
MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Erin Reinders, City Manager
Date: October 12, 2021
Re: City Manager Report

Upcoming Deadlines: The following city deadlines are upcoming.

- Wed. October 20: Second Half property tax payments due
- Mon. November 1: 3rd Quarter Sales Tax reports and payments due

Fiscal Sustainability: APCM continues work in response to the discussion and direction of Council given on September 13 and 14. We are working to set up a meeting late in the week of October 11. Again, we are focused on setting up an Emergency Fund and a Permanent Fund. Likely next steps involving Council will be to decide on the amounts in each fund. Once this is accomplished, APCM can move to the next step to begin creating the investment policy statements and distribution policies.

Crab Closures and Reductions: We should know final information regarding closures and reductions around October 8, 2021, when ADFG makes their announcement on the crab TAC's. Our fisheries consultant and finance director will then begin work re-estimating the financial impact to this year's revenues and begin to identify options for next steps. Once we have this information prepared, we will come to Council for further discussion on how Council might want to respond.

Airport Master Plan: State DOT and their consultants held a stakeholder meeting on the Airport Master Plan on Thursday, September 16. The public meeting planned for September 30 was cancelled and has been rescheduled for **October 28 (5:30 –7:30) on Zoom**. This will also be on KUCB. Again, the plan focuses on a 150 foot by 150 foot EMAS on both sides of the runway. This includes access along the sides of the EMAS and allows for 4,350 feet of useable runway. Additional information on this plan can be found at <https://dot.alaska.gov/sereg/projects/unalaska/>

State Lobby Efforts: Council will receive a State Legislative update from Dianne Blumer on November 9. We will also consider the next round of State Legislative Priorities. Final priorities will be set via resolution in a following meeting, based on the discussion that evening. I will be working with Dianne in the meantime to craft some suggested priorities; she has shared similar guidance as our Federal team in looking at our Capital Projects. We are beginning to discuss the State Lobby Trip, and planning for contingencies with COVID-19. **Dates for the trip will be March 2-4, 2022.**

Geothermal Project: On September 29, the Tribe submitted an IRT application for the construction of the Makushin Power Line Access Road (miles 3-9) next summer. We will work with the Tribe to see if there might be electric intertie projects that might be suitable for IRT in the future. City representatives met with Lawrence Berkeley National Lab (LBNL) on September 30. The Office of Indian Energy from the U.S. Department of Energy has tasked the LBNL to conduct

an assessment of the technical and economic impacts of the transition of Unalaska to geothermal energy. The City is working to support that effort, as such an assessment will be helpful for all, including potential power customers. The City team continues the monthly meetings with OCCP and the next meeting is planned for October 8. OCCP has selected Ormat Technologies for the geothermal plant itself. I learned early in the week that Ormat representatives were in town. So, Ormat introductions will be the main purpose of this month's meeting. City staff is also prepared to share an update on the intertie projects with OCCP. The City team is working to prepare an overview and status update on the PPA to share with Council, likely in November. This would be separate from any OCCP project update.

Directives to the City Manager: There are two outstanding directives, both progressing as outlined below.

- *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." The Public Works Director has provided the following update on this analysis. Two engineers from HDR Engineering arrived in Unalaska on October 6 and immediately began meeting with industry users of Captains Bay Road. On October 7, the two engineers met with staff from DPW and DPU to discuss all aspects of the existing road, utilities and proposed improvements. Additional discussions with major roadway users and City staff are planned occur October 8-9 to uncover pertinent details relevant to the Cost Benefit Analysis.
- *Haystack Communications Site (July 27, 2021). Progressing.* The directive reads, "Start the process to terminate leases on Haystack for communications and work to upgrade and allow equal access to facilities for communications on Haystack with new leases." This directive was issued after Public Comment by OptimERA representatives at the City Council Meeting. Available space (that is not leased or has an easement across it) is limited on Haystack, and OptimERA had previously requested a lease agreement in a place that was leased to another entity. Staff presented an update of the current complex situation on Haystack at the September 14 Council work session. We are waiting on a report from a title company, especially to see if there is any additional information about a perpetual easement. As you are aware, OptimERA's attorney requested a meeting with City representatives to discuss Haystack. Our City Attorney, Planning Director and I met with OptimERA representatives and their attorney on September 24 about their continued interest in locating a tower on Haystack. Staff hopes to be able to provide updated information to Council and ideas for next steps at the end of October.