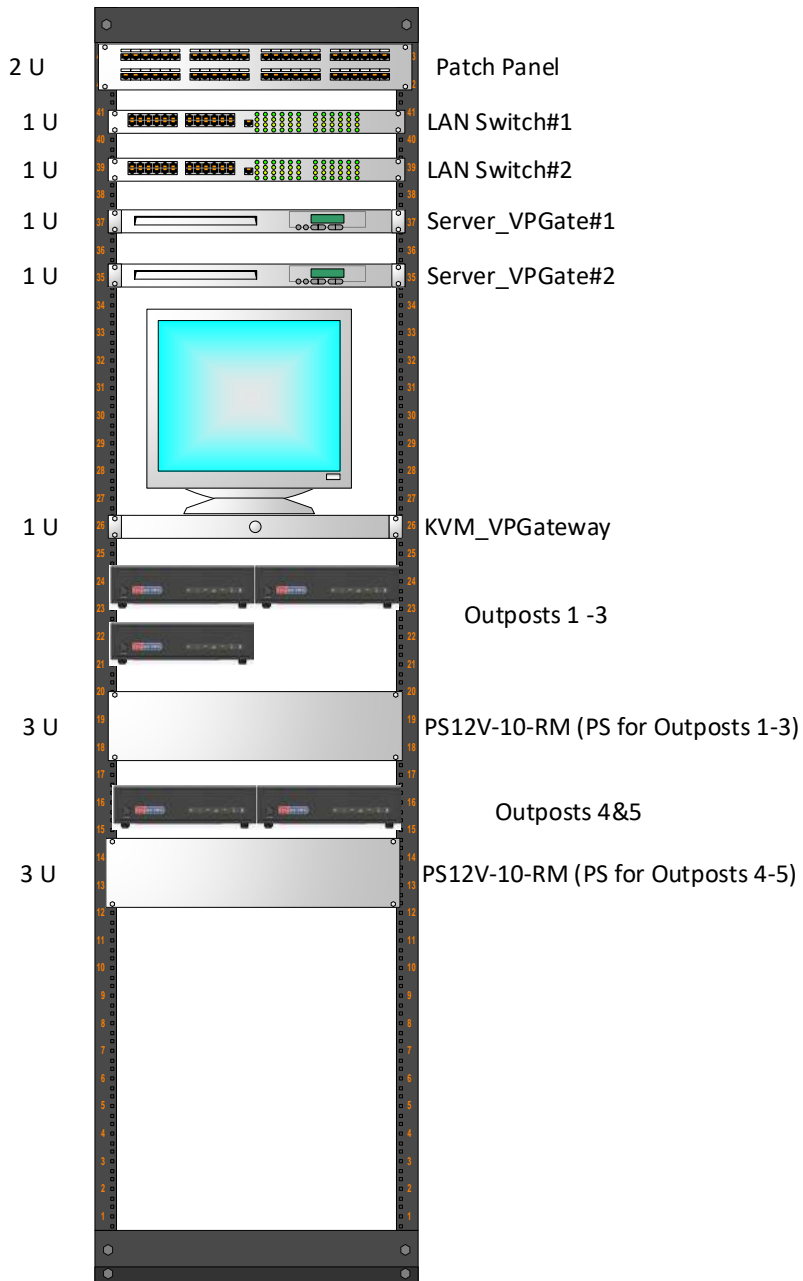


Figure 1: Avtec Dispatch Console System




 2100 E. 63 rd Avenue, Anchorage, AK 99507	DATE	TITLE	REVISED
	12/10/2020	AVTEC Radio Console	
	DESCRIPTION		
Unalaska DOPS- example of a rack layout with Avtec backroom equipment			
SCALE	DRAWN BY	PAGE	
	JAREK GRZEDA	3 OF 3	

Figure 2: Example of Rack Lavout and Connectivity

4.5. PCA RESPONSIBILITIES

SITE PREP / SITE READINESS

- PCA will provide single point of contact for the duration of the project.
- PCA will purchase and deliver equipment necessary to deploy new antenna system for up to nine (9) control stations.
- PCA will purchase and deliver to Unalaska two (2) new 19 inch/ 4-post racks to be used for installation of the radio equipment (consolettes), NetClock equipment and backroom equipment for Avtec radio console.
- PCA will provide and deliver a new NetClock server (with 4 available LAN ports it can be used to synchronize up to 4 critical systems with a reliable time reference)
- PCA will sub-contract tower crew for work related to antenna/coax/cable management and installation at UDOPS.
- PCA team of two (2) technicians will travel to Unalaska to perform on site services as described in this proposal.
- PCA working with the tower crew, will deploy new antenna system consisting of one (1) Receive antenna on the top of the tower and three (3) Transmit/mixed operation antennas on the same tower – 15 feet below the receive antenna (4 total new antennas will be installed with new coax/connectors).
- New antenna system, as well as other equipment installed by PCA at UDOPS, will be installed according to Motorola R56 standards for PSAP and communication sites (in regards of proper grounding, lightning protection, cable management etc.).
- PCA will install up to eight (8) new control stations (Motorola APX consolette - radios are not included in this proposal) in provided rack.
- All RF cables installed between the antenna combiner system and radios and combiner and antennas will be made by on site by PCA team. All of them will be tested and quality verified before adding to the system.
- New net clock time server, Orolia Model 9483 with outside GPS antenna, will be installed at the same time.
- PCA will prepare locations at UDOPS where new equipment will be installed (backroom and Dispatch) as a part of “site readiness” for Avtec radio console installation.
- Demarcation points, in form of Model 66 punch blocks, will be installed in the backroom to allow for connection of control circuits between Avtec Outpost interface and APX radios as well as between APX radios LOG REC port and existing Voice Logging recorder for audio recording.

AVTEC CONSOLES

- Assign a project manager and project team
- Conduct kick-off meeting with all project participants
- Complete statement of work and schedule
- Complete final design and get Unalaska DOPS approval
- Prepare system programming guide
- Factory staging and local configuration
- Receive and prepare for installation from our Anchorage based shop.

- All installation to be Monday – Friday, 8 am to 5 pm unless otherwise scheduled
- Install Avtec Scout to best possible Motorola R56 grounding standards
- IP interface the console radio system to on-site base stations
- Final system optimization and cutover plan without down time
- Train users on a train-the-trainer program and go-live
- Conduct acceptance testing and complete acceptance certificate
- Provide one set of as-built documentation and equipment manuals
- Remove debris and leave facilities in clean condition
- Start one-year warranty period

PCA PROJECT MANAGEMENT TASKS

- Kick off meeting and on-site status checks of progress
- Status and planning meetings throughout project cycle
- Develop and updated complete project timeline
- Facilitate all aspects of implementation
- Manage project statement of work and change orders
- Monitor tracking and receipt of all material
- Invoicing and administration
- Facilitate acceptance test plan completion and documentation

4.6. COU RESPONSIBILITIES

- Single point of contact for coordination
- Provide State Department of Labor determination if Little Davis Bacon applies to contract prior to issuing Purchase Order. Current proposal pricing is based on assumption that Title 36 (Little Davis Bacon) applies for this project and all on site work was calculated with DB hourly rate.
- Any needed permits or licensing
- The changes to the communications systems affected by this proposal may require changes to the underlying FCC License. The FCC holds the Licensee exclusively responsible for compliance at all times. Cost of modifications to existing FCC licenses, and related to deployment of control stations system at UDOPS, is included in this proposal.
- Timely, organized access to all facilities to maintain project schedule
- UDOPS will provide access to locations where new equipment will be installed.
- UDOPS will be responsible for final connection (and configuration if required) between demarcation point on Block 66 and existing Recorder to record audio transmission from APX consolettes.
- UDOPS will be responsible for any upgrades to the existing site in regards to: structural modification of UDPOS building (floor, roof, wall) as needed, and high voltage electrical work, work related to UPS systems or backup generator.
- It will be responsibility of UDOPS to obtain, if required, any permits or permissions, for modifications to be done at UDOPS as a part of the system upgrade.

- UDOPS will be responsible for purchasing, directly from Motorola, eight (8) APX consolettes and make them available to PCA for staging and installation.
- UDOPS will be responsible for providing any necessary power, (including UPS/backup generators), network connectivity between backroom and dispatch (re-use existing network cabling for MCC5500 console), space for minimum of two (2) 19” racks.
- Participation of UDOPS personnel will be required during code plug development for new control station as well as AVTEC radio console GUI (Graphical User Interface for Dispatcher)

4.7. ACCEPTANCE TEST PLAN (ATP)

A formal Acceptance Test Plan will be completed upon award. A checklist of items to test will be prepared and a representative from the customer and ProComm Alaska will conduct the test together. Upon completion of the ATP, the system will be considered accepted and a project completion certificate will be signed.

Unless otherwise negotiated, the proposed ATP will consist of the following:

- Complete Avtec supplied test checklist
- Confirm connectivity with each radio channel

4.8. TRAINING

Training will provide for the best overall application of the system and its benefits. Upon completion of installation and at time of cutover, ProComm Alaska on-site field technicians will conduct a training session with Unalaska DOPS Dispatch and other necessary personnel using the installed system. Proposed training will consist of one day onsite working around shift work schedules. A schedule will be prepared for multiple sessions of up to one hour each for small groups of dispatchers. The course content will present the Scout console features, functions, and basic operations.

4.9. EQUIPMENT LIST & SERVICES

The following schedule represents materials and services included in this proposal. Any variance will be handled with a project change order.

AVTEC - Console (Operator) Position Hardware/Software

Qty	Model Number	Description
4.00	SFW-SCOUT-EX-T1-SK	Scout EX Console - Tier 1 includes a license for a Scout Enterprise Console with Software Audio Package. Includes IRR. Software Key version.
4.00	ACC-CPU-DT-WIN10	PC Small form factor, dual NICs and a solid state hard drive for Console Position or "Plus" Console Packages, MS Windows 10 Enterprise 64 bit OS. Used in a Scout System when a Standard Desktop computer is needed. For use with Scout 4.3 and above.
4.00	ACCUSB-FSW-WIDE	USB Wide Treadle PTT Footswitch Accessory, Software Media Workstation
8.00	ACCUSB-HJB-NENA	Avtec USB Headset/handset jack box (single jack), Integrates NENA phone at the operators position with Scout. Requires Scout version 4.9 or later running Software Media Workstation.
4.00	ACCUSB-HUB10	10 Port USB Hub, USB3.0
4.00	ACCUSB-MIC	Avtec USB PTT Desk Microphone, Scout Software Media Workstation
4.00	ACC-HED-6W-NC	Complete 6W Headset, Single Ear, Noise Canceling Microphone with plug-prong base.
4.00	ACCUSB-SPK-2	Avtec USB Dual Speaker Kit, Scout Software Media Workstation
2.00	ACC-CPU-DT-WIN10	PC Small form factor, dual NICs and a solid state hard drive for Console Position or "Plus" Console Packages, MS Windows 10 Enterprise 64 bit OS. Used in a Scout System when a Standard Desktop computer is needed. For use with Scout 4.3 and above.

AVTEC - Racking Equipment

Qty	Model Number	Description
7.00	OUTPOSTPLUS-PS-NA	OUTPOSTPLUS POWER SUPPLY, NORTH AMERICA
4.00	OUTPOSTPLUS-SHELF	OUTPOSTPLUS RACKMOUNT SHELF (HOLDS 2 UNITS)

AVTEC - Gateways and Endpoint Hardware/Software

Qty	Model Number	Description
1.00	SFW-VPG-L0-SK	Redundant VPGate Software License for a maximum of 24 endpoints; up to 12 may be "B" Licenses. Software license version.
2.00	ACC-CPU-STD-2019	1 Rack Unit (1RU) Server Solid State hard drive, Windows 2019 Server OS, TPM 2.0. Requires additional package for monitor, keyboard, etc. (DISP-XXXX)
7.00	OUTPOSTPLUS-2R	OUTPOSTPLUS RADIO GATEWAY, VOIP, 2 PORT, POE, POWER SUPPLY NOT INCLUDED.
1.00	OUTPOSTPLUS-CFG	OUTPOSTPLUS CONFIGURATION TOOL. 1 REQUIRED PER SITE.
1.00	ACC-NETWK-24P-SFP4	24 Port Gigabit Switch with 4 SFP Ports

AVTEC – Recommended Spare Equipment

Qty	Model Number	Description
1.00	ACCUSB-FSW-SING	USB PTT Footswitch Accessory, Software Media Workstation
1.00	ACCUSB-HJB-NENA	Avtec USB Headset/handset jack box (single jack), Integrates NENA phone at the operators position with Scout. Requires Scout version 4.9 or later running Software Media Workstation.
1.00	ACCUSB-SPK-1	Avtec USB Single Speaker Kit, Scout Software Media Workstation
1.00	OUTPOSTPLUS-2R	OUTPOSTPLUS RADIO GATEWAY, VOIP, 2 PORT, POE, POWER SUPPLY NOT INCLUDED.
1.00	ACC-HED-6W-NC	Complete 6W Headset, Single Ear, Noise Canceling Microphone with plug-prong base.
1.00	OUTPOSTPLUS-PS-NA	OUTPOSTPLUS POWER SUPPLY, NORTH AMERICA
1.00	ACC-NETWK-24P-SFP4	24 Port Gigabit Switch with 4 SFP Ports

AVTEC – Services Provided During the Warranty Period (12-month warranty is included)

Qty	Model Number	Description
1.00	SCOUTCARE- T1- WARRANTY	ScoutCare Tier 1 services provided during the one-year warranty period only. Includes Software Maintenance, Remote Support, and Training.
1.00	SCOUTCARE HW - WARRANTY	Hardware repair services provided during the one-year warranty period.

Avtec products include a 12-month warranty. The warranty covers hardware repairs, software defect fixes, and includes the ScoutCare program of Software Maintenance, Business hours remote support, 24x7 emergency support, and Technical Training. After the warranty period, Customer may renew ScoutCare and as an additional add-on ScoutCare HW

4.10. PROJECT ACCEPTANCE

The system shall be accepted upon completion of a successful performance period.

A performance period of 7 calendar days after the installation shall be used to determine acceptable operation. During this period the equipment shall be placed in service and monitored by the designated evaluators of the Unalaska DOPS and ProComm Alaska. All operating modes of the system can be tested and all documented faults can be corrected promptly. The system equipment shall be accepted after beneficial operation during the test period.

Successful operation is defined as the absence of any major failure of equipment or function that would substantially disable the equipment.

Minor failures that would normally be encountered during the implementation of a new system shall be noted for correction but shall not be considered against this test period.

4.11. PHASE I QUALIFICATIONS AND ASSUMPTIONS

- It is assumed that all three parts of the Phase I upgrade (8 radio consolettes with antenna system, Avtec radio console deployment and site readiness) will be completed during a single trip to Unalaska.
- It is assumed that existing tower(s) at UDOPS are in good condition, safe to climb and work on. No upgrades or tower repair is included in our quote.
- It is assumed that all data drops (Cat5/6e cables) between backroom and dispatch room are available. Two runs of cat5e are required for two OPS. (we can re-use existing cat5/6e cables when migrating from MCC5500 radio console to Avtec console).
- It is assumed that building ground (in form #2 GND conductor or metal beam) is available for the backroom equipment and near building penetration for the coax from the tower.
- It is assumed that all existing VHF antennas on UDOPS tower will be removed and up to four (4) new antennas will be installed as part of the new antenna system. Existing coax will be replaced as well with new ½” LDF4-50 lines for outside coax runs.
- It is assumed that new Motorola APX consolettes (8 radios) will be purchased by UDOPS directly from Motorola, in configuration as required, and available to PCA personnel during Phase I trip to Unalaska.

4.12. PHASE PRICING DETAIL

Hardware, Logistics and Labor Cost.

Item	Description	Price
1	Engineering Services and Project Management (all Projects related to Phase I upgrades)	\$7,955.00
2	Hardware related to Phase I (site readiness) – UDOPS Site Upgrade	\$43,382.00
3	Hardware related to NetClock/Time Server	\$11,454.00

4	Hardware, Software and Services related to AVTEC Radio Console (Under NASPO contract)	\$89,681.00
5	Labor: System staging in Anchorage, Travel Time to Unalaska at Regular rate	\$3,605.00
6	Labor: On site installation at DB rates	\$8,950.00
7	Tower Work Services	\$18,550.00
8	Logistics Expenses: Travel, Lodging, Car Rental, Shipping Cost and Per-diem for 2 technicians	\$13,957.00
9	FCC License Application, License Modification (Estimated cost)	\$2,500.00
Project Cost (Hardware, Labor & Logistics)		\$200,034.00
10	Direct Purchase of Eight (8) Motorola APX consolettes from Motorola Solution Inc. (Under NASPO contract) See 4.14 for explanation	\$56,366.87
8	24/7/365 On Site and Remote Support by PCA (AVTEC radio console with 2 OPs, 8 each APX consolettes, NetClock and RF combiner) -Year 1	\$24,033.00

The Total cost of Phase I upgrades: **\$280,433.87**

An Option for multi-year, comprehensive MSA (Managed Service Agreement) between City of Unalaska and ProComm Alaska is presented in ADDENDUM B as an option to only year 1 of support

4.13. MOTOROLA APX AND GTR QUOTES

Imbedded in this proposal is equipment only available to COU through a purchase directly from Motorola. This equipment will require an additional and separate purchase order made out to Motorola Solutions Inc. The equipment so purchased will then be incorporated into the project by PCA in its part of the project implementation. The Motorola proposal is included in the Appendix at the end of this document.

5. PHASE II - HAYSTACK SITE UPGRADE AND REPEATERS

5.1. PCA PHASE II RESPONSIBILITIES

- PCA will provide a single point of contact for the duration of the project.
- PCA will purchase and deliver equipment necessary to deploy the new antenna system, outside cable management and site grounding.
- PCA will purchase and deliver equipment related to improvement of existing inside grounding system, inside cable management and cable penetration.
- PCA will purchase and deliver to Unalaska a power system with rectifiers to support operation of 48VDC equipment (GTR8000 radios) at the Haystack Site (Batteries are NOT included in our quote and are responsibility of COU to provide) as specified.

- PCA, working with the tower crew, will replace three (3) antennas used currently by UDOPS radio system on Haystack (one Receive antenna and two each Transmit antennas).
- New RF cables and new cable management will be installed outside and inside the building.
- New grounding system will be built inside the building with MGB (Master Ground Bar) for binding of all equipment inside to a single point. (PCA will only bond new equipment and RF filtering system to the MGB (Master Ground Buss). It is expected the other tenants and owners of other equipment located in the building will use that opportunity to protect and ground their equipment as well.
- PCA will convert the existing 24VDC system to new 48VDC using existing batteries (or bank of new batteries provided by COU) and support the City electrician in connecting the Power System to the building AC power system.
- New GTR8000 repeaters (provided by COU under separate proposal) will be installed in place of existing six (6) Quantar radios. New radios will be powered from 48VDC system, bonded to building ground and connected to antenna system via RF combiner/multi-coupler. New RF and grounding cables will be made as needed.
- Old Quantar radios and 24VDC system will be removed from equipment racks and left inside the building for COU to collect and dispose of accordingly to the City rules and regulations for asset disposal.
- All RF cables between the combiner and radios and the combiner and antennas will be made on site by the PCA team. All of them will be tested and quality verified before adding to the system.

5.2. COU PHASE II RESPONSIBILITIES

- Provide State Department of Labor determination if Little Davis Bacon applies to contract prior to issuing Purchase Order. Current proposal pricing is based on an assumption that DB rates do apply for on-site work and the labor cost was calculated accordingly.
- The changes to the communications system affected by this proposal may require changes to the underlying FCC License. The FCC holds the Licensee exclusively responsible for compliance at all times. Cost of modification of the existing license is included in Phase I of our proposal.
- UDOPS will provide access to locations where new equipment will be installed.
- UDOPS will be responsible for the required high voltage electrical work as required at Haystack site during system installation.
- UDOPS will purchase directly and provide to the PCA team a minimum six (6) of Motorola GTR8000 repeaters as a part of radio replacement process at the Haystack. All radios will be in working condition and in configuration as needed/required by UDOPS.
- UDOPS will be responsible for providing a minimum of 4 (preferably 8) batteries to be used to deploy 48VDC system at the Haystack site to power all six (6) new Motorola GTR8000 radios.

- It will be responsibility of UDOPS to obtain, if required, any permits or permissions, for modifications to be done at UDOPS as a part of the system upgrade ahead of this project.
- During down time when one or more antennas on the tower is not available for operation, UDOPS will be responsible for development of a backup plan for radio communications without repeaters. (At the time when Phase II will be executed, in Phase I APX consolettes/control stations will be installed at UDOPS building which could be used in direct communication between dispatchers and subscribers). PCA will work with UDOPS on the planned migration.

5.3. PHASE II QUALIFICATIONS AND ASSUMPTIONS

- It is assumed that Phase II of the project (as described in this proposal – 6 each new GTR8000 repeaters at Haystack will replace existing Quantars and Haystack radio site upgrade, including tower work) will be completed during a single trip to Unalaska.
- It is assumed that the existing tower at Haystack is in good condition, safe to climb and work on. No upgrades or tower repair is included in our quote.
- It is assumed that three (3) antennas, related to operation of DOPS radio system, will be replaced and new coax cable installed. No other equipment and lines on the tower will be modified.
- It is assumed that the building ground (in the form of #2 braided copper cable GND conductor or metal beam) is available at the site, near building penetration for the coax from the tower.
- It is assumed that existing combiner/multi-coupler will be used as a part RF filtering system for UDOPS six new GTR8000 radios.
- All existing RF line/coax, outside and inside, will be replaced. New cable managing system will be deployed as well as improved grounding and lightning protection.
- It is assumed that the existing 24 VDC power plant currently in place is used only to power existing Quantar repeaters. It is responsibility of COU to identify whether any other equipment is currently using the 24VDC plant, so appropriate engineering and parts can be provided to maintain said equipment.

5.4. PHASE II: PRICING SUMMARY

Hardware, Logistics and Labor Cost.

Item	Description	Price
1	Engineering Services and Project Management	\$2,975.00
2	Hardware related to Phase II (site readiness) – UDOPS Site Upgrade	\$20,452.00
4	Labor: System staging in Anchorage, Travel Time to Unalaska (At Regular Hourly Rate)	\$2,950.00
5	Labor: On-Site Labor cost at DB Hourly Rate (RT and OT)	\$13,961.00
6	Tower Work Services	\$13,750.00
7	Logistics Expenses: Travel, Lodging, Car Rental, Shipping Cost and Per-diem for 2 technicians	\$11,424.00
8	FCC License Application (Included in Phase I cost)	\$0.00

Project Cost (Hardware, Labor & Logistics)		\$65,512.00
9	24/7/365 On Site and Remote Support by PCA (AVTEC radio console with 2 OPs, 8 each APX consolettes, NetClock and RF combiner) -Year 1 (included in Phase I)	\$0.00
10	Direct purchase of six (6) GTR8000 repeaters from Motorola Solution under NASPO contract (See Q4031 for details)	\$92,880.00

Total cost of Phase II : \$158,392.00

6. PHASE III: VESTA E 911

6.1. INTRODUCTION

ProComm Alaska (PCA or ProComm) is proud to present to the City of Unalaska DOPS a new next generation 911 system after our 20 year relationship: VESTA 911 call handling solution for emergency calls. VESTA Solutions (previously Plant Equipment, Cassidian Communications, and Airbus Communications) is now a part of the Motorola Solutions family and continues to design its industry leading Emergency 9-1-1 call handling platform from the ground up to specifically accommodate future emergency call handling formats. VESTA® is that Next Generation 9-1-1 (NG9-1-1) platform. Already selected by over 1,500 agencies, the VESTA solution was designed to handle IP communications including wireline, wireless, VoIP, TDD/TTY, and SMS/Text messaging to 911. VESTA solutions will continue to evolve and accept access technologies like MMS and video, while maintaining our reputation for reliability and ease of use.

Today, the VESTA solution is the industry standard comprehensive NG9-1-1 solution. It offers PSAP's increased product features, operational efficiencies, and reliability along with stable, centralized call handling for individual or multiple PSAP locations.

The VESTA solution is designed to meet growing community needs and emerging 9-1-1 technologies. The City of Unalaska is assured the solutions proposed herein will comply with and meet both the E9-1-1 requirements of today and the NG9-1-1 requirements of tomorrow. By selecting ProComm Alaska/VESTA/Motorola Solutions, Unalaska DOPS can be confident they are partnering with the leading provider of Public Safety 9-1-1 solutions and selecting the highest possible level of service to its visitors, citizens, and public safety professionals within their region.

6.2. SOLUTION DESCRIPTION

BACKGROUND

Unalaska DOPS/UPD is a Primary PSAP on Unalaska Island and currently does not have a NENA compliant 911 system. 911 calls are delivered to the PSAP via analog trunks with only caller ID displayed and without any information related to call location origination or information regarding phone owners (ANI/ALI information).

SOLUTION

ProComm Alaska is proud to present the most current version of VESTA 9-1-1 Release 7.6 (or the most current version based on shipment time) call handling solution to continue to meet the needs of City of Unalaska.

This new VESTA 9-1-1 system will come in Single Site configuration with (2) two permanent OP positions located in Unalaska DOPS building AND one (1) CommandPOST Laptop (to be deployed in Emergency situations at any location with remote access to Vesta 911 backroom equipment/servers).

Recommended training for Call Takers/Dispatchers and system Administrators is included in our proposal. If requested by the City, the training, class type and quantity could be modified. It is assumed that all the training will be performed on site and after the system has been installed, tested and operation verified. See Section 7 for a list of training/classes included in our quote.

6.3. PRODUCT DESCRIPTION

VESTA 9-1-1

The VESTA 9-1-1 call handling solution is a mission-critical call management and response solution that is a NENA compliant, IETF standards-based, IP-centric implementation. In essence, the VESTA 9-1-1 call handling solution provides:

- A 9-1-1 ANI/ALI controller providing voice management and data (ALI) retrieval.
- Supports all standard telephony interfaces to simplify integration into existing telephony networks.
- Engineered to ensure that there is essentially no single point of failure, i.e. most hardware is duplicated within the system to ensure redundancy.

Below is a description of the *general* hardware components that make up a VESTA 9-1-1 system. For specific quantities and options, please refer to Section 6, Equipment List.

- Two servers running Media Distribution Services (MDS)
- Two servers running Data Distribution Services (DDS)
- Two FXS (Foreign eXchange Subscriber) gateways
- Two FXO (Foreign eXchange Office) gateways
- Two or more managed Ethernet switches
- Two firewall security appliances with VPN capability
- One alarm panel (optional)
- One master clock that supports NTP v3 (Not included)
- IP Administrative telephones (optional)

VESTA 9-1-1 workstations to manage and process incoming mission critical calls.

Supported interfaces include:

- Analog 9-1-1 CAMA (wireline and wireless) trunks used for incoming emergency calls
- Administrative lines - Centrex, CUD, POTS, SIP/VoIP

- Feature Group D (FGD)
- Ring-down lines - wet (battery provided by CO) and dry (battery seen by the CO)
- Digital interfaces - T1 and PRI
- ALI to identify caller information
- CAD Interface
- VoIP interface using NENA i3 or Intrado RFAI protocol

SERVERS

Media Distribution Services (MDS)

The VESTA 9-1-1 MDS are the software-based call-processing components of the VESTA 9-1-1 solution. The software extends telephony features and functions to packet telephony network devices such as VESTA 9-1-1 Workstations and IP phones. MDS servers provide the following feature/functionality:

- Support for 9-1-1 and Admin queues
- Advanced Call Distribution (ACD) schemes (Longest idle, Ring all, Circular, and Linear)
- Conferencing, transfer, and call overflow capabilities
- Administrative phone features and services
- Auto attendant features
- Voice Mail

MDS servers are always implemented in pairs and operate in an Active/Standby mode.

Data Distribution Services (DDS)

The VESTA 9-1-1 DDS provides advanced 9-1-1 call data handling and system monitoring services. DDS servers provide the following feature/functionality:

- Retrieve and extract ALI from ALI databases, perform ALI re-bids
- Interfaces to CAD (Computer Aided Dispatch) systems
- Manages the transfer of call details to remote agencies
- System activity events and logs for tracking, alarming and historical reporting
- Management of overall system resources
- A client applications software distribution mechanism for VESTA 9-1-1 workstations, VESTA™ Analytics MIS solution, and Activity View management application
- Real-time CDR (Call Detail Record) printing

DDS servers are always implemented in pairs and operate in an Active/Standby mode.

Beginning with VESTA 9-1-1 solution Release 6 (R6) Advanced Services Nodes (ASN's) may be equipped to extend the functionality of the VESTA 9-1-1 system. These are typically deployed as a set of three virtual machines, which may be hosted on the System Hypervisor servers or on a separate pair of Hypervisor servers. For VESTA 9-1-1 R6, the ASN's provide the following functionality:

- Support direct-connect capability for delivery of SMS/text calls utilizing MSRP protocol.
- Provide additional tools for training purposes. This includes simulator for:
 - Generating SMS/text calls
 - Generating simulated voice calls

- Provide additional tools for diagnostic and configuration of the ASN's.
- ASN's are always implemented in pairs and operate in an Active/Active mode.

Virtualized Servers

Beginning with the VESTA 9-1-1 solution Release 2 (R4.2), the MDS, DDS and other peripheral servers may be implemented as virtual machines (VM's) on one or more physical servers. This approach reduces the amount of back-room equipment, lowers power consumption and reduces thermal loading in the equipment room. VM's also provide greater flexibility for future software upgrades, since the operating system and client software are now independent of the server hardware.

Virtual servers are normally equipped with:

- Six-core Xenon CPU's (minimum)
- 12 GB of RAM (minimum)
- Multiple disk drives in a minimum RAID 5 configuration
- Multiple 10/100/1000 NIC's
- Dual power supplies

GATEWAYS

The VESTA 9-1-1 solution supports various gateways to interface to traditional (non-IP) telephone systems. Gateways convert non-VoIP circuits to standard, SIP-based VoIP.

Foreign Exchange Subscriber (FXS)

FXS gateways support the following interfaces:

- 2-wire CAMA.9-1-1 trunks
- "Dry" ring-down circuits
- Analog stations
- FAX machines/modems
- Web-based Graphical User Interface (GUI) for configuration

Foreign Exchange Office (FXO)

FXO gateways provide the following functionality and interfaces:

- Loop-start CO lines
- Ground-start CO lines (M1K FXO GS modules only)
- "Wet" ring-down circuits
- Direct Inward Dialing (DID) circuits to specific endpoints (phone sets)
- Web-based GUI for configuration

MEDIANT 1000 (M1K)

Mediant 1000 gateway chassis provides six expansion slots which can be equipped with any combination of FXO, FXS and/or T1/PRI interface modules. The Mediant 1000 chassis is also equipped with redundant power supplies and dual network interfaces (NICs).

The following features and circuit types are supported on these gateways:

- Interface to 2-wire analog CAMA 9-1-1 trunks

- Interface to 2-wire loop start administrative lines
- Interface to 2-wire ground-start administrative lines (requires GS FXO module)
- Interface to either dry- or wet ring-down lines
- Interface to standard T1/E1 circuits*;
- Interface to standard ISDN-PRI circuits*
- Web-based GUI for configuration and management

***A maximum of four digital circuits may be equipped per MIK chassis (pre R6.0) or up to six (R6.x and later, with firmware upgrade).

MEDIANT 800 SBC

The AudioCodes Mediant 800 enterprise session border controller (E-SBC) and media gateway offers a complete connectivity solution for small-to-medium sized enterprises. Supporting up to 124 voice channels in a 1U platform, the Mediant 800 provides versatile connectivity between TDM and VoIP networks.

The Mediant 800 connects IP-PBXs to any SIP trunking service providers, scaling to 400 concurrent sessions. Proposed here system will support up to 10 concurrent sessions. This gateway offers superior performance in connecting and SIP to SIP environment, legacy TDM-based PBX to IP networks, and IP-PBX to the PSTN.

ESINET INTERFACE MODULE CEIM

The ESINet Interface Module (EIM) provides connectivity to NENA i3-compliant and RFAI VoIP networks (Not yet available in Alaska) for the delivery of 9-1-1 calls and related information. Several different versions of EIM are available, depending upon the kind of ESINet that the system will be interfaced with:

- NENA i3 - microData
- NENA i3 - Solacom
- NENA i3 - other
- Intrado RFAI

The ESINet is normally interfaced to the VESTA 9-1-1 system by way of a firewall device at each host location. The following features are provided with the EIM module:

- Delivery of 9-1-1 voice to the system using VoIP technology
- Delivery of the ANI as part of the call setup messages (SIP invite)
- Delivery of ALI information in the PIDF-Lo fields (NENA i3 only)
- Implementation of a “make busy” switch for PSAP evacuation/reroute (requires stand-alone FXS unit-switch to be provided by customer or PCA)

REMOTE CAD SERVERS

In virtualized and/or geo-diverse hosts and/or remote PSAPs, RS232 Port Servers RS-232-to IP devices are deployed to extend serial CAD ports to the remote location. These devices provide the following features:

- Four RS-232 ports per unit
- Each unit may communicate with multiple DDS servers
- Web-based GUI for configuration

For each PSAP equipped with a CAD interface, one set of the following will also be provided to allow for CAD port redundancy:

- Blackbox TL601A-R2 port arbitrator
- Blackbox TL158A-R4 4-port data sharing unit (discontinued)
- Blackbox TL159A-R8 8-port data sharing unit

ALARMS

The VESTA 9-1-1 platform provides real time monitoring of its solution elements, both hardware and software modules. In the event a failure is detected, then depending on the severity of the defect, the VESTA 9-1-1 platform will generate a major, minor, or critical alarm. Any observed failure is then indicated on the alarm screen of the VESTA 9-1-1 Configurator. Alarms may also be reported on the optional Activity View application.

Three types of alarms are associated with failures:

- **Critical** - A critical alarm shall produce audible and visual indications at the maintenance position.
 - **Major** - A major alarm shall produce a visual indication at the maintenance position.
 - **Minor** - A minor alarm shall result in an entry in a diagnostic report.
- Alarms may also be reported to Motorola Solutions DS-Comm Monitoring and Response centers for analysis and action by appropriate technical personnel.

VESTA SMS (This feature is included in our proposal as a Service)

The VESTA® SMS solution allows VESTA 9-1-1 systems to connect directly to Text Control Centers (TCC's) using standards-based MSRP protocol for delivery of text messages directly to VESTA console users. Some of the features of the VESTA SMS solution are:

- Standards based text to 9-1-1 solution
- Easy and flexible to operate
- Supports multiple text queues
- Text capability may be assigned to user roles
- Allows transfer of text calls within a single multi-PSAP system

VESTA 9-1-1 CALL-TAKING POSITION

The VESTA 9-1-1 call-taking position provides a GUI to allow Call-takers to quickly process emergency and non-emergency calls. Depending upon the specific customer requirements, VESTA 9-1-1 call-taking positions may be implemented in a variety of ways:

Using standard tower or small form factor (SFF) workstations

- With one or more wide-screen monitors. Workstations support up to two monitors natively using Display Port outputs. Adapters are optionally available to support other display types (VGA, HDMI, DVI, etc.).
- With optional Integrated Instant Recall Recorder (IRR) software. IRR software can be deployed as either single-channel (telephone only) or dual-channel (telephone and radio select audio) modes.
- With one or two Network Interface Cards (NICs) when deployed with two NICs, each NIC may operate independently (connected to two different networks) or be teamed for redundancy.
- With a SAM (Sound Arbitration Module) connected to two standard 310-plug headset jacks
- With either an optional SAM speaker module or an optional basic external speaker
- With optional Genovations 24- or 35-key programmable keypads
- With optional wide-screen touch-screen monitor(s)

VESTA 9-1-1 COMMANDPOST

The VESTA CommandPOST call processing solution is a portable call-taking position designed to allow a call-taker to move to another location, reconnect to their host system, and begin taking 9-1-1 (with ANI/ALI) and administrative calls. All features of the traditional VESTA 9-1-1 position are preserved. In order to use Instant Recall Recording (IRR), the VESTA CommandPOST must be used with the SAM module. The VESTA Command Post call processing solution can connect to the host system via:

- Public Internet connection using VPN
- Private IP network with/without VPN connection
- IP satellite network with/without VPN connection

The VESTA CommandPOST typically consists of the following components:

- Hardened laptop computer
- SAM (Sound Arbitration Unit)
- All required cables
- Weather-resistant rolling case with cut foam liner
- Docking Station (Included)
- Additional Battery (Optional)
- External monitor (included)
- External mouse and Keyboard (included)

NETWORKING

The VESTA 9-1-1 system requires specific network capabilities to operate correctly. For full details on the network requirements, consult the VESTA 9-1-1 IP Networking Guide for the version of software being installed.

As part of the total solution, Motorola Solutions/VESTA may provide a variety of networking components. These may include any/all of the following:

Network switches

- Depending upon the price/performance desired by City of Unalaska or their IT provider, different managed network switches in 24- or 48-port configurations may be quoted. These are typically from either HP or Cisco. Network switches may be either standard or Power over Ethernet (PoE) versions, depending on the configuration required. Refer to the current hardware specifications for the specific model(s) being quoted.

Network Routers

- When deploying geo-diverse or host systems with remote PSAPs, network routers may be required. These are typically provided by the end user and are generally outside the scope of equipment provided by ProComm/VESTA.

PRINTING

As you are aware, the VESTA 9-1-1 system may be equipped with a variety of printers, depending upon the specific customer requirements. Printers may be either locally connected (to a workstation or server) or connected to the VESTA 9-1-1 LAN utilizing either an internal or external network interface. When purchased from ProComm/VESTA, the following types of printers are available:

- USB color inkjet printer - Optional
- USB black & white laser printer (external print server optional)
- Black & white laser printer with integrated NIC/IP print server - Optional
- Color laser jet printer with integrated NIC/IP print Server - Optional
- One (1) new printer for City of Unalaska DOPS is included in the quote.

6.4. DATA MANAGEMENT

VESTA Analytics

The VESTA Analytics solution (formerly Aurora) is the Motorola Solutions next-generation Management Information System (MIS). The VESTA Analytics solution expands on the role of MIS, becoming a comprehensive management platform. Depending upon the size of the system, the VESTA Analytics system may be deployed as either:

- A virtualized machine (VM) on the System Hypervisor server
- On a dedicated, stand-alone server

A record of each incoming and outgoing VESTA® or Sentinel call will be contained within the VESTA Analytics database. At a minimum, the record contains the following information:

- Seize Time
- Answer Time
- Transfer Time
- Hang-up (disconnect) time
- Position number
- Agent
- Incoming number (ANI)
- Date/time
- ALI
- ANI log of disconnected calls showing arrival time and disconnected party abandonment time.

Microsoft Internet Explorer v. 6.0 or later is required to run the browser interface to the VESTA Analytics solution. Microsoft.Net support libraries v. 2.0 or higher are also required on the workstation accessing the VESTA Analytics MIS system. The VESTA Analytics solution may be deployed in 3 different models:

- Single host. Supports one system. If multiple PSAPs are provisioned on the system, no separation of PSAP data for security purposes is provided. All users have access to all data on the system
- **Hosted model.** In this model, a single VESTA Analytics system is used for reporting services in a multi-PSAP environment. This model allows each PSAP's data to be segregated so that users may only see/report on their specific PSAP's data.
- Enterprise model. In this model, a core VESTA Analytics system is used to accumulate data from multiple edge VESTA Analytics systems. This is most commonly used when data must be collected from multiple stand-alone VESTA 9-1-1 systems.

VESTA Analytics Clients

No dedicated client software is required to access the VESTA Analytics system. All access is performed using the Microsoft Internet Explorer 6.0 or later browser. The workstation accessing the VESTA Analytics system must:

- Have Microsoft.Net 2.0 or later software libraries installed.
- Be connected to the same network as the VESTA Analytics server or have other dedicated, secure access to the VESTA Analytics server network (VPN, etc.)
- One MS-SQL License per user accessing the VESTA Analytics MIS System is required.
- One VESTA Analytics system access license is required per user accessing the VESTA Analytics MIS system is required.

NENA i3 Logger Interface

Beginning with VESTA 9-1-1 R6.0, Motorola Solutions introduced support for the IP-based NENA i3 Logger Interface. This interface allows a variety of information to be sent to 3rd party systems via a LAN/IP interface. Any of the following information may be sent via the i3 Logger interface:

- Location information.
- SMS/Text message logging data.

Use of this interface requires proper network engineering to ensure the security and *safety of both the VESTA 9-1-1 network and the 3rd party systems' network(s)*.

Activity View

The Activity View management application provides real-time monitoring of PSAP activities. The Activity View management application may be configured by the user to display the status of:

- Call taker status
- Group status
- Group ACD status
- Incoming trunks
- Administrative lines
- Active calls

A user may also configure custom message colors and set a variety of thresholds which will trigger color changes.

Beginning with Sentinel Patriot 3.2 or later or VESTA 9-1-1 or later, the Activity View application also supports a Display Panels feature allowing a user to configure a display output that is compatible with large screen (wall-mount) monitors and/or projectors.

The Activity View management application can also display up to five (5) marquee messages to inform call-takers of upcoming events.

NOTE: It is recommended that the Activity View application be installed on a separate workstation from the VESTA 9-1-1 call-taker application due to the amount of CPU and network resources required. If installed on the same workstation as the VESTA 9-1-1 call-taker application, both applications should not be running at the same time.

6.5. VESTA EQUIPMENT LIST

VESTA® 9-1-1

Qty.	Part No.	Description
2	870899-0104R7.6	VESTA® 9-1-1 V911 R7.6 LIC/DOC/MED
1	873099-03002	V911 CAD INTF KIT
1	870891-66101	V911 CAD INTFC LIC ONLY
		VM Small Server Bundle
		<i>Note: The Small Server Bundle is for PSAP's up to 10 positions with an annual call volume of 100,000 or less.</i>
1	853031-MLSSVRSG2	V-ML SVR BNDL SML SGL
2	04000-68007	V-SVR BASIC SPT 3YR (Included)
2	04000-68009	V-SVR BASIC SPT 5YR (Option)
		VESTA® SMS
		<i>Note: Customer is responsible for Text Control Center (TCC) services and network charges.</i>
2	870891-66301	VESTA 9-1-1 SMS LIC
1	809810-00102	V911 ADV DATA LVL 1 ANNUAL SUB <i>Note: Annual Subscription - Year 1</i>
1	809810-00102	V911 ADV DATA LVL 1 ANNUAL SUB <i>Note: Annual Subscription - Year 2</i>
1	809810-00102	V911 ADV DATA LVL 1 ANNUAL SUB <i>Note: Annual Subscription - Year 3</i>
1	809810-00102	V911 ADV DATA LVL 1 ANNUAL SUB <i>Note: Annual Subscription - Year 4</i>
1	809810-00102	V911 ADV DATA LVL 1 ANNUAL SUB <i>Note: Annual Subscription - Year 5</i>
		<i>Note: Firewall supports Call and Text Handling for ESInet Interface Module (EIM), Text to 9-1-1 and Direct PSAP Interconnect (DPI).</i>
2	03800-03060	FIREWALL 60E
2	03800-03063	WARR FIREWALL 60E 3YR (Included)
2	03800-03065	WARR FIREWALL 60E 5YR (Option)
2	809800-00200	CFG NTWK DEVICE
		VESTA® 9-1-1 CDR Module

2	873099-00602	V911 CDR SVR LIC
2	873099-01102	V911 CDR PER SEAT LIC
1	04000-00420	CALL RECORD PRNTR HI END
1	04000-00419	PARALLEL PRNTR RIBBON
1	65000-13403	CBL USB 2.0 A/B 10FT
1	6204C-60023	PRINT SVR 420 PRINTER
		VESTA® 9-1-1 Activity View
2	873099-00802	V911 ACT VIEW LIC PER ST
1	873099-00702	V911 ACTIV VIEW SYS LIC
1	809800-35122	V911 ACT VIEW SW SPT 3YR (Included)
1	809800-35124	V911 ACT VIEW SW SPT 5YR (Option)
		Administrative Workstations
1	61000-409612	DKTP ELITE MINI 705 G5 W/O OS
1	04000-00441	WINDOWS 10 LTSC LIC
1	64000-00600	PC MOUNTING BRKT
1	63000-221693	MNTR FP WIDE SCRIN LED 22IN
1	809800-00102	GENERIC WKST CFG FEE
		VESTA® 9-1-1 Basic Operations
2	PS-0SQ-VSML	VS BSC MLTP PER SEAT LIC
2	SS-0SQ-VSSL-3Y	SPT VS BSC 3YR
2	SS-0SQ-VSSL-5Y	SPT VS BSC 5YR
		VESTA® 9-1-1 IRR Module
2	873099-00502	V911 IRR LIC/DOC/MED
2	809800-35112	V911 IRR SW SPT 3YR (Included)
2	809800-35114	V911 IRR SW SPT 5YR (Option)
		VESTA® Workstation Equipment
2	61000-409612	DKTP ELITE MINI 705 G5 W/O OS
2	04000-00441	WINDOWS 10 LTSC LIC
2	64000-00600	PC MOUNTING BRKT
2	63000-221693	MNTR FP WIDE SCRIN LED 22IN
2	64007-50021	KEYPAD 24 KEY USB CBL 12FT
2	853030-00302	V911 SAM HDWR KIT
2	853004-00401	SAM EXT SPKR KIT
2	02800-20701	HDST K 4W/MOD BLK CARBON
2	03044-20000	HDST CORD 12FT 4W MOD BLK
2	809800-35109	V911 IWS CFG
2	809800-35108	V911 IWS STG FEE
1	870890-07501	CPR/SYSPREP MEDIA IMAGE

1	64040-60087	VESTA® 9-1-1 Admin Printer PRNTR 506N BLK/WHT <i>Note: Laserjet Black and White printer. Recommended monthly volume, 1,500 to 5,000 pages</i>
1	65000-13403	CBL USB 2.0 A/B 10FT
1	65000-00238	CBL PATCH BLUE 3FT
1	65000-00124	CBL PATCH 15FT
Network Equipment		
<i>Note: Firewall supports Remote and Internet Access for Managed Services, Remote position access and RapidSOS.</i>		
1	03800-03060	FIREWALL 60E
1	03800-03063	WARR FIREWALL 60E 3YR (Included)
1	03800-03065	WARR FIREWALL 60E 5YR (Option)
1	809800-00201	VPN CFG SVCS
2	04000-29638-X	SWITCH 2960-X+CBL 24-PORT
2	04000-29719	WARR 2960-X 24P 24X7 3YR
2	04000-29716	WARR 2960-X 24P 24X7 5YR
Peripherals & Gateways		
2	04000-00129	MED 1000B CHASSIS BNDL
1	870890-74901	V911 M1KB FIRMWARE
2	04000-00188	SW SPT M1000 GATEWAY 3YR (Included)
2	04000-00190	SW SPT M1000 GATEWAY 5YR (Option)
2	04000-00116	MED 1000 FXO-LS BNDL
2	04000-00119	MED 1000 FXS-O BNDL
2	04000-00152	MED 1000 1-SPAN BNDL
2	04000-00193	SW SPT M1000 T1 MOD 3YR (Included)
2	04000-00195	SW SPT M1000 T1 MOD 5YR (Option)
1	04000-00538	MED 800C HA PAIR BNDL
2	04000-00533	SW SPT MED 800C GATEWAY 3YR (Included)
2	04000-00535	SW SPT MED 800C GATEWAY 5YR (Option)
1	04000-00541	MED 800C HA 10 SBC SESSIONS (1-250)
ALI/CAD Output		
1	04000-00159	BLKBX TL159A 8-PORT DATACAST
8	65000-00262	KIT CBL RJ11 ADPTR DB25

		<p>Cabinet & Peripheral Equipment</p> <p><i>Note: Cabinet must come pre-equipped with power strips if customer chooses to provide and sends it to Vesta Solutions, Inc for configuration.</i></p> <p>1 00600-20042 CABINET 42U 19IN</p> <p>1 63009-192803 MNTR RACK KYBD KVM 19IN</p> <p>1 04000-00707 FAN KIT BLK</p> <p>1 00600-20143 CABINET ROOF FAN HOLE</p> <p>1 04000-50033 SEISMIC BRACING KIT</p> <p>2 04000-25631 PDU 24-OUTLET TWST LOCK 20AMP</p> <p>1 809800-80044 SVR CAB CFG FEE</p> <p>Time Synchronization Equipment</p> <p><i>Note: Customer to provide Time Sync Equipment with Antenna and Netclock Cables.</i></p>
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VESTA® 9-1-1 IP Phones

Qty.	Part No.	Description
2	870809-00901	VESTA® 9-1-1 Phones/Voice Mail Option IP PHN LIC ENH
2	04000-16867	6867I PHN/ADPTR KIT
2	04000-01685	685i KEY EXP MOD
2	809800-10201	IP PHN CFG FEE PER PHN
2	04000-01804	POE PWR INJECTOR
2	873099-01102	VESTA® 9-1-1 CDR Module V911 CDR PER SEAT LIC
2	PA-SSG-ALSL	VESTA® Analytics - LITE Multi Product Purchase V-ANLYT LT PER SEAT LIC
2	SA-SSG-ALSL-3Y	SPT V-ANLYT LITE 3YR (Included)
2	SA-SSG-ALSL-5Y	SPT V-ANLYT LITE 5YR (Option)

VESTA® Analytics

Qty.	Part No.	Description
1	873399-00203.5	VESTA® Analytics Lite - Multi Product Purchase V-ANLYT 3.5 LITE DOC/MED
1	873391-04003	V-ANLYT LT LIC

1	873391-04002	V-ANLYT LT USER LIC
2	PA-SSG-ALSL	V-ANLYT LT PER SEAT LIC
2	SA-SSG-ALSL-3Y	SPT V-ANLYT LITE 3YR (Included)
2	SA-SSG-ALSL-5Y	SPT V-ANLYT LITE 5YR (Option)
<p>VESTA® Analytics Lite Server Equipment for Virtualized Server Bundle</p> <p><i>Note: Additional Hardware to be installed in DDS-B Server.</i></p>		
1	BA-M00-ALA0-3	V-ANLYT LITE ADD-ON BNDL

VESTA® Map Local

Qty.	Part No.	Description
		VESTA® Map Local
		<i>Note: Supported with VESTA® R7 and R7.1</i>
1	871399-40103.0	VMAP LOCAL R3 BASE LIC-KEY/MED
1	871391-40101.0	VMAP LOCAL BASE LIC ONLY
2	809800-46008	VMAP LOCAL BASE SPT 3YR (Included)
2	809800-46010	VMAP LOCAL BASE SPT 5YR (Option)
1	809800-44119	VMAP LOCAL GIS SVCS
<p>VESTA® Map Local - Additional Hardware</p>		
2	6400C-40050	8GB RAM DDR4 705 G4/G5
<p>Monitors</p>		
2	63000-221693	MNTR FP WIDE SCRIN LED 22IN
<p>VESTA Map Local Installation</p>		
11	809800-17006	FIELD ENG-EXPRESS
<p><i>Note: Channel to install RAM onsite. Vesta Solutions FE remote installation/configuration of VML software, map build per workstation.</i></p>		

PEAbody

Qty.	Part No.	Description
1	871599-00105.0	PEAbody 4.5 PBDY 5.0 LIC/DOC/MED
1	809800-01519	PB 4.X/5.X SPT THRU Y3PEI (Included)
1	809800-01521	PB 4.X/5.X SPT THRU Y5PEI (Option)
		PEAbody Server Equipment
1	62040-G819204	SVR 2U RACK ENH DL380/G10 2.2
4	64000-20064	HARD DRIVE 300GB 12G SAS 10K
1	04000-01751	TS-4 PORT TERMINAL SVR
2	65000-00182	CBL RJ45-10P/DB25M 4FT
1	63002-172805	MNTR NEC 17IN
1	64021-10025	KYBD/MOUSE BNDL
1	04000-00444	SVR WIN2019 STD DWNGRD 2012
1	04000-00346	SQL 2014 SVR RUN EMB LIC
1	809800-01507	PBDY SVR CFG FEE
		PEAbody Data Conversion Services
48	809800-01532	PBDY DATA FMT/CONV SVC
1	871590-00701	PBDY DATA CONV UTILITY
1	809800-01527	PBDY CUSTOM ALI FMT
		Cabinet & Peripheral Equipment
		<i>Note: Server to reside in Backroom Cabinet.</i>

Managed Services

Qty.	Part No.	Description
		Monitoring & Response (M&R): Activation Fee
		<i>Note: M&R Activation Fees will apply if M&R services are disabled prior to receipt of a PO for the M&R support renewal.</i>
1	809800-14150	M&R ACT FEE, SMALL SITE
		Monitoring, PM & AV Service: Servers
		<i>Note: Includes (2) DDS Servers, (1) PEAbody Server.</i>
3	04000-00398	M&R SVR AGENT LIC
3	809800-16363	M&R PM AV SVR SRVC 3YR (Included)
3	809800-16365	M&R PM AV SVR SRVC 5YR (Option)

		Monitoring, PM & AV Service: Workstations
		<i>Note: Includes (2) Workstations, (1) Management Console, (1) Admin Workstation, (1) Laptop (In order to provide Managed Services offerings for CommandPOST positions, they are required to be connected to the VESTA 9-1-1 system and active at all times.)</i>
5	04000-00399	M&R WKST AGENT LIC
5	809800-16379	M&R PM AV WKST SRVC 3YR (Included)
5	809800-16381	M&R PM AV WKST SRVC 5YR (Option)
		Monitoring, PM & AV Service: IP Devices
		<i>Note: Includes (2) Virtual Host/Machines, (2) MDS Servers, (2) ASN Servers, (2) Gateways, (1) Firewall, (2) Firewalls for EIM/SMS, (2) Cisco Switches, (2) SBC Devices.</i>
15	04000-00400	M&R NETWORK/IP AGENT LIC
15	809800-16345	M&R IP DEVICE SRVC 3YR (Included)
15	809800-16347	M&R IP DEVICE SRVC 5YR (Option)
		Gateways and Equipment
1	04000-00127-SP	MED 1000B CHASSIS SPARE
1	04000-00116	MED 1000 FXO-LS BNDL
1	04000-00119	MED 1000 FXS-O BNDL
1	04000-00132	MED 1000B PWR SPLY BNDL
1	04000-00144	MED 1000B CPU BNDL
1	04000-00152-SP	MED 1000 1-SPAN SPARE
1	04000-01751	TS-4 PORT TERMINAL SVR
1	65000-00182	CBL RJ45-10P/DB25M 4FT
		Cables and Switches
1	04000-29638-X	SWITCH 2960-X+CBL 24-PORT
1	04000-29717	WARR 2960-X 24P 24X7 1YR
1	04000-29719	WARR 2960-X 24P 24X7 3YR
		ProDesk Mini Workstation Equipment
1	61000-409612	DKTP ELITE MINI 705 G5 W/O OS
1	04000-00441	WINDOWS 10 LTSC LIC
1	64000-00600	PC MOUNTING BRKT
1	63000-221693	MNTR FP WIDE SCRNL LED 22IN
1	64007-50021	KEYPAD 24 KEY USB CBL 12FT
1	853030-00302	V911 SAM HDWR KIT
1	853004-00401	SAM EXT SPKR KIT
1	02800-20701	HDST K 4W/MOD BLK CARBON
1	03044-20000	HDST CORD 12FT 4W MOD BLK
1	809800-00102	GENERIC WKST CFG FEE
1	04000-01594	WARR NBD 600/705 G2/G3/G4/G5 5YR

Optional Parts/Spares: Spare Parts are NOT included in our proposal but available for purchase if requested

Extended Warranties

Qty.	Part No.	Description
2	04000-01623	<p>Server Extended Warranty</p> <p>Note: Includes (2) VESTA 9-1-1 Servers, (1) PEAbody Server.</p> <p>WARR 24X7 ML110G10 5YR</p> <p>Note: Upgrade & uplift from 3 yr warranty 9x5 NBD to 5 yrs, 24x7, 4 hour response time.(5 year warranty by manufacturer)</p>
1	04000-01619	<p>WARR 24X7 DL380G10 3YR</p> <p>Note: Upgrade & uplift from 3 yr warranty 9x5 NBD to 5 yrs, 24x7, 4 hour response time. (5 year warranty by manufacturer)</p>
4	04000-01594	<p>Workstation Extended Warranty</p> <p>Note: Includes (2) Workstations, (1) Management Console, (1) Admin Workstation.</p> <p>WARR NBD 600/705 G2/G3/G4/G5 5YR</p> <p>Note: Warranty upgrade from 3 yrs warranty 9x5 NBD to 5 yrs 9x5 NBD.(5 year warranty by manufacturer)</p>

VESTA® CommandPOST

Qty.	Part No.	Description
1	873099-01102	<p>VESTA® 9-1-1 CDR Module</p> <p>V911 CDR PER SEAT LIC</p>
1	873099-00802	<p>VESTA® 9-1-1 Activity View</p> <p>V911 ACT VIEW LIC PER ST</p>
1	PS-0SQ-VSML	<p>VESTA® 9-1-1 Basic Operations</p> <p>VS BSC MLTP PER SEAT LIC</p>
1	SS-0SQ-VSSL-3Y	SPT VS BSC 3YR (Included)
1	SS-0SQ-VSSL-5Y	SPT VS BSC 5YR (Option)

1	873099-00502	VESTA® 9-1-1 IRR Module V911 IRR LIC/DOC/MED
1	809800-35112	V911 IRR SW SPT 3YR (Included)
1	809800-35114	V911 IRR SW SPT 5YR (Option)
		CommandPOST Hardware
1	61050-G819605-3Y	LAPTOP ZBOOK15 G6 W/O OS & WARR 3YR
1	04000-00441	WINDOWS 10 LTSC LIC
1	65000-00263	DOCK STATION THUNDERBOLT KIT
1	64021-10025	KYBD/MOUSE BNDL
1	65000-00249	CBL PATCH BLUE SNAGLESS 50FT
1	63000-221693	MNTR FP WIDE SCRN LED 22IN
1	64007-50021	KEYPAD 24 KEY USB CBL 12FT
1	853004-00301	CPOST SAM HDWR KIT
1	853004-00401	SAM EXT SPKR KIT
1	809800-35109	V911 IWS CFG
1	809800-35108	V911 IWS STG FEE
1	870890-07501	CPR/SYSPREP MEDIA IMAGE
		VESTA® Analytics Licensing & Support
1	PA-SSG-ALSL	V-ANLYT LT PER SEAT LIC
1	SA-SSG-ALSL-3Y	SPT V-ANLYT LITE 3YR (Included)
1	SA-SSG-ALSL-5Y	SPT V-ANLYT LITE 5YR (Option)
		VESTA® Map Local
		<i>Note: Supported with VESTA® R7 and R7.1</i>
1	871391-40101.0	VMAP LOCAL BASE LIC ONLY
1	809800-46008	VMAP LOCAL BASE SPT 3YR (Included)
1	809800-46010	VMAP LOCAL BASE SPT 5YR (Option)
1	63000-221693	MNTR FP WIDE SCRN LED 22IN
1	6400C-40051	8GB RAM ZBOOK 15 G5/G6

6.6. PCA ALASKA RESPONSIBILITIES.

- PCA will provide a single point of contact for the duration of the project.
- PCA will purchase and deliver to Unalaska all equipment as listed in 6.5 EQUIPMENT LIST paragraph.
- PCA will purchase and deliver to Unalaska remaining miscellaneous hardware necessary to deploy a VESTA 911 system at UDOPS.
- PCA will install a 19" rack/cabinet in designated space in Unalaska DOPS building. It is assumed that required power, air control and grounding are already present there (Phase I upgrades).
- PCA, working with Vesta FE (Field Engineer) and with UDPOS representative will develop a GUI (Graphical User Interface) for 911 call taker to interact with when receiving local 911 calls or making/receiving calls on Admin lines.
- During project development, planning phase (DDR) PCA representative will participate in calls regarding integration of a new 911 system with a local Telco company, City of Unalaska IT Department and outside ANI/ALI provider.
- If this feature/option is requested by DOPS, a headset integration will be performed so a Dispatcher can manage/answer both: radio and phone calls via single headset at each Operator Position.

6.7. COU VESTA SYSTEM RESPONSIBILITIES

- Provide single point of contact for the duration of the project.
- DOPS will provide site access during project implementation to both: dispatch office and radio/server room so backroom equipment and Call Taker positions could be installed.
- DOPS will be responsible for making necessary arrangements with the local Telco company TelAlaska to provide and deliver four (4) analog CAMA trunks to the punch block in the backroom, where Vesta servers will be installed. These CAMA trunks shall meet NENA requirements for CAMA circuits delivering 911 calls to a PSAP.
- COU, working with local Telco company, will be responsible for developing GIS data with land line phone information and corresponding addresses (local ANI/ALI database).
- COU will be responsible for making arrangements with outside ANI/ALI providers (like Intrado) to deliver ANI/ALI wireless phone database location and mapping software to the Unalaska PSAP (DOPS) to be managed, recorded and displayed on Vesta call taker position when receiving 911 call.
- COU IT Department, working with Vesta FE (and PCA technician on site), will develop an integration plan for SIP/VoIP connectivity between Vesta Gateway and COU existing Cisco CME system (to manage admin lines/extensions).
- If Vesta 911 CommandPOST (portable Dispatch position) will be deployed outside of Dispatch room, it will be responsibility of COU to deliver proper, secure LAN network between that location and the network Vesta system is part of. PCA will advise UDOPS accordingly for the connectivity and telephone requirements.
- During active maintenance contract (which includes Motorola/ 24-7-365 Vesta System Monitoring & Alerting Services) COU will be responsible for providing a remote access IP circuit to the Vesta network (via cable or DSL modem). Static IP of such device will

be required. PCA/Vesta will provide and manage our own Firewall hardware on that circuit.

- UDOPS will make sure dispatchers and Dispatch Administrator(s) are available during Vesta training, with the Vesta trainer traveling to Unalaska to do on-site training.

6.8. QUALIFICATIONS AND ASSUMPTIONS

- It is assumed that the proposed PCA 911 system, Vesta 911, will consist of two (2) dedicated call-taker positions and one (1) portable CommandPOST position and one rack of equipment (network equipment, servers, gateway, PDUs etc) installed in the backroom of UDOPS building.
- It is assumed that Vesta 911 system will be installed on dedicated LAN circuits, not shared with any other equipment, LAN network.
- It is assumed that all necessary data related to ANI/ALI information (for local land lines and wireless phones) will be available to PCA/Vesta team during system deployment.
- It is assumed that ANI/ALI database will be in the form easily convertible to documents with *.xls, *.xlsx, *.csv or *.txt extensions.
- It is assumed that all 911 calls will be managed and delivered to Unalaska DOPS/PSAP from a single Telco provider – TelAlaska (via 4 analog CAMA trunks).

6.9. PHASE III: PRICING SUMMARY

Hardware, Logistics and Labor Cost.

Item	Description	Price
1	Engineering Services and Project Management	\$5,500.00
2	Hardware: Vesta equipment and miscellaneous hardware provided by PCA) during Phase III system installation	\$179,950.00
3	Labor: Project Preparation and a Travel Time (at Regular, non-DB rate)	\$3,055.00
4	Labor: On- Site System Installation, Configuration, Cutover and ATP	\$22,921.00
5	Services and Training Related to Site Deployment by Vesta	\$87,069.00
6	Logistics Expenses: Travel, Lodging, Car Rental, Shipping Cost and Per-diem for 2 PCA technicians and VESTA PE	\$21,325.00
Project Cost (Hardware, Labor & Logistics)		\$319,820.00
7	24/7/365 Remote Support, Monitoring and Alerting by Vesta – 3 year support is included. (A cable/DSL modem with broadband access is required. COU is responsible for providing remote access and covering the cost)	\$81,876.00
8	24/7/365 On Site and Remote Support by PCA (VESTA 911 system with permanent 2 OPs, one CommandPOST OP and backroom equipment) - Year 1 (Long term MSA option is available and can be discussed during DDR)	\$21,214.00

For the total Phase III, ProComm Alaska quotes: \$ 422,910.00

7. PROJECT IMPLEMENTATION PLAN

The mission-critical nature of radio dispatch console systems makes the installation and migration to any new system important steps of the process. Our High-Level Implementation Plan, summarized in the following paragraphs in *Section 6.1 below (Cutover Plan)*, provides an approach for a well-organized and executed system integration.

The Plan will be revised during joint meetings and after site visits / surveys as required. Then, a draft Plan is provided for COU comment before a final version is prepared and submitted for final approval. The finalized Plan guides all implementation activities for that phase of the project and monitors and tracks progress against timelines and milestones.

Because a site survey has not been conducted prior to submittal of this proposal, a clearer understanding of all requirements is needed. We fully anticipate that during DDR (Detailed Design Review) any changes in the requirements and goals will enable us to develop a plan that satisfies the final requirements. The information presented below is based on an implementation scope of work that we normally encounter in the industry.

7.1. PROJECT STAFFING

Avtec, VESTA, and ProComm Alaska will provide qualified personnel to support all project management, engineering, installation, documentation, testing and training requirements specified under the contract. ProComm's Project Manager (PM) manages the Radio Dispatch Console System project and will be the single point of contact for the implementation of the system. The ProComm Alaska PM is responsible for contract administration, scheduling, and monitoring progress of the deliverables. The PM will hold project calls and present status reports on the implementation tasks to the Customer Lead Project Manager. All formal communications are to be channeled through the PM.

7.2. KICK-OFF MEETING

During an initial kick-off meeting held remotely, ProComm Alaska, COU, and Avtec review the Project Plan and make any necessary adjustments, so that the Scout Plus system can be delivered on time, within budget, and meet the needs of the RFP as described and bid.

This introductory meeting is to:

- Review project scope,
- Discuss deliverables, assumptions and risks,
- Set a preliminary timeline for any required surveys and implementation,
- Review the Statement of Work (SOW), and
- Discuss division of responsibilities, training, cutover, and system acceptance.

7.3. CONTRACT/PROJECT INITIATION –

After approval of the final design and issuance of final Notice to Proceed, the implementation process will begin with the Contract/Project Initiation phase. During this phase, the project team is formed and a kickoff teleconference is held. This phase is considered complete following the teleconference.

7.4. COMPLETE SITE WALKS

In order to capture the specific details of site readiness, PCA will conduct a site walk during Phase I to capture any unknown scope of work that must be appended to the project prior to the final 2 phases. These site walks will capture the viability issues of each site from a system design and installation standpoint, as well as from a physical capacity standpoint, to ensure that the site is able to accommodate the proposed equipment. This task includes the testing of any existing equipment that will interface with the equipment PCA is providing.

If requested as an option and at an additional cost, PCA will prepare an updated R56 Site Audit Report that summarizes the findings of the site audits. The report will include any site preparation recommendations to the COU to aid in providing a suitable environment for system installation at all locations.

7.5. CONDUCT DETAILED DESIGN REVIEW –

A DDR call will be held with the COU to ensure that all requirements are known and that the design meets those requirements. During this meeting, PCA and the COU will review the operational requirements and the impact of those requirements on various equipment configurations. The goal of this meeting is to clarify the system design, identify any special product requirements and their impact on system implementation, and redefine the system implementation plan. A discussion of the cutover plan and methods to document a detailed procedure for cutover will begin at this meeting. It is understood that your current dispatch system must remain active until the new equipment is installed and fully tested.

7.6. ORDER PROCESSING –

After the conclusion of the Detailed Design Review phase, PCA will assemble the final equipment list based on any changes made during the DDR meeting. A final validation is performed on the equipment lists resulting from the detailed design review and the lists are edited. Validation includes a check for valid model numbers, valid versions, compatible options to main equipment, and current pricing and delivery data. COU will then identify for PCA the storage location(s) for this equipment.

The next step is for PCA to create orders for the equipment based on all the information gathered. Once it has cleared all validation points, a PCA Logistics Analyst will reconcile the equipment list(s) to the original purchase order or contract.

This phase will be deemed complete when the equipment order is transmitted to the manufacturing facility.

7.7. IMPLEMENTATION –

- When the equipment is received at the location designated by the COU, evidence of receipt will be faxed or emailed to PCA. Vesta's and PCA's field installation team will then be dispatched to install the equipment per the detailed design documentation. During field installation of the equipment, any required changes to the installation will be noted and included with the final "as-built" documentation of the system. The "as-built" documents will be provided along with any maintenance and operator manuals.

This phase will be deemed completed when all equipment has been installed at the location designated by the COU.

7.8. SITE PREPARATION

The following scope of work for the site preparation follows a standard approach in which the Customer has the primary responsibility in preparing the sites for the installation.

Site preparation items that are the Customer's responsibility include network connectivity between sites; installation of building wiring for AC power; line protectors; line conditioners; surge protectors; cross connections to the network; Demarcation Line level specification testing; any repair, radio and telephone interface wiring; furniture modifications; lighting; single point grounding; etc. The Customer is responsible for confirming with ProComm the cable type and cable run lengths to ensure specification compatibility.

- • Electrical – Customer is responsible for providing adequate electrical power. Customer is responsible for providing AC power for each console location and the fixed equipment per Vesta specification. All Vesta system equipment operates on 120VAC/60Hz commercial power. (2 each 20Amp, 125Volt NEMA L5-20R, twist lock receptacle type will be required, preferably each on dedicated breaker)
- • Ventilation, Heating, Air Conditioning – Customer is responsible for building ventilation, heating or air-conditioning at any equipment location. Adequate ventilation must be provided. Vesta is responsible for providing the Customer with all environmental requirements at proposed installation locations to ensure that proper equipment operation is achieved.
- • Facilities and Access – Keys or on-site access to the equipment rooms and cabling installation areas are to be provided by the Customer as required by PCA. Normal access hours are to be negotiated between the Customer and PCA. If required by PCA, Customer provides a secure room at the installation site with a dial out phone during the implementation phase of the project. This room will be used by PCA personnel for its operations, temporary storage of Scout system components, and securing test equipment and tools.

7.9. SCREEN BUILDING WORKSHOP

Prior to equipment staging, a screen building workshop is conducted remotely by Avtec from their Lexington, SC, facility, so that COU personnel can develop and document user interfaces that meet the business needs of the various COU users. At least one representative from each user group is recommended to attend the workshop online. Information gathered at the workshop enables Avtec to design the Graphical User Interface (GUI) screen configurations for the console system. The workshop is a fluid process between the Avtec engineer, project manager, and the attendees where changes are made to the Avtec database as attendee feedback is received. The Customer reviews and accepts the GUI screen configuration before staging takes place.

Prior to the workshop, Avtec designs a basic screen template for use during the workshop. The Avtec engineer utilizes a Demo unit for the workshop. Radio and phone simulators are loaded on the demo to give users a real view of a working console.

Customer attendees of the workshop should be key users who understand the existing and/or desired setup of the console system to be delivered. They should have general information as to how many talk groups and/or phones need to be configured. Circuit names are not important at this point of the project; generic names can be used. However, it is important to understand call flow requirements that are required for system operation. If phones are to be integrated into the console, attendees must bring autodial and grouping information (it does not have to be complete) but should be enough so that a basic working template can be developed and duplicated in the same format for future autodial additions).

7.10. STAGING AND FACTORY ACCEPTANCE TESTING

Prior to shipment to the COU site, all systems are staged and a Factory Acceptance Test (FAT) is performed. The FAT is conducted in accordance with the documented FAT Plan, which confirms that the software and hardware are fully functioning. Any deficiencies are documented, and an agreed-on plan of action is taken to correct them. Testing is conducted by the System Integration Engineer. Customer Personnel are invited to participate.

Procedures in the FAT Plan include:

- • Functionality Testing of standard software feature set and hardware components,
- • Connectivity Testing,
- • Redundancy Testing.

Successful completion and sign off of the FAT milestone ensures that the Vesta solution is ready for shipment to the designated site(s).

7.11. INSTALLATION

The Vesta 911 dispatch solution is installed and maintained only by Vesta -trained and certified personnel. Installation is performed using best practices and in accordance with the Vesta Suite Installation and Upgrade Guide, which provides detailed step-by-step procedures to facilitate a successful installation and deployment of the Vesta 911 solution.

7.12. SYSTEM ACCEPTANCE TESTING

The Avtec/ProComm team will develop an Acceptance Test Plan (ATP) for the COU installation. The ATP provides test elements, procedures, and information for exhibiting the ability of the Vesta system hardware and software to meet all customer requirements. It ensures that all requirements for acceptance testing the Vesta system are appropriately assessed and planned within the overall project plan and demonstrates to the customer that the testing processes are appropriately managed and controlled. Successful completion of the ATP following installation ensures customers that the Vesta hardware and software operates as warranted. The ATP includes procedures for testing the following:

- All console and rack-mounted equipment connections,
- All functional requirements (i.e. user login, touch screen functionality, phone patching, phone to radio patching, paging, calls transferring, redundancy, etc.).

The ATP also includes:

- Action items and outstanding issues not completed or resolved at the time of ATP completion,

- Action plan for each open action item or outstanding issue,
- ATP completion document with signoffs for the customer and PCA/Vesta,
- Test equipment settings,
- Calltaker test setup diagram,
- Servers/Gateways test setup diagram,
- Description of the test configuration. .

Results from the acceptance testing are formally recorded in the ATP. System Integration Engineers familiar with the operation of the Vesta system equipment and the operation of dispatch consoles are responsible for executing the ATP with the participation of COU dispatch personnel.

7.13. CUTOVER PLAN

To help ease the transition of dispatchers, Vesta console screens can be configured to mirror the existing screens on legacy consoles. Vesta will conduct a remote workshop to determine user needs and to help in development of screen designs. This enables the users and administrators to become more comfortable with the new consoles before implementation.

During the initial installation phase, the Vesta positions are installed alongside the existing legacy 911 system but may not be connected to existing radio infrastructure. This will reduce cutover time from the legacy 911 system to the new Vesta 911 system

8. PROPOSED PROJECT SCHEDULE

ProComm will develop timelines for all major milestones of the project. Shortly after contract award, the ProComm Project Manager will work with the COU project team to provide a more detailed project schedule that meets the needs of COU dispatch and IP/IT operations. A preliminary high-level timetable for the implementation of the 3 Phase communications system upgrade efforts are shown in the following table. Payment milestones amounts are derived and correlated from the pricing table below the Implementation Schedule.

Preliminary Implementation Schedule for Phases I, II, & III			
ID	Task	Calendar Days	
		Start	Finish
1	Project Award assuming a late June 2021 date.	1	1
2	Requirements Validation / Detailed Design Review (DDR). Gurney to order 2 additional monitors for dispatch.	2	2
	Payment Milestone – Engineering & PM -Phase I		
3	Project Kickoff Meeting (Remote) and define timeline for all Phases and what is required. Discuss temporary dispatch set up	3	3
4	Site Survey (ProComm Alaska) Review Notes / Project Development and details, engage COU IT/IP Personnel too	8	9
5	Payment Milestone-Equipment & Staging – Phases I-III		
7	Screen Building Workshop (Remote) for Avtec Console System prior to shipment. Identify temp dispatch goals and methods.	10	10
8	Engage TelAlaska / Intrado Phase II Wireless E911 system requirements for delivery and timing with wireless carriers too	11	14
9	Engage radio users for new repeater programming and features.	15	16
10	Identify secure heated shipped equipment storage facility for all equipment and parts and keep track of arrivals from suppliers	17	18
11	System Shipment to Unalaska / Avtec / Motorola repeater and control station radios.	19	65
	Payment Milestone – Deployment Phase I		
12	Equipment inventory that has arrived On-site at Customer Locations and storage facilities. Weights and dimension supplied.	66	70
13	Agree on deployment dates and order of installation of Phases in preparation for equipment deployment.	71	72
14	Verify Phase 2 Wireless upgrades are progressing and that TelAlaska has installed and tested 4 CAMA trunks to the PSAP	73	75
15	Preliminary Connectivity Testing at Customer Site	76	80
16	Complete site readiness at Haystack and Dispatch Comm Room	81	88
17	System Installation of Motorola APX Consolettes at Dispatch, grounding, antenna install, racking, and connectivity to console	89	90

18	Install new coax and antennas with new cable systems, ground	91	92
19	Complete tower work at Haystack and Dispatch roof array	93	94
20	Install NetClock and cable/ground all devices and equipt racks in comm room working with COU IT personnel.	95	96
21	Execute Acceptance Test Plan and test Console control stations and new repeaters with radios in the field for all functions	97	98
22	Install temporary dispatch Console equipment and deinstall old MCC5500 console equipment.	99	100
23	Install new Avtec console equipment in dispatch while dispatch operates on temporary solution. Headset integration.	101	102
24	Operator training on new Avtec Console equipment and test	103	104
25	Training complete, cut over to new console system, System Acceptance Testing, Documentation.	105	106
	Payment Milestone - Completion		
26	Avtec Customer Services Support for operations / Final Documentation completed	107	109
27	Receive equipment and technology	110	111
28	Confirm 911 CAMA Trunks working as required / Confirm Phase 2 wireless with carriers and Intrado is working as required.	112	113
29	VESTA System Installation with PCA and VESTA Field Technicians in dispatch and comm room. Test comm room circuits IT network, telephone system, dispatch system. Headset integration with office phone and console system audio. Operate portable CommandPOST E911 system and train users for operation and deployment requirements.	114	119
30	System Cutover and Testing	120	122
31	Dispatcher Live Training on new system for all features	123	124
32	System Acceptance Test	125	126
33	Documentation Submittal	127	128
	Payment Milestone - Completion		
34	VESTA Customer Services Support	130	Onward

9. TOTAL PROJECT PRICING

Phase	Price
Phase I - UDOPS UPGRADES, AVTEC CONSOLE, & NETCLOCK	
Engineering & Project Management	\$20,647.11
Equipment & Staging	
Motorola APX Consolettes (Motorola PO)	\$56,366.87
Avtec Console Equipment	\$82,020.76
Netclock Hardware	\$11,454.00
Site Hardware for upgrades, grounding	\$43,382.00
Subtotal Equipment & Staging	\$193,223.63
Deployment: Tower work, Installation, Logistics	\$40,595.00
Completion: Final Install & ATP w/ Avtec support	\$24,033.00
Total Cost Phase I	\$278,498.74
Phase II - HAYSTACK SITE UPGRADE AND REPEATERS	
Engineering & Project Management	\$18,315.00
Equipment & Staging	
Motorola GTR Repeaters (Motorola PO)	\$92,880.00
Antennas and equipment, shipping to UDOPS	\$6,615.00
Subtotal Equipment & Staging	\$99,495.00
Deployment: Installation, Programming, Tuning	\$19,750.00
Completion: ATP	\$18,252.00
Total Cost Phase II	\$155,812.00
Phase III - VESTA E 911	
Engineering & Project Management	\$5,550.00
Equipment & Staging	
VESTA E911 equipment	\$179,950.00
Deployment: Installation, Configuration, Testing	
PCA Personnel Travel & PerDiem	\$25,166.00
Logistics for VESTA Field Engr.	\$21,325.00

Subtotal Deployment	\$46,488.00
VESTA Dispatch Operator Training	\$86,069.00
Extended Warranty & System Support	
PCA 24/7 on-site support – 3 year Warranty Support	\$66,049.00
VESTA 3 year warranty, 24/7/365/remote monitoring, system recovery, technical support services.	\$81,880.00
Subtotal Warranty & 3 Year Support Services	\$147,929.00
Total Cost Phase III	\$465,986.00
All Projects Total	\$900,296.74

10. APPENDIX 1: MOTOROLA APX CONSOLETTTE AND GTR PROPOSALS



Q4001 Unalaska Q4031 Unalaska
QUOTE-1467195-2AFGTR8000 QU0000517

EXHIBIT “B” – CONTRACT SCHEDULE

The general contract schedule is as follows:

The Substantial Completion date is March 15, 2022, and Final Completion date is June 30, 2022.

EXHIBIT "C" – FEE SCHEDULE

EXHIBIT C - CONSULTANT FEE PROPOSAL DETAIL

CITY OF UNALASKA
DEPARTMENT OF PUBLIC WORKS
P.O. BOX 610
UNALASKA, AK 99685

PROJECT NAME: REPEATER SITE AND RADIO UPGRADES PROJECT
DPW PROJECT NO.: 17102
CONTRACTOR: PROCOMM ALASKA LLC

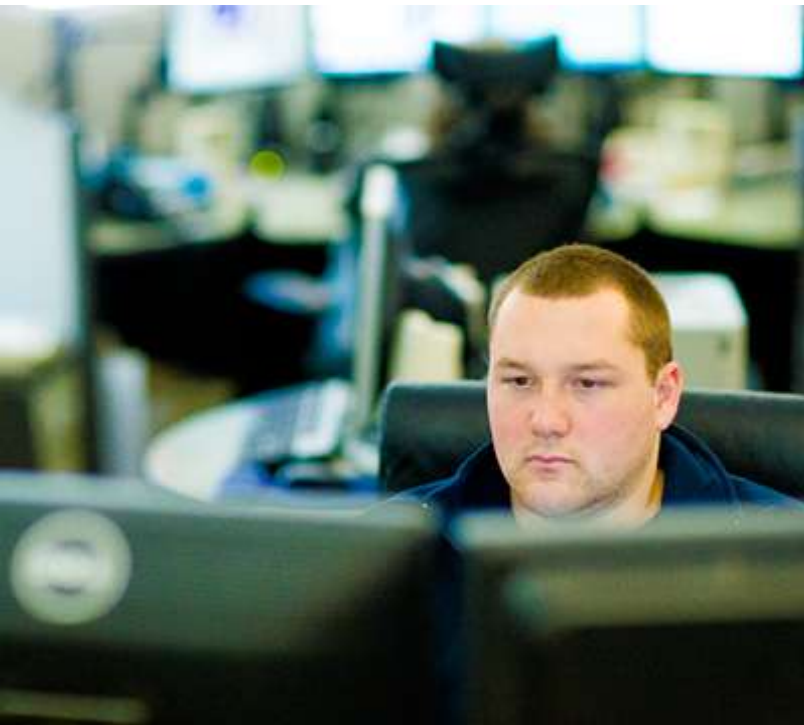
INVOICE DATE: _____
FAY ESTIMATE NO.: _____
PERIOD: FROM _____ TO _____

PHASE	DESCRIPTION	QTY	U/M	UNIT PRICE	FEE TOTAL	QTY			% COMPL	\$ VALUE TO DATE	\$ REMAINING
						PREVIOUS	CURRENT	TO DATE			
1	Site Upgrades at the UDPS Facility										
	Engineering Services and Project Management	1	L/S	\$7,955.00	\$ 7,955.00				0%	\$ -	\$ 7,955.00
	Hardware related to Site Readiness - UDPS	1	L/S	\$43,382.00	\$ 43,382.00				0%	\$ -	\$ 43,382.00
	Hardware related to NetClock/Time server	1	L/S	\$11,454.00	\$ 11,454.00				0%	\$ -	\$ 11,454.00
	Hardware, Software, Services related to AVTEC Radio Console	1	L/S	\$89,681.00	\$ 89,681.00				0%	\$ -	\$ 89,681.00
	Labor: System staging in Anchorage, travel time	1	L/S	\$3,605.00	\$ 3,605.00				0%	\$ -	\$ 3,605.00
	Labor: On site installation	1	L/S	\$8,950.00	\$ 8,950.00				0%	\$ -	\$ 8,950.00
	Tower Work Services (Sub-contract)	1	L/S	\$18,550.00	\$ 18,550.00				0%	\$ -	\$ 18,550.00
	Logistics: travel, lodging, car rental, shipping, per diem	1	L/S	\$13,957.00	\$ 13,957.00				0%	\$ -	\$ 13,957.00
	FCC License application, modification (estimated)	1	L/S	\$2,500.00	\$ 2,500.00				0%	\$ -	\$ 2,500.00
	24/7/365 On Site & Remote Support - 1 year	1	L/S	\$24,033.00	\$ 24,033.00				0%	\$ -	\$ 24,033.00
	PHASE 1 TOTAL:				\$224,067.00						
2	Haystack Site Upgrade and Repeaters										
	Engineering Services and Project Management	1	L/S	\$2,975.00	\$ 2,975.00				0%	\$ -	\$ 2,975.00
	Hardware related to UDPS Facility Site Upgrade	1	L/S	\$20,452.00	\$ 20,452.00				0%	\$ -	\$ 20,452.00
	Labor: System staging in Anchorage, travel time	1	L/S	\$2,950.00	\$ 2,950.00				0%	\$ -	\$ 2,950.00
	Labor: On site installation	1	L/S	\$13,961.00	\$ 13,961.00				0%	\$ -	\$ 13,961.00
	Tower Work Services (Sub-contract)	1	L/S	\$13,750.00	\$ 13,750.00				0%	\$ -	\$ 13,750.00
	Logistics: travel, lodging, car rental, shipping, per diem	1	L/S	\$11,424.00	\$ 11,424.00				0%	\$ -	\$ 11,424.00
	PHASE 2 TOTAL:				\$ 65,512.00						
3	Vesta E911										
	Engineering Services and Project Management	1	L/S	\$5,500.00	\$ 5,500.00				0%	\$ -	\$ 5,500.00
	Hardware: Vesta equipment and misc. hardware	1	L/S	\$179,950.00	\$ 179,950.00				0%	\$ -	\$ 179,950.00
	Labor: Project preparation and travel time	1	L/S	\$3,055.00	\$ 3,055.00				0%	\$ -	\$ 3,055.00
	Labor: Onsite System Installation, Configuration, Cutover, ATP	1	L/S	\$22,921.00	\$ 22,921.00				0%	\$ -	\$ 22,921.00
	Services and Training Related to Site Deployment by Vesta	1	L/S	\$87,069.00	\$ 87,069.00				0%	\$ -	\$ 87,069.00
	Logistics: travel, lodging, car rental, shipping, per diem	1	L/S	\$21,325.00	\$ 21,325.00				0%	\$ -	\$ 21,325.00
	24/7/365 Remote Support, Monitoring, Alerting by Vesta - 3 year	1	L/S	\$81,876.00	\$ 81,876.00				0%	\$ -	\$ 81,876.00
	23/7/365 On Site and Remote Support by PCA - 3 years	1	L/S	\$64,293.00	\$ 64,293.00				0%	\$ -	\$ 64,293.00
	PHASE 3 TOTAL:				\$465,989.00						
	PROJECT TOTAL (PHASES 1 - 3):				\$755,568.00						

Q:\Shared.14-DPU-DPW Shared\Capital Projects\Repeater Site Upgrade (17102)\300 Bid and Award Phase\208 Contractor Agreement & Payments NOA NTP\EXHIBIT C.xls

APPENDIX 1 – OWNER FURNISHED MATERIALS

1. Eight each (8) Motorola APX 7500 Console Control Stations per Motorola Solutions Quote #1379980.
2. GRT8000 Base Radio and supporting items per Motorola Solutions Quote QU0000517682.
3. Existing radios and telephone system in use.



UNALASKA, CITY OF

APX Consolettes

12/03/2020

12/03/2020

UNALASKA, CITY OF
1035 E BROADWAY AVE
UNALASKA, AK 99685

RE: Motorola Quote for APX Consolettes
Dear Michael Hanson,

Motorola Solutions is pleased to present UNALASKA, CITY OF with this quote for quality communications equipment and services. The development of this quote provided us the opportunity to evaluate your requirements and propose a solution to best fulfill your communications needs.

This information is provided to assist you in your evaluation process. Our goal is to provide UNALASKA, CITY OF with the best products and services available in the communications industry. Please direct any questions to Angela Parker at aparker@procommak.com.

We thank you for the opportunity to provide you with premier communications and look forward to your review and feedback regarding this quote.

Sincerely,

Angela Parker
Inside Sales Specialist

Motorola Solutions Manufacturer's Representative

Billing Address:
 UNALASKA, CITY OF
 1035 E BROADWAY AVE
 UNALASKA, AK 99685
 US

Quote Date:12/03/2020
 Expiration Date:03/03/2021
 Quote Created By:
 Angela Parker
 Inside Sales Specialist
 aparker@procommak.com

End Customer:
 UNALASKA, CITY OF
 Michael Hanson
 mhanson@ci.unalaska.ak.us
 9075811233

Line #	Item Number	Description	Qty	List Price	Sale Price	Ext. Sale Price
	APX™ Consolette					
1	L37TSS9PW1AN	ALL BAND CONSOLETTTE	5	\$8,040.00	\$5,869.20	\$29,346.00
1a	GA00318AB	ADD: 5Y ESSENTIAL SERVICE	5	\$319.00	\$319.00	\$1,595.00
1b	G444AH	ADD: APX CONTROL HEAD SOFTWARE	5	\$0.00	\$0.00	\$0.00
1c	G48BB	ENH: CONVENTIONAL OPERATION APX	5	\$800.00	\$584.00	\$2,920.00
1d	G806BL	ENH: ASTRO DIGITAL CAI OP APX	5	\$515.00	\$375.95	\$1,879.75
1e	CA01598AB	ADD: AC LINE CORD US	5	\$0.00	\$0.00	\$0.00
1f	GA05507AA	DEL: DELETE 7/800MHZ BAND	5	-\$800.00	-\$584.00	-\$2,920.00
1g	GA05509AA	DEL: DELETE UHF BAND	5	-\$800.00	-\$584.00	-\$2,920.00
1h	G193AK	ADD: ADP ONLY (NON-P25 CAP COMPLIANT) (US ONLY)	5	\$0.00	\$0.00	\$0.00
1i	W382AM	ADD: CONTROL STATION DESK GCAI MIC	5	\$169.00	\$123.37	\$616.85
1j	L999AG	ADD: FULL FP W/E5/KEYPAD/ CLOCK/VU	5	\$789.00	\$575.97	\$2,879.85
2	HKN6233C	APX CONSOLETTTE RACK MOUNT KIT	5	\$200.00	\$146.00	\$730.00



Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the "Underlying Agreement") that authorizes Customer to purchase equipment and/or services or license software (collectively "Products"). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.

Line #	Item Number	Description	Qty	List Price	Sale Price	Ext. Sale Price
APX™ Consolette						
3	L37TSS9PW1AN	ALL BAND CONSOLETTTE	3	\$8,040.00	\$5,869.20	\$17,607.60
3a	GA00318AB	ADD: 5Y ESSENTIAL SERVICE	3	\$319.00	\$319.00	\$957.00
3b	G48BB	ENH: CONVENTIONAL OPERATION APX	3	\$800.00	\$584.00	\$1,752.00
3c	CA01598AB	ADD: AC LINE CORD US	3	\$0.00	\$0.00	\$0.00
3d	GA05507AA	DEL: DELETE 7/800MHZ BAND	3	-\$800.00	-\$584.00	-\$1,752.00
3e	GA05509AA	DEL: DELETE UHF BAND	3	-\$800.00	-\$584.00	-\$1,752.00
3f	L999AG	ADD: FULL FP W/E5/KEYPAD/CLOCK/VU	3	\$789.00	\$575.97	\$1,727.91
3g	G843AH	ADD: AES ENCRYPTION AND ADP	3	\$475.00	\$346.75	\$1,040.25
3h	G444AH	ADD: APX CONTROL HEAD SOFTWARE	3	\$0.00	\$0.00	\$0.00
3i	G806BL	ENH: ASTRO DIGITAL CAI OP APX	3	\$515.00	\$375.95	\$1,127.85
3j	W969BG	ADD: MULTIKEY OPERATION	3	\$330.00	\$240.90	\$722.70
3k	W382AM	ADD: CONTROL STATION DESK GCAI MIC	3	\$169.00	\$123.37	\$370.11
4	HKN6233C	APX CONSOLETTTE RACK MOUNT KIT	3	\$200.00	\$146.00	\$438.00

Grand Total
\$56,366.87(USD)
Notes:


Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the "Underlying Agreement") that authorizes Customer to purchase equipment and/or services or license software (collectively "Products"). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.

- **PLEASE BE ADVISED:** Motorola Solutions is moving towards being more environmentally green and emailing invoices. You may receive an email invoice instead of a mailed invoice, depending on the purchase. In addition, the invoice may have a new address for submitting payments. If you have any questions or would like to change where your electronic invoices will be delivered, please contact your credit analyst or dial 800-422-4210.





Quote Number: QU0000517682

Effective: 11 DEC 2020

Effective To: 30 JUN 2021

Bill-To:

UNALASKA, CITY OF
PO BOX 370
UNALASKA, AK 99685
United States

Ultimate Destination:

UNALASKA, CITY OF
1035 E BROADWAY AVE
UNALASKA, AK 99685
United States

Attention:

Name: Michael Hanson
Phone: (907)581-1233

Sales Contact:

Name: Angela Parker
Email: aparker@procommak.com
Phone: 907-563-1176

Contract Number: NASPO ValuePoint

Freight terms: FOB Destination

Payment terms: Net 30 Due

Item	Quantity	Nomenclature	Description	List price	Your price	Extended Price
1	1	T7039A	GTR 8000 Base Radio	-	-	-
(Notes)TAC 1						
1a	1	CA00718AA	ADD: ASTRO SYSTEM RELEASE 7.18	-	-	-
1b	1	CA01946AA	ADD: CONVENTIONAL MIXED MODE OPERATION	-	-	-
1c	1	X530BG	ADD: VHF (136-174 MHZ)	\$6,300.00	\$5,040.00	\$5,040.00
1d	1	CA01950AA	ADD: CONVENTIONAL MULTI-NAC MULTI-PL	\$500.00	\$400.00	\$400.00
1e	1	CA01948AA	ADD: DIGITAL CONVENTIONAL SOFTWARE	\$12,500.00	\$10,000.00	\$10,000.00
1f	1	CA01400AA	ADD: POWER CABLE, DC	-	-	-
1g	1	X153AW	ADD: RACK MOUNT HARDWARE	\$50.00	\$40.00	\$40.00
2	1	T7039A	GTR 8000 Base Radio	-	-	-
(Notes)TAC 2						
2a	1	CA00718AA	ADD: ASTRO SYSTEM RELEASE 7.18	-	-	-
2b	1	CA01946AA	ADD: CONVENTIONAL MIXED MODE OPERATION	-	-	-
2c	1	X530BG	ADD: VHF (136-174 MHZ)	\$6,300.00	\$5,040.00	\$5,040.00
2d	1	CA01950AA	ADD: CONVENTIONAL MULTI-NAC MULTI-PL	\$500.00	\$400.00	\$400.00
2e	1	CA01948AA	ADD: DIGITAL CONVENTIONAL SOFTWARE	\$12,500.00	\$10,000.00	\$10,000.00
2f	1	CA01400AA	ADD: POWER CABLE, DC	-	-	-
2g	1	X153AW	ADD: RACK MOUNT HARDWARE	\$50.00	\$40.00	\$40.00
3	1	T7039A	GTR 8000 Base Radio	-	-	-
(Notes)TAC 3						
3a	1	CA00718AA	ADD: ASTRO SYSTEM RELEASE 7.18	-	-	-
3b	1	CA01946AA	ADD: CONVENTIONAL MIXED MODE OPERATION	-	-	-
3c	1	X530BG	ADD: VHF (136-174 MHZ)	\$6,300.00	\$5,040.00	\$5,040.00
3d	1	CA01950AA	ADD: CONVENTIONAL MULTI-NAC MULTI-PL	\$500.00	\$400.00	\$400.00
3e	1	CA01948AA	ADD: DIGITAL CONVENTIONAL SOFTWARE	\$12,500.00	\$10,000.00	\$10,000.00
3f	1	CA01400AA	ADD: POWER CABLE, DC	-	-	-
3g	1	X153AW	ADD: RACK MOUNT HARDWARE	\$50.00	\$40.00	\$40.00
4	1	T7039A	GTR 8000 Base Radio	-	-	-
(Notes)Electrical						

Item	Quantity	Nomenclature	Description	List price	Your price	Extended Price
4a	1	CA00718AA	ADD: ASTRO SYSTEM RELEASE 7.18	-	-	-
4b	1	CA01946AA	ADD: CONVENTIONAL MIXED MODE OPERATION	-	-	-
4c	1	X530BG	ADD: VHF (136-174 MHZ)	\$6,300.00	\$5,040.00	\$5,040.00
4d	1	CA01950AA	ADD: CONVENTIONAL MULTI-NAC MULTI-PL	\$500.00	\$400.00	\$400.00
4e	1	CA01948AA	ADD: DIGITAL CONVENTIONAL SOFTWARE	\$12,500.00	\$10,000.00	\$10,000.00
4f	1	CA01400AA	ADD: POWER CABLE, DC	-	-	-
4g	1	X153AW	ADD: RACK MOUNT HARDWARE	\$50.00	\$40.00	\$40.00
5	1	T7039A	GTR 8000 Base Radio	-	-	-
(Notes)Tone						
5a	1	CA00718AA	ADD: ASTRO SYSTEM RELEASE 7.18	-	-	-
5b	1	CA01946AA	ADD: CONVENTIONAL MIXED MODE OPERATION	-	-	-
5c	1	X530BG	ADD: VHF (136-174 MHZ)	\$6,300.00	\$5,040.00	\$5,040.00
5d	1	CA01950AA	ADD: CONVENTIONAL MULTI-NAC MULTI-PL	\$500.00	\$400.00	\$400.00
5e	1	CA01948AA	ADD: DIGITAL CONVENTIONAL SOFTWARE	\$12,500.00	\$10,000.00	\$10,000.00
5f	1	CA01400AA	ADD: POWER CABLE, DC	-	-	-
5g	1	X153AW	ADD: RACK MOUNT HARDWARE	\$50.00	\$40.00	\$40.00
6	1	T7039A	GTR 8000 Base Radio	-	-	-
(Notes)Harbor						
6a	1	CA00718AA	ADD: ASTRO SYSTEM RELEASE 7.18	-	-	-
6b	1	CA01946AA	ADD: CONVENTIONAL MIXED MODE OPERATION	-	-	-
6c	1	X530BG	ADD: VHF (136-174 MHZ)	\$6,300.00	\$5,040.00	\$5,040.00
6d	1	CA01950AA	ADD: CONVENTIONAL MULTI-NAC MULTI-PL	\$500.00	\$400.00	\$400.00
6e	1	CA01948AA	ADD: DIGITAL CONVENTIONAL SOFTWARE	\$12,500.00	\$10,000.00	\$10,000.00
6f	1	CA01400AA	ADD: POWER CABLE, DC	-	-	-
6g	1	X153AW	ADD: RACK MOUNT HARDWARE	\$50.00	\$40.00	\$40.00

Total Quote in USD

\$92,880.00

Q4031

PO Issued to Motorola Solutions Inc. must:

- >Be a valid Purchase Order (PO)/Contract/Notice to Proceed on Company Letterhead. Note: Purchase Requisitions cannot be accepted
- >Have a PO Number/Contract Number & Date
- >Identify "Motorola Solutions Inc." as the Vendor
- >Have Payment Terms or Contract Number
- >Be issued in the Legal Entity's Name
- >Include a Bill-To Address with a Contact Name and Phone Number
- >Include a Ship-To Address with a Contact Name and Phone Number
- >Include an Ultimate Address (only if different than the Ship-To)
- >Be Greater than or Equal to the Value of the Order
- >Be in a Non-Editable Format
- >Identify Tax Exemption Status (where applicable)

>Include a Signature (as Required)

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-53

A RESOLUTION OF THE UNALASKA CITY COUNCIL ACKNOWLEDGING THE
CLOSURE AND COMPLETION OF VARIOUS CAPITAL PROJECTS AND PURCHASES

WHEREAS, Unalaska City Code Section 6.12.050(B) states: All appropriations lapse at the end of the budget year to the extent that they have not been expended or lawfully encumbered, except an appropriation for capital improvements or projects which shall not lapse until the purpose of the appropriation has been accomplished or abandoned; and

WHEREAS, the City of Unalaska has numerous capital projects and purchases which are deemed to be complete; and

WHEREAS, combined together, all projects deemed complete are under budget; and

WHEREAS, any unused monies in completed projects will be returned to the appropriate fund.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council acknowledges that as of June 30, 2021, the capital projects and purchases as outlined on the attached list are deemed complete for their intended purpose.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on July 27, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Erin Reinders, City Manager
Date: July 27, 2021
Re: Resolution 2021-53: Acknowledging the closure and completion of various capital projects and purchases

SUMMARY: With adoption of this resolution, Council acknowledges that various capital projects and purchases are being closed out of the Capital Budget as of June 30, 2021. Periodically staff reviews capital projects and if a project is complete or no longer feasible, staff makes a recommendation to close that project. This recommendation includes projects in several funds and the projects are listed by fund.

PREVIOUS COUNCIL ACTION: Council reviews and acknowledges the closure of various capital projects annually.

BACKGROUND: UCO 6.12.050 (B) states that “All appropriations lapse at the end of the budget year to the extent that they have not been expended or lawfully encumbered, except an appropriation for capital improvements or projects which shall not lapse until the purpose of the appropriation has been accomplished or abandoned.”

DISCUSSION: Periodically, staff evaluates active capital projects to determine if the project is complete or should be closed for other reasons. The attached list includes five projects recommended for closure. The list includes two projects where abandonment is recommended. Those two projects are listed below with additional information as to why the abandonment is recommended.

- EL20B (4th Waste Heat Recovery Unit) – Usable waste heat is only maximized when the Wartsila units are on-line; it is increasingly rare when we have enough heat to run the existing three ORC’s currently, and geothermal will further reduce the usefulness of this technology. Therefore, it has been determined that there will not be sufficient demand for a 4th ORC at this time.
- AP18A (Airport Terminal Roof) – Facilities Maintenance made roof repairs approximately 5 years ago which were successful in stopping the roof leaks around the clerestory. In 2018, ECI Architecture conducted an extensive roof and clerestory study. The results of the study recommend to wait for a full exterior remodel that will be needed in the next 10-15 years. Therefore, we recommend this project be closed.

ALTERNATIVES: 1) Accept staff recommendations to close identified capital projects by adopting Resolution 2021-53; or 2) Leave one or more projects open for additional work.

FINANCIAL IMPLICATIONS: Unused monies will be returned to the appropriate funds, as follows:

General Fund	\$ 184,385.97
Electric Enterprise Fund	\$1,370,390.56
Ports Enterprise Fund	<u>\$24,030.60</u>
Total	\$1,578,807.13

LEGAL: None

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to adopt Resolution 2021-53.

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

Resolution 2021-53 Closing Completed Capital Projects

Project Number	Governmental	Budget	Project Costs To Date	Under/(Over)	Return to General Fund	Return to Spec. Revenue Fund 1% Sales Tax	Return to Other	Return to Proprietary Fund
	General Government							
	Public Safety							
PS19C	DPS BUILDING ASSESSMENT	290,000.00	235,106.00	54,894.00	\$54,894.00			
		290,000.00	235,106.00	54,894.00				
	Enterprise Funds							
	Electric							
EL20B	4th WASTE HEAT RECOVERY UNIT	600,600.00	-	600,600.00				\$600,600.00
EL21A	GENERATOR SETS REBUILD (FY21)	1,748,338.00	978,547.44	769,790.56				\$769,790.56
		2,348,938.00	978,547.44	1,370,390.56				Total Electric \$1,370,390.56
	Ports							
PH20C	RESCUE VESSEL ENGINE UPGRADE	65,650.00	41,619.40	24,030.60				\$24,030.60
		65,650.00	41,619.40	24,030.60				Total Ports \$24,030.60
	Airport							
AP18A	AIRPORT TERMINAL ROOF REPLACEMENT	140,000.00	10,508.03	129,491.97	\$129,491.97			
		140,000.00	10,508.03	129,491.97				
								Total Proprietary \$1,394,421.16
City Total		2,844,588.00	1,265,780.87	1,578,807.13	\$184,385.97	\$0.00	\$0.00	\$1,394,421.16

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-54

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING FINANCIAL SUPPORT OF AERIAL SALMON SURVEYS DURING CALENDAR YEAR 2021 BY ALEUTIAN AERIAL LLC IN THE AMOUNT OF \$6,550 WITH FUNDING FROM FY22 COUNCIL CONTINGENCY BUDGET

WHEREAS, in 2018 the Unalaska Native Fishermen Association (UNFA) provided funding to Aleutian Aerial for sockeye salmon surveys of three road system drainages of Morris Cove, Summer Bay and Iliuliuk Lake; and

WHEREAS, in 2019 the City of Unalaska joined with Ounalashka Corporation (OC) and the Unalaska Native Fishermen Association (UNFA) to financially support the same aerial salmon surveys; and

WHEREAS, in 2020 the Qawalangin Tribe of Unalaska (Q-Tribe) joined the City, OC, and UNFA to financially support the aerial salmon surveys and an aerial survey of McLees Lake was also included; and

WHEREAS, Aleutian Aerial LLC has submitted a proposal to provide aerial drone salmon survey for the fourth year in a row and is seeking funding support from these groups once again; and

WHEREAS, Unalaska residents, UNFA, the Unalaska Fish and Game Advisory Committee, and the Alaska Department of Fish and Game (ADFG) continue to be concerned that the lack of escapement estimates for sockeye salmon in local lake drainages could jeopardize future opportunities for subsistence and sport fishing; and

WHEREAS, ADFG, with budget constraints, has indicated that drone surveys show the potential to be a reliable and cost-effective way to survey small river and lake systems; and

WHEREAS, the Unalaska City Council believes the aerial salmon surveys to be a benefit to the citizens of Unalaska to allow for continued subsistence and sport fishing seasons.

NOW THEREFORE BE IT RESOLVED that that the Unalaska City Council approves funding in the amount of \$6,550 to support aerial salmon surveys during calendar year 2021 to be performed by Aleutian Aerial LLC, with funding from the Council Contingency line item in the FY22 budget.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on July 27, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: July 27, 2021
Re: Resolution 2021-54: Authorizing financial support of aerial salmon surveys during calendar year 2021 by Aleutian Aerial LLC in the amount of \$6,550, with funding from FY22 Council Contingency Budget

SUMMARY: Andy Dietrick of Aleutian Aerial LLC has proposed performing aerial drone salmon surveys and has requested support from City Council. The passage of this resolution will approve City Council's financial support in the amount of \$6,550 for surveys of the Morris Cove, Summer Bay, and Iliuliuk Lakes road system drainages as well as McLees Lake. These surveys will then be provided to the Alaska Department of Fish and Game (ADFG) for use in their analysis. This will be the fourth year of aerial drone surveys and would be the third year that the Unalaska City Council provided financial support for the project.

PREVIOUS COUNCIL ACTION: The Unalaska City Council provided \$5,200 in FY20. Funding came from Council Sponsorships Contingency. The partnership in 2019 had three participants including the City of Unalaska, Ounalashka Corporation (OC), and Unalaska Native Fishermen Association (UNFA).

Council provided \$6,550 in FY21. Funding again came from Council Sponsorships Contingency. The partnership and scope expanded in FY21 to include the Qawalangin Tribe and McLees Lake.

BACKGROUND: Andy Dietrick of Aleutian Aerial emailed a proposal and request for financial support for the aerial drone salmon surveys. The surveys will assist ADFG in their analysis. This email is included in your packet. OC and the Qawalangin Tribe have indicated that they are again interested in the effort. The Mayor requested that City Council consider this item and potentially take action this evening. Staff has prepared a resolution should Council wish to provide financial support.

DISCUSSION: Again, the passage of this resolution will approve City Council's financial support in the amount of \$6,550 for aerial drone salmon surveys of the road system drainages of Morris Cove, Summer Bay, and Iliuliuk Lake as well as McLees Lake. The plan is for the City's contribution to be combined with the contributions of the Q-Tribe, UNFA and OC. This information will be provided to the Alaska Department of Fish and Game for analysis. This will be the fourth year of aerial drone survey work on the road system lakes and the second year for McLees Lake.

The lack of salmon escapement on the local lake drainages has been a concern of the local residents who participate in subsistence and sport fishing activities. The Unalaska Fish and Game Advisory Committee, UNFA and ADFG have also expressed their concern. ADFG has faced budget constraints that have impacted their ability to perform the needed survey work. Continued participation in the drone salmon surveys will help provide needed information to ADFG on the status of the local drainages.

ALTERNATIVES: Council may choose not to get involved with this issue, or may choose to support a different contribution amount. Council may also choose to defer this item and consider it at a future date.

FINANCIAL IMPLICATIONS: The FY22 Council Contingency line item contains sufficient funding to cover a \$6,550 contribution.

PROPOSED MOTION: I move to adopt Resolution 2021-54.

ATTACHMENTS:

1. [July 7, 2021 email from Aleutian Aerial](#)
2. [July 7, 2021 memo from Aleutian Aerial; 2021 Project Proposal for Unmanned Aerial Salmon Counting](#)
3. [March 8, 2021 memo from State of Alaska; 2020 Indexed Escapement of Salmon using Drone Surveys at McLees Lake and Unalaska Road –System Lakes](#)

Erin Reinders

From: Marjorie Veeder
Sent: Thursday, July 8, 2021 4:23 PM
To: Erin Reinders
Subject: FW: 2021 Aerial salmon counting proposal - City of Unalaska
Attachments: 2021_07_07_UNALASKA_SALMON_COUNT_PROPOSAL_AAERIAL_COU.pdf; Memo Unalaska Drone Surveys 2020.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Erin,

As we discussed, here is the email from Aleutian Aerial.

Marjie Veeder
City Clerk
CITY OF UNALASKA
(907) 581-1251 ext. 2104

From: Andy Dietrick [mailto:andy@aleutianaerial.com]
Sent: Wednesday, July 7, 2021 1:03 PM
To: Marjorie Veeder; Andy Dietrick
Subject: 2021 Aerial salmon counting proposal - City of Unalaska

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Mayor & Council,

I am writing with a proposal for funding support to continue the Unalaska aerial sockeye salmon survey project.

This will be the fourth year of data collection on the 3 roadside lakes and the second year of paired weir/drone data collection on McLees Lake.

Please see the attached proposal for 2021 as well as a copy of the 2020 report that was distributed to you all from ADF&G on March 8, 2021.

A few highlights...

- ADF&G continues to be in full support of this project and has again offered to analyze and report on the data.
- ADF&G would like to incorporate tagging in 2022 at McLees Lake to collect data similar to other mark-recapture tagging programs they operate on other streams.

- The paired weir/drone data coming from McLees Lake is a first-of-its-kind dataset. The goal is to be able to have statistically valid surveys done by drone that provide an accurate index of escapement in absence of other data collection methods (e.g. weirs).
- ADF&G has increased the mileage of shoreline requested to be surveyed for 2021. They would like to survey a portion of the inlet streams to each lake in addition to the lake shore. This almost doubles the mileage to be surveyed. We have chosen to leave the funding request the same as 2020 despite this increase in project scope. Some reasons we have left the funding request the same include: 1. We get more efficient at executing these surveys each year we perform them. As a return on investment to committed funding agencies, this efficiency should be passed back as cost savings. 2. We need to ground-truth exactly how much of the inlet streams need to be surveyed and how much actually can be surveyed. We need to get a year of collection of these inlet streams under our belt to more fully understand the spawning locations. 3. Being based in, and residents of Unalaska, we are passionate about our subsistence salmon opportunities here and the need to have a scientific understanding of the runs that provide a food source to residents.
- To get started on time for 2021 surveys we need a notice-to-proceed from each of the 4 funding agencies. You'll notice in the attached proposal that we set the notice-to-proceed deadline from the City to be July 28, 2021, a day after the next scheduled Council meeting.
- We are glad to call in to the July 27, 2021 Council meeting to answer questions should Council desire.

Thank you for consideration of this request and we hope to be able to continue this project in 2021 for the citizens of Unalaska.

Please reach out to me directly if you have any questions or would like to discuss the project further and we look forward to hearing back from you.

All the best,

Andy Dietrick
Aleutian Aerial LLC
cell 907-957-1680

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Andy Dietrick
e andy@aleutianaerial.com
c 907-957-1680
fb [aleutianaerial](#)
ig [aleutian_aerial](#)

Notice: All information contained within this email is confidential, and may not be disclosed, distributed, or duplicated without obtaining the prior written approval of Aleutian Aerial LLC. If the recipient of this email has received this email in error, the recipient must discard the email and all of its contents.



Aleutian Aerial LLC
PO Box 53
Unalaska, Alaska 99685
907.957.1680
andy@aleutianaerial.com

July 7, 2021

To: Potential funding entities to support a continuation of aerial salmon counting on three Unalaska roadside drainages and McLees Lake (*UNFA, OC, Q-Tribe, City of Unalaska*)

Re: 2021 Project Proposal for Unmanned Aerial Salmon Counting

Aleutian Aerial LLC (Aleutian Aerial) is pleased to provide a proposal for data collection services to support aerial lakeshore sockeye salmon counting on three Unalaska roadside drainages (Morris Cove, Summer Bay, Unalaska), and McLees Lake. Aleutian Aerial utilizes small unmanned aerial systems (sUAS) to perform video collection for salmon counting. All data collection is performed by a FAA Part 107 certified remote pilot. Aleutian Aerial will provide all personnel and equipment for data collection for this project.

Background:

This project began in 2018 with funding from the Unalaska Native Fishermen’s Association (UNFA). The goal was to perform aerial surveys to determine sockeye salmon escapement estimates on local streams. UNFA funded the data collection and the Alaska Department of Fish and Game (ADF&G) provided biologist support to analyze and report on the data. ADF&G supports using sUAS technology for this type of salmon counting.

In 2019, the project was continued with ongoing support from UNFA and additional support from the Ounalashka Corporation (OC) and the City of Unalaska.

In 2020, the project was supported by a total of 4 funding agencies: UNFA, OC, City of Unalaska, and the Qawalangin Tribe. ADF&G continues to support the project with biologist time for data collection recommendations, data analysis and reporting. A big addition to the 2020 survey was including McLees Lake (which had a weir in operation after two years without any weir data).

For 2021, ADF&G biologists are enthusiastic about continuing the project as a whole in addition to another year of paired weir and drone data for the McLees Lake location. The McLees Lake weir is in its second of four years of guaranteed funding for operation, creating a valuable opportunity to create a first-of-its-kind dataset comparing weir counts with drone counts. ADF&G also planned to incorporate a tagging program at McLees Lake this year, but hiring and staffing challenges precluded this from happening (tagging will be re-visited in 2022 if the project continues). Another change for 2021 is adding significant mileage of inlet streams to the survey. With ADF&G biologists observing sockeye in many of the inlet streams of these lakes, they have requested that Aleutian Aerial add approximately 11 miles of inlet stream surveys to the data collection. This effectively doubles the mileage that needs to be surveyed for this project from about 11 miles to 22 miles per survey.

Site Logistics:

Aleutian Aerial is familiar with the complicated site logistics of working in the Aleutian Islands. Based in Unalaska/Dutch Harbor, Aleutian Aerial is capable of taking advantage of flight weather windows and lighting conditions as they are presented by Mother Nature. This can provide a significant cost savings by reducing transportation, freight, housing, and per diem costs. Specific sites for this project include the nearshore waters and inlet streams of Unalaska Lake, Summer Bay Lake, Morris Cove Lake, and McLees Lake – aerial pictures attached.

Execution of Work and Schedule of Costs:

Aleutian Aerial has the financial and technical resources, capability, and in-house capacity to successfully perform this video data collection. Data collection using sUAS will be performed during a target window of August 1 to September 30. Start timing is based on the last two years of drone surveys as well as 2012-2017 McLees Lake weir data showing 99% escapement being achieved by the last week of July. The primary sUAS used will be a DJI Matrice 300. The camera sensor and lenses have the capability of capturing 45-megapixel still images and 4K (60 frames per second) video. Flight heights are generally 50–80 feet above lake level with variable speed depending on the salmon volume encountered. Polarized lenses will also be used to aid in seeing individual salmon underwater. Flights start at the same point on the lakeshore each lap and travel the perimeter with the camera pointed 50-90 degrees down from horizontal depending on optimal visibility into the water. Generally, you can see the entire nearshore spawning area in one field of view. In areas where shallows extend far out from shore, flight height is increased and a grid pattern is flown using rocks or unique features on the lake bed to keep the biologist oriented and prevent double counting or missing fish.

The following rates are applicable to this project:

- Project execution including all field logistics, drone and support equipment, aerial media acquisition, quality check, and creation of deliverables for analysis by ADF&G biologists. As advised by ADF&G, this will include four (4) sets of data from each roadside lake and inlet stream (~9.6 shoreline miles per lap surveyed, total of ~28.8 shoreline miles surveyed for the project), and three (3) sets of data from McLees Lake and inlet streams (~12 shoreline miles per lap surveyed, total of ~36 shoreline miles surveyed for the project), taken at regular intervals during a target window of August 1 to September 30 (as allowed by Mother Nature). Daily weather monitoring and forecasting during the entire project period and collaboration with ADF&G biologists for data quality assurance.

Project Total \$26,200 (Note: This is for nearly double the surveyed mileage gathered in 2020. Price is the same as 2020.)

Seeking multiple funding sources. Based on 4 contributing entities, this request to the City of Unalaska is \$6,550.

Exclusions:

Any condition outside the control of Aleutian Aerial and any item of work not specified in this proposal.

Assumptions:

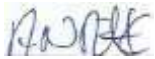
- Flight weather windows are out of the control of Aleutian Aerial.
- Aleutian Aerial will operate sUAS under FAA Part 107 rules in the Class G airspace in and around Unalaska/Dutch Harbor during data collection.
- Any land use permissions required (except for licenses/certifications related to flight operations) are the responsibility of the funding organizations.
- Image acquisition will be done using a camera sensor capable of recording 4K, 60 fps video, on a professional grade sUAS platform.
- Photo/video media deliverables will be in common formats and delivered on an external hard drive to ADF&G in Kodiak.
- Aleutian Aerial agrees to process and deliver media to ADF&G during the course of the project so data quality can be reviewed.

This proposal is offered and limited to the terms specified. A notice-to-proceed must be received by each of the 4 funding entities no later than July 28, 2021.

Please feel free to contact me if you have any questions or comments regarding this proposal.

Thank you for considering Aleutian Aerial for data collection on Unalaska's salmon streams.

Sincerely,



Andy Dietrick
Owner, Aleutian Aerial LLC
andy@aleutianaerial.com
907.957.1680

Attachment #1: Unalaska Lake Overview



Unalaska Lake details:

Approximate length – 1.8 miles

Approximate width – 0.60 miles

Approximate perimeter – 1.8 miles

Approximate inlet stream area of interest – 1.32 miles

Attachment #2: Summer Bay Lake Overview



Summer Bay Lake details:

Approximate length – 0.85 miles

Approximate width – 0.30 miles

Approximate perimeter – 2.3 miles

Approximate inlet stream area of interest – 2.25 miles

Attachment #3: Morris Cove Lake Overview



Morris Cove Lake details:

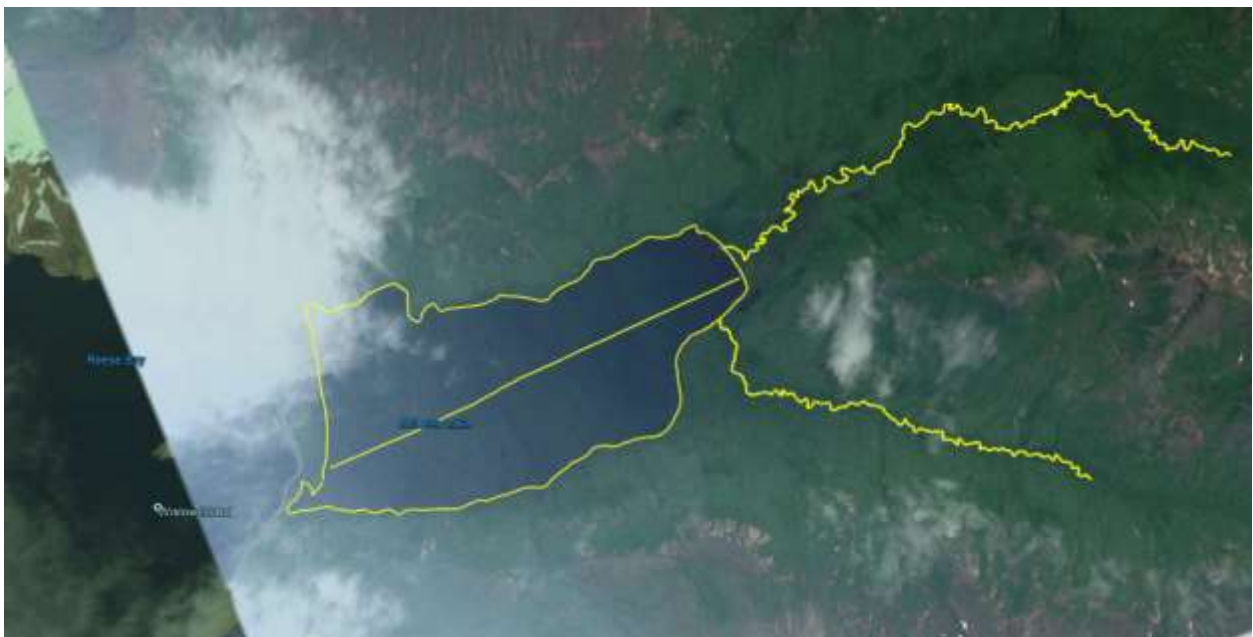
Approximate length – 0.40 miles

Approximate width – 0.20 miles

Approximate perimeter – 1.1 miles

Approximate inlet stream area of interest – 1 mile

Attachment #4: McLees Lake Overview



McLees Lake details:

Approximate length – 2 miles

Approximate width – 0.85 miles

Approximate perimeter – 6.2 miles

Approximate inlet streams area of interest – SE Inlet 4 miles, SW Slough 2.53 miles



MEMORANDUM

TO: Unalaska Native Fishermen's Association, the Ounalashka Corporation, the City of Unalaska, and the Qawalangin Tribe of Unalaska

THROUGH: Lisa Fox, Area Management Biologist South Alaska Peninsula and Aleutian Islands Division of Commercial Fisheries, Region IV

FROM: Tyler Lawson, Assistant Area Management Biologist South Alaska

Peninsula and Aleutian Islands Division of Commercial Fisheries, Region IV

DATE: March 8, 2021

PHONE: (907) 486-1882

SUBJECT: 2020 Indexed Escapement of Salmon using Drone Surveys at McLees Lake and Unalaska Road-system Lakes

Local Unalaska residents and the Alaska Department of Fish and Game (ADF&G) are concerned that a lack of escapement estimates for sockeye salmon *Oncorhynchus nerka* into Summer Bay, Morris Cove, and Iliuliuk (Unalaska) lakes could jeopardize the health of the run as well as future opportunities for subsistence fishing. Since 2018, drone surveys and indices of salmon escapement have been completed for these systems (Figure 1, Tables 1-3). Additionally, 2020 provided an opportunity to compare the reliable and accurate escapement estimate provided by the McLees Lake weir to indices of escapement calculated from drone surveys (Figure 1). In 2020, the Unalaska Native Fishermen's Association (UNFA), the Ounalashka Corporation, the City of Unalaska, and the Qawalangin Tribe of Unalaska provided funding to contract Aleutian Aerial LLC to conduct drone aerial surveys of sockeye salmon for Summer Bay, Morris Cove, Iliuliuk, and McLees Lake drainages in 2020.

Utilizing drone surveys as a method to estimate salmon escapement is an innovative technique that has potential to be a reliable and cost-effective data source, particularly in small river and lake systems that are accessible by road. Aerial surveys flown with a drone are similar to traditional aerial surveys flown with a fixed-wing aircraft and would be considered scientifically defensible in the same manner.

Surveys flown by Aleutian Aerial LLC on McLees Lake and the three Unalaska road-system lakes took place between August 8 and October 3, 2020. Drone surveys were conducted when the weather was ideal (good visibility and low wind) on Unalaska Island, which resulted in video of good quality and clarity. By surveying during optimal conditions, interference such as glare from the sun and wind waves on the water's surface was minimized. The drone video has the added benefit of allowing the reviewer to slow down and rewind the video as needed to provide a

more accurate count. Additionally, salmon species could typically be differentiated from other salmon species without difficulty. Video reviewers were able to observe fish utilizing different parts of the lake during different survey times. Salmon were observed on spawning grounds and in schools near tributary mouths and in deeper parts of the lake. Since the drone survey video was of good quality, reviewers were able to provide adequate sockeye salmon indices of escapement comparable to aerial surveys conducted from manned, fixed-wing aircraft.

Video files were sent to the ADF&G Commercial Fisheries Division to be enumerated by South Alaska Peninsula and Aleutian Islands biologists. Standardized methodology used to calculate indices of escapement from traditional aerial surveys flown with a fixed-wing aircraft (Fox et al. *In prep*) were used to calculate indices of escapement from drone video footage. Total indexed escapement of sockeye salmon was calculated by using drone survey peak counts. The surveys were uploaded into the Kodiak ADF&G database and the escapements will be published in the Department's 2021 Annual Management Report of the Aleutian Islands and Atka-Amlia Islands Management Areas. ADF&G did not receive any funds from the Unalaska Native Fishermen's Association (UNFA), the Ounalashka Corporation, the City of Unalaska, or the Qawalangin Tribe of Unalaska for this service.

In 2020, the total indexed escapement of sockeye salmon was 815 fish in Iliuliuk Lake, 4,507 fish in Summer Bay Lake, and 106 fish in Morris Cove Lake (Tables 1-3). The 2020 drone survey of McLees Lake showed a total indexed escapement of 2,428 sockeye compared to the estimated escapement of 5,037 sockeye at the McLees Lake outlet weir (Table 4).

Pink salmon *O. gorbuscha* and coho salmon *O. kisutch* that were observed during the road-system drone surveys were also tallied, and peak counts for these species are summarized in Tables 1-3. The observed pink salmon escapement is likely an underestimate, as pink salmon were observed heading upstream from the lakes which was outside of the scope of the survey. Additionally, coho salmon have a later run timing in comparison to sockeye salmon. The coho salmon that were observed in each lake (Tables 1-3) were likely the beginning of the run and counts during the peak of the run were not captured. Therefore, the coho salmon escapement observed is an underestimate of the total run.

The discrepancy in drone vs weir estimates is perhaps attributed to several factors such as not surveying the inlet streams of McLees Lake and salmon spending time in deep nearshore drop offs where water clarity quickly declines and makes counting difficult. Past ADF&G fixed-wing surveys from the early 2000's observed large numbers of sockeye spawning in the tributaries of McLees Lake which further suggests a need to include these habitats in future surveys (Shaul and Dinnocenzo, 2002).

ADF&G and Aleutian Aerial LLC's partnership has already allowed for an increase in efficacy and efficiency of surveys. Time necessary to review videos has declined while the quality of surveys and ability to enumerate salmon has increased since the first drone surveys in 2018. Inclusion of the McLees Lake drone surveys may help to calibrate an alternative survey tool if the weir is unable to procure funding in the future. With that in mind, one major goal of ADF&G for future drone work is to ensure full surveys of upstream tributaries in all systems are performed to better index as many salmon as possible. This would add further timing and logistical concerns to an already challenging set of surveys. For example, it is estimated that approximately 6.5 miles of inlet tributaries would need to be surveyed at McLees Lake and a good portion of that would need to be done on foot up rugged terrain. While typically enough surveys are performed on each system to capture the run, some fish are likely moving

upstream to spawn between surveys on the road-system lakes as well. Nevertheless, ADF&G suggests surveys continue in future years to compare variability in run strength and timing to help adequately assess salmon stocks. The remote location and mercurial weather of this region makes it difficult to perform traditional fixed-wing aerial surveys. Thus, the data provided by Aleutian Aerial LLC surveys are invaluable.

REFERENCES CITED

Fox, E. K. C., R. L. Renick, and T. D. Lawson. *In prep.* South Alaska Peninsula salmon annual management report, 2020 and the 2019 subsistence fisheries in the Alaska Peninsula, Aleutian Islands, and Atka-Amlia Islands management areas. Alaska Department of Fish and Game, Division of Commercial Fisheries, Regional Information Report 4K.20xx.xx, Kodiak.

Shaul, A.R., and J.J. Dinnocenzo. 2002. Aleutian Islands and Atka-Amlia Islands Management Areas Annual Report, 2001. Alaska Department of Fish and Game, Division of Commercial Fisheries, Regional Information Report 4K02-14, Kodiak.

FIGURES

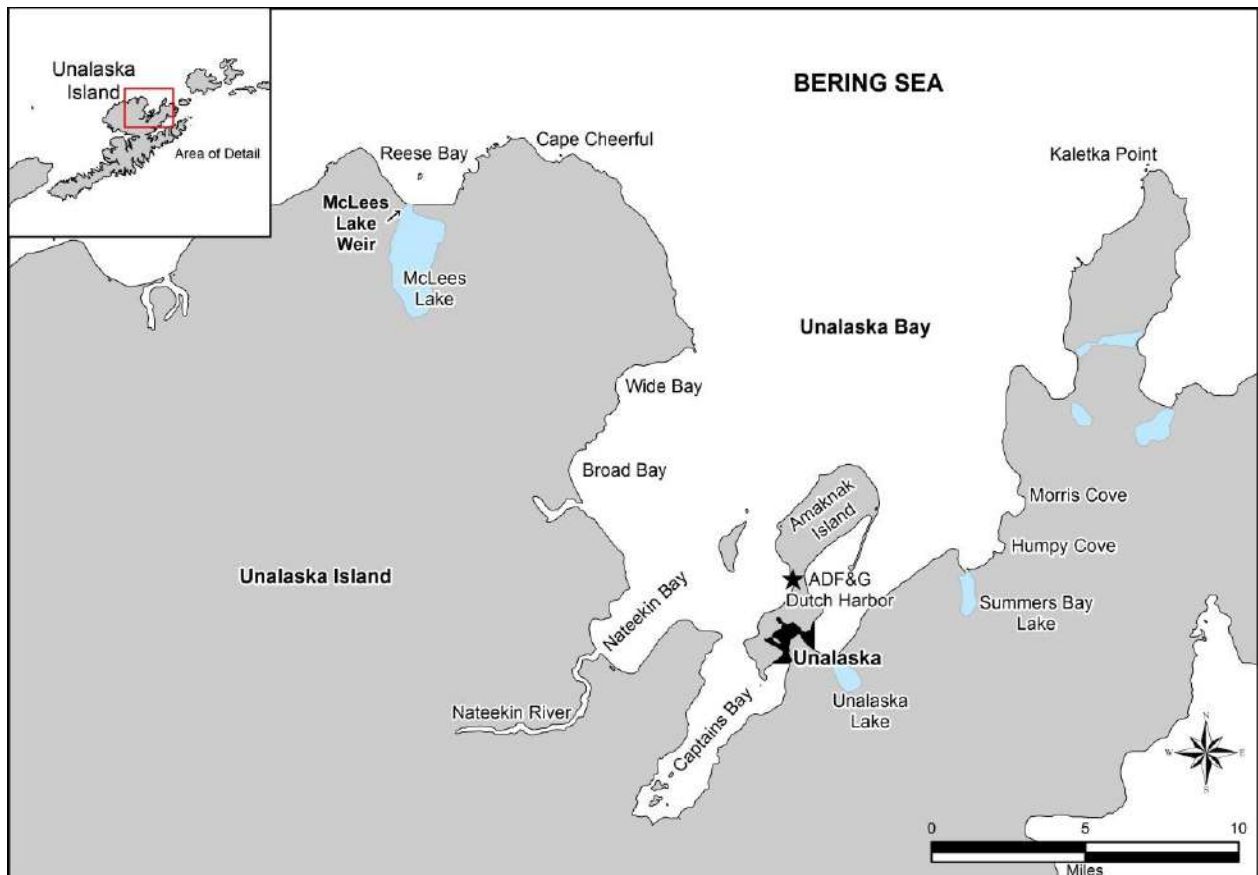


Figure 1.—Map of Unalaska Island showing the location of McLees Lake, Unalaska (Iliuliuk) Lake, Summer Bay Lake, and Morris Cove Lake.

TABLES

Table 1.– Sockeye salmon indexed total escapement. Pink salmon and coho salmon minimum escapement for Iliuliuk Lake.

Year	Sockeye Salmon	Pink Salmon^a	Coho Salmon^b
2018	583	605	21
2019	350	25	0
2020	815	740	0

Table 2.– Sockeye salmon indexed total escapement. Pink salmon and coho salmon minimum escapement for Summer Bay Lake.

Year	Sockeye Salmon	Pink Salmon^a	Coho Salmon^b
2018	3,622	4,105	201
2019	2,575	4,090	415
2020	4,507	4,901	33

Table 3.– Sockeye salmon indexed total escapement. Pink salmon and coho salmon minimum escapement for Morris Cove Lake.

Year	Sockeye Salmon	Pink Salmon^a	Coho Salmon^b
2018	315	7	0
2019	376	0	0
2020	106	230	0

Table 4.– Sockeye salmon indexed total escapement of drone surveys vs weir count for McLees Lake.

Year	Drone Survey^c	Weir Count
2020	2,428	5,037

^a Pink salmon estimates are under estimates, as the surveyed area did not include all habitat used by pink salmon.

^b Coho salmon estimates are under estimates, as surveys concluded prior to when coho salmon runs peak.

^c Surveys did not include inlet streams where some sockeye are suspected to spawn.

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2021-11

AN ORDINANCE AMENDING UNALASKA CODE OF ORDINANCES CHAPTER 6.40, SALES TAX, TO INCREASE THE RATE OF THE SALES TAX LEVY FROM THREE PERCENT (3%) TO FOUR PERCENT (4%) FOR THE PURPOSE OF CREATING A UTILITY INFRASTRUCTURE FUND TO SUPPLEMENT THE UTILITY PROPRIETARY FUNDS

WHEREAS, the City of Unalaska determined, through a detailed rate study for each public utility, that customer rate increases were necessary to achieve a Debt Service Coverage Ratio beyond 1.25 for each Utility Proprietary Fund and to continue operations at the current level of service; and

WHEREAS, the Unalaska City Council authorized rate increases for each utility, to be phased in over four years, through Resolutions 2021-26 and 2021-35, adopted on May 10 and May 25, 2021, respectively, and Ordinance 2021-10, the FY22 Schedule of Fees, adopted on June 22, 2021; and

WHEREAS, these utility rate increases do not meet the full revenue requirement identified in the rate study for each utility; and

WHEREAS, the Unalaska City Council has determined it is necessary to increase the sales tax levy and use the increased sales tax revenue to create a Utility Infrastructure Fund to supplement the Utility Proprietary Funds to be used for utility operational and infrastructure needs.

NOW THEREFORE, BE IT ENACTED BY THE UNALASKA CITY COUNCIL:

Section 1: Classification. This ordinance is a code ordinance.

Section 2: Amendment of UCO §6.40.020. Section 6.40.020, Levy of Tax, is hereby amended to read as follows: [new language is underlined, deleted language is overstruck]:

§ 6.40.020 LEVY OF TAX

A sales tax is levied on all sales, rents and services made in the City at the rate of ~~three percent (3%)~~ four percent (4%) of the selling price. The burden of this tax rests upon the consumer. This tax shall not be levied on raw seafood products taxed pursuant to Chapter 6.44. The tax on services shall not include salaries or wages received by an employee from an employer, but shall include consideration for furnishing labor and materials for accomplishing a specific result.

Section 3: Amendment of UCO §6.40.025. Section 6.40.025, Tax Schedule, is hereby amended to read as follows: [new language is underlined, deleted language is overstruck]:

§ 6.40.025 TAX SCHEDULE

The amount of tax to be added to the lease, rental, transfer or assignment of any right, title or interest in any goods, personal property of any kind, real property and any provision of labor or services for a consideration subject to levy under § 6.40.020 shall be in accordance with the following schedule:

<u>Price</u>	<u>Tax</u>
\$0.01 - \$0.30	\$0.01
\$0.31 - \$0.60	\$0.02
\$0.61 - \$1.00	\$0.03
\$0.01 - \$0.25	\$0.01
\$0.26 - \$0.50	\$0.02
\$0.51 - \$0.75	\$0.03
\$0.76 - \$1.00	\$0.04

Section 4: Use of Sales Tax Increase. Section 6.40 is hereby amended by adding a new section 6.40.150, as follows:

§ 6.40.150 Application of Tax Revenues. Subject to annual appropriation by the City Council, the difference in sales tax revenues generated by a 4% rate instead of a 3% rate shall be deposited in a newly created Utility Infrastructure Fund to use for utility operational and infrastructure needs.

Section 5: Authorization of Election. The City of Unalaska, at the October 5, 2021 municipal election, shall conduct an election on the question of whether there should be an increase of the sales tax rate by placing before qualified voters a proposition for approval or rejection. The City Clerk is directed to take all action necessary to arrange for this election. The proposition must receive a majority vote of those qualified voters actually voting on the question in order to be approved by the voters. The proposition shall be presented printed on a ballot substantially in the following form:

Should the City of Unalaska increase the rate of Sales Tax from three percent (3%) to four percent (4%) for the purpose of creating a Utility Infrastructure Fund to supplement the Utility Proprietary Funds, to be used for utility operational and infrastructure needs?

Yes No

Section 6: Effective Date. This ordinance shall become effective January 1, 2022, following certification of the election by the City of Unalaska, showing ratification by a majority of the qualified voters of the City of Unalaska voting at the election.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 10, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk and Dan Winters, Director of Public Utilities
Through: Erin Reinders, City Manager
Date: July 27, 2021
Re: Ordinance 2021-11: Amending UCO Chapter 6.40, Sales Tax, to increase the rate of the sales tax levy from 3% to 4% for the purpose of creating a Utility Infrastructure Fund to supplement the Utility Proprietary Funds

SUMMARY: This ordinance is presented in response to Council's directive issued on May 25, 2021. The directive was issued following a recommendation in the utility rate studies to increase sales tax by 1% to create a Utility Infrastructure Fund (UIF) because utility rate increases recently authorized by Council will not fully meet revenue requirements for the public utilities. Staff recommends approval.

PREVIOUS COUNCIL ACTION: In 1988, the sales tax levy was increased from 2% to 3%, and was ratified by Unalaska's voters. The revenue generated by the 1% increase was dedicated to fund capital improvement projects. This fund is still in existence today.

In 1996, council adopted Ordinance 1996-14 increasing the sales tax levy from 3% to 4% with increased revenue dedicated to the existing special revenue fund for capital improvements. This tax increase was not ratified by voters.

Council last addressed the sales tax levy with Ordinance 2017-14, amending Title 6 to increase sales tax on alcohol, tobacco and marijuana by 3%, thereby taxing those particular products at the rate of 6%. This proposition was not ratified by Unalaska's voters, with 263 yes votes and 298 no votes.

BACKGROUND: Council heard numerous presentations about utility rates starting in February 2021, and authorized rate increases for each utility to be phased in over four years, through Resolutions 2021-26 and 2021-35, adopted on May 10 and May 25, 2021, respectively, and Ordinance 2021-10, the FY22 Schedule of Fees and Services, adopted on June 22, 2021.

The recent rate increases were necessary to achieve a Debt Service Coverage Ratio beyond 1.25 for each Utility Proprietary Fund and to continue operations at the current level of service. These utility rate increases do not meet the full revenue requirements identified in the rate study for each utility.

To address this revenue shortfall, Council directed staff to prepare an ordinance to increase the sales tax levy by 1% and create a Utility Infrastructure Fund for the purpose of supplementing the Utility Proprietary Funds.

The table below shows the complete picture of the revenue shortfalls for each utility proprietary fund, both before and after the recent rate increases. The combined revenue shortfall for all the utilities is (\$4,448,032) -- after the rate increases.

**REVENUE REQUIREMENT SHORTFALL
Before and After Rate Increases**

	Electric 6.1% Rate Inc.	Water 3.6% Rate Inc.	Solid Waste 33% Rate Inc.	Wastewater 40% Rate Inc.	Totals For All Utilities
Current Revenue Requirement	\$ 9,762,823	\$ 3,530,573	\$ 4,102,820	\$ 4,319,505	\$ 21,715,721
Current Revenue	\$ 7,248,373	\$ 2,616,686	\$ 2,562,531	\$ 2,468,212	\$ 14,895,802
Current Revenue Shortfall	\$ (2,514,450)	\$ (913,887)	\$ (1,540,289)	\$ (1,851,293)	\$ (6,819,919)
Revenue from Rate Inc.	\$ 444,436	\$ 94,532	\$ 845,635	\$ 987,284	\$ 2,371,887
Revenue Shortfall After Rate Inc.	\$ (2,070,014)	\$ (819,355)	\$ (694,654)	\$ (864,009)	\$ (4,448,032)

DISCUSSION: Ordinance 2021-11 (a) increases the sales tax levy from 3% to 4%; (b) includes language specifically dedicating the increased revenue to a Utility Infrastructure Fund to be used for utility operational and infrastructure expenses; and (c) outlines the proposition language for the ballot and an effective date should the proposition receive voter approval.

DEDICATION OF REVENUE

The dedication language in the ordinance is prefaced with the phrase “Subject to annual appropriation by the City Council ...” All expenditures of City funds are “subject to appropriation” in that the City cannot spend money that has not been authorized to be spent by the Council.

The phrase “subject to appropriation” also means that Council could not be forced to make a specific appropriation to the UIF based on the dedication language and Council has the freedom to appropriate the funds elsewhere without violating this section of code.

If the phrase “subject to appropriation” is removed, it would not impact the validity of the remaining language of the dedication, and transfers to the UIF would be required as set out in the dedication language.

Ordinances ratified by voter approval, as is required for increases in the sales tax levy, cannot be changed by City Council for a period of two years. If the phrase “subject to appropriation” is removed from the ordinance, the result is that council cannot appropriate these funds elsewhere for a minimum of two years.

VOTER RATIFICATION

Any increase in the sales tax levy must be approved by voters. As drafted, the ordinance sets the question for the October 5, 2021 general municipal election, which will be certified by Council no later than October 12, 2021. The effective date for the sales tax increase is January 1, 2022 to allow time for City staff to prepare for the increased tax rate and to inform sales tax collectors of the new rate; to allow time for collectors to implement the new levy; and to set the new rate at the beginning of a reporting quarter.

FINANCIAL IMPLICATIONS: The increased sales tax revenue will be dedicated to the UIF to provide cash flow to supplement the utility proprietary funds, both for operational and infrastructure needs.

There was some discussion at previous council meetings of increasing the sales tax levy beyond the 1% increase recommended by Aldrich, at either 1.5% or 2%.

The following table shows sales tax revenue for the last four years, using actuals for FY18-20, and unaudited revenue received for FY21. (FY21 sales tax revenue is down compared to prior years and it is believed to be due to the coronavirus pandemic and resulting decrease in sales in some business sectors.)

3% Sales Tax Revenue	
FY18	\$ 10,568,302
FY19	\$ 10,928,892
FY20	\$ 10,639,924
FY21 (unaudited)	\$ 9,480,045
Four Year Average	\$ 10,404,291

The four-year average sales tax revenue is \$10,404,291. Using the four year average, we calculated estimated sales tax revenue based on increases to the sales tax levy at 1%, 1.25%, 1.5% and 2%. We also calculated the resulting amounts to be funneled to the UIF (the portion above the existing 3% levy); and the revenue requirement shortfall (the needed \$4,448,032 less the portion dedicated to the UIF):

Sales Tax Rate Increase	Estimated Total Sales Tax Revenue	Portion to UIF	Revenue Requirement Shortfall
1% increase - 4% Tax	\$ 13,872,388	\$ 3,468,097	\$ (979,935)
1.25% increase - 4.25% Tax	\$ 14,739,412	\$ 4,335,121	\$ (112,911)
1.5% increase - 4.5% Tax	\$ 15,606,436	\$ 5,202,145	\$ 754,113
2% increase - 5% Tax	\$ 17,340,485	\$ 6,936,194	\$ 2,488,162

As you can see, a 1% sales tax increase does not fully cover the combined revenue shortfall for all utilities of \$4,448,032 and misses the mark by \$979,935. An increase of 1.25% misses the mark by \$112,911; and a 1.5% increase exceeds the goal by \$754,113.

The Department of Public Utilities will continue their efforts to increase efficiencies and trim the budget in order to further reduce this shortfall through cost savings, just as was done for the FY22 budget.

Presently, revenue shortfalls are covered by the unrestricted net assets for each utility, and this practice would continue if the UIF cannot cover the full revenue requirements of the utilities. It should be noted that additional sales tax revenue due to an increase in the sales tax levy will not be received until after the first quarter of 2022 as the ordinance is presently written.

Additionally, the CMMP shows multiple capital improvements for the utility proprietary funds, and continued depletion of the unrestricted net assets will impede our ability to pay for capital project improvements for the utilities.

ALTERNATIVES: City Council may approve the ordinance as presented or not; and can amend the ordinance, including the rate of the proposed increase in the sales tax levy or the dedication language, before public hearing and final approval, which is presently scheduled for August 10, 2021.

If council chooses to amend the ordinance, staff provides language for proposed motions, as follows:

To change the sales tax levy: “I move to amend Ordinance 2021-11 as necessary to reflect an increase in the sales tax levy from 3% to _____%” inserting the desired rate in the blank.

To remove the phrase “subject to appropriation” in the dedication: “I move to amend Section 4 of Ordinance 2021-11 to strike the phrase ‘Subject to annual appropriation by the City Council’.”

The ordinance will then be amended and presented to council on August 10 for public hearing, second reading and potential adoption. In order to be included on the October ballot, the ordinance must be approved no later than the second meeting in August, which is August 24, 2021.

LEGAL: This ordinance has been developed with the assistance of the City Attorney.

STAFF RECOMMENDATION: This ordinance, showing a 1% increase to the sales tax levy, is presented in accord with the council’s directive. Staff recommends approval of Ordinance 2021-11 increasing the sales tax levy from 3% to 4%, and the creation of a UIF. It is Council’s decision as to the amount of the sales tax increase.

PROPOSED MOTION: I move to schedule Ordinance 2021-11 for public hearing, second reading and adoption on August 10, 2021.

CITY MANAGER COMMENTS: This ordinance has been developed based on council’s directive. I support adoption of Ordinance 2021-11 in order to meet revenue requirements for continued operation of the public utilities.

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2021-12

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING UNALASKA CODE OF ORDINANCES CHAPTER 9.04, BUSINESS LICENSES AND REGULATIONS, TO CLARIFY THE DUE DATE FOR APPLICATIONS TO RENEW BUSINESS LICENSES AND TO ADD A LATE FEE

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

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

Section 2: Section 9.04.04, License Application; Generally, is hereby amended to read as follows [new language is underlined; and deleted language is ~~overstruck~~]:

§ 9.04.040 LICENSE APPLICATION; GENERALLY.

A person desiring to secure a license to engage in an activity regulated by this Chapter shall make written application to the City Clerk on forms provided by the City. The City Clerk may use different forms for temporary businesses; however, the application fee for a temporary business shall be the same as for other businesses subject to a right of refund set out in § 9.04.025. An applicant shall pay the applicable fee, as set out in the Schedule of Fees and Charges, before the City will process the application. The City Clerk shall not issue a license to a person who has had any license suspended or revoked by the City within a period of six (6) months prior to the date of the application. The City Clerk shall not issue a license for a temporary business for any person who intends to operate a business for forty-five (45) days or more for the calendar year.

Applications to renew business licenses and the applicable fee must be submitted to the City Clerk before 5:00 p.m. on December 31 each year. In the event December 31 falls on a weekend, the application to renew and the applicable fee will be considered timely if received before 5:00 p.m. on the first business day following December 31. Applications to renew and payment postmarked on or before December 31 are considered timely.

Section 3: Section 9.04.150 of the Unalaska Code of Ordinances is hereby amended to read as follows [new language is underlined; and deleted language is ~~overstruck~~]:

§ 9.04.150 LATE FEE AND PENALTIES.

(A) A person who fails to procure a license when required by this Chapter, or who fails to submit a timely application to renew a business license, shall be assessed a late fee as set out in the Schedule of Fees and Charges plus a penalty of twenty-five (25%) of the license fee due for each thirty (30)-day period of violation, or portion thereof, during which the person engages in

business without a license. ~~The~~ late fee and penalty shall be added to the license fee, and shall be in addition to any other penalty established by this Code.

(B) In addition to the late fee and penalty provided in subsection (A) above, any person violating this Chapter is guilty of a minor offense and may be subject to a penalty as provided by § 1.24.010.

Section 4: Effective Date. This ordinance shall take effect upon adoption.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 10, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Through: Erin Reinders, City Manager
Date: July 27, 2021
Re: Ordinance 2021-12: Amending UCO 9.04, Business Licenses and Regulations, to clarify the due date for applications to renew business licenses and to add a late fee

SUMMARY: This ordinance amends UCO 9.04, indicating the business license fee is set out in the Schedule of Fees and Charges; clarifies the due date for applications to renew existing business licenses; and codifies the assessment of a late fee, previously set out only in the Schedule of Fees and Charges. Staff recommends adoption of Ordinance 2021-12.

PREVIOUS COUNCIL ACTION: UCO Section 9.04, Business Licenses, was almost completely rewritten in 2006 and adopted by Ordinance 2006-15. In 2016, a minor offense penalty was added for failure to obtain a business license as required by code. Earlier this year an exemption from the requirement of a business license was added with Ordinance 2021-05, so that remote sellers with no physical presence in Unalaska who have registered with the Alaska Remote Seller Sales Tax Commission are not required to obtain a city business license.

DISCUSSION: It is recommended that council adopt these “housekeeping” code amendments so that the rules are clear and available to everyone.

Application Fee: Clarifies that the business application fee is set out in the Schedule of Fees and Charges.

Due Date for Renewing Business Licenses: Code doesn’t specifically set out the due date for applications to renew business licenses and it would be helpful to have this in code for enforcement purposes.

Late Fee: The proposed ordinance specifies that the late fee is set out in the Schedule of Fees and Charges, and when the late fee is assessed. The amount of the late fee is not codified, nor is the business license fee. These amounts will continue to be set by the Schedule of Fees and Charges.

ALTERNATIVES: Council may choose to adopt this ordinance or not; or to amend it before adoption.

FINANCIAL IMPLICATIONS: None.

LEGAL: This ordinance has been reviewed and approved by the City Attorney.

STAFF RECOMMENDATION: Staff recommends adoption of Ordinance 2021-12.

PROPOSED MOTION: I move to schedule Ordinance 2021-12 for public hearing and second reading on August 10, 2021.

CITY MANAGER COMMENTS: I support adoption of Ordinance 2021-12.

ATTACHMENTS: None.

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2021-13

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING THE PORT OF DUTCH HARBOR UNALASKA MARINE CENTER TERMINAL TARIFF

BE IT ENACTED by the Unalaska City Council, as follows:

Section 1: Classification. This is a Non-Code ordinance.

Section 2: Amendment of Terminal Tariff. The Council hereby amends the Port of Dutch Harbor Unalaska Marine Center Terminal Tariff as attached, identified as Terminal Tariff #9. This Tariff shall remain in effect until such time as it may be amended by subsequent ordinance.

Section 3: Effective Date. This ordinance shall take effect September 1, 2021.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 20, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Peggy McLaughlin, Port Director
Through: Erin Reinders, City Manager
Date: July 27, 2021
Re: Ordinance 2021-13: Amending the Port of Dutch Harbor Unalaska Marine Center Terminal Tariff

SUMMARY: Ordinance 2021-13 will adjust the Unalaska Marine Center Terminal Tariff to align with the Ports and Harbors fees as outlined in the FY22 Schedule of Fees and Charges. It also adjusts the dockage rates for UMC to capture Consumer Price Index (CPI) changes. Lastly, it will adjust the cruise ships to tariff rates.

PREVIOUS COUNCIL ACTION: Council adopted Terminal Tariff 6 in 2011. Council Adopted Terminal Tariff 7 in 2017. Council adopted Terminal Tariff 8 in 2019. Each year Council reviews and approves the Schedule of Fees and Charges.

BACKGROUND: The Terminal Tariff regulates the rates charged at Unalaska Marine Center for services provided. Terminal Tariff 8 was effective in July of 2019. Terminal Tariff 8 was adjusted for increases and also to reference section VI of the Schedule of Fees and Charges for fees that apply to all facilities. Any time a change is made to the Tariff or the fees are adjusted, it requires Council approval through non-code ordinance

DISCUSSION: In 2017 we adopted Terminal Tariff 7. Terminal Tariff 7 reflected an increase in charges for services based on the Consumer Price Index (CPI) from 2011-2017. Prior to 2017, it was generally agreed that rates would be reviewed and adjusted approximately every five years. We have since begun reviewing rates each year and adjusting the tariff as appropriate; this has averaged two year increments. In 2017 we began adjusting the Fees and the Tariff to capture the 7% increase indicated in the CPI from 2011-2017. We adjusted those over a three year period, increasing the qualifying fees by 3% followed by 2% in 2018, followed by 2% in 2019.

In 2019 Ports changed several of the rates in the Terminal Tariff to refer to the Schedule of Fees and Charges, Section VI. Each time rates are adjusted in the Schedule of Fees and Charges we need to amend those new rates into the Terminal Tariff. This Ordinance accounts for the adjustments and aligns Terminal Tariff 9 with the Schedule of Fees and Charges.

Also, adjusted in Terminal Tariff 9 are specific wharfage rates. These are adjusted to be the same as the Schedule of Fees and Charges. In 2019, Ports did not adjust the dockage rates. The dockage rates in Terminal Tariff 9 reflect that remaining 2% increase from 2019 and 2% increase to reflect time in between.

The last area of adjustment is for the Cruise Ships. In the early 90's, the City offered a discount to cruise ships as an incentive for their business. That discount carried over without scrutiny for each tariff as it was reviewed and adopted. This tariff would align the cruise ships with tariff rates.

ALTERNATIVES: Council could approve Ordinance 2021-13, Council could amend Ordinance 2021-13, or Council could choose to vote down Ordinance 2021-13 as proposed.

FINANCIAL IMPLICATIONS: This brings UMC rates consistent with other facilities and eliminates docking discounts for cruise ships.

LEGAL: This Ordinance was prepared by the City Attorney.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to schedule Ordinance 2021-13 for public hearing and second reading on August 10, 2021.

CITY MANAGER COMMENTS: I support staff's recommendation.

ATTACHMENTS: Unalaska Terminal Tariff



**City of Unalaska
International Port of Dutch Harbor
UNALASKA MARINE CENTER**

**TERMINAL TARIFF
NAMING RATES, RULES, AND REGULATIONS**

for

TERMINAL SERVICES

at

**THE CITY OF UNALASKA
INTERNATIONAL PORT OF DUTCH HARBOR
UNALASKA MARINE CENTER**

Located at

UNALASKA / DUTCH HARBOR, ALASKA

TERMINAL TARIFF 9

Adopted 8/10/2021

Effective 9/1/2021

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EXPLANATION OF SYMBOLS AND ABBREVIATIONS

Cont. ----- Continued
Period ----- 12 hours or less
Ft. ----- Foot
Gal. ----- U.S. gallons
Lbs. ----- Pounds
LOA----- Length Overall
MT ----- Metric Ton
N.O.S.----- Not Otherwise Specified
PUA ----- Preferential Use Agreement
LT ----- Long Ton
ST----- Short Ton
Sq. ----- Square
Wt. ----- Weight
\$ ----- U.S. Currency
Day ----- Calendar Day

CONVERSION TABLES

1 Pound----- 0.453592 Kilograms
1 Kilogram----- 2.20462Pounds
1 Short Ton ----- 2000 Pounds
1 Short Ton ----- 0.892857 Long Tons
1 Short Ton ----- 0.907185 Metric Tons
1 Long Ton----- 2,240 Pounds
1 Long Ton ----- 1,016.05 Kilograms
1 Long Ton----- 1.01605 Metric Tons
1 Long Ton----- 1.120 Short Tons
1 Metric Ton ----- 2,204.62 Pounds
1 U.S. Gallon ----- 3.78543 Liters
1 U.S. Barrel----- 42 Gallons

1 Foot ----- 0.304801 Meters
1 Meter ----- 3.28083 Feet
1 Metric Ton ----- 1.1023 Short Ton

1 Gallon Fresh Water -----8.34 Pounds
1 Short Ton Fresh Water-----239.808 Gallons

NOTICE TO THE PUBLIC

This tariff is published and filed as required by law and is, therefore, notice to the public, shippers, consignees and carriers, that the rates, rules and charges apply to all traffic without specific notice, quotation or arrangement.

SECTION 1 – GENERAL RULES AND REGULATIONS	ITEM NO.
<p>ITEM 100 APPLICATION OF TARIFF</p> <p>(A) GENERAL APPLICATION OF TARIFF Vessel charges and assessments provided in this tariff are applicable to all vessels, self-propelled or other than self-propelled, when such vessels are provided with dockage services or other vessel services named in this tariff. Information and applications for services are maintained by the Port Director/Harbormaster.</p> <p>(B) SUBJECT TO CHANGE The rates named in this tariff, revisions or supplements thereto, are based upon ordinary traffic and labor conditions. If and when these conditions change because of demand of labor for increased wages, strikes, congestion or other causes not reasonably within the control of the Port of Dutch Harbor, resulting in an increased cost of service, the rates are subject to change without notice, or the charge for services may be assessed on the basis as per Sections 2.5.</p> <p>(C) TARIFF EFFECTIVE The rates, charges, rules, and regulations named in this tariff, revisions, or supplements thereto, will apply on all freight received at terminals on and after the effective date of this tariff, or effective dates of additions, revisions, or supplements thereto. Unless otherwise specified, all transit freight received at terminals and undelivered prior to effective dates of tariff, revisions, or supplements thereto, will be charged the rates in effect on the date such freight was received, until entire lot or shipment has been withdrawn.</p> <p>(D) USE OF TERMINAL, DEEMED ACCEPTANCE Use of wharves or facilities will be deemed as acceptance of this tariff, revisions, or supplements, and the terms and conditions named herein.</p> <p>(E) RESERVATION OF AGREEMENT RIGHTS The Port of Dutch Harbor reserves the right to enter into agreements with common carriers, shippers, and/or their agents, concerning rates and services, provided such agreements are consistent with existing local, state, and national laws governing the civil and business relations of all parties concerned.</p>	<p>100</p>
<p>ITEM 101</p>	
<p>THIRD PARTY ACCESS – INCLUDING STEVEDORE AND LONGSHOREMAN ACCESS</p> <p>All labor must be contracted through shipping agents, stevedoring agencies or vessel agents, owners/operators. This item provides information regarding access, responsibilities, and requirements related to third party employers and employees.</p> <p>Third party access applies to stevedores, longshoremen, independent contractors, and other non-port employees with business at the Port.</p> <p>(A) CARE IN THE PERFORMANCE OF OPERATIONS Third party employees shall exercise care in the performance of their operations in order to prevent injury to or death of any person and damage to or destruction or loss of</p>	<p>101</p>

property, whether of the Port, of the third party, of the vessel being loaded/unloaded, or of any other party

(B) COMPLIANCE WITH FIRE AND SAFETY PRECAUTIONS

Any third party operating at the Port of Dutch Harbor shall take all necessary safety and fire precautions, and comply with recognized commercial and marine safety practices, procedures and regulations

(C) THIRD PARTY AND PORT INDEPENDENT CONTRACTORS

In any service relationship the Port of Dutch Harbor and any third party shall be independent contractors, each to the other, and shall not be agents or employees, one for the other, for any purposes

(D) THIRD PARTY EMPLOYERS SHALL ENSURE EFFICIENT AND EXPEDITIOUS VESSEL WORK

In order to ensure efficient and expeditious loading and discharge of vessels, and the maximum utilization of the full capacity of the Port of Dutch Harbor, third party employers shall:

1. Make use of the appropriate facilities and equipment furnished by the Port of Dutch Harbor.
2. Have at least one qualified supervisor present at all times while a vessel is loading or unloading.
3. Have at least one responsible officer or representative, with full power to make all operating decisions concerning the third party's work at the Port, available for contact by the Port at all times and keep the Port informed at all times of how and where such officer or representative may be contacted by the Port.
4. Cooperate fully with the Port of Dutch Harbor in all respects by (i) advising as far in advance as possible the type of vessel, Master's estimate of the quantity of cargo to be loaded or discharged, estimated time to load or discharge, and any special problems that may exist or arise; (ii) determining the equipment needed for the operation; and (iii) coordinating sequence and timing of operations for the convenience and efficiency of the Port.
5. Promptly restore terminal working areas to a clean, safe and orderly condition on completion of third party operations.
6. Not bring pets/animals or small children to the Port unless permission of the port is specifically granted on an individual basis.

(E) PORT SHALL SUPPLY EQUIPMENT, FACILITIES, AND SERVICE

The Port of Dutch Harbor shall furnish, subject to the conditions and charges stipulated elsewhere in this tariff, the following:

- 1) Access, for third party employees, to the Port of Dutch Harbor property at places and in the manner as may be approved by the Port of Dutch Harbor.

2) Port equipment to the extent it is available, required, and dedicated to third party employee use.

All Port of Dutch Harbor equipment utilized by the third party in performing its work is expressly understood to be under the direction and control of the third party and the third party is responsible for the operation thereof and assumes all risk for injuries or damages which may arise or grow out of the use or operation of such equipment. It is incumbent upon the third party to make a thorough inspection and verify the physical condition and capacity of the equipment, as well as the competency of the operator, there being no representation of warranty by the Port of Dutch Harbor with respect to such manner. (Subject to ITEM 102 herein.)

All such equipment will be properly used by the third party and not subjected to abuse or more than normal wear and tear. If there is any such abuse or more than normal wear and tear, the third party shall pay for the damage to such equipment. Upon determination of the period of use, all such equipment shall be returned to the Port in the same condition as when received, normal wear and tear excepted. It shall be incumbent on the third party to make a reasonable inspection of all accesses permitted to and from a work area and the work areas and to verify these are safe places for the access and the work to be performed. There is no representation of warranty by the Port of Dutch Harbor with respect to such matters.

(F) THIRD PARTY EMPLOYER WARRANTY

As a condition to the right to conduct business or operate on the Port of Dutch Harbor property, third party employers shall warrant that all their operations shall be conducted at all time with all necessary labor and equipment under competent supervision, with all proper dispatch and in good and workmanlike manner, and the conduct of such business or operations on the Port of Dutch Harbor property shall be deemed to be an offer of such warranty by the third party and its acceptance by the Port of Dutch Harbor.

If any breach of these warranties causes or subjects the port to any losses, suits, claims, damages or liabilities, the third party shall defend, indemnify and save harmless and reimburse the City of Unalaska and Port of Dutch Harbor for all such losses, suits, claims, damages or liabilities. (Subject to ITEM 102 herein.)

THIRD PARTY EMPLOYER – DEFINITION

The term “Third Party Employers” refers to employers of stevedores, vessel employees, longshoremen, independent contractors, and all other non-City employers.

(G) INDEMNITY

Third party employers and employees shall defend, indemnify and hold harmless the City of Unalaska and the Port of Dutch Harbor, its employees, and agents from and against any claims, damages, losses, and expenses (including attorney’s fees) for injury to or death of any third party employees or for injury to any real or personal property.

(H) INSURANCE

Third party employers shall be required to obtain and/or maintain the following insurance coverage:

Worker's Compensation insurance (including Longshoremen and Harbor Workers Act Coverage) under all applicable federal and state statutes and municipal ordinances, and shall carry a minimum of \$1,000,000 in employer's liability insurance (including liability under the Jones Act). Third party employers shall carry and maintain, at their own expense, insurance not less than the amount and coverage herein specified, and the City of Unalaska, its employees and agents shall be named as additional insured under the insurance coverage so specified, including all liability coverage with the exception of Worker's Compensation. There shall be no right of subrogation against the City or its agents, and this waiver of subrogation shall be endorsed upon the policies. Insurance shall be placed with companies acceptable to the City of Unalaska; and these policies providing coverage hereunder shall contain provisions that no cancellation or material changes in the policy relative to the business and operations conducted on the City of Unalaska's UMC property shall become effective except upon 30 days prior written notice thereof to the City of Unalaska.

Commercial General Liability limits not less than \$1,000,000 per Occurrence and \$2,000,000 annual Aggregate for bodily injury and property damage including coverage for premises and operations liability, products and completed operations liability, contractual liability, broad form property damage liability, and personal injury liability occurring on, in, or about the vessels being loaded by third party employees, or the premises of the Port and the adjoining areas.

Commercial Automobile Liability covering all owned, non-owned, hired, and rented vehicles with limits of liability of not less than \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage per each occurrence or loss.

Third party employers shall be required to submit to the City of Unalaska certificates of insurance evidencing the foregoing coverage, and said certificates shall provide that the City is to be given 30 days prior written notice of any alteration or cancellation.

ITEM 102

LIMITS OF LIABILITY

No provision contained in this tariff shall limit or relieve the City of Unalaska and Port of Dutch Harbor from liability for its own negligence nor require any person, vessel or lessee to indemnify or hold harmless the City of Unalaska and Port of Dutch Harbor from liability for its own negligence.

102

ITEM 103

APPLICATION OF RATES

Unless otherwise provided, rates are given in dollars per short ton, lineal foot, square feet, or U.S. gallon, whichever creates the greater revenue.

103

<p>Users of the Port are required to furnish dock receipts, mate's tickets, certificates, or copies of invoices, certified by the shipper to be true and correct, and acceptable to the Port.</p> <p>Specific commodity rates will take precedence over any general or N.O.S. rates.</p> <p>As used in this tariff, Schedule of Fees refers to the City of Unalaska Schedule of Fees and Charges then in effect. All current rates & fee schedules will be available at the Port of Dutch Harbor office.</p>	
<p>ITEM 104</p>	
<p>INSURANCE</p> <p>Rates named in this tariff do not include insurance of any kind.</p>	<p>104</p>
<p>ITEM 105</p>	
<p>RESPONSIBILITY FOR COLLECTION AND TERMS OF PAYMENT</p> <p>(A) RESPONSIBILITY FOR CHARGES</p> <p>Vessels, their owners, agents, masters, and shippers or consignees of goods docking at or using the facilities covered by this tariff, agree to be responsible, jointly and severally, for the payments of charges assessed in accordance with this tariff. Rates, rules and regulations of this tariff and liability for charges apply without regard to the provision of any bills of lading, charter party agreement, third party agreement, contract or any other conflicting documents.</p> <p>(B) TERMS AND CONDITIONS OF PAYMENT</p> <p>Use of Port facilities or services is conditioned upon satisfactory assurance of the Port that applicable charges will be paid when due. All charges are due and payable, in U.S. currency, as they accrue or on completion of service or use.</p> <p>The Port may require payment of charges in advance, as follows:</p> <ol style="list-style-type: none"> 1. By the vessel, its owners, or agents before vessel is assigned a berth and commences its loading or unloading operations. 2. By the cargo owner, shipper, or consignee before cargo leaves the custody and control of the Port. 3. For all charges on perishable cargo or cargo of doubtful value and household goods, payment terms are cash unless the Port customer, prior to the use of Port facilities or services, has established credit worthiness or has posted adequate security acceptable to the Port and has thereby been relieved of cash payment requirements by the Port. <p>(C) COMPLIANCE WITH TERMINAL USE PERMIT CONDITIONS</p> <p>Use of Port facilities and services shall comply with the Conditions of the UMC Terminal Tariff as published by the Port.</p>	<p>105</p>
<p>ITEM 106</p>	
<p>ITEM 106</p>	<p>106</p>

DELINQUENT ACCOUNTS

(A) TIME OF DELINQUENCY

All invoices will be declared delinquent 31 days after the date of the invoice. A monthly finance charge of 0.875% (10.5% per annum) will be applied to all accounts 60 days and older.

(B) COSTS AND EXPENSES RECOVERABLE

Should it become necessary for the Port to institute litigation to effect collection of a delinquent account, then all expenses incurred by the prevailing party shall be assessed to and become payable by the non-prevailing party. Such expenses shall include, but not be limited to, a reasonable attorney's fee and all costs of the suit.

(C) DELINQUENT LIST

The Port may record the vessels, their owners or agents whose invoices are delinquent on a Delinquent List. Vessels whose owners, operators or agents are on the Delinquent List may not be allowed to discharge to any Port dock or use any Port facilities until all past due charges are paid. A vessel whose owners, operators or agents have been on the Delinquent List and whose owners, operators or agents have satisfied past due charges must prepay all estimated charges on voyages subsequent to removal from the Delinquent List before being allowed use of any Port facility, unless other arrangements have been made in advance with the City Finance Department.

ITEM 107

107

LIABILITY FOR LOSS, DAMAGES, OR INJURY

(A) LIMITS OF RESPONSIBILITY

The Port of Dutch Harbor will not be responsible for any loss, damage, or delay to merchandise which may arise from any cause beyond its direct authority and control, nor from any cause except for want of due diligence.

Further, the Port of Dutch Harbor shall not be liable for any loss, damage or delay to merchandise, or any other injury which results from animals, insects, rodents or vermin; not from decay, deterioration, evaporation, shrinkage or loss of quantity, quality or value from inherent vice of product; nor from fire, frost, leakage or discharge from fire protective sprinklers, oxidation or rusting; nor from civil disorder, insurrection, riot, strike or labor stoppage whether or not agents or the employees of the Port of Dutch Harbor be involved; not from delay caused by adverse weather; delay caused by shortage of qualified labor, except to the extent that any of the aforesaid loss of damage results from negligent acts or omissions of the Port, its employees or agents. (Subject to ITEM 102 herein.)

(B) LIMITS OF RESPONSIBILITY

If and when others, other than the Port, are permitted to perform services on the wharves or premises of the Port, they shall be liable for the injury of persons in their employ and shall also be held accountable for malicious acts or thefts by themselves or persons in their employ

The provisions of this item are applicable to all persons, corporations, associations and the like who in any manner come upon or use the terminal facilities, except to agents or

employees of the Port. All such persons, corporations, associations and the like shall be strictly liable and responsible for damage to property or for damage or injury to, or for the death of, any person or persons, which may be caused or occasioned by any acts or omission of such persons or the acts or omissions of their agents or employees. All such persons who come upon or use the terminal facilities shall be deemed to have irrevocably agreed to indemnify the Port of Dutch Harbor for any such loss or damage to persons or property for which a claim is or may be made against the Port, and all such persons shall save and hold the Port harmless from any or all such liability, together with all costs and expenses incurred by the Port in investigating or defending claims therefore, including, but not limited to, court costs, experts' fees and attorney's fees.

ITEM 108

108

RIGHTS OF THE PORT

(A) RIGHTS RESERVED

The Port of Dutch Harbor reserves the right to furnish equipment, supplies, and materials, and to perform all services in connection with the operation of its facilities, under rates and conditions named herein.

(B) RIGHTS TO APPROVE

The Port of Dutch Harbor reserves the right to approve, if it so deems necessary, the Vessel agent's or owner/operator's use of their own equipment, supplies and materials and performing all services in connection with the operation of the loading and unloading of cargo and gear.

(C) RIGHT TO REFUSE FREIGHT

The Port of Dutch Harbor reserves the right, without responsibility for demurrage, loss or damage attaching, to refuse to accept, receive, or unload, or to permit vessels to discharge freight:

For which previous arrangements for space, receiving, unloading or handling have not been made by shipper, consignee or carrier.

Deemed extra offensive, perishable, or hazardous.

The value of which may be determined as less than the probable Port charges.

Not packed in packages or containers suitable for standing the ordinary handling incident to its transportation. Such freight, however, may be repacked or reconditioned at discretion of the Port of Dutch Harbor, and all expense, loss or damage incident thereto will be for account of shipper, consignee, owner or carrier

(D) RIGHT TO REMOVE, TRANSFER, OR WAREHOUSE FREIGHT

Hazardous or offensive freight, or freight which, by its nature, is liable to damage other freight, is subject to immediate removal, either from the wharf or wharf premises, or to other locations within said premises, with all expense and risk of loss or damage for the account of owner, shipper or consignee. (Subject to ITEM 102 herein.)

Freight remaining on wharf or wharf premises after expiration of free time (See ITEM 202), and freight shut out at clearance of vessel, may be piled or re-piled to make space, transferred to other locations or receptacles within the wharf premises, or removed to public or private warehouses, with all expense and risk of loss or damage for account of the owner, shipper, consignee, or carrier, as responsibility may appear. (Subject to ITEM 102 herein.)

(E) EXPLOSIVES

The acceptance, handling, or storage of explosives or excessively inflammable material will be subject to special arrangements with the Port of Dutch Harbor and governed by rules and regulations of Federal, State and local authorities. USCG; (TITLE 49 CFR 176.100 & 176.415)

Special arrangements with the Port of Dutch Harbor may include handling fees.

(F) OWNERS RISK

(Subject to ITEM 102 herein.)

Glass, liquids, and fragile articles will be accepted only at owner's risk for breakage, leakage, or chafing.

Freight on open ground or on open wharf is at owner's risk for loss or damage.

All watercraft if and when permitted by the Port of Dutch Harbor to be moored, at wharves, or alongside vessels, are at owner's risk or damage.

ITEM 109

109

SHIPPER REQUESTS AND COMPLAINTS

For dockage and storage, shipper requests and complaints may be made by filing a written statement with the Port Director/Harbormaster. For handling of cargo and gear, requests and complaints must be first submitted to the vessel agent, owner/operator. Any shipper may submit a request or complaint.

ITEM 110

110

DEMURRAGE OR DELAYS

In furnishing services related to loading and unloading vessels, no responsibility for any demurrage whatsoever will be assumed by the Port.

Delays in loading, unloading, receiving, delivering, or handling freight, arising from combinations, riots, or strikes of any person in the employ of the Port or in the services of others, or arising from any other cause not reasonably within control of the Port, will not entitle the owners, shippers, consignees, or carriers of the freight to waiver of wharf demurrage, or any other terminal charges or expenses that may be incurred.

The Port Director/Harbormaster may waive dockage charges for delays caused by extreme weather conditions, when such conditions prevent a vessel from departing at its scheduled time. However, the Port of Dutch Harbor does not accept liability for losses

to vessel owners/operators, third party contractors, and others that are caused by adverse weather.	
ITEM 111	
MANIFESTS REQUIRED OF VESSELS	111
Masters, owners, agents or operators of vessels are required to furnish the Port of Dutch Harbor with complete copies of vessels' manifests showing the port of discharge and the weights or measurements of all freight loaded or discharged at the facilities of the Port of Dutch Harbor. Such manifest must also designate the basis weight or measurement of which ocean freight was assessed. In lieu of manifests, certified lists of copies of "boat notes", mates' receipts, or dock receipts containing all information as required above may be accepted.	
SECTION 2 – DEFINITIONS AND SCHEDULE OF CHARGES	
SECTION 2.1 – GENERAL DEFINITIONS	
ITEM 201	201
BERTHING	
Vessels berthing or departing piers or wharves subject to this tariff must use sufficient tugs so the ship can be berthed or removed in a safe manner. Berthing speed shall be of a safe and controlled velocity—for example, the berthing speed shall not exceed 16 feet/minute. Line handlers shall be used as necessary.	
ITEM 202	202
FREE TIME FOR CARGO & MOORAGE	
(A) DEFINITION OF FREE TIME	
1. CARGO The initial twelve (12) hour period during which cargo may occupy space assigned to it on terminal property, free of wharf demurrage or terminal storage charges, immediately prior to the loading, or subsequent to the discharge, of such cargo on or off the vessel.	
Free time applies to cargo in storage areas only. Cargo or equipment in working areas or that otherwise interferes with activities at the Port may be moved by the Port. In such cases, labor and equipment charges may be assessed.	
2. MOORAGE Durations of two (2) hours or less during which a vessel may occupy space assigned to it or terminal property free of moorage charges. Examples of free moorage consist of medical emergencies, and short stops to pick up/drop off personnel.	
(B) VESSEL DELAY	
When the sailing date of a vessel has been announced or posted by the terminal operator and the sailing date is delayed due to stress of weather, accident, or other emergency, an extension of free time may be granted equivalent to the delay of the vessel, but not to	

exceed 24 hours. This exception does not apply on freight against which wharf demurrage and/or storage charges have accrued prior to the scheduled sailing date as announced.

(C) COSTS ASSOCIATED WITH VESSEL DELAY

If a vessel exceeds its sailing date and time without proper notice or permission to do so by the port, that vessel may be liable for related costs incurred by the Port. For example, the Port shall not be liable for any charges that may be assessed to the Port by a subsequent dock user that incurs labor costs for gang call-out when this user is unable to access the dock because of the unauthorized delay of the first vessel. The offending vessel shall be liable for such costs, plus a 30 percent administration charge.

ITEM 203

203

LOAD LIMITS

Cargo shall be stacked or piled on piers or wharves so as to produce a uniform loading for the areas covered and to be no greater than 750 pounds per square foot.

ITEM 204

204

NORMAL WORKING HOURS

Normal working hours of the Port office staff are 0800 to 1700 hours, five (5) days per week except during periods designated by the Port Director as a seven (7) day work week or on Port of Dutch Harbor / City of Unalaska holidays. Holidays are as follows: New Year's Day; Martin Luther King, Jr. Day (3rd Monday in January); Presidents' Day (3rd Monday in February); Memorial Day (last Monday in May); Independence Day; Labor Day; Veterans Day (11th of November); Thanksgiving Day; Christmas Day; and every day designated by public proclamation by the President of the United States or the Governor of the State of Alaska as a legal holiday. Hours will be posted at the Port Office.

Reservations shall be made by way written notification at least 24 hours in advance so scheduling changes can be made and confirmed during normal scheduled working hours.

Cancellation of a confirmed schedule less than 24 hours in advance may result in a charge of 25% of the applicable LOA rate listed in the UMC tariff.

ITEM 205

205

RESPONSIBILITY FOR HOUSEKEEPING

Users of the Unalaska Marine Center property will be required to maintain it in an orderly manner as directed by the Port Director/Harbormaster. If a user does not properly clean property used, the Port Director/Harbormaster shall order the work performed and the user will be billed at cost, plus a 30% overhead charge.

Housekeeping of flammable cargo requires special provisions. Users, shippers, consignee and persons in charge of ships will be held responsible for the following:

- a) Providing steam or other heating means to assure proper flow of petroleum products requiring such heat.
- b) Removal of temporary lines upon completion of receipt of discharge or

flammable liquids.

c) Preventing or containing any and all spillage or leakage associated with the receipt or discharge of their cargo(s). Spillage and/or leakage of petroleum products or flammables must be cleaned up immediately.

d) Cleaning all petroleum products from lines located on or adjacent to the Terminal after vessel completes loading or discharge (unless otherwise authorized by the Port Director/Harbormaster).

ITEM 206	206
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POINT OF REST
Point of rest is defined as that area on the terminal facility which is assigned for the receipt of inbound cargo from the vessel and from which inbound cargo may be delivered to the consignee, and that area which is assigned for the receipt of outbound cargo from shippers for vessel loading.

SECTION 2.2 – DOCKAGE

ITEM 220	220
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DOCKAGE – GENERAL INFORMATION

(A) DEFINITION

The charge assessed against a vessel for berthing at a wharf, piling structure, pier, bulkhead structure, or bank, or for mooring to a vessel so berthed.

(B) DOCKAGE – HOW CALCULATED

The period of time upon which dockage will be assessed shall commence when the vessel is made fast to a wharf, or when a vessel is made fast to a vessel so berthed, or when a vessel comes within or moors within a slip; and shall continue until such vessel is completely free from and has vacated such berth or slip.

In calculating dockage, billing is based on twelve (12) hour periods. For billing purposes, partial periods will be rounded up to the next full period.

(C) BASIS FOR COMPUTING CHARGES

Dockage charges will be assessed on the length-over-all of the vessel published in “Lloyds Register”. The Port reserves the right to: (a) Obtain the length-over-all from the vessel’s register, or (b) measure the vessel.

(D) VESSELS DOCKED TO REPAIR, SHORE, OUTFIT OR OTHER

Full dockage will be charged if and when a vessel is permitted to make repairs or alterations, shore for special freight, outfit, and store or fumigate while docked at wharf unless otherwise negotiated with Port Director/Harbormaster.

(E) VESSELS REQUIRED TO VACATE BERTH

The Port reserves the right to order a vessel to shift its position at a wharf, to change berths or to vacate berth when not actually engaged in loading or discharging freight or when occupying a berth beyond the time scheduled by the Port Director/Harbormaster. Any vessel upon notice to move, which refuses or fails to move, may be shifted or moved by

tug or otherwise, by wharf agent, and any expenses, damage to vessels or wharf during such removal will be charged to vessel so moved.

(F) CHARGES ON VESSEL SHIFTING

When a vessel is shifted directly from one wharf (berth) to another wharf (berth) operated by the Port of Dutch Harbor the total time at such berths will be considered together in computing the dockage charge.

(G) DOCK ASSIGNMENTS

The Port Director/Harbormaster has sole authority to determine how a vessel must use the Unalaska Marine Center (e.g., the exact location for berthing), to reserve the vessel arrival and departure time, and to maintain a written schedule of such reservations prepared from the Vessel Docking Request forms.

(H) RESOURCE ALLOCATION RULES

Vessels not taking or discharging cargo may be required to leave to accommodate vessels intending to take or discharge cargo.

In cases of emergency, the Port Director/Harbormaster shall have full authority to reset berthing and terminal use priorities.

(I) GOVERNMENT SHIPS

The Port may offer US Government non-military and/or US Government contracted vessels the opportunity for up to 1 free 24-hour period of docking per year. All such ships must vacate the dock upon the request of the Harbor Master or Port Director. All other fees will apply to vessels receiving this 24-hour dockage exemption. Government agencies that have use agreements on file with the City of Unalaska will pay for dockage and other services per tariff or as otherwise outlined in individual agreements.

(J) OTHER

The Port Director is permitted to charge rates applicable to other City Dock facilities if such activity is temporary, short in duration, and for the convenience of harbor operations. Upon advanced written approval by the City Manager and notification to the Finance Director, the Port Director may also create special rates for activities not covered by the tariff or in the interest of promoting services to new customers. Promotional rates shall not last more than one month.

ITEM 225

225

DOCKAGE – FEES AND CHARGES

DOCKAGE RATES/ CARGO TRANSFER

Dockage rates/cargo transfer, expressed in dollars per 12 hour period, will be assessed as follows:

Length Over All in Feet	Charge
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<u>Over</u>	<u>But Not Over</u>	<u>Dollars per 12-hour period</u>	
0	100		\$184.95
101	125		\$231.80
126	150		\$277.42
151	175		\$367.42
176	200		\$419.20
201	225		\$472.23
226	250		\$524.02
251	275		\$577.02
276	300		\$628.83
301	325		\$681.83
326	350		\$739.78
351	375		\$879.11
376	400		\$937.06
401	425		\$996.25
426	450		\$1,054.1
451	475		\$1,109.6
476	500		\$1,171.3
501	525		\$1,232.9
526	550		\$1,294.6
551	575		\$1,356.2
576	600		\$1,417.9
601	625		\$1,541.2
626	650		\$1,849.4
651	675		\$2,157.7
676	700		\$2,465.9
701	725		\$2,774.1
726	750		\$3,082.4
751	775		\$3,390.6
776	800		\$3,698.9
801		\$3561.10 plus \$4.63 for each foot LOA in excess of 800 ft.	

Cruise Ships will be charged per tariff,

Lay-up fees for other vessels using the UMC Dock during period of overflow will be charged at the Spit/LCD rate.

SECTION 2.3 – STORAGE

<p>ITEM 230</p>	<p>230</p>						
<p>STORAGE – GENERAL INFORMATION</p> <p>(A) DEFINITION: Terminal storage, including closed or covered storage, open or ground storage, bonded storage and refrigerated storage after storage arrangements have been made, is the service of providing warehousing or other terminal facilities for the storing of inbound or outbound cargo or gear after the expiration of free time.</p> <p>(B) CONDITIONS GOVERNING ACCEPTANCE OF CARGO FOR MONTHLY STORAGE When space is available and arrangements are entered into prior to arrival of cargo at the terminal, storage may be permitted on in-transit cargo interchanged with or between water carriers at rates named below.</p> <p>When request for storage is not made prior to arrival of cargo at the terminal, and additional handling is required to move and/or re-pile cargo for storage, all labor and equipment in connection therewith will be assessed per Sections 2.5 and 2.7.</p> <p>Storage charges are payable in advance and will be computed on the following basis:</p> <p>1) Cargo received for storage will be billed on a daily/monthly rate.</p> <p>Except as otherwise provided, no free time is allowed under the provisions of this section.</p> <p>(C) CONDITIONS GOVERNING ACCEPTANCE OF CARGO FOR Daily STORAGE When space is available and arrangements are entered into prior to arrival of cargo at the terminal, storage may be permitted on in-transit cargo interchanged with or between water carriers at rates named below.</p>							
<p>ITEM 235</p>	<p>235</p>						
<p>STORAGE – FEES AND CHARGES</p> <p>(A) MINIMUM CHARGES (SEE ITEM 270)</p> <p>(B) STORAGE RATES – OPEN AREAS Rates herein named apply to storage in open areas. Owner assumes the risk for loss or damage to cargo.</p> <table border="0"> <thead> <tr> <th><u>Commodity</u></th> <th><u>Monthly Charge</u></th> <th><u>Daily Charge</u></th> </tr> </thead> <tbody> <tr> <td>All Freight N.O.S.</td> <td>\$0.43 per sq ft.</td> <td>\$0.03 per sq ft per day</td> </tr> </tbody> </table> <p>(C) WAREHOUSE Entire Warehouse Full Day \$529.47 ½ Day \$287.76 ½ Warehouse Full Day \$264.74 ½ Day \$143.88 ¼ Warehouse Full Day \$132.36 ½ Day \$71.93</p> <p>(D) LOADING DOCK \$296.39 per day / whole dock \$74.08 per day / bay</p>	<u>Commodity</u>	<u>Monthly Charge</u>	<u>Daily Charge</u>	All Freight N.O.S.	\$0.43 per sq ft.	\$0.03 per sq ft per day	
<u>Commodity</u>	<u>Monthly Charge</u>	<u>Daily Charge</u>					
All Freight N.O.S.	\$0.43 per sq ft.	\$0.03 per sq ft per day					

(E) MOBILE LOADING RAMPS: See Section VI of Schedule of Fees and Services

ITEM 240 **240**

WHARFAGE – GENERAL INFORMATION

(A) DEFINITION

A charge assessed against the cargo on all cargo passing or conveyed over, onto or under wharves or between vessels when berthed at a wharf. Wharfage is solely the charge for the use of the wharf and does not include charges for any other service.

(B) APPLICATION

Wharfage rates named in this tariff will be charged for all cargo received over the Unalaska Marine Center docks and will be in addition to all other charges made under provisions of this tariff, **Except the following:**

No wharfage shall be charged to ship’s gear, such as strongbacks, lines, hatch covers, walking boards, etc., placed on the wharf during unloading operations. Fuel handled over wharf will not be considered as ship’s stores and will be subject to wharfage (see sections below on fuel and petroleum products).

(C) SHIP’S STORES

Ship’s stores dunnage used for vessel’s cargo, and repair materials and supplies, when intended for vessel’s own use, consumption, or repairs, will all be exempt from assessment of wharfage. Fuel handled over wharf and ballast will not be considered as ship’s stores and will be subject to wharfage and other charges that may be incurred.

(D) OVERSIDE

Unless otherwise specified in individual commodity items or unless other arrangements are made with the Port Director/Harbor Master, all freight loaded or discharged outside a vessel directly to or from another vessel (rafted), barge, lighter, draft, or to or from the water while vessel is berthed at wharf or moored in wharf slip, will be assessed regular wharfage rates.

ITEM 245 **245**

WHARFAGE – FEES AND CHARGES

(A) MINIMUM CHARGES: (SEE ITEM 270)

(B) SCHEDULE OF CHARGES

Unless otherwise specified, charges are in dollars per short ton.

<u>Commodity</u>	<u>Charge</u>
Bulk Commodities, dry, N.O.S.....	\$5.08

(unloaded by owner's equipment)	
Seafood\$5.08	
Vessel Gear & Equipment.....\$5.08Crab Pots/Cod Pots	
Other Pots: See Section VI of Schedule of Fees and Services	
Petroleum or Petroleum Products – flowage fee ¹ : \$4.74 or \$.017 per U.S. gallon, or negotiated contract rate.	
Bulk Petroleum Products – inbound: Subject to contract and negotiations	
<i>¹flowage fee charge to distributor is applicable unless preferential use agreement is in place or other contract has been negotiated.</i>	

ITEM 246	246
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WHARF DEMURRAGE					
<p>(A) DEFINITION A charge assessed against cargo/equipment remaining in or on terminal facilities after the expiration of free time unless arrangements have been made for storage. After expiration of free time demurrage will be assessed.</p> <p>(B) MINIMUM CHARGES: (SEE ITEM 270)</p> <p>(C) RATES Except as otherwise provided below, Wharf Demurrage will be assessed at the following rates. Owner assumes the risk for loss or damage to cargo/equipment.</p> <p style="text-align: center;">Per 24 hour day or part thereof, per square foot</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u>First 12 hours</u></td> <td style="text-align: center;"><u>After 12 hours</u></td> </tr> <tr> <td style="text-align: center;">\$0.00</td> <td style="text-align: center;">\$0.57</td> </tr> </table>	<u>First 12 hours</u>	<u>After 12 hours</u>	\$0.00	\$0.57	
<u>First 12 hours</u>	<u>After 12 hours</u>				
\$0.00	\$0.57				

SECTION 2.5 – HANDLING	
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ITEM 250	250
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HANDLING – GENERAL INFORMATION	
<p>(A) DEFINITION Handling, when performed at the terminal, is the service of moving cargo or fishing gear from the end of ship's tackle on the wharf to the first place of rest on the wharf, or from the first place of rest on the wharf to within reach of ship's tackle on the wharf. It includes ordinary sorting, breaking down, and stacking on the wharf. Charges will be made at the man-hour and equipment rental rates. Charges for handling are assessed against vessels, their owners, operators, or the party ordering the service.</p>	

(B) LINE HANDLING

The Port Director/Harbormaster will not make any arrangements for handling of lines, cargo or gear. No preference will be given to any labor force working the terminal. All labor must be contracted through shipping agents, stevedoring agencies or vessel agent, owner/operator.

All vessels must have line handlers appropriate for vessel size and current conditions.

(C) RIGHT TO HANDLE FREIGHT RESERVED

The Port of Dutch Harbor reserves the right in all instances for vessel owners and operators to select qualified labor to perform the services of handling cargo. The labor selection is at their discretion and shall be in accordance with the requirements of this tariff.

ITEM 255

255

HANDLING – FEES AND CHARGES

(A) MINIMUM CHARGE: (SEE ITEM 270)

(B) SCHEDULE OF CHARGES

<u>Commodity or Activity</u>	<u>Charge</u>
Vessel Gear & Equipment	cost plus 18%
Putrid or Rotten Fish Products	cost plus 18%
Heavy Metal Discard or Similar ¹	cost plus 18%
Handling Flammable Material	cost plus 18%
Cleaning and Other	cost plus 18%

(1) Disposal of Items not normally accepted by the landfill

SECTION 2.6 – LABOR

ITEM 260

260

LABOR RATES

Labor described in this section refers to Port employees hired for specific tasks. It does not refer to third party employees.

ITEM 265

265

SPECIFIC LABOR COST SERVICES

Unless otherwise provided for individual items, man-hour rates will be charged on services not arranged through a third party, including but not limited to the following:

- 1) Services for inspection and cleaning, etc. – See, for example, Section 2.5 - Handling.

Materials and supplies furnished by the Port of Dutch Harbor in connection with services shall be billed at actual cost plus 18% for administration costs.

When equipment is used in performance of services, the charge will not be less than the tariff rate as shown ITEM 276.

<p>ITEM 267</p>	<p>267</p>
<p>SCHEDULE OF MAN-HOUR RATES</p>	
<p>Unless otherwise stated herein, the basic rate for Port labor per man-hour is provided in Section VI of the Schedule of Fees and services.</p>	
<p>ITEM 268 Security (TWIC) Security that is required, but not provided by the owner, shipper, agent, or USCG regulations, will be provided by the Port and will be assessed at the following rates per hour for labor:</p> <p>Straight Time See Section VI of Schedule of Fees and Services Over Time See Section VI of Schedule of Fees and Services Double Time See Section VI of Schedule of Fees and Services Security set-up/tear down See Section VI of Schedule of Fees and Services Security Administration See Section VI of Schedule of Fees and Services</p>	<p>268</p>
<p>ITEM 270</p>	<p>270</p>
<p>MINIMUM CHARGES</p>	
<p>Unless otherwise specified under individual items in this tariff or supplements thereof, the following minimum charges shall apply:</p>	
<p>Handling \$ Labor + 18% Service and Facilities \$ Labor + 18% Storage – Open Areas \$ 57.56 Wharfage \$ 225.26 Wharf Demurrage \$ 115.10 Minimum charge based on 1 hour labor plus 18%.</p>	
<p>ITEM 271</p>	<p>271</p>
<p>ELECTRIC SERVICE FOR VESSELS</p>	
<p>Electric service for vessels must be arranged through the Harbor Office at least two hours in advance of required service.</p> <p>Vessels using City-supplied electrical shore power at the UMC Dock will be charged the following:</p>	
<p>Hook-up Fee: See Section VI of Schedule of Fees and Services Energy Charge, per kWh: See Section VI of Schedule of Fees and Services Demand Charge, per kWh: See Section VI of Schedule of Fees and Services</p>	

<p>ITEM 272</p>	<p>272</p>										
<p>FRESH WATER FOR VESSELS</p> <p>Water must be arranged through the Harbor Office.</p> <p>Fresh water will be furnished vessels as follows:</p> <table border="0"> <thead> <tr> <th data-bbox="120 426 451 464"><u>VOLUME</u></th> <th data-bbox="451 426 1360 464"><u>RATE</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="120 478 451 552">First 1,000 gallons (includes hook-up)</td> <td data-bbox="451 478 1360 552">See Section VI of Schedule of Fees and Services</td> </tr> <tr> <td data-bbox="120 604 451 709">Each additional 1,000 gallons or fraction thereof</td> <td data-bbox="451 604 1360 709">See Section VI of Schedule of Fees and Services</td> </tr> </tbody> </table>	<u>VOLUME</u>	<u>RATE</u>	First 1,000 gallons (includes hook-up)	See Section VI of Schedule of Fees and Services	Each additional 1,000 gallons or fraction thereof	See Section VI of Schedule of Fees and Services					
<u>VOLUME</u>	<u>RATE</u>										
First 1,000 gallons (includes hook-up)	See Section VI of Schedule of Fees and Services										
Each additional 1,000 gallons or fraction thereof	See Section VI of Schedule of Fees and Services										
<p>ITEM 273</p>	<p>273</p>										
<p>WASTEWATER SERVICES FEES FOR VESSELS</p> <p>Wastewater service for vessels must be made through the Harbor Office. The fees for discharge of vessel wastewater through the UMC sewer line are:</p> <table border="0"> <tbody> <tr> <td data-bbox="120 919 922 957">Hook-up Fee:</td> <td data-bbox="922 919 1360 957">\$57.56</td> </tr> <tr> <td data-bbox="120 972 1360 1010">Rate per 24 hours or portion thereof:</td> <td></td> </tr> <tr> <td data-bbox="191 1024 922 1062"> LOA 0'-300'</td> <td data-bbox="922 1024 1360 1062">\$80.57</td> </tr> <tr> <td data-bbox="191 1077 922 1115"> LOA 301'-600'</td> <td data-bbox="922 1077 1360 1115">\$149.63</td> </tr> <tr> <td data-bbox="191 1129 922 1167"> LOA over 600'</td> <td data-bbox="922 1129 1360 1167">\$218.70</td> </tr> </tbody> </table>	Hook-up Fee:	\$57.56	Rate per 24 hours or portion thereof:		LOA 0'-300'	\$80.57	LOA 301'-600'	\$149.63	LOA over 600'	\$218.70	
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LOA 301'-600'	\$149.63										
LOA over 600'	\$218.70										
<p>ITEM 274</p>	<p>274</p>										
<p>FUEL FLOWAGE FEE</p> <p>Unless otherwise specified in a preferential use agreement or other contract, charges will be assessed on fuel as described in ITEM 245 (Wharfage).</p>											
<p>ITEM 276</p>	<p>276</p>										
<p>EQUIPMENT RENTAL</p> <p>(A) RATES</p> <p>Equipment rental can be arranged. A list of available items and current rates is maintained by the Port Director/Harbormaster.</p> <p>(B) LESSEE'S AND RENTER'S RESPONSIBILITY</p> <p>When equipment is rented or leased to others, it is expressly understood that the equipment will be operated under the direction and control of the renter or lessee, and the renter or lessee shall be responsible for the operation thereof and assumes all risk for injuries or damages which may arise or grow out of the use of operation of said</p>											

equipment. It is hereby understood and agreed that in the event the renter or lessee uses the operator of said equipment employed by the Port of Dutch Harbor, such operator shall be under the direction of the Port of Dutch Harbor and such operator shall be responsible for his/her own actions during the time of the rental or lease. It is incumbent upon the renter or lessee to make a thorough inspection and satisfy himself as to the physical condition and capacity of equipment, as well as the competency of the operator. There is no representation or warranties by the Port of Dutch Harbor with reference to such matters.

ITEM 278

278

REFUSE REMOVAL AND SOLID WASTE DISPOSAL CHARGES

Charges will be assessed when a ship places refuse in a Port supplied 40 Yard dumpster and will be billed in increments of 1/4, 1/2, 3/4 or full:

See Section VI of Schedule of Fees and Services

***Note:** No wood, pallets, metal, heavy plastics, crab line, poly totes, fish waste, chemical or food additives, or hazardous materials are allowed in dumpsters. If vessels require metal, pallets, plastic, fish waste, or food additives to be hauled to the landfill by the Port Department, the following charges shall apply:*

Pallets or wood, per flatbed truck load See Section VI of Schedule of Fees and Services

Other waste or scrap, per flatbed truck load See Section VI of Schedule of Fees and Services

Additional Administrative Fee 18%

Placing prohibited material in a drop box and/or failure to sort refuse as required by landfill will result in a penalty. The penalty will be equal to any fees incurred by the Port plus a 30% administration charge, or equal to any time and material plus 30%, whichever is greater.

ITEM 280

280

VESSEL OILY WASTE OR GARBAGE DISPOSAL

CONDITIONS COVERING

Vessels that find it necessary to discharge oil waste or garbage at the Port of Dutch Harbor shall contact the Port Director/Harbormaster's office for the name of oily waste or garbage haulers who will be permitted by the Port to provide equipment and operate at the Port facility to receive, haul and dispose of oily waste or garbage. The vessel shall arrange directly with the oily waste or garbage hauler for such services and equipment. Payment of charges for the services and equipment provided by the oily waste or garbage hauler will be made directly to the oil waste or garbage hauler by the vessel, its agent, charterer, or any other party responsible for such payment of charges by the vessel.

The oily waste or garbage hauler is not an agent or employee of the Port of Dutch Harbor, nor shall the Port of Dutch Harbor be liable for any act, omission or negligence of any such oily waste or garbage hauler. Charges for related services may be assessed to vessels by the Port of Dutch Harbor. The discharge by a vessel of oily waste or garbage at the Port of Dutch Harbor shall be allowed only in accordance with the terms of this tariff item and applicable Federal, State and Local regulations.

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2021-14

AN ORDINANCE OF THE UNALASKA CITY COUNCIL AMENDING UNALASKA CODE OF ORDINANCES, CHAPTER 4, CITY ELECTIONS, TO ESTABLISH THAT WAGES OF NON-EMPLOYEE ELECTION JUDGES AND CLERKS SHALL BE DETERMINED BY COUNCIL RESOLUTION, AND TO ALLOW CERTIFICATION OF ELECTION RESULTS AT EITHER A REGULAR OR SPECIAL MEETING OF THE CITY COUNCIL

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 4.04.050 EXPENSES. Section 4.04.050 of the Unalaska Code of Ordinances is hereby amended to read as follows: [New language is underlined; and deleted language is ~~everstruck~~.]

§ 4.04.050 EXPENSES

The city shall pay all necessary election expenses, including those of securing places for polls and providing ballot boxes, ballots, voting booths, screens, national and state flags and other supplies, and any wages due election judges and clerks. ~~Salaries for non-employee election judges and clerks shall be \$10.00 per hour.~~ Wages for non-employee election judges and clerks shall be established by resolution of the city council. However, all expenses of making a recount pursuant to an election contest shall be paid by the candidate or voters contesting the election if the recount fails to reverse a result of the election or the difference between the winning and losing vote on the result contested is more than two percent. If the recount is obtained by voters, each of them shall be individually liable for the whole amount of such expenses.

Section 3: Amendment of Title 4.28.060 RESULTS OF ELECTION. Section 4.28.060 of the Unalaska Code of Ordinances is hereby amended to read as follows: [New language is underlined; and deleted language is ~~everstruck~~.]

§ 4.28.060 RESULTS OF ELECTION

- (A) If a contest is not begun pursuant to Chapter 4.36, the results of the election shall be publicly declared by the City Council and entered in the minutes of a regular or special meeting of the City Council on the first Tuesday following the election.
- (B) If a contest is declared and resolved, the result of the election shall be publicly declared by the City Council and entered in the minutes of a regular or special meeting of the City Council within a week after the contest is resolved.

Section 3: Effective Date. This ordinance shall take effect upon adoption.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 10, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, City Clerk
Through: Erin Reinders, City Manager
Date: July 27, 2021
Re: Ordinance 2021-14: Amending Chapter 4, City Elections, to establish that wages of non-employee Election Judges and Clerks shall be determined by council resolution, and to allow certification of election results at either a regular or a special meeting

SUMMARY: Ordinance 2021-14 will make two small changes to code dealing with city elections. Code presently sets out an hourly rate for non-employee election workers at \$10 per hour. This rate is low in comparison to election worker pay in other jurisdictions and any increase in this rate requires a code change. It makes sense to set the rate by council resolution which can be done in the same resolution appointing election judges and clerks each year. Secondly, Ordinance 2021-14 allows for certification of election results at either a regular or special meeting. Code presently dictates that certification occur at a special meeting. Staff recommends approval.

PREVIOUS COUNCIL ACTION: The particular sections of code contained in Ordinance 2021-14 were last amended in 2001 when Title 4 was rewritten in the entirety.

BACKGROUND AND DISCUSSION:

Election worker wages: Code presently sets out an hourly rate for non-employee election workers at \$10 per hour. This rate is low in comparison to election worker pay in other jurisdictions and any increase in this rate requires a code change. A survey of other jurisdictions shows pay for election workers ranging from \$12-\$20 per hour depending on duties. In some jurisdictions council sets the wage; and in others, it is determined by the City Clerk. It makes sense to set the rate by council resolution, which can be done in the same resolution appointing election judges and clerks each year.

Certification of election results: Code presently dictates that certification of election results is to occur at a “special meeting” of the council on the first Tuesday following the election. Local general elections are held the first Tuesday in October, with the canvass committee meeting scheduled on Friday of the same week. With a regular council meeting scheduled on the second Tuesday in November, certification of election results can take place at a regular meeting, without the need to schedule a special meeting for the same evening for the sole purpose of certifying election results. Allowing the results to be certified at a regular or special meeting will simplify the process.

ALTERNATIVES: Council may choose to adopt Ordinance 2021-14 or not; and may amend the ordinance before final adoption.

FINANCIAL IMPLICATIONS: A slight increase in election worker wages is anticipated. A slight decrease in council stipends paid will result if election results are certified at a regular meeting

rather than a special meeting because council members are paid an additional stipend for special meetings.

LEGAL: The City Attorney reviewed and approved Ordinance 2021-14.

STAFF RECOMMENDATION: Staff recommends adoption of Ordinance 2021-14.

PROPOSED MOTION: I move to schedule Ordinance 2021-14 for public hearing, second reading and adoption on August 10, 2021.

CITY MANAGER COMMENTS: I support staff's recommendation.

ATTACHMENTS: None.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2021-55

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING AMENDMENT 2 TO THE POWER PURCHASE AGREEMENT WITH OUNALASHKA/CHENA POWER, LLC AND AUTHORIZING THE CITY MANAGER TO SIGN THE AMENDMENT

WHEREAS, the City of Unalaska operates a public utility to provide for and distribute electricity to customers; and

WHEREAS, Ounalashka/Chena Power, LLC (OCCP) sought to construct a geothermal plant and required a signed Power Purchase Agreement (PPA) with the City of Unalaska in order to obtain project financing; and

WHEREAS, the City Council approved the PPA developed in accordance with City Council Directives, and authorized the City Manager to enter into the agreement on August 25, 2020 through Resolution 2020-55; and

WHEREAS, OCCP was be unable to obtain financing by the deadline of June 10, 2021 as outlined in the PPA and requested an amendment to the PPA; and

WHEREAS, the City Council approved Amendment Number 1 to the PPA extending the deadline outlined in the PPA to obtain financing to June 10, 2022 and authorized the City Manager to signed the amendment through resolution 2021-14 on March 30, 2021; and

WHEREAS, the City of Unalaska and OCCP have negotiated and signed a Memorandum of Agreement outlining initial upgrade projects and the cost reimbursement schedule in accordance with the PPA; and

WHEREAS, the City of Unalaska and OCCP agree that a one year extension to the Commercial Operations Date by one year from May 31, 2024 to May 31, 2025, corresponding with the one year extension to the financing deadline in the previous amendment, is necessary; and

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves Amendment 2 to the PPA extending the Commercial Operations Date by one year, and authorizes the City Manager to sign the amendment.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on July 27, 2021.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Marjie Veeder, CMC
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: July 27, 2021
Re: Resolution 2021-55: Approving Amendment 2 to the Power Purchase Agreement with Ounalashka/Chena Power, LLC and authorizing the City Manager to sign the amendment

SUMMARY: In August of 2020, City Council approved Resolution 2020-55, and authorized entering into the PPA with OCCP. OCCP later requested an amendment to the PPA, extending the deadline outlined in the PPA to obtain financing by one year. In response to this request, City Council approved Resolution 2021-14, and authorized the signing of Amendment 1 in March of 2021. Amendment 2 extends the Commercial Operations Date by one year to correspond with the extension in the previous amendment. This extension provides an additional construction season, important for the City because the utility upgrades making this date possible are being significantly dialed back this year due to OCCP's delayed funding.

PREVIOUS COUNCIL ACTION: City Council has identified support for efforts and programs for reliable and cost-effective alternate energy sources, including geothermal, as a federal priority. An outline of all the Council actions related to the PPA with OCCP for geothermal power is listed below.

November 26, 2019

- Work Session, Presentation from OCCP regarding their geothermal project

January 30, 2020

- Special Meeting for a Work Session for an update on OCCP geothermal project

February 25, 2020

- Work Session, Report from OCCP regarding their Makushin geothermal project

March 10, 2020

- Reports, City Attorney conflict of interest opinion related to OCCP
- Executive Session
 - Discussion regarding potential PPA between City of Unalaska and OCCP
 - Discussion regarding potential Power Sales Agreements between City of Unalaska and local seafood processing facilities

May 26, 2020

- Directive to the Manager: *“Report back to the City Council by June 16, 2020 for possible action committing to a PPA with OCCP at the Council Meeting on June 23, 2020 a cost/benefit/risk analysis for a potential Power Purchase Agreement concept that commits Unalaska for the purchase of 100MkWhr/year, at \$0.16/kWh, for 30 years taking into account the probability of securing sufficient load sources by fall of 2023 within the Unalaska City Limits.”*

June 23, 2020

- Work Session, Presentation and discussion of the financial feasibility and potential risks and rewards related to OCCP's proposed Makushin Geothermal Power Project
- Directive to the Manager: *"Negotiate and work cooperatively with OCCP LLC to develop a Power Purchase Agreement that enables the City Council to act on such agreement at the Council Meeting on July 14, 2020. Initial loads to be negotiated should be between 80mkwhr and 100mkwhr. Costs and rates to be negotiated within the Power Purchase Agreement."*

July 21, 2020

- Special Meeting for Work Session & Executive Session, Discussion of PPA with OCCP

August 11, 2020

- Executive Session, Discussion of PPA with OCCP
- Directive to the Manager: *"I move to direct staff to accept both the OCCP proposal to share in the upside and daily liquidated damages in the amount of \$20,000.00 per day with a cap of \$5 million. The heat pump contribution is to remain at \$10 million cost to OCCP. The Annual cost is to be \$16,300,000.00. The meter on the upside sharing starts at 100,000,000 kWh. A minimum of two transmission lines to the delivery point of the City is required."*

August 25, 2020

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

March 23, 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. OCCP has requested an amendment to the PPA, extending the deadline outlined in the PPA to obtain financing.

March 30, 2021

- Special Meeting continued from the Regular Meeting on March 23, City Council approved 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: In August of 2020, after several months of negotiations and meetings, City Council approved Resolution 2020-55 and authorized entering into the PPA with OCCP. An outline of all the Council actions related to the PPA is listed above. [A copy of the PPA is attached.](#) The 30 year PPA requires the City pay a fixed \$16.3 million annually (with 1% annual increases). Our base load is currently 40 million kilowatt hours per year, but to make this economical we need full participation of self-generators to get up to 90 to 100 million kilowatt hours per year. We have no commitments in place from existing business to cover this gap, nor are we aware of any future development that is committed to locating in Unalaska and purchasing available power.

The PPA contains known expenses the City agreed to, including up to \$5 million for studying and upgrading the City distribution system, with OCCP committing up to \$7 million. The City agreed to initially fund the integration and interconnection study, but this cost will be reimbursed from OCCP in accordance with the PPA. To this end, the City contracted with Electrical Power Systems (EPS) to conduct the study.

OCCP requested amending the PPA to extend by one year their deadline to obtain written commitment for project financing in March of 2021. The original June 10, 2021 deadline for OCCP to secure financing commitment was identified in the original PPA as a key conditional precedent that allowed for the City to terminate the agreement if they so desired. Council supported the request and approved the first PPA Amendment. [A copy of PPA Amendment 1 is attached](#). This amendment extended the deadline for OCCP to obtain project financing to June 10, 2022 and also adjusted the deadline for the Interconnection / Integration Plan accordingly.

The challenge with this delay was the uncertainty around the Geothermal Project as the City plans for and invests in Capital Projects to support the electrical system. The FY22-31 CMMP includes the City's share of funding support necessary, per the PPA, for integration and interconnection, and projects necessary for the existing system which may or may not be necessary if the Geothermal project proceeds. Whether or not such improvements will be necessary depend on the design of the Geothermal project (which is not yet completed), the findings of the integration and interconnection study (which can't be fully completed until the design is finalized), and significant timing and safety considerations present now. We continue to evaluate how best to proceed given what we know at this point.

DISCUSSION: Since the approval of Amendment 1, Electrical Power Systems (EPS) produced an Interim Intertie Study. This interim report identifies rough order magnitude estimates for separate projects. The highest priority projects include eight separate projects totaling \$13.7 million. The new projects (second priority) include four separate projects totaling \$2.6 million. In total there are twelve separate projects totaling \$16.25 million. As the design progresses some projects may be modified, and some new projects may be required and estimates may change. Regardless, the total cost of the upgrades will likely exceed \$12 million, meaning that the OCCP obligation under the PPA will hit the \$7 million maximum and the City will likely need to contribute more than \$5 million towards upgrades. This project list in the interim study has been agreed to formally by both OCCP and City representatives through a Memorandum of Agreement (MOA). [A copy of the MOA is attached](#). The MOA also outlines the cost reimbursement schedule for OCCP's obligation identified in the PPA.

As OCCP and the City finalized the MOA it became apparent that an extension to the Commercial Operations Date was necessary. Amendment 2 extends the Commercial Operations Date by one year from May 31, 2024 to May 31, 2025, corresponding with the one year extension to the financing deadline in the previous amendment. This extension provides an additional construction season, now required because the planned utility upgrades are being significantly dialed back this year due to OCCP's delayed funding. This extension will also provide another year to potentially gain new customers, however, it is unlikely we will be able to fully market and sell more power until specifics about the geothermal project are clearly understood and the project itself is completed.

FINANCIAL IMPLICATIONS: Primary financial implications of the PPA relate to the City's cost of purchasing power. The 30 year PPA requires the City pay a fixed **\$16.3 million annually (with 1% annual increases), for a total of just under \$567 million over 30 years**. Our base load is currently 40 million kilowatt hours per year, but to make this economical we need near-full participation of current self-generators to get up to 90 to 100 million kilowatt hours per year. Although this extension will provide another year to prepare and potentially gain new customers, without more specifics about the geothermal project and its completion, it is unlikely we will be able to successfully market and sell more power. Ultimately, costs associated with the PPA will be passed along to the rate payers. Various scenarios were prepared analyzing these financial

implications created from the PPA regarding the base load and the potential increased sales were provided to the City Council during the PPA negotiation process.

The PPA also commits the City to **\$5 million for upgrading the City distribution system, with OCCP committing \$7 million, of the first \$12 million necessary for upgrades. EPS's interim Intertie report identifies rough order magnitude estimates for twelve separate upgrade projects totaling \$16.25 million.** As the design progresses some projects may be modified, and some new projects may be required and estimates may change. These projects will be necessary over the course of the next few construction seasons. Budgetary adjustments may be required to roll out these projects for necessary upgrades and to accommodate the reimbursement schedule as we implement the PPA.

ALTERNATIVES: Council has two primary options on how to proceed with the Resolution 2021-55 and the second PPA amendment. These include:

1. Approve Resolution 2021-55, thereby approving the second amendment to the PPA and authorizing the City Manager to sign the Amendment; or
2. Disapprove Resolution 2021-55, thereby disapproving the second amendment to the PPA.

LEGAL: City Attorney Brooks Chandler has been engaged in discussions with OCCP from the beginning and remains so. He was involved in finalizing the PPA, the amendments, as well as the finalizing of the referenced MOA. All of which are attached to this memo.

STAFF RECOMMENDATION: This amendment extends the Commercial Operations Date by a year in keeping with the extension outlined in the first amendment, which provided an additional year for OCCP to secure financing. These amendments do not change the underlying PPA prepared in accordance with Council directives and approved by City Council in August of 2020. This extension will allow an additional construction season to perform necessary utility upgrades that are significantly dialed back this year due to OCCP's delayed funding. For these reasons, I recommend approval of this amendment.

PROPOSED MOTION: I move to adopt Resolution 2021-55.

ATTACHMENTS:

1. [PPA between OCCP and City of Unalaska](#)
2. [PPA Amendment 1](#)
3. [Memorandum of Agreement](#)
4. [PPA Amendment 2](#)

POWER PURCHASE AGREEMENT

BETWEEN

CITY OF UNALASKA, a first-class Alaska municipal corporation

AND

OUNALASHKA CORPORATION/CHENA POWER, LLC, an Alaska limited liability company

Parties

This POWER PURCHASE AGREEMENT, dated August 31, 2020 (Agreement) is made between the City of Unalaska, a first-class Alaska municipal corporation (Purchaser) and Ounalashka Corporation/Chena Power, LLC (Seller) a licensed Alaska limited liability company duly organized under the laws of the State of Alaska.

Recitals

Whereas, the Purchaser owns and operates water, sewer and electric public utilities for the City of Unalaska;

Whereas, the Seller intends to develop and build a geothermal power system to generate electricity for sale to the Purchaser (Makushin Geothermal Project); and

Whereas, the Purchaser desires to purchase electric power from the Seller under the terms and conditions set forth herein; and

Whereas, upon complete satisfaction of the conditions precedent set forth in this Agreement, the Purchaser and Seller intend for this Agreement to become binding and fully enforceable on the Parties.

Now, therefore, the Purchaser and the Seller (jointly the Parties) in order to achieve the foregoing do agree and commit as follows.

Terms and Conditions

1. DEFINITIONS

- (a) “**Agreement**” means this Power Purchase Agreement.
- (b) “**Actual Project Capability**” means a Project Capability, as determined by an independent third-party engineer, that is less than the stated Project Capability and

such that the Purchaser is unable to meet 100% electrical demand with Energy from the Facility.

- (c) **“City Distribution System”** means all city-owned equipment interconnected with the City distribution and transmission lines up to the Delivery Point.
- (d) **“Commercial Operations Date”** means the date on which the last of the following events occurs: 1) construction of the Facility and the transmission lines from the Facility to the Delivery Point have been substantially completed in accordance with the terms and conditions of this Agreement and Applicable Laws and the Facility and transmission lines possess all the other material characteristics necessary for delivery of Energy to the Delivery Point pursuant to this Agreement; 2) the Facility has successfully completed all tests which must be performed prior to commercial operation as required by applicable laws, start up and testing procedures required by the Engineering Procurement Construction Contract between OCCP, LLC and its manufacturers and installers and has demonstrated as confirmed by an independent engineer retained by Seller in a written report consistent with Prudent Electrical Practices or the terms of the Interconnection/Integration Plan that the Facility is fully available to be operated and able to provide not less than the Project Capability to the Delivery Point and that output can be dispatched into the Purchaser's system without disruption and on a commercial basis; 3) Seller has obtained all governmental approvals and Permits required to begin commercial operations and operate and maintain the Facility in accordance with this Agreement, and all such Permits and approvals are final and in full force and effect; and; 4) Seller and Purchaser have obtained the insurance specified in Section 18.
- (e) **“Commercial Operation Deadline”** means May 31, 2024 which is the date by which the Facility must have reached the Commercial Operations Date, or such other date as provided in this Agreement or as may be agreed to in a writing signed by both Parties.
- (f) **“Delivery Point”** means the interconnection point(s) between the Seller's Facility and the City Distribution System. This may be comprised of a single point or points for transferring energy between the Seller's Facility and the City Distribution System.
- (g) **“Energy”** means geothermal energy for electrical power generation expressed in kWh generated from the Facility and provided to Purchaser by Seller under this Agreement.

- (h) **“Equivalent Availability Factor”** means the ratio of hours the Facility is available for power generation at Project Capacity to the number of hours in a particular calendar month. The removal or derating of any operational component which would limit the ability to generate at Plant Capacity to the Delivery Point shall be considered Unavailable. An example of how Equivalent Availability Factor is calculated is attached as Exhibit D.
- (i) **“Facility”** means any Facility/facilities or component/components of/to the Makushin Geothermal Project used to produce Energy owned by the Seller including all electric power interconnection and transmission equipment located on Seller’s side of the Delivery Point. Transmission equipment shall include two subsea cables each capable of transmitting Energy to the Delivery Point. Facility includes an electric generating facility with a net output of 30 MVA at the Delivery Point, using geothermal fluid as the fuel source and located near the existing ST-1 well (“Project Site”). Additional capacity added to the Facility after the Commercial Operation Date shall not be subject to this Agreement unless the Parties have executed and approved an amendment to this Agreement.
- (j) **“Fixed Payment”** means the annual payment Purchaser and Seller agree will be paid for electrical energy which may be utilized during the initial Year of the Term and thereafter increased based on Section 5 requirements. The fixed payment shall be divided into 12 equal monthly payments.
- (k) **“Force Majeure”** means (a) any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, civil disturbances, sabotage, blockade, expropriation, confiscation, fire, unusual or extreme adverse weather-related events or natural disasters (such as lightning, landslide, earthquake, tornado, hurricane, storm or flood), pandemic, epidemic or any order, regulation or restriction imposed by any Governmental Authority, or (b) any other event of circumstance, which, in each case of clauses (a) and (b), (i) prevents a Party from performing any of its obligations under this Agreement, (ii) could not reasonably be anticipated as of the date of this Agreement, (iii) is not within the reasonable control of, or the result of negligence, willful misconduct, breach of contract, intentional act or omission or wrongdoing on the part of the affected Party (or any subcontractor or Affiliate of that Party), and (iv) which by the exercise of due diligence the affected Party is unable to overcome or avoid or cause to be avoided; provided, nothing in this clause (iv) shall be construed so as to require either Party to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or labor dispute in which it may be involved. A Force Majeure does not include any of the following: (1) events arising from the failure by Seller to construct, operate or maintain the Facility in

accordance with this Agreement; (2) any increase of any kind in any cost; (3) delays in or inability of a Party to obtain financing or other economic hardship of any kind; or (4) any changes in the financial condition of Purchaser, Seller, or any subcontractor or supplier affecting the affected Party's ability to perform its obligations under this Agreement.

- (l) **"Initial Synchronization"** means the date upon which the Facility is first synchronized at the Delivery Point with Purchaser's system.
- (m) **"Interconnection / Integration Plan"** means the document agreed by the Parties that represents requirements for system interconnection and integration of power to the Purchaser's existing system. The plan shall include two subsea cables each capable of transmitting Energy to the Delivery Point and shall consider city, state, federal codes and standards, in conjunction with the geothermal plant design basis and shall incorporate Prudent Electrical practices to integrate the City Distribution System taking into account methodology to improve Purchaser's Electrical System Integrity to the extent agreed in Section 11, or as mutually agreed in the actual plan which is to be attached as Exhibit B, when completed.
- (n) **"kWh"** means a kilowatt-hour of electric energy.
- (o) **"Local Tax"** means ad valorem real and personal property taxes levied by the City of Unalaska on the Facility.
- (p) **"Metered Energy"** means the Energy delivered to Purchaser by Seller at the Delivery Point as measured by the Purchaser's supplied Meter at the Delivery Point.
- (q) **"Metering Equipment"** means equipment required to provide a complete metering circuit including; cabinets, potential transformers (PT's), current transformers (CT's), raceway and interconnection wiring.
- (r) **"Month"** means a calendar month.
- (s) **"Outage"** means a duration of time in which the facility cannot provide 100% of required demand, requiring the Purchaser or self-generators to run additional generation, interrupt loads, or reduce loads. Outages shall be measured in hours. An outage of any period of time up to 60 minutes shall be equal to 1 hour. A sum of all single outages less than 60 minutes, in a 24-hour period shall be a maximum of 24 hours.
- (t) **"Peak Capacity"** has been reached when a measurement of power in MVA or KW has exceeded 1.5% for any duration of time, i.e., 30 MVA Peak Capacity = 30.405 MVA.

- (u) **“Permits”** means all applications, permits, licenses, franchises, certificates, concessions, consents, authorizations, approvals, registrations, orders, filings, entitlements, and similar requirements of whatever kind and however described that are required to be obtained from a Governmental Authority with respect to the development, siting, design, acquisition, construction, equipping, financing, ownership, possession, start-up, testing, operation or maintenance of the Facility, the production and delivery of Energy or any other transactions or matter contemplated by this Agreement (including those pertaining to electrical, building, zoning, environmental, and occupational safety and health requirements).
- (v) **“Plant Availability”** means that the Facility is operating at a capacity such that all power requirements of the Purchaser are met up to the Project Capability.
- (w) **“Plant Reliability”** is defined as the Facility’s ability to load follow demand, up to Project Capability.
- (x) **“Project Capability”** means the installed capability of the Facility to maintain Plant Reliability at the Delivery Point at Peak Capacity.
- (y) **“Project Finance”** means a loan from the Department of Energy or third-party lender sufficient to pay for and/or reimburse Seller for construction and initial operations costs and expenses associated with the Makushin Geothermal Project.
- (z) **“Project Site”** means the real property shown on the attached Exhibit A.
- (aa) **“Prudent Electrical Practices”** means those standards of design, engineering, construction, workmanship, operation, care and diligence normally practiced by internationally recognized engineering and construction firms and prudent operators of electric generation facilities similar to the Facility and electrical transmission systems in the Western United States during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability and safety. Prudent Electrical Practice is not intended to be the optimum practice, method or act to the exclusion of all others, but rather is intended to be any of the practices, methods and/or actions generally accepted in the Western United States during the relevant time period. Prudent Electrical Practice includes taking reasonable steps to ensure that: (a) equipment, materials, resources, and supplies are available to meet the Party’s needs; (b) sufficient operating personnel or control procedures are available at all times and are adequately

experienced, trained and licensed as necessary to operate the Facility or Purchaser's system properly and efficiently, and are capable of responding to reasonably foreseeable emergency conditions; (c) preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable long-term and safe operation, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools; and (d) appropriate monitoring and testing are performed to ensure equipment is functioning as designed.

- (bb) **"Purchaser"** means the City of Unalaska through its Public Utilities Department.
- (cc) **"Purchaser's Electric System Integrity"** means operation of Purchaser's electric power and transmission system in a manner that minimizes risks of injury or damage to persons and/or property and enables Purchaser to provide reliable electric power service to its customers.
- (dd) **"Seller"** means the Ounalashka Corporation/Chena Power, LLC, an Alaska limited liability company.
- (ee) **"Startup Period"** means the period that begins at Initial Synchronization and ends at the Commercial Operations Date.
- (ff) **"Year"** means each twelve (12) month period during the Term commencing on the Commercial Operation Date or the anniversary of such date.

2. GENERAL

- (a) During the Startup Period and continuing through the term of this Agreement, Seller shall deliver to Purchaser, and Purchaser shall receive from Seller electric energy output from the project Facility/facilities in accordance with the terms and conditions of this Agreement.
- (b) Subject to 2 (c) and (d) below, Seller shall sell exclusively to Purchaser; provided, however, that minimum payments are made by the Purchaser, as described in Section 5 of this Agreement.
- (c) Purchaser shall have the exclusive right to provide electric service to all new and existing customers within Purchaser's existing service area at the City's then existing tariff rates. Purchaser shall have the right of first refusal to provide electric service to all new customers located outside Purchaser's existing service area that

may request electric service from the Project, including to any operations owned and/or controlled by Seller and new customers owned in whole or in part by Ounalashka Corporation, Chena Power LLC or any subsidiary or affiliated entity at a rate equal to the City's cost of city purchased or city generated power plus applicable standard customer charges. The first right of refusal period shall expire thirty (30) days after Purchaser is provided written notice of such new customer ("Refusal Period"). At the expiration of the Refusal Period Seller shall have the exclusive right, in its sole discretion, to provide electrical service to new customer(s) under a separate agreement, the terms of which shall be negotiated exclusively between Seller and such third-party(ies). Any such Agreement between Seller and such third party(ies) shall not reduce Seller's obligation to provide 30 MVA to the Purchaser at the Delivery Point.

- (d) Seller shall convey title to and risk of loss of all energy delivered to the Purchaser at the Delivery Point.

3. FACILITY CONSTRUCTION AND COMMERCIAL OPERATION

- (a) Seller shall use reasonable commercial efforts to construct the Facility and achieve the Commercial Operation Date by the Commercial Operation Deadline. Seller shall provide Purchaser with periodic reports about the progress of the Facility construction and completion.
- (b) Seller shall provide Purchaser with at least 70 days advance notice of the date when Seller anticipates achieving Initial Synchronization.
- (c) Seller shall provide Purchaser with at least 45 days advance notice of when Seller anticipates beginning to demonstrate Commercial Operation has been achieved. Purchaser shall be allowed to observe the Facility during demonstration or testing required to establish Commercial Operation. Purchaser shall accommodate or allow reasonable correspondence and collaboration with Purchaser customers to facilitate adequate loading of Facility to allow completion of all tests required to complete the "start-up" process.
- (d) Energy exchange during the Start-Up Period shall be at no cost to the Purchaser or customers of the Purchaser.
- (e) Seller shall provide Purchaser written certification of Commercial Operations when Seller believes that all requirements under this Agreement for achieving

Commercial Operation Date of the Facility, including the conditions precedent specified in the definition of "Commercial Operation Date" in Section 1, have been satisfied. If Purchaser rejects certification of Commercial Operations, Purchaser shall state in detail the reasons for its rejection. The Parties shall immediately meet and confer to address Purchaser's concerns. Commercial Operation shall be deemed to have occurred on the date that the requirements for Commercial Operation are satisfied, which date may be earlier or later than the date on which Purchaser accepts Seller's certification that Commercial Operation has occurred and/or the date on which any concerns that Purchaser expresses in connection with Seller's notice are resolved; provided the Parties acknowledge or are deemed to have acknowledged, or it is determined through dispute resolution, that all such requirements for Commercial Operation have been satisfied on such earlier date.

- (f) Seller shall provide Purchaser with as built drawings of the Facility and all equipment placed at the Delivery Point within sixty (60) days after the date of Commercial Operations.
- (g) Purchaser may inspect the Facility during the term hereof upon reasonable advance notice to Seller.

4. TERM

- (a) Subject to Sections 4 (b) and (c) below, this Agreement shall become effective on the date it is executed and delivered by both Parties and shall continue in effect for a period of thirty (30) years after the Commercial Operation Date (Term).
- (b) The Term of this Agreement may be extended by mutual agreement of the Parties for an additional period, provided that the Purchaser or the Seller request in writing an extension of this Agreement not less than eighteen (18) months prior to the expiration of the initial Term. In the event an extension request is submitted by either party, Purchaser and Seller shall each negotiate in good faith using commercially reasonable efforts to agree on the terms, conditions, and length of an extended term.
- (c) Seller and Purchaser agree that the purpose and intent of this Agreement is dependent on the successful completion of the construction of the Facility/Facilities and the related achievement of the Commercial Operation Date by the Commercial Operation Deadline. As such, in the event that either; 1) Seller fails to obtain Project Financing by June 10, 2021; or 2) construction of the Facility/Facilities is

at any time discontinued, abandoned or otherwise terminated by Seller in its sole discretion , or 3) Seller fails to provide written assurances to Purchaser that the Commercial Operation Deadline will be achieved in a form consistent with Prudent Utilities Practices, or 4) the Project fails to reach Commercial Operation by the Commercial Operation Deadline, then either Party may terminate this Agreement upon thirty (30) day's prior written notice to the other party. In the event that a party elects to terminate this Agreement pursuant to this Section 4 (c), neither Seller nor Purchaser shall have any further liability and/or obligations to the other hereunder after the termination date, except for obligations, liabilities and/or duties that accrued prior to such termination or that survive such termination by the terms of this Agreement.

5. FIXED PAYMENT

- (a) The Seller agrees to sell and the Purchaser agrees to purchase electrical energy which may be utilized immediately for a Fixed Payment of sixteen million three hundred thousand dollars per year (\$16,300,000.00). Each successive Year during the Term the Fixed Payment shall increase; 1) by one per cent (1%) plus; 2) by an amount equal to the total amount of Local Tax paid by Seller during the previous Year.
- (b) If Seller elects to construct the Project at a different location than the Project Site which decreases construction and operating costs by more than five per cent (5%), prices shall be revised downward to reflect the decreased construction and operating costs.
- (c) If Purchaser requests Seller to increase the generating capacity of the Facility above the Project Capability, the Fixed Payment shall be increased, via an addendum to this PPA in an amount to be negotiated by the Parties.
- (d) In the event the Facility fails to deliver Plant Availability at Project Capability the following adjustment to pricing and Seller actions are agreed. The intent of these adjustments are not to act as a penalty to the Seller, but to reduce Purchaser's actual financial hardship and to place Purchaser in the same position as if the Facility delivered Plant Availability at Project Capability as agreed. Purchaser and Seller recognize that determination of the actual financial impact to Purchaser in such circumstances is not easily capable of precise calculation and have adopted these provisions for that reason. This subsection does not supersede Purchaser's or Seller's rights to declare a Default under section 15.

(e) If in any month during the Term the Seller cannot provide the Plant Availability at the Delivery Point for reasons other than limitations within the Purchaser's Electric System Integrity and the Purchaser must either operate its generation equipment or generate power from its own facilities or purchase power from other sources to meet its load obligations or allow customers to self-generate power they otherwise would have been supplied by Purchaser or reimburse customers for their cost of fuel used to self-generate power, Seller shall reimburse the Purchaser the sum of the following : ("Reimbursement Payment"):

- 1) the cost of Purchaser's fuel
- 2) the cost of fuel of customers who self-generate
- 3) one cent (.01) per kilowatt hour for each kWh of energy generated by Purchaser and self-generators that would have been supplied by the Facility ("Administrative Charge"). Each successive Year during the Term the Administrative Charge shall increase by one per cent (1%).

The Reimbursement Payment or Increased Reimbursement Payment shall be treated as a deduction to the Fixed Price Payment made by the Purchaser in the following month.

(f) If at any period during the Term, Seller cannot provide the Project Capability at the Delivery Point for either a period of three consecutive calendar months, or six or more months in any Year, the Actual Project Capability will be determined and the Administrative Charge for those months shall be increased by .02 per kWh beginning with the next monthly payment ("Increased Reimbursement Payment").

(g) After Actual Project Capability has been determined, Seller shall then undertake the necessary means and methods to restore the Facility to Project Capability. The applicable Increased Reimbursement Payment shall continue until Seller has restored Project Capability. However, if instead of restoring Project Capability Seller negotiates lower Project Finance payments the Fixed Price shall be reduced in proportion to Seller's lower Project Finance payments.

(h) If Metered Energy delivered in any Year exceeds 100,000,000 kWh Purchaser shall make an additional payment to Seller calculated as set forth in Exhibit F ("Additional Payment"). The Additional Payment shall be paid in the first month of the following Year.

6. METERING AND PAYMENT OF INVOICES

- (a) Meters shall be owned and operated per city code. Purchaser shall read Purchaser's meter at the Delivery Point on the last day of each month after Initial Synchronization and continuing through the month following the end of the Term, unless otherwise mutually agreed to by the Parties. Purchaser shall prepare and render to Seller within five (5) business days after the end of each month a statement detailing daily and hourly records of Metered Energy during the preceding month. Seller shall have the right to monitor and witness such readings at its own cost and expense. Within five (5) business days after receipt of the statement of Metered Energy Seller shall prepare and render to Purchaser an invoice for Seller's calculation of the payments due to Seller for such month.
- (b) Each Year, monthly payments due shall be equal to one-twelfth of the Base Price (less applicable credits)
- (c) Purchaser shall pay the undisputed amount of Seller's invoices within thirty (30) days after receipt of the invoice. If either the invoice date or payment date is not a Business Day, then such invoice or payment shall be provided on the next following Business Day. Payment shall be made at the office of the Seller, as designated in writing by the Seller. If Purchaser disputes the accuracy of an invoice, or Seller disputes the accuracy of the statement of Metered Energy, the Parties shall use commercially reasonable efforts to resolve the dispute. Any adjustments which the Parties may subsequently agree to make regarding any such invoice shall be made by a credit or additional charge on the next invoice submitted.
- (d) If any payment due from either party under this Agreement shall not be paid when due and payable to the other party, the offending party agrees to compensate the harmed party at the amount in arrears times a rate equal to two percent (2%) over the prime rate as published by the "Money Rates" section of the New York City edition of the *Wall Street Journal*, or mutually agreed upon alternative ("Interest Rate").
- (e) At any time during normal business hours, either party shall have the right, upon reasonable prior notice to the other party, to examine and /or make copies of the records and data of the other party relating to this Agreement (including all records and data relating to or substantiating any charges paid by or to either party and including without limitation metering records of energy delivered) for the period such records and data are required to be maintained. All such records and data shall

be maintained for a minimum of seven (7) years after the creation of such records for data.

7. METER AND SUBSTATION LOCATION AND PROCEDURES

- (a) As a condition precedent the Parties agree to establish a mutually acceptable location for a new terminal switching station taking the undersea cable and fiber and converting to power acceptable for tie into the City Distribution System.
- (b) As a condition precedent the Parties agree to establish mutually acceptable locations for Metering Equipment locations.
- (c) Supply, operation, maintenance and ownership of revenue meters and all Metering Equipment shall be in accordance with paragraph 7(e), and the Interconnection/Integration Plan and Operating Procedures adopted as required by Section 11.
- (d) Purchaser and Seller shall supply each other with easements as needed for installation, operation and maintenance of equipment by the responsible party.
- (e) After the date of Commercial Operations meters shall be maintained and read by the Purchaser. Purchaser shall maintain the Meter according to the manufacturer's suggested maintenance and testing recommendations. The manufacturer's maintenance recommendations and Purchaser's maintenance records for the Meter will be made available to Seller upon reasonable written request. Meters shall be furnished and installed by Purchaser.
- (f) Purchaser shall test and calibrate the meters by comparison with accurate standards at intervals satisfactory to the Parties. Purchaser shall make special meter tests at any time at Seller's request using an independent party selected by Purchaser. The costs of all tests shall be borne by Purchaser; provided however, that if any special meter test made at Seller's request discloses that the meters are reading accurately, Seller shall reimburse Purchaser for the cost of such test. Meters registering no more than two percent (2%) above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by the test to be inaccurate shall be corrected, based on the inaccuracy at the time of testing, for the shorter of (1) the number of days since the meter being tested was installed, (2) the number of days since the last test indicating that such meters were performing properly, or (3)

the one hundred eighty (180) days prior to the current test, in accordance with the percentage of inaccuracy found by such test.

- (g) To the extent that the adjustment period covers a period of deliveries for which payment has been made by Purchaser, Seller shall use the corrected measurements to re-compute the amount due (which amount shall not include interest) for the period of the inaccuracy and shall subtract the previous payments by Purchaser for such period from such re-computed amount. If the difference is a positive number, such difference shall be paid by the Purchaser to the Seller, and if the difference is a negative number, such difference shall be paid by the Seller to the Purchaser. Payment of such difference shall be made by means of a credit or an additional charge on the next statement rendered.

8. HEATING SYSTEM

Within one (1) month of executing this PPA, Seller will commission a feasibility study, at its cost, to survey Unalaska homes and business for conversion and use of air source heat pump (ASHP) technology. Assuming feasibility proven to the mutual satisfaction of Seller and Purchaser (metrics for feasibility are less greenhouse gas emissions and air pollution to the community, and less net cost to consumers for heating), Seller will design, procure, and install to entities who wish to convert their homes and business to ASHP at no cost to consumers. Seller shall pay for all design and installation costs up to a maximum of ten million dollars.

9. DISPATCH, OPERATIONS AND MAINTAINENCE.

- (a) After the Commercial Operation Date, Purchaser (or a designee on behalf of Purchaser) shall dispatch the Facility as necessary to meet Purchaser's need for electrical energy, up to the Project Capability.
- (b) Seller (or a designee on behalf of Seller) shall operate and maintain the Facility in accordance with Prudent Electrical Practices, Applicable Laws and Permits and in a manner that does not materially adversely affect Purchaser's Electric System Integrity. It shall be Seller's responsibility to provide suitable protective equipment as it concerns the Facility, such as fuses, circuit breakers, and relays, to adequately protect the Facility's and Purchaser's electric power equipment, and to ensure that the electric power interconnection for the Facility complies with all applicable legal, safety, and electrical code requirements.
- (c) To the extent not inconsistent with Prudent Electrical Practices and manufacturers' guidelines and recommendations generally applicable to the Facility, Seller shall

cause the Facility to promptly comply with all dispatch orders issued by Purchaser or on behalf of Purchaser.

- (d) At least sixty (60) days prior to the estimated date of Initial Synchronization, Seller shall provide Purchaser with a maintenance schedule for the Facility for the Facility's first year of operation. Thereafter, Seller shall submit to Purchaser annual maintenance schedules for the Facility no later than October 1 of each year that cover the twelve (12) month period starting January 1 and ending December 31 of the succeeding year and a long-term maintenance schedule that will encompass the immediately ensuing four (4) maintenance years. Purchaser shall provide written notice of any reasonable objections to the proposed then applicable annual maintenance schedule within ten (10) Business Days of Purchaser's receipt thereof. Seller shall furnish Purchaser with reasonable advance notice of any change in the annual maintenance schedule. Reasonable advance notice of any change in the annual maintenance schedule involving any shutdown of the entire Facility is as follows:

Scheduled Outage	Expected Duration	Advance Notice to Purchaser
(1)	Less than 2 days	At least 24 hours
(2)	2 to 5 days	At least 7 days
(3)	Major overhauls (over 5 days)	At least 30 days

- (e) The Facility shall be designed to operate with 100% Plant Availability and 100% Plant Reliability.
- (f) The Facility shall obtain and maintain an average Equivalent Availability Factor of ninety-five percent (95%).
- (g) Outages shall not exceed more than 87 hours in a 365-day period. If the number of Outages is exceeded, the Seller shall be required to install equipment to limit outages to less than 87 hours, provided same outages are a result of Facility.
- (h) Subject to the foregoing, Seller shall have the right to interrupt the supply of electrical power and energy for reasonable maintenance of lines, generation equipment and other facilities. Seller shall have no obligation or responsibility to Purchaser to provide standby generation in the event power delivery from the Facility is interrupted.
- (i) If either Seller's ability to supply available electric power and energy from the Facility or Purchaser's ability to receive and transmit available electrical power and energy from the Facility shall fail, be interrupted, or become defective through an act of Force Majeure, the affected party shall be excused from performance of obligations under this Agreement to the extent such performance is prevented or

delayed by such event or circumstance and the affected party shall not be liable therefore for damages caused thereby, provided the Party, as soon as practicable after becoming aware of the Force Majeure, declares the Force Majeure by giving a written notice (the "Force Majeure Notice") to the other Party and upon request by the other Party furnishes the other Party with a detailed description of the full particulars of the Force Majeure reasonably promptly (and in any event within fourteen (14) days after the request therefor), which shall include information with respect to the nature, cause and date and time of commencement of such event, and the anticipated scope and duration of the delay. The Party providing the Force Majeure Notice shall be excused from fulfilling its obligations under this Agreement until such time as the Force Majeure has ceased to prevent performance or other remedial action is taken, at which time the Party shall promptly notify the other Party of the resumption of its obligations under this Agreement. The relief provided by this section shall only apply if the affected party is taking commercially reasonable efforts to remedy such situation and such situation was not the result of the negligence or fault of the affected party. No event or circumstance shall be considered to excuse a party's obligations under this Agreement to the extent such event or circumstance could have been prevented, overcome or remedied if the affected party had exercised commercially reasonable efforts to do so, and shall expressly exclude a party's financial inability to perform.

- (j) **Operations Log.** Seller shall maintain an operations log, which shall include information on the actual average hourly, monthly and annual electric power output of the Facility, well availability and output, planned and unplanned maintenance outages, circuit breaker trip operations requiring a manual reset, partial de-ratings of equipment, and any other significant event related to the operation of the Facility. The operations record shall be available for inspection by Purchaser upon reasonable advance written request, and Seller shall make the data available on a real-time basis by remote access to Purchaser if Purchaser acquires the necessary equipment and software license to process the data by remote access.
- (k) **Monthly Reports.** If requested in writing by Purchaser, Seller shall provide to Purchaser an electronic monthly report, no later than thirty (30) days after the end of each calendar month identified in the written request, regarding the operations of the Facility that shall include: all reporting information maintained in the operations record and hourly electric power output of the Facility. The monthly report shall also include an estimate of monthly electric power output for the calendar year and such other information related to the operation of the Facility that Purchaser reasonably requests in writing.

10. OPERATING COMMITTEE AND OPERATING PROCEDURES

- (a) Purchaser and Seller shall each appoint one delegate and one alternate delegate to act on matters relating to the operation of the Facility under this Agreement. Such

delegates shall constitute the "Operating Committee". The Parties shall notify each other in writing of such appointments and any changes thereto. The Operating Committee shall have no authority to modify the terms or conditions of this Agreement.

- (b) The Operating Committee shall, acting reasonably, establish mutually agreeable written operating procedures ("Operating Procedures") in draft form no later than the Commercial Operations Date. Operating Procedures shall include: the method of day-to-day communications; metering, telemetering, telecommunications, and data acquisition procedures; operating and maintenance scheduling and reporting; operations log; and such other matters as may be mutually agreed upon by the Parties.

11. SYSTEMS INTERCONNECTION AND INTEGRATION

- (a) Within twenty months (20) of executing this Agreement, the Parties shall agree to the Interconnection/Integration Plan a copy of which shall be attached to this Agreement by reference as Exhibit B.
- (b) The Seller shall bear all cost of outside engineering, design and installation costs associated with the Interconnection and Integration requirements with the City Distribution System. The equipment necessary to interconnect at Project Capacity with the City system shall be approved by the City consistent with Prudent Electrical Practice.
- (c) Purchaser shall commission an engineering study to determine reliability upgrades required for the City Distribution System to accept Energy from the Facility. The first two million dollars, (\$2,000,000.00) in cost, for the engineering study and resulting reliability upgrades to the City Distribution System identified in the Interconnection/Integration Plan will be borne solely by the Seller. The next ten million dollars (\$10,000,000) in cost for reliability upgrades identified in the Interconnection/Integration Plan, will be shared equally by Purchaser and Seller. Seller's obligation to share costs are in addition to Seller's cost obligations under paragraph 11(b).
- (d) All equipment interconnected with the City Distribution System shall be installed in accordance with applicable City of Unalaska ordinances and the Interconnection/Integration Plan including but not limited to installation of a revenue grade meter(s) approved, installed and maintained by Purchaser, in equipment provided by the Seller at each Point of Delivery.

12. TAXES

The Parties shall pay to the appropriate taxing authority when due all sales, use and similar taxes levied on Seller's sales, and Purchaser's purchase from or use, occupancy, or operation of the Facility/facilities during or for any part of the Term.

13. COMPLIANCE WITH APPLICABLE LAW

The Parties shall comply with all local, state and federal laws, statutes, ordinances, rules, regulations, decrees, injunctions, orders and codes now or hereafter applicable to the Facility/facilities, regardless of whether they are of legislative, administrative or judicial origin or implement a new or changed governmental policy, including all of those which address planning, zoning, use, subdivision, occupancy, building, construction, maintenance, repair, health, safety, insurance, environmental conservation, environmental pollution and/or hazardous substances.

14. RIGHT OF ACCESS

Duly authorized representatives of either party shall be permitted entry and/or access to premises, facilities and property of the other party, to the extent related to the Facility/Facilities, at all reasonable times in order to carry out the provisions of this Agreement.

15. DEFAULT

- (a) Seller Events of Default. The following shall constitute an event of default on the part of Seller under this Agreement: 1) Seller shall fail to comply with any material provision of this Agreement, and such failure shall continue uncured for thirty (30) days after notice thereof by Purchaser, provided that if such failure is not capable of being cured within such period with the exercise of reasonable diligence, then such cure period shall be extended for an additional reasonable period of time (not to exceed one hundred and eighty (180) days) so long as Seller is exercising reasonable diligence to cure such failure; 2) Seller fails to achieve Commercial Operation by the Commercial Operation Deadline and such failure is not cured within ninety (90) Business Days after Notice from Purchaser; or 3) Seller abandons the Facility (i.e., ceased construction or operation of the Facility or the Facility has ceased production and delivery of the Energy for a consecutive sixty (60) day period and such cessation is not a result of an event of weather or Force Majeure) and such abandonment is not cured within sixty (60) Business Days after Notice from Purchaser.
- (b) Purchaser Events of Default. The following shall constitute events of default on the part of Purchaser under this Agreement:

- (i) Purchaser shall fail to make payments for undisputed amounts due under this Agreement to Seller within ten (10) days after notice from Seller that such payment is unpaid when due;
 - (ii) Purchaser shall fail to comply with any material provision of this Agreement (other than the obligation to pay money when due), and such failure shall continue uncured for thirty (30) days after notice thereof by Seller, provided that if such failure is not capable of being cured within such period of thirty (30) days with the exercise of reasonable diligence, then such cure period shall be extended for an additional reasonable period of time (not to exceed one hundred and eighty (180) days) so long as Purchaser is exercising reasonable diligence to cure such failure.

- (c) With Respect to Either Party. The following shall constitute events of default on the part of either Party under this Agreement: 1) a Party assigns this Agreement or any of its rights hereunder for the benefit of creditors other than a collateral assignment by Seller with respect to the financing of the Facility; 2) a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state if filed against a Party and is not dismissed within sixty (60) days of such filing, or the Party voluntarily taking advantage of any such law or act by answer; or 3) a Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party;

- (d) Remedies for Default. If an event of Default occurs there will be no opportunity for cure except as specified in Sections 15 (a) and 15(b). The Party claiming Default may, for so long as the Event of Default is continuing, (i) deliver a written notice which establishes a date (which date shall be no earlier than thirty (30) days after the Non-Defaulting Party delivers notice) on which this Agreement shall be terminated (Termination Date), (ii) withhold any payments due under this Agreement, (iii) seek recovery of liquidated damages to the extent allowed under Section 16; and (iv) pursue any other remedies available at law or in equity, except to the extent such remedies are expressly limited by this Agreement.

- (e) Survival. Expiration or termination of this Agreement shall not affect any rights or obligations which have arisen or accrued prior to such expiration or termination. In addition, all rights and obligations for indemnity under Section 17 shall survive termination of this Agreement.

16. LIQUIDATED DAMAGES

Seller and Purchaser recognize that delivery of Energy is the essence of this Agreement and that the Purchaser will suffer financial loss if Energy is not delivered as promised in accordance with the Agreement. These losses include employee overtime hours, additional wear and tear on Purchaser's generation equipment, actual and estimated future expense of procuring an alternate supply of electricity, lost sales to customers who return to self-generating, lost opportunities for sales to prospective customers and general public inconvenience. They also recognize that such losses multiply over time and that there is significant difficulty and expense in proving in a legal proceeding the actual loss suffered by Purchaser if Energy is not delivered as promised. Accordingly, instead of requiring such proof, Seller and Purchaser agree that as liquidated damages for failure to supply Energy (but not as a penalty) Seller shall pay Purchaser Twenty Thousand Dollars (\$20,000) for each day a Seller Event of Default as described in Paragraph 15(a) exists up to a maximum of five million dollars (\$5,000,000).

17. INDEMNIFICATION

- (a) Each Party shall indemnify, defend and hold the other and its officers, directors, affiliates, agents, employees, contractors and subcontractors, harmless from and against any and all Claims, to the extent caused by the negligence or willful misconduct of the indemnifying Party or the indemnifying Party's own officers, directors, affiliates, agents, employees, contractors or subcontractors. In the event that any loss or damage with respect to any Claim is caused by the negligence or willful misconduct of both Seller and Purchaser, including their respective officers, directors, affiliates, agents, employees, contractors or subcontractors, such loss or damage shall be borne by Seller and Purchaser in the proportion that their respective negligence or willful misconduct bears to the total negligence or willful misconduct causing such loss or damage.
- (b) An Indemnitee seeking indemnification under this Section 16 shall give notice to the Indemnitor within twenty (20) days of receipt of notice of the assertion of any action or claim (including discovery of any loss, damage or injury giving rise to any claim by the Indemnitee), or the commencement of any action, suit, or proceeding, in respect of which indemnity may be sought hereunder. Failure to give such notice shall not relieve the Indemnitor of any liability hereunder, except that the Indemnitor shall be entitled to relief from its obligations under this Section 17 to the extent such failure to give such timely notice materially prejudiced the Indemnitor. The Indemnitee shall give the Indemnitor such information regarding the claim, action or proceeding as the Indemnitee may reasonably request. If a claim for indemnification arises from any action, suit or proceeding, the Indemnitor shall, at its expense assume the defense of such action, suit or proceeding, with counsel of its choice, reasonably satisfactory to the Indemnitee and the Indemnitor shall conduct the defense actively and diligently. The Indemnitee shall have the right, but not the duty, to participate in its own defense and to employ at its own expense counsel separate from counsel

employed by the Indemnitor. The Indemnitor shall be liable for the fees and expenses of counsel employed by the Indemnitee if the Indemnitor has not assumed the defense thereof. Whether or not the Indemnitor chooses to defend or prosecute any claim, the Indemnitees and the Indemnitor shall cooperate in the defense or prosecution thereof and shall furnish such records, information and testimony, and attend such conferences as are reasonably required. The Indemnitor will not consent to the entry of any judgment on or enter into any settlement with respect to a claim without the prior written consent of the Indemnitee, which shall not be unreasonably delayed, conditioned or withheld, unless the judgment or proposed settlement involves only the payment of money damages by the Indemnitor and does not impose an injunction or other equitable relief upon the Indemnitee. The Indemnitee shall not consent to the entry of any judgment on or enter into any settlement with respect to any claim without the prior written consent of the Indemnitor, which shall not be unreasonably delayed, conditioned or withheld.

18. INSURANCE

Within ten (10) days from the date of Seller's notice pursuant to section 3(b) and continuing through the entire Term, Seller shall obtain and maintain in force, insurance coverage in accordance with the requirements stated in Exhibit C, Insurance Requirements, which is attached hereto and incorporated into this Agreement.

Within ten (10) days from the date of receipt of notice from Seller pursuant to section 3(b) and continuing until the Commercial Operations Date, Purchaser shall obtain and maintain in force, insurance coverage in accordance with the requirements stated in Exhibit C, Insurance Requirements, which is attached hereto and incorporated into this Agreement.

Each party shall deliver to the other party an insurance certificate evidencing the required coverage, limits and additional insured provisions as required by Exhibit C.

19. REPRESENTATIONS and WARRANTIES

On the Effective Date, each Party represents, warrants and covenants to the other Party that:

- (a) It has or will timely acquire all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- (b) There is not pending, or to its knowledge, threatened against it or, in the case of Seller, any of its Affiliates, any legal proceedings that could materially adversely affect its ability to perform under this Agreement;
- (c) No Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its

obligations under this Agreement;

- (d) It is acting for its own account and its decision to enter into this Agreement is based upon its own judgment, not in reliance upon the advice or recommendations of the other Party and it is capable of assessing the merits of and understanding, and understands and accepts the terms, conditions and risks of this Agreement.
- (e) It has not relied upon any promises, representations, statements or information of any kind whatsoever that are not contained in this Agreement in deciding to enter into this Agreement;
- (f) It has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of the Energy as contemplated in this Agreement; and
- (g) It shall act in good faith in its performance under this Agreement.

20. CONDITIONS PRECEDENT

This Agreement is subject to the following conditions precedent, which shall be fully satisfied on or before the dates identified for each condition precedent:

- (a) Seller shall obtain a written commitment for Project Financing, by 6/10/2021.
- (b) The Parties shall negotiate in good faith to establish the Interconnection / Integration Plan” no later than 20 months after contract execution. The Interconnection/Integration Plan shall include but not be limited to; 1) a mutually acceptable Delivery Point; 2) a location for new distribution and transmission equipment required to connect to the Purchasers existing City Distribution System at Project Capacity, and 3) locations for metering equipment.
- (c) Seller shall have provided Purchaser a utility easement allowing placement, maintenance and operation of all equipment and connections at 1) the Delivery Point and 2) a location for new distribution and transmission equipment required to connect to the Purchasers existing City Distribution System at Project Capacity in a form reasonably satisfactory to Purchaser at no cost to Purchaser by 20 months after contract execution.
- (d) Seller shall have provided Purchaser fully executed Member Guarantees in the form attached hereto as Exhibit E no later than September 1, 2020.
- (e) The Parties have required insurance in place by the dates specified in Section 18.

Termination Caused by Failure to Satisfy Conditions Precedent. This Agreement may be terminated by either party due to the failure of any such condition precedent to timely or fully occur through no fault on the part of such Party. If and when such a termination should occur neither Purchaser nor Seller shall have any further claims, rights or remedies against each other under this Agreement except for obligations, liabilities and/or duties that accrued prior to such termination or that survive such termination by the terms of this Agreement.

21. Dispute Resolution

The Parties shall attempt in good faith to resolve all disputes arising out of or related to or in connection with this Agreement promptly by negotiation, as follows. Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Senior executives of both Parties shall meet at a mutually acceptable time and place within ten (10) days after delivery of such notice, and thereafter as often as they mutually agree, to attempt to resolve the dispute. The Parties further agree to provide each other with reasonable access during normal business hours to any and all non-privileged records, information and data pertaining to any such dispute. If the matter has not been resolved within thirty (30) days from the referral of the dispute to the Parties' senior executives, or if no meeting of the Parties' senior executives has taken place within fifteen (15) days after such referral, either Party may initiate legal action for resolution of the dispute. All negotiations pursuant to this Section 21 are deemed confidential hereunder. Transfers or assignments of the Facility shall not relieve Seller of any obligation hereunder except to the extent agreed to in writing by Purchaser.

22. GENERAL PROVISIONS.

- (a) Time of Performance. Time is of the essence of this Agreement. It is the express intention of all of the parties to this Agreement that no extensions or grace periods beyond the deadlines set forth in this Agreement shall be provided, because all intended extensions and grace periods have been taken into consideration in establishing such deadlines.
- (b) Parties Bound and Benefitted. The covenants, terms and conditions contained in this Agreement shall be binding upon and inure to the benefit of the assigns and successors of the respective parties hereto.
- (c) Amendment and Novation. No amendment or novation to or of this Agreement shall be effective unless it is completely and unambiguously contained in a writing executed by all of the parties to this Agreement. No such amendment or novation shall be effective unless and until it is supported by a resolution of the board of directors of each corporation, the council of each municipal corporation or the

policy-making authority of each other entity that is a party or a successor or assign of a party to this Agreement, which has expressly approved such amendment or novation.

- (d) Marginal Titles and Headings. The marginal titles, subtitles, headings and subheadings of the paragraphs, subparagraphs, sections and subsections herein are intended to be for reference and for the sake of convenience only and shall not be construed to narrow or broaden the scope of or affect whatever interpretation or construction would otherwise be given to the plain and ordinary meanings of the words herein.
- (e) Entire Agreement. This written Agreement is fully integrated, constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all other prior and contemporaneous agreements, contracts, representations, promises, acknowledgments, warranties and covenants, oral or written, by and between the parties with respect to such subject matter which are not expressly included herein. In the case of any conflict or inconsistency between this Agreement and any other prior agreement between the parties relating to any property or easement conveyed or exchanged herein, this Agreement shall prevail.
- (f) Applicable Law. This Agreement and the respective rights and obligations of the parties hereunder shall be construed and interpreted as a contract under the laws of the State of Alaska, without regard to its conflicts of law principles.
- (g) Exclusive Jurisdiction/Venue. In the event that a question, dispute or requirement for interpretation or construction should arise with respect to this Agreement, the jurisdiction and venue therefor shall lie exclusively with the courts for the Third Judicial District for the State of Alaska, or, alternatively, with the United States District Court for the District of Alaska, at Anchorage, Alaska, unless a nonwaivable federal or Alaska state law should require to the contrary.
- (h) Limited Waivers. Any failure or delay by any party to object to a default or exercise any rights or remedies under this Lease shall not constitute a waiver of the right to do so in the future, unless such failure is accompanied by an express written waiver by such party.
- (i) Interpretation. The language in all parts of this Agreement shall be construed (a) according to its fair meaning and common usage and (b) not strictly for or against any party to this Agreement.

- (j) Counterparts. This Agreement may be executed in counterparts, so long as each of the parties to this Agreement executes at least one counterpart; and all such executed counterparts shall collectively constitute one and the same original document
- (k) Warranties of Authority. Each party and each natural person who executes this Agreement on behalf of such party acknowledges, warrants and represents for the benefit of the other party(ies) to this Agreement: (a) that such person is duly authorized and empowered to execute this Agreement on behalf of such party; (b) that, if a corporation, limited liability company, joint venture, trust, partnership, limited liability partnership or other entity (i) such party has been duly formed and organized and is in good standing and (ii) all necessary and appropriate resolutions and actions by such party's board of directors, general partner(s), manager(s), members or other policy-making authority authorizing such party to enter into, execute and perform this Agreement and the transactions contemplated by this Agreement have been obtained; and (c) that all steps have been taken and acts performed that are conditions precedent to making this Agreement valid, enforceable and binding against such party in accordance with its terms and conditions.
- (l) Independent Counsel. Each party to this Agreement acknowledges that it has enjoyed the advice and representation of competent independent legal counsel in negotiating, entering into and executing this Agreement or waived its right to do so. The fact that this Agreement may have been drafted in whole or in part by one such party's counsel shall not cause any part of this Agreement to be construed against such party.
- (m) Severability. In the event that any term or condition of this Agreement is declared by a court of competent jurisdiction to be void or unenforceable, the remaining terms and conditions shall nevertheless be valid and enforceable; and such void or unenforceable term shall be modified to the minimum extent necessary to be valid and enforceable to the fullest extent permitted by applicable law and enforced as such.
- (n) Survival. All of the representations, warranties and covenants of the parties shall survive any and all deadlines contemplated by this Agreement and shall remain in full force and effect unless and until otherwise satisfied, terminated or discharged.
- (o) Attorneys Fees and Legal Costs. All of the attorneys fees and legal costs incurred by the respective parties in negotiating and forming this Agreement shall be borne by the respective parties. All legal costs and attorneys fees actually incurred by any

party to this Agreement to enforce any obligations of any other party under this Agreement or any instruments executed in connection herewith shall be paid to the prevailing party by the other party and shall bear interest at the legal rate.

- (p) No Third Party Beneficiaries. Nothing in this Agreement shall be construed to create any rights in, or grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation or understanding established under this Agreement. Neither Party, by this Agreement, dedicates any part of the Facility to the public or to the service provided under this Agreement, nor affects the status of Purchaser as an unregulated utility enterprise of a municipal corporation, or Seller as an individual or entity.

23. NOTICES AND DEMANDS

Each notice required under this Agreement or by law shall: (a) be in writing; (b) contain a clear and concise statement setting forth the subject and substance thereof and the reasons therefor; and (c) be personally delivered, electronically transmitted (Email), or duly mailed by certified mail, return receipt requested, to each party to this Agreement at its address set forth below or to such other address as that party may have most recently given notice of to all of the other parties. All such notices shall be effective (a) when actually received by the recipient or an authorized representative or agent of the recipient or (b) three (3) business days after they are mailed, whichever occurs earlier.

24. MAILING ADDRESSES/POINTS OF CONTACT

OC/CP, LLC:

Attn: Natalie A. Cale
P. O. Box 149
Unalaska, Alaska 99685
Tel. No. (907) 581-1276

City:

City of Unalaska
Attn: City Manager
P. O. Box 610
Unalaska, Alaska 99685
Tel. No. (907) 581-1251

with a copy to:

Boyd, Chandler, Falconer & Munson
Attn: Brooks W. Chandler
911 West Eighth Avenue, Suite 302
Anchorage, Alaska 99501
Tel. No. (907) 272-8401

Formation

In witness whereof, Seller and Purchaser have duly executed, delivered and formed this Agreement through their authorized representatives, the effective date of which is August 31, 2020 ("Effective Date").

OC/CP, LLC:

By: OUNALASHKA CORPORATION, an
Alaska business corporation
Its Managing Member

Dated: August 31, 2020

By Christopher P. Salts, Sr.
Christopher P. Salts
Its Chief Executive Officer

Dated: 8.31, 2020

By Margaret A. Lekanoff
Margaret A. Lekanoff
Its Secretary

CITY OF UNALASKA:

Dated: 9/3, 2020

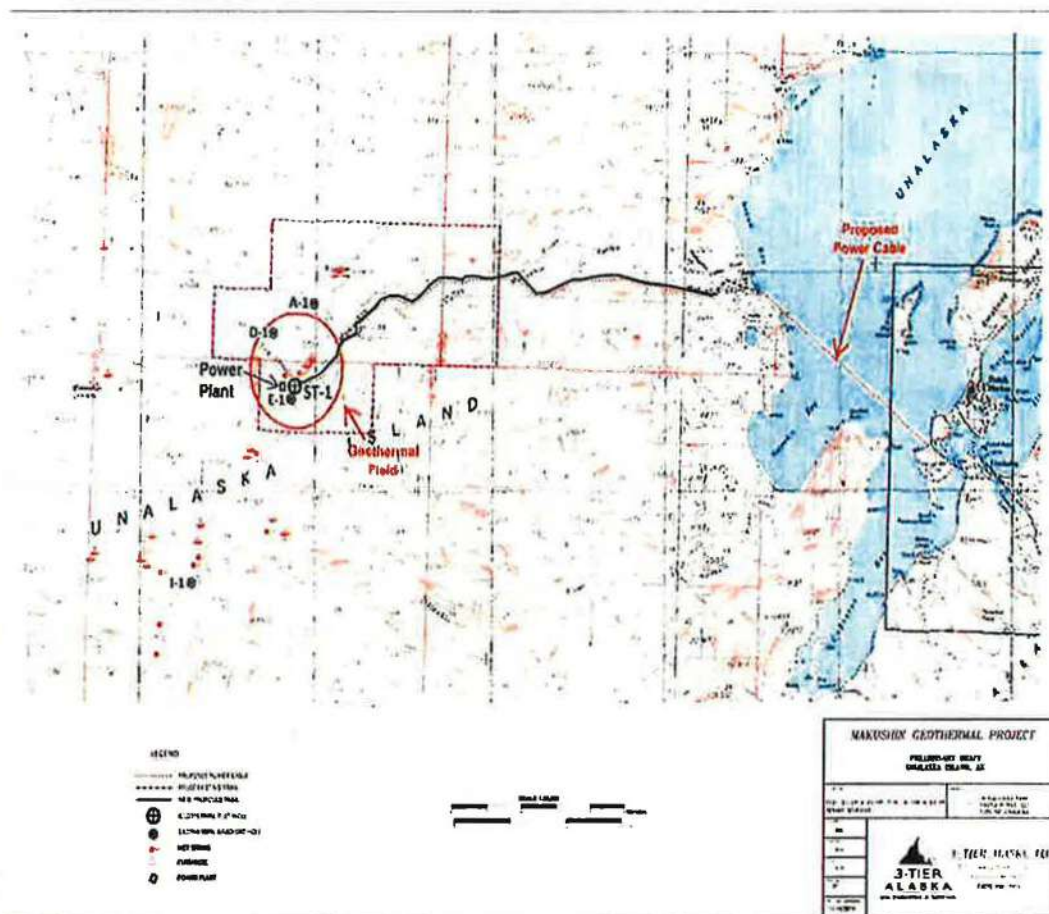
By [Signature]
Erin Reinders
Its City Manager

Exhibit A

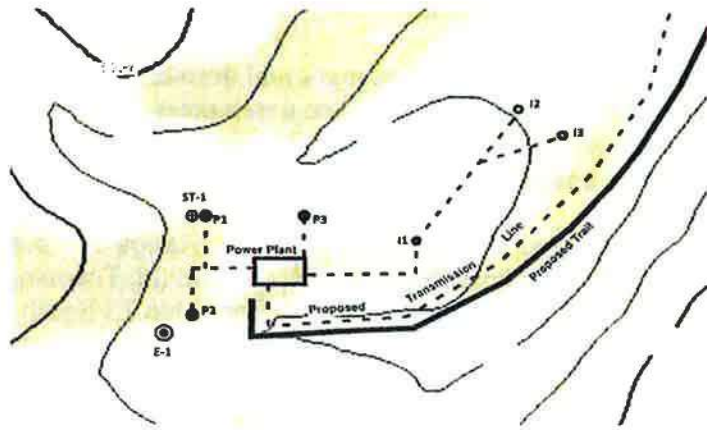
Project Site

The project site is as generally depicted on the attached maps and drawings. Actual project site will be updated to reflect the as-built status when development is complete. Specifically, the Project Site or Project is the Facility described in this PPA and is included within the following legal boundaries:

"All of the area located in Sections 30 and 31, Township 72 South, Range 118 West (Unsurveyed), Seward Meridian; Sections 25, 26, 27, 33, 34, 35, and 36, Township 72 South, Range 119 West, Seward Meridian; Sections 2 and 3, Township 73 South, Range 120 West, Seward Meridian; located within the Records of the Aleutian Island Recording District, Third Judicial District, State of Alaska and more particularly shown cross-hatched in the attached."



Power Purchase Agreement – Exhibit A- between City of Unalaska and OCCP, LLC



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 ● EXISTING UTILITIES
 ○ EXISTING UTILITIES
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MAKUSHIN ENGINEERING CONSULTANTS
 1000 W. 10th Ave., Suite 100
 Anchorage, Alaska 99501
 Phone: (907) 562-1111
 Fax: (907) 562-1112
 www.makushin.com

3-TIER
 ALASKA
 ENGINEERS
 1000 W. 10th Ave., Suite 100
 Anchorage, Alaska 99501
 Phone: (907) 562-1111
 Fax: (907) 562-1112
 www.3-tier.com

City Lot 9, Section 3, T735, R118W, S4M



This parcel's legal description is:
 City Lot 9, Section 3,
 T735, R118W, S4M.



Exhibit B

Interconnection / Integration Plan

[to be provided by the Parties within 20 months of Agreement

Exhibit C

Insurance Requirements

1. Within ten (10) days from the date of Seller's notice pursuant to section 3(b), Seller and Purchaser shall secure and maintain all insurance required.

2. Seller and Purchaser shall maintain in effect at all times specified by Section 18, insurance in accordance with the applicable laws relating to workers' compensation and employers' liability insurance, regardless of whether such coverage or insurance is mandatory or merely elective under the law.

3. Insurance coverage and limits shall be at a level as reflected in Paragraph 8 for the risks associated with the Facility contemplated by this Agreement. Required insurance coverages are to be purchased by respective Seller and Purchase at their sole expense. Purchaser may increase the limits of required coverage each five (5) years during the term of the Agreement provided the increased limits are commercially reasonable coverage limits.

4. Seller and Purchaser shall notify one or the other of any reduction of the aggregate limits under any of the required insurance policies, and if requested in writing, purchase additional limits of coverage as may be deemed appropriate by Purchaser in order to satisfy Seller's insurance obligations.

a. Seller and Purchaser shall maintain such insurance in full force and effect at all times specified by Section 18 of the Agreement. Seller shall maintain completed operations coverage, for two (2) years after the expiration or termination of this Agreement.

5. Seller and Purchaser shall ensure that any policies of insurance that Seller/Purchaser or any of its subcontractors and suppliers are required to carry as insurance by this Agreement) shall:

a. Be placed with such insurers and under such forms of policies as may be reasonably acceptable to Seller/ Purchaser.

b. With the exception of workers' compensation and employers' liability,

(i) be endorsed to name Purchaser/Seller as an additional insured; and

(ii) apply severally and not collectively to each insured against whom claim is made or suit is brought, except that the inclusion of more than one insured shall not operate to increase Seller's / Purchaser's limits of liability as set forth in the insurance policy.

c. Include within automobile coverage(s), owned, non-owned, hired and borrowed vehicles.

d. Be primary insurance with respect to the interest of Seller/ Purchaser respectively as an additional insured with any insurance maintained by Seller / Purchaser as excess and not contributory insurance with the insurance required under this Agreement.

e. Include a waiver of the insurer's right of subrogation against Seller/ Purchaser. Seller/Purchaser also hereby waives all rights of subrogation against Purchaser/Seller.

f. Provide that the policies will not be cancelled, or their limits or coverage reduced or restricted without at least thirty (30) days prior written notice to Seller / Purchaser.

6. Seller / Purchaser shall instruct and require its insurance agent/broker to complete and return an insurance certificate, in an ACORD form, as evidence that insurance policies providing the required coverage, limits and additional insured provisions as outlined within this Exhibit C are in full force and effect. Seller / Purchaser shall be fully responsible for all deductibles and self-insured retention's related to their respective insurance provided herein. At least sixty (60) days prior to the Startup Period, the completed insurance certificate form is to be returned to Seller/ Purchaser in accordance with the notice provisions included in the Agreement.

7. The insurance requirements of the Agreement and acceptability to Seller / Purchaser of insurers and insurance to be maintained by Seller/Purchaser, its subcontractors/suppliers, are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the insured under the Agreement. Seller /Purchaser is fully and solely responsible for the level of insurance coverage it requires of its subcontractors and suppliers. Purchaser/Seller will look to Seller/Purchaser and thereby Seller's /Purchaser's insurer for coverage for claims arising from the negligent acts or omissions of Seller/Purchaser or any subcontractor/supplier of Seller's /Purchaser's choosing.

8. Evidence of the following coverages shall be provided on an ACCORD Form or equivalent:

\$5,000,000 General Liability

\$10,000,000 Aggregate Liability

\$1,000,000 Automobile Liability

Statutory Worker's Compensation

Exhibit D

Equivalent Availability Factor

Availability measures are concerned with the fraction of time in which a unit is capable of providing service and accounts for outage frequency and duration. Equivalent Availability Factor (EAF) shows the percentage of capacity that could be delivered if it had to be dispatched. The EAF metric takes into account both scheduled maintenance and unplanned outages.

Equivalent Availability Factor (EAF) definition from IEEE Std 762-2006: "Equivalent availability factor (EAF): The fraction of a given operating period in which a generating unit is available without any outages and equipment or seasonal deratings."

The geothermal power plant will consist of a number of independent units composed of steam screw expanders, wet steam ORCs and low and high temperature brine ORCs. Each unit can be operated separately.

Each unit is capable of operating separately, and if any unit is operating and not derated, or capable of being operated, though it might not be in operation, and no matter its output and power delivered, the EAF for that unit is 100% for that time period. If all units are in the state described above the geothermal plant is at 100% EAF. Scheduled and unscheduled maintenance/outage, are also components of EAF.

It is agreed for illustrative purposes that:

1. Total equipment hours available (TEHA) per year = 5 ORCs x 24 hours/day x 365 days = 43,800 hours
2. Twelve 4-hour monthly maintenance checks (MMC) will be performed in a year (final number of hours or frequency may be different)
3. Four 12-hour quarterly maintenance checks (QMC) will be performed in a year (final number of hours or frequency may be different)
4. An annual 48-hour service check (ASC) will be performed (final number of hours may be different)
5. Unplanned failures (UF) may occur and are calculated as: number of ORC's down * number of repair hours
6. A unit may be derated (UD) for a period of time. Downtime is calculated as: derating fraction * number of days derated * 24 hours in a day

Total hours unavailable (THU) = MMC+QMC+ASC+UF+UD

Then EAF (%) = $1.0 - (\text{THU}/\text{TEHA}) * 100$

If MMC = 240, QMC = 240, and QMC = 240, then EAF (%) = $1.0 - (720 + \text{UF} + \text{UD})/\text{TEHA} * 100$

Exhibit E

Member Guaranty

THIS GUARANTEE (this "Guarantee") is made and entered into this 31st day of August, 2020, by and among Ounalashka Corporation, an Alaska Native Claims Act corporation organized under the laws of the State of Alaska, Chena Power LLC, an Alaska limited liability corporation (collectively the "Guarantor"), and the City of Unalaska an Alaska municipal corporation ("Purchaser"). Guarantor and Purchaser are each referred to herein as a "Party" and collectively as the "Parties." Capitalized terms used but not defined in this Guaranty shall have the meanings ascribed to them in the PPA (as defined below).

RECITALS

A. Guarantors are members of, Ounalashka Corporation/ Chena Power LLC, a limited liability company organized under the Laws of the State of Alaska ("Seller"). Seller has, as of the date hereof, entered into that certain Power Purchase Agreement (the "PPA") with the Purchaser, for the purchase by Purchaser of Energy.

B. Guarantor, directly or indirectly, owns all of the equity interests in Seller.

C. As a condition precedent to the execution of the PPA, the Purchaser requires the execution of this Guaranty.

NOW, THEREFORE, in order to induce the Purchaser to buy Energy from Seller as provided in the PPA, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

1. Guarantee. Guarantor hereby unconditionally and irrevocably guarantees to the Purchaser the prompt, punctual and full payment and performance of (a) the obligations and covenants of Seller under the PPA to pay when due any amounts owing under the PPA for Liquidated Damages under the terms of the PPA, as now or hereafter amended, in accordance with the terms and conditions thereof (the "Obligation").

2. Term. This Guaranty is a continuing guarantee of payment. This Guaranty shall remain in full force and effect until the earlier to occur of (a) the termination of the PPA in accordance with its terms and (b) the date Seller has fully discharged the Obligation.

3. Enforcement. Guarantor's obligations are primary obligations and independent of all of Seller's obligations to the Purchaser. Upon default by Seller with respect to the Obligation, the Purchaser shall have no obligation to proceed against Seller, and may proceed directly against Guarantor without proceeding against Purchaser or any other person or pursuing any other remedy. Guarantor agrees to reimburse the Purchaser for all costs and expenses (including, without limitation, court and arbitration costs and reasonable attorneys' fees) incurred by the Purchaser in connection with the enforcement of the Purchaser's rights under this Guaranty.

4. Invalidation of Payments. Guarantor's obligations hereunder shall not be affected by the commencement of any proceedings by or against Seller under the Bankruptcy Code (U.S.C. Title

11) or any other liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws affecting the rights of creditors generally, any stay or ruling thereunder, or the disallowance of any claim thereunder. If all or any part of any payment to or for the benefit of the Purchaser in respect of the Obligations shall be invalidated, declared to be fraudulent or preferential, set aside or required for any reason to be repaid or paid to a trustee, receiver or other third party, then any Obligation that otherwise would have been satisfied by that payment or partial payment shall be revived and continue in full force and effect as if that payment had not been made. Guarantor shall be fully and primarily liable for such Obligation and as set forth in this Guarantee.

5. Waiver of Defenses. The Purchaser may, without notice to or consent of Guarantor (a) extend or, with the prior written consent of Seller, alter, the time, manner, place or terms of payment or performance of the Obligations, or (b) waive, or, with the prior written consent of Seller, amend any terms of the PPA or any other agreement executed pursuant to the PPA, without in any way changing, releasing or discharging Guarantor from liability hereunder. Guarantor hereby waives any defenses which Seller or any other person liable for the Obligation may have or assert regarding (i) the insolvency, bankruptcy, liquidation or dissolution of Seller or such other person or (ii) the invalidity, illegality, voidability or unenforceability of all or any portion of the Obligation as a result of ultra vires or other lack of authority, defective formation or other organizational deficiencies or similar types of defenses. Guarantor further waives notice of the acceptance of this Guarantee, presentment, demand, protest, and notices of protest, nonpayment, default or dishonor of the Obligation, and all other notices or demands of any kind or nature whatsoever with respect to the Obligation. Nothing in this Guarantee shall limit or otherwise affect the rights of Purchaser under the terms of the PPA.

6. Representation and Warranties. Each Guarantor represents and warrants to the Purchaser that: (a) Guarantor has received, or will receive, direct or indirect benefit from the making of this Guarantee; (b) Guarantor is a corporation duly organized, validly existing and in good standing under the Laws of the State of Alaska; (c) Guarantor has the requisite corporate power to enter into this Guarantee and to perform its obligations hereunder; (d) the execution, delivery and performance of this Guarantee have been duly and validly authorized by all necessary corporate action on the part of Guarantor; (e) this Guarantee has been duly executed and delivered by Guarantor and constitutes the valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms; (f) the execution, delivery and performance of this Guarantee will not (i) violate any provision of the certificate of incorporation or bylaws (or other governing instruments) of Guarantor or (ii) violate any judgment, order, ruling, or regulation applicable to Guarantor; (g) the execution, delivery and performance of this Guarantee by Guarantor will not be subject to any consent, approval or waiver from any Governmental Body or other third Person; (h) Guarantor possesses the necessary financial capability to fulfill the Obligation; and (i) there are no bankruptcy, insolvency, reorganization or receivership proceedings pending against, being contemplated by or, to Guarantor's knowledge, threatened against Guarantor.

7. Assignment. This Guarantee and the rights and obligations hereunder shall not be assignable or transferable by Guarantor except with the prior written consent of the Purchaser.

8. Amendments and Waivers. No amendment, modification or waiver in respect of this Guarantee shall be effective unless, in the case of an amendment or modification, such

amendment or modification shall be in writing and signed by Guarantor and the Purchaser, and, in the case of a waiver, such waiver shall be in writing, specifically refer to this Guarantee and be signed by the Person against which such waiver is sought to be enforced.

9. Notices. All notices and other communications shall be in writing and shall be delivered by hand or sent, postage prepaid, by express mail or reputable overnight courier service to the address for the Sellers set forth in Section 23 of the PPA or, in the case of Guarantor Chena Power LLC, to the following address:

Chena Power LLC
PO Box 58740
Fairbanks, Alaska 99711
Attn: Bernie Karl

Each Party may change its address for notice by notice to the other in the manner set forth above. All notices shall be deemed to have been duly given at the time of receipt by the Party to which such notice is addressed.

10. Governing Law. This Guarantee and the legal relations between the Parties shall be governed by and construed in accordance with the Laws of the State of Alaska, without regard to principles of conflicts of Laws that would direct the application of the Laws of another jurisdiction.

11. Counterparts. This Guarantee may be executed in counterparts, each of which shall be deemed an original instrument, but all such counterparts together shall constitute but one agreement.

12. Entire Agreement. This Guarantee constitutes the entire agreement between the Parties pertaining to the subject matter hereof, and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties pertaining to the subject matter hereof.

13. Severability. If any term or other provision of this Guarantee is held invalid, illegal or incapable of being enforced under any rule of law, all other conditions and provisions of this Guarantee shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in a materially adverse manner with respect to either Party.

IN WITNESS WHEREOF, the Parties have executed this Guarantee on the day and year first written above.

[Signature page follows]

GUARANTOR:

OUNALASHKA CORPORATION

By: /s/ Christopher P. Salts, Jr.

Name: Christopher P. Salts

Title: Chief Executive Officer

GUARANTOR:

CHENA POWER, LLC

By: /s/ Bernie Karl

Name: Bernie Karl

Title: Chief Executive Officer

PURCHASER:

CITY OF UNALASKA

By: /s/ Erin Reinders

Name: Erin Reinders

Title: City Manager

Exhibit F

Additional Payment

The formula for the Additional Payment only applies when Metered Energy for a Year exceeds 100,000,000 kWh. If that occurs, an Additional Payment is due calculated as follows:

$$\text{Additional Payment} = \text{Facility Rate} \times (\text{kWh through Meter for Year}) - \text{Fixed Payment}$$

$$\text{Facility Rate} = \frac{\text{Fixed Payment}}{100 \text{ million kWh}} - \frac{\frac{\text{Fixed Payment}}{100 \text{ million kWh}} - \frac{\text{Fixed Payment}}{\text{kWh through Meter for the Year}}}{2}$$

EXAMPLE

Year 1- Fixed Payment = \$16,300,000

kWh through meter = 125,000,000

Facility Rate = 16,300,000/ 100 million kWh - [(16,300,000/ 100 million kWh) - (16,300,000/125 million kWh) / 2]

$$\text{Facility Rate} = .163 - [(.163 - .1304) / 2]$$

$$.163 - (.0326 / 2) = .1467$$

$$\text{Additional Payment} = (.1467 \times 125,000,000) - \$16,300,000$$

$$18,337,500 - 16,300,000 = 2,037,500$$

Additional Payment is 2,037,500

AMENDMENT NO. 1

to

POWER PURCHASE AGREEMENT

BETWEEN

CITY OF UNALASKA, a first-class Alaska municipal corporation

AND

OONALASHKA CORPORATION/CHENA POWER, LLC, an Alaska limited liability company

For good and valuable consideration the receipt of which is hereby acknowledged, the City of Unalaska, a first-class Alaska municipal corporation (Purchaser) and Ounalashka Corporation/Chena Power, LLC (Seller) a licensed Alaska limited liability company duly organized under the laws of the State of Alaska agree to amend that certain POWER PURCHASE AGREEMENT, dated August 31, 2020(Agreement) as follows:

1. Paragraph 20(a) is hereby amended to read as follows:

(a) Seller shall obtain a written commitment for Project Financing, by 6/10/2022.

2. Paragraph 4(c) is hereby amended to read as follows:

(c) Seller and Purchaser agree that the purpose and intent of this Agreement is dependent on the successful completion of the construction of the Facility/Facilities and the related achievement of the Commercial Operation Date by the Commercial Operation Deadline. As such, in the event that either; 1) Seller fails to obtain Project Financing by June 10 2022; or 2) construction of the Facility/Facilities is at any time discontinued, abandoned or otherwise terminated by Seller in its sole discretion , or 3) Seller fails to provide written assurances to Purchaser that the Commercial Operation Deadline will be achieved in a form consistent with Prudent Utilities Practices, or 4) the Project fails to reach Commercial Operation by the Commercial Operation Deadline, then either Party may terminate this Agreement upon thirty (30) day's prior written notice to the other party. In the event that a party elects to terminate this Agreement pursuant to this Section 4 (c), neither Seller nor Purchaser shall have any further liability and/or obligations to the other

In witness whereof, Seller and Purchaser have duly executed, delivered, and formed this Amendment No. 1 through their authorized representatives, the effective date of which is _____, 2021 ("Effective Date").

OC/CP, LLC:

By: OUNALASHKA CORPORATION, an
Alaska business corporation
Its Managing Member

Dated: May 11th, 2021

By Christopher P. Salts, Jr.
Christopher P. Salts
Its Chief Executive Officer

Dated: May 11th, 2021

By Margaret A. Lekanoff
Margaret A. Lekanoff
Its Secretary

CITY:

CITY OF UNALASKA, a first-class
municipal corporation

Dated: April 22nd, 2021

By [Signature]
Erin Reinders
Its City Manager

MEMORANDUM OF AGREEMENT

AMONG OCCP, LLC AND THE CITY OF UNALASKA

REGARDING

**CITY ELECTRICAL SYSTEM INTEGRITY UPGRADES AND COST SHARE
FROM THE NECESSITY OF ACCEPTING POWER FROM THE 30MW
MAKUSHIN GEOTHERMAL PROJECT.**

WHEREAS OCCP, LLC (OCCP) is developing the Makushin Geothermal Project (MGP) that will deliver 30MW of geothermal produced electrical energy to the City of Unalaska (City) for intake / distribution into /from its electrical distribution grid.

WHEREAS the City desires to utilize the MGP additional electricity to (1) increase its ability to support other large customers that currently rely on their generator plants, (2) to operate and to stabilize the cost of electric power to all its customers and, (3) to facilitate economic growth in the community.

WHEREAS the City and OCCP recognize the existing City distribution network will require upgrades related to capacity, reliability, integrity, and expansion, in order to accept and distribute the MGP energy (“Upgrades”).

WHEREAS the City and OCCP have agreed to a cost share of the Upgrades in its Power Purchase Agreement (PPA).

WHEREAS the schedule for MGP contained in the PPA requires the City to commence work on the Upgrades in FY 2022 in order for the City to accept electrical energy from MGP by the Commercial Operation deadline established in the PPA. .

WHEREAS the City has appropriated in excess of three million dollars in the City’s FY 2022 budget for anticipated costs of the Upgrade that will be incurred in FY 2022

NOW, THEREFORE, the City and OCCP agree that the City distribution upgrades be implemented in accordance with the following stipulations.

STIPULATIONS

I. Applicability

- A. The PPA states the following: “Purchaser shall commission an engineering study to determine reliability upgrades required for the City Distribution System to accept Energy from the Facility. The first two million dollars, (\$2,000,000.00) in cost, for

the engineering study and resulting reliability upgrades to the City Distribution System identified in the Interconnection/Integration Plan will be borne solely by the Seller. The next ten million dollars (\$10,000,000) in cost for reliability upgrades identified in the Interconnection/Integration Plan, will be shared equally by Purchaser and Seller.....”

- B. Based on the above, OCCP has a maximum obligation to pay up to \$7,000,000.00 towards Upgrades_ as determined in the engineering study or identified in the Interconnection/Integration Plan.
- C. The PPA establishes the City in control of the identification, management, and execution of the required upgrades following Prudent Electrical Practice
- D. The City has an electrical utility master plan for planning and development and has utilized Electric Power Systems, Inc (EPS) to produce the plan. Accordingly, due to EPS’s familiarity with the Citics distribution system and competency in the design of electrical systems, OCCP and City agree to utilize EPS for the engineering study to determine the Reliability Upgrades.
- E. EPS has prepared and presented “City of Unalaska, Alaska Geothermal Plant Electrical Intertic Study Interim Report Draft for Review 20-0363 April 15, 2021”. OCCP and City agree this eight (8) page report is the basis for establishing projects and priorities for the Upgrades. This report is attached to a part of this MOA.

II. Cost Share

- A. The referenced EPS report identifies rough order magnitude estimates for separate projects. The highest priority projects include eight (8) separate projects totaling \$13.7M. The new projects (second priority) total four (4) separate projects totaling \$2.6M. In total there are twelve (12) separate projects totaling \$16.25M.
- B. The parties acknowledge the report is preliminary and utilized high level (low accuracy) estimates. As the design progresses some projects may be modified, and some new projects may be required and estimates may change.
- C. OCCP and City acknowledge the likelihood the total cost of the upgrades will exceed \$12M and that OCCP obligation under the PPA will hit the maximum of \$7M.

D. OCCP and City agree to the cost reimbursement schedule for OCCP's \$7M obligation with OCCP to make payments to the City as follows:

1. OCCP's obligation to pay for the first two million dollars for Upgrades:

On or before September 1, 2021	\$150,000
On or before April 1, 2022	\$350,000
On or before May 1, 2022	\$500,000
On or before June 1, 2022	\$500,000
On or before June 30, 2022	\$500,000

2. The balance of OCCP's \$7M obligation shall be paid on or before the first day of each succeeding month beginning September 1, 2022 in an amount calculated as follows:

Actual city expenditures on the Upgrades previously incurred less OCCP payments previously made to City by OCCP for Upgrades less City's share of Upgrade costs as set by the PPA less any amount paid by OCCP to the supplier of the 1,500 feet of submarine cable required for the Upgrades (currently estimated at \$178,000).

E. The City agrees to invoice OCCP for its payments as scheduled above, with proper justifications and status reports. The invoices for the first \$2M in actual expenses incurred by the City for the upgrades shall be equal to 100% of the City's actual expenses incurred for the Upgrades during the period covered by the invoice. The invoices for the next \$10M in actual expenses incurred by the City for the Upgrades shall be equal to 50% of the City's actual expenses incurred for the Upgrades during the period covered by the invoice. Should OCCP's share of actual expenses incurred by City for the Upgrades be less than the identified payment schedule OCCP's required monthly payment shall be reduced to equal OCCP's share of actual expenses incurred by City for the Upgrades. "City's actual expenses" means all payments made by City regardless of whether City obtains grants for Upgrades. OCCP may satisfy its obligations to pay for the Upgrades using grant funds obtained by OCCP. OCCP and City agree to reconcile payments, taking into account actual costs at the completion of the Upgrades, and issue credit if required. The City is to provide a financial report justifying the amounts spent with proper accounting of those costs.

III. Cooperation

- A. OCCP and City agree to work cooperatively and respectfully with each other to arrive at practical and balanced solutions.
- B. The City will openly share with OCCP its schedule, plans, progress, and concerns in regards to the distribution upgrade projects.
- C. OCCP will openly share with City its schedule, plans, progress, and concerns in regards to the development of the MGP.
- D. OCCP and City will look for ways to increase economic synergy between the MGP project and the City distribution upgrades projects.

IV. Authority

- A. The Upgrades will be a 2–3-year process. Therefore, work must start in 2021 in order to analyze, select, engineer, procure, and construct the necessary work. As such, the Parties agree to enter into this Memorandum of Agreement (MOA) in July of 2021 in order to allow the work to proceed orderly and in a timeline that supports the overall commercial operation date of the Makushin Geothermal Project. The MOA is hereby incorporated and a part of this Exhibit B to the PPA as a separate attachment.
- B. In the event of conflict between the terms of this MOA and the terms of the PPA the terms of the PPA shall control.

FORMATION

In witness whereof, OCCP and City have duly executed, delivered and formed this Agreement through their authorized representatives, the effective date of which is July July 15, 2021 (“Effective Date”).

OCCP, LLC:

By: OUNALASHKA CORPORATION, an
Alaska business corporation
Its Managing Member

Dated: 7/15/21, 2021

By Christopher P. Salts, Sr.
Christopher P. Salts, Sr.

Its Chief Executive Officer

Dated: 7/15/21, 2021

By Margaret A. Lekanoff
Margaret A. Lekanoff
Its Secretary

CITY:

CITY OF UNALASKA, a first-class
municipal corporation

Dated: July 15, 2021

By [Signature]
Erin Reinders
Its City Manager

AMENDMENT NO. 2

to

POWER PURCHASE AGREEMENT

BETWEEN

CITY OF UNALASKA, a first-class Alaska municipal corporation

AND

OUNALASHKA CORPORATION/CHENA POWER, LLC, an Alaska limited liability company

For good and valuable consideration the receipt of which is hereby acknowledged, the City of Unalaska, a first-class Alaska municipal corporation (Purchaser) and Ounalashka Corporation/Chena Power, LLC (Seller) a licensed Alaska limited liability company duly organized under the laws of the State of Alaska agree to amend that certain POWER PURCHASE AGREEMENT, dated August 31, 2020(Agreement) as previously amended by Amendment No. 1 as follows:

1. Paragraph 1(e) is hereby amended to read as follows:

(e) “Commercial Operation Deadline” means May 31, 2025 which is the date by which the Facility must have reached the Commercial Operations Date, or such other date as provided in this Agreement or as may be agreed to in a writing signed by both Parties.

2. No other provisions in the Agreement are altered by this amendment.

In witness whereof, Seller and Purchaser have duly executed, delivered, and formed this Amendment No. 2 through their authorized representatives, the effective date of which is _____, 2021 (“Effective Date”).

OC/CP, LLC:

By: OUNALASHKA CORPORATION, an
Alaska business corporation
Its Managing Member

Dated: 7/15/21, 2021

By Christopher P. Salts, Jr.
Christopher P. Salts
Its Chief Executive Officer

Dated: 7/15/21, 2021

By Margaret A. Lekanoff
Margaret A. Lekanoff
Its Secretary

CITY:

CITY OF UNALASKA, a first-class
municipal corporation

Dated: _____, 2021

By _____
Erin Reinders
Its City Manager